THE CITY OF ASHEVILLE

MEMORANDUM

TO:	Mayor and City Council
FROM:	Todd Okolichany, Planning & Urban Design Director
PREPARED BY:	Stacy Merten, Principal Planner
VIA:	Cathy Ball, Assistant City Manager
DATE:	February 19, 2021
SUBJECT:	Hotel Development Regulations

SUMMARY STATEMENT:

This memo is to update City Council on the revisions that Planning & Urban Design staff have made to the hotel development regulations and Hotel Overlay District Map following the public hearing on February 9, 2021.

BACKGROUND:

Planning and Urban Design staff presented proposed text and map amendments to the Asheville City Council regarding new hotel development regulations following a one and a half year study and public engagement process. Council had some additional concerns regarding the proposal. This memo summarizes the revisions staff has made to the proposed regulations in order to address those concerns.

UPDATE:

The following changes have been made to the Hotel Overlay District Map:

- Removed properties where the proposed Hotel Overlay District overlapped with urban renewal program areas and removed any resulting non-contiguous parcels, including a small area on Depot Street.
- Removed the property located at 185 Clingman Avenue (The Grey Eagle Music Hall property).

The following changes have been made to the Public Benefits Table:

- Increased the overall required points for hotels by 40-60 points
    - 22% to 40% increase for hotels in urban areas
    - 33% to 150% increase for hotels in suburban areas
    - **Will result in more or higher level public benefits being required**
- Further prioritized affordable housing and reparations options (Group 2)
    - Revised Group 2 to only include affordable housing and reparations options
    - 50% of required points must go toward either affordable housing or reparations
    - **Will ensure that hotel projects will have to either build affordable housing or contribute money toward affordable housing or reparations**
- Removed points for lower monetary contributions toward affordable housing and reparations ($1,000 and $2,000 options removed)
    - **Will ensure that hotels contribute a higher amount to affordable housing or reparations**
    - For example, a large 100 room hotel in the downtown will have to contribute a minimum of $4,000 per room (or $400,000) in addition to other public benefits compared to a

minimum of $1,500 per room (or $150,000) plus other benefits under staff's previous proposal
    - A $6,000/room option is still available and has been further incentivized
- Moved other equity-related benefits from Group 2 to Group 3
    - Will ensure that affordable housing and reparations benefits are the top priorities
    - Eliminates competition amongst these benefits
- Adjusted several other point allocations to incentivize equity-related benefits
    - Examples include lowering B corp and non-equity related options

The following changes have been made to the ordinance (see page 5) to address concerns about appointments to the Joint Design Review Committee:

- The Asheville City Council will make the appointments, consisting of four members from the Downtown Commission and four members from the Asheville Area Riverfront Redevelopment Commission.
- The ninth member will still be appointed by the seated members of the Joint Design Review Committee.
- Under staff's former proposal, the Downtown and Riverfront commissions would have made the appointments.

Attachment(s)

- Hotel Overlay District Map and Urban Renewal Updates
- Revised Exhibit A Map
- Revised Public Benefits Table
- Analysis of Amendments to Public Benefits Table
- Revised Hotel Development Ordinance (2-19-21)