



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Planning Division

m e m o r a n d u m

TO: The Urbana Plan Commission

FROM: Jeff Engstrom, Planner I

DATE: July 13, 2007

SUBJECT: Plan Case 2045-M-07: A request to rezone 1009 W. Pennsylvania Avenue from R-7, University Residential District to B-3U, General Business—University District

Introduction

Sterling Management, LLC has applied to rezone the Sigma Nu fraternity house at 1009 W. Pennsylvania from R-7, University Residential to B-3U, General Business—University. The B-3U district allows a range of uses, including residential uses from Single-Family Dwelling through Dormitory and Multi-Family uses; commercial uses, such as retail shops, restaurants, offices; and Institutional uses, such as University buildings, public parks, churches, or museums. Nearly all of the properties currently zoned B-3U are used for student housing. The petitioner has no current plan to redevelop the property.

Background

The subject property is a 0.72-acre parcel surrounded by the University of Illinois campus. The property is home to the Sigma Nu fraternity house, which was constructed in 1931. Sigma Nu has declined in members living in the house over the past decade. In the 1990s there were over 30 members; recently they have had 10 to 15 members living at the house. According to the applicant, with this occupancy rate, the property is no longer financially viable. The national chapter of Sigma Nu is selling the house. The local chapter has worked with Sterling Management to purchase the house and lease it back to them while they attempt to increase membership. The local chapter intends to purchase the house back from Sterling Management when they have more members and are in better financial shape.

The petitioner is seeking a rezoning in order to ensure the financial viability of the property. If the local chapter is unable to purchase the house, the petitioner wishes to convert or redevelop the site into a residential project to serve the students or employees of the University of Illinois campus. This would likely be in the form of student apartments with a possible ground-floor retail space. The current zoning district, R-7, University Residential, does not allow for multi-family uses. The petitioner is requesting a

rezoning to B-3U, General Business—University District, which would allow multi-family and mixed-use developments by right.

Adjacent Land Uses and Zoning Designations

The subject property is surrounded by University-related uses. To the west are additional privately-owned properties: the Alpha Tau Omega fraternity house and the Mount Hope Cemetery. Along with the subject property, these private properties are surrounded by the University of Illinois campus. The Pennsylvania Avenue Residence Halls are east of the property. There is a University parking lot and the Florida Avenue Residence Halls to the south. The National Soybean Research Center is located to the northeast and University tennis courts to the northwest of the Sigma Nu house.

The following is a summary of surrounding zoning and land uses for the subject site:

Location	Zoning	Existing Land Use	2005 Comprehensive Plan – Future Land Use
Subject Property	R-7, University Residential	Fraternity House	Institutional
West	R-7, University Residential	Fraternity House	Institutional
East	CRE, Conservation-Recreation-Education	Student Dormitory	Institutional
South	CRE, Conservation-Recreation-Education	Parking Lot Student Dormitory	Institutional
North	CRE, Conservation-Recreation-Education	Tennis Courts Academic Building	Institutional

Comprehensive Plan

The 2005 Urbana Comprehensive Plan identifies the future land use for the area containing the site as “Institutional”. The Plan defines “Institutional” as follows:

Institutional uses generally include public, quasi-public, and private uses, such as governmental, educational, medical, religious, or university facilities as well as cemeteries. Institutional uses may range from single buildings to campuses.

Though surrounded by the University, the subject property is privately owned. The local chapter of Sigma Nu wishes to keep this property as a fraternity, which is an allowed use in the B-3U District. The site may eventually be developed as housing for University students and staff. This use would complement the surrounding Institutional use, and would be consistent with the 2005 Urbana Comprehensive Plan goals of creating a sustainable, walkable community, as demonstrated in the following Goals and Objectives:

Goal 5.0 Ensure that land use patterns conserve energy.

Objectives

- 5.1 Encourage development patterns that help reduce dependence on automobiles and promote different modes of transportation.

Goal 49.0 Avoid development patterns that can potentially create an over-dependency on the automobile.

Objectives

- 49.1 Promote alternatives to automobile travel, through provision of sidewalks, pedestrian access, bicycle pathways, and high quality transit service.
- 49.2 Increase land use densities to promote availability of transit service and walkability.

