



**Short Term Rental Task Force  
Regular Meeting  
July 20, 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.*

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

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

**3. Approval of Minutes:** (Voice Vote)

- a. July 6, 2023 Regular Meeting

**4. Public Comments on Agenda Items:** (Limit 3 minutes)

**5. Review/Discussion:**

- A. Additional STR Data and Maps
- B. STR Regulation Objectives
- C. Town Hall Reminder

- a. July 25 630p-830p – Saugatuck High School Auditorium

**6. Communication/Correspondence:**

- A. Dan Gaughan
- B. CJ Bagierek

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

**8. Member Closing Comments:**

**9. Adjourn** (Voice Vote)

<p><b><u>NOTICE:</u></b> Join online by visiting: <a href="https://us02web.zoom.us/j/2698572603">https://us02web.zoom.us/j/2698572603</a></p> <p>Join by phone by dialing: <b>(312) 626-6799 -or- (646) 518-9805</b></p> <p>Then enter "Meeting ID": <b>2698572603</b></p> <p>Please send questions or comments regarding meeting agenda items prior to meeting to: <a href="mailto:rcummins@saugatuckcity.com">rcummins@saugatuckcity.com</a></p>
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## 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

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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 25<sup>th</sup>, 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.

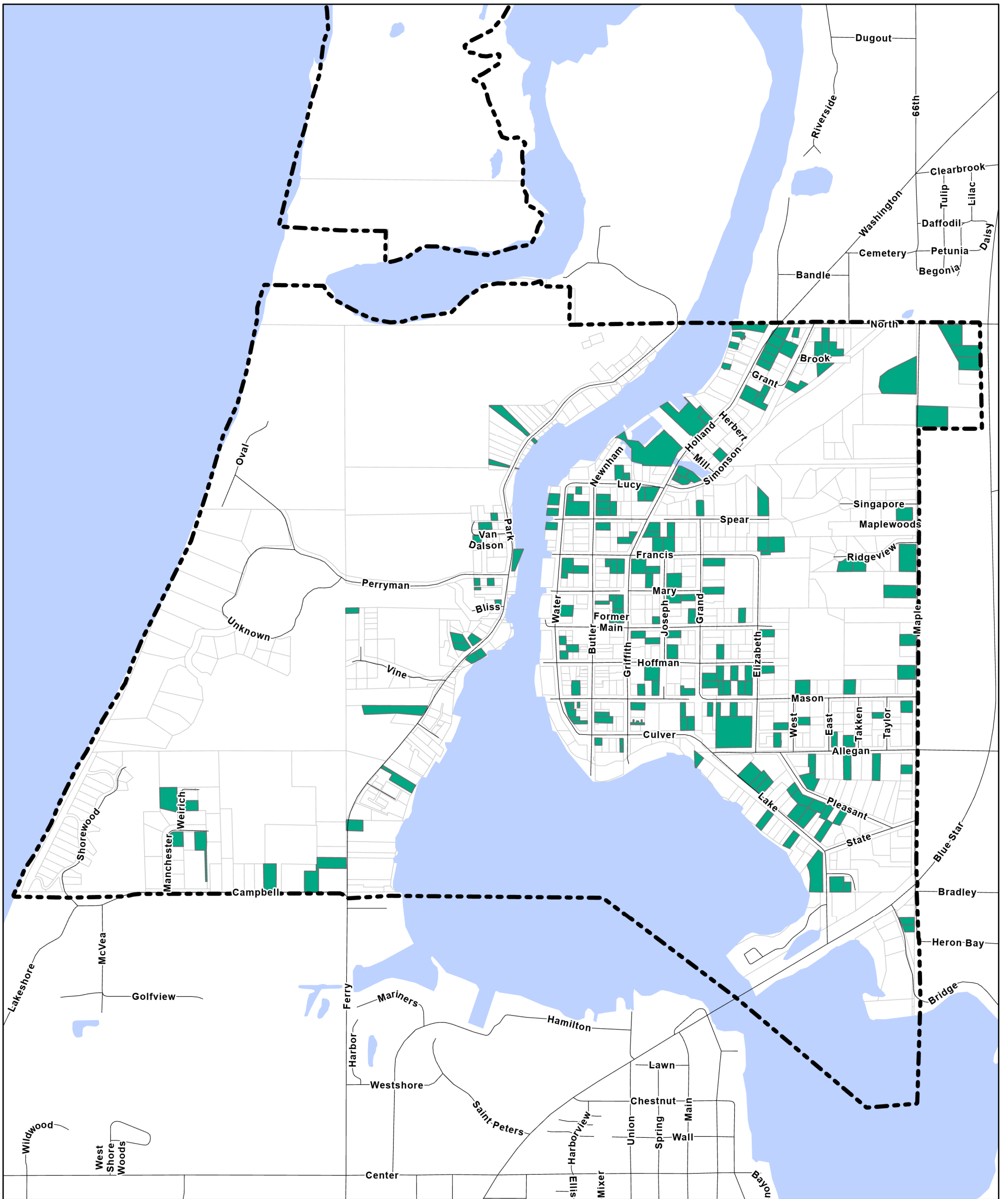
**Adjournment:**

*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

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Jamie Wolters, City Clerk



# Certified Short Term Rental Parcels

City of Saugatuck, Michigan

July 17, 2023

## LEGEND

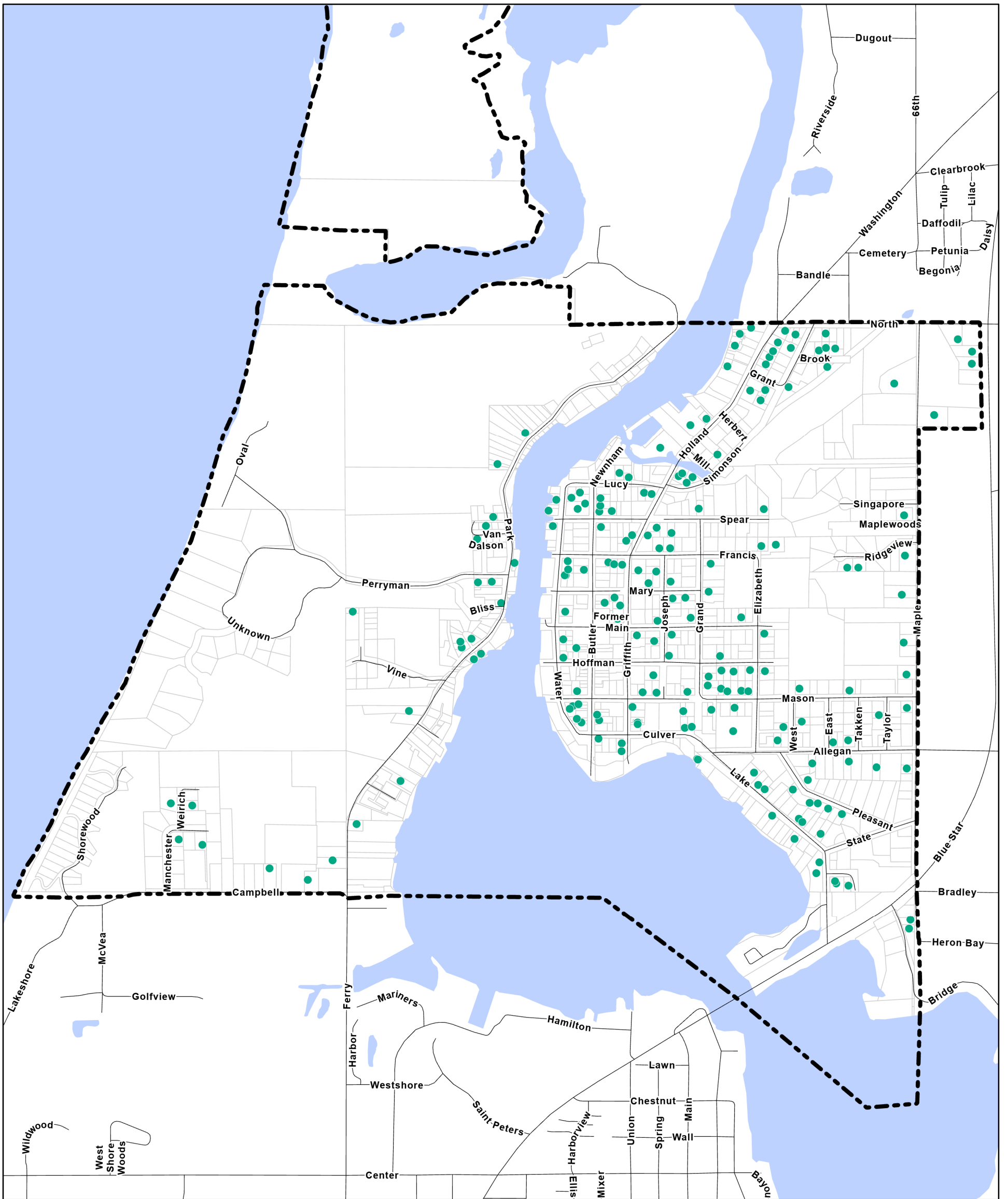
- Short Term Rental Parcels (209 Total)
- Parcels
- Saugatuck Boundary



