



**Short Term Rental Task Force
Regular Meeting
September 7, 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. Public Comments on Agenda Items: (Limit 3 minutes)

4. Review/Discussion:

A. Written Objectives (*Pg. 2*)

B. Draft Recommendations

a. Recommendations and Analysis from McKenna Associates (*Pg. 4*)

b. Fire Department Recommendations (*Pg. 8*)

C. Cap Analysis (*Pg. 11*)

a. Further discussion of whether caps should be recommended for certain residential zoning districts.

5. Communication/Correspondence:

A. Brian Schipper (*Pg. 18*)

6. Public Comment: (Limit 3 minutes)

7. Member Closing Comments:

8. Adjourn (Voice Vote)

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



MCKENNA

August 28, 2023

City of Saugatuck Short-Term Rental Task Force
Ryan Cummins – Director of Planning and Zoning
City of Saugatuck
102 Butler Street
Saugatuck, MI 49453

Subject: Short-Term Rental Objectives

Dear Mr. Cummins,

The City of Saugatuck’s Short-Term Rental Task Force has established objectives as it pertains to short-term rentals. At the request of the Task Force, we have prepared the following written objectives. These objectives come about from the July 20, 2023, Task Force meeting. Further, these objectives were additionally reaffirmed at the August 17, 2023, Task Force meeting. The Task Force has identified tourism, character and ordinance compliance as the overarching themes of the below-listed objectives. In addition to each objective, potential pathways forward on how to achieve said objectives are provided.

These objectives are designed to be general in nature and to offer the widest possible means to support these findings. Further analysis and recommendations on how to achieve these objectives will be discussed in the final report presented to the City of Saugatuck’s Short-Term Rental Task Force.

AID & SUPPORT THE CITY OF SAUGATUCK’S TOURISM INDUSTRY

The Task Force acknowledges that short-term rentals support the tourism industry in the City of Saugatuck, City of Douglas, and Saugatuck Township. The Task Force has expressed the opinion that short-term rentals permit tourists alternative temporary housing options within the City, as compared to a traditional hotel/motel.

Pathways Forward

Potential avenues to assist in achieving this objective are listed below. These pathways are not all-encompassing, however, are intended to be broad in nature.

- Promote tourist accommodations that offer short-term lodging.
- Encourage underutilized residential dwellings to become short-term lodging options.
- Encourage second homeowners to offer short-term lodging during non-use times.
- Conduct market analyses to determine impact of short-term rentals on the commercial sector in Saugatuck.

PRESERVE THE CHARACTER OF SAUGATUCK BY ENHANCING THE SMALL-TOWN FEEL

Beginning in May of 2023, the City of Saugatuck Short-Term Rental Task Force has listened to public comment as it pertains to the character of the City of Saugatuck. Some residents and secondary homeowners state short-term rentals detract from the neighborhood feel. Other supporters of short-term rentals believe it helps encourage



a higher standard of property maintenance. As such, the Task Force has defined the following objective as it pertains to maintaining the character of the community:

Pathways Forward

Potential avenues to assist in achieving this objective are listed below.

- Encourage the preservation of the existing residential housing stock by limiting commercial development.
- Encourage short-term lodging in appropriate areas of the City, such as near Butler Street, to aid in supporting the tourism industry.
- Seek to limit the occupancy of residential short-term lodging dwellings.
- Encourage high occupancy short-term lodging in appropriately zoned areas of the City.
- Review the goals and objectives of the City's Master Plan to ensure alignment with maintaining the small-town character of the City.

EFFECTIVELY ENFORCE SHORT-TERM RENTAL-REGULATED ORDINANCES

A key takeaway from the Task Force, public engagement (survey & Town Hall) and public comment during meetings has been centered on ordinance and regulation compliance from patrons and property owners of short-term rentals. A significant consensus has been that existing ordinances and regulations need to be followed as it pertains to noise, trash, parking and occupancy limits of short-term rentals.

Pathways Forward

Potential avenues to assist in achieving this objective are listed below.

- Encourage proactive monitoring of short-term rentals within the City.
- Begin an informational campaign pertaining to regulations on short-term rentals.
- Publish common violations noted by the Allegan County Sheriff's Office and ways to mitigate such issues.
- Create and publish a "commonly asked question" as it relates to short-term rentals on the City website.

Respectfully submitted,

McKENNA

Kyle Mucha, AICP
Senior Planner



August 31, 2023

City of Saugatuck Short-Term Rental Task Force
Ryan Cummins – Director of Planning and Zoning
City of Saugatuck
102 Butler Street
Saugatuck, MI 49453

Subject: Short-Term Rental Analysis of Recommendations

Dear Mr. Cummins,

The following memorandum outlines proposed recommendations and analysis as stipulated by the City of Saugatuck’s Short Term Rental Task Force. This analysis is based on discussions during Task Force meetings, community input via a Town Hall, public comment during regularly scheduled meetings and a comprehensive public engagement survey.

The following topics are placed in no specific order but highlight the perceived concern as raised by residents and stakeholders, potential recommendations to address the topic and the source for said recommendation(s).

GOOD NEIGHBOR GUIDE

A good neighbor guide sets expectations and regulations for those who rent a home within the Saugatuck area. Such a guide helps ensure residents’ quiet and peaceful enjoyment of their neighborhoods. The Task Force has discussed the need to adopt a city wide “good neighbor guide”. Provisions could include:

- a. Noise considerations
- b. Trash disposal
- c. Parking considerations – off-street versus on-street parking
- d. Owner/Operator of the short-term rental post the occupancy limits as established by the Township Fire Authority.

NOISE

Noise is a common concern that has been raised since the Task Force began meeting in May of 2023 to discuss short-term rentals. As such, the following recommendation is put forth for consideration.

Recommendation #1: Request that City Council review the existing noise ordinance (Section 94.04) to determine if increasing the time of “quiet” hours is appropriate. A partnership with the Allegan County Sheriff’s office may be appropriate in review of the noise ordinance.

