

DATE: June 7, 2022

TO: Honorable Mayor & City Council

FROM: Planning & Zoning Commission

VIA: Eric Hill, AICP, Senior Planning Manager acting as Secretary of the Planning & Zoning Commission
Christina D. Day, AICP, Director of Planning

SUBJECT: Results of Planning & Zoning Commission Meeting of June 6, 2022

AGENDA ITEM NO. 2 – ZONING CASE 2022-006
APPLICANT: CITY OF PLANO

Request to amend Article 8 (Definitions), Article 14 (Allowed Uses and Use Classifications), Article 15 (Use-Specific Regulations), and related sections of the Zoning Ordinance pertaining to arcade regulations, and to rescind specific use permits for arcades that, based on the proposed amendments, are no longer needed to permit that land use. Tabled May 16, 2022. Project #ZC2022-006.

APPROVED: 8-0

Speaker Card(s) Received	Support: <u>0</u>	Oppose: <u>0</u>	Neutral: <u>0</u>
Petition Signatures Received:	Support: <u>0</u>	Oppose: <u>0</u>	Neutral: <u>0</u>
Other Responses:	Support: <u>0</u>	Oppose: <u>1</u>	Neutral: <u>0</u>

RESULTS:

The Commission recommends approval as follows (for Zoning Ordinance text amendments, additions are indicated in underlined text, and deletions are indicated in strikethrough text):

1. **Rescind all Specific Use Permits for Arcades (listed in Exhibit 1).**
2. **Amend Section 8.200 (Terms Defined) of Article 8 (Definitions), such portion of section to read as follows:**

Arcade

~~An establishment with 6 or more player-operated skill or amusement machines, or a combination of 6 or more such machines and/or connected control panels that provide access to the machines. (ZC 96-29; Ord. No. 96-11-29)~~

3. **Amend Section 14.100 (Residential Districts Use Table) of Article 14 (Allowed Uses and Use Classifications), such portion of section to read as follows:**

6. Amend Section 15.100 (Arcades) of Article 15 (Use-specific Regulations), such section to read as follows:

15.100 Arcades [Reserved]

~~An arcade shall be prohibited within 300 feet of any religious facility or residentially-zoned district and within 1,000 feet of any public or parochial school. The 300-foot separation from a residentially-zoned district may be waived altogether, and the 1,000-foot separation between an arcade and a public or parochial school may be reduced to a minimum of 300 feet, if City Council affirmatively finds that issuance of the specific use permit would not be detrimental or injurious to the public health, safety, or general welfare, or otherwise offensive to the neighborhood. The distance is measured in a straight line from the front door of the premises to be permitted to the nearest property line of the religious facility, school, or residential property. (ZC 93-21; Ord. No. 93-9-24)~~

To view the hearing, please click on the provided link: <https://planotx.swagit.com/play/06072022-786/5/>

RK/kob

cc: Eric Hill, Senior Planning Manager
Christina Sebastian, Land Records Planning Manager
Melissa Spriegel, Lead Planner
Glenn Greer, Planner
Cassidy Exum, GIS Technician
Jeanna Scott, Building Inspections Manager
Dorothy Alatorre, Property Standards

CITY OF PLANO
PLANNING & ZONING COMMISSION

June 6, 2022

Agenda Item No. 2

Public Hearing: Zoning Case 2022-006

Applicant: City of Plano

DESCRIPTION:

Request to amend Article 8 (Definitions), Article 14 (Allowed Uses and Use Classifications), Article 15 (Use-Specific Regulations), and related sections of the Zoning Ordinance pertaining to arcade regulations, and to rescind specific use permits for arcades that, based on the proposed amendments, are no longer needed to permit that land use. Tabled May 16, 2022. Project #ZC2022-006.

SUMMARY:

The purpose of this request is to amend the Zoning Ordinance to remove the Arcade land use, including definitions and use-specific regulations related to arcades, and to rescind specific use permits for arcades, as the definition of the Indoor Commercial Amusement land use currently includes arcades. This amendment is in conformance with the Comprehensive Plan and responds to shifting societal, industry, and customer-demographic trends within the entertainment sector that have caused current regulations to become outdated. The amendment reduces the public and private burden of land use regulations that, while once necessary, are no longer required for this business type. For these reasons, staff recommends approval.

