Short Term Rental Task Force
Regular Meeting
July 6, 2023 3:00PM
City Hall
102 Butler Street, Saugatuck, MI

This is an in-person meeting at Saugatuck City Hall, 102 Butler St, Saugatuck, MI 49453. The meeting will also be available live, virtually on Zoom.

NOTICE:
Join online by visiting:
https://us02web.zoom.us/j/2698572603

Join by phone by dialing:
(312) 626-6799 -or-
(646) 518-9805

Then enter "Meeting ID":
2698572603

Please send questions or comments regarding meeting agenda items prior to meeting to:
rcummins@saugatuckcity.com

1. **Call to Order/Roll Call:**

2. **Approval of Agenda:** (Voice Vote)

3. **Approval of Minutes:** *(Voice Vote)*
   a. June 15, 2023 Regular Meeting
4. **Public Comments on Agenda Items:** (Limit 3 minutes)

5. **Review/Discussion:**
   A. STR Data and Market Analysis
   B. Draft STR Community Engagement Survey
   C. Set Town Hall Date and Location
   D. STR Regulation Objectives
6. **Communication/Correspondence:**
   A. Peter Hanson, Nancy Kimble, Keith Charak, Sandy Gelman, Doug Rodewald
      a. Suggested Survey Questions

7. **Public Comment:** (Limit 3 minutes)

8. **Member Closing Comments:**

9. **Adjourn** (Voice Vote)

SHORT-TERM RENTAL TASK FORCE MEETING MINUTES- *Proposed*
June 15 , 2023

The Short-Term Rental Task Force met for a
Special Meeting at 3:00 p.m.
City Hall
102 Butler St., Saugatuck, MI 49453.

Call to Order:
The meeting was called to order by Chair Anderson at 3:00 p.m.

Attendance:
Present: Anderson, Manns, Stanton, Steele, Tringali, Boerema, Hart and Clark.
Absent: Gudith
Others Present: Director of Planning, Zoning & Project Management Cummins, Clerk Wolters and Attorney Witte.

Approval of Agenda:
Motion by Tringali, second by Steele to approval the agenda. Upon voice vote, motion carried 8-0.

Approval of Minutes:
Motion by Manns, second by Clark to approve the minutes from June 1, 2023. Upon voice vote, motion carried 8-0.

Public Comment on Agenda Item Only: None.

Review/Discussion:
A. Community Engagement Recommendation:
Kyle Mucha from McKenna reviewed the following recommendations for community engagement as it relates to Short-Term Rentals within the City of Saugatuck. A draft survey will be presented by McKenna at the first meeting in July.

1. Hold an on-site meeting to dialogue with area residents, key stakeholders, and other members of the public to discuss short-term rentals:
   - 3 Boards labeled:
     - Opportunities
     - Perceived Connotations of Short-Term Rentals

    - Comments

2. Send out a community survey:
    - Survey questions:
        - Highlight the positive
        - Not-so positive
        - Opportunities

B. Data Analysis

Kyle Mucha from McKenna offered 3 data analysis tasks:

- Trends in housing costs and impacts of Short-Term Rentals
- Trens in the number of full-time residents within the City of Saugatuck
- Short-Term Rental caps & economic impacts

Task Force member Stanton left the meeting at 4:39 p.m.

Communication:

Kevin Tringali
Brad Vah
Brian Schipper

Public Comment:

Laura Godfrey, *resident*:

"I want to commend Holly and the group here on the terrific letter and the commercial record that came out today. Really nice explanation to the community about what you're doing. I think that's very helpful. So, people don't wonder what's going on. So great start, I appreciate that. I was awakened at two o'clock on Saturday morning, I thought it was a pack of coyotes. But it really was a big party to houses north. I called the police, which I think is should be the protocol, because I think you should have a register of that activity. And I don't think you go out and negotiate with a pack of drunken Coyote. So, I think you let the police go and handle that you never know what people are doing. There's weapons, let's let the professionals handle that. So, I don't know if they came. But the next morning, the garbage, the beer, all over the place. It was Queen cottages; I call them they were terrific. They came, cleaned it up, they apologized. And they showed me the list of the rules that you indicated; we show everybody this is the rule. These are the rules, don't break them. But when you're drunk at 11, no one's paying attention. So, I talked to a colleague who rented a VRBO in another state that required him to put $1,000 down. And if any of those rules are broken, you don't get that money back. And that's the teeth you're talking about Joe, so I know that one of the areas you're looking at are fines and making sure that they're aligned with a touch of punitive, because that's your recourse. That talking is nice little brochures, dice and the rules are nice, but it's not being it's not it's being ignored. So, I'm hoping we can move from quaint to tough. So, appreciate all your excellent work. Thank you."

Peter Hanson, *resident*:

"This Monday, it was June 4. The yellow house right across from Joe Clark. Just found out last night from a couple of neighbors. That on that Monday night, there was just terrifically loud music around 930 at night, the homeowners from up at Spear street were wandering down trying to find out where the noise was coming from. The music did quiet down by 10 o'clock. The next night on Tuesday, I woke up at one o'clock in the morning to hooting and hollering. People were outside at the fire pit. And finally at 1:22, I called the Sheriff's Department. The non-emergency number finally quieted down

about two o'clock in the morning. I'm not sure if the sheriff's had talked to him or they just finally ran out of gas. 2:45 in the morning, I had four teenagers having a loud conversation right in front of my house. And I finally went out and confronted them and told him to take it elsewhere. They wandered back to the Yellow House. On Wednesday morning I called the sheriff's department to find out if the deputies had actually talked to him. They had a little trouble finding my call, but eventually said that yeah, they hadn't talked to him. I said I wanted to speak with the deputy who had the conversation with him. So, I went into his voicemail and didn't hear anything for a couple of days. I finally did get a voicemail from him saying he had talked with them. I also talked with Jamie who got the information from Ryan, who the manager of the property was and also the owners phone number, called the manager she apologized, and I texted her later on that evening said I sure hope we have a quiet night and she assured me that both she and the owner had talked with them. Later on, that night I had the privilege of four drunks walking up from downtown at 2:07 in the morning. I live right out in the corner of Spear and Grand, so I got to hear that conversation all the way up grand and then down to spirit to another vacation rental property in our neighborhood. You know, I don't know how you prevent people from just being stupid. But you know it. This is what is happening, you know, up on the hill. And this is just the beginning of our season. And we know it's going to continue; it's going to happen again. There's just no consequences. I mean, the city doesn't know about the call that I made to the Sheriff's Department. Nobody knows about that, except the Sheriff's Department. And I'm not sure that it would be in their report that I made a call about a disturbance at the property. I gotta believe there's more calls in seven or eight. I'm done. Thank you"

Diana Decker, *resident*:

"I was hoping that the survey that the city is going to send out that hopefully those are city of Saugatuck, property owners. And I've called the police only a couple of times. But that was just because people were getting hurt. When the noise was going on. Somebody was hurting is another incident. They were hurting. Last Tuesday. At midnight, you know, I heard all kinds of yawn I open just to make sure everybody was okay. There were two groups and they were laughing and having fun. So, I was just so relieved. Nobody was hurt. So then, regarding the noise, I'm, you know, from two to six, it would be great from two in the morning to six I wear many hats. I'm an Associate Broker, I own designer farms. So, I wear many hats that I just would like to sleep between two and six heard comments about loss of community. And so, on new commercial building on Bluestar and Douglas, the police, they're full time police. They know everyone, everyone knows their name. And I just feel that we have lost that sense here. The police are great, but we do not have full time police. So, when someone's talking about the enforcement officer calling there, we get section cars and there are other places also. Regarding zones, you know, there's R1, R2, R3, C1, C2, industrial, those are the zones. And they sign the rules like the gentleman said, there's no consequences. Some municipalities don't have rental ordinances, like Ganges they don't have rental ordinance. So that's just a couple of points. Thank you so much. Thank you."

Christin Newman, *resident*:

"I am an owner and I have a vacation rental. We it sounds like probably or maybe a different situation because we are here one week, everybody five weeks. So, we're working on projects. We also have an onsite management company. So, I'm sorry, in Saugatuck. And we do not live in the state, we actually live in Wisconsin. And so, we rely heavily on our management company to make sure we know what's going on with our property. And I really actually look like what I'm hearing from you guys about increasing the requirements for people and kind of taking down that party atmosphere that we're running into. That actually was a problem that we had with our house two years ago that I was like, I don't know that I want to do this anymore. We had just started doing it was kind of our first full summer. And it was I don't know who but they like broke our hot tub cover like the end broke some

furniture. So, what we wound up doing is not only our rental is 28 and above, and I have kind of like a duplex. So, when one bedroom unit I don't have problems with those, but my three-bedroom unit actually can sleep eight people technically. So, we actually on our listing have taken that down to six adults. So, we've done what we could to make sure that we're not having bachelor parties and that kind of thing in there. So there, I think there's definitely ways that you can be working with those those property owners to say, hey, what can you do on your end, to kind of curtail this kind of thing happening? Oh, that's sort of Thank you."

