



City Council Agenda Item Report

FROM: Ryan Cummins, City Manager

MEETING DATE: April 13, 2026

SUBJECT: Review of Oval Beach Reduced Rate Season Parking Permit Policy

DESCRIPTION:

City Council has expressed interest in discussing whether to continue charging taxpayers for a seasonal pass to Oval Beach. Some have expressed a belief that taxpayers should receive a free pass and that the analysis is as simple as looking at what the lost revenue would be. Unfortunately, it's not as straightforward and City Council should carefully consider whether to make a change.

Historical Background

In March of 2010, after a thorough analysis (attached), City Council unanimously approved a policy change to move from free taxpayer season passes to a reduced-fee structure set at approximately 50% of the standard rate (then \$20). Each real property taxpayer is eligible for one discounted seasonal pass, which also allows parking at the Culver Street lot at no additional cost.

Prior to this change, there were 1,127 tax parcels eligible to receive a free season pass, and the City issued 776 free parking permits to persons with a paid real property tax bill.

Financial History

Since implementation, the City has generated approximately \$112,940 in revenue from taxpayer passes, averaging roughly \$8,000–\$8,700 annually.

Season	Number	Revenue
2012	409	\$8,180.00
2013	411	\$8,220.00
2014	397	\$7,940.00
2015	406	\$8,120.00

2016	405	\$8,100.00
2017	421	\$8,420.00
2018	409	\$8,180.00
2019	395	\$7,900.00
2020	377	\$7,540.00
2021	388	\$7,760.00
2022	400	\$8,000.00
2023	375	\$7,500.00
2024	419	\$8,380.00
2025	435	\$8,700.00
Total Revenue		\$112,940.00

Considerations

There are a number of factors to consider before returning to a system of free passes for real property taxpayers:

- As annual reports show (most recent attached), tax revenues are not currently paying for the costs associated with Oval Beach, Saugatuck Harbor Natural Area and Mt. Baldhead. Fees to park pay for these operations and capital needs.
- The taxpayer pass has remained \$20 since 2010, while non-resident rates have increased. As a result, the taxpayer rate is now approximately 27% of the full price, compared to the original 50% policy intent. This already reflects a substantial reduction for residents.
- While the yearly revenue may not seem significant, it is more significant when considering the cumulative value and the capital needs the beach and Mt. Baldhead area have. The City just paid over \$300,000 for a new restroom at Mt. Baldhead. The Council has also prioritized replacing the upper platform, steps and river deck which the approved capital improvement plan estimates will be \$1,320,000 (in 2026 dollars).
- Today, there are 1,165 tax parcels. The historical data shows we sell around 400 taxpayer passes a year. Prior to that, closer to 800 passes were being issued for free.
 - This has the potential for additional lost revenue impacts:
 - If more free passes are issued and used, that is less Oval Beach spaces that will be available to generate revenue.
 - The same is true for the Culver lot. More free passes mean more users who can take Culver lot parking spaces which reduces revenue shared with the school.
 - Staff time needed to issue taxpayer passes will likely double. We will also need to order more passes.
- Charging parking fees to users, including residents, isn't uncommon.
 - For example, it costs \$15 for a recreational passport to enter state parks. It costs \$25 to obtain a county parks pass.

- The City charges residents for other recreational amenities including use of the Spear Street launch and boat slips at Wicks Park.

Staff Recommendation

Reducing or eliminating the taxpayer pass fee would not only decrease direct revenue but could also create additional indirect revenue impacts. Given the ongoing operational costs, significant capital needs, and the role that user fees play, I recommend maintaining the current policy.

LEGAL REVIEW:

Legal will be at your meeting for any questions.

SAMPLE MOTION:

A sample motion, if any, can be provided based on City Council direction.