



Memorandum

To: Planning Commission
From: Thomas Dansie, Director of Community Development
Date: June 30, 2023
Re: Transient Lodging Overlay Zone Revisions

The Town adopted the [Transient Lodging Overlay zone \(TLO\)](#) in May of 2022. No new transient lodging is allowed to be developed in the Town, except through the TLO.¹ The TLO limits the number of TLO zone change applications the Town will review each year to five. A revision to the TLO made in late 2022 further limits the Town to accepting TLO zone change applications only in even numbered years. Thus, the Town is not accepting any applications for TLO zone changes until January 2024.

During the hiatus on accepting new applications, the Planning Commission and Town Council directed staff to investigate revisions to the TLO. The Town formed a committee to research potential revisions and updates to the TLO. The committee is composed of two Planning Commissioners, two Town Council Members, and staff. The committee has been meeting for the last five months to research and prepare recommendations for revisions to the TLO. The committee is now presenting those recommendations to the Planning Commission for consideration.

The committee's recommendations are summarized below:

- **Eliminate the distinction between Type 1 and Type 2 lodging.** Currently, hotels and motels are classified as Type 1 lodging while short term rentals, B&B's, hostels, and all other similar lodging are classified as Type 2 lodging. There are separate requirements for each type of lodging. The committee recommends treating all types of lodging the same.
- **Specify more clearly what type of mixed use is required with lodging.** The current TLO requires all lodging to include another use on the property. The intent of this regulation is to ensure a balance between lodging uses, other commercial uses, and residential uses. Based on the Town's experience with the first round of TLO applications in 2022, the current mixed use requirement does not produce the kind of diversity of land uses initially envisioned. Lodging approved through the TLO in 2022 either used existing mixed uses or developed a token commercial use to satisfy this requirement. The proposed revisions require all new lodging to include new long-term residential units (one long-term residential unit for every eight lodging units). Lodging establishments with more than ten lodging units are additionally required to include a restaurant on the site. Thus, the proposed new TLO will require long-term residential units and restaurants as the only approved mixed uses associated with new lodging.

¹ Prior to the adoption of the TLO transient lodging was allowed as a permitted use in the CC zone and a conditional use in the VC zone.

- **Change the application process for TLO zone change applications.** As mentioned above, the Town currently accepts five applications for the TLO zone in even number years. Applications are accepted on a first come, first served basis. This limits the number of applications (and thus the restaurant total number of new lodging developments). However, it does little to encourage quality applications. Rather, it encourages expedited applications which may sacrifice quality for efficiency in order to be one of the first five applications received. The proposed revisions create a new application process as described below:
 - The Town will accept an unlimited number of applications for TLO zone changes between January 1 and January 31 of each year. There is no “first come, first served” component of the application process. All applications received between January 1 and January 31 will be considered. The Planning Commission, and then subsequently the Town Council, will review all TLO zone change applications together in a single meeting. This will allow the Commission and Council to evaluate applications relative to the standards in the code, as well as to each other. This will hopefully encourage higher quality applications. The Town may (but is not required to) approve up to three TLO zone change applications each year. The Town may decide to approve no applications, and the most the Town can approve is three.
 - Prior to making an application for a TLO zone change, an applicant will be required to meet with all owners of property within 300 feet of the subject property, explain the proposed lodging, and request feedback from the nearby property owners. This does not mean that the nearby property owners must consent to the TLO zone change. It does mean that the applicant has a responsibility to meet with the neighbors prior to making an application so they are aware of the project and have an opportunity to provide feedback.
 - The proposed application submittal requirements for TLO zone change applications are much more detailed and require significantly more information than the current application requirements. Applicants will be required to submit detailed plans of the proposed development, as well as details on how the lodging will be operated. With more detailed plans and information in the application the Commission and Council will be able to make more informed decisions on each application.
 - The proposed revisions include application review criteria that are much more closely and clearly linked to the General Plan than the current review criteria. Applicants will be required to clearly indicate how the proposed lodging facility will promote the goals and objectives of the General Plan related to transient lodging, village character, and non-consumptive economic development—as well as all other applicable General Plan goals. The proposed new process includes a points based ranking system that will allow the Commission and Council to use the General Plan criteria more effectively in evaluating TLO zone change requests.
 - The proposed application process makes it abundantly clear that TLO zone change applications are legislative decisions. Thus, a TLO zone change application may be denied, even if it meets the standards in the ordinance, if the Council determines new

lodging is not needed or desired in the community. The Town is not obligated to approve any TLO zone change application.

