



UDC Amendment: Hotels Standards

Planning and Zoning Commission Work Session

December 20, 2023

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..... **Background**



- On September 26, 2023, staff presented an Informal Staff Report (ISR) to City Council on to provide information related to hotel standards and the associated approval process in the Unified Development Code (UDC), as requested during the Afternoon Session of the August 22, 2023, City Council meeting.
- On November 7, 2023, staff gave a presentation on Hotels Standards: Analysis and Options at City Council work session as a follow-up to the September 26, 2023, ISR. Staff presented options for possible UDC amendments.
- On December 12, 2023, staff presented an option for hotels in the Airport Overlay at City Council work session. Here City Council directed staff to take the proposed option through the public hearing process.



Discussion Topics

- **Current UDC Standards**
- **Planning for the Future**
- **Information on Chain Scale Rankings**
- **I-20 Corridor Hotels**
- **Arlington Airport**
- **Proposed APO Hotel Standards**

..... 2019 UDC Amendment for Hotel Design Standards



2018 Arlington Convention and Visitors Bureau Study:

- Average age of hotels citywide was 24 years
- Average age in the EDO was 25 years.
- Average Daily Rate (ADR) in 2016 and 2017 was between \$55.00 to \$80.00 citywide, in the EDO was between \$70.00 to \$105.00.

The three goals identified through the CVB Study were to:

- **Increase Average Building Quality**
- **Increase Average Daily Rates (ADR)**
- **Encourage Redevelopment in Key Areas**

Updated Hotels Types from

- Full Service
- Limited Service
- Extended Stay to:
TO
- Luxury Hotel
- Upper-Upscale Hotel
- Upscale Hotel
- Upper-Midscale Hotel
- Midscale Hotel
- Economy Hotel

TABLE 3.2-3: Demo and Rebuild

Existing Hotel Classification	Permitted Hotel Classification on Rebuild	Approval Requirement
Upscale	Upper-Upscale	p*
	Upscale	SUP+
Upper-Midscale	Upscale	
	Upper-Midscale	
Midscale	Upscale	
	Upper-Midscale	
	Midscale	
Economy Independent	Upscale	
	Upper-Midscale	
	Midscale	
	Economy	

* In the EDO, Upscale rebuilds to the Upper-Upscale classification requires a Specific Use Permit (SUP).

+ Rebuilds to the Economy, Midscale and Upper-Midscale classifications are prohibited in the EDO.

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Current UDC Standards

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Legally nonconforming and conforming hotels scaled as Upscale, Upper-Midscale, Midscale, Economy, or Independent may be demolished and redeveloped to the next higher classification, provided the existing and proposed hotel development complies with the upgrading requirements. Additionally, there continues to be design standards related to entry features, landscaping, and parking, and minimal standards related to operation.

TABLE 3.1-2: Allowed Uses – Non-residential and Mixed-Use Districts

P = Permitted Use S = Specific Use Permit R= Rebuild Only * = Supplemental Use Standards Apply

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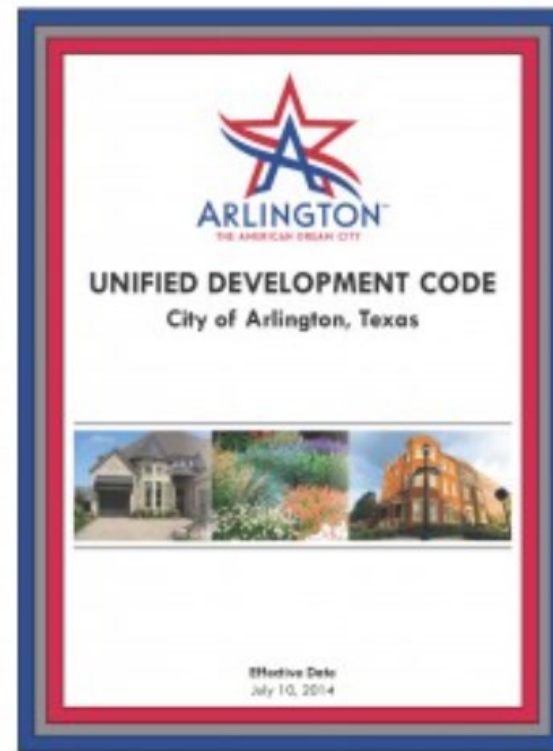
Planning for the Future

