



**Memorandum**

**To:** Planning Commission  
**From:** Thomas Dansie, Director of Community Development  
**Date:** August 2, 2019  
**Re:** August 7, 2019 Planning Commission Meeting  
Lodging Policy Revisions

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In the last work meeting the Commission had a discussion about whether or not to continue to attempt to create regulations for new lodging development. After a vigorous discussion, the Commission, by a majority vote, decided affirmatively to continue working on strategies that will regulate the pace and amount of new transient lodging facilities developed in the Town. The Commission should now focus your energy on developing these standards, having put the debate about whether or not they are warranted and necessary behind you.

As a reminder, the Commission has already discussed the following issues regarding transient lodging and has come to some degree of agreement on these issues:

1. Classification of transient lodging units by specific type. The Commission has developed the following classification system for transient lodging facilities<sup>1</sup>, which will be used to determine the number of transient lodging units (TLUs) a transient lodging facility contains:
  - a. *Residential Hosting*: Every bedroom that is offered for transient lodging rent in the residential hosting facility counts as one TLU
  - b. *Hotel/Motel*: Each bedroom with its own bathroom and separate entrance counts as a TLU. Suite units where two or more bedrooms have their own bathroom and are separated by internal partitions that can be locked to allow the suite to be converted into multiple rental units are counted as multiple TLU's based on the total potential individual rental units contained in the suite.
  - c. *Short-term rental*: Every bedroom in the short-term rental counts as a one TLU.
  - d. *Hostel*: Each 175 square feet of shared sleeping area counts as one TLU. Each private bedroom counts as one TLU.
2. Design standards for new transient lodging facilities. All new transient lodging facilities will be required to:
  - a. Have a parkitecture style, with specific elements of parkitecture required.
  - b. Have stone monument bases on freestanding signs.

In addition to these standards, the Commission should now discuss potential standards that could regulate the pace of development, density, and/or total amount of lodging units in the Town. The Commission could consider the following options.

- *Establish a cap on the number of new lodging units:*
  - *Hard Cap*. Establish a number of units that could ultimately be developed in the Town that the Commission believes is sustainable and accomplishes the vision of the General

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<sup>1</sup> See the proposed definitions for each type of transient lodging facility at the end of this report.

Plan. Once this number of units has been developed there will be no additional TLU development.

- *Cap Based on Ratio of Lodging to Residential Development.* Establish a ratio between residential development and lodging development the Commission feels promotes the General Plan objective to remain primarily a residential community. New lodging will only be approved if that ratio is not yet met.
  - *Cap based on percentage of properties used as lodging.* Rather than capping the number of TLU's, the Commission could establish a cap on the percentage of property used in each commercial zone as transient lodging facilities. Each property could develop as many TLU's as the underlying zoning allows. But once the percentage of properties used as lodging is met, no new lodging development would be allowed.
  - *Cap based on annual allotment.* Determine the number of TLU's the Commission finds acceptable to develop in any given year (or three, or five year period). Once that annual (3-year, 5-year) allotment is developed no new lodging will be approved until that time period is over and a new time period allotment becomes available. The Commission would also need to define the specific criteria used to determine the allotment.
- *Adopt a lodging density by area standard:* The Commission could set limits for how many TLU's can be developed in a given area. For example, no more than X number of lodging units can be developed within Y feet of each other.
  - *Revise density standards for VC and CC zones:* Currently the CC zone allows one TLU per 2,500 square feet of lot area. The VC zone allows one TLU per 4,000 square feet of lot area. The Commission could decrease the TLU density allowed on a single property by increasing the amount of square feet required per TLU.
  - *Require new lodging developments to include uses other than lodging:* One of the concerns with increasing lodging development is the loss of other land uses in the commercial zones. The Commission could require that new lodging developments also contain other land uses the Town finds desirable, such as: housing, affordable housing, retail, gallery, restaurant, etc. This could be a requirement of all new lodging. Or, if used in conjunction with the above strategy to reduce the base TLU density allowed by zone, it could be used as an incentive(!?). For example, the Commission could reduce the base TLU density for the VC zone to one TLU per 5,000 square feet of lot area. In conjunction, the Commission could allow that density to be increased back to one TLU per 4,000 square feet of lot area if the development also contains a certain amount of housing, retail, etc.
  - *Add new development standards for lodging:* In addition to the Parkitecture standards the Commission has already discussed, the Commission could consider building height, size, landscape, parking, access, and related development standards specific to lodging.
  - *Create a Lodging Overlay zone:* Remove transient lodging as a permitted use in the CC zone, and as a conditional use in the VC zone. Require any new property that wishes to develop transient lodging to apply for the Lodging Overlay zone. This would require any new lodging proposals to go through the zone change process. This would give the Town discretion in whether or not to

grant new lodging developments. Overlay zone requests could be approved if the specific nature and character of the proposed lodging complemented the Town's village character, and could be denied if they did not. The City of Moab and Grand County, Utah have both recently adopted this approach to regulating new lodging development.

Staff notes that many of these strategies can be combined. For example, as discussed earlier, a reduction in TLU density standards could be combined with an incentive standard to incorporate non-lodging uses in a development. In the same way, an overlay zone strategy could be combined with new development standards that would govern all lodging in the overlay zone.

The Commission should discuss these potential strategies (and potentially others the Commission would like to explore) and give staff specific instruction on which strategies to draft into policy. As a reminder, in the last meeting the Commission decided by a majority vote to move forward with developing these lodging policies. Staff suggests the Commission work decisively and unitedly on developing the best lodging regulations for the Town and avoid spending time debating the necessity of the regulations. That discussion and debate was concluded in the last meeting.

***Proposed definitions of transient lodging facility classifications:***

Definitions to be added to the Code

*Residential Hosting: A transient lodging facility in a residential structure where the host, either the owner or a full-time manager, lives on-site and will act as the primary service provider for the facility.*

*Short-term rental: A transient lodging facility where guests have limited or no interaction with on-site staff. Short-term rentals do not have front desks or full-time on-site staff. A short-term rental can be the rental of an entire structure, or rental of a completely self-contained dwelling unit in a larger structure. Each short-term rental unit includes a private entrance, sleeping, bathing, and cooking facilities. Commonly referred to as a vacation rental.*

*Hostel: A type of transient lodging facility that offers basic accommodations typified by dormitory style sleeping quarters and shared bathroom and living areas. (same definition as in earlier drafts)*

Current Code definitions to be revised

*HOTEL/MOTEL: A transient lodging facility usually containing ten (10) or more guestrooms and having ~~one principal entryway or entrance~~, a lobby with a front desk ~~or other public rooms~~. Hotels/Motels have on-site support staff and typically offer guests support services such as housekeeping.*

*TRANSIENT LODGING FACILITY: Any establishment that receives payment in any form of exchange or trade for the use of any dwelling for thirty (30) consecutive days or less, including any hotel, motel, ~~bed and breakfast~~, boarding house, residential hosting facility, short-term rental, hostel, or the like.*