- If a TLO zone change application is approved, the applicant will be under timelines to complete the project. The applicant will have one year from TLO zone change approval to commence construction on the project, and then two additional years to have the project completed.

Other existing components of the existing TLO zone are retained. If a project is approved for a TLO zone the owner of the property must record a restrictive covenant against the property detailing the requirements of the TLO approval. The Town will require an annual compliance review to ensure the standards of the TLO zone approval are being met in conjunction with the business license renewal. Only properties currently in the VC or CC zone are eligible for the TLO zone. Transient lodging facilities are required to have a property manager who can respond to complaints and emergencies on call for 24 hours every day. Transient lodging facilities must adopt good neighbor and guest education policies to help educate guests on appropriate ways to experience Springdale and Zion National Park.

A copy of the recommended ordinance revision is attached. Although many components of the existing TLO are retained, this ordinance is a complete rewrite of the TLO. So there is no strikethrough language. The attached language is intended to replace the existing TLO zone language in its entirety. The Commission may wish to review the [current TLO zone language](#) in conjunction with reviewing the recommended revisions.

Legal Review

The Town Attorney has been involved in the development of the concepts in the revisions and has found them legally supportable. The Attorney is now doing a detailed review of the proposed draft language. That review will not be available at the work meeting. It will be available later in July.

Planning Commission Action

The Commission should review the recommended draft language for revisions to the TLO zone. The Commission should give staff feedback on changes to help improve the language.

Transient Lodging Ordinance Update

Purpose:

The Transient Lodging Overlay zone is established to allow the development of transient lodging facilities in the Town that will promote the goals and objectives of the General Plan. Specifically, the Transient Lodging Overlay zone is intended to ensure any new transient lodging developments promote the Town's village character, protect the Town's unique community feel, and enhance the quality of life for all community members. Prior to establishing a transient lodging facility, a person must first apply for and receive approval of the Transient Lodging Overlay Zone on the property where the transient lodging facility is proposed.

Applicability:

Only properties that are already in the Central Commercial or Village Commercial zone are eligible for the Transient Lodging Overlay zone. The Town will not accept an application for Transient Lodging Overlay zone on a property unless that property is zoned either CC or VC at the time the application for the Transient Lodging Overlay zone is submitted. A person may not make an application for the Transient Lodging Overlay zone and the VC or CC zone concurrently.

Transient Lodging Overlay Zone Required for Transient Lodging:

- A. No person shall establish a new transient lodging facility in the Town of Springdale without first obtaining approval of the Town Council to apply the transient lodging overlay zone to the property where the transient lodging facility is located.
- B. No person shall increase the number of transient lodging units on a property with an existing transient lodging facility without first obtaining approval of the Town Council to apply the transient lodging overlay zone to the property where the transient lodging facility is located.
 1. This provision applies to any increase of transient lodging units on a property, whether through new construction, conversion of existing non-lodging uses to transient lodging, reconfiguration of existing transient lodging units that results in additional transient lodging units on the property, or any or action that increases the number of transient lodging units on a property.
 2. This provision applies to any proposed increase in the number of transient lodging units on a property that has previously been approved for the Transient Lodging Overlay zone and has been developed with transient lodging units. In such a case a new approval of the Transient Lodging Overlay zone reflecting the increased number of transient lodging units is required.
- C. The Planning Commission will not accept applications for design/development review for new transient lodging facilities unless the property where the proposed transient lodging facility is located is in the transient lodging overlay zone.
- D. The Town Clerk will not accept applications for a business license for new transient lodging unless the property is located in the transient lodging overlay zone.

