



SHORT-TERM RENTAL TASK FORCE MEETING MINUTES- *Proposed* **June 1 , 2023**

The Short-Term Rental Task Force met for a
Special Meeting at 1:00 p.m.
City Hall
102 Butler St., Saugatuck, MI 49453.

Call to Order:

The meeting was called to order by Chair Anderson at 1:00 p.m.

Attendance:

Present: Anderson, Manns, Stanton, Steele, Tringali, Boerema, Hart, Gudith and Clark.

Absent: None

Others Present: Director of Planning, Zoning & Project Management Cummins, Deputy Clerk Williams, Clerk Wolters, Attorney Witte and Captain Ensfield.

Approval of Agenda:

Motion by Manns, second by Hart to approval the agenda. Upon voice vote, motion carried unanimously.

Approval of Minutes:

Motion by Steele, second by Gudith to approve the minutes from May 18, 2023. Upon voice vote, motion carried unanimously.

Public Comment on Agenda Item Only:

Jane Underwood- resident:

"Good afternoon, folks. I'm Jane Underwood. 130 Perriman Street. And as I look around here, I suspect I've been here longer than anyone else. I've been reading the comments in the packet regarding the dire warnings if we don't continue with all the short-term rentals. I don't see Saugatuck as a doomsday book candidate. I've heard that for a lot of years. I can remember when the motorcycle gangs were here. I can remember people were afraid that the North Beach was going to scare away families. You know what? A lot of families came because they wanted to walk the North Beach. For those of you who know what I'm talking about. Ah, Saugatuck has been a tourist town for a long time. It was mostly hotels, some ins and many people rented rooms. And that seemed to work pretty well. I can also remember in the winter, when we came up, there were stores open and there were people in town. I don't see that anymore. There's a couple of stores that managed to stay open. But it's pretty dead. And if you drive around, especially on the hill, it's pretty dark and pretty empty. As a retired teacher, I worry

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about our excellent school system. We have a number of students who graduated from Saugatuck high school who are going to the University of Michigan. That's big time. And I would like to see that continue. That should be a major draw for families with young children. Those of you sitting around this table have a tough job. Let me make a couple of suggestions. Yes, I think short term rentals are here to stay. I suspect they're going to slow down a little bit. It was very popular during the pandemic; people felt they could be safe with their own families. Higher interest rates are probably going to put a little kibosh. I've had a couple of offers of all cash whatever you want for my home. Sorry, not for sale. We need to get a hand All on short term rentals. We have to identify them. I know people are working at it. I've looked at the map there's still a lot of red dots that have to be filled in. I think we need a professional person whose job is to oversee this. Their salary coming from the fees. One more comment. We need professionals inspecting the short-term rentals to be sure they are safe for the people that are coming in."

Dick Waskin- resident:

"I'm commenting on the review discussion five A the sheriff office's presentation on noise. And I was looking at his report. And I thought it was really interesting to see how many noise complaints were made in 21-22. And this year, and how few there were from short term rentals. Because it seems like many of the complaints, I've heard some of the neighbors complaining about is the noise that short term rentals bring in. But, according to this report, there were many more complaints made by non-short-term rentals, noise complaints, where I live in the summertime, I can hear clearly the football stadium over at the high school, the marching band the play by plays of all the games, I hear a lot of that. I also hear on Sunday afternoon, we get to hear a nice loud band over at the red doc, which we appreciate. And in the evenings, we'll hear the thump thump thump of the Douglas dunes. I could be a grumpy old neighbor and say, "Hey, get off my lawn, I don't want to hear these noise, I'm complaining about him." But actually, my feeling about it is it shows the lifeblood of this town. It shows that people are out there enjoying themselves. People have come here and yes, we live in a city we have neighbors, we're going to hear our neighbors occasionally. If people get way out of hand, then yes, there needs to be enforcement. But I think whether it's a graduation party, or whether it be short term rental, or whether it be just your neighbor doing something, we have to be, I think careful not to overreact with our ordinances about noise, but have a reasonable, reasonable expectation. And people just being polite and neighborly to each other and being fair to each other and not being an annoyance. So, I just I just wanted to bring that because just seemed that was a real driving force. For some people wanting to get new rules. It's talking about noise going on. And actually, I don't think the noise is that big of a factor according to this report."

