



Memorandum

To: Town Council
From: Thomas Dansie, Director of Community Development
Date: October 27, 2023
Re: Discussion of Potential Revisions to the Transient Lodging Overlay Zone

The Council has discussed potential revisions to the Transient Lodging Overlay zone in the previous two regular meetings. The Council has scheduled a work session to discuss the TLO in depth. This memo presents options for potential revisions to the TLO based on the Council's prior discussions and input. The Council can use the options suggested in this memo as a starting point for discussion in the work meeting.

Staff suggests the Council review the current TLO zone regulations ([Chapter 10-13F of the Town Code](#)) as well as the [proposed revisions to the TLO zone](#) recommended by the Planning Commission prior to the meeting. The Council should consider what revisions to the TLO zone will help make the zone more effective in accomplishing the General Plan direction concerning lodging (see General Plan Land Use and Town Appearance Sub-Goal G).

Staff has reviewed the Council's previous discussion and input regarding the TLO. Based on this previous discussion staff has developed the following potential options for revisions to the TLO. The Council can consider these as a starting point for discussion. Council Members are encouraged to develop additional options for discussion to bring to the meeting for discussion.

Option #1

Remove the requirement that transient lodging facilities contain restaurants.

Option #2

Retain the concept of differentiating transient lodging by type (e.g. Type 1 and Type 2). Make the differentiation between Type 1 and Type 2 based on unit count, not on the characteristics of the lodging as the current TLO does. Add a third type (Type 3) that is truly small-scale.

- Type 1 is more than 20 units
- Type 2 is 5 to 19 units
- Type 3 is 4 or less units

Encourage transient lodging to be developed in the CC zone, and not in the VC zone, as shown in the proposed use table below.

<i>Type</i>	<i>VC</i>	<i>CC</i>
1	Not Permitted	Requires TLO
2	Requires TLO	Requires TLO
3	Requires TLO	Permitted Use

Requirements for Type 1

- Front desk and concierge service
- Must be on dedicated public road
- Good neighbor and guest education policies
- One long-term residential unit for every four TLU's

Requirements for Type 2 and 3

- On-call property manager able to respond within 30 minutes
- Must be on dedicated public road, or on private street with written approval of all owners of the street
- Good neighbor and guest education policies
- One long-term residential unit for every four TLU's

Consider reduced application fee and streamlined application requirements for Type 3

Do not require employee parking spaces for Type 3

Option #3

Allow owner-occupied properties in the CC and VC zones to develop one transient lodging unit as a permitted use. Add a "Type 4" lodging to the use table proposed in option #2 that allows owner-occupied lodging with streamlined application and permit process. Additional long-term residential units are not required.

Option #4

Consider a cap on transient lodging units (in addition to the limit of three TLO zone approvals every two years)

- Fixed total cap
- Cap based on ratio of TLU to long-term units
- Time based cap (X TLUs every Y years)

Option #5

Retain the rest of the Planning Commission's proposed revisions to the TLO:

- Revised TLO zone application process (accept applications during an application window every other year, approve a maximum of three TLO zone applications)

- Revised TLO zone application standards (as modified for Type 3 and potentially Type 4)
- Revised TLO zone review criteria
- Annual review of transient lodging facilities for compliance with the ordinance requirements
- Require transient lodging properties to record a restrictive covenant on the property

Council Action

Staff recommends the Council discuss proposed revisions to the TLO and give staff direction on necessary revisions. Staff will then draft ordinance language for the Council to consider in an upcoming meeting.