



**Planning Commission Regular Meeting
August 15, 2024 7:00PM
City Hall
102 Butler Street, Saugatuck, MI**

1. Call to Order/Roll Call:

2. Approval of Agenda: (Voice Vote)

3. Approval of Minutes: (Voice Vote)

A. Regular Meeting Minutes – July 18, 2024

4. Public Comments on Agenda Items: (Limit 3 minutes)

5. Old Business:

6. New Business:

A. Zoning Ordinance Amendment - Public Hearing - An ordinance to amend the City of Saugatuck's Zoning Ordinance to impose maximum limits on the number of short-term rental licenses in specific zoning districts, establish the effect of such limits on existing licenses, establish how available licenses will be issued, and provide a mechanism for the City Council to adjust such maximum limits, to protect the public health, safety, and welfare.

7. Communication:

8. Reports of Officers and Committees:

9. Public Comment: (Limit 3 minutes)

10. Commissioner Comments:

11. 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

***Public Hearing Procedure**

- A. Hearing is called to order by the Chair
- B. Summary by the Zoning Administrator
- C. Presentation by the Applicant
- 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 and letters)
 - 2. Opposing comments (audience and letters)
 - 3. General comments (audience and letters)
 - 4. Repeat comment opportunity (Supporting, Opposing, General)
- E. Public comment portion closed by the Chair
- F. Commission deliberation
- G. Commission action



Planning Commission Meeting Minutes - *Proposed*

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

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

Absent: None.

Others Present: City Manager Cummins, City Attorney Witte, Deputy Clerk Williams

2. Approval of Agenda:

Motion by Gaunt, second by LaChey, to approve the agenda as presented for July 18, 2024.

Upon voice vote, motion carried unanimously.

3. Approval of Minutes:

Motion by Anderson, second by Gaunt, to approve the minutes for the regular meeting June 20, 2024. Upon voice vote, motion carried unanimously.

4. Public Comment (Agenda Items Only):

- Kyle Konwinski (Attorney, representing Saugatuck Neighbors): He raised concerns about conflict of interest in proposed ordinance due to different treatment of R1 and R2 districts. He questioned why condominium units are not included in total dwelling units for cap calculation.
- Michael Sanders (197 Sugar Hill Ct): He urged careful consideration of STR cap, prioritizing full-time residents. Sanders also requested an amendment to allow for rentals when owner is present.

5. Old Business: None.

6. New Business:

- A. Review of Draft Zoning Ordinance Amendment and Set Public Hearing – An ordinance to amend the City of Saugatuck’s Zoning Ordinance to provide a mechanism for the City Council to limit the maximum number of short-term rentals in specific zoning districts and to adjust such limit when advisable.

On June 19, the Planning Commission made the following recommendation to the City Council:

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 their home for up to three (3) weeks per year.

Yes: Anderson, Broeker, Clark, Gaunt

No: Bagierek, LaChey, Chair Manns

Staff reviewed the Planning Commission recommendation with the City Council during their recent workshop and regular meeting. The Council was advised that if they were inclined to accept the Planning Commission's recommendation, staff recommended that a cap be implemented through amendments to the STR police power ordinance as well as a portion of the Zoning Ordinance. Therefore, the Planning Commission would, at a minimum, be required to hold a public hearing on the zoning amendment and make a recommendation on the same to Council.

After several public comments, review and discussion, the City Council passed the following motion:

Motion by Baldwin, second by Anderson to direct City staff to prepare the necessary ordinance amendments, resolution language and policy necessary to implement a cap on the total number of STR licenses that may be issued within the City's R-1 Residential districts consistent with the following:

- The cap will be established by resolution of the City Council in an amount approximately equal to 20% of the dwelling units in each R-1 district.*
- The cap will not operate retroactively, and existing STR licenses will remain valid unless there is a transfer of property, or the license is revoked or lapses.*
- The commercial property located at 560 Campbell in the Peninsula West district will exempt from the caps, and any licenses granted to dwelling units at that address will not count toward the caps.*
- Once available, new STR licenses will be issued by a lottery system.*
- The Planning Commission will hold a public hearing on the zoning amendment necessary to implement the cap and will not assist with the preparation of the amendment to the STR police powers ordinance.*

Yes: Anderson, Baldwin, Dean, Mayor Stanton

No: Gardner, Muncey

Based on the Council's direction, the attached zoning ordinance amendment has been drafted. The Planning Commission is asked to review the language and set a public hearing.

Motion by LaChey, second by Broeker, to set a public hearing on the zoning ordinance amendment for August 15 at 7pm. Upon roll call vote, motion carried unanimously.

