

Post Office Box 299
Peru, Illinois 61354

May 7, 2023

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

RE: Petition of Timothy Bott
2724 4th Street, Peru, IL (PIN# 17-17-328-043)

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, May 3, 2023, at 5:00 p.m. in the City Municipal Building, 1901 Fourth Street, Peru, IL, to consider the Petition of Timothy Bott (“Petitioner”) concerning property generally located at 2724 4th Street in the City of Peru, Illinois, legally described as follows:

The North 123’ of the east 52’ of Outlot 3, and the North 237’ of the West ½ of Outlot 2 of Western Addition to the City of Peru, LaSalle County, Illinois.

PIN #: 17-17-328-043 (“Property”)

The existing multiple-family dwelling on the Property is a nonconforming use. Petitioner desires to offer one or more dwelling units as a short-term rental through AirBnB or similar websites, and seeks the following relief under the Zoning Ordinance, to wit:

- (1) Approval of a special use for a multiple-family dwelling pursuant to Section 11.05(d)(24);
- (2) A text amendment to Section 11.05(d) to add “bed and breakfast establishment” or other defined use for short-term rentals as a special use available in B-4 Highway Business Districts;
- (3) Approval of a special use to operate a “Bed and breakfast establishment” or other defined use for short-term rentals at the Property; and
- (4) For such other and further relief deemed necessary and appropriate.

The Property is zoned B-4 Highway Business District.

Planning/Zoning Commission Members Miller, Lucas, Kalsto, Jones, and Brady were present at the hearing. Member Grabowski was absent, and the seat formerly held by Alderman Moreno was vacant.

Petitioner Tim Bott appeared and was duly sworn. Mary Jean Orozco also appeared on behalf of the Petitioner and was duly sworn.

Mr. Bott testified that he has been trying to fix up the Property and make some apartments. Mary Jean Orozco has several Airbnb rentals, which he believes would really help out the community and downtown. Mr. Bott explained that visitors to the City mainly stay up north by the hotels. If they were scattered around town, they would eat at the restaurants and do more business downtown.

Mary Jean Orozco testified that she owns and manages four Airbnbs, two of them are local. One is in Tonica and the other in LaSalle. She markets the Airbnbs towards families that are coming to visit Starved Rock, and to construction workers. Ms. Orozco said she has never had any complaints or issues involving neighbors of her Airbnbs. The neighbors at one Airbnb will sometimes even hang out with the guests.

Ms. Orozco testified further that Airbnb screens renters before they can book. The renter's identification, addresses, and email are verified. Other information is collected, such as the number of guests and who is coming.

In response to questioning from Chairman Miller, Mr. Bott clarified that he is seeking short-term rentals, not apartments. No one will be living there.

In response to questioning from Chairman Miller, Ms. Orozco stated she has one Airbnb with multiple dwellings on the same property. The Tonica Airbnb has two separate houses. None of her Airbnbs have multiple rental units within the same structure.

In response to City Corporation Counsel Scott Schweickert, Mr. Bott testified that the Property currently has three units. Attorney Schweickert referenced the drawing provided by Petitioner and noted there appears to be five units. A copy of Petitioner's drawing is attached. Mr. Bott responded that he could eventually have five, but he has not gotten that far to fix them all up. He has completed the former pawn shop building on the west side of the Property, which has two units. The smaller pawn shop building is where Mr. Bott desires to start with Airbnb. Mr. Bott added that he also has an apartment unit in the house located on the east side of the Property. Mr. Bott stated that Ms. Orozco currently lives in the north unit of the pawn shop building.

In response to Attorney Schweickert, Ms. Orozco stated that her apartment has three bedrooms. The other unit in the rear of the pawn shop building is a finished one-bedroom and could be an Airbnb if allowed. The other unit that is ready is in the house to the east. Both buildings are one-story.

In response to questioning from Member Kalsto, Mr. Bott confirmed that it is the 3-bedroom unit in the middle of the house that is ready. The house was so big, it was divided into 3 apartments. This middle apartment had been rented out but is currently vacant.