Issues and Discussion

If Sigma Nu' local chapter is unable to buy back the property within 12 months, the petitioner is considering redeveloping the site into multi-family residential, with the possibility of including first-floor commercial. The applicant states that "A rezoning of the property would meet the needs of both students and employees associated with the University who desire to reside near the campus and cut down on parking congestion and auto use around the campus. The property is strategically located directly on the C-U MTD bus routes."

Under the current R-7 zoning, the range of permitted uses is limited to Dormitories, Single Family Dwellings, or Rooming Houses. The site was designated R-7 when the district was created in 1983 (Plan Case 1143-T-82) under the title "R-7, Dormitory District." The staff report to the Plan Commission in 1983 indicated two primary reasons for the R-7 district being created. First, the 1979 revision of the Urbana Zoning Ordinance resulted in several of the fraternities, sororities and dormitories, which had been zoned R-6, High Density, becoming non-conforming when development regulations were changed for that zoning district. Second, the R-6 zoning of fraternities and sororities resulted in "spot" zoning of R-6 in areas zoned predominantly R-2, single-family residential, primarily east of Busey Avenue. For these reasons, the R-7, Dormitory District was created. Essentially, the only uses allowed in the district were fraternities, sororities and dormitories.

In 1990, the Urbana City Council adopted the Downtown to Campus Plan as an amendment to the City of Urbana Comprehensive Plan. The primary goal of this plan was to preserve the character of the West Urbana neighborhood area by encouraging a better balance of land uses and zoning districts. The Downtown to Campus Plan made specific recommendations to revise the R-7, Dormitory District by; 1) adjusting development requirements for height, setbacks, floor area ratio, and screening; and 2) expanding the R-7 district to include more properties meeting the intent of that district. Amendments stemming from the Downtown to Campus Plan also included allowing Multi-Family residences as a special use in the R-7 District. This special use was subsequently removed in 2002, after 12 years had passed with no applications to develop a multi-family residence on an R-7 property. Staff has been directed to evaluate the R-7 District, and is also working on potential design review guidelines for the Lincoln-Busey Corridor where most of the R-7 properties lay.

The Zoning Ordinance defines the purpose of the R-7 district as follows:

The R-7, University Residential District is intended to provide areas in proximity to the University of Illinois for dormitories and rooming houses, which are occupied primarily by students, to insure the longevity of the architectural character and use of these existing buildings, and to protect nearby low-density residential districts from incompatible developments. (Ord. No. 8384-25, § 3, 10-17-83, Ord. No. 9091-62, § 2, 11-19-90)

The intent of the district reflects the fact that most R-7 properties are located near single-family homes east of Lincoln Avenue. The R-7 district acts as a buffer between single family homes and the student housing along the east side of Lincoln Avenue. The subject property is on the west side of Lincoln Avenue, and is over 700 feet from the nearest single-family property. Nearby dormitories are over 120 feet tall with an average FAR of 1.02. At the subject property, the R-7 district does not serve as a buffer between student housing and single-family homes. Instead, it acts as a medium-density student housing district.

The petitioner feels that rezoning to B-3U is the best fit for the current use, as well allowing for the property to potentially be redeveloped successfully. This would allow the property to remain a fraternity, or to be developed as multi-family or mixed use, with commercial on the first floor and apartments above. The Zoning Ordinance defines the purpose of the B-3U district as follows:

The B-3U, General Business-University District is intended to provide areas in proximity to the University of Illinois for a range of business and office uses to meet the needs of persons and businesses associated with the University. This district is also intended to provide areas for high density residential uses to insure an adequate supply of housing for persons who desire to reside near the campus. These business and residential uses may occur as mixed uses in the same structure. The development regulations in this district are intended to allow buildings which are compatible with the size and scale of the University's buildings.

Currently, almost all of the properties zoned B-3U contain residential uses. Most are multi-family, but a few are duplex or single-family rentals. Rezoning to B-3U would allow the petitioner to maintain the Sigma Nu house as it is, or if needed to use the property for a range of uses.

The La Salle Criteria

In the case of *La Salle National Bank v. County of Cook* (the “La Salle” case), the Illinois Supreme Court developed a list of factors that are paramount in evaluating the legal validity of a zoning classification for a particular property. Each of these factors will be discussed as they pertain to a comparison of the existing zoning with that proposed by the Petitioner.

1. *The existing land uses and zoning of the nearby property.*

This factor relates to the degree to which the existing and proposed zoning districts are compatible with existing land uses and land use regulations in the immediate area.