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:

- Kyle Konwinski (Attorney, representing Saugatuck Neighbors): He raised concerns about setting cap number by resolution instead of ordinance, citing potential legal issues. He argued that allowing City Council to change cap by resolution undermines the referendum process under Michigan law. He highlighted the importance of grandfathered properties, urging the committee to consider their protection.
- Ethan Barde (748 Holland): He shared a personal experience of inappropriate behavior by a Planning Commission member, requesting a complaint process.
- Mark Klungle (747 Water): Expressed frustration with exaggerations and miscommunication of facts regarding STR numbers and percentages.

10. Commissioner Comments:

- Anderson: She responded to Mark Klungle's question regarding some of the data for STR's. The numbers she did for short-term rental capacity, one was from July 2023 and the other was June 2024.
- LaChey: He saw DPW putting stakes in the ground for permanent parking signs and thinks it is a good thing.
- Bagierek: He thinks it will be nice as they get through this one big issue that they can move forward and reduce some of the heat. He thought the mayor did a good job at the last meeting as she heard some of the things that she just moved on, as opposed to other people wanting to address what people should say or should not say online. He does not think this is a place to tell people what they should say.
- Manns: Thanked everyone involved in the Planning Commission and community for their input.

11. Adjournment:

Motion by Anderson, second by LaChey, to approve adjournment of the meeting. Upon voice vote, motion carried unanimously. Chair Manns adjourned the meeting at 7:58 pm.

Respectfully Submitted,

Sara Williams, Deputy Clerk



Planning Commission Agenda Item Report

FROM: Ryan Cummins - City Manager/Zoning Administrator

MEETING DATE: August 15, 2024

SUBJECT: Zoning Ordinance Amendment – An ordinance to amend the City of Saugatuck’s Zoning Ordinance to impose maximum limits on the number of short-term rental licenses in specific zoning districts, establish the effect of such limits on existing licenses, establish how available licenses will be issued, and provide a mechanism for the City Council to adjust such maximum limits, to protect the public health, safety, and welfare.

DESCRIPTION:

On June 19, the Planning Commission made the following recommendation to the City Council:

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 their home for up to three (3) weeks per year.

Yes: Anderson, Broeker, Clark, Gaunt

No: Bagierek, LaChey, Chair Manns

Staff reviewed the Planning Commission recommendation with the City Council. The Council was advised that if they were inclined to accept the Planning Commission’s recommendation, staff recommended that a cap be implemented through amendments to the STR police power ordinance as well as a portion of the

Zoning Ordinance. Therefore, the Planning Commission would, at a minimum, be required to hold a public hearing on the zoning amendment and make a recommendation on the same to Council.

After several public comments, review and discussion, the City Council passed the following motion:

Motion by Baldwin, second by Anderson to direct City staff to prepare the necessary ordinance amendments, resolution language and policy necessary to implement a cap on the total number of STR licenses that may be issued within the City's R-1 Residential districts consistent with the following:

- *The cap will be established by resolution of the City Council in an amount approximately equal to 20% of the dwelling units in each R-1 district.*
- *The cap will not operate retroactively, and existing STR licenses will remain valid unless there is a transfer of property or the license is revoked or lapses.*
- *The commercial property located at 560 Campbell in the Peninsula West district will be exempt from the caps, and any licenses granted to dwelling units at that address will not count toward the caps.*
- *Once available, new STR licenses will be issued by a lottery system.*
- *The Planning Commission will hold a public hearing on the zoning amendment necessary to implement the cap and will not assist with the preparation of the amendment to the STR police powers ordinance.*

Yes: Anderson, Baldwin, Dean, Mayor Stanton

No: Gardner, Muncey

Based on the Council's direction, the attached zoning ordinance amendment has been drafted. Two notable changes to consider from the motion above:

- The draft ordinance would exempt all ADUs from the maximum limits. This would allow single family dwellings that are owner occupied to apply for special land use approval to separately rent the ADU and not have a license application subject to the cap.
 - The current language would also allow a single-family dwelling that already has a STR certificate or license to not have an existing or new ADU be subject to the limit as the entire property still has to be rented under a single contract.
- The exemption of 560 Campbell is not included as a review of a prior consent judgement shows it would already allow the property to be exempt from the maximum limits.

As currently drafted, the maximum STR limits could be adjusted by City Council via resolution. The other option would include a more formal ordinance amendment process to adjust the limits.

