



## **Planning Commission Meeting Minutes**

The Planning Commission met for a Regular Committee Meeting, January 18, 2024, at  
7:00 p.m. at City Hall  
102 Butler St., Saugatuck, MI 49453.

### **1. Call to Order/Attendance:**

The meeting was called to order by Vice-Chair Broeker at 7:00 p.m.

Present: Vice-Chair Broeker, Commission members: Anderson, Bagierek, Clark, LaChey.

Absent: Chair Manns & Commission Member Gaunt.

Others Present: Director of Planning, Zoning, and Project Management Ryan Cummins, Deputy Clerk Sara Williams, City Attorney Jacob Witte & Trent Cunningham.

### **2. Approval of Agenda:**

*Motion by Anderson, second by LaChey, to approve the agenda as presented for January 18, 2024. Upon voice vote, motion carried 5-0.*

### **3. Approval of Minutes:**

*Motion by Anderson, second by Clark, to approve the minutes for the regular meeting January 21, 2024. Upon voice vote, motion carried 5-0.*

### **4. Guest Speaker:**

- City of Charlevoix Zoning Administrator and Enforcement Officer, Jonathan Scheel, and East Bay Charter Township Community Development Fellow, Sam LaSusa spoke to the Commission regarding Short-Term rental experience in their communities. They gave a brief presentation on their implementation of caps, lessons learned, and answered questions from Commission members.

### **5. Public Comment on Agenda Items:**

- Nancy Kimble (550 Spear St) – She wanted to speak on item 7C – Short Term Rentals Discussion of Residential caps and pricing. She said that the Guest Speakers said it all for her, they set their caps at 6% and 2.5% in residential neighborhoods compared to what the City of Saugatuck is currently at approximately 30%, which is a problem. She strongly urges the Commission to implement the caps on STR's.
- Jim Bouck (638 Spear St) – He spoke in favor of caps and the distance regulation so that there is a separation within the residential areas, what happens downtown is a separate issue. He said

that the survey indicated that the full-time residents have spoken very clearly, they would like to have caps in residential areas.

- Steve Manns (727 Butler St) – He apologized for not being able to attend the meeting as his flight was delayed. He thanked the guest speakers for presenting to the Commission. He took some notes and will be following-up with Ryan and with each of the guest speakers on a few questions that he had. Regarding tonight’s agenda, he wanted to say that he thinks that Ryan and the team have done an outstanding job compiling information for the packet, and writing up the ordinance that they are going to be reviewing within the group. He highly commends all the work that has gone into this and all the information that they have. He said that if he was present during this site plan review and public hearing, he would go along with the recommendation that is on page 18. With all of the disclosures, you may want to consider the idea of having a barrier wall because there is quite a drop off where those two six person tables would be.

Manns said that they have done an excellent job with the preparation of the Short-Term Rental Police Powers. He said that he would recommend sending it to City Council for review and approval of the police powers that they will be reviewing this evening. He would like David Jirousek to do his presentation to the group and then he and Commissioner Gaunt would be able to listen to it. He recommended tabling the deliberation and discussions on how they move forward to their February meeting so that everyone can be involved as how to best proceed with the concept of caps and parking.

**6. Old Business: None.**

**7. New Business:**

- A. 650 Water Street: Public Hearing and Site Plan Review for a proposed restaurant with expanded outdoor dining area and service of alcoholic beverages. (Roll Call Vote)**

**Public Hearing Information**

- A. Hearing is called to order by Vice-Chair Broeker at 7:47 pm.

B. Summary by the Zoning Administrator:

The applicant requests special land use and site plan approval for a restaurant with outdoor seating and the service of alcoholic beverages. The purpose of this memo is to provide a compliance review related to all applicable zoning standards and requirements and to assist the Planning Commission with developing findings related to special land use and site plan standards and specific requirements for the proposed business.

The project involves changing the use of the building to a fast-casual restaurant with outdoor dining options. Ordering is proposed through a walk-up area in the building, and no full table service is proposed. Customers will be able to dine in or place

orders for take-out. Tentative hours of operation will be 11 am to 8 pm, seven days a week (seasonally).

The indoor dining area will accommodate up to 49 seats, and outdoor dining will accommodate up to 30 customers at a time. The applicant plans to transfer their existing liquor license to offer beer, wine, and cocktails for on-premise consumption and social district takeaway.