Recommendation #2: Request that the Planning Commission encourage City Council to review the ability to create a noise ordinance for residential districts. Such an ordinance may limit the hours of operation for activities as construction, sound amplifiers, radio and musical instruments. This review would seek to enhance the existing city-wide noise ordinance to aid in further protecting residential districts.



FIRE SAFETY

The Task Force has discussed the feasibility of increasing rental inspections from every three years to either once-a-year or every-other-year to ensure those with a short-term rental are complying with all applicable life safety regulations. As such, the following is recommended:

Recommendation #1: Request that the Saugatuck Fire Department conduct a feasibility study to determine if fire safety inspections can be conducted every year, or every-other year.

Per communication received from the Saugatuck Fire District, the following was noted: *"The Fire District is very supportive of the STR Task Force's recommendation for annual fire and life safety inspections. Transient occupancies are typically completed on an annual basis."*

Recommendation #2: Explore reducing the occupancy limits that aligns more with single-family residential dwellings.

Per communication received from the Saugatuck Fire District, the following was noted: *"The Fire District deeply supports a change in occupancy calculations that reduces occupancy loads to a more realistic level that reflects the intent of a single-family dwelling"*.

Recommendation #3: Request that a fee study be conducted to ensure that the amount of staff time going into inspecting rentals adequately covers municipal expenses.

TRASH

The Task Force has heard from citizens, residents and community stakeholders regarding a buildup of trash and general refuse that accumulates near short-term rentals. Residents believe short-term rentals are increasing the amount of discarded items above and beyond what is witnessed from non-short-term rental properties. The following items are recommended for consideration:

Recommendation #1: Encourage the Planning Commission to explore modifying the short-term rental ordinance (Section 154.022.V.) to require all short-term rentals – certified – to have a second residential dumpster container as part of the certification requirements.

Recommendation #2: Encourage the Planning Commission and City Administration to review the requirement to have a secondary trash container for short-term rentals from April to November of each year.

Recommendation #3: Encourage City Administration to review the existing trash and recycling policies to determine if additional pickups are warranted.

COMPLIANCE OFFICER

The Task Force has heard months of public comment and engaged with stakeholders who have expressed the need to have a dedicated code enforcement officer on staff to deal with concerns arising from short-term rentals. The following are offered for consideration:

Recommendation #1: Encourage the City Administration to explore hiring a dedicated code enforcement/code compliance officer to address short-term rental concerns. Such staff members would be able to respond to resident comments arising from noise, trash, occupancy and other ordinance violations.



Recommendation #2: Encourage the City Administration to review the existing fees associated with short-term rental certification and determine if a fee increase is warranted to fund a compliance officer.

GENERAL MODIFICATIONS

The following recommendations are general comments and directions that the Task Force has explored. These recommendations are broad in nature and are not specific to any one category:

Recommendation #1: Encourage the creation of a short-term rental registration public database in which the property owner and management company (if applicable) contact information is made available. Such contact information can be a general number, but one in which concerned residents can reasonably be expected to reach an agent or representative of the property.

Recommendation #2: Encourage the creation of a general call-line in which residents may leave non-time-sensitive concerns with city officials regarding short-term rentals.

Recommendation #3: Encourage the review of short-term rental certification fees to ensure proper funding for staff time associated with reviewing, approving and monitoring short-term rentals for compliance.

Recommendation #4: Encourage the Planning Commission to review the existing requirement of having a local representative or rental agency within 45 miles of the City of Saugatuck. Such a review could analyze the feasibility of requiring the local agent or representative to be within a smaller radius of the City of Saugatuck, such as 35 or 25 miles. See radius map for reference.

Recommendation #5: Encourage City Administration to review the existing fines associated with a zoning ordinance violation and determine if such fines should be increased.

Recommendation #6: Request that the Planning Commission review setting a maximum occupancy limit for short-term rentals per the Zoning Ordinance. Where the occupancy limit per the Fire Department is less than the maximum permitted by the Zoning Ordinance, the more restrictive would apply.

Recommendation #7: Encourage the City Administration to review areas within residential districts in which “no parking this side of the street” signs could be installed to aid in emergency services access. This could be dedicated north/south roadways and east/west roadways to offer an emergency service pathway.

Recommendation #8: Encourage City Administration to review the ability to revoke a certificate for a short-term rental if multiple complaints are validated within a 12-month period. Further, encourage such a review to establish what is classified as a violation and the documentation process to the property owner to inform of the validated violation complaint.



RESIDENTIAL CAPS

The Task Force has heard from residents, stakeholders and members of the community at large on the topic of instituting a cap on the number of short-term rentals. A separate review analysis is provided as it pertains to potential policies surrounding the placement of caps on short-term rentals; please refer to that review analysis.

Respectfully submitted,

McKENNA

Kyle Mucha, AICP
Senior Planner



SAUGATUCK TOWNSHIP FIRE DISTRICT

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3342 Blue Star Highway
Saugatuck, MI 49453
269 857-3000 / Fax: 269 857-1228
E-mail: info@saugatuckfire.org

August 30th, 2023

City of Saugatuck – STR Task Force
c/o Ryan Cummins
102 Butler Street
Saugatuck, MI 49453

Dear Mr. Cummins and the Short-Term Rental Task Force,

We wanted to take a moment to thank you for reaching out and asking for input from the Fire District's Department of Fire Prevention regarding short-term rental properties. It's great to see that you are taking the safety of your visitors seriously and are willing to work with local authorities to ensure that short-term rentals are as safe as possible.

As the ones who see the devastating effects of fires firsthand, we can't stress enough how important it is to have proper safety measures in place. By working together, we can ensure that guests have a great experience while also minimizing the risks associated with short-term rentals.