In response to questioning from Member Kalsto, Ms. Orozco confirmed she is living full-time in her 3-bedroom unit and would be overseeing the Airbnb in the back unit and managing it for Mr. Bott.

Member Kalsto sought clarification of what relief is being requested: a special use for multi-family dwelling or Airbnb? Attorney Schweickert responded that the Property exists as a non-conforming use as a multi-family dwelling. Schweickert noted that the City Council, like many other communities

across the country, is currently considering and grappling with how to handle and regulate Airbnbs and short-term rentals. The City's Zoning Ordinance does not provide a definition for either. The Zoning Ordinance does define bed and breakfast establishments, which are owner occupied, and that has been interpreted to include Airbnbs. However, changes to the Zoning Ordinance are being considered to better handle these uses.

In response to questioning from Member Kalsto, Mr. Bott confirmed that both of these buildings are located on the same parcel of land.

Member Lucas noted the Property could potentially have 5 units with over 10 bedrooms and inquired about the parking situation. Mr. Bott stated that he probably has 5-6 off-street parking spaces in the front. Mr. Bott indicated that he would eventually like to pour more concrete down along the side of the building. There is also a large deck in the front between the two buildings that he would like to remove to provide more parking.

Ms. Orozco testified that the three-bedroom unit in the building to the east is currently set up for a long-term rental, but no one is currently renting it. She and Petitioner went back and forth trying to decide which unit they wanted to Airbnb, but the current focus is on the other unit in her building. It is a one-bedroom unit, which would only allow for 2-3 people to stay at a time.

In response to questioning from Chairman Miller about code requirements, City Director of Engineering and Zoning Eric Carls stated that any structural changes, plumbing or HVAC changes to the units would require a building permit from the City at which time those would be reviewed.

In response to further questioning from Member Brady regarding parking, Engineer Carls noted that the property is along Route 6, and Petitioners may be required to coordinate with IDOT. As of today, they would still be able to utilize the existing curb cut but may not be able to extend that without IDOT's permission. Other items in the City's Code would need to be reviewed, including the use of the building.

In response to questioning from Member Brady, Mr. Bott thought that he could add 2 parking spots between the two buildings. Engineer Carls noted there was a large open space in the rear yard of the Property and asked whether any thought had been given to approaching House of Hunan to obtain an access easement through the restaurant's parking lot on the east. Mr. Bott responded that if this took off, he hopes to build a road or get access through Dr. Durango's lane on the west to access parking in the rear. Engineer Carls stated that if this petition was approved, the safer option would be to somehow create parking in the rear. Mr. Bott said that he just wanted to try one Airbnb out before spending a large sum of money.

Attorney Schweickert noted the Zoning Ordinance requires 2 off-street parking spaces per unit for multi-family dwellings with garages and 2.25 spaces per units without garages. Schweickert said he believed that may already be an issue. Engineer Carls added that if the non-conforming use gets expanded upon, it would be required to come into compliance with all those codes.

In response to Attorney Schweickert, Mr. Bott said the units are separately metered for electricity but not for water. Schweickert asked if the units have different mailing addresses assigned to them. Mr. Bott responded that he spoke with the post office and has them numbered 1-6. Schweickert asked what 6 was. Bott stated that there is a huge in-ground indoor swimming pool in the back of the house. Mr. Bott is retired and has a house in Florida, but he may end up living in that part of the house eventually.

Member Kalsto noted Petitioner said contractors would be staying and asked for clarification on how we are defining short-term rental. Attorney Schweickert said it would be less than 30 consecutive days. Member Kalsto said she had trouble rectifying the mix between short-term rentals and Airbnbs. Attorney Schweickert said the length of stay has an impact on taxation, noting that accommodations provided to the same occupant for a period of more than 30 consecutive days, is exempt from hotel/motel tax. That applies to hotels, motels and Airbnbs.

Member Lucas inquired if anyone knew whether the two parcels to the west of the Property were multi-family and had a special use. Chairman Miller did not recall them coming before him during his tenure. Attorney Schweickert said he wasn't sure but noted this area in general has been problematic with our zoning and the different kinds of uses.