The waterfront lot is just under 7,000 square feet in size. No significant exterior changes or site improvements are proposed as part of the project. While interior renovations will be involved with the project, noticeable exterior changes and items will be the following:

1. Three six-person tables
2. Six two-person tables
3. Six planters (20-inch diameter)
4. Sanitation station for waste and recycling collection
5. Waste containers (side building placement)
6. Four-foot-high screen for waste containers (side building placement)

All exterior furniture, planters, stations, and containers will be temporary in nature. The only permanent improvement will be the four-foot waste container screen and a future business identification sign. It is unclear if existing lighting will be used or if additional light fixtures are proposed.

C. Presentation by the Applicant: Alec & Lindsay Payleitner.

D. Public comment regarding the application:

1. Participants shall identify themselves by name and address.
2. Comments/Questions shall be addressed to the Chair.
3. Comments/Questions shall be limited to three minutes.
  1. Supporting Comments (audience & letters): None.
  2. Opposing Comments (audience & letters): None.
  3. General Comments (audience & letters): None.
  4. Repeat Comment opportunity (Supporting, Opposing, General): None.

E. Public comment portion closed by the Chair at 7:58 pm.

F. Commission deliberation:

The board went into deliberation and discussed the requests special land use and site plan approval for a restaurant with outdoor seating and the service of alcoholic beverages. The purpose of this memo is to provide a compliance review related to all applicable zoning standards and requirements and to assist the Planning Commission with

developing findings related to special land use and site plan standards and specific requirements for the proposed business.

G. Commission action:

*Motion by LaChey, second by Bagierek to approve the Special Land Use Application for a Restaurant Expanded Outdoor Dining and the serving of alcoholic beverages, and the site plan request from the same applicant for 650 Water Street with the following conditions:*

- 1. That the applicant provides light fixture specification sheets for review and administrative approval if the new exterior lighting will be installed.*
- 2. That the applicant also provides signage information for administrative sign, permit review and approval.*
- 3. That the applicant also secures all other applicable approvals from City departments, the fire department, and the applicable outside agencies.*
- 4. That the applicant secures approval as applicable from the Historic District Commission.*
- 5. That the applicant provides all Expanded Outdoor Dining Area checklist items in accordance with Section 154.092 (O)(2)b (license agreement, fees, certificate of insurance, MLCC license, food service license, lighting attestation, and tax payment attestation.*
- 6. For administrative approval and potentially Historic District Commission approval the construction of a barrier on the north side of the outdoor dining adjacent to the boat ramp.*

*Upon roll call vote, motion carried unanimously.*

B. Short-Term Rentals – Review Draft Zoning, Noise, and Police-Powers Ordinance Language.

The City's STR Task Force met for several months and finalized its report at the end of September. The Task Force recommendations were presented to the Planning Commission on October 19. On November 16 and December 21, the Planning Commission reviewed and discussed the STR Task Force recommendations. The Planning Commission found consensus on several of the Task Force recommendations. For items for which there was a consensus and for other staff identified as needing further clarity, a draft police-powers ordinance, zoning amendments, and noise ordinance amendments were drafted.

Some highlights of the additions and changes are provided in the packet. The Planning Commission is asked to provide feedback on the drafts. If you are comfortable with the zoning ordinance amendments, a public hearing will be scheduled for the February 15 meeting.

C. Short-Term Rentals – Discussion of Residential Caps and Parking.

The City Attorney has provided drafts of two ordinances to implement several recommendations from the City's Short-Term Rental Task Force Action Report ("action report").

One ordinance proposes to amend several sections of the City Zoning Ordinance regarding accessory dwelling units and short-term rentals, and the other “police power” ordinance outlines the permitting and enforcement process in the general City Code of Ordinances. However, certain policy discussions are recommended to assess rental permit caps and other requirements, such as parking restrictions.

**D. 2023 Activity Report:**

Zoning Administrator Cummins said that it was a busy year for the Commission as they have had a lot of long meetings and no cancelled meetings in 2023. As a matter of fact, they have had a couple of extra meetings and issued 95 Zoning and Sign permits, which is up from previous years. That does not include Short-Term Rental certificates, historic district, and all the other permitting that comes through his desk. He said that they had clear direction from Council that they wanted enforcement activity and follow-up on complaints that were being made. The Commission had 86 open cases this year. He provided a breakdown of the categories and said that they kind of fell into their short-term rental activity. They had 90 renewal or new short-term rental certificates that were issued this year, and then the Commissions activity. He said that he hasn’t pulled reports for a while, but they currently have around 275 total short-term rental permits. He took the Commissions 2023 priorities that they set for the year and laid out some progress. Essentially, with a couple of exceptions related to the fee in lieu of parking, Park Street sidewalks and widening which was picked up by the Parks and Public Works Committee, they have either completed or made significant progress. He said that they will now take the report to City Council, so they are able to see the Committee’s work. He said that even though they have had a lot of agenda items, they should add an agenda item to set goals for the year.

