



Planning Commission Meeting Minutes

The Planning Commission met for a Regular Committee Meeting, March 21, 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 Chair Manns at 7:00 p.m.

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

Absent: Commission member LaChey.

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

2. Approval of Agenda:

Motion by Bagierek to switch items 6A & 6B, to go over the goals first. The Commission debated and there was no second for this motion.

Motion by Anderson, second by Gaunt, to approve the agenda as presented for March 21, 2024. Upon voice vote, motion carried 6-0.

3. Approval of Minutes:

Motion by Gaunt, second by Anderson, to approve the minutes for the regular meeting March 21, 2024. Upon voice vote, motion carried 6-0.

4. Public Comment on Agenda Items:

- Diana Decker (128 Elizabeth) - She sent in commentary to Council members and Planning Commission members regarding property management companies. She highlighted the legal requirement for property management companies in Michigan to have an Associate Broker or Broker's license. Decker also said that she lives on the hill and has concerns regarding short-term rentals and parking in the city.
- Jane Underwood (130 Perryman) – She expressed frustration with parking issues in the community and near the ferry terminal. People in town have been fussing about parking for 50 years, and she wonders when the city will do something about this safety issue. She said that is something they need to work on, the ferry, the fence, and too many cars.

5. Old Business: None.

6. New Business:

A. Short-Term Rentals: Further discussion of Residential Caps & Parking.

The Planning Commission continued to discuss short-term rentals, residential caps, and parking. Zoning Administrator Cummins explained that they had moved a number of recommendations to City Council at the last meeting, including updates to zoning ordinance related to short-term rentals, made recommendations on a police powers licensing ordinance for short-term rentals and made some recommendations on amendments to noise ordinance. He said that all of those were passed by City Council and have been published and are in effect. Cummins said that Council did not enact the moratorium. Based on the discussion at the last meeting there was a consensus that you wanted to further study residential caps and do a greater neighborhood analysis. Chair Manns said that even though there was no approval of the recommendation for the moratorium, the Commission already said that they wanted to look at the neighborhoods again. He said he feels they are all commonly reminding people that the STR Taskforce did recommend that Planning Commission and City Council continue to review whether or not there is a need to have limits or caps. He explained that just because the moratorium was voted down, the conversation on limits and caps will continue. He said his feeling was that some of City Council were frustrated with the lack of data on short-term rentals despite task force recommendations.

City Planner David Jirousek said that based on the discussion last month, there is concern with some of the current or potential impact of clustering, and short-term rental permits in various neighborhoods. He said that this is a first look at an initial neighborhood analysis with the goal of identifying and characterizing R1 zone neighborhoods where the City may wish to strategically apply caps, to the number of permits, apply separation requirements, parking restrictions or provisions and other restrictions. Considering the methodology in this report, he said that this is just one planner's general look at a number of factors that may lead to these neighborhood-based restrictions. In his opinion, this is just preliminary, in a way that helped him to begin to work through the questions that they have been looking to answer over the next month or two. Jirousek identified twelve R1 zone neighborhoods in the City based on common characteristics and zoning. He sought feedback from the Planning Commission members on the initial data analysis to inform further study. Jirousek presented an initial framework for analyzing neighborhoods with high proportions of short-term rental permits, using methodologies such as clustering and comparing the number of permits to the overall number of lots in each neighborhood. He is looking for more feedback on potential areas for further study, with questions on how to approach the analysis and whether to focus on a larger or smaller number of neighborhoods. Chair Manns asked Zoning Administrator Cummins about the number of short-term rentals in specific areas. Cummins explained that there are 163 listings in the twelve areas, but the data is more complex when considering commercial districts and multi-family properties. Jirousek suggested a more detailed GIS analysis to map permit locations based on address information, which could provide a more accurate visual representation of the density

and clusters of short-term rentals. Commission members agree on the importance of accurate data on short-term rentals in their neighborhoods.

