



CITY OF SAINT PAUL
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Date: August 2, 2019
To: Planning Commission
From: Comprehensive and Neighborhood Planning Committee
Re: Hotel Zoning Study and Proposed Zoning Code Amendments

BACKGROUND

How is Hotel Defined in the Zoning Code?

The Saint Paul Zoning Code permits hotels, motels, and inns but does not define these land uses. The ordinarily accepted meanings of these uses apply, as Zoning Code § 65.001, Land use definitions and development standards, states:

“For the purposes of this zoning code, the land use terms defined in this chapter shall have the meanings ascribed to them herein. Where land use terms are not specifically defined in this zoning code, they shall have ascribed to them their ordinarily accepted meanings and/or such as the context herein may imply...”

City Council Request for a Zoning Study

The Saint Paul City Council initiated amendments to Saint Paul Zoning Code Chapter 65, Land Use Definitions and Development Standards, to create a definition of hotel on January 2, 2019, see City Council resolution 19-41 attached. The Council forwarded the proposed amendments to Chapter 65 to the Planning Commission for study and report as required under Minnesota Statute § 462.357, Subd. 4. Resolution 19-41 included two definitions of hotel for the Planning Commission to consider.

The City Council’s initiation of Zoning Code amendments to create a definition of hotel is in response to the code’s lack of a definition of hotel or any standards applicable to hotels for any of the zoning districts in which hotel is a permitted use. The Council’s resolution notes that the Zoning Code’s lack of a definition or any standards for hotel, given the diverse range of zoning districts in which hotels are allowed as a permitted use, the lack of licensing authority over hotels under the City’s licensing code, and recent amendments to the Zoning Code which have expanded the types of commercial lodging uses permitted in the City, necessitates a reexamination of the Zoning Code’s current regulation of hotels.

A further consideration of the City Council in initiating the amendments is a concern for the loss of affordable housing that can result from the conversion of long term rental units to short term rental dwelling units in buildings providing naturally occurring affordable housing. Conversions of this type have occurred in downtown Saint Paul. The City Council would like to prevent similar conversions and potential future losses of affordable housing from occurring. Research also suggests that higher rents and home prices may result from an increasing number of short term rental dwelling units in cities. For this reason, the City Council wants a definition to distinguish hotels from short term rental dwelling units.

Since the Zoning Code does not define hotel, motel, or inn, planning staff recommends broadening the scope of the zoning study to consider whether motel and inn should be defined along with hotel.

City Council Action to Create a Definition of Hotel as an Interim Measure

Minnesota Statute § 462.357, Subd. 4 authorizes the City Council to initiate a Zoning Code amendment and refer the amendment to the Planning Commission for a study of the amendment, to obtain from the commission a report on the proposed amendment, and to not act upon the amendment proposal until sixty (60) days have elapsed from the date of the referral without a report from the Planning Commission. In this instance more than sixty (60) days have elapsed from the date of referral without a report from the Planning Commission. The Planning Commission did not provide a report to the City Council within sixty (60) days due to planning staff workload and lack of capacity.

The City Council determined there was an urgent need for a definition of hotel to prevent further potential losses of housing that can result from conversion of long term rental units to short term rental dwelling units. Accordingly, the City Council is in the process of adopting a definition of hotel without receiving a report from the Planning Commission. The City Council asked the Planning Commission to conduct a comprehensive study of lodging uses and propose additional amendments, if needed.

Short term rental dwelling unit was first defined in the Saint Paul Zoning Code in 2017. The zoning study at that time raised concern about possible future impacts to the availability of affordable housing if a considerable number of units were converted from long term to short term rental. About 250 licenses for the use have been issued by the Department of Safety and Inspections since 2017. The intent of the short term rental dwelling unit standards was to limit the number of units in large multi-unit buildings to four, unless a conditional use permit is granted by the Planning Commission to allow more. However, in one instance a property owner has circumvented this regulation by obtaining a license from the Minnesota Department of Health to operate as a hotel, a building with 20+ short term rental dwelling units. According to license information from the Minnesota Department of Health, this is one of several buildings licensed as a hotel/motel by the state that is not a hotel, motel, or bed and breakfast residence in the traditional sense; the others are discussed briefly below. The state definition of hotel (see Table 2) is broad and many different types of lodging fall within it.

