



Planning Commission Meeting Minutes

The Planning Commission met for a Regular Committee Meeting, June 20, 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 7:01 p.m.

Present: Chair Manns, Commission members: Anderson, Bagierek, Broeker, Clark, Gaunt, & LaChey.

Absent: None.

Others Present: City Attorney Jacob Witte, Deputy Clerk Sara Williams

2. Approval of Agenda:

Motion by Anderson, second by Clark, to approve the agenda as presented for June 20, 2024.

Upon voice vote, motion carried unanimously.

3. Approval of Minutes:

Motion by LaChey, second by Broeker, to approve the minutes for the regular meeting May 16, 2024. Upon voice vote, motion carried unanimously.

4. Public Comment (Agenda Items Only):

- **Gregory Muncie (City Council):** He asked the Commission to think about all of the data that they have. Council has created new ordinances, increased fees, and are addressing parking on the hill. He would like the Commission to let things settle before they get too carried away to where it may be infringing on their economy without knowing the consequences. He expressed the need for an economic impact study, saying the town is unique and deserves more time and homework before they talk about caps.
- **Laura Godfrey (HDC, 550 Francis):** She sees caps as the crowning achievement in all of the work that the Commission has done. They have been studying this issue for multiple years and they have the momentum, she doesn't think they need more time to let these things settle in. She thinks the time is now, she respects the vote and supports the caps at whatever percentage is recommended. She thinks that it is the culmination and the capstone clearly of this effort.
- **Sherry Tedaldi (6608 North):** She is completely dismayed by most of the things that have gone on, especially having had a committee to study all of this. She thinks that they are opening the City up to more lawsuits and that they are spending too much on attorneys. She is in the

mortgage business and thinks that they are going to hurt the economy of every business in town, the people that work at all of those places, and that their property values will go down. Not in favor of caps.

- **Phil Hoffman (306 Mary):** He says that he has neighbors that have purchased homes as strategies to become full-time City residents. They are renting now as a STR, and when they retire, they will be residents. He thinks that this is an overlooked topic, and they are losing a tool in their homeowner toolbox that would help to survive an unknown economic hardship if you are not able to turn your home into a short-term rental.
- **Catherine Simon (428 Butler):** Agrees with the comments thus far. She expressed skepticism about short-term rental caps, citing the need for an economic impact study before they push out any more rentals.
- **Ethan Barde (748 Holland):** He believes vacation rental caps will reduce supply and hurt businesses and property values. He supports following the rules, letting the market correct the issue without caps or hurting personal property.
- **Lisa Mize (Executive Director of CVB):** She emphasized tourism's economic impact importance in Saugatuck.
- **Jane Underwood (130 Perryman):** She shared some history of Saugatuck and advocated for balance between tourism and residential life.
- **Peter Hanson (441 Spear):** He said that since the STR's were first authorized and you had to have your dwelling categorized that way, he thinks that they are 289 now, which would represent roughly 32% of the dwelling units in Saugatuck. His question to everyone that wants to continue with STR's and not enforce a cap, is what is the number and where does it finally stop, and you say you can't add any more? He thinks there has to be a cap at some point and he thinks that time is now.
- **Brad Vogel (721 N Maple):** He emphasized the economic impact of limiting short-term rentals in Saugatuck, highlighting the town's reliance on tourism and the potential loss of income for local businesses and residents. Doesn't think placing caps is the solution.
- **Jim Bouck (638 Spear):** He supports caps on short-term rentals, citing the need for responsible regulation to ensure safety, cleanliness, and harmony in neighborhoods while preserving the town's economic vitality.
- **Brian Skipper (Pleasant St):** He supports short-term rentals and owns an STR on Allegan Street. He encouraged the Commission to be thoughtful about having the ability to take density of short-term rentals into consideration at the time an additional request is being made for adding short-term rentals in a particular area.
- **Nancy Kimble (550 Spear):** She supports caps on short-term rentals, citing concerns about crowding and the need to limit rentals to preserve the area's economic impact.
- **Keith Charak (560 Main):** He believes that the results from the STR committee was skewed from the beginning because it was comprised of people who don't actually live in Saugatuck, while every other committee in town is comprised of people who do live here. He suggested a resident impact study or a quality-of-life study instead of an economic impact study. He thinks that

people in the area can afford to live here but would have no real neighborhoods due to STR's, so they live elsewhere.