The Planning Commission is asked to conduct a public hearing on the zoning text amendment, deliberate, and make a recommendation to City Council on whether to adopt the text amendment.

LEGAL REVIEW:

The City Attorney prepared the draft ordinance. The City Attorney will be at your meeting to answer any questions you may have.

SAMPLE MOTIONS:

Motion to RECOMMEND adoption of the amendments to the zoning ordinance to impose maximum limits on the number of short-term rental licenses in specific zoning districts, establish the effect of such limits on existing licenses, establish how available licenses will be issued, and provide a mechanism for the City Council to adjust such maximum limits, to protect the public health, safety, and welfare.

Motion to NOT RECOMMEND adoption of the amendments to the zoning ordinance to clarify and update provisions pertaining to impose maximum limits on the number of short-term rental licenses in specific zoning districts, establish the effect of such limits on existing licenses, establish how available licenses will be issued, and provide a mechanism for the City Council to adjust such maximum limits, to protect the public health, safety, and welfare.

Motion to RECOMMEND adoption of the amendments to the zoning ordinance to impose maximum limits on the number of short-term rental licenses in specific zoning districts, establish the effect of such limits on existing licenses, establish how available licenses will be issued, and provide a mechanism for the City Council to adjust such maximum limits, to protect the public health, safety, and welfare with the following changes:

1. _____
2. _____
3. _____
4. _____
5. _____

CITY OF SAUGATUCK
ALLEGAN COUNTY, MICHIGAN
ZONING ORDINANCE AMENDMENT

ORDINANCE NO. _____

At a meeting of the City Council of the City of Saugatuck, Allegan County, Michigan, held at the City of Saugatuck Hall on _____, 2024 at _____ p.m., City Council Member _____ moved to adopt the following ordinance, which motion was seconded by City Council Member _____.

An ordinance to amend the City of Saugatuck's Zoning Ordinance to impose maximum limits on the number of short-term rental licenses in specific zoning districts, establish the effect of such limits on existing licenses, establish how available licenses will be issued, and provide a mechanism for the City Council to adjust such maximum limits, to protect the public health, safety, and welfare.

CITY OF SAUGATUCK, ALLEGAN COUNTY, ORDAINS:

SECTION 1. AMENDMENT TO ZONING ORDINANCE, SECTION 154.022(V): The City of Saugatuck Zoning Ordinance, Section 154.022(V) is amended to read as follows:

(V) *Short-term rentals.* Short-term rentals shall require a license pursuant to the City of Saugatuck's Short-Term Rental Ordinance, Chapter 99.5 of the City Code, and shall comply with the following requirements:

- (1) Short-term rentals shall only be permitted in dwelling units that satisfy all the applicable requirements of this Chapter.
- (2) Signs shall be subject to the applicable provisions of § 154.141 of this Chapter.
- (3) Maximum limits on short-term rental licenses.
 - a. *Findings and purpose.* The City formed a task force, conducted studies, took surveys, and held public hearings to better understand the benefits and impacts of short-term rentals within the City. The City recognizes that while short-term rentals offer many benefits, short-term rentals are commercial in nature and that the over proliferation of short-term rentals may, among other things, be incompatible with, and may cause adverse impacts to, residential uses and the long-term residential character of certain zoning districts. The City also recognizes that its R-1 zoning districts are intended to promote and preserve single-family residential uses and are the most susceptible to the potential negative effects of the unchecked growth of short-term rentals. The City therefore finds that the public health, safety, and welfare will be best served by

a maximum limit on the number of short-term rental licenses that may be approved in its R-1 zoning districts initial equal to approximately 20% of the total dwelling units in each R-1 district. It is the City's intent for this maximum limit to operate prospectively and to allow existing short-term rental licenses and certificates to continue to operate and renew, and to achieve such limits through attrition as licenses or certificates expire, are terminated, or are voided within districts that exceed the established limit.

- b. *Initial maximum limit on licenses in R-1 zoning districts.* The initial maximum number of short-term rental licenses that may be issued in each R-1 Zoning District shall be established as follows:

- i. Community Residential R-1: No more than 67 licenses.
- ii. Peninsula West R-1: No more than 10 licenses.
- iii. Maple Street R-1: No more than 7 licenses.
- iv. Peninsula South R-1: No more than 11 licenses.
- v. Peninsula North (Duneside) R-1: No more than 3 licenses.
- vi. Peninsula North (Riverside) R-1: No more than 2 licenses.

