

Paid Parking Considerations for Saugatuck

Purpose

The City of Saugatuck and its Parking Improvements Task Force have identified the possible introduction of paid parking as a consideration for future implementation to improve downtown parking conditions. This discussion provides context and information to help educate decision-makers on what other Michigan resort communities are doing, understand the costs of paid on-street parking, and weigh the pros and cons of paid parking and parking meters.

Peer Michigan Cities Survey

The following table summarizes ten other Michigan resort cities and their approaches to paid on-street parking and time limits, compared with Saugatuck.

Community	Core Time Limit	Paid On-Street	Enforcement	Technology	Notes / Effectiveness
Boyne City	2 hr or unlimited; a few: 15 min.	No	City	Signage	Free, low-friction
Charlevoix	2 hr core; 3 hr lot	Yes (seasonal)	Police + seasonal officers	ParkMobile, text-to-pay	Strong summer turnover
Frankfort	No time limits	No	City enforcement	Maps, signage	Simple & effective
Grand Haven	3 hr downtown	No	Public Safety Dept	Permits, kiosks for off-street	Manages overnights and residents
Ludington	15-min. 2, 3, and 8 hr. sp.	No	Police Dept.	Maps, posted limits	Clear tiering reduces conflict
Mackinaw City	3 hr.	No, but there are pay lots	City	Lot systems	Curb rules are unclear
Manistee	2 hr by ordinance	No	City enforcement	Ordinance + signage	Very clear block rules
Marquette	3 hr. in core, 10 hr. in outlying area	Yes	Police + Treasurer	Pay stations, Passport	Tech-driven compliance
Saugatuck	3 hr typical (posted)	No	Dedicated parking staff	E-ticketing, digital chalking	Time limits encourage turnover
South Haven	3 hr zones	No, but beaches have pay lots	Police Dept.	Passport app, kiosks	Paid where demand peaks
St. Ignace	2 and 3 hr downtown	No, but has pay lots	City / DDA	HONK app	Good curb/lot split

As shown in the previous table, most cities surveyed have time limits of 2 or 3 hours for on-street spaces in specified core areas without paid parking or meters. Instead, most of the cities surveyed rely on enforcement by dedicated parking enforcement officers and police or public safety departments. Various technologies are

used, including e-ticketing and digital chalking, mobile cellular phone applications, permits, multi-space meter kiosks, signage, and maps.

The time-limit-only approach used by Boyne City, Frankfort, Grand Haven, Ludington, Manistee, and South Haven is cited as a peer example relevant to Saugatuck. All communities share a resort-oriented economy, strong seasonal visitation, and concerns about balancing visitor access with neighborhood protection. These examples demonstrate that posted time limits can be an effective parking management strategy in resort settings when paired with consistent enforcement and complementary employee parking solutions.

Several Michigan resort communities, including Charlevoix and Marquette, do not follow a time-limit-only model. In addition to time limits, these cities also use cellular phone applications. Charlevoix allows text-to-pay, while Marquette has multi-space meter kiosks. These communities are therefore not examples of exclusive reliance on posted time limits.

Resort communities that rely on posted time limits instead of meters generally share several characteristics: a compact downtown area, strong seasonal tourism demand, an emphasis on preserving historic or aesthetic character, and a policy preference for simple enforcement. These communities typically use two- to three-hour limits, enforce them primarily during peak summer months, and provide peripheral parking areas for employees and long-term stays.

The Pros and Cons of Paid Parking and Parking Meters

The following table discusses the pros and cons of paid parking and parking meters.

Pros	Cons
Parking meters can improve voluntary compliance by encouraging drivers to self-regulate their parking behavior. Paying for parking creates an immediate behavioral signal that reinforces the expected duration of stay. Even low hourly rates significantly increase voluntary compliance compared to free, time-limited parking, which relies entirely on the threat of enforcement after a violation occurs.	Upsets the status quo for free parking. Saugatuck residents, employees, visitors, and customers are accustomed to free on-street parking. Changing the status quo invites resistance for several reasons mentioned within this list of cons and must be overcome to gain political acceptance.
Generates municipal revenue that can be reinvested into infrastructure, transportation, and downtown improvements.	Creates a financial burden for residents, visitors, and business owners due to higher access and daily commuting costs.
Improves traffic management by encouraging turnover and reducing congestion in high-demand areas.	Does not fully address urban design problems; pricing alone is insufficient.

Pros

Promotes alternative transportation, reducing reliance on personal vehicles and supporting sustainability goals.

Parking meters offer an efficient operation—solar-powered, intuitive interfaces, and multiple payment methods.