UDC AND COMPREHENSIVE PLANNING

Goals of the 2019 Hotel Standards UDC Amendment

- ❑ **Increase Average Building Quality**
- ❑ **Increase Average Daily Rates (ADR)**
- ❑ **Encourage Redevelopment in Key Areas**

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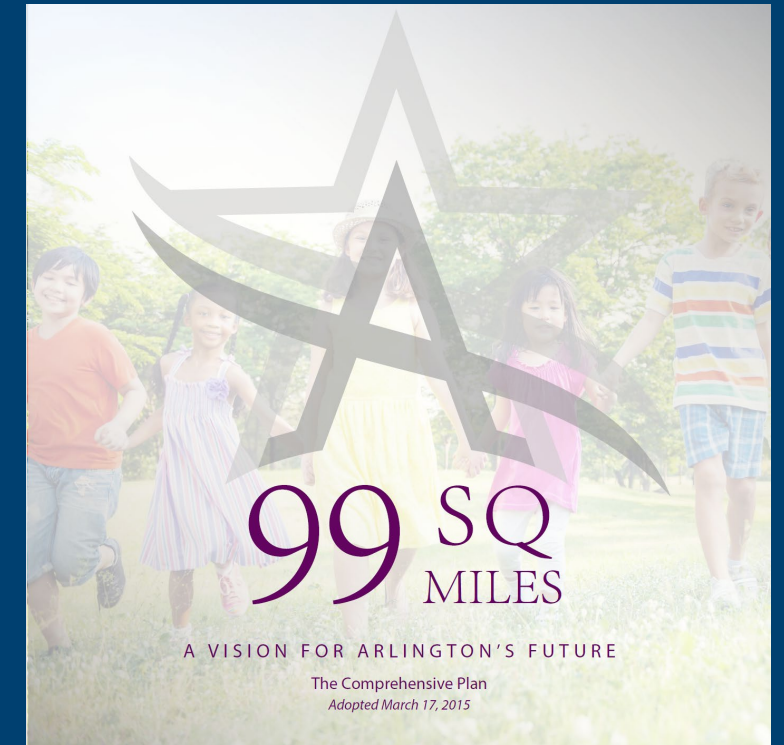
UDC Section 1.4.6

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Ensure that development and resource decisions are sustainable not only for the current residents of Arlington but for future residents and generations

UDC Section 1.4.9

Consider the immediate and long-range financial impact of the application of particular land to particular kinds of development, and the relative suitability of the land for development



Goal: Grow Our Businesses

1. Elevate Arlington's competitive positioning in the region to capture a larger share of high-wage, high-impact growth.
2. Rejuvenate and transform key economic centers into vibrant destinations.
3. Create amenities and assets that will secure Arlington's position as a major activity hub in North Texas.

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Smith Travel Research (STR) Chain Scale Rankings



The class for a chain-affiliated hotel is the same as its Chain Scale.