- **Kim Bagierek (610 Lake):** She is dismayed by the revisitation of the cap discussion, as the moratorium was already in front of City Council, and they voted it won. Caps would be a more permanent regulation than what they have already voted down. She doesn't understand why it keeps coming back to the Planning Commission other than personal agendas of some Commission and Council members. She is concerned about the impact on the businesses and encourages an economic impact study. She says that there are people who want this to go on a ballot but don't want the economic impact study.
- **Mark Kimble (550 Spear):** He says that they have been rehashing this for a year and a half and thinks it is time they decide. He thinks the reason there are fewer people here is because Saugatuck isn't Saugatuck anymore, it is a bunch of short-term rentals and not neighborhoods. He says it needs to be handled before they become 90% short-term rentals, and they are no longer a city.
- **Mark Klungle (747 Water):** He said that they live in a pretty unique town, which they enjoy a lot. There are six weeks out of the year when everyone else wants to come and enjoy it and it is very busy here in the summertime. He says that 50% of the homes here are second homes and less than 50% of those rent, those people use their homes and are being confused as short-term rentals. He says that they are overpopulated by roughly 300% in the summer. He thinks that trying to put caps on STR's will take away property rights for owners, especially for the 50% that own short-term rentals here. He is not in favor of caps.
- **Joe Coelhoe (764 Mason):** He questions whether there was any real data that is driving all of these changes or if this is a knee jerk reaction to appease some local residents who have issues or don't want short-term rentals. He does not see the data that supports some of the initiatives that have been put in place. He supports property owners' rights and being able to do what you want with your property and is not in favor of caps. He is in favor of working with residents to try and come up with something that they can all live with, and they don't like their rights being trampled on.
- **Jay Johnson (Reverend, All Saints Church):** He expressed support for caps on short-term rentals, citing difficulty communicating with absentee owners. He finds it challenging to be a pastor in a transient community, feeling disconnected from neighbors.
- **Julie Maguire: (541 Mason):** She expressed concerns about the potential impact of short-term regulations on property values and tax base. She does not support adding STR caps on the ballot.
- **Kathleen Johnson (648 Main):** She shared personal experience with short-term rentals in Saugatuck and mentioned the need for data on police reports and parking. She agrees that capping short-term rentals could infringe on property rights and suggests enforcing the current STR rules.

5. Old Business: None.

6. New Business:

A. A. Short-Term Rentals: Review and Discussion of Initial Data by Zoning District.

Zoning Administrator Cummins provided an update on the short-term rental review data evaluation, including policy considerations and data sources. City Consulting Planner Jirousek updated the Commission on data mapping progress with GIS and cue seeing. He explained the challenge of mapping multiple parcels with multiple dwelling units on one lot and highlighted the issue of unique identifying factors for each parcel and the need for manual verification. Jirousek plans to discuss with Andy the need for accurate data on permits per district and dwelling units per parcel. He hopes to get data on total number of permits, developed lots, and dwelling units per zoning district or neighborhood level quickly and is looking forward to hearing from the Commission on what they would need to make an informed decision and if you would like to move forward on the cap's discussion.

Chair Manns then turned it over to the Commission for their thoughts on what they heard this evening. Anderson said she would like to begin with a motion that the Planning Commission recommend to the Saugatuck City Council, the adoption of a 20% cap on short-term rental licenses in each R1 residential district calculated based on the number of dwelling units currently in that district, with the provision to grandfather all existing short-term rental licenses until the property is sold or otherwise changes ownership. Manns noted that they had a motion on the table but said he prefers discussion first. He asked for a second, and Clark seconded the motion. Manns then opened it up for discussion.