Application Process:

- A. The Town will accept applications for the Transient Lodging Overlay zone from January 1 to January 31 of each even numbered calendar year (e.g. 2024, 2026, etc.). Applications shall be submitted on a form prepared by the Town.
- B. Prior to making an application for the Transient Lodging Overlay zone, an applicant must contact all owners of property within 300 feet of the property where the proposed transient lodging facility will be located. The applicant must provide these property owners with preliminary information regarding the zone change application and invite their comments and feedback to help inform the final design of the project.
- C. The Director of Community Development or designee will review the application for completeness. If an application is found incomplete the DCD or designee shall, within five business days of the date of the application, return the application to the applicant with specific instruction regarding what is lacking to make the applications complete. The applicant shall return the application with the requested additional information to the DCD prior to January 31, or a maximum of five business days from the date of the DCD's correction letter if the correction letter is sent less than five working days prior to January 31. If the applicant fails to make the corrections within the specific timeline the application will be deemed incomplete and will not be reviewed further.
- D. The Planning Commission will hold a public hearing to review all complete applications submitted during the application window. The Planning Commission will make a recommendation to the Town Council to approve up to three of the applications received. However, the Commission is not obligated to recommend approval of any application and may elect to recommend denial of all applications. The Planning Commission will randomize the order of applications heard during the public hearing. The Commission will not make a decision on any application until all applications have been heard in public hearing.
- E. Upon receiving a recommendation from the Planning Commission the Town Council will hold a public hearing to review all applications submitted during the application window (those with a recommendation for approval from the Planning Commission, as well as those with a recommendation for denial). The Town Council may approve up to three applications for the Transient Lodging Overlay zone during each biennial application cycle. However, the Council is not obligated to approve any of the Transient Lodging Overlay zone applications and may elect to deny all applications. The Town Council will randomize the order of applications heard during the public hearing. The Town Council will not make a decision on any application until all applications have been heard in public hearing.
- F. If the Council approves the Transient Lodging Overlay zone on a property, the property owner/applicant shall have one year from the date of the Council's approval in which to begin development of the proposed transient lodging facility. The property owner / applicant shall have two years after development begins to complete the project and have a Certificate of Occupancy issued. If development of the transient lodging facility is not initiated and pursued to completion in accordance with these timelines the Transient Lodging Overlay zone approval shall be rescinded and the property shall revert back to the underlying zone with no Transient Lodging Overlay zone.

1. To begin development of the transient lodging facility means to have all necessary permits issued and to have started the actual process of construction.

Application Review Criteria:

- A. In reviewing Transient Lodging Overlay zone change applications the Planning Commission and Town Council will use the following criteria. These criteria are provided to help the Planning Commission and Town Council in their review of Transient Lodging Overlay zone applications. Because of the legislative nature of zone changes, the Council is not obligated to approve a Transient Lodging Overlay zone change application even if the application meets these criteria.
 1. Will the proposed development clearly maintain Springdale's unique identity and community atmosphere as detailed in Land Use and Town Appearance Subgoal A of the General Plan?
 2. Does the proposed development clearly support the vision for Transient Lodging established in Land Use and Town Appearance Subgoal G of the General Plan?
 - a. Will the proposed transient lodging promote the Town's "in the Park feel", small village scale, and unique village atmosphere?
 - b. Will the proposed transient lodging be attractive, memorable, and unique in such a way that complements the visitor's experience in Zion Canyon and Zion National Park?
 3. Does the proposed development clearly support the vision for tourism related economic development established in Economic Development Subgoal I of the General Plan?
 - a. Will the proposed transient lodging add to the quality of life for residents?
 - b. Will the proposed transient lodging development protect the community's character?
 - c. Will the proposed transient lodging development "give back" to the community (with more than just tax revenue)?
 4. Does the proposed development support the vision statement and other applicable goals of the General Plan?
 5. Will the proposed development negatively impact the privacy, peace, quiet, and enjoyment of surrounding properties, particularly those that are residentially zoned?
 6. Will the proposed development help maintain a desirable balance between transient lodging and other commercial uses in the Town's commercial zones?
 7. Is the facility projected to create a need for essential municipal services (including water and other utility service) that the Town cannot reasonably meet?
- B. The Planning Commission and Town Council shall develop a point based ranking system based on the application review criteria above to assist in reviewing all the applications received during an application window. The ranking system shall be a tool the Planning Commission and Town Council use to evaluate the applications received against each other, relative to the application review criteria. The Planning Commission and Town Council shall use the same ranking system to evaluate all the applications received during an application window. The ranking system shall be one of several factors the Commission and Council considers in determining which, if any, of the applications to approve. The ranking system shall not guarantee approval or denial of any

application. Nor shall it be the only tool the Commission and Council use to evaluate applications. The results of the ranking system shall be informative only, and in no way shall they be binding.

