



**Memorandum**

**To:** Planning Commission  
**From:** Thomas Dansie, Director of Community Development  
**Date:** August 30, 2018  
**Re:** **Lodging Regulation Revisions**

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The Commission has been discussing Transient Lodging Regulations for the past two work meetings. The entire work meeting this month is dedicated to a discussion of Transient Lodging. The Commission should come prepared to discuss and make recommendations on the issues discussed in previous work meetings and detailed in this report.

**Short Term Rentals**

Short terms rentals, or vacation rentals, are a growing trend nationally and in Springdale. The Town currently regulates short term rentals in the same manner as any other transient lodging facility. Therefore, short term rentals are allowed in the Central Commercial zone, as well as in the Village Commercial zone through conditional use permit. Short term rentals are not allowed in any other zone. The Commission has discussed the need to clarify the Town’s regulation of short term rentals. The Commission has discussed the following potential changes to the Town’s current regulations.

*Create a new definition of Short Term Rental*

Staff recommends the following definition of “short term rental” be added to the Town Code:

Short Term Rental: A type of transient lodging facility where a residential structure or property, or any portion of a residential structure or property, is rented or leased for any period less than 60 consecutive days. Commonly referred to as vacation rental.

*Regulation of Short Term Rentals*

The Commission has discussed a number of strategies to regulate short term rentals. The Town’s current policy is to allow short term rentals in the CC and VC zones (the same as any other transient lodging facility) and not to allow them in other zones.

Given the increasing trend moving toward short rentals, the Commission discussed the following potential strategies:

- Continue to allow short terms rentals in commercial zones and not in other zones (current policy).
- Allow a percentage of properties in each zone, including residential zones, to be used as short-term rentals.
- Continue to allow short-term rentals in commercial zones, and add allowance for short term rentals in the residential zones with additional regulation (separation distances between each STR, cap on the total number of STRs in residential zones, operation and maintenance standards for STRs in residential zones, etc.).
- Distinguish between owner-occupied short-term rental (residential hosting where only a room or portion of the home is rented and the owner is occupying the structure at the same time as the renter) and whole house short-term rental in residential zones.

The Commission should determine which of these strategies to pursue and direct staff to develop ordinance language to accomplish those strategies.

### ***Boutique Hotels / Hotel Design***

The General Plan encourages the Town to look for ways to encourage transient lodging developments to promote and enhance, rather than detract from, the Town's village character and atmosphere. Some of the strategies the General Plan suggests are encouraging "boutique hotels" and revising the Town's architectural and design guidelines for hotels (see General Plan Priority 5).

In recent work meetings the Commission has discussed the need to revise design standards for hotels to reduce their visual impact and promote a village scale and atmosphere. Some specific strategies the Commission may wish to consider include:

- *Revising building massing standards.* Currently the code allows buildings up to 12,500 square feet in area in the CC zone, and up to 8,000 square feet in the VC zone. The Commission could revisit these size limits. The Commission has noted that in addition to size, setback and location relative to SR9 play an important role in determining a building's visual impact. The Commission could consider larger setbacks for larger buildings, as well as increased setbacks for taller buildings.
- *Prohibit standardized corporate architecture / design.* The Town has been successful in requiring branded lodging establishments to adopt Town standards for architecture and design. This has resulted in lodging developments that are unique to Springdale in appearance and design, and that are generally consistent with the architectural theme of the Town. The Commission could investigate further strengthening and/or detailing the Town's design standards to ensure future lodging development is also complementary to the Town's architectural feel.
- *Limit the total number of hotel units allowed on a property.* In the community forum on lodging one of the frequent comments from the community was disappointment with lodging establishments that contain a large number of units. The General Plan encourages "boutique" hotels, with the idea that a boutique hotel would have fewer units and be more likely to have a local feel and atmosphere. The Commission could discuss what an appropriate number of lodging units could be to develop on lodging properties. The Commission could also discuss whether the current formula for determining the allowable number of units on a property (2,500sf of land per unit in CC / 4,000sf of land per unit in VC) should be revised.

The Commission should determine which of these strategies to pursue and direct staff to develop ordinance language to accomplish those strategies.