Anderson said that she realizes that this is a highly charged issue and great people have different points of view. She respects that and has learned a lot through this process. She wanted to stress the grandfathering and explained that anyone who has a license today would keep it until the home is sold. The point of that is to not disrupt the owners and it will also spread the impact of the cap over a significant amount of time because they are significantly over the 20% limit, especially on the hill. There were a number of comments in which people said that City Council just passed all of these ordinances, let's let that play out. Anderson thinks they are great ordinances and thanked everyone who had a part in implementing them but explained that the ordinances don't address density. She feels that they need to address density to get some semblance of quality of life. People have said that they haven't looked at the data and Anderson says that simply is not true. The report from the Short-Term Rental Taskforce has a lot of data on housing and changes in other communities. They have spoken with Charlevoix, East Bay Township, Sutton's Bay, and with South Haven. All of those communities have implemented caps, and it hasn't tanked their economy. South Haven spent \$25,000 on a study that they all got to see and six months later, they put a moratorium on short-term rentals. She said that she agrees with Muncie that Saugatuck is special, but the kinds of economic trends that affect other similar lakefront communities. Those communities haven't seen a decline in property values and tourism has not been affected with a gradual grandfathering and it is not like they are ripping off a band aid. If for some reason the council needs to go back and adjust the caps to address economic issues, there will be power to do so. She is hoping the Commission can pass the motion tonight and move forward.

Chair Manns asked for clarification on what areas the motion included, and Anderson said it would include all R1 Residential which includes Community Residential R1, the three R1 districts on the hill and Peninsula West. She said that it would not include R2 and R3 zones and the motion would be 20% per zone based on the total calculated by the total number of dwelling units in those zones per zone. Anderson said that the logic of doing it by zone is so that they don't get into a rezoning exercise right now and her recommendation is that they use dwelling units as that they are measuring against.

Commissioner LaChey stated that he was not going to address the motion with his comments, but he wanted to address some of his thoughts as well as some of the comments of the people that showed up to the meeting. He said that he draws issue with uniqueness in the town, as he thinks there are a lot of communities up and down the Great Lakes coastlines and coastlines around the world that are similar to Saugatuck. To attempt to claim that Saugatuck is so special that they can't touch it or do anything about it is a little disingenuous. Regarding lawsuits, he finds it interesting that a lot of people who claim that there are going to be a bunch more lawsuits filed are the very ones who caused the lawsuits that cost the city so much presently. He said that he finds it incredibly sad that he has been coming to Saugatuck since 1982, owned a property in 1992, and he has been a full-time resident on the hill for eleven years and he has never seen a more divisive issue in the community. The closest that came was the anti-LGBTQ sentiment that bubbled up occasionally in the past decades and not that long ago. He said that he is going to ignore anyone commenting to him on the issue of personal agendas. He thinks that everybody that has stood up to comment is here expressing their personal agendas. Someone mentioned using police reports to monitor whether they need something more or something less, but he says that he doesn't feel like people should be calling the police for non-emergencies and he tends to take care of those things himself. He doesn't think it is a good metric to use. LaChey says he sees some validity to having an economic impact study except he is not sure that it would be a true measure of what they want their community to be in terms of community. He said that some say there are non-economic impacts on their community, but he is not sure those could even be measured. His thoughts were that if they were going to do something with caps on short-term rentals, they should do it with a scalpel instead of a sledgehammer, meaning that they should make it as granular as possible block by block, not by residential zoning district, not to leave out some residential zoning districts and include others. He said that if you make it block by block, then you would need to make it reviewable maybe on an annual basis, so that if you have a block that has 50% short-term rentals on that block one year and the next year, it's 10%, then you would allow a movement of short-term rental licenses. He agrees that he believes that the short-term rental licenses that are in place now should be grandfathered in. LaChey finds it unfortunate that there are a lot of personal issues that are being brought into this. He would like to remain focused on what is best for the community.

Commissioner Broeker thinks this is a zoning issue. If you live in a designated residential zone, it doesn't have a carwash, a daycare, or a shop because those aren't permitted uses. She said that a lot of communities including Saugatuck, didn't think about short-term rentals when

they were creating the zoning rules decades ago. She thinks that there should be some kind of limitation on them given that they are commercial use. It is very different than renting out a property for a chunk of time, such as a yearly lease. She is not sure exactly what it looks like but is in favor of some kind of limitation.

Commissioner Bagierek said that he was surprised that they alluded to picking different areas for the motion, which talks about . He is also surprised that they are talking about a much more aggressive regulation than what has already been voted down by City Council with the moratorium. He said that he would have really enjoyed being a part of the conversation that developed before the motion that explained why they are going to 20%.