REMARKS:

The Planning & Zoning Commission discussed arcade regulations at the [March 1, 2022](#), meeting. After additional discussion, the Commission called a public hearing on [March 21, 2022](#), to consider amending the Zoning Ordinance to address concerns about the suitability of existing arcade regulations and the overlap between the Arcade and Indoor Commercial Amusement definitions.

Current Regulations for Arcades and Indoor Commercial Amusement

The definition of Arcade is found in Section 8.200 of Article 8 (Definitions):

Arcade

An establishment with 6 or more player-operated skill or amusement machines, or a combination of 6 or more such machines and/or connected control panels that provide access to the machines.

Additional regulations on arcades are found in Section 15.100 of Article 15 (Use-Specific Regulations):

15.100 Arcades

An arcade shall be prohibited within 300 feet of any religious facility or residentially-zoned district and within 1,000 feet of any public or parochial school. The 300-foot separation from a residentially zoned district may be waived altogether, and the 1,000-foot separation between an arcade and a public or parochial school may be reduced to a minimum of 300 feet, if City Council affirmatively finds that issuance of the specific use permit would not be detrimental or injurious to the public health, safety, or general welfare, or otherwise offensive to the neighborhood. The distance is measured in a straight line from the front door of the premises to be permitted to the nearest property line of the religious facility, school, or residential property.

Plano's regulations specific to arcades date back to 1981 and have not been modified since 1996. The current requirements allow arcades by Specific Use Permit (SUP) in most nonresidential districts, subject to additional distancing restrictions from certain land uses. The current arcade definition and restrictions have not been updated to encompass changes that have occurred in the traditional coin-operated arcade industry and the video game industry over the more than two decades since the arcade ordinances were last revised. The existing regulations were adopted to regulate pinball and video arcades that largely served teenagers in the 20th century and drew concerns about loitering, noise, and other nuisances; but this business type has since fallen sharply in popularity. In the last 20 years, arcade SUPs were generally used to permit esports venues, small children's amusements, and various accessory arcade uses within other permitted primary uses.

Arcades are also included in the "Indoor Commercial Amusement" definition from Section 8.200 of Article 8 (Definitions):

Amusement, Commercial (Indoor)

Provision of leisure-time amusement or entertainment primarily by and for participants within a completely enclosed building. Typical uses include bowling alleys, ice or roller skating rinks, arcades and bingo parlors.

The inclusion of arcades in the Indoor Commercial Amusement land use definition presents further issues, as zoning requirements for indoor commercial amusement uses are significantly less restrictive, with the use permitted by right in 11 out of 15 nonresidential zoning districts (see table below). As arcades are listed as an allowed use under Indoor Commercial Amusement, the definition could be read to directly conflict with and allow, by right, arcades in locations where they are otherwise listed by SUP. Many of the existing arcades in Plano are accessory uses within indoor commercial amusement establishments, where the primary use is another amusement use, such as an indoor playground or bowling alley. In many zoning districts, distinguishing between businesses

where gaming machines require an SUP and where they do not is unclear. This amendment aims to rectify this conflict.

Use Type	O-1 – Neighborhood Office	O-2 – General Office	R – Retail	LC – Light Commercial	CC – Corridor Commercial	UMU – Urban Mixed-Use	BG – Downtown Business/Government	CB-1 – Central Business-1	CE – Commercial Employment	RC – Regional Commercial	RE – Regional Employment	RT – Research/Technology Center	LI-1 – Light Industrial-1	LI-2 – Light Industrial-2	NBD – Neighborhood Business Design
Arcade		S	S	S	S	S	S	S	S	S	S		S		P
Indoor Commercial Amusement		S	P	P	P	P	P	P	P	P	S		P	P	P

P: Use is permitted in district indicated

S: Use may be approved in district indicated upon approval of a specific use permit

Surrounding Communities

Staff found that Plano is the only area city defining “Arcade” exclusively for gaming machines in its zoning ordinance. Of 12 area cities surveyed, only two categorize arcades separately from indoor commercial amusement land uses. Richardson and Carrollton use a definition of “Amusement Arcade,” which includes other games such as billiards in addition to the electronic games specified by Plano’s current definition. Most neighboring cities group arcades under land use, including “Indoor Amusement” (Fort Worth), “Indoor Commercial Amusement” (Frisco, Garland, Allen), “Indoor Recreation” (Arlington, Denton), and “Amusement Center” (Dallas).

