Hotel Development
City Council
Work Session



February 25, 2020

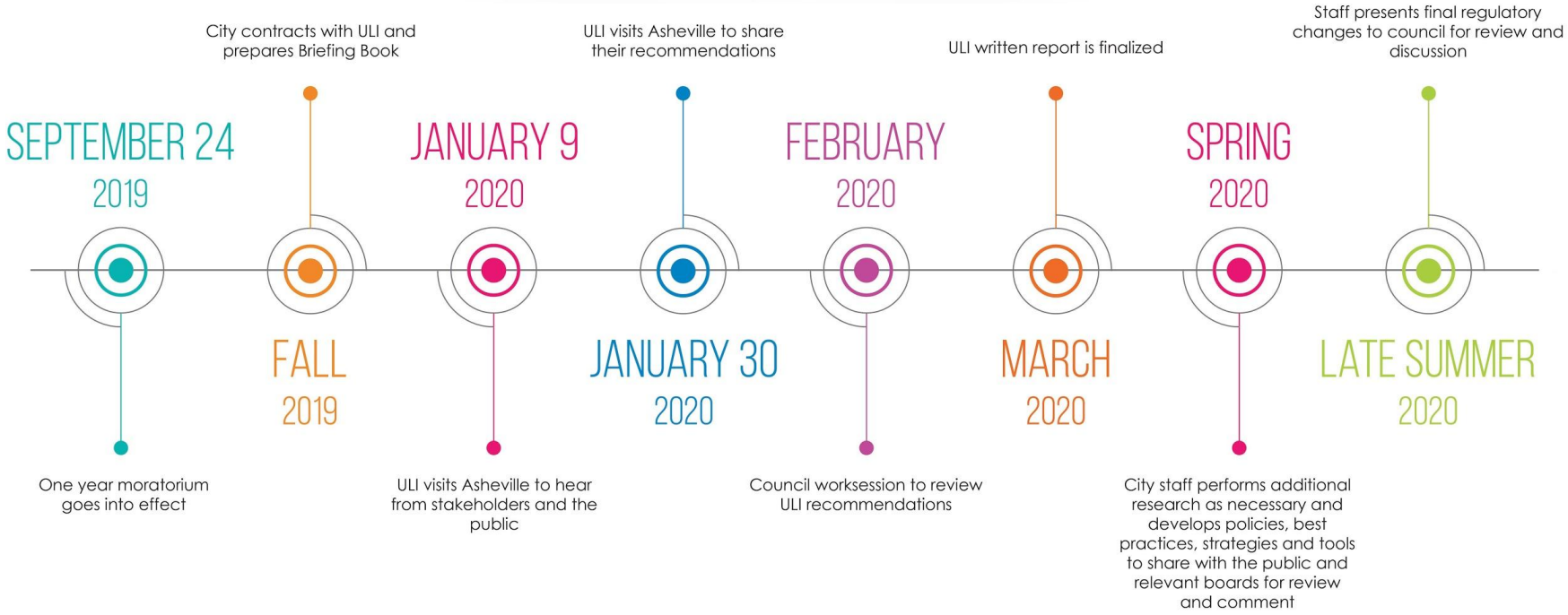
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Work Session Purpose and Outcome

- Hotel development planning process
- Briefing book overview and highlights
- Urban Land Institute (ULI)Technical Assistance Panel Process (TAP) recommendations
- Council concurrence on recommendations and priorities

Hotel Development Study Timeline



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Hotel Study Questions

Questions Answered Through the TAP Process:

- What is the appropriate balance of hotels?
- How can Asheville leverage hotel development to meet city goals?
- Should the city consider special requirements for hotel development in certain areas?
- How can the city work with hoteliers and other stakeholders to reduce negative impacts and better integrate hotels into the community?

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Briefing Book Overview

- Asheville geography, land use and demographics
- Overview of relevant plans
- Economic conditions, housing and taxation
- Regulatory framework
- Tourism history, vacation rentals and hotel development trends
- Hotel impacts

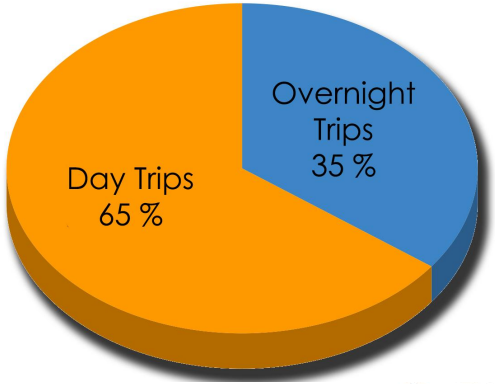
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Briefing Book Highlights

HISTORY AND TRENDS

- Asheville has a long history as a tourism destination, and hotel development has increased at a faster rate in recent years.
- Asheville hotel demand remains strong based on high occupancy rates.
- Short term vacation rental growth also remains strong.
- Housing affordability continues to be a priority issue.