Saint Paul Establishments Licensed as Hotels/Motels

Table 1 lists the hotels, motels, and bed and breakfast establishments in Saint Paul that are licensed by the Minnesota Department of Health. For the most part the establishments are lodging types in the traditional sense, though there are a few exceptions. The Lowry Building LLC, #10, is licensed as a hotel but operates more like a building with 20+ short term rental dwelling units because all units are booked via an online platform and there is no staffed front desk. The Minnesota Humanities Center, #23, is licensed as a hotel and provides 15 overnight rooms for guests at the center; the rooms are not available to the general public and are accessory to the center and not a principal use. Likewise, The Terrace at Iris Park, #25, is licensed as a hotel and is a senior living community that provides two guest rooms for use by visitors of residents; these rooms are accessory to the principal use and not available to the general public. The Naiad Houseboat, #26, is licensed as a hotel/motel has only one unit for rent to the general public, does not have a front desk, and requires a minimum seven night stay.

Lodging Related Definitions in Minnesota and Beyond

Definitions for various types of lodging from different sources, including the proposed definitions of hotel in City Council Resolution 19-41, are provided in Table 2 for reference and consideration. The types of lodging regulated by the Saint Paul Zoning Code, their definitions, and the zoning districts in which the lodging types are permitted is provided at the end of this study for reference (see pages 9-11).

TABLE 1: Saint Paul Establishments Licensed as Hotels/Motels

	Name	Address	Use	License Type
1	Best Western Plus Capitol Ridge	161 St. Anthony Avenue	Hotel	Hotel/Motel
2	Corban Manor Inn	96 Virginia Street	Bed and Breakfast	Hotel/Motel
3	Days Inn Midway	1964 University Avenue West	Hotel/Motel	Hotel/Motel
4	Dearing Mansion	241 George Street West	Bed and Breakfast	Hotel/Motel
5	Hampton Inn & Suites Saint Paul	200 West 7th Street	Hotel	Hotel/Motel
6	Highway Motel	2152 West 7th Street	Motel	Hotel/Motel
7	Holiday Inn Saint Paul Downtown	175 7th Street West	Hotel	Hotel/Motel
8	Hotel 340	340 Cedar Street	Hotel	Hotel/Motel
9	Intercontinental Hotel	11 East Kellogg Boulevard	Hotel	Hotel/Motel
10	Lowry Building LLC	345 Wabasha Street	Hotel	Hotel/Motel
11	Midway Motel	901 Snelling Avenue North	Motel	Hotel/Motel
12	Midwest Hotel	2144 University Avenue West	Hotel	Hotel/Motel
13	Motel 6	1739 Old Hudson Road	Hotel	Hotel/Motel
14	Residence Inn Grand Avenue	200 Grand Avenue	Hotel	Hotel/Motel
15	Hyatt Place Saint Paul Downtown	180 Kellogg Boulevard East	Hotel	Hotel/Motel
16	Best Western Plus Como Park Hotel	1010 Bandana Boulevard West	Hotel	Hotel/Motel
17	Como Lake Bed and Breakfast	1205 Como Boulevard West	Bed and Breakfast	Hotel/Motel
18	Covington Inn Bed and Breakfast	100 Harriet Island Road	Bed and Breakfast	Hotel/Motel
19	Historic District Bed and Breakfast	483 Ashland Avenue	Hotel	Hotel/Motel
20	The New Victorian Mansion Bed & Breakfast	325 Dayton Avenue	Bed and Breakfast	Hotel/Motel
21	Double Tree by Hilton Saint Paul	411 Minnesota Street	Hotel	Hotel/Motel
22	Double Tree Saint Paul	2201 Burns Avenue	Hotel	Hotel/Motel
23	Minnesota Humanities Center	987 Ivy Avenue East	Hotel	Hotel/Motel
24	The Saint Paul Hotel	350 Market Street	Hotel	Hotel/Motel
25	The Terrace at Iris Park	502 East Lynnhurst Avenue	Hotel	Hotel/Motel
26	Naiad Houseboat	2500 Crosby Farm Road	Hotel/Motel	Hotel/Motel