Review/Discussion:

A. Code Enforcement Analysis:

Director of Planning, Zoning & Project Management Cummins reviewed the total number of noise complaints and total STR noise complaints reported to the police.

1. Sheriff's Office Presentation on Noise Enforcement:
 - a. Captain Ensfield explained the process of receiving noise complaints and answered questions from the task force.
2. Ryan Cummins explained registration enforcement:
 - a. 2021 City Council passed a STR investigation fee policy.
 - i. A courtesy reminder will be sent out by staff, allowing 15 days for a response.
 - ii. The first formal notice will be sent out by staff, allowing

15 days for a response without additional fees or charges. (30 days).

- iii. A second formal notice will be sent out by staff accompanied by an invoice for the investigation fee (\$250.00) allowing 15 days for response. (45 days.)
 - iv. A third formal notice will be sent out by staff accompanied by an invoice for the investigation fee (\$300.00) allowing 15 days for response. (60 days).
 - v. The sticker will be placed on the main door of the dwelling unit, and a civil infraction notice (\$100.00) will be issued to be paid within 10 days. (75 days).
 - vi. A civil infraction ticket will be issued instructing recipient to appear in district court.
 - vii. The court may order the amounts due be placed on the tax bill.
- b. 2022, Kate White reviewed online STR listings and sent notices to unregistered rentals to bring them into compliance.
 - c. 2023, Ryan Cummins has worked to clean up STR applications that have been in “hold” status.
 - d. Ryan Cummins sends out friendly reminder letters to units that will soon expire and investigates complaints of unregistered rentals.
 - e. Violation Fees are for Nuisances, Garbage, Parking, Fire Code, Zoning and increase for First, Second and Third violations.
 - f. Enforcement challenges include:
 - i. Occupancy-
 1. Sleeping occupancy vs. visitor occupancy
 - ii. Resources for more time intensive proactive enforcement-
 1. Regular checks of listing sites
 2. Single contract provisions
 - iii. Complaint for noise
 - iv. Anyone can utilize available street parking.

B. Initial STR Task Force Member Feedback and S.W.O.T Analysis:

MCKENNA Senior Planner Kyle Mucha was joined by McKenna Planning Intern

Kyle presented: SWOT Analysis.

1. Kyle Mucha went into discussion with the task force regarding opportunities.
 - a. Good neighbor policy
 - b. Consistent agreements
 - c. Reduced noise
 - d. Payment assistance for home buyers
 - e. Third party rental inspections
 - f. City wide policy for contact information
2. McKenna provided City Comparisons using Cities of Charlevoix, Grand Haven, St. Ignace and Suttons Bay Township. Task force asked to go outside of Michigan to look at some seasonal tourism towns as well.
3. Kyle Mucha discussed community engagement styles and asked the task force. They are looking for direction from the task force for the following:
 - a. Outreach & Branding
 - b. Community Workshops
 - c. Online & At-Home Engagement
4. McKenna provided a spreadsheet of task force members’ feedback.

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

Communication:

Dan Fox

Unknown Author

Public Comment:

Diana Decker, resident:

