



Engineering
& Design

B-1 Business District Planning Study

Boutique Hotels

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Prepared for:

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Introduction

It is our understanding that the Borough of Avalon has expressed an interest in considering the addition of Boutique Hotels as a permitted use within a portion of its B-1 district as a way to help catalyze year-round economic activity in the northern section of town. Currently, the Borough permits Hotels and Motels in its R-M (Hotel-Motel District), a district that is located in the southern end of the municipality between 78th and 80th Streets along the Stone Harbor municipal boundary. Motels and hotels are also conditionally permitted in the Borough’s M-B (Marine Business) zone, generally located west of Ocean Drive, between 7th and 18th Streets; however, the specific conditional use requirements for this conditional use (§27-7.1.f) appear to have been repealed.

The existing B-1 district¹ generally follows the Dune Drive corridor between 20th Street and 33rd Street. This stretch largely serves as Avalon’s central business district. As noted in Figure 1, the district also extends to the eastern side of the Ocean Drive corridor between 22nd and 29th Streets. Under the existing zoning, the B-1 district permits the following uses:

Permitted Uses:

- a) Retail stores and shops
- b) Personal service shops
- c) Banks, theaters, offices, restaurants and other similar community services.
- d) Light wholesale uses.
- e) Municipal buildings.

Conditional Uses:

- a) Commercial tennis courts.
- b) Churches, parish houses and church recreational buildings.
- c) Public libraries.
- d) Public and/or private schools.
- e) Second and third floor residential.
- f) Repair garages and automobile service stations.
- g) Convenience stores, supermarkets, and drugstores.
- h) Single-family dwellings in accordance with the R-2B District.

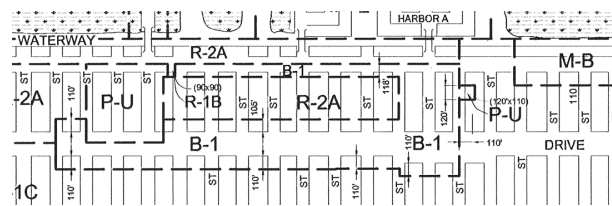


Figure 1: Avalon Zoning Map excerpt, illustrating the B-1 zone district.

This report will examine what constitutes a boutique hotel, common characteristics found in boutique hotels, and recommended standards that the Borough may wish to consider in the event that they decide to permit for boutique hotels in the B-1 Zone.

What Makes a Hotel “Boutique”?

It is important to set some parameters for this study, including what exactly constitutes a boutique hotel. Such uses are not specifically identified in the North American Industry

¹ As of November 8, 2023, the most recent zoning map on the Borough’s website was dated from 2007. Ordinance No. 853-2023, adopted in January 2023, directed the Borough Engineer to update the Zoning Map, which will include “Block 21.04, Lots 51.01, 53.01, 57, 59.01, 61, 63,

65.01, and 67 (all located on the north side of 22nd Street between Ocean Drive and Dune Drive) shall be rezoned from B-1 Zone to the R-2A Zone.”

Classification System (NAICS). Nor are they defined in the most recent edition of *The Complete Illustrated Book of Development Definitions*², which contains definitions for Hotel, Bed and Breakfast, Boardinghouse, Conference Center, Inn, Motel, Resort, Tourist Home, Casino Hotel, and a Micro-Unit Hotel.

No firm, universally recognized, definition for what constitutes a boutique hotel seems to exist; however, some commonalities are evident:

- An industry roundtable produced by the Cornell Center for Hospitality Research in 2011 analyzed Boutique Hotels. Based on a summary of this event, "...given the substantial expansion of this product category roundtable participants engaged in a lively discussion of how to define a boutique property. Roundtable participants observed that the term 'boutique hotel' is becoming increasingly common in the industry. Many of the participants agreed that the term "boutique" implies hotels that focus on small size and personal attention."³
- A definition provided to this office by our parent company, Colliers, suggests that Boutique is "Unique in style, design-centric, either independent or affiliated with a

smaller brand system, with 40 to 300 guest rooms."⁴

- A 2007 article from the New York Times examined the introduction of Boutique Hotels to the Jersey Shore. In describing what constitutes a boutique hotel, the author noted, "A boutique hotel is typically long on amenities, design and service. It usually has no more than 100 rooms and often far fewer. The lobby is meant to emulate a living room; the guest rooms, bedrooms in an elegant private home."⁵
- A 2022 article on New York City area boutique hotels from *Condé Nast Traveler* noted that, "When you visit New York, you make hard choices. There are a lot of good restaurants, there are a lot of good bars, and there are a *lot* of good hotels. And the problem with choosing a hotel is that you usually only choose one. Limiting your options to boutique hotels in NYC might simplify the decision, particularly if you're seeking an intimate, upscale stay that's not only for out-of-towners. Plus, boutique hotels were practically invented here. Typically, with 120 rooms or fewer, and characterized by strong, focused design identities, boutique hotels sprung up in the 1980s... What makes boutique hotels special? Boutique hotels are beloved for their strong character, intimate scale, and

² Moskowitz, H.S., Lindbloom, C.G., Listokin, D., Preiss, R., & Merriam, D. (2015). *The Complete Illustrated Book of Development Definitions*, 4th Edition, Routledge.

³ CHR Roundtables Analyze Boutique Hotels, Sustainability, and the Intersection of Hospitality and Healthcare Management. Nolan School of Hotel Administration at the SC Johnson College of Business, Cornell University. Accessed: November 8, 2023: <https://sha.cornell.edu/faculty-research/centers-institutes/chr/about/news/newsletters/roundtable/>

⁴ March 3, 2023 correspondence with Joanne Witte, MAI, Valuation Services Director of Colliers Hotel Valuation Group.