The property is surrounded on three sides by University properties zoned CRE, Conservation-Recreation-Education District. The fourth side is occupied with a Fraternity zoned R-7, University Residential. The proposed rezoning would allow for the current use, or commercial and/or residential uses.

2. *The extent to which property values are diminished by the restrictions of the ordinance.*

This is the difference in the value of the property as R-7, University Residential and the value it would have if it were rezoned to B-3U, General Business--University.

Under the current zoning, the property can only be used as a dorm or rooming house. The petitioner claims that the market will not support those uses, as students now prefer to live in their own apartment. The proposed rezoning would allow the petitioner to redevelop the site for a broader range of uses, such as multi-family residential.

It should be noted that City Planning Division staff are not qualified as professional appraisers and that a professional appraiser has not been consulted regarding the impact of zoning on the value of the property. Therefore, any discussion pertaining to specific property values should be considered speculative.

3. *The extent to which the ordinance promotes the health, safety, morals or general welfare of the public. (see No. 4 below)*
4. *The relative gain to the public as compared to the hardship imposed on the individual property owner.*

The questions here apply to the current zoning restrictions: do the restrictions promote the public welfare in some significant way so as to offset any hardship imposed on the property owner by the restrictions?

The proposed rezoning would allow for a wider mix of uses at a higher density on the site. The public welfare would be promoted by allowing users of the University of Illinois campus to live closer to campus and away from single-family residential areas east of Lincoln Avenue.

5. *The suitability of the subject property for the zoned purposes.*

The issue here is whether there are certain features of the property which favor the type and intensity of uses permitted in either the current or the proposed zoning district.

The property is located between a 12-story dormitory and a medium-density fraternity; uses which would be conducive to rezoning this property B-3U. The location on campus would provide students and staff an alternative to commuting from off-campus. If the site were to be developed as a mixed-use development, there would be a large customer base within walking distance. The property appears to be well-suited for the proposed use.

6. *The length of time the property has been vacant as zoned, considered in the context of land development, in the area, in the vicinity of the subject property.*

Another test of the validity of the current zoning district is whether it can be shown that the property has remained vacant for a significant period of time because of restrictions in that zoning district.

The property is not currently vacant due to its zoning, but the occupancy rate has been declining of late. The R-7 zoning district does have a very limited range of uses, all of which appear to be declining in demand.

Summary of Staff Findings

1. The property is currently zoned R-7, University Residential District, and contains the Sigma Nu Fraternity House.
2. Sigma Nu national chapter is considering selling the property to the petitioner, Sterling Management, LLC. The local chapter wishes to purchase the property back from Sterling Management and to maintain the current house on the property as-is.
3. The petitioner is requesting a rezoning from R-7, University Residential District to B-3U, General Business—University District.
4. The property to be rezoned is located west of Lincoln Avenue, on the University of Illinois campus, and is adjoined on three sides with campus buildings. The final side contains another fraternity zoned R-7.
5. The 2005 Urbana Comprehensive Plan future land use map designates this property as Institutional.
6. The proposed rezoning appears to generally meet the LaSalle Case criteria.

Options

The Plan Commission has the following options for recommendations to the City Council. In Plan Case 2045-M-07, the Plan Commission may:

1. Forward this case to City Council with a recommendation for approval.
2. Forward this case to City Council with a recommendation for denial.

Staff Recommendation

Based on the evidence presented in the discussion above, and without the benefit of considering additional evidence that may be presented at the public hearing, staff recommends that the Plan Commission forward Plan Case No. 2045-M-07 to the Urbana City Council with a recommendation for **APPROVAL**.

Prepared by:

Jeff Engstrom, Planner I

Attachments: Exhibit A: Location Map
Exhibit B: Zoning Map
Exhibit C: Existing Land Use Map
Exhibit D: Future Land Use Map
Exhibit E: Aerial Map
Exhibit F: Zoning Map Amendment Application
Exhibit G: R-7 Zoning Description Sheet
Exhibit H: B-3U Zoning Description Sheet

