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April 20, 2023

Mayor Ken Kolowski,
Peru City Clerk, and
Aldermen of the City of Peru

RE: Petition of Francisco Sandoval d/b/a Pita Rey Estates LLC
4 Center Place, Peru, IL (PIN# 17-16-253-016)

Gentlemen:

Pursuant to legal notice published in the News Tribune in the manner provided by law, the Planning/Zoning Commission of the City of Peru convened for a public hearing on Wednesday, April 19, 2023, at 5:00 p.m. in the City Municipal Building, 1901 Fourth Street, Peru, IL, to consider the Petition of Francisco Sandoval d/b/a Pita Rey Estates LLC (“Petitioner”) concerning property commonly known as 4 Center Place in the City of Peru, Illinois, legally described as follows:

Lot Eight (8) in Westclox Addition to Peru, according to the Plat thereof recorded 14 August, 1936 in Plat book “O”, page 76, located in the City of Peru, in Section Sixteen (16), Township Thirty-three (33) North, Range One (1) East of the Third Principal Meridian, except coal and minerals and the right to mine and remove the same, situated in LaSalle County, Illinois.

PIN #: 17-16-253-016 (“Property”)

Petitioner desires to offer the Property as a short-term rental through AirBnB and similar websites and seeks a Special Use to operate a Bed and Breakfast Facility pursuant to Section 10.04(c)(2) of the City’s Zoning Ordinance. The Property is zoned R-3 Single and Two-Family District.

Planning/Zoning Commission Members Miller, Lucas, Kalsto, Grabowski, Brady, and Moreno were present at the hearing. Member Jones was absent.

Petitioner Francisco Sandoval appeared and was duly sworn. Mr. Sandoval testified that they have done a lot of work to the Property and would like to offer it on Airbnb.

In response to questioning from Member Moreno, Petitioner said he would only offer the Property through online facilitators like AirBnb or VRBO, not through himself privately. When a person is interested in booking the Property, he receives a notification, can read the potential renter’s reviews, and choose whether or not to accept the booking.

Petitioner testified further that the Property sustained significant damage, and they had done a bunch of work to it. Many high-end finishings have been incorporated and Petitioner does not want the Property destroyed by bad renters. In that respect, the Property is dissimilar to the typical rental properties that he owns.

In response to questioning from Corporation Counsel Scott Schweickert, Petitioner stated that he made a greater investment to incorporate high-end finishings into the Property than he otherwise would for a normal rental. The value of Petitioner's average rental property is between \$85,000 to \$100,000. This is a \$225,000 - \$250,000 property; not something he would typically want to offer as a long-term rental.

In response to questioning from Member Moreno, Petitioner testified that he has five other rental properties in the City of Peru. He has experience with renting but has never done Airbnb before. This would be a pilot program for him. In response to Member Moreno, Petitioner confirmed that he would be able to choose who rents the Property.

Member Moreno stated a concern for residents is that you would have four cars pulling in late in the night and otherwise causing a disturbance in the neighborhood. Petitioner responded that Airbnb allows you to choose the age range you want to rent to, such as 25+. Also, the Property doesn't have much of a backyard or other amenities that would make it attractive to partygoers. Petitioner said the Property would be more catered towards business travelers and families visiting Starved Rock, not people that would destroy his investment in the Property.

Attorney Schweickert stated the Petition seeks a special use available in the Zoning Ordinance for a bed and breakfast facility. He clarified that the Zoning Ordinance defines "bed and breakfast establishment" as "an operator-occupied residence providing to the public overnight guest room accommodations and breakfast for a charge" and adds "bed and breakfast establishments shall not be hotels or motels." Attorney Schweickert noted that the City has recently received an uptick of inquiries about Airbnbs and, to this point, has interpreted bed and breakfast establishments to include Airbnbs. However, it may be something the City will address soon by text amendment.

Member Kalsto inquired if Petitioner had spoken to any of the neighbors surrounding the Property about his plans. Petitioner stated the Property does not really have immediately adjacent neighbors. Petitioner also owns the house behind the Property. He hasn't really spoken with the owners of the house on the side of Property, but he did speak with a gentleman living across the street. He expressed some of the same concerns discussed tonight, and Petitioner gave the same responses. Petitioner advised that he is not trying to turn the Property into an apartment when it isn't an apartment or suited to be one. The man wished Petitioner good luck.

