

Linwood Park – Talking Points

- Linwood Park is a historic community in Vermillion, Ohio, founded by Christian ministers nearly 150 years ago. The park consists of nearly 150 cottages, many of which are in the neighborhood of 100 years old. These homes are incredibly charming, however, they have their limitations as they were never built to be used year-round and are expensive to live in as they lack insulation, central heat and air and other amenities more commonly found in more recently constructed homes.
- The vast majority of the homes in Linwood are owned by families who maintain a primary residence elsewhere. A quick search of homes within the park suggests that an average Linwood home is being assessed between \$4,000 and \$8,000 per year in property taxes. Linwood families are covering this cost on top of the costs of maintaining their primary residences where they live during the work week and/or winter. In a typical year, the Linwood community is paying property tax approaching \$1.0 million in aggregate. While we contribute this to tax coffers of Vermillion, Linwood families consume very few resources and do not have children enrolled in the schools. Similarly, Linwood residents pay for stormwater sewer services despite the fact that Vermillion has never installed stormwater sewers within Linwood Park.
- Many families in Linwood never rent their properties. A very limited number of properties (in our estimation, maybe a handful) are rented most of the summer season (12 weeks in total). The lion's share of the ~150 properties are rented very sporadically – typically less than 3 weeks of the entire year.
- The proposed rental legislation in Vermillion creates an undue burden on families who want to occasionally provide rentals to offset the costs of owning and maintaining their Linwood homes. It also ignores the realities of 100-year-old cottages.
 - The \$400 annual fee is an onerous burden for families the offer limited rentals.
 - 100+ year old homes are unlikely to be in compliance with all modern building standards and specified under section 4 of your proposed legislation.
 - These homes often lack basements - 2(E), lack a gas source to necessitate CO2 detectors - 2(E) and parking 2(G). The legislation was not written with our community in mind.
 - The proposed legislation requires homeowners be at the property within one hour's time under section 8(E)4. Linwood families cannot comply with this requirement for a variety of reasons, some of which are highlighted below:
 - Most of us retain primary residences in excess of a one-hour drive from Linwood. Pittsburgh, Columbus, and the east side of Cleveland all exceed one hour from Linwood.
 - Most of us have "day jobs" (we are not real estate investors) and therefore even if we were within an hour of Linwood, could not respond that fast.
 - The point is almost a bit comical as many families only rent when they are out of town and can't be at Linwood, so that is the whole reason why the rental is available in the first place. The homeowner is definitely not within an hour of Vermillion under those circumstances.

- We could certainly go line by line through the rest of the proposed legislation, but wanted to highlight examples of how the proposed legislation ignores the unique circumstances of Linwood Park and the taxpayers who own homes there.

What are the consequences of imposing this legislation on Linwood Park?

- First and foremost, if you are a casual renter – the proposed legislation ensures that you will consider ceasing to rent your Linwood home. The one-time fee, potentially higher insurance costs in order to comply with the legislation, and risk that something problematic is identified in an inspection negates the potential benefit of a week or two of rentals.
- The occasional renter ceasing to provide his or her property for rent has many reverberating consequences to Vermilion and Erie County in general.
 - Families renting in Linwood provide an important source of income to local businesses. The grocery store, local restaurants, ice cream shops, the bait store, etc. would all see a deterioration in sales if rentals within Linwood are reduced. Renters spend a lot when they are vacation. This will impact jobs and other tax receipts for the city and county.
 - Linwood Park was built on a model of collecting gate fees as means to cover fixed costs of maintaining a large piece of property. Renters contribute to these gate fees. With fewer renters, these costs would be reallocated to Linwood homeowners, making Linwood more expensive and less attractive to new families considering places to buy a summer cottage, driving down demand for homes in Linwood.
 - Committing to buy a cottage in Linwood is a significant financial undertaking for Linwood families. Having the ability to seek some amount of rental income to offset this financial commitment is an important backstop that gives families the confidence to buy a second home in Vermilion. If the occasional rental model in Linwood is disrupted by this legislation, property values may erode and eat away at the nearly \$1.0 million tax stream referenced above.

Linwood rentals have been part of the Vermilion economy since 1883, providing affordable, wholesome vacations to families in Ohio, Pennsylvania, Michigan and beyond. While vacation rentals are certainly an emerging trend, we feel strongly that the proposed legislation ignores Linwood’s history and impact on Vermilion and fails to recognize how rentals in Linwood are fundamentally different than those of a sophisticated real estate investor that may be buying homes in Vermilion as a primary source of income. Linwood Park is on the tipping point with fewer and fewer families each year opting to provide their summer cottages as rentals and this legislation is certain to discourage families further.

The Vermilion city council is failing to recognize this unique balance and the impact it will have on the local economy. We respectfully ask the council to reconsider this legislation and omit homes in Linwood from having to comply with the Vermilion Transient Rental Ordinance.

Please do not do harm to this nearly 150 year tradition – many families who’ve been renting in Linwood for generations would be devastated to see this opportunity go away.