Member Kalsto raised the issue of mixed uses, noting that a short-term rental with the owner living on premises can be classified as bed and breakfast. However, this is more than that, its multiple multi-bedroom units. They are essentially apartments that Petitioner wants to rent short-term like an Airbnb. Attorney Schweickert stated he had done research to see how other municipalities have handled multi-family units and, generally, they restrict the percentage of the units that can be utilized for Airbnb's. For example, no more than 35% of total number of units in a multi-family. Attorney Schweickert said a concern out there is the potentially increased chance of disruption by transient guests staying at the Airbnb to the other permanent residents living at the multi-family dwelling.

Ms. Orozco asked whether Petitioner had to choose to have all short-term rentals, or could he have a mix? Could Ms. Orozco or another long-term tenant live in the front unit, and a short-term tenant in the back unit and then whatever he chooses to do with the other building? Member Kalsto said that is her understanding of what Petitioner has asking for. Attorney Schweickert said that the City does not explicitly allow them at all at this point and everything is up for consideration. The City's Planning/Zoning Department has interpreted bed and breakfasts to include Airbnbs/short-term rentals to consider them before the P/Z Commission. The P/Z Commission & City Council denied one Petition. The P/Z Commission favorably recommended another recently, that has not been formally approved by ordinance yet. The City Council will need to decide on a formal ordinance to allow them subject to established rules and regulations, or not at all. Chairman Miller noted that regardless of the P/Z Commission's recommendation, it will need to go before the City Council for final approval and they don't have those rules and regulations set up yet. Chairman Miller said the options at this point are to make a recommendation or continue it for a while.

Attorney Schweickert introduced a letter of support signed by Mr. Bott and Ms. Orozco and received it into the record. Schweickert also introduced photographs provided by Ms. Orozco from her Tonica Airbnb and received them into the record. Copies of the letter and photographs are attached. Ms. Orozco said she really gears her Airbnbs towards construction workers or families visiting starved rock. She furnishes her rentals with cribs and toys for kids. They don't want to deal with parties or other renters that would cause a mess or damage to the property. Member Lucas noted the Tonica Airbnb looks very nice.

In response to questioning from Attorney Schweickert, Ms. Orozco stated she has never had any complaints from neighbors or police reports involving disruptive behavior at her Airbnbs. Schweickert noted he has stayed at Airbnbs in the past and has seen hosts provide "Rules of the House," contact numbers, and other information about the neighborhood, and asked if Ms. Orozco takes any specific steps like that to prevent disturbances. Ms. Orozco said she does provide those. She is aware other

Airbnb hosts use things like noise sensors, but she doesn't use those. She wants the families to feel at home while they are staying there.

Attorney Schweickert said he is aware that LaSalle allows Airbnbs and subjects them to hotel/motel taxes and asked whether either LaSalle or Tonica imposes any other regulations on Ms. Orozco's Airbnbs. Ms. Orozco responded no. She added that they are working on their second Airbnb in Dekalb and they don't have anything either.

In response to further questioning from Attorney Schweickert, Ms. Orozco stated that she does not impose a minimum night stay at her Airbnbs, but she is considering doing some kind of mid-term rental of 28 days or longer at her new one in Dekalb. She added that some people are just coming to see Starved Rock and stay the night. Attorney Schweickert noted that we just had prom here, and one concern he has heard is that local kids may rent out the house for the night and just have a big party. "As someone invested in the property, you wouldn't want that type of situation where your property could be trashed either," Schweickert said. Attorney Schweickert asked if Ms. Orozco screened for that sort of thing or had any minimum requirements when approving renters. Ms. Orozco responded that the renters must have a photo ID and be over the age of 21. She added that Airbnb also has a system where they can identify situations that may be a problem and deny bookings. You can also look at people's reviews. Ms. Orozco reported one instance where a review said the renter smoked in the house, so she denied the reservation for that reason.

In response to questioning from Chairman Miller, Attorney Schweickert advised that Airbnb is an online website that acts as a facilitator for booking rentals. Ms. Orozco added that Airbnb owns nothing, they host the properties and have their own set of fees and regulations that everyone has to abide by.