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







# Certified Short Term Rentals

City of Saugatuck, Michigan

July 17, 2023

## LEGEND

- Certified Short Term Rentals (259 Total)
- Parcels
- Saugatuck Boundary

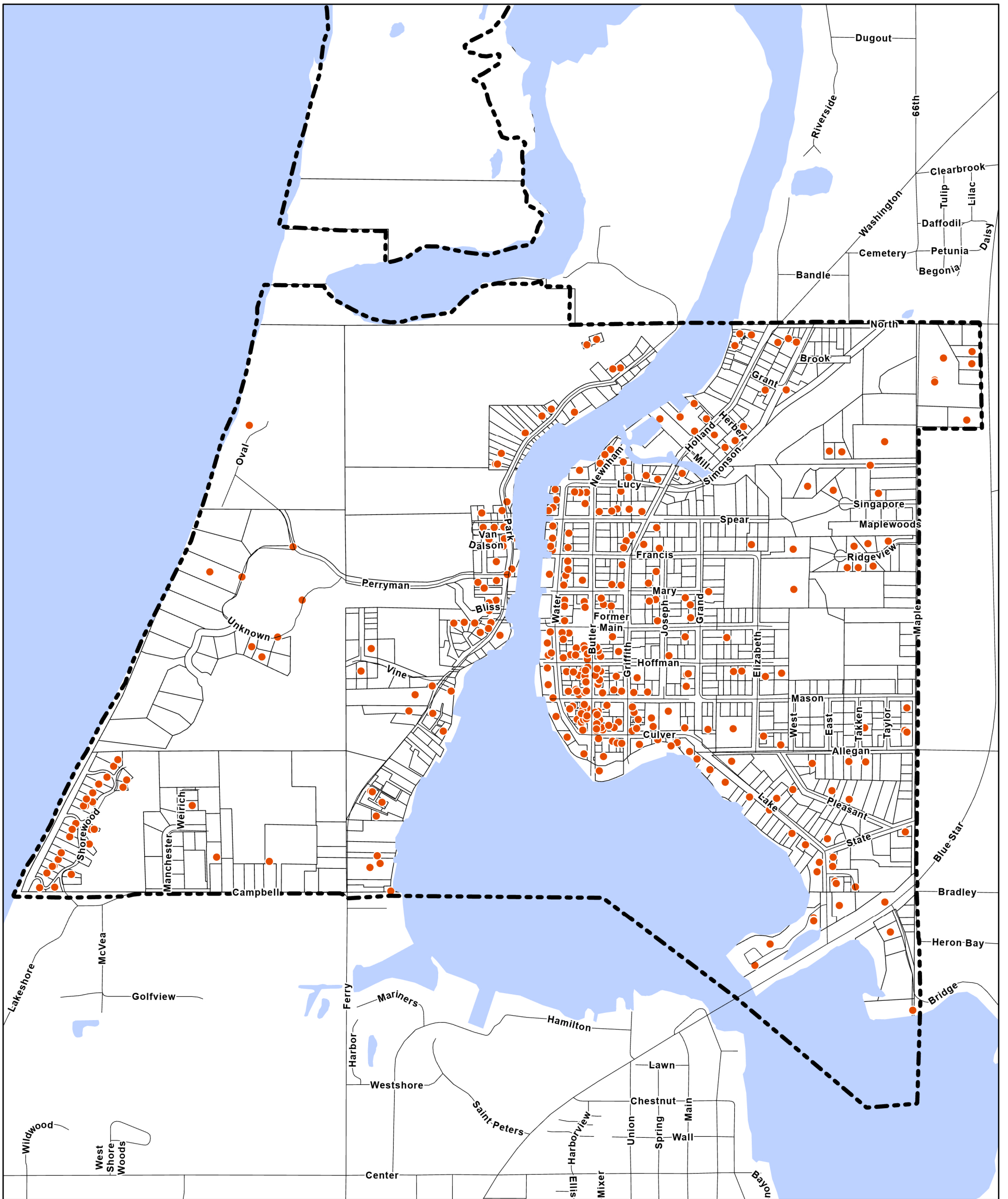


Basemap Source: Michigan Center for Geographic Information, v. 17a. Data Source: Allegan County 2023. McKenna 2023.