The Commission members continued to debate whether to prioritize short-term rental regulation. Anderson emphasized the importance of the Planning Commission addressing caps issue to provide residents with necessary data for informed decision-making. Broeker and Gaunt expressed willingness to move forward with short-term rental cap, but only if accurate numbers are provided. Gaunt says that an accurate count of how many short-term rentals they currently have in their zoning districts is needed to move forward. Commission member Clark emphasized the importance of defining their methodology, density, current state, and understanding velocity when analyzing the data. He says that if they are going to do it, do it right. Bagierek expressed that he did not feel that the STR Taskforce left with a mandate to talk about caps. He emphasized the importance of economic studies for Saugatuck and the potential loss of businesses if caps are implemented. Anderson stressed that the task force acknowledged the amount of work and level of data analysis that was conducted since May 2023, and said that continued discussions pertaining to caps should continue. Manns expressed skepticism about the likelihood of getting votes from City Council for a recommendation on caps when they did not approve a moratorium. He said that in 2033-2023 the Planning Commission went in the direction of trying to be much more reactive, to listen to the community, and to try to determine if there are things that they should do besides just reviewing site plans that come before them or dealing with zoning. Knowing that there is a big outcry, there was a petition that was drawn up, which probably has more than one hundred signatures, saying that they wanted further discussion on caps. There is also the possibility of a ballot initiative, and Manns thinks that it would be remiss if both the Planning Commission and City Council decided that they did not want to jump over this last hurdle and the biggest issue. He would like to see the Commission over the next couple of months, spend some time taking a look at this. Anderson addressed the survey which showed strong support for residential caps among Saugatuck residents, with 68% of the residents on the hill and 70% of Peninsula West residents were in favor and said that this is what the residents of Saugatuck want. Manns suggested identifying areas for potential reduction to determine impact of cap reduction on neighborhoods. Gaunt agrees with Manns and emphasizes importance of clear communication and consistent meetings to ensure understanding of cap reduction.

Commissioner Anderson argues for gradual changes to economic development policies, citing lack of economic disadvantage in small towns. Manns expressed hesitation towards implementing a 10% reduction in short-term rentals without proper analysis and data. Anderson questioned the administrative feasibility of implementing by neighborhood versus zone.

Commission member Broeker suggested that defining neighborhoods based on a more holistic view, such as proximity to residences, could provide a more accurate representation of the area. The Commission discussed the definition of neighborhoods in the peninsula area, with Manns suggesting grouping together areas 2, 3, and 4 as one neighborhood due to similar residential feel and proximity to Park Street. Manns also mentioned that there are 120 parcels in those three areas, with a 14% penetration of short-term rentals, and suggested focusing on the

peninsula side first. Broeker agreed with Manns that Manchester/Campbell should be separate. She suggested combining neighborhoods 2 and 3, as they feel more connected and share similar characteristics. The Commission discussed the potential for splitting up neighborhoods into smaller divisions, with some members preferring larger groups over finer distinctions. They debated whether to divide Peninsula West into four or two neighborhoods based on distinct feels and access points. Bagierek & Anderson agreed that they did not want to overcomplicate things for the people. The group discussed the possibility of remapping zoning areas to better reflect neighborhood character, with Manns suggesting it may be necessary to reconcile differences between what is allowed and not allowed in each area. The Commission debated the order of tasks to undertake, with some members suggesting they should first focus on remapping zoning areas over creating zones.

The Commission discussed cap levels for different neighborhoods, with Manns suggesting a single percentage for all zones or advocating for different levels based on area. Manns expressed difficulty in determining the ideal percentage of short-term rentals in a neighborhood due to the dilution of concentration when grouping them by zone. Anderson and Broeker agree that the end goal of zoning should be to create a city that looks and feels a certain way, rather than solely focusing on numerical percentages.

Residents have expressed concerns about potential negative impacts of redistricting in their neighborhoods. Manns suggests categorizing short-term rentals by neighborhood or zone, rather than by license type, to better reflect the varying levels of residential use in different areas. He believes there is a difference between the average owner in certain neighborhoods and those who purchase properties for part-time use and rental and suggests considering these factors when implementing regulations.

The Commission discussed the impact of short-term rentals on neighborhoods, with Anderson expressing concern about reducing the number of rentals in a neighborhood, that “really just surrounds the downtown.” Manns suggests that the hill is a feeder to the business district, and that reducing short-term rentals could have a negative impact on the economy. Manns suggest using zoning overlay districts instead of zoning remapping to address short-term rental regulations. The Commission discusses the use of data to support a cap on short-term rentals with Broeker questioning the purpose of the data and City Attorney Jacob Witte suggesting the use of overlay districts for easier amendment of the zoning ordinance.