Attorney Schweickert asked Ms. Orozco if she has limitations on the number of guests that can stay at one of her Airbnbs, and if she determines that by the number of bedrooms or size of the property. Ms. Orozco responded she goes by the size of the property. She allows up to 11 people at her Tonica Airbnb, which has 4 bedrooms but is a massive house. Sometimes people will bring an air mattress. The 1-bedroom unit in question at Petitioner's Property would probably be 4 guests maximum. In response to Chairman Miller, Ms. Orozco confirmed it is dependent on unit size. Engineer Carls added that, by code, there are minimum square footage requirements for multi-family units that would need to be reviewed.

At Attorney Schweickert's request, Mr. Bott numbered the units on the drawing included in the Petition: 1,2,3,5,6. If the City Council were to only approve one or two units as part of the multi-family dwelling for short-term rentals, Mr. Bott and Ms. Orozco confirmed their preference would be unit 5, where Ms. Orozco lives, and unit 6, the other 1-bedroom unit in the same building. In the immediate, they are seeking approval for unit 6.

Member Kalsto asked if they wanted to eventually do the 3 units in the house on the east of the Property as Airbnbs, or if they would want to maintain a mix of short and long-term rentals. Mr. Bott confirmed he would want a mix. Ms. Orozco said if Units 5 and 6 were to be short-term rentals, and then units 1, 2, and 3 were long-term rentals, that would work too.

Chairman Miller called for public comment. Connie and Shawn Schwingle appeared and were duly sworn.

Mr. Schwingle testified they owned property right across from an illegal Airbnb and had constant complaints. They had people parking out in the streets, blocking their tenants from getting out. In response to Member Lucas, Mr. Schwingle confirmed this involved the property on Plum Street that previously came before the P/Z Commission.

Mr. Schwingle said they had nothing but problems with parking, parties, and late-night noise complaints. He would get phone calls from the tenant and tell them to call the police. Mr. Schwingle said the City has about six fantastic hotels up north, adding they are in a TIF and we gave up a lot to the schools, tax-wise, to get them up there.

Mr. Schwingle asked how much the City would make off a rental like this downtown. Attorney Schweickert responded that Airbnb's should be subject to the same tax rate as hotels and motels. Schweickert said Airbnb will enter into agreements with local municipalities to automatically collect hotel/motel tax as part of the transaction and remit that to the City. Schweickert's understanding is that the tax is applied to the gross rental amount, including cleaning fees, but exclusive of other taxes. The collection of taxes helps level the playing field between Airbnbs and traditional hotels and motels. Attorney Schweickert stated that, if allowed, he believed using online facilitators like Airbnb would be the preferred option to limit the amount of time required for enforcement and collection of appropriate taxes.

In response to questioning from Mr. Schwingle, Attorney Schweickert confirmed the Property is currently zoned B-4 Highway Business District. A multiple-family dwelling with five units would typically be allowed only in R-4 General Residence Districts. Engineer Carls said the Property is currently an existing non-conforming use. Attorney Schweickert added that a special use is available in B-4 for multiple-family dwellings.

Mr. Schwingle questioned whether there was enough square footage to meet the minimum requirements for 5 units on the Property. Engineer Carls responded that the Property is an existing non-conforming use. If it were not to exist today, it could not be constructed back to its current condition without coming into compliance with the Zoning Code. It also could not return to its existing multi-family residential use absent approval of a special use.

In response to Mr. Schwingle's parking concerns, Ms. Orozco said the neighbor at her Tonica Airbnb didn't like it when people parked in a spot on the road. They incorporated a "fine" into their house rules if someone parks in that spot and, since then, no one has parked there.

Responding further regarding the Plum Street property, Ms. Orozco said that was a big house. They were probably bringing 15+ people there, so parking would be an issue in that situation. The one-bedroom unit the Petitioner is seeking approval for would be 1-2 cars max, which the Property can handle. Mr. Bott added that additional parking is available on Route 6.

