

**STUDY SESSION
OF THE UNIVERSITY CITY COUNCIL**
5th Floor of City Hall
6801 Delmar
February 10, 2020

AGENDA

Requested by the City Manager

1. MEETING CALLED TO ORDER

The Study Session of the City Council was held in Council Chambers on the fifth floor of City Hall, on Monday, February 10, 2020. Mayor Terry Crow called the Study Session to order at 5:30 p.m.

In addition to the Mayor, the following members of Council were present:

Councilmember Steven McMahon
Councilmember Paulette Carr
Councilmember Jeffrey Hales
Councilmember Tim Cusick
Councilmember Stacy Clay
Councilmember Bwayne Smotherson

Also in attendance were City Manager, Gregory Rose; City Attorney, John F. Mulligan Jr.; Director of Public Works, Sinan Alpaslan; Director of Economic Development, Libbey Tucker; Managing Director, Daniel McCoy, and Project Manager, Chris Cabrera of HVS.

2. CHANGES TO REGULAR COUNCIL AGENDA

Councilmember Smotherson requested that the newspaper article regarding the President of the Trolley's request for the Mayor and St. Louis County Executive to approve Bi-State's management of the Trolley be added to the Agenda under Council Reports/Business.

Mayor Crow stated since no public notice was provided, perhaps, the best way to address this issue would be during the Council Comments section of the Agenda.

Mr. Rose stated after a brief discussion with the City Attorney, they both agreed that the issue Councilmember Smotherson is referring to constitutes a substantive amendment requiring public notice. However, he is certainly entitled to make comments about it at the appropriate time.

Councilmember Carr stated while this issue may be substantive, Council is unaware of the timing of this decision, which she believes requires the approval of Council. So, do we want to talk about it or push it off a few weeks?

Mr. Rose stated in his opinion, it would be a more prudent decision to provide public notice so that residents are informed and given an opportunity to make public comments.

Councilmember Carr stated she would agree, as long as no decisions are made prior to a discussion and vote by Council.

Mr. Rose stated he thinks the Mayor has heard the position of Council and is sure that going forward he will govern himself accordingly.

Mayor Crow stated to the best of his knowledge, the TDD has not scheduled a meeting, so there is no action to be taken by him at this point in time.

And while he would be more than happy to have conversations with members of Council, Bi-State, the County Executive, or the Mayor of St. Louis, to obtain as much information as possible prior to any meetings, based on the numerous discussions surrounding this topic over the years, he has a pretty good sense of Council's position.

Councilmember Carr stated her position is that when the Mayor speaks for U City he speaks with the approval of Council. So, if there is a final decision to be made it should include the public and a vote; not a consensus, by this Council.

Councilmember Smotherson stated the main purpose of mentioning this article was to make sure everyone was clear about the direction that should be taken when dealing with issues of this nature.

Mr. Rose requested that that Item K (4); Recognition of Black History Month Theme be moved to Item D.

3. HOTEL FEASIBILITY STUDY

Mr. Rose stated while the belief is that U City possesses a strong market for the addition of a hotel, it was important to have the data to reinforce that belief. So, over the past few months staff has been working with consultants to drill down on the market within U City and determine the feasibility of moving forward with this concept.

Libbey Tucker, Director of Economic Development stated pursuant to the issuance of an RFP, a local company; Hospitality Valuation Services (HVS), was selected to work with staff on this project. And this evening, Daniel McCoy and Chris Cabrera are here to present Council with an analysis of the data and their findings.

Chris Cabrera, Project Manager for HVS stated he and Daniel are part of an international firm that works exclusively in the hotel sector and has an office located here in St. Louis. Over the last couple of months, HVS has been working on a market study and feasibility analysis for U City and has put together some slides to take Council through the process.

- **Potential Site Locations**

The first step was to look at the market area and the drivers of demand. Forsyth and Forest Park Parkway were deemed to have the greatest development potential, but all four sites were viewed as having some potential.

Site #	Transportation Access	Proximity to Commercial Demand Generators	Proximity to Leisure Demand Generators	Hotel Guest Services in Neighborhood	Overall Average
1 - Olive & 170	5	2	2	3*	3.00
2 - Delmar & 170	5	3	3	3	3.5
3 - Forsyth and Parkway	5	4	4	4	4.25
4 - Loop West	2	2	5	5	3.50

* Assumes redevelopment of site area

Scale: 5 = Excellent; 4 = Good; 3 = Adequate, 2 = Challenged; 1 = Poor

- **Regional Demand Generators**

Of all the categories HVS evaluated this one is the most important.