Nick Barna, *resident*:

"I do like a synopsis of all of my neighbors up on the hill, and also adding what Joe and Kevin and Shawn had to say. I think we need to build in accountability, not just with the police force, but with all of the renters, I think everybody in the neighborhood that's going to be around these rented properties should have the number of the renters, so we can call them, they're the ones that really have the tooth, the teeth, I should say, to be the ones that are accountable and can really take the bull by the horns and say, look at it stops now are, you're out. And, you know, you're gonna end up paying. And I think they're the ones that really can make it happen. I mean, we're all I think united to be able to make an impact on this. And if we do it right, and have the people that really can, can say, hey, look, this has got to stop now. You know, the police can come, and things might stop for maybe a half an hour or so. But then it's back. We don't have a real full time police force and Saugatuck. I don't know how well; they can really make it happen. But I think I think by having all of us collectively, doing our best to stop it, I think we can make an impact."

Nancy Kimble, *resident*:

"I've been meeting with some of my neighbors because I live up on the hill. And we've just been chatting informally. And at our last conversation, we talked a lot about are the local residents a priority? Are we important? Because we're hearing a lot from the business owners and how important it is, you know, to have this economic benefit of short-term rentals. But are we a priority? And, you know, one of my neighbors said they'd been vacationing in Jackson Hole. And they actually had things where, you know, if you go to the coffee shop, there's a line for locals versus the tourists because they really value their locals. And if you think about it, we don't have enough locals. That's one reason why some of these businesses can't be open seven days a week, because there's nobody here to staff them. So anyway, I was thinking about it. I thought, Well, I'm really curious, are we a priority? So, I started Googling to see what does our master plan, say? And I, what I found for my search was the most recent one was from 2016. And I thought, Well, surely there's a more recent one. But now I'm hearing No, we only do these every 10 years. So anyway, I found it and if you'll indulge me, basically, this is the tri community master plan, overarching goal. It is the long-term goal of this joint master plan to improve the quality of life for all citizens in the tri communities through implementation of policies and best practices that preserve the existing small town slash rural character of the area, and that achieve sustainable development. That is, which meets the needs of the present generation without compromising the ability of future generations to meet their needs. And I thought, well, that's terrific. I love that. I hope that has some value some teeth in it. So, I just thought I would share that."

Doug Rodewald, *resident*:

"I really do appreciate all the time and effort that everyone's putting into this. Obviously a very big topic that has a lot of implications. First, I would just like to say, our community's growth brilliants how special it is, is not 100% tied to short term rentals, property values that someone mentioned with a pandemic and everything that's changed. It's definitely not tied all to short term rentals. So, as we look at all the numbers and metrics, we have to definitely make sure we take into consideration all the changes and what's going on here. I think we also have to be mature and thoughtful as a community about what resources we actually have to put towards short-term rentals. A lot of the discussion today

have been about issues. If we cannot police and enforce, you know, policies, whatever we put in place, or can't even keep up with what we currently have, that should definitely be a discussion. Saugatuck and Douglas and you know, the community, I think is huge. And something that should definitely, you know, continue to be looked at as we think about what short term rentals are doing short term and long term. The other thing I just asked is, What is the goal of this, obviously, the committee? It's a great committee, definitely index towards business, there's one resident on there that does not have some sort of relationship, to rentals to, you know, real estate- that's just a resident. There's a lot of US residents here that don't have short term rentals that are not, you know, in real estate. And we need to make sure that our voices are heard as we move forward here. So, I love the conversation. I love the focus on quality of life. I think this should definitely be something that is amplified. It's super easy to measure economic output. It's super easy to measure, you know, dollars and whatnot. But we do need to take into account is the prior speaker was talking about what is our goal here from a community perspective, and from a committee. So, thank you very much."

Dick Waskin, *resident*:

"A couple of things. One is the township, I believe, I'm almost sure this head does have a restriction on the number of occupants that can be in a short-term rental. And they base it on a number of bedrooms, and there can be two people per bedroom. So, if it's a three-bedroom house, it would be six occupants. I think that's an easy low-hanging fruit for you to take a look at and perhaps to have the city adopt. They also have an ordinance in which all cars that are staying at that short-term rental have to be able to have a place to park on the property itself. It's a little harder within the city, but I think it's doable. My other comment is just as you were talking about getting a survey, when City Council formed this task force they were trying to be very even handed to include all members of the community. So whether it be you know, residents that are permanent residents here, whether they are second home residents, whether they be businesses or service industry, people who are all part of the community who all service Saugatuck and the surrounding area. I think it's important that we keep that flavor of what's going on here that we all make the community. We're all part of the community and we all have a stake in the community. And I think the survey should be open to all those members of the community. Thanks."

Keith Charak- *resident:*

"In relation to the yellow house that causes all the noise. I live on Main Street, and I hear that all the time when the fire pits on. I heard the noise all week and did not call the police. And in relation to the survey, I believe it shouldn't be residents only because we're the stakeholders who have the quality of life that's most at risk. I'd also like to talk about inspections, happen every three years. And in relation to some of the houses, I actually wear many hats - Secret agent, super-secret agent, real estate agent, I just basically monitor second homes, I only do have like 20-25 homes, and I think two of them are short term rentals. The other 20 are second homes. I noticed that with the yearly inspections they take place, or the inspections take place every three years. But I can say there's a house down the street for me, it's 1500 square feet. It sleeps nine and is four bedrooms, it's 1500 square feet. And I can pretty much tell you that when that house was lived in. It had mom, dad and two kids, it was basically probably three bedrooms, bath and a half. Now it's four bedrooms, two baths, two full baths. If you're going to have there's always four cars outside, but it's on my street, a couple streets. However, there's another one that's the same. So I'm almost thinking that houses need to be inspected every year because people kind of add bedrooms sometimes. Let's see, what else do I have on my list? Oh, I think somebody mentioned businesses. If, if I have a short-term rental on the hill, and I'm making money and it's a business, or I'm making money, therefore it's a business. Can I open a business in my house that can open a bar? Can I open a restaurant? Can I open a retail shop? Can I sell T shirts? Can I have a can I do? Can I make money that way on the hill, I mean, you're basically opened up the hill to be a business

district, if somebody's making $50,000 to $100,000 running out their short-term route. So, I'd like to uneven board here if we're going to have commercial everywhere, we might as well have commercial. But you know, that's pretty much what to say, it's a quality of life. For me, my role is in a moment at a time. If I'm woken up, I got to go next door and I have to wake up the renters and ask them to be quiet amount of time. Thanks."

Gary Kemp, resident:

"We have two rentals here in town that we own. We used to own and run a bed and breakfast and we had a property management company where we rented about a dozen cottages for different people, mostly friends. I wanted to comment primarily because I think what you're doing is a good, I don't want it to become a negative situation that affects the people in the community in very negative ways, both in terms of values, real estate, and in terms of people coming here and enjoy in this town and enjoying the environment. We don't have any problems. And I don't know if we ever had any problems with renters, I think we have had one over the last 20 years. And the reason is we spend a lot of time screening them, talking to them, telling them the rules and inspecting them when they're here, I used to ride around on a motor scooter and inspect our properties even to see what was going on. The properties around this have had some problems because the property management companies in his town tend to rent to anybody. They don't care how many people there are, and they don't inspect the properties near as much as they should, on a daily basis. I think that what you need, what we need is to really have a feedback mechanism that doesn't faculty doing some kind of enforcement that goes to the owners of the property, because the owners need to hear about all this stuff. If they're not hearing about it. Yeah, you know, they're getting their check from their property management company. No big deal. But it's brought a lot of quality people back to Saugatuck on an ongoing basis. They want to buy real estate here. They do they come and live here. They vacation here. They provide economic benefit to all the businesses here. We wouldn't even have a town if we didn't have the renters. So, I want to make sure that that everybody doesn't just turn this into a negative, negative, negative, because that's what everybody tends to focus on first, because that's the easiest thing to come up with. So that's all I had to say."

Adjournment:

Motion by Manns second by Steele to adjourn. Upon voice vote, motion carried 8-0. Chair Anderson adjourned at 4:42 p.m.

Respectfully Submitted

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Jamie Wolters, City Clerk

MCKENNA

Memorandum

TO: City of Saugatuck Short Term Rental Task Force

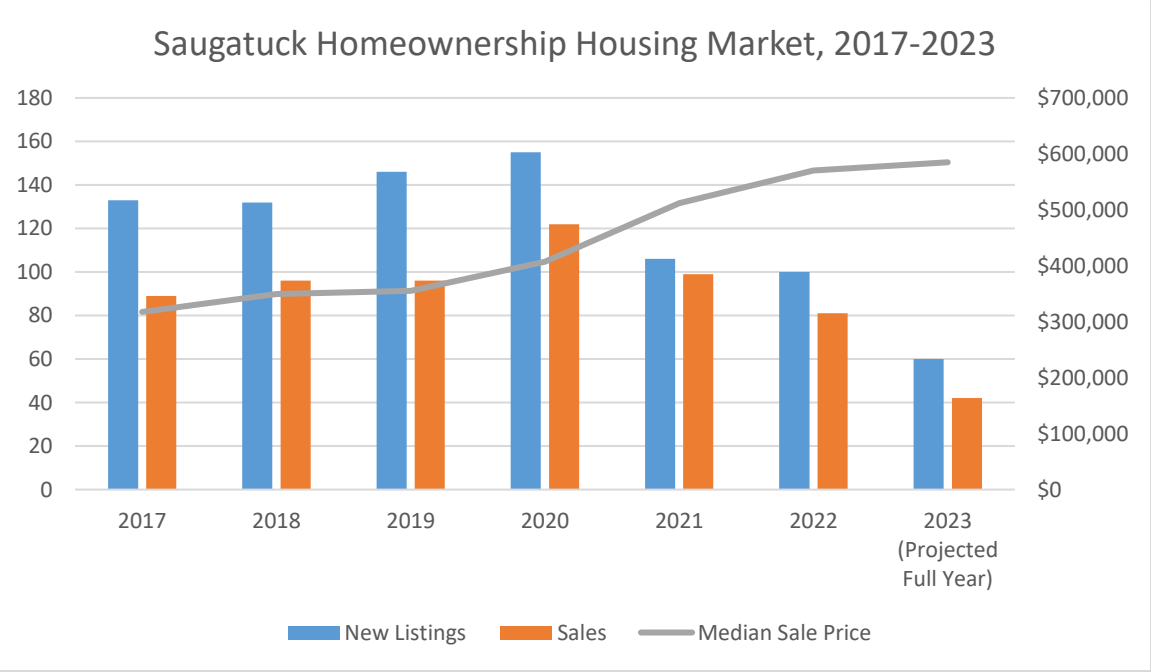
FROM: Kyle Mucha, AICP
Christopher Khorey, AICP