Responding further regarding disruption to neighbors, Ms. Orozco said she would be managing and living next door to Petitioner's Airbnb. Mr. Bott added that the whole yard is fenced in.

Mr. Schwingle commented further that, personally, he would not want to live next to an Airbnb based on his experience from his rentals. He expressed concern about what would happen if the City allowed them, and if they would end up all over town. He asked whether they would be approved on a case-by-case basis. Mr. Schwingle added that he knows a guy that wants an Airbnb who lives in Compton, Illinois. He questioned whether someone living 40 miles away would respond to any issues. Mr. Bott

responded that, in his situation, the person that would manage it lives on-site. Schwingle agreed that is a good thing, but replied that once the damage is done, it's too late.

Mr. Bott said he doesn't really have any neighbors, noting there is a double-fenced alley and trailer court to the west of the Property, and House of Hunan is east of the Property.

Ms. Orozco said she understood where Mr. Schwingle was coming from, and said she would not be opposed to a regulation requiring their approval on a case-by-case basis. Chairman Miller said that relates back to the conversation earlier. Things like how many Airbnbs there should be, where they can be, and what regulations they should be subject to are all things that the City Council would need to consider. Attorney Schweickert stated he did not believe the Planning/Zoning Commission would want to hear every request to have an Airbnb approved. Schweickert added that communities across the country are struggling with how to handle Airbnbs, and how to fit it into their Zoning Ordinances adopted long before the advent of this sharing economy. Some municipalities have outright banned them, some license them, some treat them as a home occupation, and there are countless different approaches to regulations and restrictions.

Chairman Miller reviewed the options before the Planning/Zoning Commission. Attorney Schweickert said a City Council meeting was scheduled for that coming Monday, at which time the City Council will likely have further discussion on Airbnbs. Schweickert also recommended taking a closer look at the Property in relation to code compliance for the multi-family dwelling and improvements before making a vote on the special use for multi-family. Engineer Carls concurred and recommended continuing the hearing to a date certain. Attorney Schweickert recommended that date certain be May 17th following the conclusion of the previously scheduled P/Z Commission hearings which begin at 5:00 pm. Attorney Schweickert reasserted that communities have grappled with how to regulate these for a long time and cautioned that the hearing may once again be continued at that time.

In the meantime, Engineer Carls said his office would be submitting a request for additional information. Attorney Schweickert said he would also like to see Petitioner provide some building and room layouts so the P/Z Commission has some idea what they are approving. It may also come into play with the rules & regulations for multi-family dwellings, if ultimately established by the City Council.

Member Kalsto stated there was a finished basement under the building on the east side, and asked if that was being used for storage and whether residents had access. Mr. Bott responded that residents could go down there in the case of an emergency, but it is not, or intended to be, a habitable space. Mr. Bott said he thought the swimming pool in the back flooded the basement at one point, so all the bottom drywall has been removed. Mr. Bott requested Engineer Carls to inspect the Property.