City Planner Jirousek suggested focusing on obtaining accurate data on addresses and dwelling types. Once they build this in GIS, they can manipulate neighborhood boundaries and analyze short-term rentals. Jirousek believes neighborhood-based regulation for short-term rentals is possible and could be applied to R1 districts in a future zoning audit. Jirousek suggests analyzing data by zone instead of neighborhood to better understand density. Manns agreed but wants to consider impact of different zones on the community as a whole.

The Commission discussed how to count houses and lots in a neighborhood, with Anderson suggesting capturing both sets of numbers for simplicity. Manns raised the questions of how to handle the vacant lots and their potential impact on the percentage of short-term rental licenses available in the neighborhood. He recommends using lot limits instead of caps to

avoid adjusting numbers later. Anderson and Jirousek agree that getting the number of houses in addition to the loss is a bigger lift, but it is doable with GIS data.

City Planner Jirousek suggested pulling the data together on residential addresses to inform policy decisions. Chair Manns questioned the need to include unbuilt parcels in the data analysis, citing potential cost savings. They discuss the importance of parking in downtown areas, with Bagierek expressing concerns about the arbitrary nature of parking concerns and the need for more data on the issue. Anderson suggested characterizing short-term rental density based on parking levels, with Bagierek agreeing that more data is needed to accurately assess parking concerns in these areas. Jirousek discussed parking concerns, focusing on lot size and depth. He suggested a windshield survey or block-by-block review of aerials to gather more detailed data. Zoning Administrator Cummins mentions that the Planning Commission has approved the task force recommendations, including no parking on one side of the road, and the fire chief is providing feedback on the list of streets to be addressed.

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The Planning Commission discussed the goals for the remainder of 2024, including continuing the discussion on short-term rental and consolidating zoning districts in the commercial area. Zoning administrator Cummins agrees with the goals and highlights the accomplishments of 2023, including the successful waterfront preservation effort, and suggests looking at the commercial zones first for consolidation. Affordable housing and trails on the airport property are unlikely due to zoning restrictions.

Next, they discussed the City's plan to improve the Park Street corridor with Broeker expressing skepticism about the city's commitment to addressing safety concerns. They talk about prioritizing sidewalk issues in commercial zones, with Manns placing it low on the agenda and Broeker suggesting it should be taken out for City Council to address. Anderson agrees that Park Street is a complex issue and that it is important to address, but notes that it is a hard problem to solve and that not everyone will be happy with any solution.

The Commission continues to discuss prioritizing downtown commercial districts for improvement in 2024. Manns suggests breaking it down into smaller chunks, such as commercial and residential zones. Cummins agrees that Saugatuck is forward-thinking in eliminating parking minimums, but notes that it places pressure on the city and highlights the challenge of unwinding the current parking system. Jirousek suggests reducing parking requirements for new

developments to encourage more walkable and bikeable communities. Manns raised concerns about the feasibility of implementing paid parking in the resort community, citing the need for further discussion and analysis. Manns suggested prioritizing commercial zone changes for public hearing in July, August, or September, depending on time constraints. Jirousek aims to have GIS analysis ready for April meeting but may need to wait for capacity of outside agencies. Zoning Administrator Cummins aims to provide accurate data on short-term rentals by April but may need more time. Manns suggests breaking down the data into buildable versus vacant lots to help with reconciliation. Jirousek agrees to coordinate with Cummins on GIS data crunching for commercial district analysis. The commission discusses the need to analyze short-term rental data in commercial districts, as the current data only includes residential areas. They also agreed that consolidating zones and looking at each commercial district separately is necessary to understand the full scope of short-term rentals in the area.