⁵ Tutelian, Louise. "A Little Luxe on the Jersey Shore." *The New York Times*. April 13, 2007. Accessed: November 8, 2023. <https://www.nytimes.com/2007/04/13/travel/escapes/13boutique.html>

general cool factor. Their food and beverage programs are often a special focus, too, and can be destinations in and of themselves.”⁶

- Finally, a September 2023 article on the travel website Kayak, entitled *All you need to know about boutique hotels* also tries to answer this question: “So, first thing’s first: what is a boutique hotel? There is no strict definition, but whenever someone asks me this question my answer is simple: nothing corporate... Yes, there are mega hotel chains like Bulgari and Marriott, but I wanted to swap the mega luxe for something smaller, more intimate, familial, traditional, and stylish. And that’s exactly what the boutique hotel experience offers. If you’ve never once stayed in one, think of them as something in the middle between a hostel and a 5-star luxury hotel. When I was in Japan, for example, I stayed in a small, converted ryokan (a traditional Japanese home) in Kyoto. It was a small upscale hotel with only 23 rooms located within the ancient walls of the city complete with a bar, restaurant, and concierge team who knew all the locals personally. This, in a nutshell, sums up the fullest and best boutique hotel experience out there. Hyper-local, tailored, and nestled in a perfect location... As for style rules, boutique stays are much more unique and bougie in style... Boutique hotels have unique design features, themes, and luxury historical details you don’t often find in bigger chain hotels. They are often the work of local designers who source everything from the furniture to the beds

and the art on the walls. The result is a hotel experience that is more curated, ambient, and above all, homely.”⁷

As the above examples illustrate, no singular definition exists, particularly when these different sources feel the need to define it, just as is being done as part of this study. What these definitions appear to point to, are the following characteristics:

- 1) Small size.
- 2) Distinctive, unique character.
- 3) Amenity rich.

Case Studies

Study Methodology

Using the characteristics defined in the previous section as a guide, this study examined the characteristics of ten boutique hotels; eight of which were located in New Jersey shore communities from Asbury Park to Stone Harbor. The remaining examples came from Rehoboth Beach, DE, and from the East End of Long Island, NY.

These hotels were identified through travel websites identifying boutique hotels, or where a hotel specifically identified itself as “Boutique.” Selections were then refined due to several considerations. For example, hotels that provided too little information to be of benefit to this study were excluded. In other cases, hotels that appeared to operate more as a Bed

⁶ Erdekian, Alex. “The Best Boutique Hotels in NYC to Bookmark for Your Next Trip.” Condé Nast Traveler, December 9, 2022. Accessed November 8, 2023. <https://www.cntraveler.com/story/best-boutique-hotels-nyc>

⁷ Abrahams, Luke. *All you need to know about boutique hotels*. September 20, 2023. Kayak.com. Accessed: November 8, 2023. <https://www.kayak.com/news/what-is-a-boutique-hotel/>

and Breakfast were excluded from this analysis. Other searches appeared to suggest that some Atlantic City casinos were considered Boutique; these too were not considered as part of this analysis. Others identified as boutique, such as the Congress Hotel in Cape May were so unique to their setting that they too were excluded from analysis. Others, such as many found in the Hamptons of Long Island, were located on sprawling multi-acre campuses, were not found to be relevant to the study area.

The Asbury Ocean Club in Asbury Park

- 54 Rooms
- Located within a 17-story building shared with the Asbury Ocean Club residences.
- Approximate lot size: 1.9 acres



Figure 2: Asbury Ocean Club. Source: Google Street View.

The Asbury Hotel in Asbury Park

- 110 Rooms
- Approximately 7 stories
- Approximate lot size: 2.6 acres



Figure 3: The Asbury Hotel. Source: TripAdvisor

The Bellmoor Inn & Spa in Rehoboth Beach, Delaware

- 79 Rooms
- Approximately 3.5 stories in height
- Approximate lot size: 1.2 acres



Figure 4: The Bellmoor Inn & Spa. Image Source: Richard C, TripAdvisor

The Boulevard in Long Beach Township

- 39 Rooms
- 3 stories
- Approximate lot size: 0.46 acres



Figure 5: The Boulevard. Image Source: Google Street View.

The Bungalow in Long Branch

- 24 rooms
- 4 stories
- Approximate lot size: 0.5 acres⁸



Figure 6: The Bungalow. Source: Google Street View.

Daddy O in Brant Beach (LBI)

- 22 Rooms
- 3 stories
- Approximate lot size: 0.5 acres



Figure 7: Daddo O. Source: TripAdvisor

The Hewitt Wellington in Spring Lake

- 30 rooms
- 3 stories
- Approximate lot size: 0.7 acres



Figure 8: The Hewitt Wellington. Source: Google Street View.

⁸ Part of the Pier Village Redevelopment, so estimate is based on the hotel structure and immediate surrounding area.

The Menhaden in Greenport, New York

- 16 rooms
- 3 stories
- Approximate lot size: 0.2 acres



Figure 9: The Menhaden. Source: The Menhaden.

The Reeds at Shelter Haven in Stone Harbor

- 58 rooms
- 3 stories
- Approximate lot size: 0.45 acres (hotel side), 0.3 acres (spa side)



Figure 10: The Reeds at Shelter Haven. Source: Google Street View.

The James Bradley in Bradley Beach

- 17 rooms
- 3 stories
- Approximate lot size: 0.26 acres



Figure 11: The James Bradley. Source: The James Bradley.

Surrounding Impacts

This study examined the development potential for a hotel use within the Dune Drive corridor section of the B-1 Zone to determine potential impacts to the surrounding area.

As previously noted, the existing B-1 district generally follows the Dune Drive corridor between 20th Street and 33rd Street. In addition, the district also extends to the eastern side of the Ocean Drive corridor between 22nd and 29th Streets. It is our understanding that the focus of a potential Boutique Hotel zoning overlay would be limited to the Ocean Drive corridor section of the B-1 district between 20th and 32nd Streets. In addition, Block 20.04 is located entirely within the B-1 zone, and a

significant portion of Block 21.04 is also located within the B-1 zone.⁹

Site Development

As noted in the previous section, the boutique hotels selected for the case study were located on lots ranging from 0.2 acres (roughly 8,700 square feet), up to 2.6 acres (113,256 square feet). It is worth noting that the two largest properties, measuring 2.6 acres and 1.9 acres, related to the two boutique hotels on the larger and taller end of the spectrum, found in Asbury Park. With the exception of the Rehoboth Beach hotel located on 1.2 acres, the seven other boutique hotels were located on tracts of land measuring less than an acre in size, with most of those under a half-acre.