Commissioner Gaunt expressed that she is troubled that this is being positioned as a win-lose and it isn't that when nothing is taken away, what is in place will remain in place. She agrees with Broeker in terms of these are residential areas, not business areas and these particular areas have become business areas and created issues that come along with that. She is in favor of caps in particular areas, which should come as no surprise to anyone who knows her and has heard her talk in the past. She is particularly interested in density and interested in the fact that you can tell something is going on with the population in Saugatuck with the Census Bureau numbers from 2020, which is the last census study that was published. The population is decreasing as compared to the tri-community members in Douglas and Saugatuck Township. She thinks that the City should be concerned about population declines and why it is happening and believes that part of it is due to saturation and the quality of life. She would be happy to debate whether it's 20%, 25%, 15%, or 30%, but thinks that 20% intuitively makes sense. In terms of the conversations that they have had, she regrets that the implication that decisions are being made that will take away the businesses that you are all engaged in today because nothing is going away, the cap is a cap. If a particular area is above that cap, then there won't be any further short-term rental licenses issued until the level is below the cap.

Commissioner Clark supports putting caps in place and thinks that 20% is a reasonable number but is willing to hear arguments or support for one way or the other. He has formed his opinion from a number of different data points, served on the Short-Term Rental Task Force, and has listened to residents share their concerns. He has spoken with people in his neighborhood and throughout town. The data that came through their survey is pretty clear where residents want to go, and these are the people that are trying to make a home here. The most common thing he hears is that they are commercializing the residential districts, it is a zoning issue. He is third generation in town, and he supports change and thinks it is good for communities. Clark has seen Saugatuck go through a lot of changes over the years but thinks this is different. He believes the quality of life has been diminished and has watched friends and family leave for the exact reason, not to cash out and sell at a high market but they are leaving because they don't feel like they live in a community any longer. That coupled with the disruption that seems to come which they are addressing through some of the ordinances. He agrees with Gaunt, that this is not a winner, they are trying to draw a balance that works for everyone. He thinks that 20% is a reasonable number and that it would take a long time if it's implemented to get there. Ultimately, he has looked at the survey data and is listening to the people that are trying to make

a life here. If you buy a house or invest in a property in a residential zone, you should be afforded the privileges that come with a residential zone.

Chair Manns & Commissioner Bagierek thought that they needed to wait until they have more numbers before they vote on this, but Anderson & Broeker think they could spend a lifetime collecting data but say they have enough information to make a decision. Manns questioned whether they were including homeowner exemptions and Anderson said that it was not part of her motion but if there was a consensus among the Planning Commissioners, she would be willing to make a friendly amendment to include a provision for full-time residents with a PRE to be allowed to short-term rent their home for up to three weeks per year.

Motion by Anderson, second by Clark, that the Planning Commission recommend to Saugatuck City Council, the adoption of a 20% cap on short-term rental licenses in reach R1 Residential District calculated based on the number of dwelling units currently in that district, with a provision to grandfather all existing short-term rental licenses until the property is sold or otherwise changes ownership, and a provision for full-time residents with a PRE to be allowed to short-term rent the home for up to (3) three weeks per year. Upon roll call vote, motion carried 4-3.

Yeas: Anderson, Broeker, Clark, Gaunt

Nays: Bagierek, LaChey, Manns

7. Communications:

- Craig Baldwin
- Lisa Morgan & David Campbell

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. Commissioner LaChey noted for the record that this is the first meeting that Cummins is the City Manager.

9. Public Comments:

- **Sherry Tedaldi (6608 North):** She shared personal experience with short-term rentals, disagrees with proposal to limit them.
- **Mark Kimble (550 Spear):** He thinks that allowing 20% cap on short-term rentals is a very good compromise. They don't want to shut anyone out, but think that maybe if they had more residents, they could be visiting those businesses in town year-round and they wouldn't just be for the tourists in the summer. Kimble also spoke about pedestrians being considered when the City allows construction companies to block the sidewalks.

