

## Chapter 9

# GROWTH AND DEVELOPMENT TRENDS

### INTRODUCTION

Growth and development trends reflect past settlement patterns in a community and provide a basis for estimating future development patterns. Growth rates are one aspect of change. These show which areas are growing at a faster rate. Residential construction permits show where most of this residential development is taking place and provide insight into residential preferences.

Land subdivision trends show the rate at which small lots are created. Rapid land subdivision carves up agricultural land and other open spaces for residential use and thus permanently transforms the rural character of an area. Inefficient land subdivision takes large amounts of potentially developable land out of use as long "bowling alley lots" or "flag lots" are created.

Population trends may be used to project future population, which is used to estimate future land use needs and settlement patterns in a community. And finally, a "build out" scenario may be created based upon the vacant or buildable sites in an area to get an idea what the area might look like if it were developed according to current zoning and use requirements. A more complete discussion of these issues is included below.

### Growth Rates

The population of the Tri-Communities has grown since 1970. The rate of growth has varied each decade since 1970, and each of the three communities grew at substantially different rates from each other each decade, and the population of Saugatuck City has both increased and declined during that time. Between 1990 and 2000, the Township's population growth rate was 27%, a lower rate of growth compared to 40% for the period of 1970-1980. Still, the 1990-2000 rate was higher than that between 1960 and 1970 (11%) and between 1980 and 1990 (7%). The growth rate in the Village was 17% between 1990 and 2000. This was lower than the 35% growth rate between 1970 and 1980, but higher than the 9% growth rate between 1980 and 1990. The City went from a 19% growth rate in the 60's to only 6% growth in the 70's, to a decline of 13% in the 80s but an increase of 12% in the 90s. See Chapter 2: Demographics. The Tri-Communities as a whole increased by 20% between 1990 and 2000, or nearly 800 persons. This is a substantial rate of growth for an area the size of the Tri-Communities.

It is important to note that while the Township's population increased by 27% from 1990 to 2000, the number of households increased by 30% (394 households). This reflects a national trend of smaller household size (number of persons per household, not smaller dwelling sizes), requiring a greater number of homes for a given number of persons. Continuation of this trend will place additional growth pressure on the Tri-Communities in general and Saugatuck Township in particular. Only Saugatuck City had an increase in household size with a resulting greater increase in population than housing. However, this trend was only very slightly different than that of the Village and Township and may reflect a growing interest in the City as a desirable place for families. It is already a desirable place for seasonal homes, which increased by about 80 units between 1990 and 2000 in the Tri-Communities.

The City's slower growth rate is due in part to a shrinking supply of vacant or developable land and in part to a higher proportion of seasonal residents and elderly in small households. The Township's large supply of land has translated into high growth rates. The Village continues to have a high rate of growth (17% between 1990 and 2000, or 174 persons), and also still has land available to develop.

Photo 9-1  
**Saugatuck City Attracts Many People  
but Space is Scarce**



Source: Felicia Fairchild, Saugatuck Douglas Convention and Visitors Bureau

The 2004 Community Opinion Survey found that respondents thought the ideal population of the Tri-Communities was no larger than 1.5 times its present size, even though there is land available for it to grow as much as 2.9 times larger than at present. 52% of the respondents thought that Saugatuck City should remain the same population, 43% thought the City of the Village of Douglas should be no larger and 27% thought the Township had reached its ideal population. Slightly more respondents (28%) thought that the Township had an ideal population about 1.5 times larger, or about 3,600 persons (up from the 2000 Census population of 2,376). Another 16% thought the ideal Township population was twice its present size and 17% didn't know or had no opinion. Fewer than 10% thought the Village or City ideal population was twice its present size, while 22% thought the City should be 1.5 times larger, and 28% of Village respondents felt it should be 1.5 times larger.

If the City, Village and Township were all to grow to 1.5 times the present population, then the City would add 533 residents, while the Village would grow by 607 residents and the Township by 1,188. This would bring the total Tri-Community population to 6,341 persons.

There is no question that both the Village and the Township could accommodate this projected growth with currently available undeveloped land. However, in order for the City to, the average population per household would have to rise or apartments would

have to accommodate most of the new persons as there is insufficient undeveloped land to accommodate that many people (except on the Oxbow Peninsula where undeveloped, privately owned land is planned for long term preservation, not residential development).

This preference for a limited population poses particular challenges for the Township. A very rough buildout analysis revealed that the Township population could increase by nearly 2.9 times if it were fully developed according to current zoning. See Table 9-1. A buildout analysis starts with the acreage area of different zoning districts, minus unbuildable lands (such as wetlands). Rough acreage measurements were made of Saugatuck Township's major residential zoning districts. Agricultural lands were included in this calculation as there remains very little agricultural land in protection programs such as PA 116. Excluded is the area for road rights-of-way (roughly calculated here at 15%). Another roughly 40% is deleted in consideration of land that has severe limitations, such as steep slopes, soils not suited for septic, sizes or shapes that are not easy to maximize development potential, poor or no access, deed restrictions or owners who don't desire to sell such as lifetime farmers, or open space owners. Based on the resulting acreage figures for each zoning district, the calculation then determines the number of potential dwelling units according to permitted density, and multiplies this times the most recent population per household size. In this analysis the buildout factor is only as reliable as the acreage measurements are accurate.