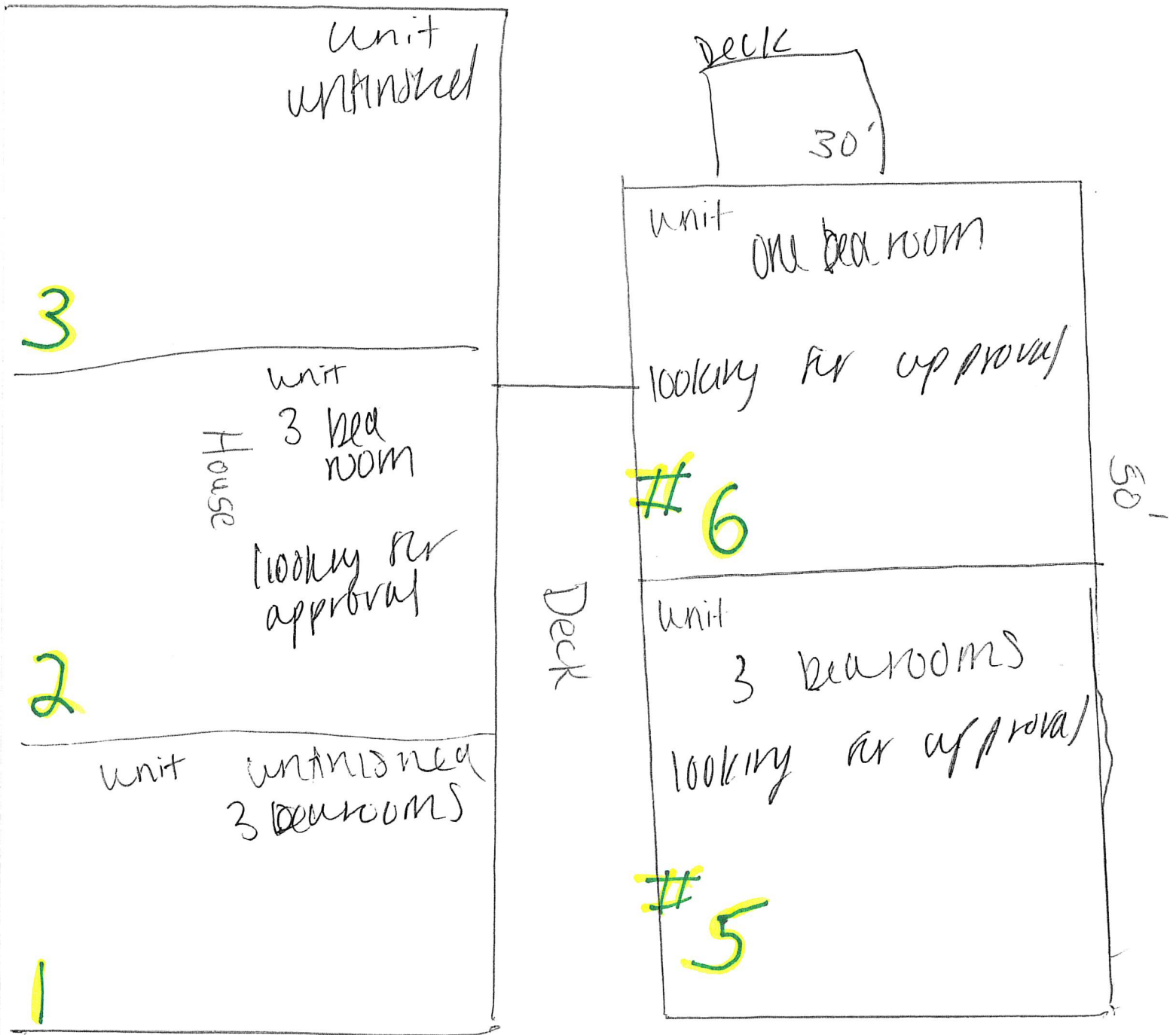
Member Lucas moved, and Member Kalsto seconded, to continue the hearing to May 17th for further consideration. The motion passed unanimously: 5 aye, 0 nay, 1 Member absent, and 1 Member seat vacant.

Respectfully submitted,

CARY MILLER, Chairman of the
Planning/Zoning Commission



Back Yard



To Whom It May Concern,

We the undersigned, members of the Peru, IL community, we would greatly appreciate if you would consider allowing STRs (short-term rentals) within our city limits. STRs have become increasingly popular in recent years and have provided countless benefits to both property owners and visitors in many communities across the country.

Allowing STRs in Peru would provide several benefits for our community. Firstly, it would create an additional source of income for property owners who choose to rent out their properties. This could be especially beneficial for retirees, empty-nesters, or anyone looking to supplement their income. It would also provide visitors with a wider variety of lodging options, which would help to support our local tourism industry.

Additionally, allowing STRs in Peru would increase the number of people visiting our community, which would have a positive impact on local businesses. Visitors who stay in STRs are more likely to spend money at local shops, restaurants, and attractions, which would help to boost our economy.

STRs can also provide a more personalized and authentic experience for visitors. They allow visitors to stay in a home-like setting and experience the community as a local resident, rather than just a tourist. This can help to create a more positive and memorable experience for visitors, which could encourage them to return to Peru in the future.