“The fire department is awesome. I mean, the Inspector, I feel they do a very good job. I have my rental certificate here. And they do put on their certificate here the number of people that you're allowed on certificate, and then your phone number is on there and everything like that. So the police could easily have this information. How many are supposed to be in the home and their phone number. When I was flipping through the slides I saw regarding the fire code, first violation, second violation. Third violation I was just curious on why we're letting someone rent their home if they're not following the code you know, the fire code and the fees 30. Matt, regarding the home the Michigan some states have passed bills regarding housing for workers, your lease your fire meant to live in your community. So some states have already passed bills for down payment assistance, your loans would be interest free so online at the Michigan doesn't have that yet. Regarding the one home, the gentleman was selling his home so that home sold to a permanent resident not as a vacation rental. And the extra mills I know you made a comment regarding the extra mills for non-homestead, the school gets that portion. So homestead so much the non-homestead that portion goes to the school for funding. I'm just because I used to be a township treasurer. Regarding the police, they're just awesome. I had to call several times for 911 and they came right away. The police came right away. Another time I heard screaming. And they took someone out of the van and was beating them up, so I called the police and we get a section car certain times we don't have full time police all the time. thank you.”

Suresh Rajapakse, resident:

“A couple of quick comments, I applied to be in the task force as well but did not make it but I'm, I'm gonna use this opportunity to make me make some recommendations as well. So again, great conversation and great commentary. We run a short-term rental ourselves. We don't run it through an agency, but we've adopted a lot of the similar policies that you have all spoken about, which I think is great for people to have. We don't allow anyone over 25 I'm sorry, you might not make the cut. No, no parties. No, we have very strict parking regulations. We have two parking spots available on our property and we say there's only two parking spots available and you have to make sure you park in the parking pad available. And we have six people that are allowed in our in our rental which we mandate that they're only allowed six people as well. Now we do that because we want to protect our property, we find we love coming there, we take great pride in ownership. So, I don't want to have a few bad apples that aren't taking pride of ownership of their properties. You know, lots of rules and regulations that impact 80% that are doing a great job of managing their rentals, either through an agency or in through self-managed funds as well. We also do have rules and regulations in relation to what needs to be posted inside the property, the phone numbers of the contracting party emergency instructions, so we've got we've actually got an extra step and we've put something in our window that advises who to call, should there be a neighbor. Another idea that I thought might be good is maybe there's some type of a rule that is on the city of Saugatuck website that lists the short term rentals that has the owner and the contact information available as well so that if somebody doesn't want to

trespass onto somebody's property, they can go into a website and have a look who they can contact as well. Immediately everyone's got access to the web. I do also love the idea of this policy that we have as the city of Saugatuck. Again, I think of its kind of like a HOA policy, where people have to follow certain rules. My only request is it shouldn't only be short term rental owners that need to follow those policies. It should be everybody that lives in the city of Saugatuck that needs to follow those policies, whether it be around noise, whether it be around garbage, whether it'll be around maintaining the property appropriately. It shouldn't just be a short-term rental owner that has to abide by those properties. That should be everybody that lives in the City of Saugatuck. That's all I wanted to share. Thank you."

Michael Economos, resident:

"I want to make sure that you heard my comments to the City Council that the City of Saugatuck in the last 10 years has lost 20% of its total population. Check it out. If you haven't, that's significant. And it brings great changes to our city. I'm not against short-term rentals, but I think they should be capped. I think maybe they should be tied in with the number of non-permanent residents that we have here. I happen to live on the west side of the river on my bald head. I am surrounded circularly by four homes. One of them is a summer home and the other three are short term rentals. I don't have any sense of neighborhood living around here. But that's okay. I still have it. But our problems are unique. Because we live out wooded lots and my neighbors don't clean up their yard in the fall. It's full of leaves. I like to keep my yard clean. But I can't because the leaves blow from my neighbor's homes onto me. I don't know what to do about it. I don't even know who the owners are, in some cases that are out of town. We had a case last week, something unusual. I guess the parents had left and left their kids teenagers in the house and my wife was looking out our kitchen window and here was a teenager comparing a box full of bottles. She could hear him rattling and he came to put it underneath one of our bushes. You know you don't know what kind of problems you're going to have. But you can't do away with them. But you can certainly limit them. I'm really concerned about this population problem dropping. If we take another 20% down, we're down to 771 residents according the 2020 census the population in Saugatuck, It's now 771 people. 10 years ago it was 900 and some. Thank you."