When the first rental ordinance was drafted in 2010, it was intended at the time to be low-impact and assist the owners who were struggling to sell their homes to obtain some income while they sat on the market. In 2010 the program began and there were about 72 rentals within the City of Saugatuck. Fast forward to 2023, the Fire District has records for 890 rentals within the Fire District coverage area. After documenting concerns and complaints for the past several years, we believe we are in a good position to offer the following observations and suggestions:

1. We support transitioning to annual inspections. When doing the three-year inspection at many properties, we found nothing had been updated since we were last in the dwelling. If we are to commence annual inspections, it is anticipated we will add full-time fire inspector(s).
2. Limit max occupant load to 2 persons per bedroom which is how the single-family dwelling was originally built and designed for.
 - a. A 3-bedroom house could have 6 persons sleeping.
 - b. An 8-bedroom home could have 16 persons.
 - c. Eliminate the extra people on the living room pullouts, hide-a-beds, and basement couches.
 - d. The decision to grandfather existing properties' occupant loads, or not, would need to be made.
 - e. A qualifying bedroom that meets the requirements of the Michigan Residential Code could still be used for sleeping. (i.e.: a room that is currently used as an office or study).
 - f. This may be modified based on additional fire safety features such as an NFPA 72-compliant fire alarm system, NFPA 13D fire suppression system, additional means of egress, etc.



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3. It is essential that the City of Saugatuck work with the City of the Village of Douglas and Saugatuck Township to ensure all three ordinances, fee structures, and programs mirror one another. This is imperative for enforcement by the Fire District as well as owners, renters and agents who work across the municipal boundaries in the tri-communities.
4. Require a local agent or management company within 15 road miles of the property. The company shall have someone knowledgeable about the property and accountable for responding to the property 24/7/365. The lack of response to a telephone call within 15 minutes may incur fines and fees. Please note: We have struggled with absentee owners and local contacts lack of availability during emergency responses.
5. Regulate all Short-Term and Long-Term rentals identically.
6. Provide a certificate and require it to be posted where it is visible from the front of the house with Agent contact information and max occupant load. Possibly change colors by approval year, so it is easy to see if one is expired from the street.
7. There needs to be enforcement that includes monetary penalties for infractions after approval. For example, if someone moves a grill back onto a deck after passing the inspection or adds an additional bunk bed to a room after passing an inspection, etc. In addition, a record of infractions should be maintained, and implement a *three-strikes-you're-out* policy that voids the rental permit.
8. The Fire District has reviewed the current fee structure we charge for inspections and determined it to be out of date. The Fire District staff will be reviewing the fee structure in the future and make a recommendation to the Fire Administrative Board.
9. Require a letter from the property insurance company identifying and acknowledging the property is insured as a rental dwelling. Many owners do not realize they need to change their policy from a standard homeowner's policy and are generally not covered in the event of a loss when renting. (*This would be handled by the Zoning Administrator or municipality; we just want people to ensure they are covered in the event of loss*).
10. We feel it important to note, that these short-term rentals were originally built, and the certificate of occupancy was issued as a single-family dwelling under the Michigan Residential Code. Renting a single-family dwelling to the public on a transient basis mirror a commercial or business-like *change-of-use* that can trigger other requirements. To give a little perspective on the topic, we are including the following text in *italics* that is directly copied from the definition section of the 2015 International Fire Code Commentary:

Residential Group R

❖ *Residential occupancies represent some of the **highest fire safety risks** of any of the occupancies listed in Chapter 3 of the IBC. There are several reasons for this condition:*

- *Structures in the residential occupancy house the widest range of occupant types, i.e., from infants to the aged, for the longest periods of time. As such, residential occupancies are more susceptible to the frequency of careless acts of the occupants; therefore, the consequences of exposure to the effects of fire are the most serious.*
- *Most residential occupants are asleep approximately one-third of every 24-hour period. When sleeping, they are not likely to become immediately aware of a developing fire. Also, if awakened from sleep by*



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the presence of fire, the residents often may not immediately react in a rational manner which could delay their evacuation.

- **The fuel load in residential occupancies is often quite high, both in quantity and variety. Also, in the construction of residential buildings, it is common to use extensive amounts of combustible materials.**
- **Another portion of the fire problem in residential occupancies relates to the occupants' lack of vigilance in the prevention of fire hazards. In their own domicile or residence, people tend to relax and are often prone to allow fire hazards to go unabated; thus, in residential occupancies, fire hazards tend to accrue over an extended period of time and go unnoticed or are ignored.**

Most of the nation's fire problems occur in Group R buildings and, in particular, one- and two-family dwellings, which account for more than 80 percent of all deaths from fire in residential occupancies and about two-thirds of all fire fatalities in all occupancies. One- and two-family dwellings also account for more than 80 percent of residential property losses from fire and more than one-half of all property losses from fire.

The Fire District's Department of Fire Prevention is appreciative of your time and energy to review the Short-Term Rental challenges we have been facing for several years. Thank you again for your commitment to safety, and please don't hesitate to reach out if there's anything we can do to help.

Respectfully yours,

Greg Janik
Fire Chief / Fire Marshal

Chris Mantels
Deputy Chief / Fire Inspector

Chris Bernhardt
Captain / Fire Inspector



September 1, 2023

City of Saugatuck Short-Term Rental Task Force
Ryan Cummins – Director of Planning and Zoning
City of Saugatuck
102 Butler Street
Saugatuck, MI 49453