- c. *Effect of maximum limit.* When the number of short-term rental licenses and short-term rental certificates in a zoning district meets or exceeds the maximum number of licenses established for that district, the City shall not accept any additional applications for short-term rental licenses in that district until the number of active (e.g., not expired, voided, or terminated) short-term rental licenses and/or short-term rental certificates in that district falls below the maximum number, creating an available license. This maximum limit shall not be the basis for the termination or nonrenewal of an issued and otherwise valid short-term rental license.

- d. *Accessory dwelling units.* Accessory dwelling units shall not be subject to the maximum number of licenses established herein, such that accessory dwelling units may be licensed as short-term rentals even if the current number of short-term rental licenses in the applicable zoning district exceeds the maximum limit. In addition, accessory dwelling units shall not be counted towards the total number of dwelling units in a district for the purposes of calculating the maximum limit of short-term rental licenses.

- e. *Issuing available licenses.* The City shall develop a policy for providing notice of available short-term rental licenses and for receiving and approving applications for the same once the number of active short-term rental licenses in a zoning district falls below the maximum limit. When short-term rental licenses

Commented [JW1]: These numbers are based on Dave's June 29 table:
https://www.saugatuckcity.com/uploads/1/3/3/9/133977444/p_7-8-24.pdf

become available, submitted applications shall be selected for processing and approval through a random lottery.

- f. *Amendment of maximum limit by resolution.* Given that the maximum limit of short-term rental licenses is based on the total number of dwelling units within a given zoning district which constantly fluctuates as dwellings are built, demolished, and converted to different uses, and to provide the City with the flexibility to adjust the maximum limit of licenses to match changing neighborhood conditions, the City Council may, by resolution, review and amend the maximum limit on short-term rental licenses as it determines to be advisable.

SECTION 2. SEVERABILITY: Should a court of competent jurisdiction find any provision, clause, or portion of this ordinance amendment to be invalid or unconstitutional, the balance or remainder of this ordinance amendment shall remain valid and in full force and effect and shall be deemed “severable” from the portion, clause, or provision deemed to be invalid or unconstitutional by the court.

SECTION 3. REPEAL: All Ordinances or parts of Ordinances in conflict herewith are hereby repealed.

SECTION 4. EFFECTIVE DATE: This Ordinance shall take effect seven (7) days after publication of a notice of adoption of this Ordinance, unless referendum procedures are initiated under MCL 125.3402. If referendum procedures are initiated, this Ordinance will take effect in accordance with MCL 125.3402.

YEAS: _____

NAYS: _____

ABSENT/ABSTAIN: _____

ORDINANCE DECLARED ADOPTED.

Lauren Stanton
City of Saugatuck, Mayor

CERTIFICATION

I hereby certify that:

1. The above is a true copy of an ordinance adopted by the City of Saugatuck at a duly scheduled and noticed meeting of the City Council held on _____, ____ 2024, pursuant to the required statutory procedures.
2. A summary of the above ordinance was duly published in the _____ newspaper, a newspaper that circulates within the City of Saugatuck, on _____, 2024.
3. Within 1 week after such publication, I recorded the above ordinance in a book of ordinances kept by me for that purpose, including the date of passage of the ordinance, the names of the members of the City Council voting, and how each member voted.
4. I filed an attested copy of the above ordinance with the Allegan County Clerk on _____, 2024.

ATTESTED:

Jamie Wolters
City of Saugatuck, Clerk

**CITY OF SAUGATUCK
ALLEGAN COUNTY, MICHIGAN**

NOTICE OF ADOPTION

ZONING ORDINANCE AMENDMENT

ORDINANCE NO. ____

Please take notice that on _____, 2024, the City Council of City of Saugatuck adopted Ordinance No. ____, which amends the City of Saugatuck Zoning Ordinance (“Zoning Ordinance”) to, among other things, to impose maximum limits on the number of short-term rental licenses in specific zoning districts, establish the effect of such limits on existing licenses, establish how available licenses will be issued, and provide a mechanism for the City Council to adjust such maximum limits. Copies of the ordinance may be obtained from Jamie Wolters, City of Saugatuck Clerk, at 102 Butler Street, P.O. Box 86, Saugatuck, Michigan 49453 during regular business hours.

The Zoning Ordinance Amendment has the following sections, which are summarized below: Section 1: Amendment to Zoning Ordinance, Section 154.022(V); Section 2: Severability; Section 3: Repeal; and Section 4: Effective Date, which is seven days after publication of this notice of adoption unless referendum procedures are initiated under MCL 125.3402

Jamie Wolters
City of Saugatuck, Clerk
(269) 857-2603
JWolters@saugatuckcity.com

Publication Date: _____, 2024