SUBJECT: **Housing and Short Term Rental Market Trends**

DATE: June 30, 2023

Below please find charts and analysis on several topics pertaining to the Saugatuck housing market, including the short term rental sector, to provide context and information for the Task Force's policy discussions.

OVERALL HOMEOWNERSHIP MARKET TREND



Source: MLS, provided to the City by Dick Waskin

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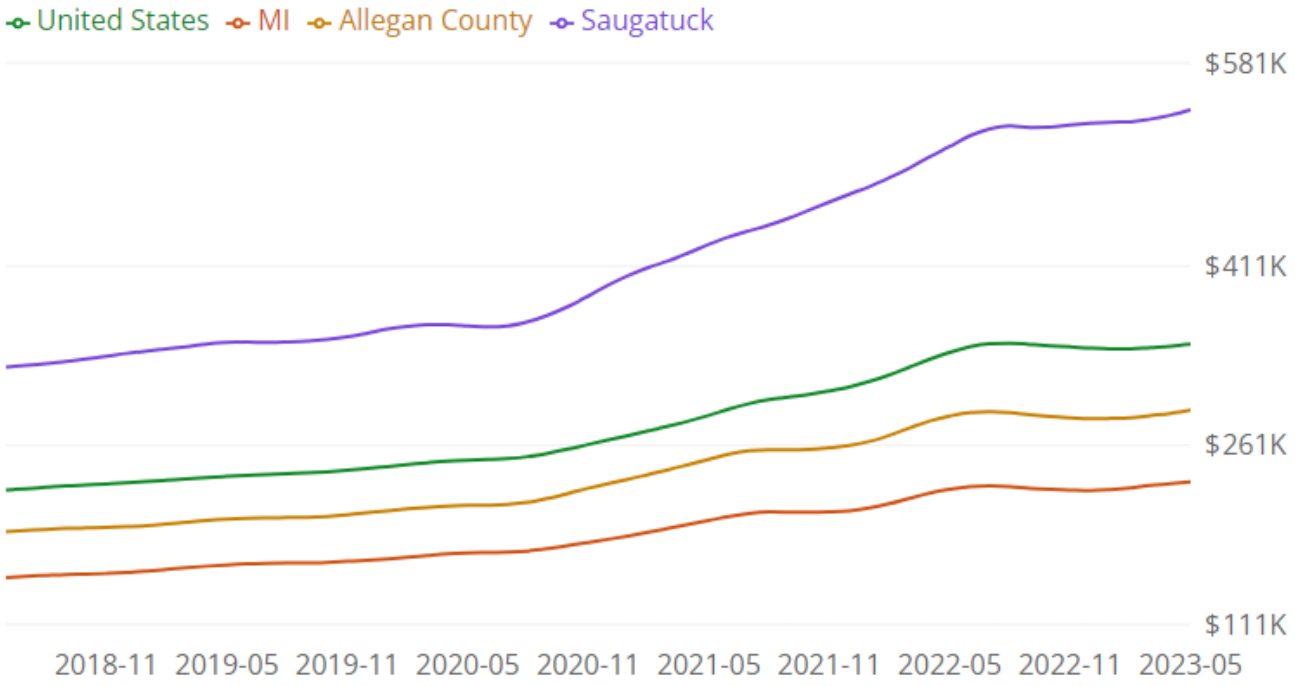
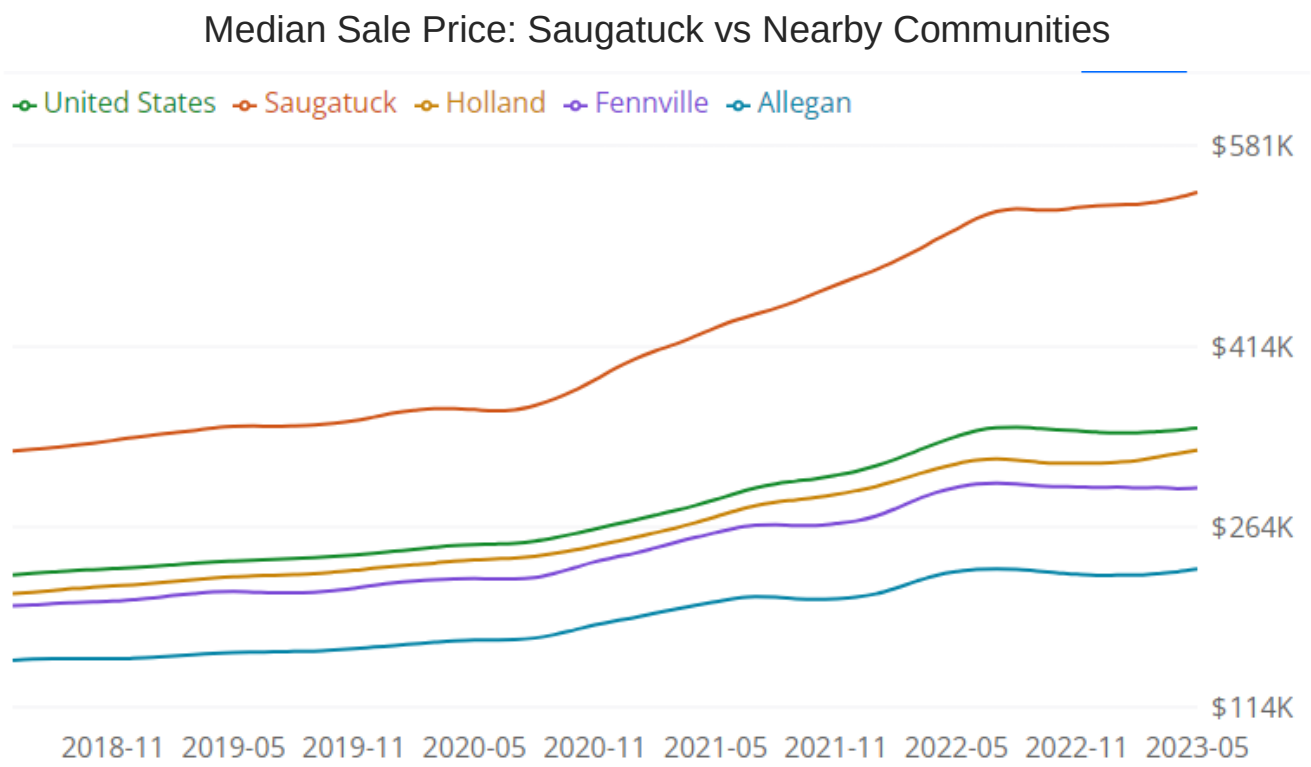
The market for for-sale homes in Saugatuck saw an inflection point in 2020. Since that year, the number of homes for sale in the City has declined and the median sale price, which was already rising, increasing to almost $600,000. While there is some evidence the price increases are returning to a level similar to 2017-2019, inventory continues to be low, with 2023 on pace to offer fewer homes for sale in the City than 2022.