- Leisure travelers typically constitute seasonal or weekend guests.
- Commercial travelers fill a hotel room Monday through Thursday nights throughout the year and provide a solid demand base. Therefore, commercial demand generators are much more important.
- A majority of the demand generators are along the outskirts of U City, to the south, with smaller portions to the west and east.
- Forsyth and Forest Park Parkway, located to the south, was the closest site to the commercial demand generators.

Map	Name	Commercial	Leisure
1	Delmar Loop		X
2	Washington and Fontbonne Universities	X	X
3	St. Louis County Government Center	X	
4	Centene HQ	X	
5	Enterprise HQ	X	
6	GraybaR HQ	X	
7	Caleres HQ	X	
8	St. Louis Galleria		X
9	Bayer Crop Science HQ	X	
10	Danforth Plant Science Center	X	
11	Barnes/Wash U Medical Center	X	
12	St. Louis Zoo		X
13	St. Louis Art Museum		X
14	St. Louis Science Center		X

- **Existing Competitive Hotels**

This chart identifies existing hotels in this sub-market of St. Louis that are going after the same demand generators identified in the previous slide. It breaks the hotels up into the different service levels they offer and looks at where the gaps may be in terms of being able to serve the identified demand generators.

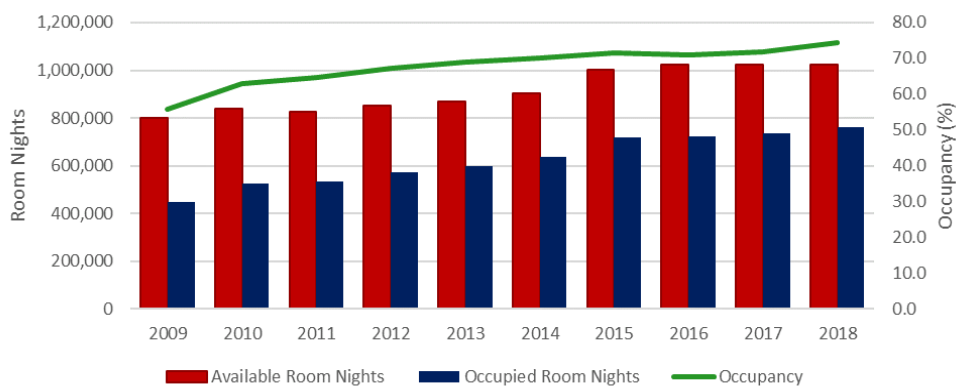
- Class is akin to the price point.
- Full-service hotels attract more meeting and group demands with in-house banquet facilities.
- Boutique hotels typically have a food and beverage component, with less focus on meeting and group demands.
- Limited Service hotels typically focus on transient guests.
- Extended Stay hotels capture a fair amount of demand from transient guests but also have the facilities to capture long-term stays.
- Select Service hotels fall between full-service and limited-service hotels. Typically, they have a food and beverage outlet on-site that serves multiple meals and do not have meeting facilities.

Name	Class	Brand Family	Room Count
Ritz-Carlton	Luxury	Marriott	299
Clayton Plaza	Upscale	None	242
Sheraton (to be Le Meridien)	Upper Upscale	Marriott	259
Chase Park Plaza Royal Sonesta	Upper Upscale	None	389
Hilton Frontenac	Upper Upscale	Hilton	263
Total:			1,452
Boutique			
Name	Class	Brand Family	Room Count
Monnrise Hotel	Luxury	None	125
Seven Gables Inn	Upper Upscale	None	32
Cheshire Inn	Upper Upscale	None	108
Total:			265
Limited-Service			
Name	Class	Brand Family	Room Count
Hampton Inn & Suites Clayton	Upper Midscale	Hilton	106
Drury Inn & Suites	Upper Midscale	Drury	210
SpringHill Suites	Upscale	Marriott	123
Hampton Inn & Suites Forest Park	Upper Midscale	Hilton	126
Parkway Hotel	Upscale	None	217
HolidayInn Express (to be Hotel Indigo)	Upper Midscale (to be Upper Upscale)	IHG	127
Total:			909
Extended-Stay			
Name	Class	Brand Family	Room Count
Homewood Suites	Upscale	Hilton	158
Residence Inn	Upscale	Marriott	152
Home2 Suites	Upper Midscale	Hilton	106
Total:			416
Select-Service			
Name	Class	Brand Family	Room Count
Courtyard by Marriott	Upscale	Marriott	141

