

January 9, 2020 (final sent 1/9/20)

To: Hearing Examiner

From: Kjell Stoknes, 168 Wood Ave. SW

Subject: Winslow Hotel PLN50880 SPR/CUP

PURPOSE:

The purpose of this letter is to evaluate the uses in the Winslow Hotel. This information will be used to assess whether or not the Winslow Hotel is considered a listed use in the MUTC-CC zone as proposed, and whether or not the city erred in accepting and processing the conditional use permit application for the project.

BACKGROUND INFORMATION:

Table 18.09.020 identifies the land uses allowed within all zoning districts. A hotel is a listed use, but requires a conditional use permit before it is allowed to locate in the MUTC-CC zone. (Refer to Table 18.09.020 Use Table)

Definitions of “hotel” and “conditional use” are shown in the two following paragraphs.

“Conditional use” means a use listed among those classified in any given zone but permitted to locate only after review by the city’s hearing examiner and in accordance with standards and criteria set forth in this title. (Reference BIMC 18.36.030.62)

“Hotel” means a building or group of buildings containing guest rooms, where, for compensation, lodging is provided for transient visitors. A hotel or motel may contain one or more restaurants. A hotel or motel is not a bed and breakfast lodging or inn as defined and regulated elsewhere in this code. Short-

term rental (less than 30 days at a time) of a single-family residence does not constitute a hotel.
(Reference BIMC 18.36.030.130)

As will be discussed later, the term 'hotel' is a generic term for all types of hotels, like limited-service hotels, full service hotels, suite hotels, resort hotels, conference hotels, etc. However, the term 'hotel,' as defined in BIMC Title 18, is used as a hotel classification. By industry standards, however, the term hotel, as defined in the BIMC Title 18 appears to fall between the characteristics of a limited-service hotel and a full-service hotel.

Title 18 does not include definitions for spa, event space, meeting space, or banquet facilities, which are components of the Winslow Hotel.

Hotel operations vary in size, function, complexity, and cost. A limited-service hotel's range of amenities might include a business center, a fitness room, a guest laundry facility, a market pantry, an indoor and/or outdoor pool and whirlpool, and small meeting rooms. The most distinguishing feature of a full-service hotel is the abundant provision of food and beverage services suitable for both guests and groups. Full-service hotels, unlike hotels in other segments, typically play a significant role in servicing the meeting and special events needs in their market area. Therefore, on-site restaurants, lounges, and group meeting spaces with banquet facilities are the cornerstones of the full-service offering. Furthermore, selective amenities such as spas, elaborate banquet rooms, doormen, valet parking, extended room service,

concierge services, and high-end restaurants and boutiques distinguish many full-service properties. (Refer to the **appendix** included at the end of this document for further information on the types and characteristics of hotels.)

ANALYSIS:

The classifications of a limited-service hotel and full-service hotel are standard terms in the hospitality industry. Let's examine if the Winslow Hotel is a limited-service hotel or a full-service hotel and, more importantly, compare that to what is allowed in a hotel as defined in BIMC Title 18. The city zoning code states that a hotel allows guest rooms and one or more restaurants. That's all that is allowed in a hotel. This is what is listed in the MUTC-CC zone, subject to approval of a conditional use permit. The Winslow Hotel includes additional uses including 7,500 square feet of event/banquet facilities and a 3,916 square foot spa. Also, the restaurant is larger than what would likely be in a limited-service hotel with 5,145 square feet, including a 2,370 square foot kitchen. The uses proposed in the Winslow Hotel clearly demonstrates that it is a full-service hotel. (Refer to the appendix below for additional information on limited-service vs full-service hotels)

This is directly relevant to the Winslow Hotel and the rights that it is not entitled to in BIMC Title 18, Event space, meeting space, banquet facilities, and spas are not listed as uses allowed in the MUTC-CC zone with or without a conditional use permit as demonstrated in BIMC Title 18, Table 18.09.020 Use Table.

CONCLUSION:

The clear conclusion from this analysis is that the Winslow Hotel includes uses well beyond that which is allowed in the MUTC-CC zone. Therefore, the Winslow Hotel as proposed, is not an allowed use in the MUTC-CC zone with or without a conditional use permit.

As a result, the city staff did not adequately evaluate the Winslow Hotel application for a conditional use permit and erred in accepting and processing the application. The Hearing Examiner should reject this conditional use permit request on the grounds that the proposed Winslow Hotel includes significant uses that are not allowed in the zoning regulations in the MUTC-CC zone.

APPENDIX:**Source 1: USA Today**

The following is an article from USA Today on the differences between full-service and limited-service hotels. A hotel is a broader term that covers all hotels. The city of Bainbridge Island has chosen to use the term “hotel” in a specific way and provided their own definition. A limited service hotel typically does not include a restaurant. Hotel, as defined in the City of Bainbridge Island, does allow restaurants. Full-service hotels provide more on-site amenities and services as discussed below.

Full-Service Vs. Limited-Service Hotels

Many hotel websites describe their location as a ["full-service hotel,"](#) but few outside the hospitality industry may understand what that really means. Hotels can actually break down into three main categories: full-service hotels, select-service hotels and limited-service hotels. A host of cosmetic, budgetary and amenity-related differences divide a full-service hotel from its limited-service counterpart.

Basics: Limited-service hotels usually have the lowest operating costs of the three hotel categories, due to their lack of extras. Room rates are typically lower, because these hotels cater to budget-conscious travelers. Full-service hotels often need a larger staff and larger facilities to accommodate guests who require more luxurious amenities. In the United States, no official rules exist as to what defines a limited-service hotel and what defines a full-service hotel; hotels can advertise however they'd like. The hospitality industry, however, generally agrees on the basics of both types of hotels.