- **Luxury** — Four Seasons, Fairmont, JW Marriott, Ritz-Carlton, W Hotel
- **Upper Upscale** — Marriott, Hilton, Kimpton, Renaissance, Sheraton
- **Upscale** — Courtyard, DoubleTree, aloft, Residence Inn, SpringHill Suites
- **Upper Midscale** — Holiday Inn, Country Inn & Suites, Hampton Inn, Home2Suites
- **Midscale** — La Quinta Inn & Suites, Ramada, Wingate by Wyndham, Candlewood Suites
- **Economy** — Motel 6, Red Roof Inn, Super 8, Extended Stay America
- **Independent** — All others

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Smith Travel Research (STR) Chain Scale Rankings



- ❑ STR currently collects data for more than 77,000 hotels around the world.
- ❑ The hotels that make up the Composite Property rankings are anonymous and are selected automatically by STR's **proprietary** methodology.
- ❑ Non-participating hotel chains and independent hotels may request to participate in the chain scale rankings.
- ❑ Only an authorized representative of an individual hotel, brand or parent company can access the data of those respective entities.
- ❑ STR collects data on rooms available, rooms sold and net room revenue on a monthly, weekly and daily basis. They also collect data broken down by source of business (transient, group and contract) and source of revenue (room, F&B and other).

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Boutique Hotels

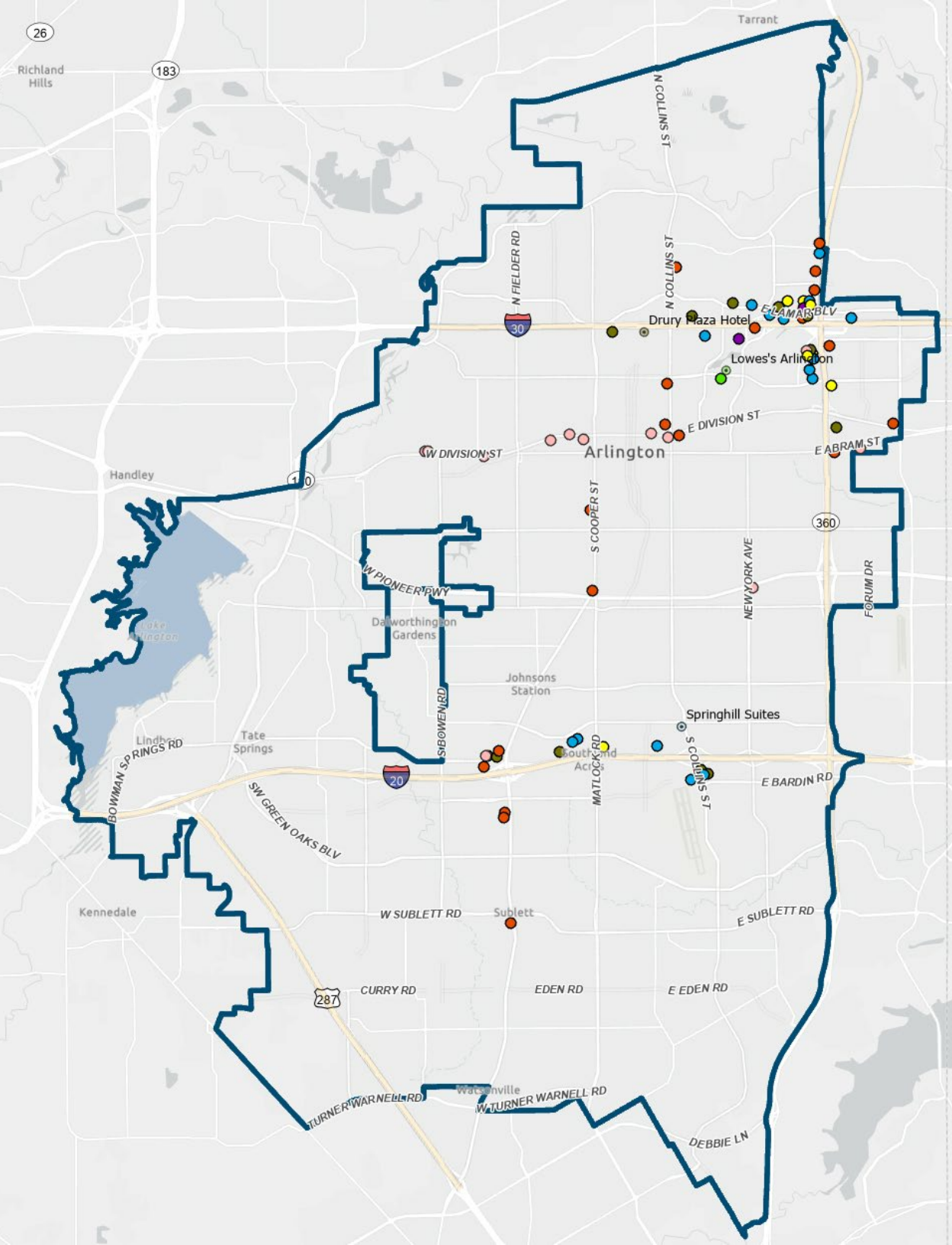
Boutique hotels typically contain 25-100 rooms. Most have a distinct character, personalized service, intentional design and décor; and may be part of a brand or coalition that has a chain scale rating.