- Visitation continues to grow, with a majority of people coming from within the region for health care, entertainment, to eat, shop, etc.



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Briefing Book Highlights

Hotel Impacts:

WATER AND SEWER

- On average, hotels use less water than similarly-sized residential uses.
- Wastewater system demand for hotels is comparable to residential uses.

COMMUNITY SAFETY

- Hotels generally do not place a greater burden on public safety resources than other uses.
- Hotels represent a small portion of public safety budgets.

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Briefing Book Highlights

Hotel Impacts:

ECONOMIC

- Hotel guests have a large positive economic impact on the city, especially on local businesses.
- Buncombe County ranks in the top four jurisdictions in the state for collections of occupancy taxes.
- Accommodations and food services wages are low but are higher than the state average.

ENVIRONMENTAL

- Tourism, like many industries, contributes to greenhouse emissions with the industry's largest contributors linked to transportation, shopping and food.

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Briefing Book Highlights

Hotel Impacts:

TRAFFIC AND PARKING

- Hotels typically generate less vehicle trips than other uses.
- Parking requirements for hotels is typically less than other uses.
- Parking availability downtown continues to be a top issue.

SOCIAL

- Social impacts are difficult to quantify.
- City staff are using tools to better understand and mitigate impacts of displacement (i.e. neighborhood vulnerability map and racial equity toolkit).

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Briefing Book Highlights

Discussion / Questions?

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ULI Recommendations: Big Ideas

- Use tourism as a way to get what the community wants.
- Strengthen partnerships and build trust.
- Equip all stakeholders with facts.
- Invest in cultural and community assets for both residents and tourists.
- Tap into the pride and compassion of Asheville.
- Create predictability in the development review process.

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ULI Recommendations: Categories

- Revenue generating
- Planning
- Regulatory

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ULI Recommendations: Revenue Generating

- Require lease of any city right-of-way needed during hotel construction.
- Utilize existing Business Improvement District (BID) framework.
- Continue to explore a food and beverage tax.
- Renegotiate the tax split from the hotel occupancy tax.

ULI Recommendations: Planning

- Leverage and regularly update community visioning documents.
  - Downtown Master Plan
  - Living Asheville
- Prepare a tourism management plan.
- Consider a Livability and Tourism Department (or a standing committee that meets regularly).
- Help fund transit such as a circulator bus between key attractions.

ULI Recommendations: Regulatory

- Establish zoning for hotels, including criteria and standards.
- Evaluate traffic impact analysis threshold.
- Develop valet parking standards.
- Evaluate current design guidelines.
- Consider local historic district designation for downtown.
- Enact a Community Benefits Agreement as part of development approval process.

ULI Recommendations

Discussion / Questions?

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Council Concurrence - Short-Term Recommendations

Direct staff to pursue the following recommendations during the hotel moratorium:

Revenue generating:

- Require license agreement for city right-of-way during hotel construction.

Regulatory:

- Re-establish hotels as a permitted use in select zoning districts and areas, including criteria and standards.
  - Incentivize public benefits.
  - Identify design improvements.
  - Evaluate traffic impact analysis threshold.
  - Develop valet parking standards.

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Council Concurrence - Long-Term Recommendations

Direct staff to investigate the remaining recommendations:

Revenue generating:

- Business Improvement District (BID).
- Food and beverage tax.
- Tax split from the hotel occupancy tax.

Planning:

- Regularly update comprehensive plan and Downtown Master Plan.
- Prepare a tourism management plan.
- Consider a Livability and Tourism Department (or a standing committee).
- Identify sources and partners towards funding a circulator bus.

Council Concurrence - Long-Term Recommendations

Direct staff to investigate the remaining recommendations:

Regulatory:

- Evaluate and update current design guidelines.
- Consider local historic district designation for a portion(s) of downtown.

Next Steps

- February - March 2020
  - Conduct additional research as necessary
- March - April 2020
  - Develop proposed zoning amendments
- Spring 2020
  - Public engagement on proposed zoning amendments
- Summer 2020
  - Council approval of proposed zoning amendments

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