Subject: Short-Term Rental Cap Analysis

Dear Mr. Cummins,

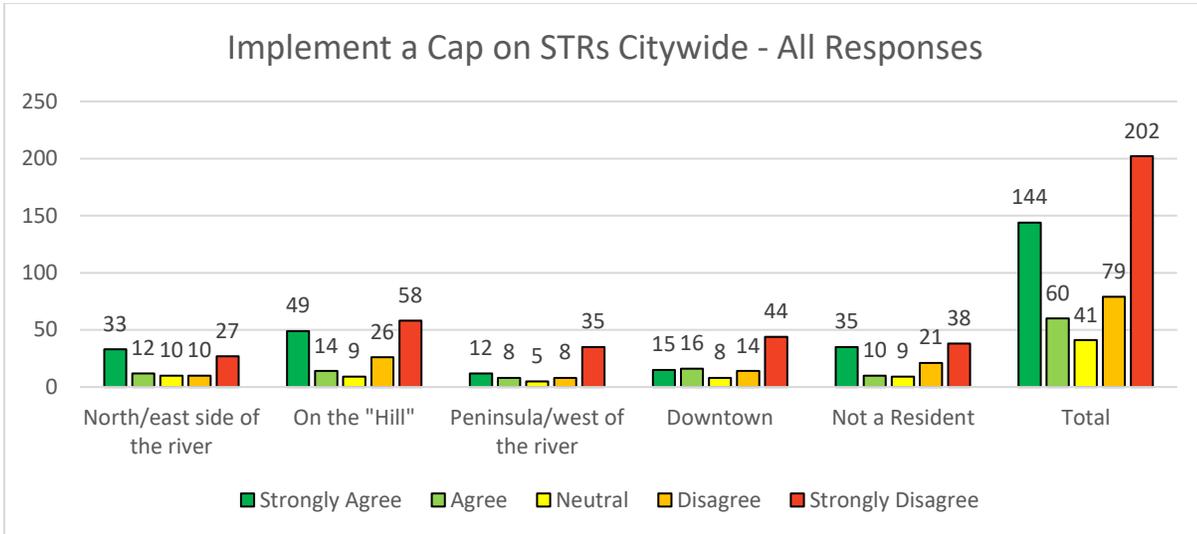
The following memorandum outlines proposed recommendations and analysis as stipulated by the City of Saugatuck’s Short-Term Rental Task Force as it pertains to residential “caps” on the number of rental units. This analysis is based on discussions during Task Force meetings, community input via a Town Hall, public comment during regularly scheduled meetings and a comprehensive public engagement survey.

The following analysis is provided to the Task Force for informational purposes. Where applicable, McKenna will offer potential recommendations for consideration by the Task Force. Further, McKenna encourages the Task Force, Planning Commission and City Council to review this analysis and then work with legal experts on the viability of implementing any of the subsequent recommendations.

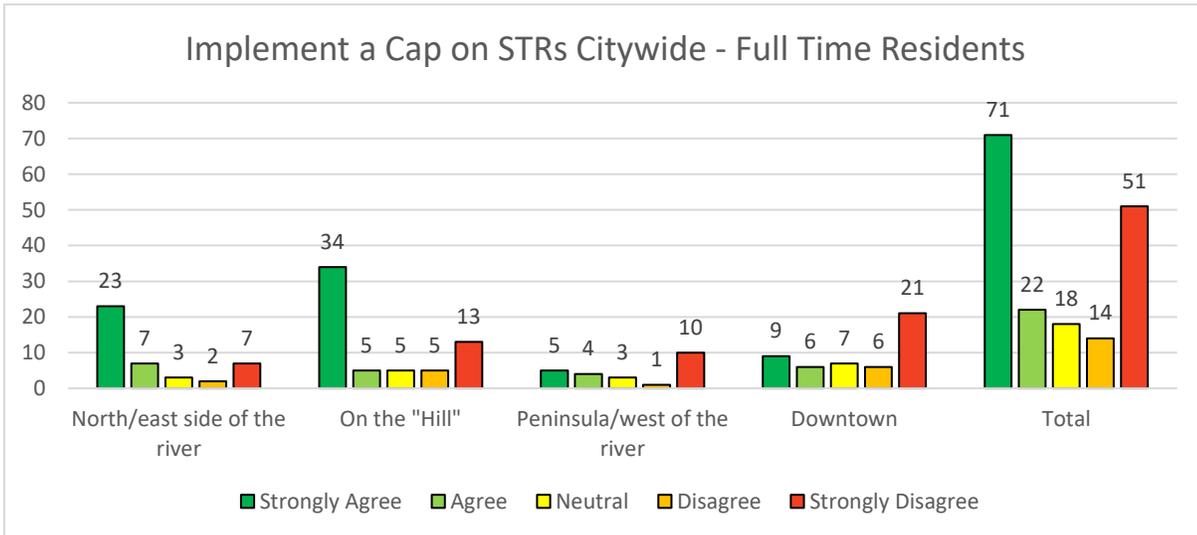
The following graphics are based on the community survey conducted in July and August of 2023. The responses are listed as a total, and also distilled further into neighborhoods (north/east side of the river; peninsula/west of the river; on the “hill”; downtown). Additionally, the below analysis reviewed responses based on full-time/primary home residents, part-time/second home residents and non-residents.

CITY-WIDE CAP RESPONSE

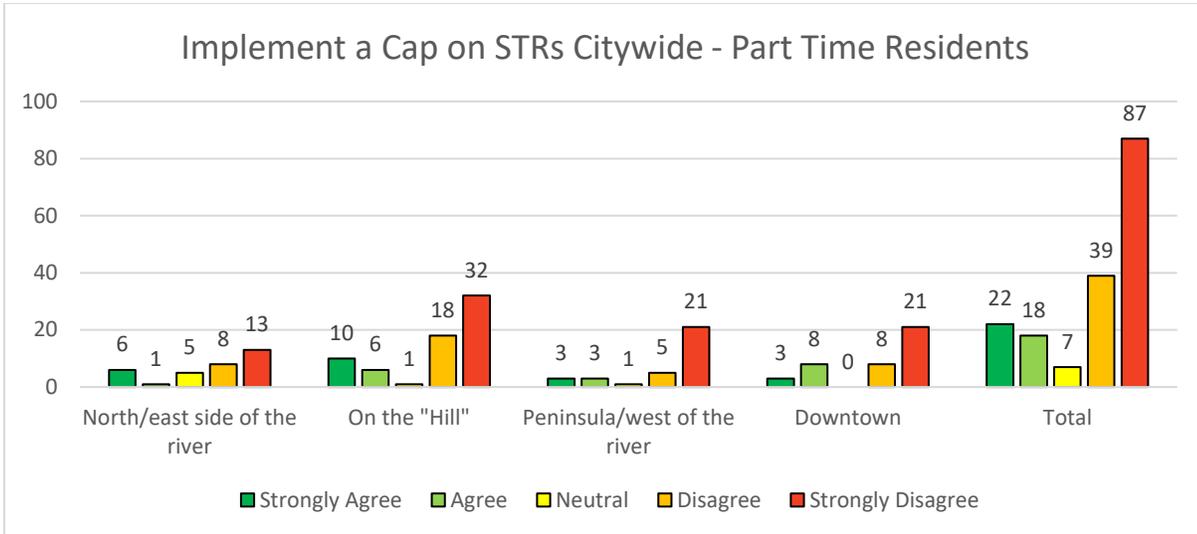
The public engagement survey solicited feedback from residents and community stakeholders as to the temperament of a city-wide cap on short-term rentals. Of the total number of responses received, 144 respondents were indicated they strongly agreed with a city-wide cap, while 202 respondents strongly disagreed with a city-wide cap. When combined with the agree/disagree respondents, 281 were opposed and 204 were in favor.