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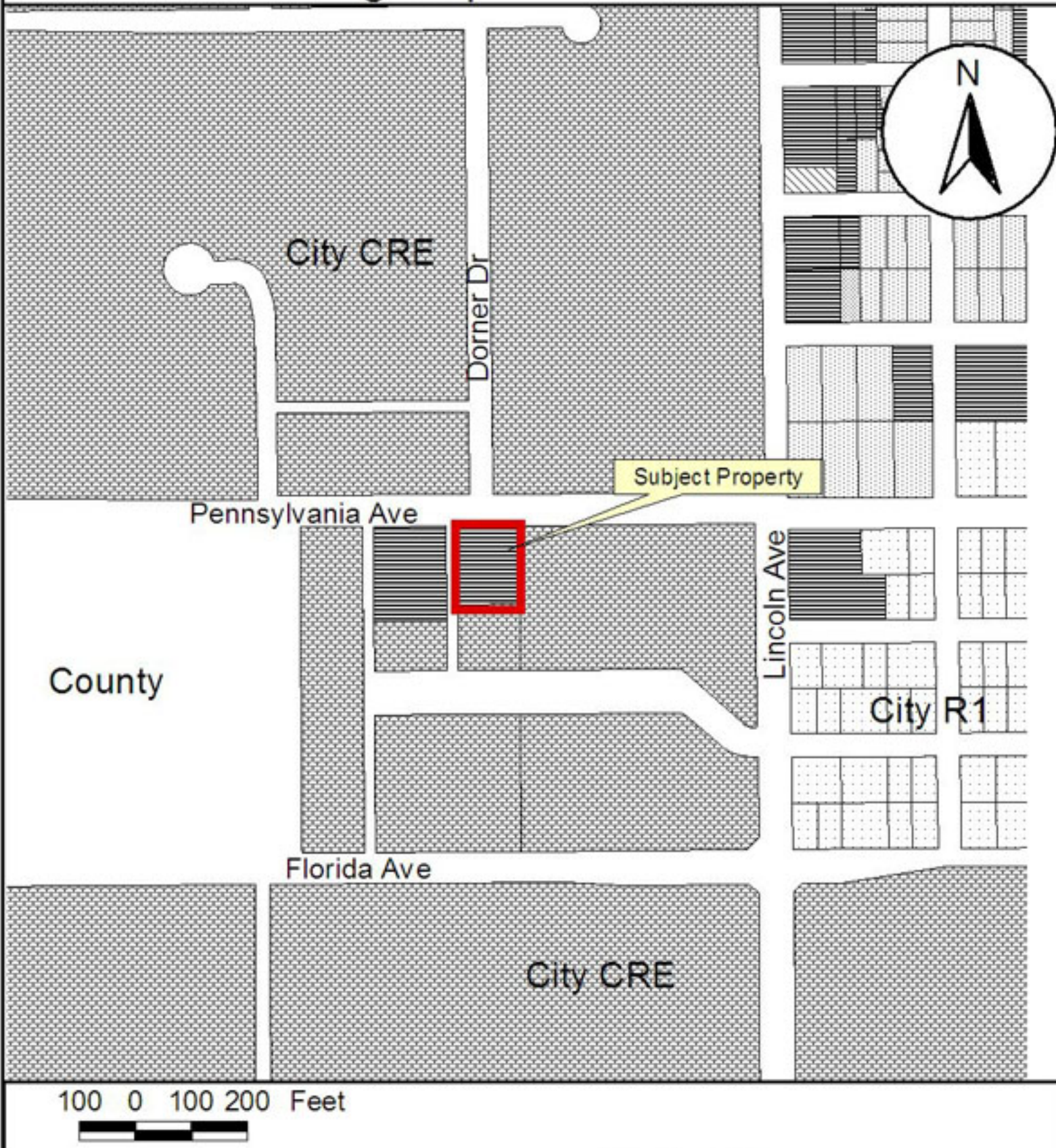
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Exhibit A: Location Map



Plan Case: 2045-M-07
Petitioner: Sterling Management LLC
Location: 1009 W Pennsylvania
Description: Rezone 1009 W Pennsylvania to B-3U, General Business--University