- Market Performance**

The next two charts represent the market performance for the hotels presented on the previous slide. Hotel consultants look at the raw data; the number of available room nights per year and the number of occupied room nights, to give them the market occupancy and average rate being charged.

This graph looks at the day of the week by month occupancy over the last year for the set of hotels previously identified. Nights over 80 percent occupancy are highlighted to illustrate when demand is the strongest and when they may be turning away demand that could be captured by a new hotel.



A combination of the average rate and occupancy gives you a revenue per available room; RevPAR metric, which is an indicator of the overall health and performance of the market. In the data below, you can see that RevPAR increased from under \$70.00 in 2009 to over \$113.00 in 2018. So, the market has been steadily improving in the current economic cycle and is a good indicator that there is definitely a potential for hotel development in this market.

Year	Average Daily	Available	Occupied		Average			RevPAR	Change	
	Room Count	Room Nights	Change	Room Nights	Change	Occupancy	Rate			
2009	2,196	801,477	—	447,648	—	55.9 %	\$122.28	—	\$68.30	—
2010	2,296	838,070	4.6 %	526,466	17.6 %	62.8	120.83	(1.2) %	75.91	11.1 %
2011	2,266	827,189	(1.3)	535,231	1.7	64.7	128.70	6.5	83.27	9.7
2012	2,329	850,085	2.8	571,090	6.7	67.2	130.34	1.3	87.56	5.1
2013	2,380	868,700	2.2	598,628	4.8	68.9	134.20	3.0	92.48	5.6
2014	2,480	905,364	4.2	635,217	6.1	70.2	140.82	4.9	98.80	6.8
2015	2,749	1,003,544	10.8	718,430	13.1	71.6	144.16	2.4	103.21	4.5
2016	2,802	1,022,730	1.9	724,876	0.9	70.9	148.66	3.1	105.37	2.1
2017	2,801	1,022,546	(0.0)	734,001	1.3	71.8	151.62	2.0	108.83	3.3
2018	2,801	1,022,365	(0.0)	760,131	3.6	74.4	152.66	0.7	113.51	4.3
Year-to-Date Through September										
2018	2,801	764,673	—	578,967	—	75.7 %	\$153.27	—	\$116.05	—
2019	2,848	777,372	1.7 %	567,265	(2.0) %	73.0	154.18	0.6 %	112.51	(3.0) %
Average Annual Compounded Change:										
2009 - 2012			2.0 %			8.5 %			2.1 %	8.6 %
2012 - 2018			3.1			4.9			2.7	4.4

This is a list of hotel developments in the sub-market that are either currently under construction or at some level of the development process. HVS considered what impact they would have on the market going forward.

- Midscale: Towneplace and Home2
- Homewood Seattle Convention Center; top sale at \$510,000
- Upscale: Staybridge, Element, Homewood, Residence, Hyatt House; (no Hyatt House or Element sales)

• **Capacity Nights and Proposed Supply**

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Jan - 19	34.83	64.80	66.65	66.79	51.66	43.17	44.93
Feb - 19	46.72	74.66	81.80	76.15	64.09	63.01	68.76
Mar - 19	50.01	78.25	86.29	85.12	76.76	76.93	83.22
Apr - 19	54.04	80.87	87.29	86.68	76.55	84.65	84.95
May - 19	52.62	72.09	84.94	84.40	71.91	80.00	79.47
Jun - 19	60.20	87.44	94.43	93.69	77.62	80.46	85.93
Jul - 19	54.70	74.09	77.34	72.89	61.10	72.01	79.81
Aug - 19	51.12	78.06	83.14	78.58	72.67	78.78	82.60
Sep - 19	52.71	72.16	87.80	89.06	74.21	78.31	81.07
Oct - 18	55.38	78.98	85.21	81.66	80.20	88.25	90.27
Nov - 18	47.37	72.75	77.05	79.34	72.51	74.80	74.47
Dec - 18	41.03	65.86	69.23	64.79	56.66	55.42	64.57
Total Year	50.17	74.94	81.57	79.66	69.47	73.38	76.91