Median Sale Price: Saugatuck vs Allegan County, Michigan, and United States



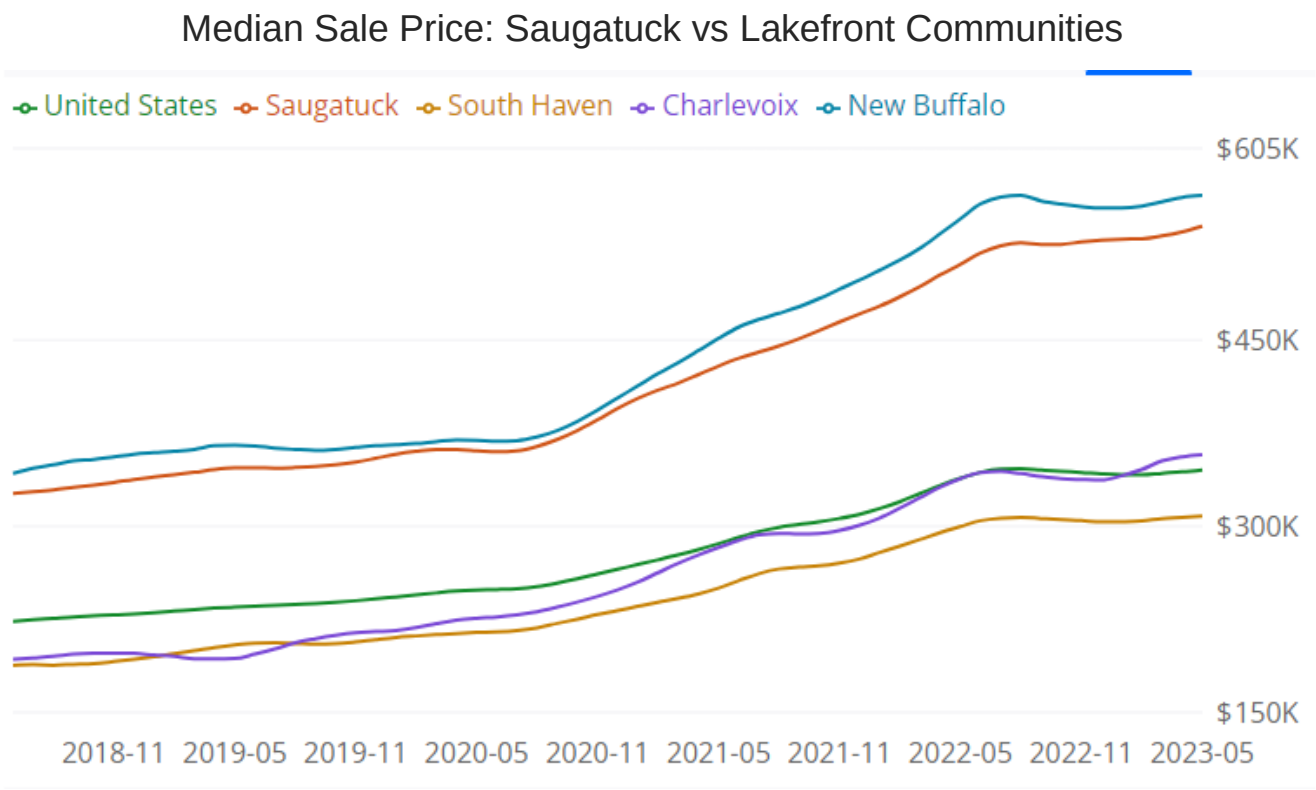
Source: Zillow Home Value Index

While Saugatuck's trend of rising home prices follows a similar trajectory to national, statewide, and County-wide trends, it has been more dramatic. Saugatuck was already a high value, expensive housing market, but its spike in 2020 and subsequent years was larger than other places, increasing the gap between the City and County-wide, State-wide, and National averages.



Source: Zillow Home Value Index

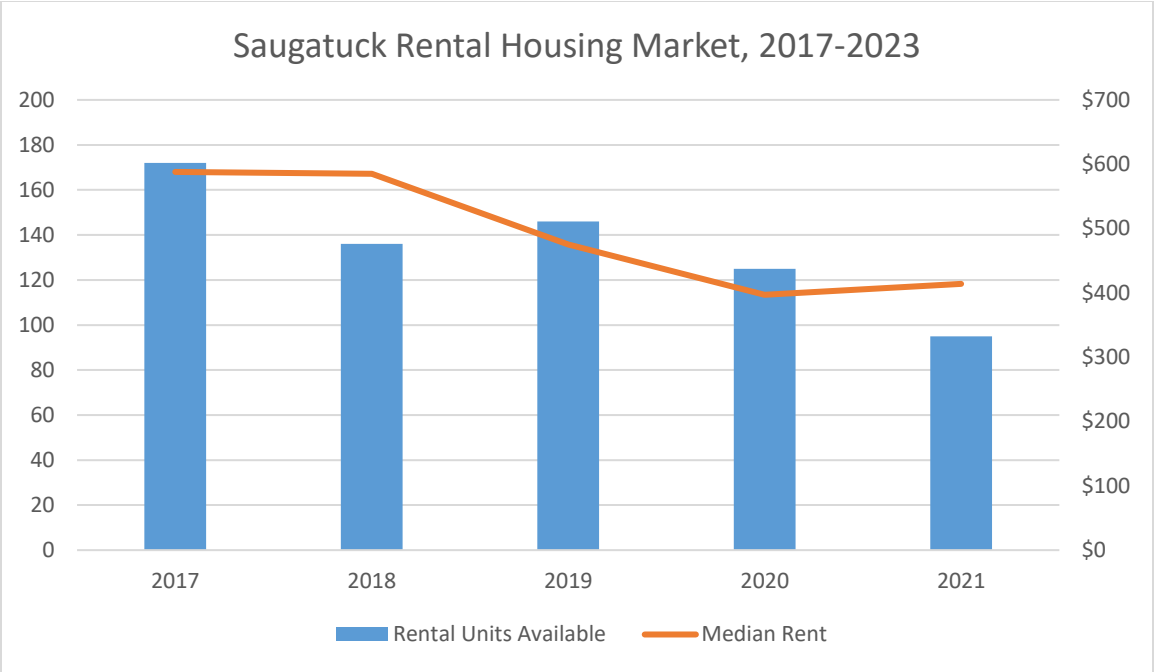
Saugatuck's home values have also risen faster than its neighbors, with a larger 2020 spike than Holland, Fennville, or Allegan.



Source: Zillow Home Value Index

Saugatuck's housing trend is much more similar to other lakefront resort communities. New Buffalo had an even bigger 2020 spike in prices. Charlevoix went from below the national average for median sale price to above it.

South Haven saw a smaller increase in prices, though still more growth than inland communities.



Source: US Census Bureau (no data available for 2022 and 2023)

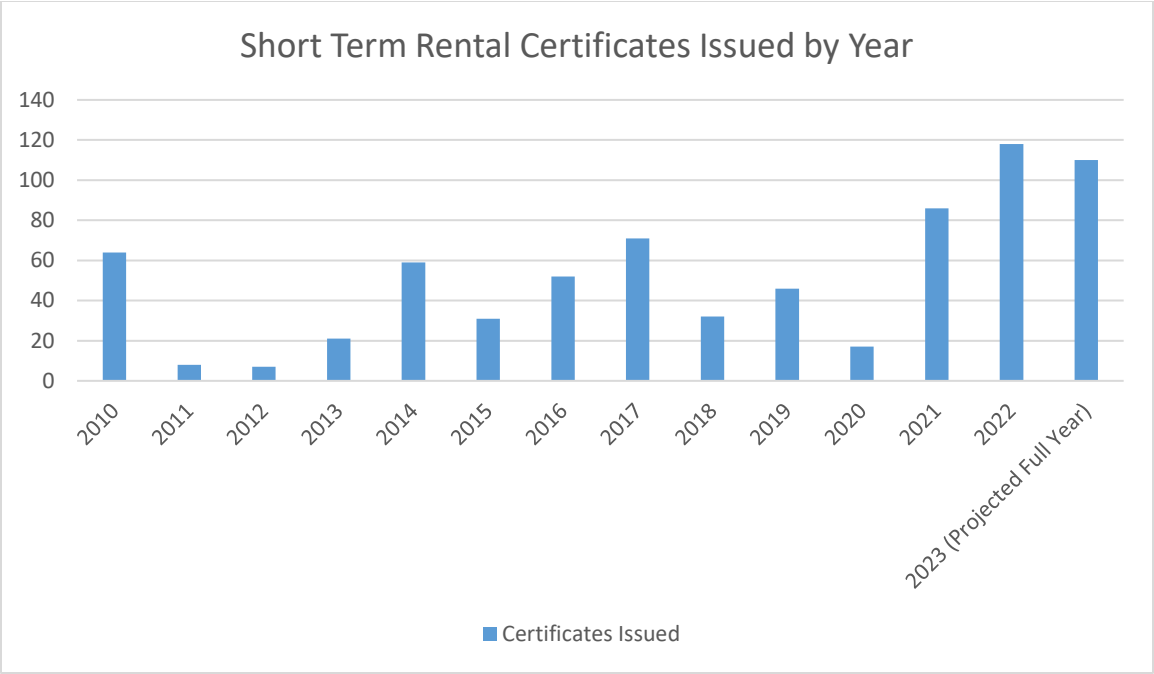
The data suggests that the increase in short term rentals has caused a decline in the number of units available for conventional rental in the City. Since 2017, the number of units available for rent in Saugatuck has dropped from 172 to 95. Some of this drop may be due to rental homes being converted to owner-occupancy, but the with 57% of parcels in the Multi-Family zoning district and 27% of parcels in the City Center zoning district containing short-term rentals, evidence suggests that conventional rentals have been converted to short-term rentals.

In an unusual twist, the decline in the number of rental units has been accompanied by a decline in the median rent. This may be occurring because luxury and highly desirable rentals are being converted from long-term to short-term, leaving only the less expensive and less desirable units as conventional rentals.

Notably, however, we not have data past 2021 so we cannot yet evaluate more recent trends.

SHORT TERM RENTAL MARKET TREND

Short term rentals have been popular in Saugatuck since vacation rental websites first arrived on the scene in the late 2000s. The City began its short term rental certification program in 2010, though there have been several changes to the program since then.