<u>Boutique Hotel Chains/Groups</u>	<u>Chain Scale</u>
Kimpton (IHG)	Upper Upscale
21c Museum Hotels	Luxury
Ace Hotel	Upper Upscale
Red Carnations Hotels	Luxury
DreamHotel Group	Upper Upscale
Autograph Collection (Marriott)	Upper Upscale
Graduate	Upper Upscale
The Standards	Upper Upscale
Hotel du Vin	Upper Upscale
Curio Collection (Hilton)	Upper Upscale

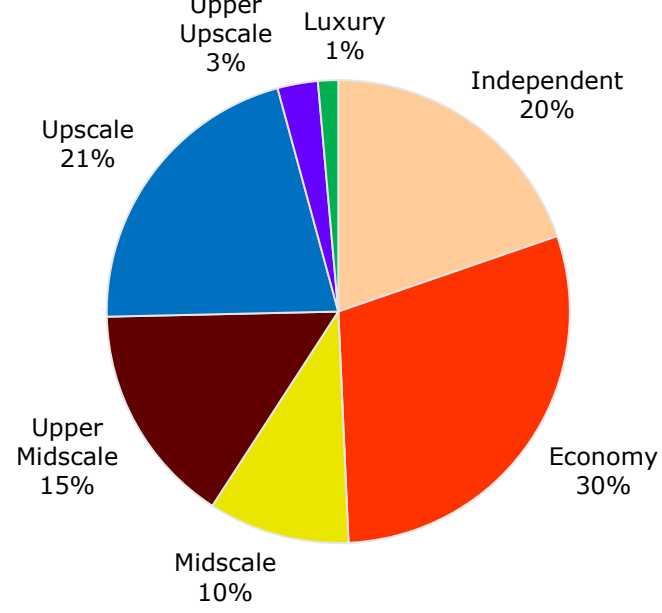
Many Boutique Hotels are classified as a **soft brand**, meaning that hotel are supported by the major chain, but retain their own individual branding.

For example, Hilton selects independent hotels and resorts to be part of the Curio Collection.