A further analysis of the survey responses indicated that full-time residents were more in favor of a city-wide cap particular for the areas classified as “the Hill” and the north/east side of the river.



Part-time residents found a cap city-wide to be less agreeable. Part-time residents are more inclined to offer their property in Saugatuck as a short-term rental than full-time residents due to the number of days each year the residential dwelling is being occupied.



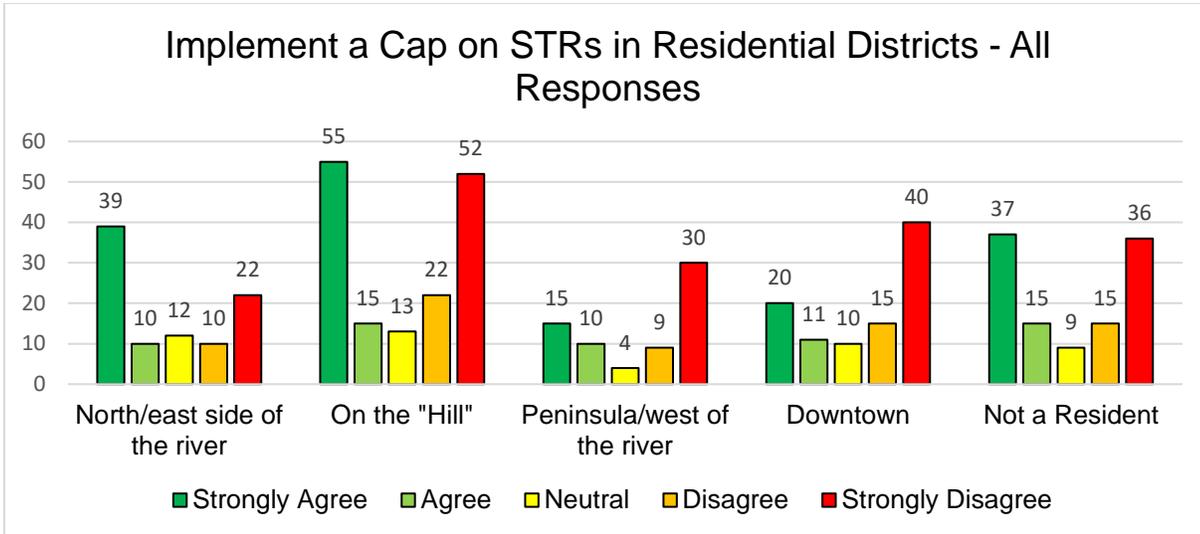
SUMMARY

When viewed as a whole, a city-wide cap policy was not overwhelmingly supported by those who responded. The response data indicates that full-time residents viewed a city-wide cap more favorably than those who identified as being part-time residents. Public comment has further supported the statement that a city-wide cap would potentially have negative impacts on the economic well-being of the City. The public at large has indicated that short-term rentals provide temporary lodging for tourists, who further support the local businesses of the area. Therefore, placing a city-wide cap on short-term rentals has a potential negative connotation.

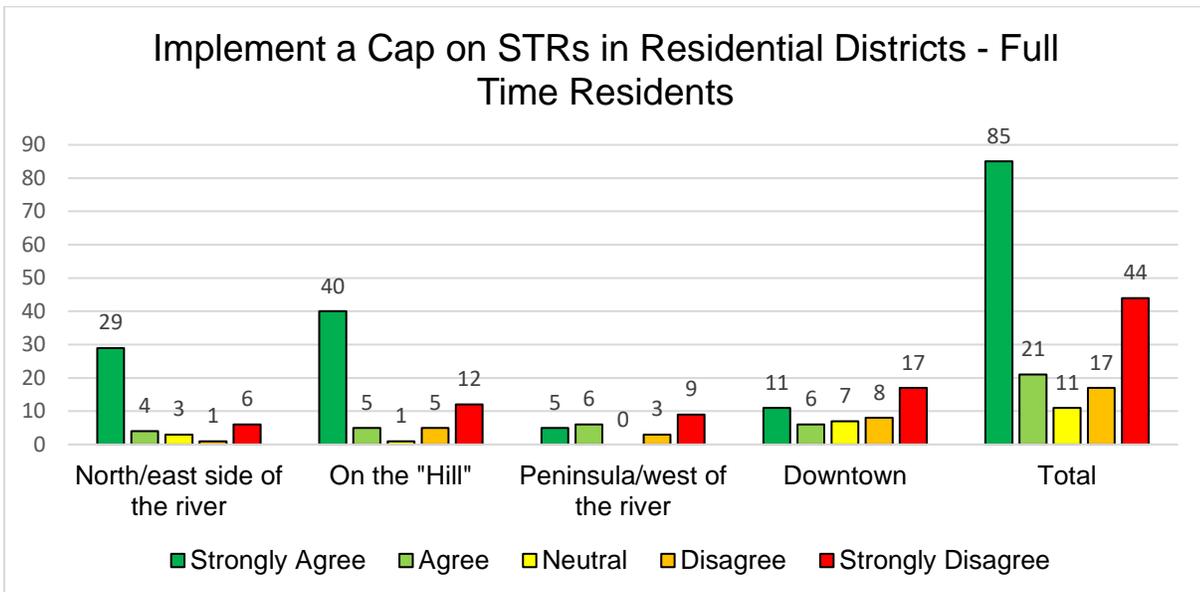
Inversely, public comment has been expressed that placing a cap on short-term rentals