**Table 9-1  
Buildout Analysis of Saugatuck Township**

Residential Zoning District	Area in Acres	Subtract 15% for Road Rights-of-Way	Estimate of Buildable Area in Acres****	Density	Potential Dwelling Units
A-1	5,010	4,259	2,555	1 du/2.5 A - 25%	767
A-2	4,086	3,473	2,084	1 du/2.5 A	834
R-1*	947	805	483	1 du/0.75A	644
R-2	608	517	310	1 du/1.5 A	207
R-3	314	267	160	2 du/A	320
R-3B**	665	565	339	1 du/1 A	339
R-3B Critical Dunes Overlay	71	60	36	1 du/2 A	18
<b>Total Acres</b>	<b>11,701</b>	<b>9,946</b>	<b>5,968</b>		<b>3,128</b>
					<b>Population</b>
Total Population at 2.2 persons per household***					6,882  (about 2.9 times current)
2000 Population					2,376
Potential population					4,506

Source: Planning & Zoning Center, Inc.

\*Note: The R-1 district density ranges from 1 dwelling unit per 20,000 sq. ft. to 1 per 40,000 sq. ft. depending on percent of site placed in open space and presence or absence of public sewer and water, so an average of about 1 dwelling unit per 0.75 acre was used for this calculation.

\*\*Note: The R-3B district density ranges from 1 dwelling unit per 30,000 sq. ft. to 1 per 65,000 sq. ft. depending on percent of site placed in open space and presence or absence of public sewer and water, so an average of about 1 dwelling unit per 1 acre was used for this calculation.

\*\*\*Note: The potential buildout population was calculated using an average 2.2 persons per household. While the average population per household differs between the three communities, the buildable acres estimate is not exact enough to try to distinguish between community's household size, which can also change over time. The figure of 2.2 persons is closest to that of the Township, which has by far the majority of undeveloped land in the Tri-Communities.

\*\*\*\* Potential buildable acres after 40% reduction of maximum potential due to parcels with septic limitations, access issues, odd parcel shapes, deed restrictions, unwillingness to sell, lifetime farmers, etc.

There is a gap between an “ideal” population (as expressed by respondents to the community opinion survey) for the Township of 3,564 (a 1.5 times growth increase, amounting to an additional 1,188 persons) and the “buildout” population of 6,882 residents (a 2.9 times growth increase, amounting to an additional 4,506 persons). The difference between the full time resident population and seasonal resident population of our community is an element not considered in this “ideal” versus “buildout” analysis. Seasonal households were included in the buildout calculations of total potential households and therefore total potential buildout population. If seasonal households were taken into consideration, the buildout “full time” population would be reduced to 5,782, (a 2.4 times increase, amounting to an additional 3,406 persons). This reduction is based on data from Table 2-3, “Seasonal Housing Units” showing 16% of the homes in the township are seasonal as of year 2000. Since this trend is on the increase due to the summer resort nature of the Saugatuck area, it is probable the seasonal population percentage will increase as the Township grows and therefore further reduce the total “full time” population below 5,782.

Photo 9-2

**Maintaining Rural Character in Saugatuck Township is Important to Residents**

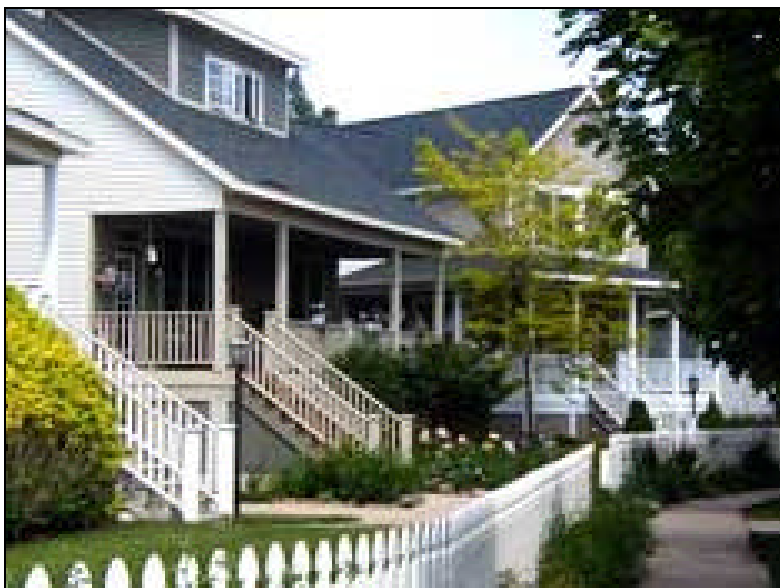


Source: Aaron Sheridan

This poses a dilemma for the Township. If the Township continues to allow the existing zoning density it will, over time, greatly overbuild, relative to the desires of 58% of its residents. If it greatly reduces permissible density and large landowners have come to expect that their land value is based on current density (not a much lower density), there will likely be very unhappy landowners and there may be both political and legal ramifications of such a change. This is compounded by the fact that citizens at a Town Meeting in May 2004 were evenly split over whether density should be reduced, in order to better meet a desired, lower expected population, in the area north of the Kalamazoo River or the area south of it. On the other hand, reducing residential development density in areas currently farmed is completely consistent with public desires to preserve farmland and open space, and will reduce or delay the need to provide utilities or other public services to these areas any time soon. Encouraging more clustering of new