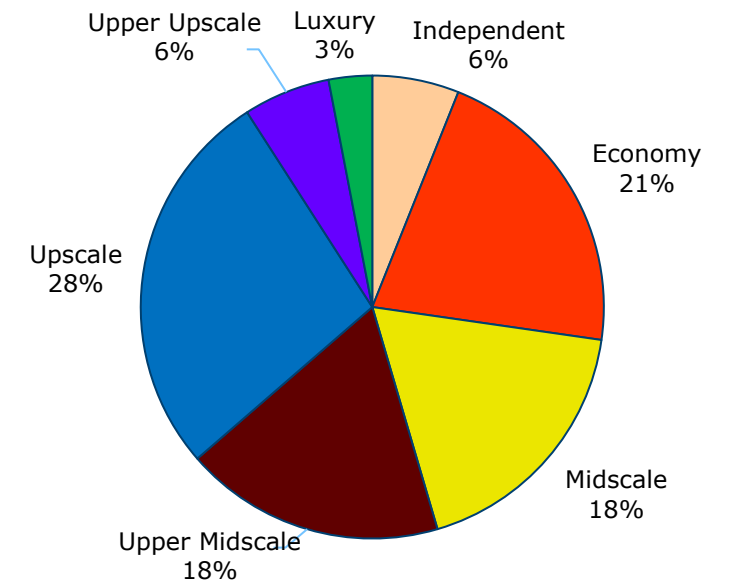


Hotel Breakdown by Chain Scale Rating

Citywide

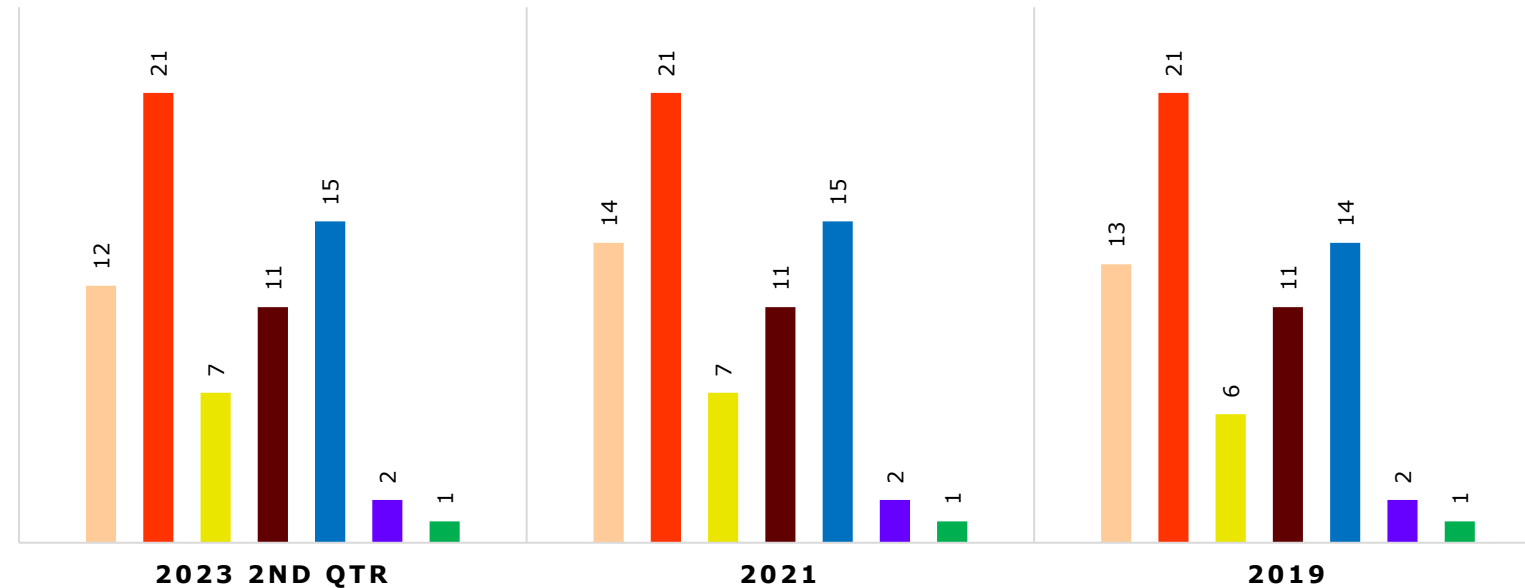


EDO



CITYWIDE ACTIVE HOTELS 2019-2023

Independent Economy Midscale Upper Midscale Upscale Upper Upscale Luxury

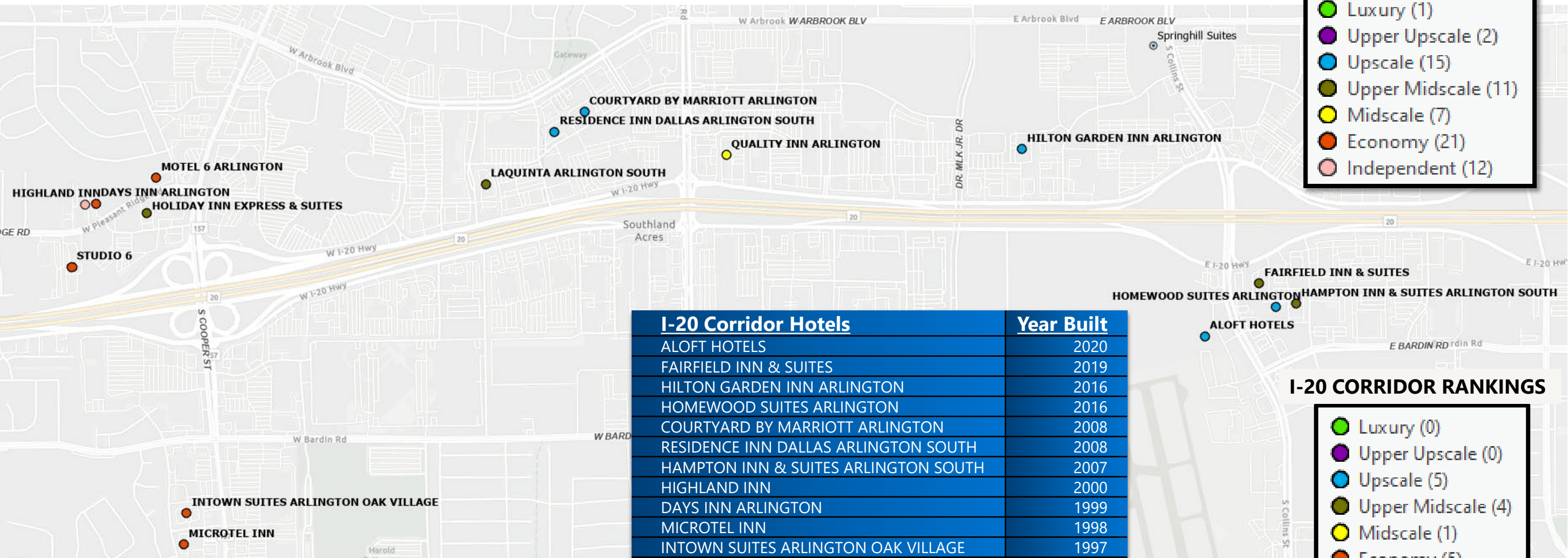


I-20 Hotel Location Map



CITYWIDE RANKINGS

- Luxury (1)
- Upper Upscale (2)
- Upscale (15)
- Upper Midscale (11)
- Midscale (7)
- Economy (21)
- Independent (12)



I-20 Corridor Hotels

Year Built

ALOFT HOTELS	2020
FAIRFIELD INN & SUITES	2019
HILTON GARDEN INN ARLINGTON	2016
HOMWOOD SUITES ARLINGTON	2016
COURTYARD BY MARRIOTT ARLINGTON	2008
RESIDENCE INN DALLAS ARLINGTON SOUTH	2008
HAMPTON INN & SUITES ARLINGTON SOUTH	2007
HIGHLAND INN	2000
DAYS INN ARLINGTON	1999
MICROTEL INN	1998
INTOWN SUITES ARLINGTON OAK VILLAGE	1997
LAQUINTA ARLINGTON SOUTH	1997
HOLIDAY INN EXPRESS & SUITES	1995
MOTEL 6 ARLINGTON	1994
STUDIO 6	1994
QUALITY INN ARLINGTON	1985

I-20 CORRIDOR RANKINGS

- Luxury (0)
- Upper Upscale (0)
- Upscale (5)
- Upper Midscale (4)
- Midscale (1)
- Economy (5)
- Independent (1)

..... Local Chain Brands



❑ Upscale

AC by Marriott, **Aloft**, Best Western Premier, Cambria, **Courtyard**, Crown Plaza, Four Points, **Hilton Garden Inn**, **Homewood Suites**, Hyatt House, Hyatt Place, Park Plaza, Radisson, **Residence Inn**, **Springhill Suites**, Staybridge Suites, Tapestry Collection, Voco, and Wyndham.

