



**DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES**

*Planning Division*

**m e m o r a n d u m**

**TO:** Laurel Lunt Prussing, Mayor

**FROM:** Elizabeth H. Tyler, PhD, FAICP, Community Development Director

**DATE:** January 16, 2012

**SUBJECT:** An Ordinance Revising Section II-3 (Definitions) and Section V-11 (Occupancy Standards) of the Urbana Zoning Ordinance Regarding Hotels and Motels – Plan Case No. 2165-T-11)

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**Introduction**

The Zoning Administrator, at the request of the City of Urbana’s Building Safety Division and Fire Chief, is requesting amendments to Section II-3 (Definitions) and Section V-11 (Residential Occupancy Limits) of the Urbana Zoning Ordinance concerning the definition of and time limits for occupancy of hotels and motels. The purpose of these amendments is to insure that longer term occupancy of hotel and motel units comply with applicable housing, building, and occupancy codes. In this way, the City can also insure that hotels and motels do not become substandard apartment buildings.

The Urbana Zoning Ordinance definition of Hotel or Motel now limits occupancy of any guest to no more than 30 consecutive days. The proposed amendment would allow extended stay hotel/motel units so long as they meet residential building and fire code requirements such as having kitchen facilities and adequate electrical service. This amendment would also allow hotel managers to reside on the property in units complying with residential building and fire codes. The proposed amendment would also modernize the definition of hotel or motel to include ancillary facilities such as restaurants and meeting rooms.

The Urbana Plan Commission held a public hearing concerning this case at their February 9, 2012 meeting. City staff notified all sixteen hotels, motels, and beds-and-breakfast within Urbana of the application and public hearing. No one from the public spoke either for or against the application. Following the public hearing, the Plan Commission voted 6-ayes and 0-nays to forward this to the Urbana City Council with a recommendation for approval.

## Background

On June 7, 1999, the Urbana City Council approved Ordinance No. 1999-06-045 which in part redefined “Hotel or Motel” in the Urbana Zoning Ordinance as follows. This definition remains in effect today.

*“Hotel or Motel:* A building in which lodging, or lodging and meals, is regularly provided and offered to the public for a period of less than 30 consecutive days for compensation, and which is customarily open to transient guests. An establishment that is subject to state hotel/motel tax and is required to have a Certificate of Registration from the Department of Revenue shall be considered a hotel or motel.”

The changes adopted in 1999 imposed a 30-day limit on occupancy of hotels or motels and tied the definition to the Illinois Hotel Operators’ Occupation Tax Act (35 ILCS 145). The impetus for this redefinition, as based on the case file documentation, was to allow better City enforcement against apartments being rented as hotel or motel units. Hotels and motels are prohibited in residential zoning districts, but enforcement was made difficult by the definition of Hotels and Motels in place at that time. Further, this form of use is no longer evident in Urbana.

Through periodic discussions with business operators in Urbana, City staff has been informed that, for most hotels and motels, allowing extended stay is a small yet important component of their industry. They indicated a need to be able to serve guests such as construction workers, university researchers and scholars, executive relocations, and even families waiting for their homes to be rebuilt after a fire. The proposed amendment would help to accommodate this need.

The City of Champaign does not have any occupancy time limits enacted for occupancy of hotels and motels.

## Discussion

The current Zoning Ordinance definition of “hotels and motels”, as adopted in 1999, presents several problems as summarized below.

- *Regulations within definitions.* For practical and legal reasons, zoning standards should not be included in zoning definitions. Time limits for occupancy better belong elsewhere in the Zoning Ordinance. Second, the City’s current definition of Hotel or Motel references the Illinois Department of Revenue’s definition, which was written for tax collection purposes. The Illinois Hotel Operators’ Occupation Tax Act definition defines any occupancy over 30 consecutive days as “permanent residents” who are exempt from the state hotel/motel tax.
- *Extended stay units.* The 30-day occupancy limit does not take into account legitimate needs for extended occupancy. Hotel and motel operators in Urbana have indicated that extended stay is a small yet vital need for their businesses. Guests needing to stay for

longer than 30 days vary from construction workers to visiting university researchers and scholars to families waiting for their home to be rebuilt after a fire. The current definition offers no opportunity for extended stay units.

- *Site manager residences.* The definition does not recognize the practice of hotel managers living on site. These are often family-run motels with limited staff who need to staff the lobby around the clock.
- *Ancillary facilities.* The current definition of Hotel or Motel does not reflect the modern range of uses expected for full-service hotels, including restaurants, swimming pools and gyms, laundry facilities, and conference centers and meeting rooms.