development will preserve more open space, but won't in and of itself reduce overall dwelling units and will put more pressures on farmers to convert land out of agriculture sooner. Absent a determination to greatly lower zoning density and manage existing large acreage parcels for agriculture or forestry, or a major effort to purchase development rights of existing farmland using the fledgling County PDR program, or protect the land through donations or conservation easements, the rural lands of the Township will eventually yield a population about 2.9 times the present population. A voluntary effort on the part of new rural residents to not maximize density on their land could also aid in reducing the eventual population in the Township, if a significant proportion of rural residents followed such a course. It will be possible to reduce the visual and environmental impact of new development through PUDs, clustering and vegetative buffering, but a greatly enlarged population will still require increased school, recreation, police, fire, health care, road maintenance and improvement and utilities services. Generally new residential development does not return as much in new tax revenues as it costs in new public services. Thus, the new residents, when accommodated at a low density could create fiscal stress as well as social stress if they "chew up" open space and create more public service costs than they pay for. These public service costs include school expansion, police and fire, recreation programs and roads. While a large portion of road improvements are paid for by the County, the Township supports a millage (renewed in August 2004) in order to increase road maintenance above the level provided by the County, and would likely need to be increased if low-density residential development were to continue according to present zoning. This is a difficult issue facing many rural townships that is easy to ignore as market demand is low enough that future public service costs won't be borne by current tax payers. The Plan acknowledges the issue and the Township Planning Commission will continue to explore the ramifications and the viability of various alternatives over the next few years. A new solution may emerge from further analysis.

Photo 9-3  
**Residential Construction Takes All Types:  
New Cottages at Summer Grove**



Source: [www.summervotecottages.com](http://www.summervotecottages.com)

## **Residential & Commercial Construction**

Building permit data presented in Chapter 3: Economics (See Table 3-7) showed that new residential construction was taking place at a rate that would result in the ideal population being reached in the near future. The average rate was about 86 dwelling units per year in the Tri-Communities. Most of these occurred in the Township. If the Township portion of new residential construction only averaged about 62.25 per year (as it has in the past four years: 62 in 2000, 65 in 2001, 71 in 2002 and 51 in 2003), an ideal Township population 1.5 times the present would be reached in about 10 years. Construction activity in the City and Village also includes rebuilding, which would not necessarily increase the population at a rapid rate. However, it is not unreasonable to assume the Village could reach a population 1.5 times the present population within 10-15 years if the West Michigan economy continues to hold up.

Commercial development largely follows residential development, so the pressure to convert land for new commercial development will largely follow new housing construction. This is especially true in downtown Saugatuck and Douglas (which would also feel pressure for more businesses if tourist growth was rapid). Out on Blue Star Highway and at the freeway interchanges, there is already pressure for more business development, and as traffic volumes increase, it will go up. However, local zoning can largely control the type, amount and location of new commercial development. But it is hard to control the rate. Premature commercial development is a blight on the community, yet it is often hard to determine when a proposal is premature. For that reason, local business zoning along the Blue Star Highway and at the interchanges should be periodically examined to ensure it represents what the community wants to see happen there.

## **POLICY IMPLICATIONS**

If development were to proceed under existing zoning, as reflected in the build out scenario, then the Tri-Communities would gradually turn into a suburban enclave, complete with a long commercial strip from the north freeway interstate exchange of Blue Star Highway to the south freeway interchange in Douglas. This is problematic in light of the 1988 and 2004 Public Opinion Surveys which revealed the vast majority of respondents have the following preferences:

- maintain the scenic, small town/rural character of the area;
- limited, well-planned and attractive strip commercial development;
- small commercial shopping centers at the interchanges;
- preserve open space along the waterfront and in the Township in general and along roads in particular.

These results suggest the need to again reevaluate current zoning and regulatory policy. Evaluation of zoning and regulations following the preparation of the 1989 Comprehensive Plan led to changes in Township zoning that have reduced the potential number of dwelling units from about 17,000 to about 7,300. It may be necessary to shape the residential policy in the Township even further. Policies to achieve the public's development objectives are included in Chapter 1, and the Future Land Use Plan in Chapter 10. Regulatory tools, such as zoning, subdivision regulations, and site plan review will ultimately need to be amended to implement the policies of this Plan.

