

December 9, 2020

By Federal Express & Email

Mr. Brian Chesky
CEO, Airbnb, Inc.
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brian@airbnb.com

Mr. Peter M. Kern
CEO, Expedia Group, Inc.
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Seattle, WA 98119
pekern@expediagroup.com

Dear Messrs. Chesky and Kern,

As you know, Arizona's state law SB1350 gutted local authority over short-term rentals in Arizona, including the local zoning and enforcement authority that traditionally applied to such activities. We, the undersigned mayors of cities and towns across the great State of Arizona, are taking the unusual step today of sending this letter to ask that you immediately end lobbying activities designed to prevent reform of this disastrous state law which your industry promoted.

All of us can provide examples of how SB1350 is causing serious harm to our citizens and neighborhoods, and we are deeply concerned that short-term rentals operating without appropriate local government oversight are causing long-term damage to our communities and the entire state.

Brian Chesky recently admitted that "We really need to think through our impact on cities and communities." Thank you, Mr. Chesky, we agree. But your industry's actions in Arizona are inconsistent with this stated concern.

There is no question that Arizona's SB1350 weakens our communities and has left us defenseless in the face of harmful and undesirable activities. Specifically:

- Once peaceful neighborhoods suffer from unsupervised groups coming in and out for daily stays, which include unruly, disruptive and noisy large gatherings;
- Neighborhoods are experiencing dangerous criminal activity from short-term rental properties, including shootings, sexual and physical assaults, and the use of short-term rental properties as locations and staging places for other criminal activity (over the summer, looting and rioting);
- Affordable housing stocks are being gobbled up by investors who are focused on short-term commercial uses of their properties, rather than neighborhood stability and prosperity;

- Hotels and resorts, which provide jobs for our citizens and a tax base for our communities, face unfair competition under the current Arizona law while they follow a different, more responsible, set of rules.
- As bars and restaurants have been in limited service during the pandemic, short-term rentals have emerged as alternative venues. Many have hosted unsafe and unwelcome parties for hundreds of people during the closures. Cleaning standards are not uniform, if there is recommended cleaning at all, and there typically are no responsible owners present;
- The State of Arizona doesn't have the interest to monitor and identify short-term rental "hosts." Local communities experience hosts avoiding required local registration, platform fees, and taxes by booking "off-line." Local government cannot currently partner with you effectively on this mutual issue;
- Some communities have seen over half of citizen police calls relate to problems with short-term rentals. This is a direct result of our local communities' inability to enact and enforce responsible regulations.

These are just a few of the issues our communities are confronting with no relief in sight under current state law. Earlier this year, bipartisan state legislation that would have substantially returned appropriate authority and effective tools to local communities was advancing through the state legislature with our support. The legislation did not impose bans on short-term rentals, but rather restored to local governments the longstanding right and ability to protect residential neighborhoods. As you know, this is the way things work across the nation, except for Arizona. Unfortunately, the COVID-19 pandemic forced the state legislature out of session before the broadly supported bill could become law.

Your companies have actively and cynically opposed needed reform through public relations and paid lobbying efforts. Your support of Arizona's SB1350 is tearing at the fabric of our communities and is an affront to every Arizona homeowner who aspires to the "American Dream" of peaceful homeownership. The time has come for you to get on the right side of this issue and recognize that supporting our neighborhoods is also in your long-term economic interests and the long-term interests of your investors.

Your current Arizona business model is unsustainable. Until the law returns local control of short-term rentals to locally accountable elected officials, the demand from our citizens for reform will continue to amplify and become a business disruption that cannot be ignored, perhaps with unintended consequences for your companies' larger aspirations.

We believe there are ways for short-term rentals to compatibly and successfully operate in a variety of settings. We also believe that allowing local leaders to manage activities in their communities is the wise and business-savvy approach to creating a sustainable short-term rental industry. All we ask is that you end your efforts to block Arizona’s needed return to local standards governing your activities in neighborhood areas.

Thank you for your attention.

Sincerely,

Mila Besich
Mayor, Town of Superior

Tom Brady
Mayor, Bullhead City

Tim Elinski
Mayor, City of Cottonwood

Kate Gallego
Mayor, City of Phoenix

Stephanie Irwin
Mayor, Town of Pinetop-Lakeside

Georgia Lord
Mayor, City of Goodyear

Craig McFarland
Mayor, City of Casa Grande

Jen Miles
Mayor, City of Kingman

Frederick W. Mueller
Mayor, City of Sierra Vista

Eric Orsborn
Mayor, City of Buckeye

Rui Pereira
Mayor, Town of Wickenburg

Jerry Bien-Willner
Mayor, Town of Paradise
Valley

Ginny Dickey
Mayor, Town of Fountain Hills

Coral Evans
Mayor, City of Flagstaff

John Giles
Mayor, City of Mesa

Mike LeVault
Mayor, Youngtown

Thomas McCauley
Mayor, City of Winslow

Greg Mengarelli
Mayor, City of Prescott

Tom Morrissey
Mayor, Town of Payson

Douglas J. Nicholls
Mayor, City of Yuma

David Ortega
Mayor-Elect, City of Scottsdale

Les Peterson
Mayor, Town of Carefree

Thomas L. Schoaf
Mayor, City of Litchfield Park

Cal Sheehy
Mayor, Lake Havasu City

Micah Powell
Mayor, City of Eloy

Bob Teso
Mayor, City of South Tucson

Anna Tovar
Mayor, Tolleson

Joe Winfield
Mayor, Town of Oro Valley

Kenneth Weise
Mayor, City of Avondale

Corey Woods
Mayor, City of Tempe

- cc: 1) Ms. Sara Garvin, VP – Global Communications and Corporate Brand, Expedia Group Inc.
- 2) Mr. Nick Wilkins, Director of Communications, Airbnb, Inc.