Since the Borough's B-1 zone currently contains few, if any bona fide vacant lots¹⁰, this office evaluated building potential using the entirety of selected blocks located within the B-1 zone, and where frontage existed on Dune Drive (i.e., consistent with the proposed overlay zone, no B-1 blocks containing frontage on Ocean Drive alone were included.). Generally, the size of these blocks ranges from 105-110 feet in depth, with 220 feet of frontage along Dune Drive, for a tract area that ranges from 23,100 square feet to 24,200 square feet (0.53 to 0.56 acres). Such tract sizes are consistent with those found across the case study hotels. An area that may provide for larger potential would be Block 20.04, which is entirely zoned B-1, and to a lesser extent, Block 21.04, which was recently rezoned to include more properties zoned for residential use. Block 20.04, measures

approximately 220 feet by 620 feet, for an area of 136,400 square feet (or 3.13 acres).

Based on our review of the B-1 zone, the main constraining factors for the size and location of the building are building height (30 feet, with 34 permitted under specific conditions), and setbacks, which vary based on the location of the parcel. Front yard setbacks along Dune Drive would range from a minimum of 1 foot to a maximum of 10 feet to the Dune Drive right-of-way line. There are additional setbacks for upper stories and massing requirements for buildings along Dune Drive. Setbacks along the side streets (i.e., those going east/west), measure 5 feet. Rear yards for most of the B-1 zone would be required to be 25 feet; however, if Block 20.04 were to be developed in its entirety, it is our interpretation that the Ocean Drive frontage would be required to contain a 10-foot setback. These setbacks are certainly appropriate in a downtown setting such as this, helping to encourage uses to be oriented toward the street, with parking located behind the structure.

Worth noting, however, is that the B-1 zone, as codified, does not appear to contain standards for impervious lot coverage or building coverage. As such, the constraining factors under existing zoning would appear to be setbacks, building height, and the ability to accommodate parking.

Impacts on Surrounding Businesses

This study evaluated the types of businesses located in the area around boutique hotels.

⁹ As noted in the previous section, a recent zoning map amendment rezoned several residential properties in Block 21.04 to the R-2A zone.

¹⁰ Aerial imagery used to inform this study came from Nearmap, whose most recent aerial photography from Avalon is dated February 18, 2023. Of the "vacant" lots observed, several appeared to be under construction, or used for off-street parking.

While this study did not look to examine causal relationships to determine if the boutique hotel catalyzed a specific new use, or, conversely, if the neighboring uses catalyzed the demand for the hotel, it is worth exploring surrounding uses for several reasons. First, understanding the surrounding context can help provide the Borough with reference information as to where boutique hotels can be located, the relationship of the building to the surroundings, and what types of other uses that exist in the area that may not already be permitted in the B-1 zone but may help to provide additional vibrancy.

Probably most relevant to Avalon Borough and the B-1 district is that every boutique hotel was located adjacent to residential uses. In most instances, hotels were located adjacent to single family residential. In the case of the hotel in Greenport, NY, the hotel was located across the street from mixed use retail/residential buildings. The other unique example concerned the Asbury Ocean Club, which contains a hotel, but also residences within the building. Other common uses located near boutique hotels include restaurants, which were found near at least 7 of the hotels studied. A variety of different retail businesses were found around at least half of the hotels studied. The retail uses varied from convenience stores to beverage stores, to antiques stores, gas stations, and general stores. There was no clear pattern relating to services located near boutique hotels, which included banks, doctors, law offices, to municipal facilities. At least three hotels were located near other hotels, and two hotels (Greenport and Stone Harbor) were located adjacent or close to boutique theaters.

Traffic Comparison

As noted in the previous section, the B-1 zone permits a variety of different uses. The number of vehicular trips generated by these different potential uses varies by use. This study examines the potential trips generated by several high generation uses, compared to that of a hotel. The findings, and assumptions, are described in the table below. As illustrated in the table, the number of trips generated by a hotel use are not inconsistent with other permitted uses.

Use	Weekday Peak Hour		Saturday Peak
	AM	PM	
Hotel (310)	24	27	37
Restaurant (932-High Turnover Sit Down Restaurant)	27	33	22
Convenience Store (851)	62	48	71

Assumptions:

Independent Variable: Rooms. 45 Rooms (Average based on case studies)

Restaurants: 2,000 sq. ft. (Examined restaurants on Dune—many appear to be between 2,000 and 3,000)

Convenience: used required 900 ft minimum floor area.

Source: ITE Trip Generation Manual, 11th Edition, 2021.

Number of Rooms

Based on the 10 boutique hotels examined as part of this study, the number of rooms varies, but is generally limited.¹¹ This ranged from 16 rooms (Menhaden in Greenport NY), to 110 (The Asbury Hotel). The Asbury Hotel was significantly larger than any other hotel examined, with the next largest being the Bellmoor Inn & Spa in Rehoboth Beach at 79. In New Jersey, the next largest was the Reeds at Shelter Haven in Stone Harbor at 58 rooms. The average number of rooms in the study selection is 45; when the Asbury Hotel is removed, the average drops to 38.

Ancillary Uses

As anyone who has ever traveled knows, hotels offer a wide range of amenities for its customers. Typical chain hotels offer such amenities as pools (indoor or outdoor), internet access and/or business centers, fitness areas, restaurants, and bars, to name a few. Amenities will vary based on the type of hotel, as well as its setting or anticipated customer base. Boutique hotels similarly offer a range of amenities. This study examined the amenities offered at the other case study boutique hotels to identify potential patterns. Of the ten hotels studied:

- Eight have, or have access to, some form of dining.¹² This can range from a restaurant to a café offering coffee and pastries.