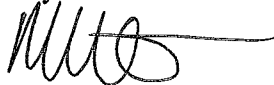
STR platforms have implemented a thorough verification process to ensure the safety and security of its users. Hosts and guests are required to provide a government-issued ID, as well as other personal information such as their phone number and email address. Additionally, STR platforms have a range of tools to help hosts screen potential guests, including guest profiles, reviews, and messaging. This verification process helps to ensure that the host and people in our community can feel comfortable and secure with the rental process of a short-term rental and the people who stay.

Finally, the rise of STRs has been shown to have a positive impact on property values in many communities. This could be especially beneficial for homeowners in Peru who are looking to sell their properties in the future.

In conclusion, we encourage you to look at the benefits of allowing STRs in Peru, IL. The benefits that they would bring to our community are numerous, and we believe that they would help to create a more vibrant and thriving community for everyone.

Sincerely,

Mary Jean Orozco

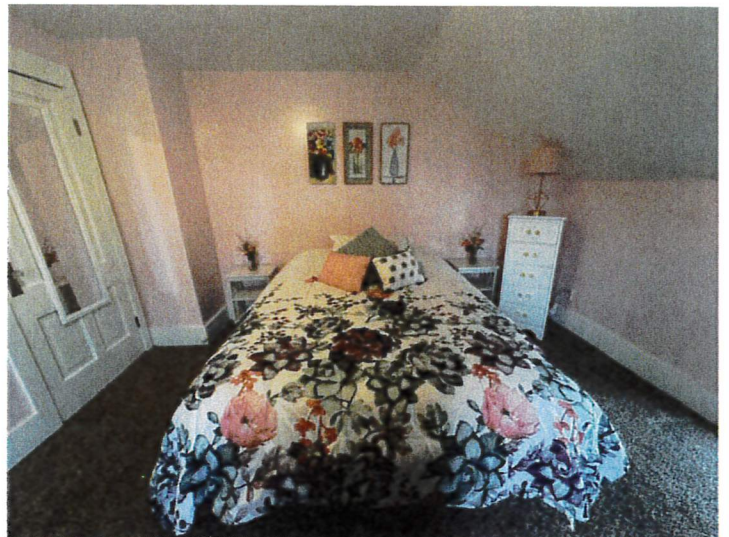
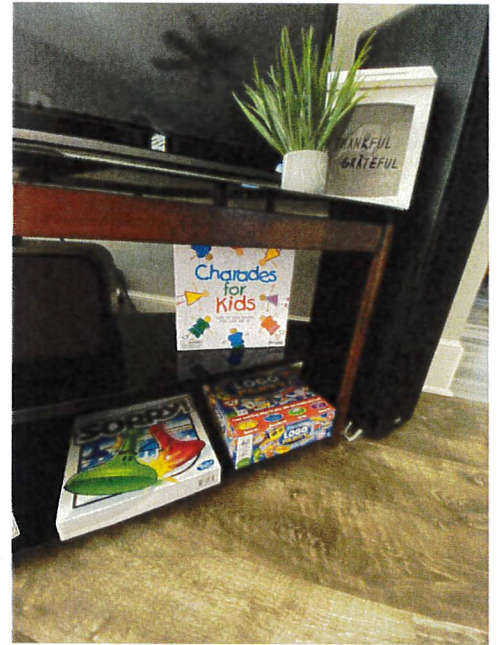