B. Goals for Remainder of 2024

City Planner Jirousek and Zoning Administrator Cummins provided details on the housing readiness grant through MSHDA, which can be used for Master plan updates, zoning related updates, and other local efforts to increase housing supply, affordability, and attainability. The Commission expresses frustration with the lack of progress on the community plan and suggests prioritizing it for 2024. Consensus reached on four main goals for 2024:

- Continuation and finishing short-term rental discussions.
- Consolidation and review of zones, both commercial and residential.
- Lay a base plan for how to move forward with Master Plan.
- Parking planning

Motion by Broeker, second by Bagierek, that their goals for 2024 will be to:

- *Consider and review the Tri-Community Master Plan.*
- *Complete the discussion of short-term rentals with respect to potential caps.*
- *Consolidation of zoning districts, commercial and residential.*
- *Parking.*

Upon roll call vote, motion carried 6-0.

7. Communications: None.

8. Reports of Officers and Committees:

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

9. Public Comments:

- Diana Decker (128 Elizabeth): She attended a great meeting a few years back where they met Ryan Kilpatrick at the Saugatuck Center for the Arts regarding affordable housing. He spoke about what he has done in other communities to get grants and money for affordable housing. She said that South Haven just had their third meeting with Kilpatrick and noted that they are really trying to get ahead on that topic. She agreed with Commissioner Gaunt's comments regarding the Master Plan and noted that Douglas, Saugatuck, and Saugatuck Township are three different communities and should have their own Master Plans. She said that regarding the data for the map, she has worked with a few different assessors, and she thinks the it is pretty easy to collect the data.
- Jane Underwood (130 Perryman): She said that she has heard for many years that "Saugatuck is dying, no one is going to come", or "The sky is falling in". She says that it has not happened yet. She thinks that Saugatuck seems to reinvent themselves. It is a good place to be.
- Gary Kemp (1022 Holland): He likes the way the Commission is moving to try to collect the data and evaluate things but wished he had a chance to suggest an idea earlier. He thinks that one of the things that the Commission should be looking at is the allowable occupancy of each of the units as they are mapping. This will tell you how many people are going to be at that location, and how many people are going to be cut from that location according to the new rules. He also thinks that when they do their annual evaluation of the residency, they should look at off-street parking. Parking, the occupancy, and the size of the house are critical issues. It would be really easy to add the allowable occupancy and it does make a difference. He says that he thinks that the smaller homes with 2-6 people do not have the issues that the larger houses with higher occupancy have. He suggests that they have Mr. Jirousek ass the occupancy number to each of the units as he is mapping them and put in the data because he thinks they are going to find that to be extremely useful information. He thought it was a good meeting and he hopes they make some real headway and not overly cap things as he thinks a 20% cap is very arbitrary. It may feel good to Holly but may not feel as good to him as he would like to see a higher percentage. He says that the more data they have, the more they will be able to convince people of what they are doing.

10. Commission Comments:

- Joe Clark: Said that he does not mean to keep driving down into the short-term rental topic, but he spent a lot of time analyzing the data and said that he would be more than happy to bring the results in of the analysis that he did. There is a clear correlation between the zones and the resident's response in the zones that have the higher density of short-term rentals to the thresholds of caps that they want to see. Specifically, on the hill which he believes showed 64%, and another district was at 70. You could correlate the data directly. In each of those responses, they are all in favor of 20% or lower numbers. He wanted them to know, if they are going to be data dependent, he thinks they should be looking at that data as well. In his opinion, it is meaningful, it shows the feelings of the people that are responding. He thought it was a good meeting on a challenging subject and thanked everyone for coming.
- Steve Manns: He thanked Mr. Jirousek and said that the Commission appreciates what you have put in so far. He looks forward to seeing what he is able to produce by their April meeting. He

thanked Ryan and the rest of the city staff for their work. He loves the fact that they have Commissioners that are willing to put the time in to do more than just what comes before them. At the same time, they have to be respectful as they have a small staff and small budgets to factor in. He is not sure how they are paying for all of these studies. He thinks as they get to looking at the numbers, they should be going back to the survey and considering whether or not another survey should be done that is more specific because there were some complains about the survey that they did during the STR Task Force.

11. Adjournment:

Motion by Gaunt, second by Anderson, to approve adjournment of the meeting. Upon voice vote, motion carried 6-0. Chair Manns adjourned the meeting at 9:37 pm.

Respectfully Submitted,

Sara Williams, Deputy Clerk