Petitioner said he has owned the Property for a few years and has screened and selected his renters very carefully. To his knowledge, the City and its police department have never had any issues with the Property or Petitioner's tenants. Petitioner's requirements and standards for renters are very high, and he has better than average tenants as a result.

In response to questioning from Attorney Schweickert, Petitioner testified that he does not have any other Airbnbs outside the City. Airbnb is not something that Petitioner really wanted to do, rather it just fell into place with the Property, the damage it had, and the renovations he put into it. The Property is too nice to rent it out long term and Petitioner saw Airbnb as an opportunity since there really are not many around this area. Petitioner said he doesn't think LaSalle has an Ordinance. He thinks Oregon, where he also owns properties, and other communities generally allow them by special use permit on

a case-by-case basis. Petitioner said he decided to run it through the Planning/Zoning Commission and see what happens.

Petitioner testified this would be a pilot program for him as well. If it doesn't work out, or he has issues, he is going to pull it. He doesn't depend on it being an Airbnb. If it works out, great. If it doesn't, he will either rent it out long-term or sell it.

Attorney Schweickert stated he is not a voting member of the Planning/Zoning Commission or City Council but offered his thanks and appreciation to Petitioner for going through the City's process and trying to do everything properly, regardless of the ultimate outcome. Petitioner acknowledged the City's Director of Engineering and Zoning, Eric Carls, for his assistance going through the proper procedures, and thanked everyone for their time and consideration.

Engineer Carls stated that, from his office's perspective, the Property was dilapidated and had significant issues not long ago. Petitioner has done a tremendous amount of work at the Property to repair all those issues. It has been a job well done no matter the outcome on the Petition. Petitioner said they still have some work to be done outside that will be completed over the next 30-60 days. Petitioner added he is waiting on the outcome of the Petition before he decides how much more money to spend on certain finishing touches, such as whether to go with porous granite countertops or a cheaper alternative more suitable for a long-term rental property.

Chairman Miller advised Petitioner that the City does not really have Airbnbs defined as such and there is the potential that, if approved, the Mayor and City Council may establish some additional regulations. Attorney Schweickert noted the City's Zoning Ordinance was adopted in 2001 prior to the advent of the sharing economy. As a result, the definition of bed and breakfast is very outdated. The City has heard and denied one other Petition seeking a special use for bed and breakfast establishment in the recent past, but it otherwise hasn't been a topic of conversation. Attorney Schweickert said that if the City Council were to go forward with this, he believes they would want to put some minimum standards and regulations in place so that it didn't get out of hand for the greater public. Petitioner offered to cooperate with the City and offer feedback.

There were no public comments or objections.

The Planning/Zoning Commission found the requested special use will not alter the essential character of the locality; will not be detrimental or injurious to other properties in the area; will not impair an adequate supply of light or air to adjacent properties, or increase the danger of fire, or endanger the public safety, or diminish or impair property values and will not increase street congestion and, therefore, favorably recommended to the City Council that it grant the special use as prayed for in the Petition.

Member Moreno moved, and Member Lucas seconded, to favorably recommend the City Council approve the Petition as prayed for. The motion passed unanimously: 6 aye, 0 nay, and 1 Member absent.

In response to Chairman Miller, Attorney Schweickert stated that this will go forward to the City Council and be on the agenda for consideration at the City Council meeting on April 24th. Schweickert again advised Petitioner that, since this is an entirely new topic, the City Council may not make a final decision. The Council may send it back to the Planning/Zoning Commission or provide Attorney Schweickert with some direction on how they want to proceed with respect to minimum standards and

regulations that would govern these short-term rentals. Schweickert noted that the Planning/Zoning Commission has only made a favorable recommendation. The City Council will make the ultimate decision. Petitioner is welcome to appear at the City Council meeting and provide comment.

Respectfully submitted,

CARY MILLER, Chairman of the
Planning/Zoning Commission