Unified reporting and real-time data allow better parking management and operational oversight.

Encourages turnover that supports business access, as seen in case studies like Seattle and Old Pasadena.

Reduces reliance on punitive enforcement measures. Time-limit-only systems depend heavily on ticketing to change behavior, which can feel punitive and arbitrary to the public. Meters shift the city's role from punishment to management by giving drivers a clear, proactive way to comply. This reduces confrontational enforcement encounters and lowers public dissatisfaction with parking regulation.

Provides administrative and legal clarity by providing objective, defensible evidence of violations. An expired meter may be easier to document and adjudicate than proving a vehicle exceeded a posted time limit. This reduces disputes, appeals, and administrative burden while increasing consistency and fairness in enforcement.

Lowers parking enforcement costs. Metered systems reduce the need for frequent patrols and repeated observations required under time-limit-only enforcement. Officers can focus on clear, visible violations, improving

Cons

Negative public perception, often viewed as a “cash grab,” creates resistance and political challenges.

Accessibility and equity concerns for low-income individuals and those with limited mobility.

Enforcement costs and operational burden—meters require regular monitoring, maintenance, and replacement, and violations create negative experiences.

Meter systems can confuse users, such as when they forget license plate numbers or display receipts incorrectly.

Although paid parking is unlikely to represent a significant expense relative to total expenditures for a day trip, a vacation, or a dinner out, it can deter visitors and reduce foot traffic, potentially hurting small businesses and retail activity. The consultant believes this is more of an argument than a reality.

Parking meters can create street and curb clutter, and some people find this undesirable when choosing between meters and no meters. Even on-street payment systems without meters still require parking space numbering, which is usually done with signage and adds to street and curb clutter.

Parking meter revenues in Saugatuck are likely to exceed the upfront capital and ongoing operational costs of the meters, but the meters will still be a financial burden on the city.

Pros

Cons

efficiency, and reducing labor costs despite the presence of paid parking infrastructure.

Summary of On-Street Parking Meter Costs

Should Saugatuck elect to implement paid on-street parking, a mechanism for collecting parking revenues is likely required. This could include single-space meters, multi-space meters, or kiosks, or exclusive pay-by-cell, which may be feasible, but is not prevalent.

To install parking meters, the upfront capital costs are as follows:

- Multi-space meters typically cost \$8,000 to \$10,000 each.
- Smart single-space parking meters cost about \$1,200 to \$1,800 per meter, including the meter dome, pole, and installation.
- Capital costs also include ancillary equipment and installation, including signage and bollards.

Parking meters also have ongoing operating expenses as follows:

- Multi-space meters incur \$50–\$60 per meter per month in data and management fees.
- Single-space meters incur \$6–\$8 per meter per month plus credit card transaction fees.
- Cash collection operations add labor, vehicle, security, and handling costs.
- General operating expenses include staff overhead, enforcement, and neighborhood impact mitigation.

Finally, there are ongoing costs related to parking meter maintenance, repairs, and replacement:

- Meters require periodic repair, component replacement, and lifecycle upgrades. The typical parking meter has a lifespan of 10 years, after which reliability begins to decline, and systems become outdated.
- Cities must fund replacement of outdated or failed equipment over time.

In total, a reasonable estimate of annual on-street parking meter costs, including the amortized cost of equipment, ancillary equipment, ongoing operating expenses, and capital expenditures for repairs and replacements, is on the order of \$300,000, of which about one-third to one-half is enforcement costs.

Saugatuck On-Street Parking Revenue Potential

Based on industry norms and Saugatuck's downtown parking capacity, a preliminary revenue estimate suggests that with roughly 300 pay-on-street spaces in high-demand areas, an average hourly rate of \$2.00, and typical seasonal occupancy, annual gross revenue could range from \$450,000 to \$600,000. At \$1 per hour, these figures would be halved to \$225,000–\$300,000. These estimates align with those of similar Midwestern resort cities and can be refined with additional data. Actual results will vary; this provides an order-of-magnitude approximation.

Key Takeaways

Cities use parking meters, time limits, and low rates together because pricing enhances compliance, fairness, flexibility, and operational efficiency. Time limits alone can be effective in certain contexts, but meters often offer a more stable, less contentious, and more adaptable way to manage curbside parking turnover. Posted

time limits without meters can work well in small or seasonal communities with predictable enforcement, clear signage, and strong political tolerance for ticketing. Many resort towns successfully rely on time limits, targeted residential permit zones, and peripheral long-term parking instead of paid systems.