Proposed Hotel Name	Estimated Number of		Development Stage	Expected Qtr. & Year of Opening	Address
	Rooms	Hotel Product Tier			
Aloft	129	Upscale	Under Construction	2020 Q2	4248 Forest Park Avenue, St. Louis
Element	153	Upscale	Under Construction	2020 Q2	3763 Forest Park Avenue, St. Louis
AC by Marriott	192	Upscale	Site Work Underway	2021 Q2	221 York Avenue, St. Louis
TownePlace Suites	128	Upper-Midscale	Approved	2021 Q2	1695 S. Hanley Rd., Brentwood
AC Hotel Clayton	206	Upscale	Approved	TBD	227 South Central Avenue, Clayton
Residence Inn by Marriott	168	Upscale	Seeking Entitlements	TBD	8125 Forsyth Boulevard, Clayton
Element (Delcrest Plaza)	133	Upscale	Seeking Entitlements	TBD	8420 Delmar Blvd., University City
Gateway Plaza	135	Upscale	Early Development	TBD	Olive Boulevard & Interstate 170
Centene Campus Hotel	200	TBD	Early Development	TBD	Forsyth Blvd. & Forest Park Pkwy., Clayton

- Recommended Product and Facility - Upscale Select - Service Motel**
 Based on the analysis of when demand is the strongest and where the demand is coming from in the existing competitive market, HVS recommends that the ideal hotel improvement for Site No. 3 would be an upscale, select-service hotel with approximately 165 rooms, a bistro-style food and beverage operation, modest meeting facilities, a fitness room, and structured parking. While no specific brand was recommended a selection of potential brands that meet this profile has been included in the study.

Guestroom Configuration	Portion of Units
King	55% - 65%
Queen/Queen	35% - 45%
Suite	5% - 10%
Total	165

Food & Beverage Facilities
Bistro

Indoor Meeting & Banquet Facilities	Est. Square Footage
Meeting Facilities	3,500

Amenities & Services
Fitness Room
Business Center
Market Pantry

- Estimated Construction Cost**
 HVS looked at similar properties throughout the Midwest, including a few in the market area, to come up with an estimate of what it would cost to develop the recommended facility.

Item	Cost per Room	Cost
Building	\$135,000	\$22,275,000
Soft Costs	30,000	4,950,000
Furniture, Fixtures, & Equipment	20,000	3,300,000
Pre-Opening Costs & Working Capital	5,000	825,000
Developer Fee (if Applicable)	5,000	825,000
Land	17,576	2,900,000
Total Cost New Estimate (Rounded)	\$212,121	\$35,000,000

➤ The table shows the estimates.

Item	Comp #1		Comp #2		Comp #3		Comp #4	
	Primary, MN Select-Service		Secondary, IN Select-Service		Primary, MO Select-Service		Primary, MO Limited-Service	
	Approx. 190 Rooms	Approx. 120 Rooms	Approx. 190 Rooms	Approx. 140 Rooms	Per Room	% of Total	Per Room	% of Total
Building	\$188,081	73.9 %	\$134,911	79.0 %	\$143,475	66.6 %	\$126,794	67.2 %
Soft Costs	32,681	12.8	7,345	4.3	33,083	15.4	28,930	15.3
Furniture, Fixtures, & Equipment	20,903	8.2	20,672	12.1	23,902	11.1	20,158	10.7
Pre-Opening Costs & Working Capital	12,795	5.0	2,542	1.5	6,251	2.9	6,074	3.2
Developer Fee (if Applicable)	0	0.0	5,323	3.1	8,594	4.0	6,618	3.5
Total (Excluding Site Cost)	\$254,459	94.5 %	\$170,792	89.1 %	\$215,304	92.2 %	\$188,574	93.6 %
Site Cost	\$14,730	5.5 %	\$20,875	10.9 %	\$18,229	7.8 %	\$12,868	6.4 %
Total (Including Site Cost)	\$269,189	100.0 %	\$191,667	100.0 %	\$233,533	100.0 %	\$201,441	100.0 %

- **Projected Subject Property Performance**

HVS took the recommended property type and projected its performance from an occupancy and rate standpoint and an income and expense standpoint to achieve the projected levels of operating income over a ten-year pro forma projection period.