- Seven have, or have access to,¹² a pool.
- Seven have a bar.
- At least seven offer beach badges or complementary beach access.
- Five have a rooftop restaurant or bar.
- Five have, or have access to,¹² a spa or spa services.
- Four offer bicycle rentals or otherwise have bicycles available for visitors.
- Four have a banquet hall or other meeting space.
- At least four have a game room, or access to games.
- Only three appear to permit pets. Often, there are limitations based on size of the animal, and there are additional fees. This does not include service animals.
- Only two appear to have, or have access to, a fitness center.¹² Another hotel does not have a fitness center but offers fitness classes.

Some of the above uses, such as access to a game room, or beach access are likely to have limited, if any, impact to the surrounding neighborhood. Others, such as those that include restaurants, bars, and meeting spaces, may attract additional visitors than those staying at the hotel. It should be noted, however, that this is unlikely to impact trip

¹¹ Boutique hotels are not universally small, however. In urban settings, including New York and Philadelphia, boutique hotels can exceed 100 rooms. This appears to be more often the case with “soft brands” (individualized hotels that affiliate with a major chain while still retaining unique design, name, and orientation), or major chain

“Lifestyle Brands” that provide prescribed franchised products that are adapted to reflect current trends.

¹² The Bungalow Hotel in Long Branch does not contain a pool, but patrons are permitted to utilize the pool at their sister property, an 8-minute walk from the hotel.

demands, since such uses are typically associated with a hotel use. The exception here would be if the hotel also caters to “day” visitors, such as in the case of a spa or comprehensive wellness center. Another potential exception is if the hotel contains a catering hall or other large event space that would expect to attract more people than would be staying at the hotel, such as a wedding. Potential impacts may exist from these uses where these amenities are located outdoors. This may include rooftop restaurants and bars, but also ground-level restaurants or bars that have some degree of outdoor seating. In these instances, potential impacts may include noise and lighting. This could also apply to outdoor pools.

Room Sizes

As noted in the previous section, the B-1 district along Dune Drive generally extends 105 to 110 feet east or west, with approximately 220 feet of frontage per block. As such, with the exception of Blocks 20.04 and 21.04, which are entirely zoned B-1, the maximum buildable tract would conceivably be just over a half-acre in size. Moreover, for these sites and the aforementioned Blocks 20.04 and 21.04, development would be constrained by the Borough’s height limit in the B-1 district of 30 feet (34 feet subject to specific requirements), which would translate to a maximum of 3 stories. Any additional stories would almost certainly require a ‘d(6)’ height variance, which would be triggered by any proposed building height that exceeds 33 feet (or 37.4 feet subject to specific requirements). It is worth noting that of the ten boutique hotels evaluated as part of this study, six are 3 stories in height; one is 3.5

stories, and one is 4 stories. The two boutique hotels in Asbury Park are outliers in this case, with the Asbury Hotel containing 7 stories, and the Asbury Ocean Club Hotel located within a 17-story building.¹³

With these constraints in mind, it is likely that room sizes would be market driven. In evaluating the other boutique hotels, detailed room sizes were found for only four of the hotels:¹⁴

- The Asbury Hotel (Asbury Park). Rooms begin at 188 square feet for a standard queen, and went up to 580 for a “Park Suite,” which includes a king bed and a day bed, to 595 square feet for what they refer to as an “Octo Room” containing eight bunk beds and two bathrooms.
- The Bungalow Hotel (Long Branch). Rooms begin at 465 square feet for a king room, to 1,170 square feet for a two-bedroom suite.
- The James Bradley (Bradley Beach). Rooms begin at 155 square feet for a deluxe queen room, to 400 square feet for a master suite. The hotel also has a three-bedroom private bungalow, which contains 1,000 square feet.
- The Bellmoor Inn & Spa (Rehoboth Beach, DE). Rooms begin at 245 square feet for a king room and go up to 475 for a king room with sleeper sofa, or a king room with a private sun deck. Beyond that, the hotel offers suites (500-650 square feet) and a cottage (1,000 square feet).

Based on these examples, larger rooms are typically designed to accommodate larger

¹³ In the case of the Asbury Ocean Club Hotel, it is important to note that the building is shared with a residential component.

¹⁴ In the case of the daddy O (Brant Beach), only the “Rooftop King Suite with Lot View” provided a floor area, which measured 375 square feet.

parties, such as families or friends, while smaller rooms focus on 1-2 individuals.

Impacts on Tourist Season

A recent study on the impacts of tourism in New Jersey found that in 2022, it was estimated that a daytime visitor spends \$91. By contrast, a visitor who stays overnight, spends \$761 on their trip.¹⁵ The same study found that the number of overnight visitors, to Cape May County specifically, totaled 7.17 million in 2022; this number exceeds the pre-pandemic volume of 6.46 million in 2019. Worth noting is this volume of overnight visitors was second in the state only to Atlantic County, where overnight visitors in 2022 (10.81 million), have yet to return to pre-pandemic levels (11.77 million in 2019).

Considering that the tourist season traditionally goes from Memorial Day to Labor Day, a hotel that offers amenities and other desirable attractions that extend beyond its proximity to the beach is important if it intends to remain open for year-round use. This could include but would certainly not be limited to a high-end restaurant, a spa/wellness facility, or a hotel that specializes in providing “experiences.”

While some of the case study boutique hotels offered some amenities that included packed picnic baskets to take to the beach, none appeared to offer specialized excursions that some high-end small hotels offer. For example, the Headlands Coastal Lodge & Spa in Oregon, a 33-room lodge, provides (often for an additional fee) seasonally geared experiences to its visitors. In the fall, for example, hotel staff, lead guests on a mushroom foraging excursion that

concludes with a cooking demonstration in the hotel restaurant. Other experiences include guided interpretive hikes, kayaking tours, or offshore fishing. If applied locally, such experiences could allow guests to enjoy the surroundings of the Cape May region without being tied to the 3-month surf, sun, and sand season. A boutique hotel interested in remaining open through the off-season could also seek to develop partnerships with local businesses, such as through outsourcing these experiential programming opportunities to local businesses, which would help to encourage more year-round business activity.