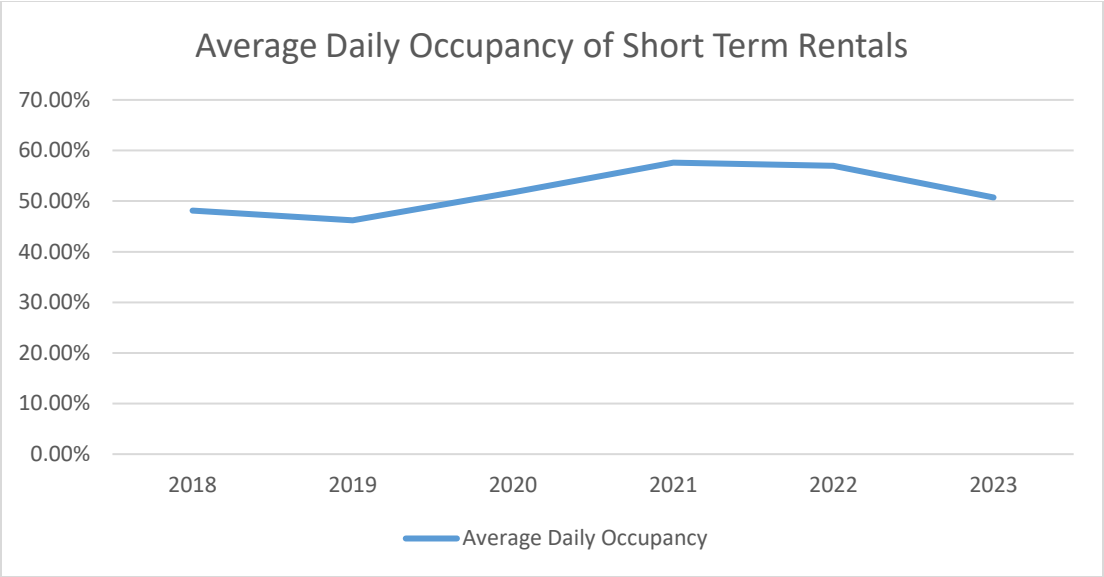


Source: City of Saugatuck

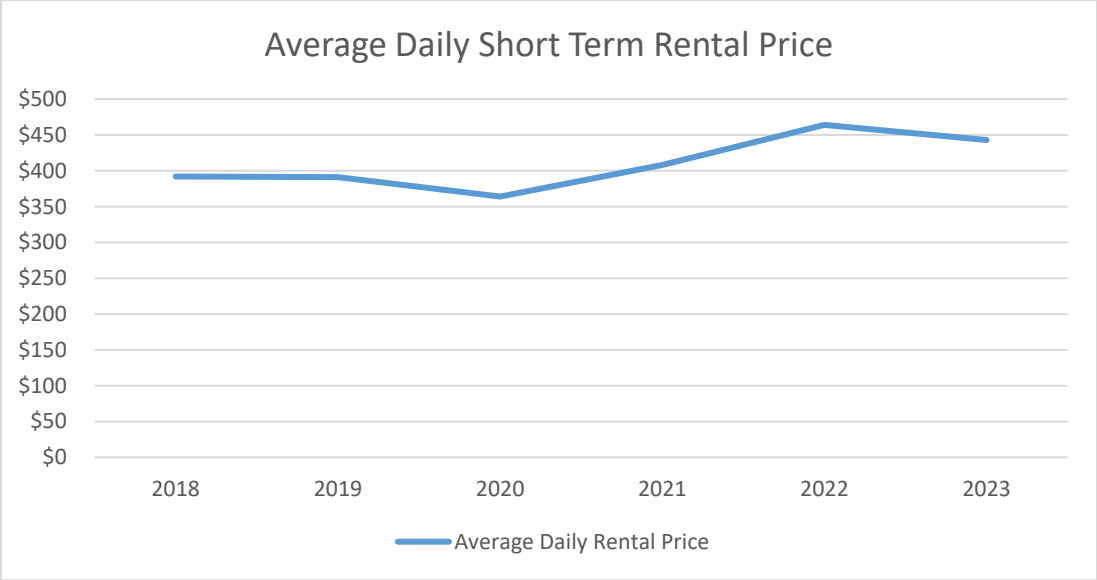
From 2010 to 2019, the number of short term rental certificates issued by the City followed a regular pattern. A group of 64 short term rentals was certified in 2010, at the beginning of the program. Many of those rentals were re-certified in the coming years, after the multi-year terms of the certificates expired. This caused spikes in 2014 and 2017. In other years, a smaller cohort of rentals were certified and renewed on a regular cycle.

Taking this cycle into account, there was an inconsistent but clear trend of increasing short term rentals in the City from 2010 to 2019. In 2020, the number of new certificates dropped substantially, likely due to the Covid-19 pandemic. In 2021, the number of new certificates shot up – but that would fit the pattern of renewals of the original cohort.

In 2022, the cycle broke. Despite only 42 certificates coming up for renewal, 118 certificates were issued. That pattern has continued this year. To date in 2023, 11 certificates have come up for renewal. But 55 certificates have been issued. So the number of short term rentals continues to grow.



Source: AirDNA



Source: AirDNA

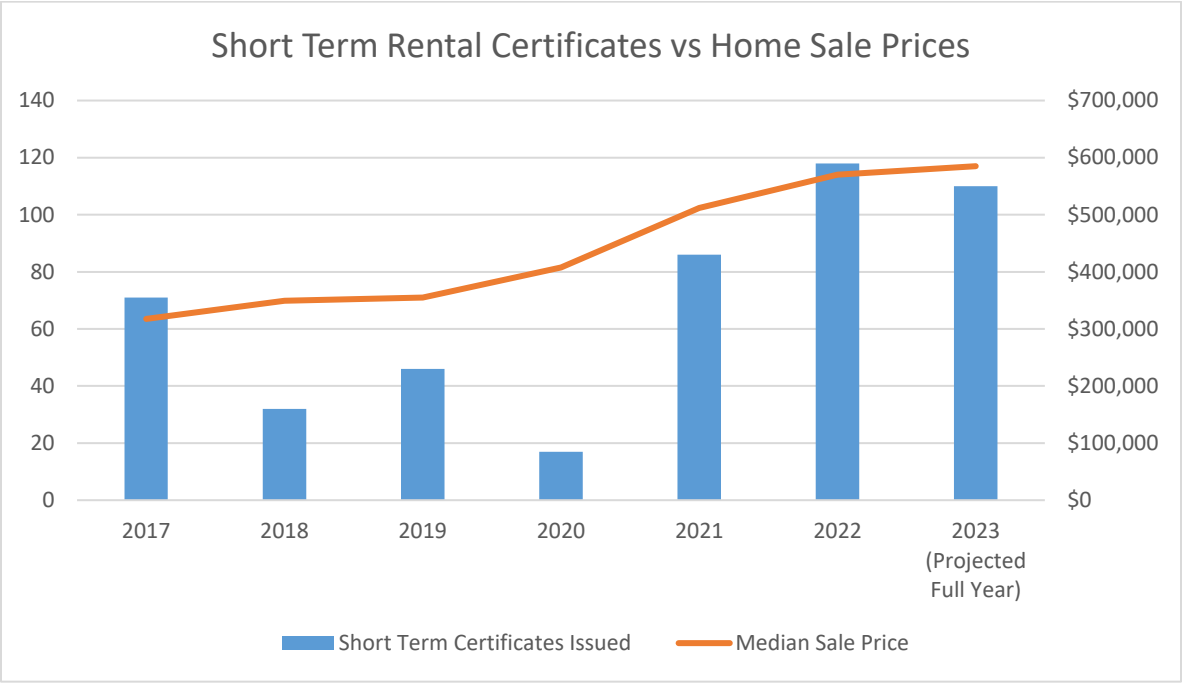
Some national analysts (including *Newsweek* and *Market Watch*) have noted a decline in occupancy and prices in short term rentals, with large Sun Belt metropolitan areas like Austin and Phoenix hit hardest. It is not clear yet if this decline is actually occurring, nor is it clear if Saugatuck has experienced any significant decline. Occupancy peaked in 2021, amid a spike in people traveling to small towns or rural areas, and staying in vacation rentals. But

2022 was only slightly lower in terms of daily average occupancy (57.0% in 2022 vs 57.5% in 2021). 2023 has seen lower occupancy so far (50.7%), but the data does not include the entire summer season, nor does it include the holidays, and the average will likely increase before the end of the year.

Prices peaked in 2022, likely because hosts responded to the very high demand in 2021. Prices are down slightly in 2023 ($443 per night, compared to 2022's $464 per night), but again most of the summer season and the holidays are not yet included in the 2023 data.