# Locations without a Principal Residence Exemption (PRE)

City of Saugatuck, Michigan

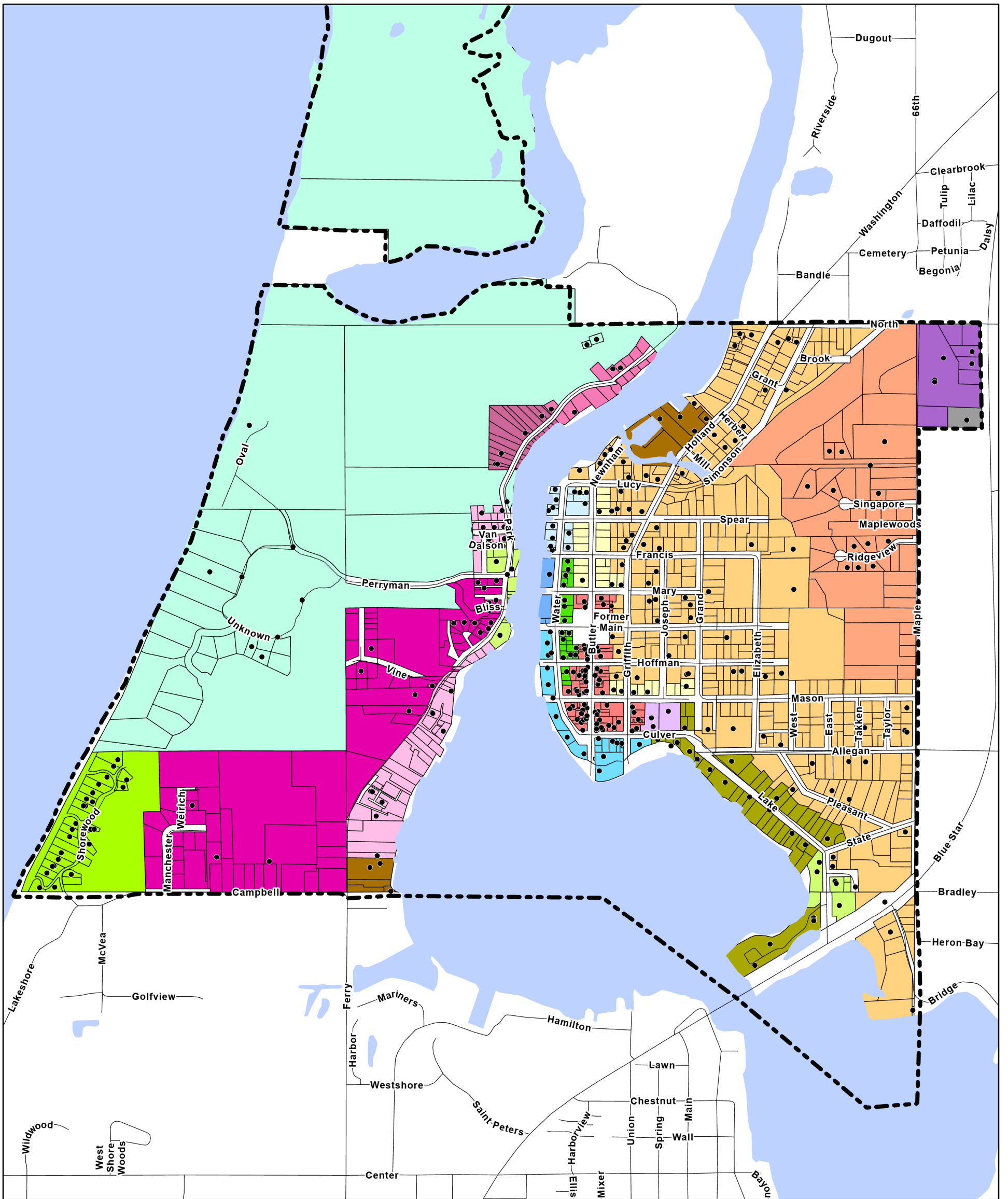
July 17, 2023

## LEGEND

- PRE = 0 (663 Total)
- ▭ Parcels
- ⋯ Saugatuck Boundary



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



# Zoning and Locations without a Principal Residence Exemption (PRE)

City of Saugatuck, Michigan

July 17, 2023

## LEGEND

- PRE = 0 (663 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
- Saugatuck Boundary



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



## Jamie Wolters

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**From:** Dan Gaughan <dan@urbanpooch.com>  
**Sent:** Monday, July 3, 2023 3:13 PM  
**To:** Jamie Wolters; Dan Gaughan  
**Subject:** Saugatuck Short Term Rental Task Force-IMPORTANT INFORMATION-Incident

Dear Saugatuck City Council & Members of The Saugatuck Short Term Rental Task Force,

My Husband Ed and myself purchased a home at 776 Manchester Drive in Saugatuck 3 years ago this month. As you know - this home is located in a quiet peaceful subdivision in Saugatuck off of Campbell Road. There are many lovely wonderful amazing homeowners on this street and in this area who call this their permanent home who we have gotten to know and have become friends with.

I wanted to share with you an incident that took place last night - on Sunday July 2nd, 2023 at approximately 9:15pm. The details of this incident are outlined below in great detail in a copy of a group text I sent to our fellow neighbors along Manchester Drive and Weirich

The combative renter who was lighting off an arsenal of fireworks that night on Manchester Drive was renting a home across the street from us at 775 Manchester Drive. We have never met the owners of this property but our other permanent neighbors have. This home has been a Vacation Rental Property since we purchased our home. The previous owner sold this home to the current owner who rents it out.

To my understanding Saugatuck City Ordinances prohibit the use of and lighting of any Fireworks of any kind on Saugatuck Public Property.