Moreover, a boutique hotel could complement other local businesses whose seasons extend beyond the traditional shore season. For example, the Avalon Yacht Club, located just over a mile from the study area, serves as a venue for weddings and other events. Considering that no hotels currently exist in the northern portion of the Borough (ICONA Avalon is 4.4 miles away), those traveling in to the wedding may look to other options in Stone Harbor (Reeds at Shelter Haven is 5.2 miles), or nearby Sea Isle City (the Sea Isle Inn is 2.5 miles away). Providing a high-end hotel that complements the nearby wedding venue could then, in turn, benefit nearby businesses that see increased foot traffic from these overnight guests.

Conformance to the Master Plan

This section examines how hotels, including boutique hotels, conform to and advance the Borough’s Master Plan.

¹⁵ Tourism Economics: An Oxford Economics Company, March 2023. *The New Jersey Visitor Economy 2022*. Prepared for VisitNJ. Accessed November 8, 2023:

https://visitnj.org/sites/default/files/2023-05/2022_Tourism_Economic_Impact_Study.pdf

The Borough's last comprehensive Master Plan was adopted in January 1979. Since then, the Planning Board has conducted reexaminations of the Master Plan in 1982, 1988, 1994, 2000, 2002, 2007, 2017, and 2022. There have been several amendments to the Master Plan as part of these reexamination reports, including Housing Plan Elements in 1988, 2022, and 2007; Stormwater Management Plans in 2002 and 2007; and a Green Master Plan in 2017.

2022 Reexamination Report

The Borough's 2022 Master Plan Reexamination outlined a series of goals and objectives, several of which are relevant to the consideration of boutique hotels:

Goal: Provide healthy air, adequate light, and open space.

Objective: Control building coverage, building heights, building setbacks, and building mass through existing zoning requirements.

By establishing clear standards for what the Borough wants to see in terms of a boutique hotel, it can avoid ad hoc decisions if a potential hotel developer comes forward to the Borough seeking use variance approval.

Goal: Promote the enhancement of community character and visual environment.

Objective: Utilize existing zoning requirements or develop new zoning requirements to ensure quality of life is provided.

Development in the B-1 district is regulated by numerous design requirements that help to ensure that development in this zone is not out of scale or character.

Goal: Provide support for the business community.

Objective: Encourage development in the Business Districts.

Objective: Encourage year-round tourism for the Business District.

Providing for additional types of businesses within the Business District provides more opportunities for development. Similarly, providing for a tourism destination that does not solely rely on beach access, can help to encourage visitors to come to the area outside of the typical shore season. Increased off-season visitors can help encourage surrounding businesses to remain open.

The Borough's reexamination of the B-1 (Business) Zone outlined desire to expand opportunities for economic development, explicitly recommending boutique hotels:

The Board seeks to encourage short term stays, extended seasons, opportunities for young families to visit, support the local businesses within the B-1 District and encourage more foot traffic within the B-1 District.

The existing Motel and Hotel District is located at the south end of Avalon at the border with Stone Harbor between 78th and 80th Streets, which is 45 blocks (2.4 miles) from the B-1 District. The distance is not conducive to walking to shop and dine in the existing Business (B-1) District.

The creation of a Boutique Hotel as a Conditional Use within an Overlay Zone in the B-1 District is a mechanism to achieve the above goals.

The Overlay Zone should be an area of the B-1 Zone sensitive to adjoining residential properties and maintaining current setbacks, proximate to the main business district to encourage hotel guests to frequent those shops and restaurants and provide on-site amenities visitors of Avalon are accustomed.

Appropriate zoning criteria should be considered to ensure no long-term rental or residence at such hotels and that the hotels are at all times operated as short term stay boutique hotels. (Page 21)

Zoning Considerations

The Borough's B-1 zone district currently contains an expansive number of bulk, massing, and design standards that would help to control the size and appearance of a boutique hotel. These standards are included as an appendix to this study. It is understood that the Borough would maintain these standards.

Additional Standards

In the event the Borough desires to permit boutique hotels in the B-1 zone, the Borough should consider additional standards that help to mitigate light and noise impacts to neighboring residential properties. This would include, but may not be limited to the following:

- Setbacks and screening requirements for outdoor dining.
- Setbacks, screening, and other locational requirements for rooftop dining.
- Lighting standards for any rooftop amenity spaces.
- Standards governing the use of public address or music systems for any rooftop amenity spaces.
- Locations permissible for bicycle racks.

Similarly, the zoning code contains detailed and specific requirements governing nonresidential pools; however, pools are currently not permitted as accessory uses in the B-1 zone. Should the Borough decide to permit boutique hotels, then they should consider permitting swimming pools as an accessory use.

In addition, if greater intensities are desired, the Borough could consider bonuses tied to green

building. The 2022 Reexamination Report includes the goal to "Promote the use of green building," with objectives to develop standards for green building, encourage the use of non-polluting lumber, encourage the use of private and public LED lighting, encourage the historic preservation of structures and property to re-use existing facilities, and encourage Leadership in Energy and Environmental Design (LEED) construction.