Despite the drawbacks of having a 30-day occupancy limit for Hotels and Motels, it does serve the important public purpose of preventing hotels and motels from becoming substandard apartments. In several key respects, hotels and motels are not customarily designed to meet residential building and fire code standards. First, few hotel/motel rooms have full kitchens. Under City codes, residential dwelling units must have full kitchens, including a sink, stove, and refrigerator. Second, the electrical service provided in hotel/motel rooms is below that required by code for residences. Long-term residents of hotels/motels tend to plug in electrical appliances such as hot plates and heaters and run extension cords which create fire hazards. This can be exacerbated by improper storage of personal and household belongings in hotel rooms lacking such storage space.

Given the dual needs for extended stay hotel/motel rooms and residential code compliance, City staff proposes to amend the Urbana Zoning Ordinance to keep the 30-day occupancy limit for standard hotel/motel rooms but to allow longer occupancy for extended stay units which comply with the residential building and fire codes. This would allow hotel or motel operators to install full kitchens and upgrade the electrical service for units to be rented for extended periods. Both the Urbana Building Safety Manager and Fire Chief have requested this amendment to allow upgrading of hotel/motel units which are intended for extended stay occupancy.

### **Text Amendment**

The proposed changes to the Zoning Ordinance are indicated below with ~~striketroughs~~ indicating deleted wording and underlines indicating added wording.

### **Section II-3, Definitions**

*Extended Stay Unit:* A hotel or motel unit with accommodations for sleeping along with in-unit full kitchen and bathroom facilities. See Section V-11 for occupancy limits and building code standards for extended stay units.

*Hotel or Motel:* A building providing transient lodging accommodations to the general public for compensation and which may include ancillary facilities and services such as restaurants, meeting

~~rooms, entertainment, personal services, and recreational facilities. See Section V-11 for occupancy limits for hotel or motel units. A building in which lodging, or lodging and meals, is regularly provided and offered to the public for a period of less than 30 consecutive days for compensation, and which customarily open to transient guests. An establishment that is subject to state hotel/motel tax and is required to have a Certificate of Registration from the Department of Revenue shall be considered a hotel or motel. (Ord. No. 1999-06-045, 06-11-99)”~~

### **Section V-11. Residential Occupancy Limits.**

F. Occupancy of any hotel or motel, or bed and breakfast inn, by any individual shall be limited to no more than 30 consecutive days; provided that such occupancy shall be allowed for more than 30 days within extended stay units as defined in Section II-3 and which comply with the City of Urbana adopted residential building and fire codes, as amended.

## **Recommended Findings**

1. The proposed amendment to Section II-3 of the Urbana Zoning Ordinance will amend the definition of Hotel or Motel and create a new definition for Extended Stay Unit.
2. The proposed amendment to Section V-11 of the Urbana Zoning Ordinance will preserve the occupancy time limit for hotels, motels, and bed and breakfast inns to no more than 30 consecutive days but would allow extended stay units meeting residential building and fire standards to be occupied for more than 30 days.
3. In furthering the Purposes (Section I-1) of the Urbana Zoning Ordinance, the proposed Zoning Ordinance text amendment is intended to provide adequate safety from fire and other dangers; to conserve the value of buildings; to promote the public health, safety, comfort, morals, and general welfare; to preserve the character of Urbana neighborhoods; and to fix regulations and standards to which buildings, structures, or uses shall conform.
4. The proposed amendment is intended to serve the needs of the Urbana business community and recognize changes in the hotel/motel industry.
5. The proposed amendment is intended to improve public safety and insure compliance with minimum housing standards adopted by the community.
6. The proposed amendment conforms to notification and other requirements for the Zoning Ordinances as required by the State Zoning Act (65 ILCS 5/11-13-14).
7. At their February 9, 2012 meeting, following the public hearing, the Urbana Plan Commission recommended 6-ayes and 0-nayes to recommend approval of this application.

## Options

The City Council has the following options for this Zoning Ordinance text amendment application:

- a. Approval as presented herein; or
- b. Approval as modified by specific suggested changes; or
- c. Denial.

## Recommendation

At their February 9, 2012 meeting, the Urbana Plan Commission, by a vote of 6-ayes and 0-nays, recommended that the City Council **APPROVE** the application with the findings provided herein. City staff concurs with this recommendation.