Exhibit B: Zoning Map

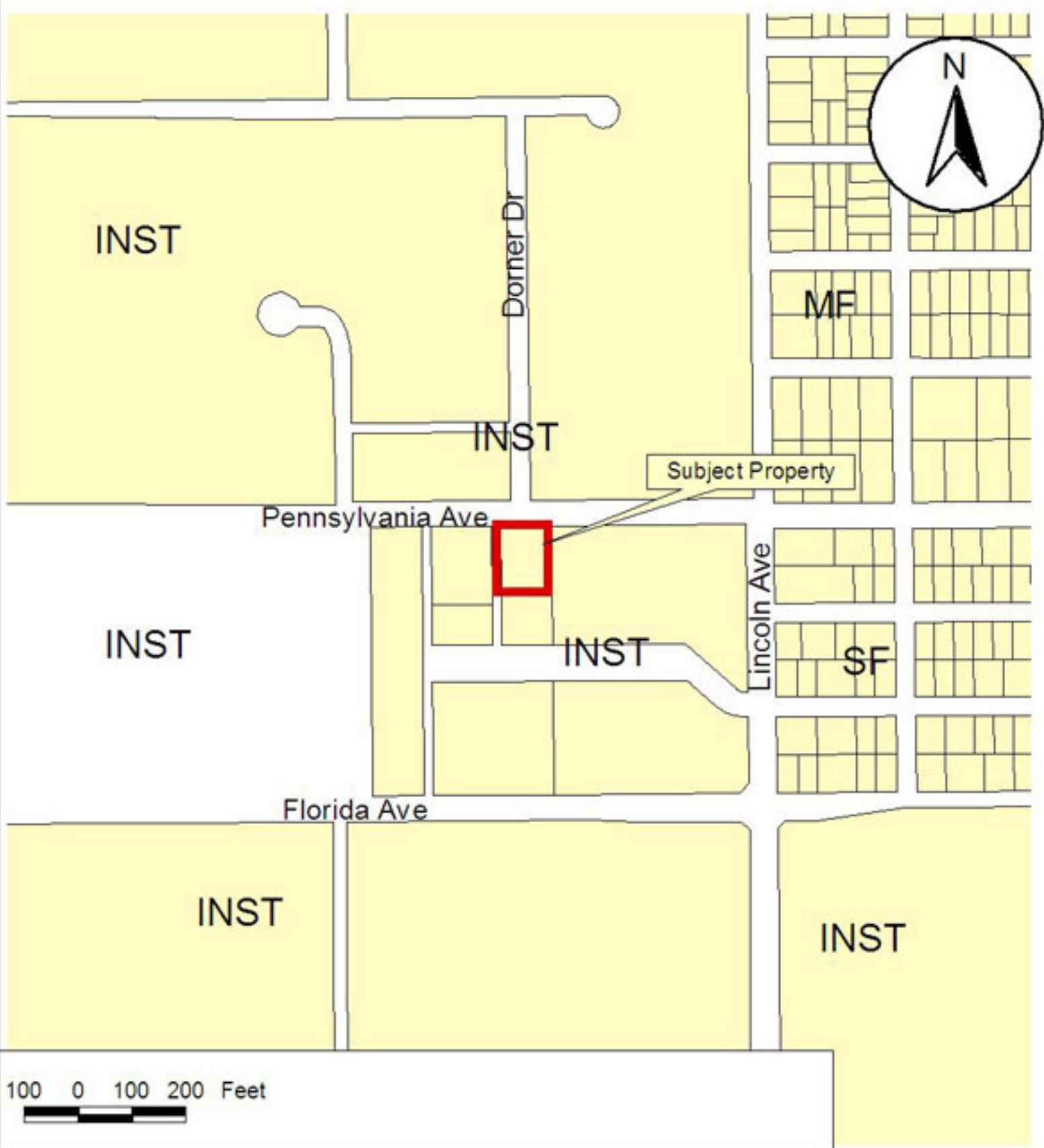


Plan Case: 2045-M-07
 Petitioner: Sterling Management LLC
 Location: 1009 W Pennsylvania
 Description: Rezone 1009 W Pennsylvania to B-3U, General Business--University

Prepared 7/2/2007 by Community Development Services - jme

- County AG2
- R1 - Single Family
- R2 - Single Family
- R3 - Single- and Two-Family
- R5 - Medium High Density Multiple-Family
- R7 - University Residential