In reviewing the draft hotel overlay ordinance that had been prepared by the Borough, we would offer the following comments:

- We acknowledge that the Borough undertook the difficult task of defining a boutique hotel, a topic which was discussed at some length earlier in this report. We would suggest, however, that any definition minimize the use of specific numerical standards, as any seemingly "de minimis" deviation (for example, a boutique hotel with 24 rooms, rather than the 25-75 defined), would require a developer to apply to the zoning board to seek "d(1)" use variance relief.
- Similarly, the definition seems to restrict the ground floor to non-hotel uses. This is reiterated in the following section on bulk requirements and maximum height. Considering that land availability is limited, as is permissible height, we would suggest that this portion of the definition be relaxed or moved to the conditional use requirements. We are not suggesting that the Borough not require other uses on the ground floor; rather, we would suggest that in addition to any required ground-level retail/restaurants, ground level may include some hotel amenities and/or rooms.
- Concerning the restriction that 25 percent of the first floor commercial use be

dedicated to restaurant use, it is not clear if this means that the other 75 percent can be used by the hotel (which, is ostensibly a commercial use) for its operations, such as a spa, café, or other hotel-run amenities, or if the building itself is required to provide space to third party tenants.

- The draft ordinance requires a minimum size hotel room of 400 square feet. As noted in the previous section, boutique hotels do not always contain this amount of space. As one of the descriptions of what makes a hotel boutique noted, lobby spaces often will emulate living spaces; if these communal areas contain decorative fireplaces, game tables, comfortable chairs for work or relaxation, then less space may be needed in the individual rooms.
- Other requirements in the draft ordinance would appear to extend beyond land use and may be better regulated elsewhere. This includes the proposed prohibition on hourly rentals, which, presumably would be more relevant to authorities beyond the zoning officer and/or land use board. The same would be true concerning restrictions on the locations of where alcohol can be consumed.
- Similar to the previous comment raised about the definition, the draft ordinance includes many very specific design and operational requirements as part of the conditional use requirements. While we understand that the Borough may want strict compliance with some standards, other standards which may not apply due to market changes or where a “de minimis” deviation might be required, such as

compliance with the sign ordinance, will require a ‘d(3)’ conditional use variance, rather than a bulk ‘c’ variance or design exception.

Considering the different characteristics found throughout the B-1 zone, including: lot dimensions, adjacent land uses and zones, and potential street frontages, it is difficult to develop a “one size fits all” zoning standard for boutique hotels without expecting that some degree of variance relief will generally be necessary. This is not to say a detailed boutique hotel ordinance cannot be prepared; rather, the Borough should be prepared to accept that this may limit the number of opportunities for a project to come in that will not require some variance relief. The current draft ordinance is written in a way that any deviation from the standards, including bulk requirements, would require either a ‘d(1)’ use variance or a conditional use ‘d(3)’ variance. This enhanced threshold for project approval, as opposed to a bulk ‘c’ variance or a design exception for certain requirements, may deter potential developers from pursuing such a project.

Comparison to Stone Harbor

At the request of the Borough, our office reviewed the zoning in place in Stone Harbor for the area occupied by the Reeds at Shelter Haven boutique hotel. The hotel is located in Stone Harbor’s WFBD Waterfront Business District zone. The hotel has an auxiliary structure, containing a spa and additional hotel rooms, across the street in an area zoned BD Business District zone. This analysis focuses on the WFPD, as it contains the main hotel structure. This zone permits “boutique hotels” as conditional uses in the zone¹⁶, subject

¹⁶ It is worth noting that Stone Harbor’s zoning ordinance specifically defines a “boutique hotel” as “A hotel having 25

or fewer guest rooms, offering rooms for rent on a nightly basis.”

to the following requirements (*Comparison to Avalon's existing zoning or draft ordinance are included in italics*):

- Units shall not exceed 500 square feet. (*By comparison, Avalon Borough's proposed ordinance requires a minimum square footage per unit of 400 square feet.*)
- Off-street parking is provided off-site, not farther than a quarter mile from the subject site. The site must be deed restricted to provide parking, and 1 space per unit shall be provided. (*By comparison, Avalon Borough's proposed ordinance also requires 1 space per unit, along with additional spaces for retail commercial and restaurant space. Under Avalon Borough's existing zoning, all off-street parking must be provided on-site.*)
- Compliance with the bulk requirements of the WFBD zone, which include:
 - A minimum 4 foot front yard setback for the first and second floors, and a minimum 9 feet for the third floor. The third floor requirement does permit decks to extend 4 feet to the property line. (*By comparison, Avalon's B-1 zone has setbacks that vary from 1 foot along Dune Drive to 10 feet.*)
 - A minimum side yard setback of 5 feet, which is increased to 10 if abutting a residential district. (*By comparison, Avalon's B-1 zone has a minimum side yard setback of 0 feet, or 5 feet when adjacent to an existing residential use or zone.*)
 - A minimum rear yard setback of 10 feet from the established bulkhead line. (*By comparison, Avalon's B-1 zone has a minimum rear yard setback requirement of 25 feet.*)
- A maximum building height of 3 stories and 42 feet, as measured from the curblineline. Additional height is permitted for appurtenances. (*By comparison, Avalon's B-1 zone limits to buildings to 30 feet, or 34 feet subject to specific requirements.*)
- A minimum 600 square feet per business. (*By comparison, Avalon's B-1 zone requires a minimum 1,000 square feet of floor area per store.*)

Other Alternatives

In the alternative to a generalized zoning ordinance that attempts to address multiple potential development scenarios; the Borough could investigate if certain properties qualify for redevelopment or rehabilitation under the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1, et. seq.). If properties met any of the eligible criteria, the Borough could work with an appointed redeveloper to tailor a plan for a specific site with detailed use, bulk, and design requirements. It could also specify that certain provisions, and their appearance, be required as part of development, such as bicycle and kayak storage areas. Moreover, redevelopment can give the borough greater control over the development.

Conclusions

This report sought to provide the Borough with an examination into boutique hotels, and what the Borough may want to consider should they decide to permit them within the B-1 zone.

Businesses, such as boutique hotels, that can serve as an attraction in their own right, in contrast to a business that relies on the summer shore season (e.g., a motel on the dunes, or an outdoor mini golf center), can

provide an opportunity to support other local businesses to extend their own operating seasons.