Prepared by:

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Robert A Myers, AICP  
Planning Manager

cc: John Schneider, Building Safety Manager  
Mike Phillips, Urbana Fire Inspector

**ORDINANCE NO. 2012-02-019**

An Ordinance Amending the Zoning Ordinance of the City of Urbana, Illinois  
(Revision to Sections II-3 and V-11, Regarding Occupancy of Hotels and Motels  
- Plan Case No. 2165-T-11)

WHEREAS, the City Council of the City of Urbana, Illinois adopted Ordinance #9293-124 on June 21, 1993 which adopted the 1993 Comprehensive Amendment to replace the 1979 Comprehensive Amendment to the 1950 Zoning Ordinance of the City of Urbana which is also known as the Urbana Zoning Ordinance; and,

WHEREAS, the Zoning Administrator has applied to revise Section II-3 (Definitions) and Section V-11 (Residential Occupancy Limits), in order to insure that longer term occupancy of hotels and motels comply with building, fire, and housing codes; and

WHEREAS, said text amendment is consistent with the goals and objectives of the Urbana Comprehensive Plan; and

WHEREAS, after due publication in accordance with Section XI-7 of the Urbana Zoning Ordinance and with Chapter 24, Section 11-13-14 of the Illinois Revised Statutes, the Urbana Plan Commission held a public hearing on this application at their February 9, 2012 meeting; and

WHEREAS, the Urbana Plan Commission on February 9, 2012 voted 6 ayes to 0 nays to forward this application to the Urbana City Council with a recommendation for approval;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, that the Urbana Zoning Ordinance shall be amended as follows:

Section 1. That Section II-3, Definitions, of Urbana Zoning Ordinance is hereby amended to add the following new definition:

*Extended Stay Unit:* A hotel or motel unit with accommodations for sleeping along with in-unit full kitchen and bathroom facilities. See Section V-11 for occupancy limits and building code standards for extended stay units.

Section 2. That Section II-3, Definitions, of Urbana Zoning Ordinance is hereby amended by changing the definition of "Hotel or Motel" to read as follows:

*"Hotel or Motel:* A building providing transient lodging accommodations to the general public for compensation and which may include ancillary facilities and services such as restaurants, meeting rooms, entertainment, personal services, and recreational facilities. See Section V-11 for occupancy limits for hotel or motel units.

Section 3. That Section V-11, Residential Occupancy Limits, of Urbana Zoning Ordinance is hereby amended by adding Paragraph F to read as follows :

- F. Occupancy of any hotel or motel, or bed and breakfast inn, by any individual shall be limited to no more than 30 consecutive days; provided that such occupancy shall be allowed for more than 30 days within extended stay units as defined in Section II-3 and which comply with the City of Urbana adopted residential building and fire codes, as amended.

Section 4. The City Clerk is directed to publish this Ordinance in pamphlet form by authority of the corporate authorities. This Ordinance shall be in full force and effect from and after its passage and publication in accordance with the terms of Chapter 65, Section 1-2-4 of the Illinois Compiled Statutes (65 ILCS 5/1-2-4).

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called of a majority of the members of the City Council of the City of Urbana, Illinois, at a regular meeting of said Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2012.

PASSED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

AYES:

NAYS:

ABSTAINED:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor



**CERTIFICATE OF PUBLICATION IN PAMPHLET FORM**

I, Phyllis D. Clark, certify that I am the duly elected and acting Municipal Clerk of the City of Urbana, Champaign County, Illinois. I certify that on the \_\_\_\_ day of \_\_\_\_\_, 2012, the corporate authorities of the City of Urbana passed and approved Ordinance No. \_\_\_\_\_, entitled "An Ordinance Amending the Zoning Ordinance of the City of Urbana, Illinois (Revision to Sections II-3 and V-11, Regarding Occupancy of Hotels and Motels - Plan Case No. 2165-T-11)" which provided by its terms that it should be published in pamphlet form. The pamphlet form of Ordinance No. \_\_\_\_\_, including all of its attachments, was prepared, and a copy of such Ordinance was posted in the Urbana City Building commencing on the \_\_\_\_ day of \_\_\_\_\_, 2012, and continuing for at least ten (10) days thereafter. Copies of such Ordinance were also available for public inspection upon request at the Office of the City Clerk.

DATED at Urbana, Illinois, this \_\_\_\_ day of \_\_\_\_\_, 2012.

**MINUTES OF A REGULAR MEETING**

**URBANA PLAN COMMISSION**

**DRAFT**

**DATE:** February 9, 2012

**TIME:** 7:30 P.M.

**PLACE:** Urbana City Building – City Council Chambers  
400 South Vine Street  
Urbana, IL 61801

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**MEMBERS PRESENT:** Carey Hawkins Ash, Tyler Fitch, Lew Hopkins, Dannie Otto, Bernadine Stake, Mary Tompkins

**MEMBERS EXCUSED:** Andrew Fell, Michael Pollock, Marilyn Upah-Bant

**STAFF PRESENT:** Robert Myers, Planning Manager; Jeff Engstrom, Planner II; Teri Andel, Planning Secretary

**OTHERS PRESENT:** Rodolfo Barcenas, Alexandra Cueva, Mike Desai, Tom and Sue Falender, Hyeyeoun Ji, Yuchi Jin, Colleen Malee, Kern Malom, Nicholas Martinez, David Monk, Flora Ramirez, Ethan Tabakin, Susan Taylor