Year	Occupancy		Average Rate		RevPAR	
	Total	% Change	Total	% Change	Total	% Change
2022	66.0 %	—	\$158.05	—	\$104.31	—
2023	74.0	12.1 %	163.66	3.5 %	121.11	16.1 %
Stabilized	76.0	2.7	170.27	4.0	129.40	6.9
2025	76.0	0.0	175.38	3.0	133.29	3.0
2026	76.0	0.0	180.64	3.0	137.29	3.0

➤ This table illustrates the bottom-line profitability.

Year	Total Revenue		House Profit		House Profit Ratio	EBITDA Less Replacement Reserve			
	Total	% Change	Total	% Change		Total	% Change	As a % of Ttl Rev	
Projected	2022	\$7,243,000	—	\$3,085,000	—	42.6 %	\$2,030,000	—	28.0 %
	2023	8,349,000	15.3 %	3,851,000	24.8 %	46.2	2,636,000	29.9 %	31.6
	2024	8,896,000	6.6	4,165,000	8.2	46.7	2,808,000	6.5	31.4
	2025	9,164,000	3.0	4,291,000	3.0	46.7	2,892,000	3.0	31.4
	2026	9,439,000	3.0	4,419,000	3.0	46.7	2,979,000	3.0	31.4

- This table illustrates a projected stabilized operating statement for the hotel.

	Stabilized Year			
	2024			
Number of Rooms:	165			
Occupancy:	76%			
Average Rate:	\$170.27			
RevPAR:	\$129.40			
Days Open:	365			
Occupied Rooms:	45,771	%Gross	PAR	POR
REVENUE				
Rooms	\$7,793	87.6 %	\$47,230	\$170.26
Food & Beverage	683	7.7	4,140	14.92
Other Operated Departments	394	4.4	2,389	8.61
Miscellaneous Income	26	0.3	159	0.57
Total Revenues	8,896	100.0	53,918	194.37
DEPARTMENTAL EXPENSES *				
Rooms	1,598	20.5	9,683	34.91
Food & Beverage	512	75.0	3,105	11.19
Other Operated Departments	197	50.0	1,194	4.31
Total Expenses	2,307	25.9	13,982	50.40
DEPARTMENTAL INCOME	6,589	74.1	39,936	143.97
UNDISTRIBUTED OPERATING EXPENSES				
Administrative & General	663	7.5	4,018	14.48
Marketing	379	4.3	2,296	8.28
Franchise Fee	662	7.4	4,015	14.47
Prop. Operations & Maint.	379	4.3	2,296	8.28
Utilities	246	2.8	1,492	5.38
Info & Telecom Systems	95	1.1	574	2.07
Total Expenses	2,424	27.2	14,691	52.96
GROSS HOUSE PROFIT	4,165	46.8	25,245	91.01
Management Fee	267	3.0	1,618	5.83
INCOME BEFORE NON-OPR. INC.	3,899	43.8	23,627	85.17
NON-OPERATING INCOME & EXPENSE				
Property Taxes	650	7.3	3,939	14.20
Insurance	85	1.0	517	1.86
Reserve for Replacement	356	4.0	2,157	7.77
Total Expenses	1,091	12.3	6,612	23.84
EBITDA LESS RESERVE	\$2,808	31.6 %	\$17,015	\$61.34

- **Return on Investment Analysis - Mortgage and Equity Breakdown**

Taking the projected financial performance of the property and analyzing the net income against the cost to develop the property HVS came up with the measure of return on investment for a potential equity investor and compared that to typical market returns or requirements for a hotel equity investor. This table illustrates the projected yield for the project which is divided into what a typical mortgage would be and what an equity investor would receive at 17 percent.

Position	Value	Projected Yield (Internal Rate of Return) Over Holding Period
Total Property	\$35,000,000	9.7 %
Mortgage	22,750,000	4.0
Equity	12,250,000	17.0

- **Market Derived Equity Returns**

This table reflects the typical equity returns for hotel investors based on the property type. The average for a select-service property type is 18 1/2 percent, which is a little bit below average.