Application Standards:

All applications for the Transient Lodging Overlay zone shall include sufficient information and detail to allow the Planning Commission and Town Council to make informed findings regarding the review criteria listed above. Applications must include preliminary development plans and details for the proposed development on the property. At a minimum applications must include the following information:

- A. Site plan showing:
 1. Property boundaries,
 2. Topography in one foot contour intervals,
 3. Existing and proposed access into the property,
 4. All existing development (if any) on the property,
 5. All proposed transient lodging development,
 6. Parking, landscape areas, and other site details.
- B. Conceptual architectural floor plans of the proposed transient lodging development, required long-term residential housing units, and restaurant (if required).
- C. Conceptual elevations of the proposed transient lodging development, required long-term residential housing units, and restaurant (if required) showing proposed exterior color and materials of the new structures.
- D. Number of transient lodging units being requested, nature of the transient lodging units, and expected occupant load of each transient lodging unit.
- E. Narrative with details on how the proposed development will satisfy the requirements for:
 1. Front desk / concierge service.
 2. On-site restaurant.
 3. Long-term residential uses.
- F. Narrative detailing how the proposed transient lodging will be operated in compliance with the requirements of this chapter.
- G. Specific details describing how the proposed transient lodging will promote the goals and objectives of the General Plan. The applicant must include a specific response to each of the following General Plan Goals:
 1. Land Use and Town Appearance Subgoal A
 2. Land Use and Town Appearance Subgoal G
 3. Economic Development Subgoal I
- H. Documentation of contact with all owners of property within 300 feet of the subject property, and a summary of the comments and feedback received from these property owners.
- I. Description of strategies used in the design of the project which are intended to protect adjacent properties from the impacts of the proposed transient lodging facility, including a copy of the proposed good neighbor and guest education policies.

- J. Any other information the applicant wishes to include that demonstrates how the proposed development will enhance the Town's community character, as outlined in the General Plan.

Standards for Transient Lodging:

All transient lodging facilities shall comply with all of the following standards:

- A. Transient lodging facilities must be located on a dedicated public road, or a private street that is constructed to the same standards for pavement, curb, gutter and other improvements as a public road.
- B. Transient lodging facilities must have a 24-hour on-call property manager available who is able to be on the property to respond to emergencies and complaints of nuisance issues within 30 minutes of being notified.
- C. Transient lodging facilities shall adopt good neighbor and guest education policies. These policies shall be displayed prominently in each transient lodging unit and given to each guest upon arrival. These policies shall:
 - 1. Educate guests about Town ordinances regarding noise, nuisance, and other similar issues.
 - 2. Orient guests to the Town with information regarding transportation, entrance to Zion National Park, location of medical facilities and other essential services.
 - 3. Encourage guests to respect the Town's community character, to be sensitive of the impact they have on the community and full-time residents, and to be cognizant of their impact on natural resources such as the Virgin River and the dark night sky.
 - 4. Encourage guests to use pedestrian, bicycle, and transit transportation whenever possible instead of private automobile travel in Springdale and Zion National Park.
- D. Transient lodging facilities on property with 10 or more transient lodging units shall have a front desk or concierge desk that is continuously staffed by on-site personnel to respond to inquiries and requests from and provide service to guests of the facility. The front desk/concierge desk must be dedicated specifically to the transient lodging use on the property and may not be used in conjunction with any other use or business. The front desk/concierge desk must be open and continuously staffed by on-site personnel for at least ten hours each day between October 15 and March 15, and for at least 14 hours each day at all other times. This requirement for dedicated front desk or concierge desk staff is not meant to prohibit temporary departures by such staff from the front desk or concierge desk to attend to related job duties that temporarily take them away from the front desk or concierge Desk.
- E. Transient lodging facilities on property with 10 or more transient lodging units shall have a restaurant.