❑ Upper Midscale

Best Western Plus, Comfort Inn, Comfort Suites, **Fairfield Inn**, **Hampton Inn**, **Holiday Inn Express**, Home2Suites, **La Quinta**, Motto, Moxy, TownePlace Suites, and Wyndham Garden.

❑ Midscale

Avid, Baymont, Best Western, Candlewood Suites, Everwood Suites, Hawthorn Suites, MainStay Suites, **Quality Inn**, Ramada, Red Lion Inn & Suites, Sleep Inn, Tru, Wingate.

I-20 Corridor **Upscale** to **Midscale** Note:
Existing Hotels are shown in **BOLD**

Arlington Airport

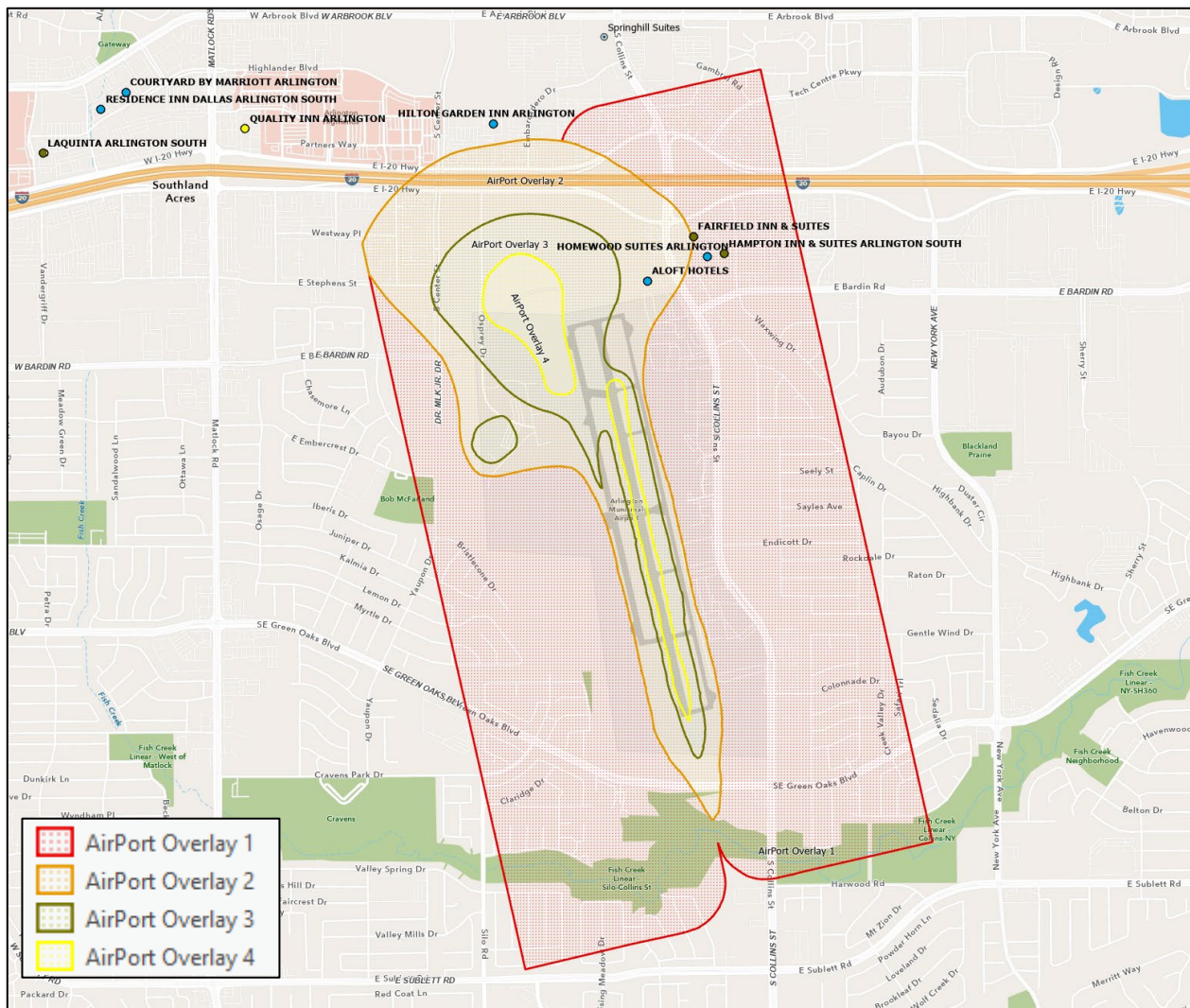
Arlington Municipal Airport Airport Development Plan