However, the point range is from 13 to 26 percent which is definitely within a reasonable range for an equity investor. Taking everything into account in the current market, that would make it a pretty strong and attractive project for the identified site.

<u>Source</u>	<u>Data Point Range</u>	<u>Average</u>
HVS Hotel Sales - Full-Service & Luxury	10.8% - 21.2%	16.8%
HVS Hotel Sales - Select-Service & Extended-Stay	12.7% - 26.1%	18.5%
HVS Hotel Sales - Limited-Service	17% - 24.6%	19.8%
HVS Investor Interviews	13% - 25%	

• **Mortgage and Return Parameters**

Loan to Value:	65 %
Amortization:	30 Years
Term:	10 Years
Interest Rate:	4.00 %
Terminal Cap Rate:	8.0 %
Transaction Costs:	2.5 %

Mayor Crow asked Mr. Cabrera if a developer would typically come to the City or Council with the hope of making the deal more appealing when the percentage is a little less attractive? Mr. Cabrera stated typically that is correct. A 17 percent equity return is below the average, but that average also includes a wide variety of hotels that are ten years, fifteen years, or older, that someone is buying in tertiary or suburban markets. But even if it's not below average; most developers would probably come to the City and ask for some sort of subsidy to get the project completed. Although at 17 percent it would probably be close to adequate on its own.

Councilmember Carr asked Mr. Cabrera if he was specifically talking about the recommended project at Forsyth and Forest Park Parkway? Mr. Cabrera stated that he was. Councilmember Carr asked how the other sites had compared to this one? Mr. Cabrera stated they basically evaluated the market for each site and came up with an overview of what could potentially be ideal. But they did not take their analysis to the same level for the other three sites. So, while he can't provide the same level of detail;

- For Site No. 1, their recommendation is a limited-service property. The success or specifics of the property would probably depend on the nature of the planned redevelopment at that intersection and what the supportive nature of that looks like for a hotel operation.
- For Site No. 2, their recommendation is an extended stay hotel; which he believes has already been proposed.
- For Site No. 4, their recommendation is for a leisure-oriented hotel or something along the lines of a boutique hotel that would heavily target the leisure demand being produced by The Loop.

Councilmember Carr asked Mr. Cabrera if he was aware that a couple of developers had already approached the City with plans for Sites Nos. 2 and 4? Mr. Cabrera stated that he was, although the only specifics he is aware of are the ones that were available to the public.

Mr. Rose stated staff is aware of the interest in developing a hotel on Sites Nos. 1, 2, and 4, so the information from HVS will be provided to those developers. He stated the reason Site No. 3 was selected for this analysis is because it was not being considered by anyone.

Wash U owns the largest parcel of land which staff believes would be a great location and they are currently looking at the best possible use for the property. So, the intent is to provide them with this information as well.

Councilmember Carr questioned whether the hotel would be on or off the tax rolls if it was developed and managed by Wash U? Mr. Rose stated while the definite intent is for the hotel to be on the City's tax rolls, he is uncertain how Wash U could create a nexus between a luxury hotel and their educational mission.

Councilmember Clay stated since we know that Del-Crest is seeking entitlements, and Centene's hotel is in the early development stage; which means it may or may not materialize, are these types of factors weighted into your calculations? Mr. Cabrera stated basically what they do is look at what is definite and include that quantitatively in their projects. Councilmember Clay asked if the Element was almost completed? Mr. Cabrera stated The Loft and The Element are under construction and scheduled to open soon. The AC by Marriott in the Central West End is definitely moving forward. The Townplace Suites is not presently under construction, but it looks like it will be in the near future. Historically in the hotel development pipeline, only one out of two projects publicly announced will actually get completed. However, since these eight hotels are potentially scheduled to open in the next two to four-year window, it provided an opportunity for them to quantitatively focus on the current market dynamics to see what that would look like.

Councilmember Clay asked Mr. Cabrera how often does his Company find that a hotel is not feasible for an area? Mr. Cabrera stated a portion of his work is performed for developers and the other portion is for civic entities similar to U City. So if he is working for a developer, normally, they are experienced in putting these kinds of deals together, so they've already got a brand lined up; a prototype or plan, and basically just need a third party to vet their project and provide an analysis in order to get equity or debt investors. Ninety percent of the time these projects are feasible, so the conversation is premised on how to make it work.