Jim Bouck, resident:

"I read the commercial record. I watched two weeks ago and I counted the number of graduates we had from our class and there were like 80 kids who graduated. I counted the number of real estate agents and there were like 80 real estate agent for the city of Saugatuck. Just look at the paper. You're going to hear from every one of them. But you aren't going to hear from many residents. We're going to come to City Hall where there's no parking in a community where the average age is over 60 climb the steps or take that one elevator which is its own risk and sit through a two hour meeting to express their opinion and three minutes. It just isn't going to happen. You won't hear from the residents that live here. I understand everybody has an opinion. Mine is we have too many short-term rentals. So please consider a cap. Please consider licensing revoking the licenses from noncompliant people. And let's limit it within the residential areas especially thank you. Thank you."

Peter Hanson, resident:

"Currently in a residentially zoned area of Saugatuck, one of the allowed usages is short term vacation rentals. So, my question is, at some point in time, do you get to a threshold where it's no longer a community, but just you know, a whole bunch of short-term rentals. We're currently at 30%. What is the threshold where you're no longer community? Is it 10,20,50? Or do we have just no limit? The second thing I have is, is that there is no limit on the number of people who could occupy a short-term vacation rental. From what I hear, people are encouraged who are going to have something that a short-term vacation rental is packet with beds, the more people you get into a home and the more you can charge it therefore becomes more lucrative as a short-term vacation rental. I think probably the

biggest complaints will come from people that have the highest density of people in the home. Then the last thing I did want to ask a question of the officer when you did the number of complaint noise complaints, was that through 911? Or was there a number they could call that was not 911? Thank You.”

Mark Kimble, resident:

“Just had read an article recently was talking about Key West Florida. They've had short-term rental restrictions in place for a long time. They say now those short-term rental licenses can sell for up to half a million dollars. So that's not necessarily a negative for an investor if we cap it. The other was the flip side of that the unintended consequences that with the short-term rentals cap now they're finding what were previously three flats are being converted to large homes that are now being rented for a month or more which doesn't fall under the short-term rental and they're losing occupancy for workers in those communities. So, you know, you have what is a short-term rental is a less than a month is less than three months. It's something else that has to be considered. And like Peter just said, you get too many rentals and You just lose the community feel we don't have we're lucky on spear street that there aren't that many rentals. But you know that can change in a heartbeat. Thank you.”

Mark Klungle, resident:

“I just wanted to make a couple comments on some of the things to look at because the Casco Township has the Good Samaritan postings that have to be done in every rental and there's a lot of things in that Casco report that you should look at, because it's quite good. Nine years ago, we had a short-term committee meeting and we put together the ordinance that we currently have. That was primarily a fire code. The fees that were established in that process, were up by done by the city. The city set the fees, the vacation rental management group there that was back then there were only two of us, so it was millpond Realty in Lake Shore lodging, which is now VACASA. We both wanted \$200 be back then the city picked at you'll find that the vacation rental that the higher you know the week we're not objecting to the fee. That's why I'm trying to understand the talk about the fee because the city sets and the fire department the there is a fee on vacation rentals and it's for a fire inspection started at \$80. It's up to 350 now. They've had three increases to get to there, but that is only on vacation rentals. Resorts have to have an fire inspection, they don't have to pay that fee. B&B's have to have a fire inspection, they don't pay that fee. Motels have to have that inspection, they don't pay that fee. So, the fee is only on vacation rentals and vacation rental people are going to tell you we don't care so much about that fee is not that important, it can easily be much higher. That's not the point. Because it takes out a lot of the riffraff or the lower-level people or the poor-quality rentals. The other thing, fee itself, the fire departments, you're structuring a fee, this fee was split between the city for administration and half to the fire department do the inspection. The inspection is the same price for everything. Yet, if you've got a one-bedroom unit, it takes five minutes to inspect it's \$350. If you have three one units, three one-bedroom units and a 1800 square foot house, that ends up being \$1,000 yet I'll have a 6000 square foot house that'll take 35 minutes to inspect is \$350 It means to help make more common sense based on square footage or number of bedrooms taken in consideration. So, it's a tiered fee that relates to the inspection process. I'll leave it there. Thank you.”