RESIDENTIAL DISTRICT CAPS

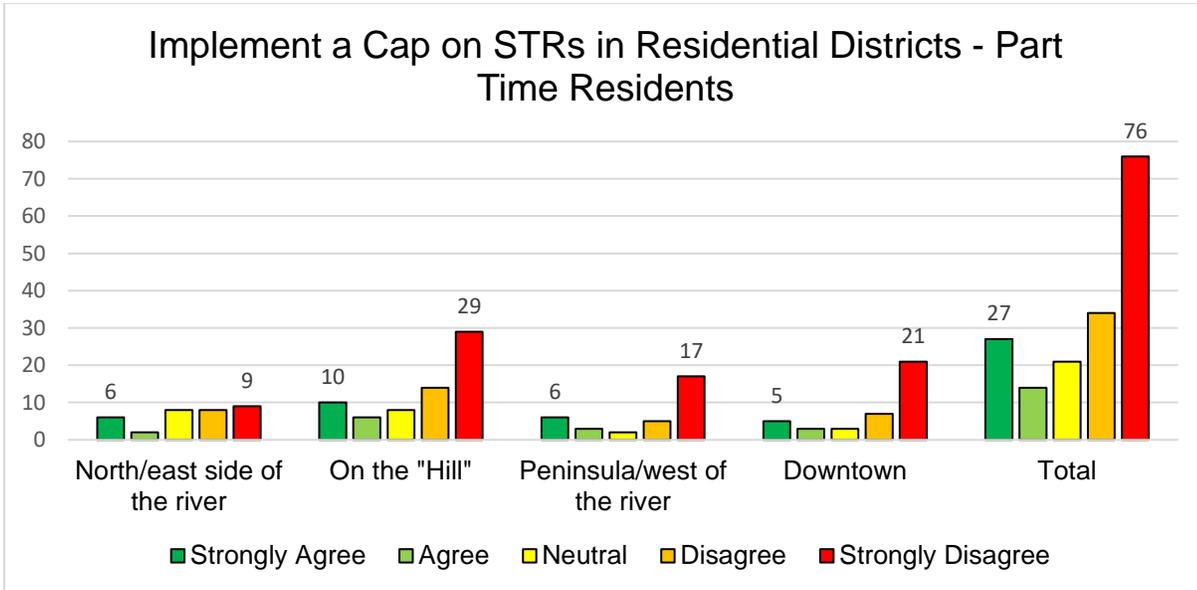
The public engagement survey inquired with respondents about their view on placing caps on short-term rentals in residential districts only, leaving out downtown and other commercial areas. As referenced in the previous section, there are four distinct regions of the City that were reviewed for cap placement. As additional background, "The Hill" region in the summer of 2023 had a significant amount of short-term rental certificates issued.



The following table provides the response rate for full-time residents as it pertains to caps within residential districts. Full-time residents were in favor of establishing caps in the north/east side of the river and “The Hill” area of the City. Over 100 respondents were in favor of establishing caps in the residential districts as compared to 61 respondents who were not.



Part-time residents responded in the opposite trend than those of full-time residents. A significant number of part-time residents were opposed to placing caps on short-term rentals in the residential districts.



RESIDENTIAL CAPS ANALYSIS SUMMARY

When viewed as a whole, a city-wide cap policy was not overwhelmingly supported by those who responded. The response data indicates that full-time residents viewed a city-wide cap more favorably than those who identified as being part-time residents. Public comment has further supported the statement that a city-wide cap would potentially have negative impacts on the economic well-being of the City. The public at large has indicated that short-term rentals provide temporary lodging for tourists, who further support the local businesses of the area. Therefore, placing a city-wide cap on short-term rentals has a potential negative connotation.

Inversely, public comment has been expressed that placing a cap on short-term rentals would stop the decline of available housing stock in the City. Further, supporters of placing a cap on short-term rentals have indicated that such a policy change would encourage part-time residents to become full-time residents. Additionally, an increase in permanent residents would also increase the talent pool for boards and commissions within the City.

The survey responses are relatively split between full-time and part-time residents: full-time residents are more in favor of placing caps on short-term rentals, while part-time residents are opposed to such a policy change. The next section provides potential avenues that could be explored by the Planning Commission and City Council.

POTENTIAL SHORT-TERM RENTAL CAP POLICIES

The City of Saugatuck’s Short-Term Rental Task Force has acknowledged the role short-term rentals play in the tourism industry, local economy, and residential quality of the neighborhood districts. Further, the Task Force understands that short-term rentals can be a challenging topic to address to the satisfaction of residents, property owners, community stakeholders, and other key personnel. Therefore, with these factors predominate, the following **potential** policies are presented. These policies are not designed as a “be all, end all” to the short-term rental topic. The Task Force is encouraged to review these policies and determine what may be best for the City of Saugatuck.



Policy #1: City-Wide Cap

Explore the creation of a city-wide cap on short-term rentals. Such a cap would be applied to all zoning districts. The cap limit would be an estimated 10 certificates higher than what is on record at the time of the policy adoption. Once the cap limit is reached, no new certificates will be issued.

Residential properties that are in good standing and currently have a short-term rental certificate would be permitted to renew, subject to complying with all applicable zoning regulations and fire-safety stipulations.

Once the number of short-term rental certificates falls below the established cap number, new certificates could be issued up to the cap limit.

Policy #2: Residential District Cap

Explore the creation of a residential district cap limit. Such a limit would be applicable to all residential districts, exempting out the downtown area/commercial areas. The cap limit would be an estimated 10 certificates higher than what is on record at the time of the policy adoption.

Residential properties that are in good standing and currently have a short-term rental certificate would be permitted to renew, subject to complying with all applicable zoning regulations and fire-safety stipulations.

Once the number of short-term rental certificates falls below the established cap number, new certificates could be issued up to the cap limit.