ISSUES:

Effects on Existing and Future Businesses

Total SUPs for Arcade	Active SUPs for Arcade	Inactive SUPs for Arcade
30	12	18*

*5 requested/approved within the last three years.

No businesses would have their right to operate an arcade change through the amendment as proposed, which eliminates the Arcade land use and considers existing arcades under the Indoor Commercial Amusement definition in the Zoning Ordinance. Plano currently has 30 Specific Use Permits for arcades. Of these, 29 are located in zoning districts where Indoor Commercial Amusement is currently allowed by right. The one other arcade is located in the Regional Employment district, where Indoor

Commercial Amusement uses are permitted only by SUP; however, that arcade is an accessory use within an indoor commercial amusement venue that has the necessary SUP to continue their arcade under their existing indoor commercial amusement SUP. See *Exhibit 1* for a list of all Arcade SUPs in Plano and any applicable restrictions.

Of the 30 SUPs, 12 correspond with currently-operating businesses that meet the arcade definition, with the majority functioning as accessory uses within the primary businesses. These 12 businesses can be generally described as three indoor play spaces serving young children, three bowling alleys, two sports bars, one movie theater, one video game store, and two esports venues. Three additional SUPs for esports and similar gaming venues have been approved in the last three years, but the businesses have not yet opened.

Future businesses will be allowed to have player-operated machines (arcades) where indoor commercial amusement land use is allowed. Removal of the Arcade use and SUP requirement will disambiguate the language in the ordinance, leaving one clear standard for arcade and gaming facilities.

Rescission of Existing SUPs

To avoid the issue of obsolete regulations in the Zoning Ordinance, staff proposes that, if the Arcade land use is removed from the ordinance, the 30 existing SUPs for Arcade listed in Exhibit 1 be rescinded. Since the unique land use will no longer exist and arcades will be considered indoor commercial amusement uses, retaining these SUPs would confer no additional property rights or protections and cause confusion for future applicants and staff.

When originally considering this amendment, staff recommended changes to the signposting requirement for city-initiated zoning on private property (see the companion item to this case: ZC2022-005) to simplify rescissions of SUPs in general, including the 30 arcade SUPs. However, after further analysis, staff has determined that if the arcade land use is removed from the use table, active SUPs for that land use would be obsolete, and therefore can be rescinded as a housekeeping measure. As this is a unique situation, letters explaining the potential rescissions were sent to all property owners of the 30 arcade SUPs, the occupants of the 12 operating arcades, and the applicants for the three recently approved arcade SUPs.

SUP Stipulations

Of the 30 SUPs, 12 contain stipulations. Details are as follows.

- Five are in locations that are not in operation.
- Five are in operation and have a stipulation of a distance waiver that would no longer be necessary by utilizing the indoor commercial amusement land use.
- Two are in operation and contain the following stipulations that are in effect:

S-81	Arcade (Ord. No. 2018-10-7) <ol style="list-style-type: none"> Arcade machines have the following restrictions: <ol style="list-style-type: none"> Maximum of 50 computers, 10 gaming consoles, and 3 cabinet machines are permitted. Must not have wireless internet capability or access. Alcohol must not be served. <p>Waived the 300-foot distance requirement from residentially zoned property, and reduced the distance requirement from the public school to 300 feet.</p>	ZC2018-017
S-263	Arcade (Ordinance Nos. 2003-6-25 and 94-7-14) <ol style="list-style-type: none"> Limit the arcade uses to 800 square feet in the area shown on the floor plan. Floor plan was adopted as Exhibit B of this ordinance. 	ZC2003-28 ZC94-59

The stipulations for these two venues stem from the proposed business plans provided by the applicants during the zoning case review process. If the arcade land use is removed from the Ordinance, these SUP stipulations would not be enforceable since Indoor Commercial Amusement uses are permitted by right. Based on records from the Property Standards division of the Neighborhood Services department, there have been no zoning complaints or violations on the Arcade use at either S-81 or S-263. There have been some other complaints in those centers, but none regarding the arcade uses. Based on the lack of concern with operators in these locations, and general benefits of making the overall change, the removal of these stipulations appears to be warranted.