TABLE 2: Definitions of Hotel and Motel from various sources

Source	Definition
Saint Paul City Council Resolution proposed definitions	<p>Hotel. A commercial establishment offering the general public on a daily basis no less than five (5) individual sleeping room accommodations guest rooms available for reservation on a walk-in basis with a resident proprietor or on-site manager, and an identifiable main entrance with lobby, and a staffed desk or office for the registration of guests, and adequate staff to provide daily housekeeping services and exterior signage identifying the location as a hotel.</p> <p>Hotel. An establishment with resident proprietor or manager, where, for payment, food and lodging are regularly furnished to transients, and which maintains for use of its guests not less than fifty (50) guest rooms, with bedding and other suitable and necessary furnishings in each room, and which has a main entrance with suitable lobby, desk and office for the registration of guests, on the ground floor, and which employs an adequate staff to provide suitable and usual service, and which maintains under the same management and control as the rest of the establishment and has, as an integral part thereof, a dining room with appropriate facilities for seating not less than thirty (30) guests at one (1) time where the general public is, in consideration of payment, served with meals at tables.</p>
Minnesota Department of Health	<p>Subd. 3. Hotel. "Hotel" means a hotel, motel, resort, boarding house, bed and breakfast, furnished apartment house or other building, which is kept, used or advertised as, or held out to the public to be, a place where sleeping or housekeeping accommodations are supplied for pay to guests for transient occupancy.</p> <p>Subd. 5. Transient occupancy. "Transient occupancy" means occupancy when it is the intention of the parties that the occupancy will be temporary. There is a rebuttable presumption that, if the unit occupied is the sole residence of the guest, the occupancy is not transient. There is a rebuttable presumption that, if the unit occupied is not the sole residence of the guest, the occupancy is transient.</p> <p>Minnesota Statutes § 327.70 - Hotels, Motels, Resorts, and Manufactured Housing</p> <p>Subd. 7. Hotel or motel. "Hotel or motel" means a building, structure, enclosure, or any part thereof used as, maintained as, advertised as, or held out to be a place where sleeping accommodations are furnished to the public and furnishing accommodations for periods of less than one week.</p> <p>Minnesota Statutes §157.15 - Food, Beverage, and Lodging Establishments</p>
Minneapolis, Minnesota	<p>Extended stay hotel. An establishment in which all rooms contain accommodations for sleeping and a kitchen equipped with a full-sized refrigerator, built-in cooking facilities, microwave, sink, cooking utensils, dishes and cutlery.</p> <p>Hotel. An establishment containing more than twenty (20) guest rooms, which is used or advertised as a place where lodging accommodations are supplied for pay to guests for transient occupancy.</p> <p>Hotel, boutique. An establishment containing a minimum of five (5) and a maximum of twenty (20) rooming units for providing transient occupancy to the general public with rooms having access to the outside through an interior hallway connected to the main lobby of the building, and which may provide additional services such as a restaurants, meeting rooms, entertainment and recreational facilities.</p> <p>Motel. "Motel" shall mean "hotel" as defined in this Code.</p>
Bloomington, Minnesota	<p>Hotel, Motel, Motor hotel. Any building or combination of buildings containing six or more rooms used for sleeping purposes by guests on a transient basis.</p>
Duluth, Minnesota	<p>Hotel or motel. A building or series of buildings operated as a commercial establishment providing accommodations to the transient traveling public in habitable units for compensation, and including both short-stay and extended stay facilities, and that may offer customarily incidental services. A hotel must have a minimum of five separate habitable units, and must have a reception desk staffed at all times</p>
Milwaukee, Wisconsin	<p>Hotel. An establishment providing, for a fee, sleeping accommodations and customary lodging services, including maid service, the furnishing and upkeep of furniture and bed linens, and telephone and desk service. Related ancillary uses may include but shall not be limited to conference and meeting rooms, restaurants, bars, and recreational facilities.</p>

Boone County, Missouri	Hotel. A building in which lodging is provided and offered to the public for compensation, and which is open to transient guests and is not a rooming or boarding house as herein defined.
Santa Rosa, California	Hotel. Any building containing six or more guest rooms which are used, rented, or hired for sleeping purposes by transient guests and with access to units primarily from interior lobbies, courts, or halls.
Johnstown, Colorado	Hotel. A building in which lodging, with or without meals, is offered for compensation but not including kitchen facilities in individual rooms. Motel. A building or series of buildings in which lodging is offered for compensation, and which is distinguished from a hotel primarily by reason of providing direct independent access to, and adjoining parking for, each rental unit.
Cecil County, Maryland	Motel. A building or a group of buildings in which lodging is provided to transient guests, offered to the public for compensation, and in which access to and from each room or unit is through an exterior door.

