



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Planning Division*

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

**TO:** Urbana Plan Commission

**FROM:** Robert Myers, AICP, Planning Manager

**DATE:** January 12, 2012

**SUBJECT:** Plan Case 2165-T-11: Amendments to Section II-3 (Definitions) and Section V-11 (Residential Occupancy Limits) of the Urbana Zoning Ordinance concerning occupancy of hotels and motels.

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### **Introduction & Background**

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 the safety and compliance of longer term occupancy of hotel and motel units with applicable housing, building, and occupancy codes. 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.

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 made at that time 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 were prohibited in all residential zoning districts, but enforcement was made difficult by the definition of Hotels and Motels in place at that time.

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.

## **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 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 component 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 but which 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. Hotels and motels do not comply with residential building and fire code standards in several key respects. First, few hotel/motel rooms have full kitchens. Under City codes, residential dwelling units must have kitchens. 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 ~~strikethroughs~~ 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 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)”~~ 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 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).

## Options

The Plan Commission has the following options for recommendation to the Urbana City Council regarding Plan Case 2165-T-11:

- a. Recommend approval as presented herein; or
- b. Recommend approval as modified by specific suggested changes; or
- c. Recommend 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 recommend **APPROVAL** of the proposed text amendment to the Zoning Ordinance as presented herein.

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