1. The building area devoted solely to restaurant use (inclusive of dining area, kitchen area, and prep area) must be a minimum of 800 square feet and must be equal to or greater than 20% of the building area devoted to transient lodging (including guestrooms, lobby, etc.), except that in no case shall more than 2,000 square feet of restaurant space be required.
 2. The restaurant must be open to guests of the transient lodging facility as well as the general public.
 3. The restaurant must be a separate licensed business from the transient lodging business.
 4. The restaurant must be open and operational during the seasons and times the transient lodging facility is open. For the purpose of this requirement, this does not mean the restaurant must be open 24 hours per day. Nor does it mean the restaurant is not permitted to have a regularly scheduled closed day(s) each week.
 - i. When there is a transition in restaurant operators in the required restaurant space the restaurant may be closed for a maximum period of six weeks to facilitate the transition from one operator to another.
- F. All Transient Lodging Facilities shall include long term residential units.
1. One long-term residential unit is required for every eight lodging units. In determining the number of long-term units required, all fractions will be rounded up to the next highest whole number. For example, a transient lodging facility with three transient lodging units would be required to provide 0.375 long-term residential units, which would be rounded up to one long-term residential unit. A transient lodging facility with 10 lodging units would be required to provide 1.25 long-term residential units, which would be rounded up to a minimum of two long-term residential units.
 2. The long-term residential units used to meet this requirement must be newly developed units. A property owner may not use long-term residential units which exist at the time the application for transient lodging is approved to satisfy the long-term residential requirement for the development.
 3. Each long-term residential unit used to fulfill this requirement must measure a minimum of 600 square feet in area.
 4. Each long-term residential unit used to fulfill this requirement must be constructed and maintained to a standard of quality that meets or exceeds the HUD Housing Quality Standards applicable to the Housing Choice Voucher Program.
 5. Long-term rental units must be occupied by the same household for periods of not less than 90 consecutive days.
 6. Long-term residential units must be occupied as the occupant's primary residence.
 7. Long-term residential units must be occupied at least nine months in any twelve month period.
 8. Each long-term residential unit must have its own dedicated water meter, according to the Town's Construction Standards and Design Details.

9. Housing must be open for rent by members of the general public. Housing made available to employees of a transient lodging facility and that is contingent in any way on their employment at the transient lodging facility does not satisfy this requirement.
10. Long-term residential units required by this section can be located on a property other than the transient lodging facility property, as long as the property is within the Town of Springdale.
11. The owner of the property where the long-term housing units are located must record a restrictive covenant on the property that identifies the long-term residential units and requires the units to be used for long-term residential uses in compliance with this section for at least 50 years. The covenant must identify which lodging facility the long-term residential units are linked to.

Annual Review of Transient Lodging Overlay zone Compliance:

Managers of all transient lodging facilities shall provide documentation of compliance with all the standards in this chapter during the annual renewal of the business license for the transient lodging facility. The Town shall not issue an initial business license or business license renewal for a transient lodging facility in the transient lodging overlay zone if all of the standards of this chapter have not been met.

- A. The transient lodging facility manager shall provide the following information to the Town Clerk as part of the annual business license review:
 1. Name and contact information for the on-call property manager.
 2. Documentation that the required restaurant is in operation and open for business.
 3. Current copy of the good neighbor / guest education policies.
 4. Identification of the required long-term residential units associated with the transient lodging, and documentation that the units have been occupied used as long-term residential units for at least nine of the previous twelve months.
- B. The Town Clerk will not issue a business license renewal for the transient lodging business unless all of the above identified information is provided to the Town.

Notice and Restrictive Covenant Required:

The Town will not finalize approval of the transient lodging overlay zone on any property until the owner of the property has recorded an instrument in a form approved by the Town that provides notice and a restrictive covenant against the property in the Washington County Recorder's Office that details the requirements of this chapter as applied to the property and binds future property owners to comply with the requirements of this chapter, as conditioned and applied to the property.