It is noted there is an existing definition of hotel in the City's Legislative Code § 407.02. However, this definition is obsolete because the City's authority to license and regulate hotels was assumed by the State of Minnesota several years ago. For reference, the obsolete definition reads:

“Hotel” means and includes every building or structure kept, used, maintained, advertised or held out to the public to be a place where sleeping or rooming accommodations are furnished to the general public for a shorter period of time than one (1) week, whether with or without meals and which does not qualify for a bed and breakfast residence license under the provisions of chapter 378. The person or persons in charge of any such hotel, whether as owner, lessee, manager or agent, shall, for the purpose of this chapter, be deemed to be the proprietor of such hotel.

REFINING A DEFINITION OF HOTEL

The definition of hotel currently being considered by the City Council is provided below for reference. Note this definition is slightly different from the version proposed in City Council resolution 19-41.

Hotel. A commercial establishment offering to the public daily, five (5) or more individual sleeping room accommodations available for reservation on a walk-in basis, with a resident proprietor or on-site manager, an identifiable main entrance and lobby, a staffed desk or office for the registration of guests, staff to provide daily housekeeping services, and exterior signage identifying the establishment as a hotel.

This definition of hotel seems adequate, and staff does not recommend any amendments. The elements below are often associated with hotels. Some of these are typical of motels as well, though motel is an auto-oriented use often with access to motel rooms directly from the outside and not through an interior hallway connected to a main lobby. The existing use in the Lowry Building at 345 Wabasha may become nonconforming when the definition of hotel is in effect if the way in which the use operates does not meet the definition of hotel.

- Sleeping accommodations available to the general public that can be booked in person on a walk-in basis (versus accommodations that can only be booked via an online platform)
- On-site manager/reception staff at a lobby front desk at all times
- Daily housekeeping services, including clean linens
- Available to the general public
- Exterior business signage
- Public phone number to book rooms
- 5 or more guest rooms
- Accommodations for stays of up to one week
- May provide restaurant and meeting rooms

CONSIDERING DEFINITIONS OF MOTEL AND INN

Since the Zoning Code permits hotels, motels, and inns as principal uses in various combinations in the use tables for traditional neighborhood, commercial, industrial, and Ford districts, staff considered whether motel and inn should be defined in the code along with hotel.

Motel uses are similar to hotel uses in many ways but different from them in important ways. The most important difference between the uses, from a land use and zoning perspective, is that motels are auto-oriented uses and not appropriate for traditional neighborhood and Ford zoning districts. For this reason, these districts do not permit motel uses. Given the difference between hotel and motel uses, staff recommends a definition of motel be added to the Zoning Code to distinguish the uses and the zoning districts in which they are permitted. Having definitions in the zoning code for hotel, motel, bed and breakfast residence, and short term rental dwelling unit is sufficient to cover the various types of lodging in the city. Therefore, staff recommends that the term inn be deleted from the Zoning Code as part of the amendments.

OUTREACH

The establishments licensed by the Minnesota Department of Health as hotels/motels will be notified of the Planning Commission and City Council public hearings. Public hearing notices will also be sent to those on the Early Notification System (ENS) email list.

PROPOSED ZONING CODE AMENDMENTS

Committee Recommendation

The committee recommends the Planning Commission release the zoning study and its proposed amendments for public review and set a public hearing date for September 20, 2019.

NOTE: Existing language to be deleted is shown by ~~strikeouts~~. New language to be added is shown by underlining.

Chapter 65. Zoning Code—Land Use Definitions and Development Standards

Division 3. 65.640. Commercial Recreation, Entertainment, and Lodging

Sec. 65.641 Bed and breakfast residence.

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Sec. 65.642~~648~~. Hotel. A commercial establishment offering to the public daily, five (5) or more individual sleeping room accommodations available for reservation on a walk-in basis, with a resident proprietor or on-site manager, an identifiable main entrance and lobby, a staffed desk or office for the registration of guests, staff to provide daily housekeeping services, and exterior signage identifying the establishment as a hotel.

