

## STR ORDINANCE

Denis Blashkov <dblash62@hotmail.com>

Fri 17/07/2020 23:21

To: cetowncouncil@capeelizabeth.org <cetowncouncil@capeelizabeth.org>; matthew.sturgis@capeelizabeth.org <matthew.sturgis@capeelizabeth.org>; benjamin.mcdougal@capeelizabeth.org <benjamin.mcdougal@capeelizabeth.org>

Cc: Denis Blashkov <dblash62@hotmail.com>

Dear Council Members,

Hope you are well.

My name is Denis Blashkov of 36 Shipwreck Cove Road, Cape Elizabeth 04107.

I have come to the United States in 1993 from Moscow, Russia at the age of 20 with 700 dollars in my pocket.

I have earned a BA in Business Administration from the USM in Portland Maine in 1993 and subsequently MBA from the Ohio State University in 2003. My move from the Soviet regime to the United States and earning an American education allowed me to thrive as an individual and a professional who has built a global financial wealth advisory business based in London. However, I have never forgotten where my success has begun and what I owe my freedom and prosperity to: The American Democracy. Call me sentimental but I have bought a home in Cape Elizabeth to spend a few months a year when my business permits me to be at home, to feel at home since the only place on earth that I call home and where I feel at home is Cape Elizabeth, Maine.

All that is a belated vindication of the fate that my grandmother and my mother has been doled out by the Soviet regime. In 1920s my grandmother along with her 10 siblings and her parents were thrown out of their house, off their land into a tool shed that the family have kept on their farm and told that they owned too many acres of land that they do not need and that their house was too big for them. Imagine the feeling of the young girl! She has figured out quickly that feelings are immaterial and became an attorney and an accountant to top that up to build some kind of life for herself and her family and be able to defend the life she has built.

In 1990 my mother was working as a fulltime job as an assistant to the Deputy Minister of Agriculture of the Russian Federation for 60 dollars a month. That sum was supposed to feed her, her two children and pay for the nursing assistance that her father required. When she tried to quit that pointless job, her boss has bullied her into corner and threatened that she will never work in Moscow again if she left her job. I know that sounds farfetched but true.

My grandmother has never made it to Cape Elizabeth but my mother has. She comes to CE frequently and loves CE. When we are not in residence, we rent our home on short term basis. That makes sense to me as the income pays taxes and the expenses associated with the upkeep of the property. The proposed short-term ordinance would obliterate all that. Thus, I have worked with retained professionals to study the reasons and the basis of the proposed regulation. This study has raised some questions that I have to pose to you. Kindly, provide written answers to these questions:

1) Council members have stated repeatedly in the past that they worry that out-of state investors are buying up Maine properties for rental—without data to back this up.

According to our own analysis of the number of home sales that were "investment" driven, they account for less than 1.5% of 700+ real estate sales in Cape Elizabeth. Please provide your data and its analysis in writing or indicate where I can view this information.

2) The proposed ordinance states a 7-acre piece of property or larger can have a home rented by a non-resident home owner. This comes across as an arbitrary preferential treatment provision. Please provide any *precedents, any data and your analysis* of the data to explain and to support 7-acre rule or indicate where I can view this information. Why not 8, 12, 11 acres or 4 or 3 or 1?

3) I am very keen to understand the priority and the advantages that the 7-acre + landowners have over the rest of the citizens in Cape Elizabeth. Kindly provide *precedents, data and its analysis* or indicate where I can view the information that supports your decision to grant them 182 days annual short-term rental window and limit that window to 105 days or none for the rest of the citizenry.

Kind regards,

Denis Blashkov

Denis Blashkov  
cape elizabeth

Dear All,

We offer two short-term rental properties in Cape Elizabeth, Maine: 2 Tucker Lane Cape Elizabeth 04107 and 36 Shipwreck Cove Road Cape Elizabeth 04107. We pay 9% hotel tax on over two hundred thousands of revenue, we have never had a single complaint from the community where we operate, we employ several people and pay them between 50 and over 100 dollars an hour, we pay Maine income taxes.

Cape Elizabeth has passed the ordinance banning short-term rentals in April 2021. They prohibit advertising short-term rentals unless they issue a licence and their rules say that they must issue the licence before the 2nd of January of each year. They told us they we could have applied for such a licence but if granted it would be invalid when the new regulations are passed. They told us that they would not grandfather any old reservations that were made before the adoption of the new ordinance while we were operating with a valid preciously issued licence. That it is our responsibility to anticipate the adoption of the new regulation.

We have submitted several inquiries, comments and appeals to the selectmen and selectwomen. We have not received a single response or acknowledgment of our concerns about the proposed regulation or about the fairness of the process or about the exclusion of the large landowners of 8 plus acres from the short-term limitations.

Since our two properties are adjacent, we were hoping to be able to rent one of them for 105 days instead of 42 days as proposed by Cape Elizabeth in case of primary residences offered for STR. But we were told that our properties do not qualify since they are **DIAGONALLY ADJACENT, NOT DIRECTLY ADJACENT.**

**DIAGONAL VS. DIRECT LOCATION OF THE PROPERTIES IS THE REASON FOR NOT ALLOWING STR LICENCE!!**

We feel that the consultation process was invalid, the ordinance bullies us as homeowners and violates our rights as homeowners and citizens.

Denis Blashkov  
Tue 17/11/2020 09:48  
Dear Ms. O'Meara,

Hope you are well.

Please see below the dates and the correspondence with your colleagues (without a response) that we would like to have answers to.

Kind regards,

Denis Blashkov

From: Denis Blashkov  
Sent: 06 November 2020 17:31  
To: cetowncouncil@capeelizabeth.org  
Subject: Re: STR ORDINANCE

Dear Council Members,

Hope you are well.

I have never received an acknowledgement of my previous request or an answer to it. My hope is that you will respond to my second request.

Would you please share the legal research on the basis of which you have decided to proposed and advocate for the new STR ordinance?

My understanding is that the proposed STR ordinance is unconstitutional as highlighted by the reservations of the general counsel for the town of Cape Elizabeth and a ruling in Austin Texas by the 3rd circuit of appeals court which has struck down the exactly same STR ordinance.

The relevant link:

<https://www.sanantoniorealestatelawyer.com/3rd-court-of-appeals-austins-short-term-rental-ordinance-void/>

Kind regards,

Denis Blashkov