Conformance to the Comprehensive Plan

Guiding Principles – The set of [Guiding Principles to the Comprehensive Plan](#) establishes overarching themes that apply to all policies and actions and express values for Plano Today, Plano 2050, and Plano Together. Since the principles do not stand alone, but are used in concert with one another and carry across the Plan as a whole, each principle must be judged through a lens that incorporates all of the other principles to be fully and accurately understood. As such, the Commission is encouraged to review the full list of Guiding Principles and judge zoning requests through the lens of all principles.

Guiding Principle 2.2 – *The Plan successfully manages Plano’s transition to a mature city, seeking innovative approaches and best practices to accommodate emerging trends, technologies, and opportunities that improve the quality of life and allow the city to remain attractive and vibrant into the future.*

The proposed amendments align the ordinance with emerging trends and technologies, removing obsolete requirements and making the city more attractive for new gaming and entertainment industry development. The request is in conformance with this principle.

Land Use Policy – *Plano will support a system of organized land use to provide housing and employment choices aligned with the market, where new and redevelopment areas respect the viability and quality of life for existing neighborhoods, businesses, and institutions.*

The proposed amendments provide additional business opportunities that enhance the city's entertainment offerings and better align them with current market conditions. The streamlining of zoning regulations supports local small business opportunities for new and redevelopment in retail environments. Since gaming businesses request spaces in existing shopping centers and have not had property standards concerns in recent years, they respect the viability and quality of life of existing neighborhoods and the business environment. This request is in conformance with this policy.

Land Use Action 1 (LU1) – *Review and evaluate the Zoning Ordinance and make appropriate amendments based on guidance from the Comprehensive Plan.*

The proposed amendments are intended to accommodate emerging business trends and remove obsolete or redundant regulations. They will provide additional flexibility for land uses, entrepreneurs, and property owners in Plano based on the guidance of the Comprehensive Plan. This request is in conformance with this action statement.

Land Use Action 4 (LU4) – *Create regulations that incentivize the redevelopment and revitalization of underperforming retail and multifamily development.*

Allowing entertainment venues currently classified as arcades by right can incentivize investment in new and innovative business types in Plano's retail centers. This request is in conformance with this action statement.

SUMMARY:

The purpose of this request is to amend the Zoning Ordinance to remove the Arcade land use, including definitions and use-specific regulations related to arcades, and to rescind specific use permits for arcades, as the definition of the Indoor Commercial Amusement land use currently includes arcades. This amendment is in conformance with the Comprehensive Plan and responds to shifting societal, industry, and customer-demographic trends within the entertainment sector that have caused current regulations to become outdated. The amendment reduces the public and private burden of land use regulations that, while once necessary, are no longer required for this business type. For these reasons, staff recommends approval.

RECOMMENDATIONS:

Recommended for approval as follows (for Zoning Ordinance text amendments, additions are indicated in underlined text, and deletions are indicated in strikethrough text):

- 1. Rescind all Specific Use Permits for Arcades (listed in Exhibit 1).**
- 2. Amend Section 8.200 (Terms Defined) of Article 8 (Definitions), such portion of section to read as follows:**

Arcade

~~An establishment with 6 or more player-operated skill or amusement machines, or a combination of 6 or more such machines and/or connected control panels that provide access to the machines. (ZC 96-29; Ord. No. 96-11-29)~~

3. Amend Section 14.100 (Residential Districts Use Table) of Article 14 (Allowed Uses and Use Classifications), such portion of section to read as follows:

RESIDENTIAL ZONING DISTRICTS	
Use Type	Use Category
	A – Agricultural
	ED – Estate Development
	SF-20 – Single-Family-20
	SF-9 – Single-Family-9
	SF-7 – Single-Family-7
	SF-6 – Single-Family-6
	UR – Urban Residential
	PH – Patio Home
	SF-A – Single-Family Attached
	2F – Two Family (Duplex)
	GR – General Residential
	MF-1 – Multifamily-1
	MF-2 – Multifamily-2
	MF-3 – Multifamily-3
	MH – Mobile Home
	RCD – Residential Community Design
Arcade (12)	Service