Policy #3: Neighborhood Cap

Explore the creation of a neighborhood cap. Each neighborhood would have a given number of certificates that could be issued. Once that number is reached, no new certificates would be issued until such a time as the recorded certificates falls below the established cap.

Residential properties that are in good standing and currently have a short-term rental certificate would be permitted to renew, subject to complying with all applicable zoning regulations and fire-safety stipulations.

Once the number of short-term rental certificates falls below the established cap number, new certificates could be issued up to the cap limit.

Policy #4: Lottery

Explore the creation of a lottery system that would require all short-term rental seekers to submit an application for entry into a lottery. The City would host a lottery drawing, in which a set amount of certificates would then be awarded. The lottery would be held every year or, alternatively, every other year. Therefore, certificates would expire after a two-year period. Each former certificate holder would need to re-apply to be entered into the lottery system.



Policy #5: No Action

An alternative to creating a cap on the number of short-term rentals within the City would be to not establish a maximum number. Market data and other housing markers are trending towards a stabilization of the housing stock and a reduction in the number of new short-term certificates. So long as a property owner can comply with the established zoning and fire-safety regulations, a certificate would be issued. Additionally, an increase in active enforcement measures that address noise, trash and parking concerns could be undertaken, which may alleviate some of the adjacent residential concerns.

Respectfully submitted,

McKENNA

Kyle Mucha, AICP
Senior Planner

Brian Schipper
758 Pleasant Street
Saugatuck, MI 49453

20 August 2023

Holly Anderson, Chair
Short-Term Rental Task Force
City of Saugatuck Planning Commission
PO Box 86
Saugatuck, MI 49453

Re: Response to Request for Public Comments Regarding Short Term Rentals in the City of Saugatuck

Dear Ms. Anderson and Task Force Members:

I applaud the City of Saugatuck and the Short-Term Rental Task Force for devoting extensive time to develop recommendations regarding using private residences as short-term rental (STR) housing in the City of Saugatuck. This work is necessary and timely and I am grateful that so many committed citizens are contributing their personal time in this way, which shows how much everyone involved cares about our city.

Public comments tend to be polarizing, often based on the economic interests of each individual, which creates the sense that positions are irreconcilable. If the commenter is an STR owner, property manager, or realtor, the emphasis is typically on the risks of further regulation to local commerce, economic well-being and property values. If the individual is a non-STR owning resident, the commentary typically highlights the loss of the sense of community and the impact of STRs on quality of life.

Much of the commentary has served to amplify differences in order to seek to ban short-term rentals on the one hand, or to avoid regulation (or, at least any new regulation) on the other. The principal question for the Task Force and ultimately for the community, is whether the existing regulations have achieved the right balance that is in the best long-term of our community.

I own a house that is used as a permitted short-term rental in the City of Saugatuck. And my residence is on a street where almost half of the private homes are used predominantly as revenue-generating STRs.

I am convinced that banning the use of private residences for short-term lodging would have a detrimental impact on the economic vitality of the community. I also know that proximity to STRs has a real and significant corrosive effect on quality of life. My hope is that everyone on the Task Force, and indeed, all Saugatuck voters, understand that both things are true.

If both things are true, then the only rational outcome is sensible regulation that allows for private residences to be used as short-term rentals, while putting in place the means and mechanisms that will minimize the risk of bad behavior by renters.

The Quality of Life Impact

I would ask the Task Force members to consider the impact to others of the following situations:

- While playing in the driveway, two young children of short-term multi-family renters from Chicago, pulled down their pants and defecated on the driveway a few feet from the street, in front of their mother and in full view of guests in my home
- An intoxicated woman, at 5:30 am, pounded on the windows and doors of an STR house and screamed for close to an hour to be allowed in; then attempted repeatedly to break into a locked car parked on my private property (eventually the seven other guests of the seven staying in the rented house, for a Madison, Wisconsin high school reunion left around 6:45 am after the police were called)
- A family staying in a short-term rental, trespassed into the yard and driveway of my private home and took photos through the windows of the contents while their young children pounded on the windows (when confronted, these individuals stated that the reason for doing so was because "...we didn't think anyone was home..." after this, they loudly and repeatedly called us "assholes" for asking them to leave
- A loud game of beer pong was played on a folding table in one half of the street by occupants of a short-term rental while drinking a case of beer; cans were thrown on the street as they were emptied (when the property manager was notified, the response was "...they are just having fun").



Repeated issues include:

- Playing loud music and yelling while drinking, playing darts and pool in the garage, continuing all night until after sunrise
- Multiple cars—as many as twelve per STR—parking on the street making passing by other cars difficult and passing by emergency vehicles impossible; on a couple of occasions, this has included parking pontoon boats on trailers

- Because the eight houses on the street are STRs with absentee owners, during many weeks during the year, trash cans often remain on the street for several days after trash pick up



- Five of the STRs on the street have no usable yards, so the narrow public street is repeatedly used for loud group activities, predominantly on summer weekends when dozens of parked cars are on the street, such as games of touch football, ultimate Frisbee, corn hole, and tee ball.



Promoting Short-Term Rentals for Events Likely to Be Disruptive

The promotional materials for one private home on the street used for short-term rental lodging indicates nothing about the fact that it has no yard because the house is sited on a steep dune, but notes that the property features “Open and spacious indoor and outdoor space,” that it “....comfortably sleeps ten guests,” has a “party lounge and deck,” and is “...perfect for large family getaways, wedding parties, (and) multi-family vacations...”

Another nearby rental unit also has no useable yard (again, which is not noted in the promotional materials); while those same materials state that it can accommodate “...14 guests; in six bedrooms.”

One wonders whether the rental management company involved considered the impact of fourteen guests in one house, when on most weekends, each guest has driven to Saugatuck in their own vehicle to stay in a house that has available off-street parking for three cars.

In granting STR certificates to six adjacent houses on the same narrow street (only one of which has a yard for outdoor recreation, and one of which has no off-street parking whatsoever), one also wonders whether consideration was made for the impact on quality of life of those who live on the same street, especially when these same STRs are immediately across the street from a twelve-person occupancy bed and breakfast hotel.