Sec. 65.643. Motel. A commercial establishment offering to the public daily, five (5) or more individual sleeping room accommodations available for reservation on a walk-in basis, with a resident proprietor or on-site manager, an identifiable main entrance and lobby, a staffed desk or office for the registration of guests, staff to provide daily housekeeping services, access to and from each room or unit through an exterior door, and exterior signage identifying the establishment as a motel.

Sec. 65.644. Reserved.

Sec. 65.645~~642~~. Short term rental dwelling unit.

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Secs. 65.646-650. Reserved.

Sec. 65.651643. Health/sports club

...

Sec. 65.652644. Indoor recreation.

...

Sec. 65.653645. Outdoor sports/entertainment.

...

Secs. 65.654-65.655. Reserved.

Sec. 65.656646. Steam room/bathhouse facility

...

Sec. 65.657647. Theater, assembly hall

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Chapter 66. Zoning Code—Zoning District Uses, Density and Dimensional Standards

Table 66.321 Principal Uses in Traditional Neighborhood Districts

Use	T1	T2	T3	T4	Definition (d) Standards (s)
Commercial Uses					
<i>Commercial Recreation, Entertainment and Lodging</i>					
Bed and breakfast residence	P	P	P	P	(d)
Hotel, inn		P	P	P	<u>(d)</u>
Health/sports club		P	P	P	(d)

Table 66.421 Principal Uses in Business Districts

Use	OS	B1	BC	B2	B3	B4	B5	Definition (d) Standards (s)
Commercial Uses								
<i>Commercial Recreation, Entertainment and Lodging</i>								
Health/sports club				P	P	P	P	(d)
Hotel, inn, motel					P	P	P	<u>(d)</u>
Indoor recreation				C	P	P	P	(d) (s)

Table 66.521 Principal Uses in Industrial Districts

<i>Use</i>	IT	I1	I2	I3	Definition (d) Standards (s)
Commercial Uses					
<i>Commercial Recreation, Entertainment and Lodging</i>					
Health/sports club	P	P	P		(d)
Hotel, inn , motel	P	P	P		<u>(d)</u>
Indoor recreation	P	P	P		(d) (s)

Table 66.921 Ford District Uses

<i>Use</i>	F1	F2	F3	F4	F5	F6	Definition (d) Standards (s)
Commercial Uses							
<i>Commercial Recreation, Entertainment and Lodging</i>							
Health/sports club			P	P	P	P	(d)
Hotel, inn			P	P	P	P	<u>(d)</u>
Indoor recreation			C	C	C	C	(d) (s)

For reference below are the types of lodging regulated by the Zoning Code and the zoning districts in which the lodging types are permitted. “P” means permitted use. “P/C” means permitted/conditional use. Definitions of bed and breakfast residence and short term rental dwelling unit are included below for reference. Reminder: hotel, motel, and inn are not currently defined in the zoning code.

Hotels and inns are permitted in T2, T3, and T4 traditional neighborhood zoning districts. In commercial and industrial districts **hotels, inns, and motels** are permitted in B3, B4, and B5 and IT, I1, and I2 industrial districts. **Hotels and inns** are permitted in the F3, F4, F5 and F6 Ford zoning districts.

Traditional Neighborhood, Commercial, and Industrial Zoning Districts

	T1	T2	T3	T4	OS	B1	BC	B2	B3	B4	B5	IT	I1	I2	I3
Hotel, Inn, Motel		P	P	P					P	P	P	P	P	P	P

Ford Zoning Districts

	F1	F2	F3	F4	F5	F6
Hotel, Inn			P	P	P	P

Bed and breakfast residences are permitted in all residential districts except RM3, all “T” zones, and all “B” zones except OS, B4, and B5. The use is not permitted in industrial zones. The use is defined at § 65.641 and includes the standards and conditions noted below. **Short term rental dwelling units** are permitted in all residential districts, all traditional neighborhood districts, all commercial districts, and all industrial districts except I3. The use is defined at § 65.642 and includes the standards and conditions noted below.