- **Julie Maguire (541 Mason):** She argued that a short-term rental cap could lead to overcrowding and increased property values. She thinks that the regulations are unfair, citing 25-30% loss in home values.
- **Diana Decker (128 Elizabeth):** She thanked the Commission for their work the last 10 months on STR's, and thanked Cummins & Jirousek for providing the data. She says there are still people renting without a permit, and companies who are not core property management companies that are running businesses in the City of Saugatuck without going through a broker and associate brokers license, which is illegal in Michigan. She shared concerns regarding parking and unfamiliarity with police in Saugatuck.
- **Chris Raphael (569 Weirich):** His family built a home here for retirement years and wanted to live in a residential community. It is turning out to be less than that. They thought they would end their lives here but that is now questionable because it is not a residential community anymore. They didn't buy the property to win a property value lottery, they bought the property because they liked the community and the people, and that is slowly dissolving. He thanked the Commission for their work on this issue.
- **Ethan Barde (748 Holland):** He thanked the Commission for all of their hard work and highlighted the importance of licensed property managers in Saugatuck, as illegal management can cause problems for both property owners and renters.
- **Mark Klungle (747 Water):** He said a lot of huge numbers were thrown out during the meeting on the percentage of rentals and they don't know what the denominator is and that's debatable on what that number is. He said that the Commission still doesn't have the data but is throwing out huge numbers of percentages and trying to pick a percentage that they want a cap on. He is trying to figure out how can even the public make comment when the data is still not available.

10. Commissioner Comments:

- **Bagierek:** He requested baseline data on noise levels and other factors before implementing new ordinances to ensure effective enforcement.
- **Gaunt:** She discussed the Tri-Community Plan and its relation to parks and recreation. The plan is updated every five years and is due to be updated in 2026. She wondered when the Planning Commission would get started, because it takes a while to do it. She discussed the population decline in Saugatuck and potential branding issues related to ordinances and the environment.
- **LaChey:** He expressed dismay at personal attacks during City meetings and said he served 14 years on a City Commission and City Council in a suburb of Detroit and that he has never witnessed the personal attacks that are happening in Saugatuck against almost every Commission and Council member. He is beyond disgusted because they are all volunteers and doesn't know when or if it will stop but thinks it needs to. He said that the reason he voted no is because in his opinion, if they are going to do it by residential zones it should include all residential zones and he doesn't believe that it should have exemptions.
- **Broeker:** She said that she agrees with LaChey's comments about civility. In the spirit of civility, she thanked everyone that came out tonight for both sides of the issue, the Planning Commission,

and all of the staff for their hard work and diverse views. She said at the end of the day, she thinks they all voted how they thought was the right way to vote and in the best interest of their community.

- **Anderson:** She thanked everyone who showed up to the meeting in person and on Zoom. She also thanked the members of the Short-Term Rental Task Force, the Planning Commission, and City Council for working on this for the last two years. She thinks that they all knew that they would come up with changes that not everyone would be happy with but is happy to be recommending action to City Council that can hopefully get some neighbors back in their neighborhoods.
- **Clark:** He thanked the active members of their community who chose to give them valuable feedback. He said that even though it was a near split decision, there was some level of consensus to get something moving forward and to get something in front of City Council. He thinks that it was important to get something done very quickly, especially with the ballot initiative looming that could potentially have some negative consequences for the town. He said that his decision has been guided by the Master Plan, and he encourages everyone who is concerned with the direction that these decisions are taking to read the Master Plan as it states quite clearly how they should be basing their decisions and what they believe to be in the best interest of the City.
- **Manns:** He thanked everyone involved in the process, including City Planner David Jirousek, City Attorney Jacob Witte, City Manager Cummins, and the Planning Commission. He said that his no vote was due to the fact it included only R1 residential districts and not all of them. He expressed the need to start thinking about when the Tri-Communities will meet again to discuss the Master Plan, given that they are halfway through 2024. He discussed looking at the zones downtown next where they can decide if the current zones make sense, whether they need to consolidate any of them, if they need to make any changes, and whether they would continue to promote hardscapes or other things over something that is much more environmentally friendly. He mentioned that there may be a future agenda item on potential changes to the Planning Commission meeting start time, with a consensus to consider 6:30pm as an alternative to the current 7:00pm start time.

12. Adjournment:

Motion by LaChey, second by Anderson, to approve adjournment of the meeting. Upon voice vote, motion carried unanimously. Chair Manns adjourned the meeting at 9:27 pm.

Respectfully Submitted,

Sara Williams, Deputy Clerk