The Impact of Short-Term Rentals is Asymmetric

For the owners and the property managers of STRs, there might be new requirements with which to comply. For the realtor, there might be the need to find a homebuyer who wants to live in a home instead of a buyer seeking to supplement their income. But for those who are impacted by the behavior of short-term renters, quality of life is tenuous depending on the behavior of those who rent the property.

From first-hand experience, every week is another roll of the dice; every weekend has the potential for conflict. Is this a considerate family or group visiting Saugatuck in order to have a quiet escape, or is this going to be the next reunion or bachelorette group in which every guest has driven their own vehicle from out of state blocking traffic typically followed by the inevitable drunken late-night parties and screaming in the hot tub? Is it right that living near an STR can so negatively impact quality of life that the only recourse is to be compelled to find a new place to live?



As noted in a previous letter when (yet another) private residence on the street was seeking approval to convert the property to an STR: *friends who moved from Pleasant Street said in a recent conversation*

“...we don’t miss it,” attributing the poor quality of life specifically to the proliferation of short-term rentals. I believe this merits additional emphasis: Homeowners are leaving what is generally considered to be a desirable residential street in the City of Saugatuck because short-term rentals have negatively impacted quality of life.

I am an advocate for private property owners having the latitude to use and enjoy their private property how they wish—including using it as an STR. Owners of short-term rental housing, property managers and realtors should consider how they would feel if similar circumstances to those cited above were taking place next door to where they live, or if they lived on a block where almost half the houses are used as short-term rentals.

Unfair Expectations Imposed on Adjacent Residents

Those against further regulation should consider whether it is fair to expect private citizens who live near STRs to monitor and report on the activities of short-term renters to ensure compliance with local laws and codes. And these same advocates should consider whether it is fair for their fellow tax paying residents to have their quality of life persistently impacted in these ways.

Inconsistency with Zoning and Building Regulations

Building or remodeling a private home requires compliance with specific building codes, zoning requirements, and other regulations and must pass multiple inspections during construction. Those requirements were written to promote the health, safety and peaceful co-existence of residents. When a private residence is repurposed as income-generating short-term lodging, those requirements no longer match the purpose of codes and zoning for which they were developed in the first place.

A property owner has a right to certain expectations based on how the neighborhood in which they choose to live is zoned. Much has been said about the prospective negative impact on property values if short-term rentals are limited. Very little has been said about the negative impact to the value of private residences that are adjacent to short-term rentals.

Purchasing Private Residences for Income-Producing Businesses

Renting all or part of a home was traditionally a way to offset the expense of maintaining a home and the majority of those cases were long-term rentals—which are entirely different in impact on others. What has changed is that many private houses are marketed by sellers and realtors as, and purchased with, the expressed purpose of using the home for short-term lodging to maximize the income from the house as a business—not as a home to be lived in and enjoyed by the homeowner.

The most recent home to sell on the street has since been converted to a STR, bringing the percentage of STRs on the street to 44%. Upon meeting the (very friendly) new owners, they said how excited they were to own a home in Saugatuck, and in the same conversation noted that “...we don’t expect to be using the house more than a few weeks a year.”

Regulations That Minimize Negative Outcomes

In another community with resort-driven economy with which I am familiar, what changed public perception and stopped voters from approving a ballot measure placed by citizen initiative to outright ban short-term rentals, was the fact that the city adopted, by ordinance, clear guidelines with exceptionally strong enforcement mechanisms to ensure property owners of short-term rentals and their management companies were complying with rental restrictions or risk losing their short-term rental permit.

Those guidelines include:

- Twenty percent cap on permitted short-term rentals per neighborhood
- Permit required, renewed annually
- Special transient occupancy tax
- Occupancy limits
- Limiting parking on neighboring streets, particularly overnight
- Contract for each guest stay required
- Local response contact required
- Twenty-four hour rental hotline to report active nuisances such as noise, parking or trash
- Minimum age requirements
- Prohibition against outdoor/amplified music
- Posting of registration number in all advertising
- Limits on permitted number of rental contracts per year
- “Three strikes” suspension risk (three citations in a twelve month period result in a two-year suspension of the property unit’s permit)
- Substantial fines for violations (from \$500 for first to \$1000 for subsequent violations)
- Failure to register considered an extremely serious violation with permanent ineligibility to be issued a short-term rental permit
- Guest standards including “statement of rules and regulations” and “good neighbor” brochure.

The combined effect of these regulations addressed head-on the two main objections to STRs: 1) the eroded sense of community that stems from residential neighborhoods effectively being re-zoned into business districts by controlling the prevalence and density of STRs, and 2) established many more tools, mechanisms, and accountability for dealing with disruptive behaviors that impact residents’ quality of life.

The above regulations in that city have been successful in dramatically reversing the incessantly negative quality of life issues that had impacted the residents who live near homes being used for short-term rental housing.

Striking the Right Balance

Those who oppose tighter regulation of STRs in Saugatuck should be aware that long-term viability is predicated on ensuring residents’ quality of life is not further eroded. I believe that common ground can be found that strikes the right balance for STRs to contribute to an economically vibrant tourist-driven economy and for Saugatuck to be a great place to live for everyone.

My motivation for contributing to the discussion is my belief that the status quo is both unfair and unsustainable.

The current conditions have not achieved the right balance. Quality of life is being disproportionately negatively impacted for those Saugatuck residents whose homes, through no fault of their own and outside of their control, happen to be close to one or more private residences that are being used as income-producing businesses.

I believe that achieving the best outcome for the city requires residents to acknowledge that STRs are a source of economic vitality. And it also requires that STR owners, property managers and those that market these homes as prospective businesses care about and be sensitive to the impact that STRs have on the lives of the residents who live nearby.



I am happy to comply with the regulations expected of me as the owner of an STR. I would gladly comply with additional regulations to ensure that the quality of life for my neighbors is protected.

Sincerely,

//s//

Brian Schipper