Over there last 3 years - three properties near us including this one across the street, the property next door to us on Weirich Drive and another down the street on Manchester Drive have sold to owners-investors who have turned them into Vacation Rental - Short Term Rental Properties and especially during the Summer months - many unpleasant experiences dealing with these renters.

This is another example of why Saugatuck needs tougher, tighter and extremely stringent rules & regulations placed on these Vacation Rental Homes and properties. This was another example of how many of these renters DO NOT respect the Community where they rent these properties - whether it's blowing off fireworks near homes or being loud and obnoxious all hours of the night in some instances going beyond Midnight to speeding through these communities in their vehicles or letting their dogs run loose in the area agitating our animals and using our properties to go to relieve themselves.

Before we purchased this home - we came to visit Saugatuck & Douglas for 18 years and fell in love with the area and ALWAYS respected the Community wherever we rented.

Our Home is our sanctuary - a long long term investment we have made in the Community there and we expect The City of Saugatuck to hold these Short Term Rental Property Owners accountable on all levels regarding strict rules & regulations for their guests they MUST have in place in order to obtain an operating license or a Temporary Moratorium on any further Short Term Vacation Rental Applications MUST happen immediately until The City of Saugatuck gets this situation under control.

As you may know - similar Resort Towns and Communities such as Union Pier, New Buffalo, Three Oaks and others along the Southwestern Portion of The State in Berrien County, MI have done all out BANS on Short Term Vacation Rentals and did this years ago for similar reasons and issues and problems mentioned here.

In the meantime - we as residents and non rental home owners along Manchester Drive and in that subdivision will continue to confront any renters who violate decency and will not hesitate to call and bring in The Allegan County Sheriff's Department over and over again to resolve any issues such as last night.

I appreciate you taking the time to read my email and concerns and I look forward to your response.

Thank you for all of your hard work!