Tim Bott

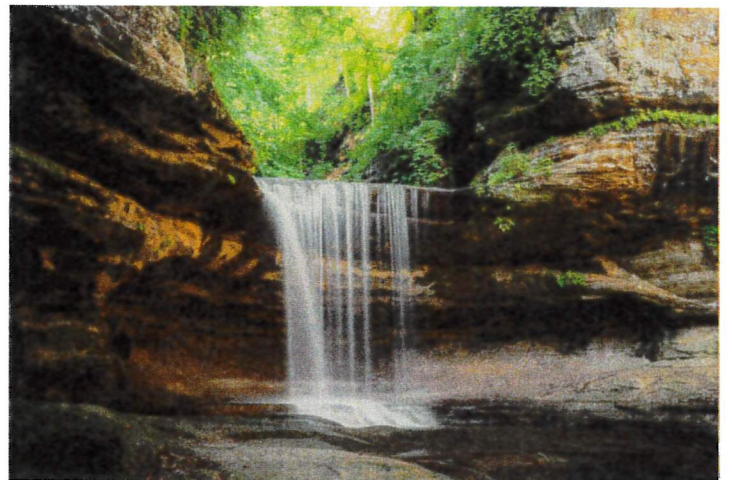
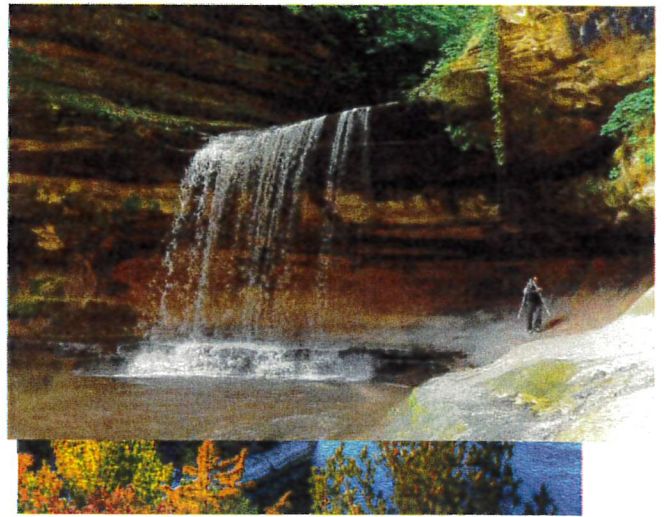




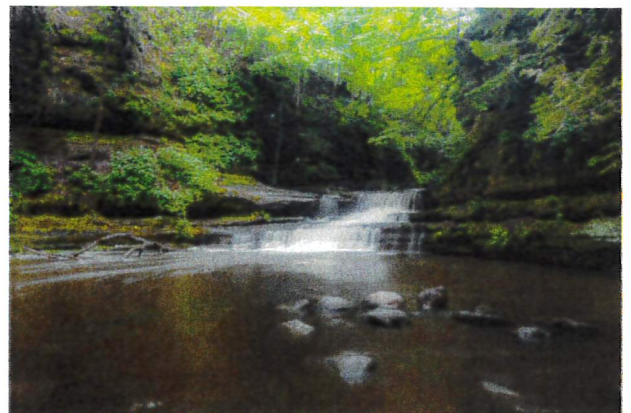
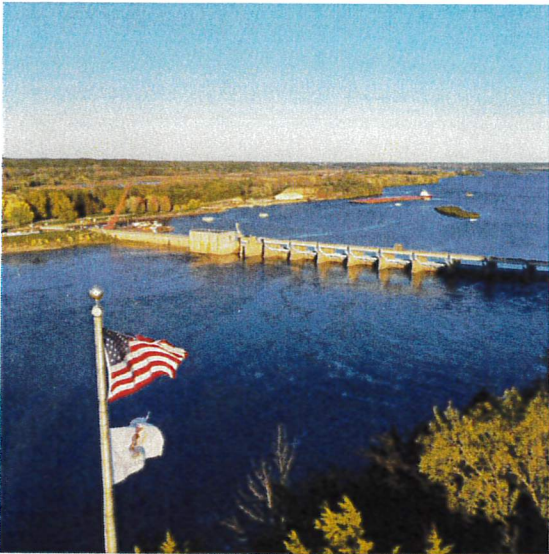
Tonica Air BNB Images



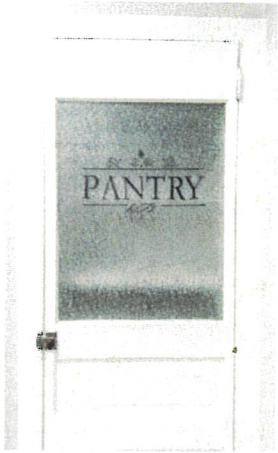
Tonica Air BNB Images



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