**8. Communications:** None.

**9. Reports of Officers and Committees:**

**A. Zoning Administrator Activity Report:** Director of Planning, Zoning, and Project Management Cummins included brief update of his report.

**10. Public Comments:**

- Mark Kimble (550 Spear): Said that they have been going through the Short-Term rentals process a long time. He said he didn’t want to get into what they call an IT analysis paralysis where you can spend time and you can look at statistics and there are lies, damn lies, and statistics. He said that when they did the survey the last time there was no clear-cut question on if they support caps. It was a mishmash of how to answer this. Saying there was no clear support for it was obvious because there were no clear questions. He says if they want to do this, it has to be clear and it has to be quick. From his understanding, every house that has sold in Saugatuck since this whole process started has been for a short-term rental. There isn’t going to be anyone left living here. He thinks it will be a giant distributed hotel, not a city. They moved here to live in a city and not in a hotel.

- Nancy Kimble (550 Spear): Committee needs to speed up actions on Short-Term rentals. She feels they are losing their town. She inquired about how many new STR certificates had been issued this year and said it is a lot based on her understanding and what has been happening in her neighborhood. She loved Holly's comments about the leaf blowers, she is totally in support of shutting those things down.
- Steve Manns (727 Butler): He thought it was a great meeting and that the Commission did a great job. He had a few comments on the leaf blowers and construction. The Commission left in there the 7am-9pm operating hours but Mann's advised the Commission to look at that and said that 8am – 8pm would be a better option. He thinks that 7am is too early to start and 9pm is too late to have that type of noise. He thinks they may want to consider putting it in as a recommendation. As far as the caps on short-term rentals, he thinks David Jirousek laid out some ideas so that they may want to try to do some neighborhood type of studies. If they were going to go down that avenue, it may be beneficial that they get some of that work done before February's meeting. Otherwise, they're going to go into February's meeting and start talking about caps and then they will have to question how a neighborhood is defined, what constitutes a house fee, how they can stop somebody from securing a license just so nobody would want them within 1000 feet of them can get a license. These are all things that would need to be done as part of a neighborhood study. He would like to have conversations with Ryan and Council on some things they might be able to prep for, for the February meeting. Even knowing that they haven't made decisions on how they want to go forward but it is clear that they do want to have the discussion. Regarding the timing, he says that everyone says it's been awhile, and we are in January, and as you heard about the other cities with the tonight's public speakers had numerous meetings and Charlevoix's Council held 8 meetings before they implemented anything. Mann's said that they are still looking at trying to get everything in place prior to the start of what really is the short-term rental season in Saugatuck, he thinks that they are setting themselves up with a goal to try to have those in place before the primaries in 2024. He thinks that all of them as Commissioners probably agree that they're just asking for the citizens to give them time to make certain that they don't do something without thinking it through properly. He thinks that they are moving forward and at a really good pace. He thanked everyone who participated tonight, and those that prepared the packets.

#### **11. Commission Comments:**

- Mark LaChey: He thanked the staff and attorney for their momentous work that they did. He wonders if they talk about STR's on the hill, does that include Pleasant Street? Does it go all the way to Maple Street or is it Elizabeth to Spear to Allegan? He thinks that is something to look into and also what is on the hill? Is it all the way to State Street or does it stop at Allegan? Wanted to get the comment out there for everyone to think about in case they talk about caps in a defined area. He says they have to think about it as it is not cut and dry defined in his mind to define the area of where that would be.

- Holly Anderson: Thanked everyone for their hard work. Her sense is that it's residential neighborhoods that they need to look at more holistically. She says she knows that there are things left to do but is also mindful as she knows they are taking a lot of time.
- Joe Clark: Thanked everyone for putting the information together as it is phenomenal, and a lot of work went into it. He agrees with the concept of putting caps in residential places and districts and thinks that it's worth talking about. He would strongly suggest that even if they can't get the Council together that the Planning Commission, even though he knows they have to have advance notice for the community that they should try to have a separate meeting to try and accelerate and have the discussion sooner rather than later. He doesn't know if it is possible before their February meeting, but he would be supportive of it.
- Ann Broeker: Thanked everyone for their amazing work, said it is truly impressive. She knows how much work went into the package that came before the Commission.

**12. Adjournment:**

*Motion by Anderson, second by Clark, to approve adjournment of the meeting. Upon voice vote, motion carried 5-0. Vice-Chair Broeker adjourned at 9:49 pm.*

Respectfully Submitted,

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Sara Williams, City Deputy Clerk & DPW Administrative Assistant