Sincerely,

Daniel Gaughan  
Home Owner  
776 Manchester Drive  
Saugatuck, Michigan  
(773) 510-6945 - my cell

Good Morning Neighbors. I wanted to make you aware of a situation last night. The renters in the house across the street from us & next to Jan & Dave began setting off an arsenal of fireworks including aerial rockets and firecrackers just after 9pm on Manchester between the rental driveway and Lisa & Dave's driveway. This wasn't just a few sparklers and some fire crackers - this was an ARSENAL. An older man with a pick-up truck was setting them off while young kids and several women from the rental watched. The sparks from these were rWewaining down over our rooftops and the trees and the smoke was thick and it was loud. I went out to ask what they were doing and an older guy who had the fireworks in the back of his pick-up truck immediately confronted me saying to come closer to say what I had to say which I did. I told him very clearly and loudly to respect the community and the animals and to stop blowing off these fireworks. He told me the owners of the home gave him permission and said it was ok that he does this each night until 11pm. He then got more confrontational and I told him he either stops now or I am calling The Allegan County Sheriff's Department. One of the women who had some sense told me they would stop and they did. The guy went on to tell me to respect the community and that he's from Detroit and we can do these things there. I asked him if he was going to clean-up the mess in the street and on the lawns from the blown fireworks and he had nothing further to say. Just now when I walked Aidan you can see the burn marks on Manchester and of course the shredded remnants of the fireworks they were able to blow off. I have not met the couple who owns that house - Ed has. Can somebody please forward their names and cell phone #'s to me so I can call them once we return to Chicago this morning. I want to make them aware of this situation and to let them know it is NOT OK that their renters do this regardless of Fireworks are legal or illegal in Michigan. Please beware this guy most likely will attempt to do this again tonight and tomorrow. I did not see his pick-up truck in the driveway but the 2 vehicles - one from Michigan and the other from Illinois. I will keep you posted on my conversation with that property owner. Thank you and wishing everyone a safe and Happy 4th of July.

## Jamie Wolters

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**From:** Ryan Cummins  
**Sent:** Tuesday, July 11, 2023 11:48 AM  
**To:** Jamie Wolters  
**Subject:** FW: STR task force correspondence

Hey Jamie,

Can you include this as correspondence in the next STR Task Force packet?

Thanks,  
RC

-----Original Message-----

From: Badge <badge\_cj@yahoo.com>  
Sent: Tuesday, July 11, 2023 11:09 AM  
To: Ryan Cummins <rcummins@saugatuckcity.com>; Holly Anderson <andersonholly616@gmail.com>  
Subject: STR task force correspondence

I hope to be able to attend the next meeting and provide comment in person. Also wanted to get comments into the groups packet.

I found the discussion around the survey very insightful. I didn't feel it matched the tenor of all the meetings leading upto this point. The survey was called out for having a slant and lacked opportunities by some of the task force members so I am hopeful.

I think it lacked a basic question that I think might be helpful in directing the most impactful recommendations.

What issue is the biggest issue with STR's.

- A. Nuisances issues (noise, parking, good neighbor issues)
- B. Transient community (2nd homes, snowbirds, investment homes)
- C. Enforcement of ordinances (existing or new) do we need more funding to facilitate.
- D. Others specify.

This might identify the most immediate need.

Second issue that I would like to see taken up is the current ordinance. To review the ordinance to validate it is appropriate with current or foreseen conditions.

My opinion is that the "owner operator" type (where owner lives on the property) have the least nuisance infraction history. Because they have a representative on the property not just in the area. Yet, some of these places have the biggest hurdle to certification.

- An ADU requires a special land use. I'm not sure why that is important.
- 2nd second story requirement in some districts.

There is a current enforcement issue on a 1-1/2 story structure that likely has an easy fix. Street level/store front requirement for commercial use seems correct, but a rear 1-1/2 story property has fallen in a hole of the current ordinance.

I am a proponent for enforcement but I think those are 2 examples of current ordinance issues that may not jive with the goals when constructed.

Last point. Please consider the economic impact of your recommendations. this is such a big piece that I don't think has been fully considered. Multiple comments have been made from the public with the following gist.

"I know that saugatuck is a tourist town, but it is the locals or school year residents that support the businesses during the off season."

I find this a misunderstanding of our market. As a local I know the shops appreciate our patronage, but I am not deluded to think we would have our rich collection of shops and restaurants without tourists. And the tourists need STRs to be here.

Good luck with your continued investigations.

CJ Bagierek  
Saugatuck