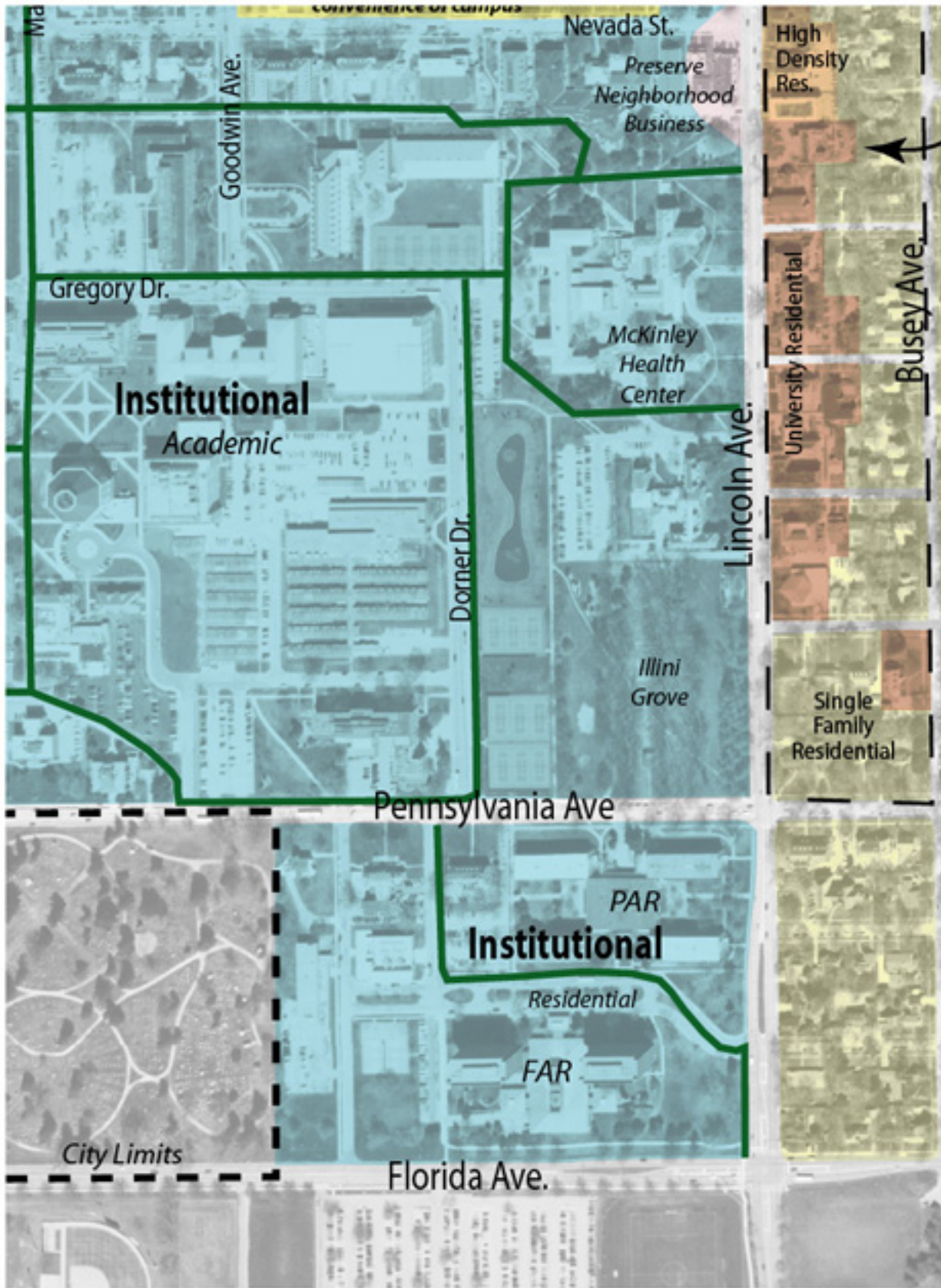
Exhibit C: Existing Land Use Map



Plan Case: 2045-M-07
Petitioner: Sterling Management LLC
Location: 1009 W Pennsylvania
Description: Rezone 1009 W Pennsylvania to B-3U, General Business--University

SF - Single Family
MF - Multi-Family Residential
COM - Commercial

Exhibit D: Future Land Use Map



Plan Case: 2045-M-07
 Petitioner: Sterling Management LLC
 Location: 1009 W Pennsylvania
 Description: Rezone 1009 W Pennsylvania to B-3U, General Business--University

Exhibit E: Aerial Map



Plan Case: 2042-M-07
Petitioner: Eastland Suites
Location: South of I-74, East of US Route 45
Description: Rezone Portion of 1909 N. Cunningham
to R-4, Medium Density Multiple-Family Residential

Prepared 5/22/2007 by Community Development Services - jme