We understand that if the Borough decides to allow for the development of boutique hotels within the B-1 zone, that the Borough would want to establish guidelines for their design and operation that extend beyond the requirements currently found within its zoning code. This is evident by the draft B-1 overlay zone, along with the draft ordinance prepared for boutique hotels. This report has also sought to identify other potential areas for the Borough's consideration. In developing an ordinance that will benefit the community but also be attractive to a potential developer, we suggest that the Borough consider one of two options detailed below.

1. Zoning ordinance updates. Rather than placing all of the proposed requirements for a boutique hotel under the definition and the conditional use requirements, we would suggest that the Borough develop an ordinance that provides some flexibility, so as not to be so rigid that site-specific or market-specific conditions render the ordinance impossible to utilize, for the reasons described in the preceding section. The Borough must recognize that any numerical standards included within the definition will trigger a 'd(1)' use variance for even a seemingly de-minimis deviation; therefore, such standards should only be included if the Borough feels that such a deviation would render a proposed development

beyond what it would consider to be a boutique hotel.

Similarly, the Borough should identify which requirements are critical the development of a boutique hotel within Avalon, and where flexibility may be permitted. For those critical items, the Borough should incorporate them into the conditional use requirements governing boutique hotels.

Deviation from these standards would trigger a 'd(3)' conditional use variance. For other items, the Borough could require them under the zoning ordinance (Chapter 27) or the Site Plan code (Chapter 26), where a deviation would be subject to a bulk 'c' variance or a design exception, respectively.

2. Redevelopment. Designation of an Area in Need of Redevelopment provides municipalities with the ability to tailor a development plan to a specific site. This ability is only available to sites that meet the statutory criteria under the Local Redevelopment and Housing Law (N.J.S.A. 40A:12a-1 et. seq.) for redevelopment or rehabilitation, a process that would need to be authorized by the Borough.¹⁷ If a site is found to meet the criteria, the Borough can prepare a redevelopment plan for a boutique hotel that is tailored specifically to the subject site, no matter how unique the situation, rather than an ordinance that is geared toward the typical lot in the zone.

¹⁷ Our investigation as part of this report has not evaluated whether any portions of the Borough, including the B-1

zone, would qualify for redevelopment or rehabilitation under the LRHL.

This is not to suggest that other alternatives exist. A boutique hotel could still be proposed in the B-1 zone by a developer without an ordinance; however, they would require a 'd(1)' use variance. The zoning board would then have the option to deny the variance, or try to work with the applicant to make modifications that would then become more suitable to the community. We do not recommend this alternative as it creates less certainty for the community. It is also less favorable to developers, who may not accept the uncertainty of a favorable approval by the Board. Another alternative, permitting a boutique hotel as a permitted use in the B-1 zone, may be more attractive to potential developers, but it may lack the appropriate safeguards necessary to protect neighboring properties.

Given the attention that the Borough has directed to examining whether to permit boutique hotels, we recognize the challenges that must go into this consideration, of identifying potential uses that will help complement and catalyze local economic activity, while protecting the existing character of the community. It is the intention of this report to provide the Borough with additional information that it can review and utilize in its decision making process.

Appendix

Appendix A | B-1 Zone District Bulk and Use Requirements

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- (a) Lot area shall be not less than 8,000 square feet.
- (b) Lot frontage shall be not less than 80 feet.
- (c) Setbacks shall be not less than:

Front yard	15 feet
Side yard (each side)	10 feet
Rear yard	25 feet
- (d) Average Lot Width: Not less than 55% of Lot Frontage.
- (e) Maximum height: 30 feet.
- (f) Building coverage: 27%.
- (g) Building coverage with deck: 38%.
- (h) FAR: 0.70.
- (i) Off-street parking shall be provided on the basis of 1.5 parking spaces for each bedroom, which shall include any room that is able to be used for overnight accommodations regardless of how it is named;
- (j) Occupancy shall be for no more than 24 people.
- (k) Landscaping must comply with subsection 27-7.3t.
- (l) Storm water management must comply with subsection 27-7.3u.

h. B-1 District. In the B-1 District, no building or structure shall be erected, constructed, altered or used; nor shall any parcel of land be used for any purpose other than the following:

- 1. Principal Uses:
 - (a) Retail stores and shops.
 - (b) Personal service shops.
 - (c) Banks, theaters, offices, restaurants and other similar community services.
 - (d) Light wholesale uses.
 - (e) Municipal buildings.
- 2. Conditional Uses:
 - (a) Commercial tennis courts.
 - (b) Churches, parish houses and church recreational buildings.
 - (c) Public libraries.

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- (d) Public and/or private schools.
 - (e) Second and third floor residential.
 - (f) Repair garages and automobile service stations.
 - (g) Convenience stores, supermarkets, and drugstores.
 - (h) Single-family dwellings in accordance with the R-2B District.
3. Accessory Uses:
- (a) Off-street parking.
 - (b) Signs.
 - (c) Home occupations.
 - (d) Automobile wash associated with a repair garage and automobile service station only.
 - (e) Convenience store associated with a repair garage and automobile service station only.
4. Bulk Requirements (Principal Uses):
- (a) Minimum lot area: The minimum lot area shall be five thousand (5,000) sq. ft.
 - (b) Minimum Lot Frontage: The minimum lot frontage shall be fifty (50) feet.
 - (c) Minimum Yard Setbacks:
 - (1) The minimum front yard setback is ten (10) feet.
 - [a] Principal buildings which front on Dune Drive shall have a minimum front yard setback from the Dune Drive street line of one (1) foot for the first floor; provided that door swing, eaves, cornices etc. do not encroach into the right-of-way. The second and third floors shall have a minimum front yard setback from the Dune Drive street line of two (2) feet.
 - [b] Principal buildings located on corner lots which front on Dune Drive shall have a minimum front yard setback of five (5) feet from streets running east-west.
 - [c] Temporary awnings may protrude up to six (6) feet from the face of the building. Awnings must be at least seven (7) feet above any walking surface.
 - (2) The minimum side yard setback is zero (0) feet except adjacent to an existing residential use or zone, the minimum side yard setback shall be five (5) feet.
 - (3) The minimum rear yard setback is twenty-five (25) feet.
 - (4) Any development on a lot with frontage on Dune Drive shall provide a

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maximum setback from the Dune Drive street line of ten (10) feet. Corner lots with frontage on Dune Drive shall provide a maximum setback from the side street line of fifteen (15) feet.