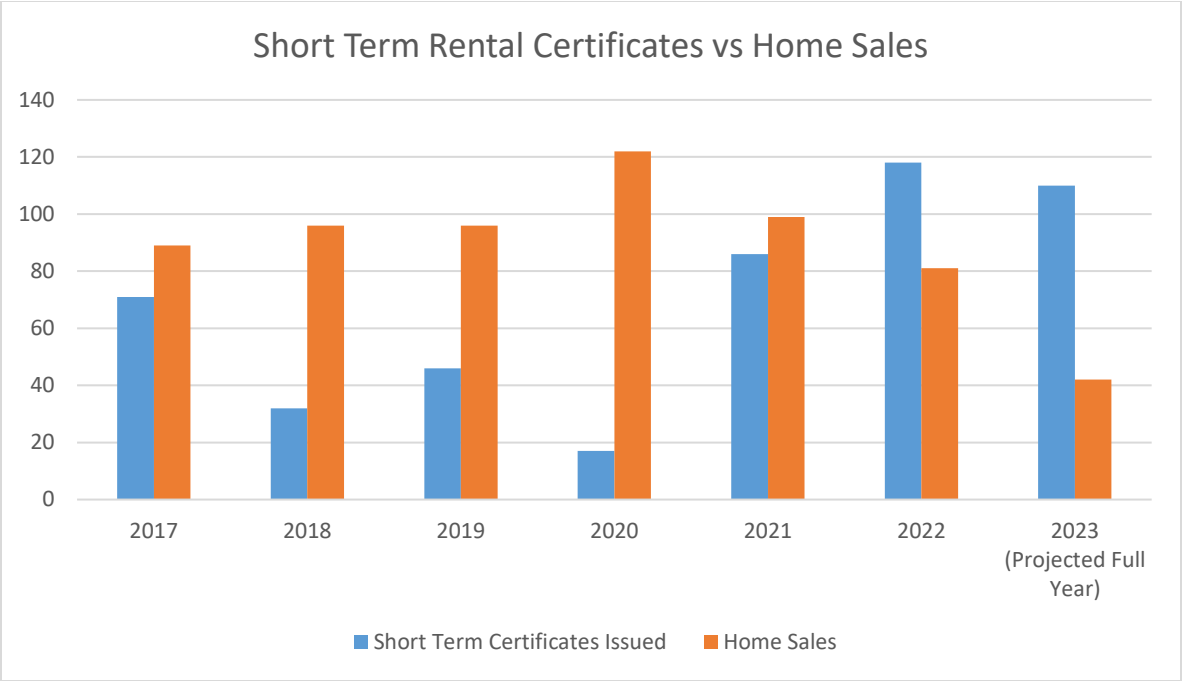
SHORT TERM RENTAL MARKET VS OVERALL HOUSING MARKET

The following charts compare trends in the overall housing market to trends in the short term rental market, to determine if there are any correlations.



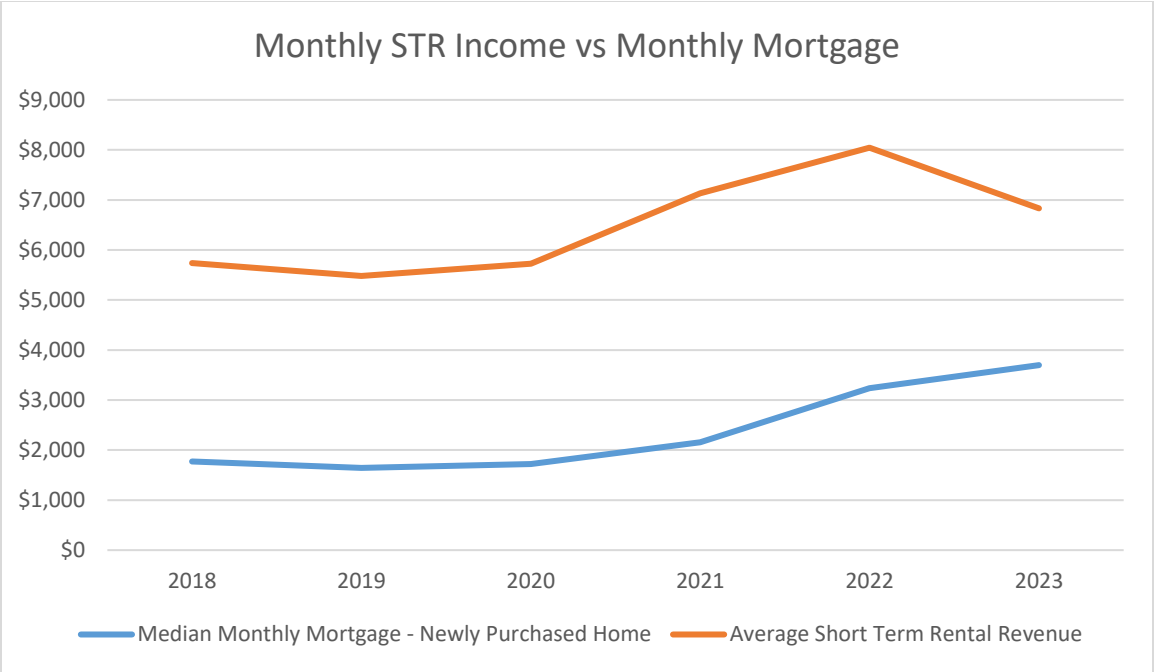
Source: MLS, City of Saugatuck

Home prices have risen along with the spike in the number of short term rentals. It is likely that there is a correlation, since short term rentals remove units from the supply of homes that might otherwise be available.



Source: MLS, City of Saugatuck

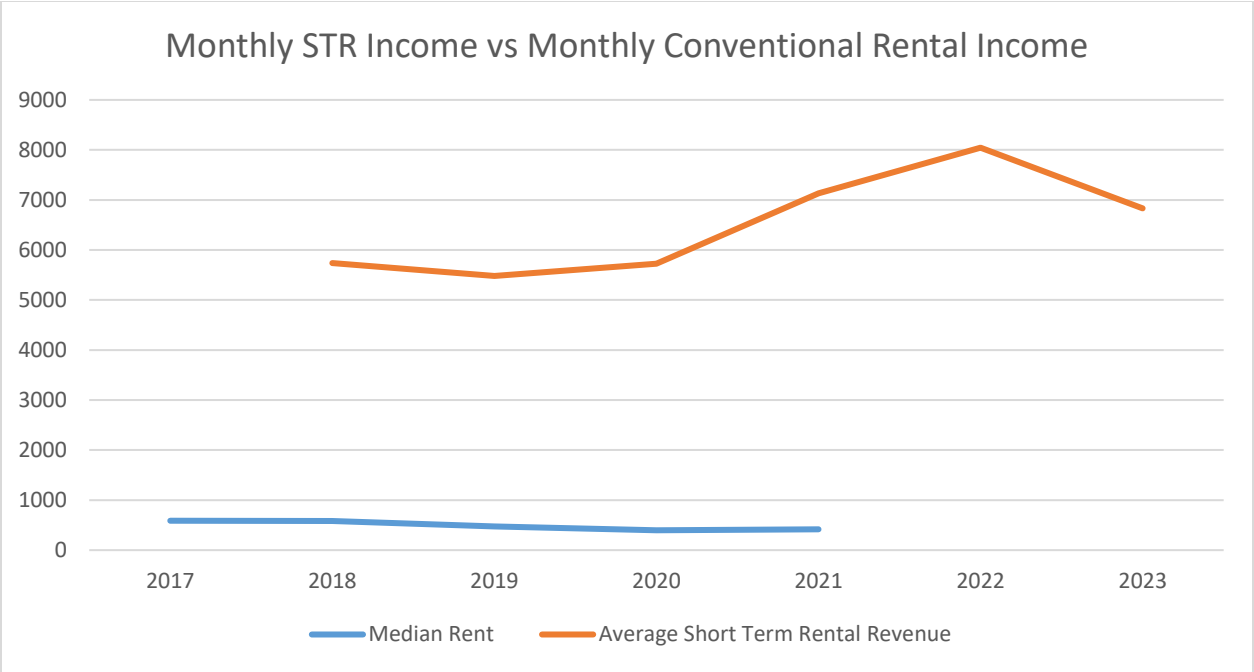
The trend in homes for sale, compared to the trend in short term rental certificates, supports the hypothesis that short term rentals are constraining the housing supply in the City. As the number of certificates has increased, the number of homes listed for sale has dropped. It is possible that this trend has been accelerated by increasing interest rates, which may be incentivizing homeowners to keep their lower-interest mortgages and offer their homes as short term rentals, rather than selling them.



