



SHORT-TERM RENTAL TASK FORCE MEETING MINUTES- *Proposed* July 6 , 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, Gudith and Clark.

Absent: Hart

Others Present: Director of Planning, Zoning & Project Management Cummins, Deputy Clerk/DPW Admin. Williams and Attorney Witte (via Zoom).

Approval of Agenda:

Motion by Manns, second by Clark to approval the agenda. Upon voice vote, motion carried 8-0.

Approval of Minutes:

Correction: Page 6, line 3 of Keith Charak comments, Change Shouldn't be residents Should be residents.

Motion by Steele, second by Stanton to approve the minutes. Upon voice vote, motion carried 8-0.

Public Comment on Agenda Item Only:

Cathy Brockington, resident: *Item 5A-* Gave suggestions on what information the Data& Market analysis survey should include.

Tracy Myers, resident: *Item 5A-* Would like to see how many STR are being managed by people that live in Saugatuck and own a STR versus people that live outside of Saugatuck and own a STR

Mark Klungel, resident: *Item 5A-* Shared his concerns about misinformation that has been presented.

Nancy Kimble, resident: Described her experience between second-home neighbors versus short-term home neighbors.

Jeannie, Johnston, resident: Would like to make sure the voice of second homeowners and the people that are involved in the community even though they don't live here 12 months out of the year is represented.

Dick Waskin, resident: *Item 5A & 5B:* Gave statistics on second homeowners in the community. It's

unfair to say they should not be included in the survey.

Brian Elmore, non-resident: He is a second home and STR owner. Described ramifications of what it may look like if the STR is capped. The only time to hear second home voices is during public comments.

Doug Rodewald, resident: Residents put a lot of investment into the community in many forms and are asking to be considered. Asking not to have the enforcement be put on residents and residents want their voices heard.

Review/Discussion:

STR Data and Market Analysis:

Kyle Mucha from McKenna reviewed the following current housing and short-term rental market trends.

A. OVERALL HOMEOWNERSHIP MARKET TREND

1. Saugatuck Homeownership Housing Market, 2017-2023.
2. Median Sale Price: Saugatuck vs Allegan County, Michigan, and United States.
3. Median Sale Price: Saugatuck vs Nearby Communities.
4. Median Sale Price: Saugatuck vs Lakefront Communities.
5. Saugatuck Rental Housing Market, 2017-2023.

A. SHORT TERM RENTAL MARKET TREND

1. Short Term Rental Certificates Issued by Year
2. Average Daily Occupancy of Short-Term Rentals
3. Average Daily Short Term Rental Price

B. SHORT TERM RENTAL MARKET VS OVERALL HOUSING MARKET

1. Short Term Rental Certificates vs Home Sale Prices
2. Short Term Rental Certificates vs Home Sales
3. Monthly STR Income vs Monthly Mortgage
4. Monthly STR Income vs Monthly Conventional Rental Income
5. Short Term Rental Certificates vs Number of Rental Properties

C. KEY CONCLUSIONS

1. 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.
2. The increase in interest in short-term rentals has been concurrent with the median sale price for homes in the City nearly doubling.
3. 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.
4. Some evidence suggests that property owners are listing their homes as short-term rentals instead of selling them when they leave Saugatuck.
5. 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.
6. Owning a short-term rental in Saugatuck is far more lucrative than owning a conventional rental.

Draft STR Community Engagement Survey:

A graph of short-term rentals by zoning district was provided by McKenna.

Task Force member Gudith left the meeting at 4:45 p.m.

Set Town Hall Date and Location:

Tuesday July 25th, 6:30 p.m. - 8:00 p.m. location to be determined.

STR Regulation Objectives:

Moved to next meeting.

Communication:

Peter Hanson, Nancy Kimble, Keith Charak, Sandy Gelman, Doug Rodewald.

Public Comment:

Jeanne Johnston, resident: She appreciates consideration of part-time residents. Everyone is invested in a different way. All voices should be heard to create an inclusive environment.

Greg Auer do not know residency: He thinks there's a lot of misinformation and if people are educated, the committee will get a more informed answer and more transparent answer from that information.

Brian Elmore, resident: Regarding the survey, is there any validation for the response to the survey so there are not repeat responses to bump up number.

Dick Waskin, resident: The rise of more short-term rentals has reached it peaked and he thinks natural attrition, it will be less profitable to keep opening more and more. He doesn't believe there should be a cap, the problem will solve itself.

Cathy Brockington, resident: Residents are concerned about quality of life and community engagement rather than property values. Would like more information on the economic effect of short-term rentals on lodging businesses. For the survey, please ask the question if someone is a registered voter.

Gary Kemp, resident: The survey is negatively oriented, there is an opportunity to talk about the opportunities. There needs to be emphasis on stakeholder participation. Supportive of indoor town meetings and mailing for people that are not computer literate.

Tyler Augst, non-resident: On behalf Michigan State University Extension and the Michigan Sea Grant Program. Introduced himself and gave a brief overview of the program and upcoming events in the area.

Nancy Kimble, resident: Regarding her participation in the correspondence submitted for this meeting. They wanted to make sure their comments were in before the survey was decided, and it should be local residents only. She echoed earlier comments on verifying the identity of responders.

Adjournment:

Motion by Manns second by Tringali to adjourn. Upon voice vote, motion carried 8-0. Chair Anderson adjourned at 5:25 p.m.

Respectfully Submitted

Jamie Wolters, City Clerk