From a civic perspective, this is probably one of the strongest projects he has worked on. He stated the vast majority of his conversations with civic entities typically begin with; if there was a need for a hotel a developer would have already been knocking on your door. But since they are not, and if this is something you definitely want to do, then you must be prepared to offer them X, Y, and Z. That is simply not the case with U City, so there is a definite market here.

Councilmember Cusick asked Mr. Cabrera whether the four options were identified based on an analysis of what the market would bear in terms of rooms, or were other factors built-in to the study? Mr. Cabrera stated from a development standpoint, it is not profitable to build ballrooms and event spaces in this current market. The money is in rooms and if you look at what is being developed by the private market basically all of them fall into the select service or boutique category.

Councilmember Smotherson asked Mr. Cabrera if he was aware that Site No. 1 was located in an Opportunity Zone, and if so, whether it was figured into their analysis? Mr. Cabrera stated while he was not personally made aware that it was located in an Opportunity Zone, he thinks it was a factor. But he does not have the data to show how much of a factor it was. However, these zones have become more prominent in developments over the past couple of years and they are not necessarily unique to that location. The Element and The Loft in the Cortex District are located in Opportunity Zones, so it is a definite factor, even though it may not have been an explicit consideration in their recommendations.

Councilmember Smotherson stated there is a comment in the study which indicates that "*The City is home to only a limited number of hotel rooms,*" when in fact, his belief is that it doesn't have any. Mr. Cabrera informed Councilmember Smotherson that the comment would be revised.

Councilmember Hales questioned whether the possibility that the previously proposed Centene Campus Hotel may no longer consist of 200 rooms within a stone's throw of Site No. 3, impact or alter their recommendation? Mr. Cabrera stated based on his knowledge, the most recent iterations have been about something very high-end that would not necessarily compete with U City's select service recommendation. Councilmember Hales asked how recent was this information? Mr. Cabrera stated that was the last specific information he had been provided with, but more recently he did hear that it's TBD. However, since the original plan was for something very high-end his assumption is that it would remain somewhere in the luxury range. And to that point, areas like Clayton, Richmond Heights, Brentwood, and the intersection of 64 and 1-170 have been able to quickly absorb hotels. It's a situation where this general submarket has become one of the strongest in St. Louis. Hotels that have opened in these locations have been able to ramp up their operations to the point of becoming some of the City's top-performing hotels.

He stated as it relates to one hotel getting developed over one that does not, they would have to see how things shake out over the next five years in order to know precisely whether that would have a major impact. But overall, his general sense is that this submarket could continue to absorb hotel rooms relatively easily.

Mayor Crow and the City Manager both thanked Mr. Cabrera for his presentation.

4. SCOOTER ORDINANCE PRESENTATION

Mr. Rose stated this is an update by the Director of Public Works, Sinan Alpaslan, on their efforts to assist in the development of an Ordinance governing the use of scooters within the City.

Mr. Alpaslan stated previously the City entered into a Memorandum of Understanding with LimeBike, and while they are currently not in operation his understanding is that the Company has plans to reinstatement them.

e-Scooters, which are a form of a motorized bicycle, are the most active micro-mobility devices in our public right-of-ways. They have now been further defined by the Missouri State Highway Patrol as e-Scooters.

- e-Scooters are legal to operate on roads within the public right-of-way but cannot be operated on sidewalks.
- They cannot exceed 30 miles per hour.
- The qualifications to operate an E-Scooter are you must be over the age of sixteen, possess a valid driver's license, and obey the rules of the road.

Currently, there is a Bill pending in the State Legislature to define e-Scooters for usage in the public right-of-way.