Source: MLS, AirDNA, Federal Reserve

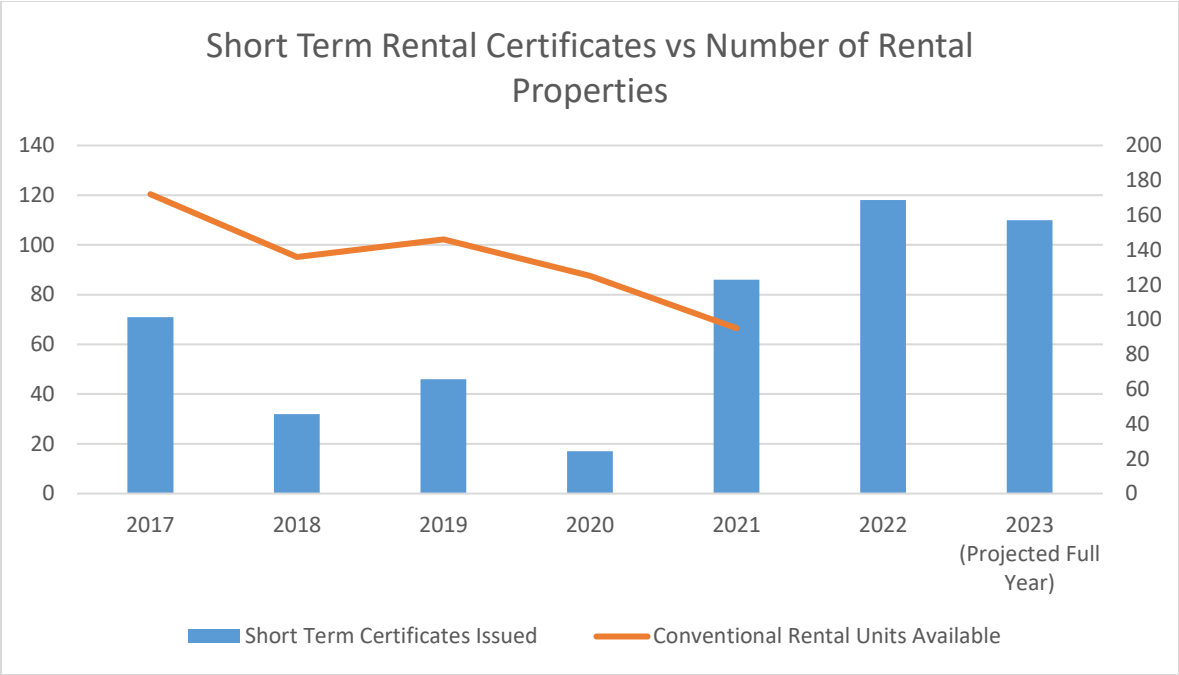
If homeowners have decided to hold onto homes and rent them as short term rentals, rather than selling, the data suggests that is a profitable choice – though profit margins are likely shrinking. While there are many more costs to running a short term rental than mortgage payments, monthly revenue from a short term rental outpaces mortgage costs, even for a newly purchased home in the current market. However, with both home prices and interest rates rising, mortgage costs are increasing as short term rental revenues are falling.

It is not clear whether the lines on this graph will continue to converge, but if they do, short term rental hosting may become less financially attractive in the coming years.



Source: MLS, AirDNA, US Census

It is also clear that hosting a short term rental is more lucrative than owning a conventional rental property in Saugatuck. Notably, this graph shows average versus median (because that is the data available), but the difference in revenue is clear and substantial.



Source: US Census Bureau, City of Saugatuck

Because of the revenue disparity, the data suggests that property owners are converting conventional rentals to short term rentals. While the data is incomplete, the drop in conventional rentals appears to have begun before the spike in short-term rentals, possibly because of a time lag in preparing the property for listing to vacationers.

Another factor in this trend is likely that increasing home values in Saugatuck have resulted in former rental properties now being owner-occupied.

KEY CONCLUSIONS

While the reasons for data trends are not always clear, and correlation does not always equal causation, we have the following observations about the data presented.

- The City of Saugatuck currently processes over 100 requests for short term rental certificates each year. Before 2020, the number of requests was generally under 50.

- The increase in interest in short term rentals has been concurrent with the median sale price for homes in the City nearly doubling.

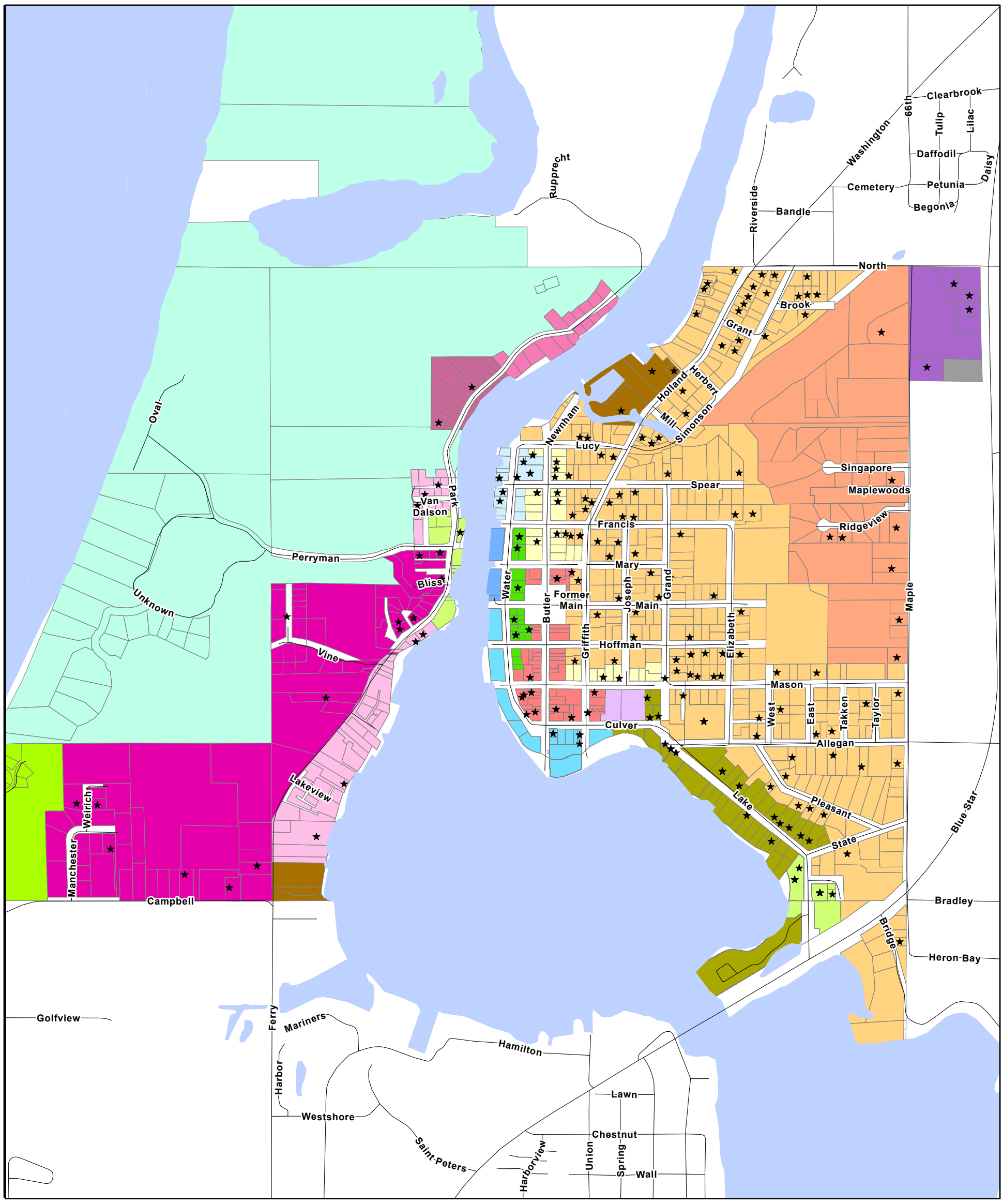
- The increase in short term rentals has been accompanied by a decrease in conventional rentals available in the City, though this has not resulted in a price increase for conventional renters. In fact, median rent has decreased.

- Some evidence suggests that property owners are listing their homes as short term rentals instead of selling them when they leave Saugatuck.

- Revenues from short term rentals in Saugatuck easily cover mortgage payments, despite increasing home values and interest rates. However, the gap is decreasing, making short term rentals less profitable.

- Owning a short-term rental in Saugatuck is far more lucrative than owning a conventional rental.

We look forward to discussing this data at the July 6 Task Force meeting.



Certified STR Locations

City of Saugatuck, Michigan

June 29, 2023

LEGEND

- ★ Short Term Rental (269 total)
- Blue Star District - LI1
- Center Residential - R-4
- City Center - C-1
- Community Residential - R-1
- Conservation, Recreation, & Camp
- Cultural Community
- Lake Street - R-2
- Maple Street - R-1
- Multi-Family Residential - R-3
- Neighborhood Marine
- Peninsula North (Duneside) - R-1
- Peninsula North (Riverside) - R-1
- Peninsula South - R-1
- Peninsula West - R-1
- Resort District - C-4
- Summer Resort & Park Association
- Water Street Commercial - C-2
- Water Street East - C-2
- Water Street North - C-1
- Water Street South - C-2

0 500 1,000 Feet

Basemap Source: Michigan Center for Geographic Information, v. 17a. Data Source: Allegan County 2023. McKenna 2023.

MCKENNA

Short Term Rentals By Zoning District
City of Saugatuck*

Zoning District	Total Number of Parcels	Total Number of Certified STRs	% STR Per District
Blue Star District	1	0	0%
Center Residential	33	10	30%
City Center	77	18	23%
Community Residential	391	105	27%
Conservation, Recreation, & Camp	33	0	0%
Cultural Community	2	0	0%
Lake Street	86	12	14%
Maple Street	60	8	13%
Multi-Family Residential	7	4	57%
Neighborhood Marine	9	3	33%
Peninsula North (Duneside)	15	2	13%
Peninsula North (Riverside)	11	0	0%
Peninsula South	52	6	12%
Peninsula West	83	12	14%
Resort District	65	42	65%
Summer Resort & Park Association	27	0	0%
Water Street Commercial	44	0	0%
Water Street East	38	18	47%
Water Street North	31	20	65%
Water Street South	117	9	8%
	1182	**269**	**23%**

6/30/2023

*Note: there may be discrepancies with the GIS data and existing conditions in the City.
These are approximations based on GIS analysis tools.

MCKENNA

June 30, 2023

Mr. Ryan Cummins
Director of Planning & Zoning
City of Saugatuck
102 Butler Street
PO Box 86
Saugatuck, MI 49453

Subject: Short-Term Rental – Community Survey Questionnaire

Dear Mr. Cummins & Members of the City of Saugatuck Short Term Rental Task Force,

The following sample questionnaire has been designed to address the common elements and concerns that have been brought forth during recent Task Force meetings. This survey questionnaire will be designed to solicit feedback from both full-time residents and community stakeholders, as well as any other interested persons.