Residential Zoning Districts

	RL	R1-R4	RT1	RT2	RM1	RM2	RM3
Bed and Breakfast	P	P	P/C	P/C	P/C	P/C	
Short Term Rental	P/C	P/C	P/C	P/C	P/C	P/C	P/C

Traditional Neighborhood, Commercial, and Industrial Zoning Districts

	T1	T2	T3	T4	OS	B1	BC	B2	B3	B4	B5	IT	I1	I2	I3
Bed and Breakfast	P	P	P	P		P	P	P	P						
Short Term Rental	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C

Ford Zoning Districts

	F1	F2	F3	F4	F5	F6
Bed and Breakfast	P					
Short Term Rental	P/C	P/C	P/C	P/C	P/C	P/C

Bed and breakfast residence is defined in § 65.641 and is permitted as follows:

A dwelling unit, located within a one- or two-family dwelling, in which guest rooms are rented on a nightly basis for periods of less than a week and where at least one (1) meal is offered in connection with the provision of sleeping accommodations only.

Standards and conditions in residential and BC community business (converted) districts:

- (a) In residential districts, a conditional use permit is required for bed and breakfast residences with two (2) or more guest rooms, and for any bed and breakfast residence located in a two-family dwelling. In RL—R4 residential districts, a bed and breakfast residence may contain no more than one (1) guest room.
- (b) The bed and breakfast residence may be established in a one-family detached dwelling or a two-family dwelling, located within a single main building.
- (c) The guest rooms shall be contained within the principal structure.
- (d) There shall be no more than one (1) person employed by the bed and breakfast residence who is not a resident of the dwelling.
- (e) Use of a bed and breakfast residence for any commercial or social event is prohibited.
- (f) No additional exterior entrances shall be added to the structure solely for the purpose of serving guest rooms.
- (g) The zoning lot shall meet the minimum lot size for the one-family dwelling or two-family dwelling in the district in which it is located, and shall have a minimum size according to the following combination of dwelling units and guest rooms:

Dwelling Units	Guest Rooms	Minimum Lot size
1	2	6,000
1	3	7,000
1	4	8,000
2	1	6,000
2	2	7,000
2	3	8,000

(h) One-family dwellings may contain no more than four (4) guest rooms. Two-family dwellings may contain no more than three (3) guest rooms.

(i) No bed and breakfast residence containing two (2) through four (4) guest rooms shall be located closer than one thousand (1,000) feet to an existing bed and breakfast residence containing two (2) through four (4) guest rooms, measured in a straight line from the zoning lot of an existing bed and breakfast residence.

Short term rental dwelling unit is defined at § 65.642 and is permitted as follows:

A dwelling unit, or a portion of a dwelling unit, rented for a period of less than thirty (30) days.

Standards and conditions:

- (a) In RL—RT1 districts, there shall be no more than one (1) short term rental dwelling unit on a zoning lot unless a duplex, triplex or fourplex is owner occupied and the owner is in residence during the rental period. In other districts, one (1) or up to fifty (50) percent of dwelling units on a zoning lot, to a maximum of four (4), may be short term rental dwelling units, except that an owner occupied duplex may have two (2) units, an owner-occupied triplex may have three (3) units, and an owner occupied fourplex may have four (4) units, provided in all these cases the

owner is in residence during the stay and except that more than four (4) short term rental dwelling units may be permitted when a conditional use permit is obtained by the building owner for a specific number of short term rental dwelling units.

(b) No more than one (1) rental of a short term rental dwelling unit shall be permitted per day. A short term rental dwelling unit shall not be used for commercial events or as a small conference center, private retreat center, or reception house for events such as weddings, reunions, or parties.

(c) No exterior identification sign of any kind shall be permitted in residential districts.

(d) Total occupancy of a short term rental dwelling unit shall not exceed the definition of family in [Section 60.207](#) allowed in a single housekeeping unit except that occupancy in excess of the definition of family may be permitted with a conditional use permit, on a case by case basis, for large one- and two-family dwellings on large lots. No short term rental dwelling unit with a conditional use permit to allow occupancy in excess of the definition of family shall be closer than one thousand (1,000) feet to an existing short term rental dwelling unit with a conditional use permit to allow occupancy in excess of the definition of family, measured in a straight line from the zoning lot of an existing short term rental dwelling unit.