Services Differences: Typically, a full-service hotel like a Marriott or Hilton offers its guests services such as bed turn-down, newspaper delivery, security guards, wake-up calls, room service and a shuttle to and from an airport or other nearby attractions. Conversely, a limited-service hotel generally offers few services; guests get a room for the night, but not much beyond that. Travelers who opt for a full-service hotel will expect a consistency in the service they receive as well as greater attentiveness from the hotel's staff.

Room Differences: A limited-service hotel's budget-friendly rooms are much more basic than their full-service counterparts, which means that limited-service hotels tend to appeal more to leisure travelers, as opposed to conference and business-type travelers. To appeal to cash-conscious travelers on the go, limited-service hotels often offer microwaves and mini-fridges, as well as cable TV and Internet, in their rooms. Full-service hotels may offer more lavishly decorated, comfortable suites with [high-speed wireless Internet](#) and premium cable TV with movies and other entertainment options.

Facilities Differences: However, over the years, the standards for facilities at limited-service hotels have gone up: Many hotels and motels that fall under the limited-service category now offer a business center, small gym, laundry facility and a swimming pool. One of the biggest differences between a limited-service hotel and a full-service hotel is the limited-service hotel's lack of in-house drinking and dining options; full-service hotels often have at least one cocktail lounge and restaurant. Full-service hotels also often offer facilities like spas and banquet rooms, dry cleaning and 24-hour valet service.

<https://traveltips.usatoday.com/fullservice-vs-limitedservice-hotels-106136.html>

Source 2: U. S. Hotel Appraisals

Part 1 of 3: Limited-Service Hotels

The details of how hotels are classed can appear a little fuzzy. Herein we try to make things clearer.

By Chris Elder, Project Manager

Various developments in the lodging industry over the past decade have made it increasingly difficult to determine the official class to which a particular lodging facility belongs. Hotel* owners, developers, and lenders (not to mention guests) can be forgiven for needing some guidance through the sometimes blurred demarcations that separate one property definition from another. Yet such distinctions are at the heart of any coherent feasibility study or appraisal. So how are lodging facilities classed and what are the major differences between them?

The segmentation nomenclature for the lodging industry will always be subject to some vagaries and exceptions. Smith Travel Research (STR), a leader in data collection for the lodging industry, categorizes the hotel industry into six segments known as “chain scales”: Luxury, Upper-upscale, Upscale, Midscale (with food and beverage), Midscale (without food and beverage), and Economy. These chain scales are based on the actual system-wide-average room rates of the major chains.

However, rather than examining the multiple chain scales used to compare operational statistics between different property types, this series of articles addresses another industry-wide

categorization: asset classes. In general, all hotels can be broken down into three: limited-service, select-service, and full-service.

Part One: Limited-Service Hotels

Originally defined as a hotel without restaurant or banquet facilities, the services and amenities offered to guests of limited-service hotels are typically simple. However, these services and amenities have expanded over the past decade, and in today's market a limited-service hotel's range of amenities might include a business center, a fitness room, a guest laundry facility, a market pantry, an indoor and/or outdoor pool and whirlpool, and small meeting rooms.

"Budget" limited-service hotels offer no-frills rooms at modest prices. More robust limited-service hotels offer many of the same high-quality amenities that guests would expect from full-service hotels, with one significant difference: limited-service hotels lack a dedicated, revenue-producing food and beverage component.

Email link:

<http://www.ushotelappraisals.com/services/hotel-asset-classes-limited-service-hotels/>

Part 3 of 3: Full-Service Hotels

Hoteliers and lenders depend on appraisers to decode the most intimate variables that affect a property's value, but it also helps to focus on the big picture: What type of hotel do you want to run?

By Chris Elder, Senior Project Manager

In two previous articles, we looked at the fundamentals of hotels in the [limited-service](#) and [select-service](#) asset classes. This article covers the basics of full-service hotels.

The most distinguishing feature of a full-service hotel is the abundant provision of food and beverage services suitable for both guests and groups. Full-service hotels, unlike hotels in other segments, typically play a significant role in servicing the meeting and special events needs in their market area. Therefore, on-site restaurants, lounges, and group meeting spaces with banquet facilities are the cornerstones of the full-service offering. Furthermore, selective amenities such as spas, elaborate banquet rooms, doormen, valet parking, extended room service, concierge services, and high-end restaurants and boutiques distinguish many full-service properties.

These multiple services and amenities come at a higher operational cost for the full-service hotel, but they also help the hotel capture more selective demand and command a higher average rate. Groups requiring meeting space are a significant source of business for full-service properties, as are business travelers willing to pay the higher room rates generally charged at these hotels. Leisure and vacation travelers, especially at the upscale and luxury levels, are also a significant market for many full-service hotels. In all cases, full-service hotel guests seek the extra amenities and service levels found only at these properties.

Patronage of upscale and luxury hotels has come under fire since the recession took hold in late 2008, especially with respect to corporate meetings and travel, which have been criticized in some cases as too extravagant amid the economic woes. Some limited- and select-service brands have reported an influx of travelers who normally stay at full-service properties, but for reasons of budget or appearance have begun to choose hotels with fewer amenities. The food and beverage operations and large meeting venues that are unique to full-service hotels, however, should continue to draw demand, and this demand is expected to continue to grow once the economy rebounds.

Email

link:

<http://www.ushotelappraisals.com/services/hotel-asset-classes-full-service-hotels/>