A Convenient Full-Service Destination

- National designation.
- Planned airport expansion.
- Rising needs of the current and future aviation community.
- Increased importance of the Arlington Airport as a reliever for DFW.
- Projected rise of area air traffic.

..... Option for the Airport Overlay



Just within the APO area, provide an allowance for new “Upper Midscale” hotels with an approved Specific Use Permit (SUP) and additional standards.

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For Hotels in the APO



Proposed:

In addition to the other standards enumerated in this section of the UDC, **Upper Midscale** hotels shall be permitted in the APO only with the approval of a Specific Use Permit (SUP) provided the hotel has additional amenities or features, which must include:

- All rooms (suites) shall have a defined living area separate from the bedroom and with kitchenette type facilities;
- In-room workspaces shall be provided in each suite;
- On-site meeting rooms and business centers on-site; and
- Indoor pools and fitness centers on-site.

An **Upper Midscale** hotel, having been duly approved as a SUP and constructed in accordance with the requirements of said SUP; the standards of this Unified Development Code; and all applicable building, development, and construction codes of the City, shall be granted a certificate of occupancy.



Comments and Questions?



Hotel Standards

**Arlington City Council Meeting
Dec. 12, 2023**

Overview—Arlington Hotels



- 7,400 hotel rooms—6% of Metroplex (126,000).
- Metroplex—21,000 rooms in pipeline.
- Arlington Hotel Room Revenue (January-October 2023): \$174 million (+8% year over year).
- Arlington's ADR (\$113) is the lowest among major Texas markets.
- Source: CoStar, Nov. 17, 2023.

Chain Scales



Arlington	Rooms	Occ	ADR	RevPAR
Luxury/Upper Upscale	950	68%	\$215	\$147
Upscale/Upper Midscale	3,450	66%	\$129	\$84
Midscale/Economy	3,000	71%	\$63	\$45
Total	7,400	68%	\$113	\$76

Source: CoStar, Dec. 1, 2023

Arlington Hotel Pipeline



Under Construction

- **Loews Arlington**—luxury, 888 rooms, Feb. 13, 2024.
- **Drury Plaza Hotel**—upper midscale, 268 rooms, tentatively July 2024.
- **SpringHill Suites Dallas Arlington**—upscale, 131 rooms, no firm completion date.
- **TownPlace Suites Dallas Arlington**—upper midscale, 100 rooms, no firm completion date.

CVB Thoughts



- Adding Loews and Drury will grow ADRs and, in the short term, drop occupancies.
- Luxury and upper upscale rooms should be a focus.
- Recommend clustering all other rooms near interstates and highways.
- Capital expenditures in full-service and suite properties are typically higher.

Thank You!



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