The survey shall be generated via Survey Monkey and will be available for a determined time as stipulated between the Task Force and City staff.

COMMUNITY SURVEY

1. Do you reside within the City year-round?
   - Yes
   - No

2. [If yes to question #1, activate this question] – Are there short-term rentals adjacent (next door) to your property?
   - Yes
   - No

3. [If yes to question #1, activate this question] – Do you personally experience any of the following issues with short-term rentals (multiple selection):
   __Noise
   __Safety concerns (not knowing my neighbors)
   __Parking, such as driveways being blocked, mailboxes obstructed, etc.
   __Refuse & debris scattered across the adjacent property
   __Renters not following tenant code of conduct/rental policy
   __Other (please specify)

4. Do you own a second home (non-primary home) within the City?
   - Yes
   - No

HEADQUARTERS
235 East Main Street
Suite 105
Northville, Michigan 48167
O 248.596.0920
F 248.596.0930
MCKA.COM

5. Do you currently own/operate a short-term rental within the City?
   - Yes
   - No

6. How would you rate the following statement: “Short-term rentals add an economic benefit to our community by providing tourist housing”
   - Strongly Agree
   - Agree
   - Neutral
   - Disagree
   - Strongly Disagree

7. Please select any of the following that you believe are concerns pertaining to short-term rentals:
   __Noise from renters
   __Refuse & debris (trash) on properties
   __On-street parking obstructing road access
   __Detract from the “neighborhood feeling”
   __Lack of enforcement of municipal ordinances pertaining to short-term rentals
   __Short-term rentals are the economic driver of the City
   __Short-term rentals increase home sale prices, making it difficult to purchase a home in the city.
   __Other (please specify)

8. The City of Saugatuck has “quiet hours” from 11:00 p.m. to 7:00 a.m. Do you believe this should be amended?
   - Yes
   - No
   - No preference

9. [If yes to question #8] If the City amended the “quiet hours”, which would you be in support of:
   - 10:00 p.m. to 7:00 a.m.
   - 9:00 p.m. to 7:00 a.m.
   - Other (please specify)

10. Who should oversee noise concerns and complaints within the City as it pertains to short-term rentals only:
    - Allegan County Sheriff
    - City of Saugatuck Staff
    - Short-Term Rental Property Owner
    - Short-Term Rental Property Management Company

11. Should the City of Saugatuck assess a fine/fee for any confirmed violation of City ordinances & regulations?
    - Yes
    - No
    - No preference

12. If a property is found to be in violation of City ordinances and regulations pertaining to short-term rentals, how many violations should be permitted before the license is revoked?
    - Two (2)
    - Three (3)
    - The City should not revoke a license based on violations.

13. Should the City of Saugatuck limit the number of occupants per short-term rental?
    - Yes
    - No
    - No preference

14. As an alternative, should the City of Saugatuck place a cap on the number of short-term rentals?
    - Yes
    - No
    - No preference

15. [If yes to question #14] Should the City of Saugatuck place a cap on short-term rentals in a specific Zoning District (for example, a cap on short-term rentals in a residential district, but no cap in a commercial district)?
    - Yes
    - No
    - No preference

16. [If yes to question #15] Which Zoning District should have short-term rental caps? Select all that apply: *Include Zoning District Map in this question for reference*

    __Center Residential: R-4
    __City Center: C-1
    __Community Residential: R-1
    __Conservation
    __Cultural Com.
    __Lake Street: R-2
    __Maple Street: R-3
    __Neighborhood Marine
    __Water St North: C-1
    __Pen. North (River): R-1
    __Pen. South (River): R-1
    __Pen. South: R-1
    __Pen. West: R-1
    __Resort: C-4
    __Summer Resort
    __Water St. Com: C-2
    __Water St. East: C-2
    __Water St. South: C-2

17. [If yes to question #14] Should the cap of short-term rentals be:
    - 20% of the residential housing stock
    - 25% of the residential housing stock
    - 30% of the residential housing stock
    - Greater than 30% of the residential housing
    - Other (please specify)

18. The City charges an application fee for short-term rentals, based on a three (3) year permit cycle. Should the City revise the fee to cover inspections, occupancy certificates, insurance verification, enforcement action, etc on an annual basis instead?
    - Yes: change to an annual (yearly) fee to cover city costs.
    - No: keep the three (3) year cycle application fee.
    - No preference
    - Other: (please specify)

19. Should the City adopt a "tenant conduct agreement", such as those used by management companies, that would be applicable to all short-term rentals?
    - Yes
    - No
    - No preference

20. Should a City-wide database, available to the general public, be published that lists contact information for properties certified as short-term rentals?
    - Yes
    - No
    - No preference
    - Other (please specify)

21. Should the City enforce a minimum rental period for short-term rentals? For example, the management company cannot rent the home to a tenant for a period less than 48 hours.
    a. Yes
    b. No
    c. No preference
    d. Other (please specify)

22. Would you support the following policies surrounding short-term rentals in Saugatuck? Please mark one box for each policy.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Implement a City-wide "Good Neighbor" policy or tenant code of conduct for short-term rentals					
Implement additional parking requirements					

for short-term rentals					
Implement a cap on short-term rentals citywide					
Implement a cap on short-term rentals in specific zoning districts					
Raise fees for violations					
Enforce a minimum rental period for short-term rentals					
Extend the hours of the noise ordinance					
Implement lower occupancy limits					

Respectfully submitted,

McKENNA

Kyle Mucha, AICP
Senior Planner

Jamie Wolters

From: peter hanson <printnpete@yahoo.com>
Sent: Wednesday, June 28, 2023 2:14 PM
To: Jamie Wolters
Cc: Doug Rodewald; Keith Charak; Nancy Kimble; Sandy
Subject: Short Term Rental Task Force
Attachments: Survey-2.docx

Good afternoon,

As the Short Term Rental Committee continues its work and progresses towards recommendations, we are writing to ensure the voices and concerns of full time residents/voters are taken into consideration. As residents we understand the economic benefit of STR's and understand there is a place for them in our community. However, as full time residents, we are the ones who keep our pharmacy busy; as well as dentists, lawyers, veterinarians, florists, Lake Vista during the school year when no one else is there, coffee shops, restaurants that are open during the school year, etc.. To that point, we are concerned that policies being drafted will favor the interests of out of town short term vacation rental owners at the expense of residents/voters. Unfortunately we believe that continued expansion of the number and size of short term vacation rentals will result in fewer full time residents which will have an economic impact on our community as well as a social impact as well. Many of our residents are on local boards, volunteers at non-profits, contributors to our clubs/activities. Without us we have no community, just houses to rent.

That said, we are submitting a number of questions that we believe should be included (or at a minimum the intent should be included) in the upcoming survey of the community (e.g. registered voters). The questions focus on many core concerns: what are reasonable policies for STR's, what should expectations of enforcement include, how are people being impacted today, and what role should the city play in STR's beyond licenses. In whatever form the survey is completed it should be understood that you must be a resident of the City of Saugatuck and we must have a way of validating this.

We, and other registered voters, will continue to participate in this process via the only avenue that has been provided to us, the 3 minute open comment section of meetings that are held during working hours. We hope these questions are helpful to the committee and that the committee will continue to listen to it's residents.

Sincerely,

Peter Hanson
Nancy Kimble
Keith Charak
Sandy Gelman
Doug Rodewald

Short-Term Rental Survey Questions

1. Do Short-Term Rentals (STR's) affect your full-time residential quality of life? If so, what issues concern you?

___ Noise
___ Safety
___ Parking
___ Trash
___ Property Maintenance
___ Other

2. Saugatuck's quiet hours are 11 pm to 7 am, seven days a week. Do you feel this is appropriate for our community?

___ Yes
___ No
If not, what is your preference?

3. Who should be responsible for enforcement of quiet hours?

___ City of Saugatuck
___ County Sheriff
___ Owner
___ Property Manager

4. Should there be a limit on the number of occupants per STR property?

___ 16 plus
___ 12 to 16
___ 8 to 12
___ 4 to 8

5. When ordinance violations occur, what should be the fine per complaint?

___$500
___$1000
___$2000
___Other

6. How many violations per year would lead to the revocation of a STR license?

___ 2
___ 3
___4

7. Certain neighborhoods have STR density of over 50%. As you look at <u>your</u> neighborhood, what should the maximum density be?

___ Zero
___10%
___20%
___30%
___40% or more

8. Short term rentals are currently licensed for a 3-year period and a $350 licensing fee is required per application. Should we move to an annual fee that covers the actual cost of fire inspections, occupancy certificates, commercial insurance verification, enforcement, and ownership verification?

___yes
___no

9. Hotels, Motels, and Bed and Breakfasts pay a 5% fee to the Saugatuck Douglas Convention and Visitors Bureau (SDCVB). Short-term rentals do not collect this fee but benefit from the SDCVB's marketing efforts. Should the 5% fee be applicable to STR's?

___yes
___no

10. Should there be concerns that need to be reported, should STR property managers' and owners' phone numbers be available to all via the City of Saugatuck website?

___yes
___no

END