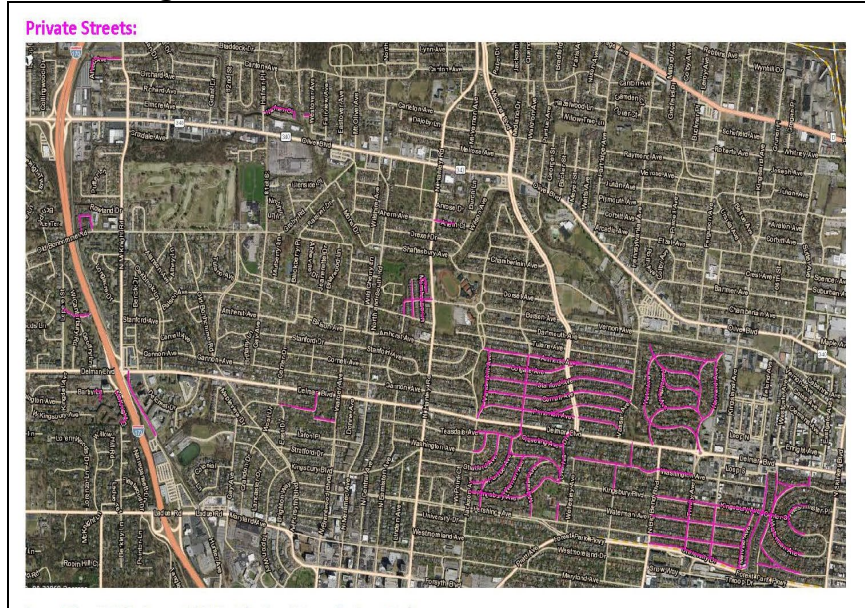


- **Concerns and Need for Regulation**
 - Higher pedestrian traffic on sidewalks where streets are not conducive to e-Scooters presents a major concern for business corridors like the Delmar Loop and Olive Blvd. The Trolley tracks along Delmar exacerbate these concerns.
 - E-Scooters scattered throughout public right-of-ways in residential and other business areas block sidewalks, driveways, impede access, and create public safety concerns especially when these e-Scooters are not as visible.
 - In high traffic areas, e-Scooters have been improperly placed across curbs and gutters.

- **Timeline of Events - August 2018 Through July 2019**
 - August 13, 2018. City Council Study Session
 - Shared bicycles were a major concern; (*LimeBike*)
 - Discussion of a pilot program and MOU with LimeBike
 - LimeBike (or Lime) no longer carries bikes and e-Scooters have been temporarily discontinued
 - December 12, 2018, Traffic Commission Meeting:
 - Obtained input regarding policy development
 - Reviewed research on surrounding municipalities; (*Clayton, City of St. Louis*)
 - Emphasis placed on the need to operate these e-Scooters in a safe manner
 - July 10, 2019, Micro-Mobility Consultant and Traffic Commission Meeting
 - Policy considerations and guidance
 - Proposed permit procedure
 - Discussions about the application of laws; i.e., riding while impaired

- **November 13, 2019, Traffic Commission Meeting**
 - Proposed requirements for the implementation of a permit policy
 - Recommended deployment areas and the maximum number of vehicles defined as 300 for the entire community
 - No Parking Zones defined and illustrated in the map below
 - Near geo-fence or GPS base
 - Near private subdivisions
 - Although parks were not included in the No Parking Zones, they have been included in the preliminary recommendations
 - User-vehicle requirements; (*helmet/headlights/taillights*)
 - Rules of the road requirements further defined; (*sidewalk-street, the direction of travel, and opposing direction*)
 - Ability to geo-fence; (the inability to park or limit the speed)
 - Ability to communicate a message to the user via vehicle screen/amenities
 - Ability to report use and track data by providing the City with access to the dashboard
 - Ability to assess fees to users for non-compliance; (*this issue has not been addressed by other municipalities*)
 - Removal or request to bring non-compliance issues into compliance; (*what timelines apply*)
 - Communication procedures that allow residents to contact the permittee

No Parking Zones



Mr. Rose asked Mr. Alpaslan if he would provide a brief summary of the last slide in an effort to advise Council of what staff is considering; how Wash U's policy prohibiting e-Scooters on campus could impact the City, and when this Ordinance is anticipated to be brought forward for them to consider.

Mr. Alpaslan stated Wash U has a Red Zone/geo-fence on its Danforth Campus which limits e-Scooters to 5 miles per hour and restricts parking to designated bike rack locations. He stated staff's proposal will consist of proposed amendments to applicable sections of the Municipal Code, as well as a new permit policy. These documents are anticipated to be completed by March to ensure the City is ready to proceed by the time e-Scooters are deployed back into the public right-of-ways.

5. ADJOURNMENT

Mayor Crow thanked Mr. Alpaslan for his presentation and adjourned the City Council Study Session at 6:21p.m.

LaRette Reese
City Clerk