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**CONTINUED PUBLIC HEARINGS**

**Plan Case No. 2165-T-11: A request by the Zoning Administrator to amend Section II-3 (Definitions) and Section V-11 (Residential Occupancy Limits) of the Urbana Zoning Ordinance concerning occupancy of hotels and motels.**

Robert Myers, Planning Manager, presented this case to the Plan Commission. He began by stating the purpose of the proposed text amendment, which is to insure the safety and compliance of longer term occupancy of hotel and motel units with housing, building and occupancy codes. With the approval of the proposed text amendment, people would be allowed to stay longer than 30 days, but the hotel/motel would need to provide “extended stay” units to do so. Extended stay units would differ from other hotel/motel rooms in that the extended stay units would have full kitchens and meet residential building code requirements for adequate electrical service. He mentioned that owners of hotels and motels in the City of Urbana he has spoken with have indicated that allowing extended stay is a small yet significant component of their business.

He discussed some of the problems with the current definition of “hotels and motels”. The problems were as follows: 1) Regulations within definitions; 2) Extended stay units; 3) Site manager residences and 4) Ancillary facilities.

He explained the reason for continuing this public hearing at the last Plan Commission meeting. City staff felt that notifying all hotels, motels, and beds-and-breakfast in the City of Urbana would ensure that they were aware of the proposed text amendment. He read a list of the 16 businesses notified by mail. He then took questions from the Plan Commission.

Ms. Stake inquired as to whether the City of Champaign has extended stay units available already. Mr. Myers said yes. Also, some hotels and motels in Urbana already have rooms with kitchens, so City staff would only need to ensure that the electrical service is up to grade for those units.

Mr. Ash wondered if City staff received any feedback from the owners of hotels and motels. Were there any particular impacts that the owners felt the proposed text amendment would have on their businesses? Mr. Myers answered that City staff has not received any feedback, either positive or negative.

Mr. Otto questioned how the proposed text amendment would compare to the regulations that the City of Champaign has in place. Mr. Myers replied that he could retrieve that information and provide to everyone.

Mr. Hopkins noticed that the proposed new definition deletes the reference to the Illinois Department of Revenue. Is there any significance to this? Mr. Myers explained that the Department of Revenue's definition of hotels and motels unit is for tax revenue purposes and is different than a definition for zoning purposes. The Department of Revenue definition states that anyone remaining for more than 30 days is a resident of the hotel and is not subject to the State Hotel or Motel Tax.

With there being no further questions for staff, Acting Chairperson Fitch opened the hearing to public input and/or comments. There was none. Acting Chairperson Fitch then closed the public hearing and opened it up for Plan Commission discussion and/or motion(s).

Discussion ensued regarding whether the City of Urbana should make their regulations be consistent with those established in the City of Champaign. The Plan Commission and City staff also talked about the definition of a full kitchen versus a kitchenette.

Mr. Hopkins asked for clarification that by approving the proposed text amendment, the City of Urbana would be allowing buildings zoned as hotels to also include apartment units. Mr. Myers responded that the City wants to make sure that units occupied longer than 30 days in hotels and motels are not a way to circumvent housing codes. He mentioned the case of the Europe Inn, which was a hotel which became a substandard apartment. This is a perfect example of what City staff would like to guard against.

The Plan Commission then tabled this item at 8:03 p.m. to allow City staff to verify the City of Champaign's zoning regulations concerning hotels/motels. Plan Case 2169-M-12 and Annexation Case No. 2012-A-01 were heard by the Plan Commission in the interim.

At 8:21 p.m., the Plan Commission reopened the agenda item. Mr. Myers read the City of Champaign's definition for hotel/motel. He stated that the City of Champaign's zoning ordinance does not limit how long people can stay at hotels or motels.

Mr. Otto mentioned that Champaign not having occupancy limits for hotels/motels was a problem for the Gateway Studios which had to be condemned.

Mr. Otto moved that the Plan Commission forward Plan Case No. 2165-T-11 to the Urbana City Council with a recommendation for approval. Mr. Ash seconded the motion.

Mr. Hopkins commented that it was worth having City staff research the City of Champaign's definition. The City of Urbana is leading the way with better regulations.

Roll call on the motion was as follows:

Mr. Fitch	-	Yes	Mr. Hopkins	-	Yes
Mr. Otto	-	Yes	Ms. Stake	-	Yes
Ms. Tompkins	-	Yes	Mr. Ash	-	Yes

The motion was approved by unanimous vote. Mr. Myers noted that this case will be forwarded to the Urbana City Council on Monday, February 20, 2012.