Brad Vah, resident:

“I have a house. That's a short-term rental. I actually live over in Hamilton. I have a handful of things that I want to address. I probably won't get through them all, but I will try to go quickly and then follow this up with an email. The first thing I want to address is these the commentary that I keep hearing about the population loss in Saugatuck, I'm looking at the census numbers. Saugatuck has actually lost population every census since 1980. 1980 is the last time Saugatuck shows a population growth. And it was a population growth of 5.6% over 1970. So, if someone has not seen population growth since the 60s 70s and 80s it stands to reason that population is declining because the population is aging out of

Saugatuck, not because of the short-term rentals. So, I'd like to get some information or data around why it seems to be there's a foregone conclusion that short term rentals are responsible for the population decline in Saugatuck when the Census does not seem to backup that information. Moving on. The second point is I've heard a lot about the garbage and I will 100% agree with the garbage being a problem. I have actually, in the past administration sent several, not even several hundreds of messages to Cindy Osman at the time about the garbage situation because the city forces us into a single trash hauler and that trash hauler at least once a month during the busy season, misses my house and refuses to come out to pick it up until the next season. So that is a problem that is generated by the city council, I have asked for a dumpster because I do have a large rental and I know that there's a lot of trash. Republic Services won't give me a dumpster because I'm zoned residential, and they will only put dumpsters in businesses. So, if you want to track we'll tackle the trash problem, That's the City Council problem. They need to get their crap together with Republic Services, and not put that back on the short-term rentals. Thirdly, has anybody actually reached out to VRBO, or Airbnb or any of these companies that are actually doing and facilitating the short-term rentals because guess what, I'm a software developer. I was a software developer for one of these companies. And as a city council, you can reach out to Airbnb and say, Hey, anything registered in our city has to have a permit number. You cannot list a house without a permit number in Palm Springs, Province Town, Key West and in Puerto Vallarta, Mexico. These are all things that are mandated by the city for the Airbnb for the short-term rentals along with standard boilerplate language of rental agreements or contracts of what are you allowed to do. You can actually have the service providers mandate those before the listing can even be made public. Airbnb and VRBO specifically will also provide free noise monitoring devices to every single rental. Look it up. It's a partnership that all of them have. I have one at my rental. It's wonderful because I have a swimming pool. People get noisy, I get alerted. I can calm them down. I have a bunch of other things. I'm out of time. I'll send an email."

Nancy Kimble- resident:

"I spoke to you before and so I don't want to belabor my comments. Obviously, my comments before were that if I knew now what I, you know, if I'd known four years ago, what I know now about short-term rentals, we probably would not have chosen Saugatuck to be our permanent home. I live at 550 Spear Street. Previously, we lived in a high rise in Chicago. And the same issue came up only not for short-term rentals. But for long term rentals. There was great opposition in that high rise to just even having renters, period. And the requirement was you had to lease your unit for a year minimum. However, people just don't like renters next to them. And we ultimately passed a rule that we kept them at 20%. And once that level was hit, you went on a waiting list. And we thought there would be a lot of problems with that. But it worked. It worked beautifully. So, I think that that is a good solution. If we don't cap the rentals, I think that will never actually solve the problem. And my last comment is, this issue is finally getting more widespread media attention. So as more people become aware of the problem, they're less likely to want to choose Saugatuck for their full-time residence. So, if we don't have measures in place, I think that that's just going to compound the problem. Fewer and fewer people will want to actually move here. If they're aware that it's quite likely, their neighbors are going to be short-term rentals. Thank you."

Adjournment:

*Motion by Steele, second by Clark to adjourn. Upon voice vote, motion carried unanimously.
Chair Anderson adjourned at 5:07 p.m.*

Respectfully Submitted

Jamie Wolters, City Clerk