(d) Building Height:

- (1) The maximum building height for any principal structure shall be thirty (30) feet unless specifically permitted differently elsewhere in this chapter.
 - (2) To encourage restaurant uses and retail and office space with increased interior ceiling heights, as well as decorative roof elements, building heights may be increased up to four (4) additional feet, in accordance with the following:
 - [a] Buildings, which provide first floor ceiling heights greater than eight (8) feet shall be permitted to increase the overall building height an amount equal to the height that the first floor exceeds eight (8) feet, for up to four (4) additional feet in height.
 - [b] Pitched roofs having slopes between 4:12 and 12:12, and/or decorative elements such as cupolas or gable end elements are permitted to exceed the maximum height by up to four (4) feet.
 - [c] A building may utilize the four (4) foot height increase identified in paragraphs [a] and [b] above, or a combination thereof, however, in no case shall any building exceed a height of thirty-four (34) feet.
 - [d] No increase in height above thirty (30) feet shall result in any increase in habitable area in the top floor, including the creation of attic or storage space.
 - (e) Minimum floor area per store is one thousand (1,000) sq. ft.
 - (f) Minimum store frontage per store is sixteen (16) feet on any street.
5. Special Requirements. Any lot with frontage on Dune Drive must comply with the following special requirements as well as any other applicable bulk requirement.
- (a) Vehicular access from Dune Drive onto corner lots shall be prohibited.
 - (b) Vehicular access from Dune Drive to interior lots may be permitted once all options including: shared driveways, rear access easements and other methods to provide access without utilizing Dune Drive have been exhausted.
 - (c) Any and all lots, which front on Dune Drive, shall be considered to have the front yard on Dune Drive.
 - (d) Corner lot development shall provide easements granting access to interior lots from the side street.
6. All development shall comply with the following:

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- (a) A minimum of fifty (50%) percent of the building façade area measured from the sidewalk elevation to a height of ten (10) feet above the sidewalk shall be comprised of clear, nonreflective glass in the form of doors, windows and/or display cases. Opaque coverings and glazing, which prohibit visibility into the display area are prohibited.
- (b) A minimum clear distance of six (6) feet and an average clear distance of eight (8) feet of pedestrian walkway shall exist between the Dune Drive curbline and the building facade.
- (c) Buildings or facades longer than fifty (50) feet in length, which face any street, shall be articulated with vertical divisions to reduce the scale and uniformity of large-scale buildings. Vertical divisions or modules shall be designed every thirty-three (33) feet or less on all street-side building facades, featuring a combination of pilasters, piers, projecting bays, arcades, changes in facade materials, colors, forms, detailing and changes in roof configuration, to appear to be several separate buildings consistent with traditional town center architecture.
- (d) A minimum of forty (40%) percent of the facade area facing Dune Drive on the second and third floor shall be setback at least two (2) feet, but not more than three (3) feet. Uncovered balconies with open railings, less than twenty (20) square feet in area may extend up to three (3) feet from the facade, but may not encroach into the right-of-way.
- (e) A minimum of twenty (20%) percent of the facade area facing a street on the second and third floor shall be setback a minimum of six (6) feet. Decks and roofed porches shall have a minimum setback of two (2) feet, but may not extend beyond the first floor.
- (f) All buildings shall include pitched roofs and decorative roof elements such as cornices, pediments, gable dormers, cupolas, pavilions, hips and gables around the perimeter of the building. These elements shall have sufficient depth such that interior roof areas, which may be flat, are not visible from the street or adjoining properties at ground level. All buildings shall have modulated roof lines so that:
 - (1) When viewed in elevation, not more than fifty (50%) percent of the roofline is flat. In this instance, mansard or pent roofs are considered to be flat roofs.
 - (2) Adjacent flat roof elements, including cornices, pent and mansard roofs, shall be varied in height by a minimum of two (2) feet.
 - (3) Pitched roof elements shall have gables facing outward with a roof pitch between 4:12 and 12:12.
- (g) In order to provide variety and visual interest along the streetscape, buildings should be complementary in style and form to surrounding structures, but shall not replicate or duplicate the forms, materials or colors of an adjacent building.
- (h) Where buildings are located adjacent to a driveway, three (3) foot wide curbed, pedestrian safety islands shall be provided to establish separation between the

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driveway and the building.

- i. B-2 District. In the B-2 District, no building or structure shall be erected, constructed, altered, or used; nor shall any parcel of land be used for any purpose other than the following:
 1. Principal Uses:
 - (a) Single-family dwellings.
 - (b) Two-family dwellings.
 - (c) Retail stores and shops.
 - (d) Personal service shops.
 - (e) Banks, theaters, offices, restaurants and similar community services.
 - (f) Other retail or light wholesale uses.
 - (g) Municipal buildings.
 2. Conditional Uses:
 - (a) Commercial tennis courts.
 - (b) Churches, parish houses and church recreational buildings.
 - (c) Public libraries.
 - (d) Public or private schools.
 3. Accessory Uses:
 - (a) Private garages and other accessory structures.
 - (b) Signs.
 - (c) Swimming pools.
 - (d) Off-street parking.
 - (e) Private tennis courts.
 - (f) Home occupations.
 - (g) Second floor residential.
 4. Bulk Requirements (Principal Uses):
 - (a) Minimum Lot Area: The minimum lot area shall be five thousand (5,000) sq. ft.
 - (b) Minimum Lot Frontage: The minimum lot frontage shall be fifty (50) feet.
 - (c) Set backs—Single-Family and Two-Family Dwellings:
 - (1) The minimum front yard setback is fifteen (15) feet. Garages shall have



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