### ***Housing / Lodging Mix – Loss of Housing (and other uses) to Lodging***

The Commission discussed the increasing trend of converting residential units (and other commercial uses) in the commercial zones to lodging units. This trend reduces the Town's affordable housing supply by converting some of the most affordable housing units into lodging. It also decreases the diversity of uses in the commercial zones. The Town has long sought to maintain a balance between residential uses that promote community, and commercial uses that support the tourism economy associated with Park visitation. By converting more residential uses (and other commercial uses) to lodging that balance is lost and the Town's village character is threatened.

In the last meeting the Commission asked staff to investigate how many residential units are currently developed in the commercial zones. Staff’s findings on this issue are shown in the following chart.

Single Family Residences in CC and VC	31
Multi-Family Housing Units in CC and VC	12 (2 under current application to convert to lodging)
Residential Units on Properties w/ Primary Commercial Use	Approximately 30
<b>TOTAL</b>	<b>Approximately 73 residential units in CC/VC</b>

Using 2.1 people per household as an average occupancy for these units (from US Census data), approximately 153 people live in residential units located in the commercial zones in Springdale. The increasing trend to convert residential units in the commercial zone to lodging will reduce housing availability for these community members.

In the last meeting the Commission discussed the following strategies to address this issue:

- Require new lodging establishments to also provide housing, or pay into a housing fund that could be used to develop additional housing.
- Provide incentives for property owners to retain residential units on commercial property.
- Restrict change of use from housing to lodging.
- Establish a cap on the total number of lodging units allowed in the community.

The Commission should determine which of these strategies to pursue and direct staff to develop ordinance language to accomplish those strategies.

**General Plan Guidance**

The following language from the General Plan could help guide the Commission’s discussion:

**General Plan Priority 5**

Springdale’s unique location, character, and position as a gateway to Zion National Park create an increasing demand for Tourist accommodations, specifically lodging establishments. The General Plan emphasizes the goal to preserve the Town’s small-town character and village scale. To preserve the character of the town, smaller scale “boutique hotels” should be encouraged. Smaller hotels, inns and bed and breakfasts will do a better job of promoting and preserving a small-town character and feel than larger lodging establishments.

- Investigate potential strategies to reduce the maximum number of lodging units allowed at a hotel property.
- Encourage hotel development that complements the small-town atmosphere and village scale.
- Examine building size limits for lodging establishments to ensure the scale and mass of lodging establishments are consistent with the Town’s village atmosphere.

The General Plan contains a number of strategies to help accomplish this priority:

**Objective 3.1.3. Develop policies that will help new lodging facilities promote Springdale’s unique village atmosphere.**

In keeping with its village atmosphere and unique character, Springdale encourages hotels, inns, bed and breakfasts and other lodging facilities that promote the Town’s “in the Park” feel, its small village scale, and its unique atmosphere.

The Town seeks to provide attractive, memorable, and unique lodging that complements the visitor’s experience in Zion Canyon and Zion National Park.

Typically, smaller lodging establishments are more successful in achieving these goals than larger ones. The Town encourages “boutique” hotels, small inns, bed and breakfasts, and other similar lodging establishments that help promote the village atmosphere and small-town scale.

*Implementation Strategies*

3.1.3.a. Require lodging establishments to use architecture and exterior design elements that are consistent with Springdale’s setting in Zion Canyon, its relationship with Zion National Park, and its architectural heritage.

3.1.3.b Restrict the use of standardized exterior designs, color schemes, or architecture imported from areas outside Zion Canyon or associated with chain hotels.

3.1.3.c. Encourage lodging establishments to retain a unique local name, even if affiliated with a chain or brand.

3.1.3.d. Revise the maximum number of hotel units allowed in a transient lodging facility. This could be accomplished through reducing the number of units allowed per acre, establishing a unit cap per property, or other similar strategy.

***Conclusion***

Staff anticipates receiving direction from the Commission in the meeting regarding which strategies outlines in this report (or other strategies that may be discussed at the meeting) the Commission would like to pursue. Staff will develop draft ordinance language for the Commission to review based on this direction.