4. Amend Section 14.200 (Nonresidential Districts Use Table) of Article 14 (Allowed Uses and Use Classifications), such portion of section to read as follows:

NONRESIDENTIAL ZONING DISTRICTS	
Use Type	Use Category
	O-1 – Neighborhood Office
	O-2 – General Office
	R – Retail
	LC – Light Commercial
	CC – Corridor Commercial
	UMU – Urban Mixed-Use
	BG – Downtown Business/Government
	CB-1 – Central Business-1
	CE – Commercial Employment
	RC – Regional Commercial
	RE – Regional Employment
	RT – Research/Technology Center
	LI-1 – Light Industrial-1
	LI-2 – Light Industrial-2
	NBD – Neighborhood Business Design
Arcade (12)	Service

5. Amend Section 14.300 (Use Table Notes) of Article 14 (Allowed Uses and Use Classifications), such note to read as follows:

Number	End Note
12	See Sec. 15.100. [Reserved]

6. Amend Section 15.100 (Arcades) of Article 15 (Use-specific Regulations), such section to read as follows:

15.100 Arcades [Reserved]

~~An arcade shall be prohibited within 300 feet of any religious facility or residentially-zoned district and within 1,000 feet of any public or parochial school. The 300-foot separation from a residentially zoned district may be waived altogether, and the 1,000-foot separation between an arcade and a public or parochial school may be reduced to a minimum of 300 feet, if City Council affirmatively finds that issuance of the specific use permit would not be detrimental or injurious to the public health, safety, or general welfare, or otherwise offensive to the neighborhood. The distance is measured in a straight line from the front door of the premises to be permitted to the nearest property line of the religious facility, school, or residential property. (ZC 93-21; Ord. No. 93-9-24)~~

Exhibit 1 – Specific Use Permits for Arcade

Number	Description	Zoning Case	Status	Indoor Commercial Amusement
S-7	Arcade (Ord. No. 2016-5-5) Waived the 300 foot distance requirement from residentially zoned property.	2016-008	Operating	Permitted by Right
S-35	Arcade (Ord. No. 2019-9-19)	2019-015	Defunct	Permitted by Right
S-42	Arcade (Ord. No. 2017-5-5)	2017-005	Operating	Permitted by Right
S-47	Arcade (Ord. No. 2022-3-2)	2021-028	Not yet opened	Permitted by Right
S-56	Arcade (Ord. No. 2020-1-18)	2019-021	Defunct	Permitted by Right
S-61	Arcade (Ord. No. 2022-4-1) Waived the 300 foot distance requirement from residentially zoned property.	2022-002	Not yet opened	Permitted by Right
S-73	Arcade (Ord. No. 2018-7-9) Waived the 300 foot distance requirement from residentially zoned property.	2018-011	Operating	Permitted by Right
S-81	Arcade (Ord. No. 2018-10-7) 1. Arcade machines have the following restrictions: a. Maximum of 50 computers, 10 gaming consoles, and 3 cabinet machines are permitted. b. Must not have wireless internet capability or access. 2. Alcohol must not be served. Waived the 300 foot distance requirement from residentially zoned property, and reduced the distance requirement from the public school to 300 feet.	2018-017	Operating	Permitted by Right
S-97	Arcade (Ord. Nos. 2007-10-45 and 82-12-6)	2007-36 82-74	Defunct	Permitted by Right
S-112	Arcade (Ord. No. 96-6-39)	96-27	Defunct	Permitted by Right
S-116	Arcade (Ord. No. 2019-8-2) 1. Arcade machines have the following restrictions: a. Maximum of 70 computers, 5 gaming consoles, and 5 cabinet machines are permitted. b. Must not have wireless internet capability or access. 2. Alcohol must not be served.	2019-010	Not yet opened	Permitted by Right
S-126	Arcade (Ord. No. 86-11-32)	86-78	Operating	Permitted by Right
S-150	Arcade (Ord. No. 88-4-17)	88-09	Defunct	Permitted by Right
S-183	Arcade (Ord. No. 91-4-29)	90-52	Defunct	Permitted by Right
S-237	Arcade (Ord. No. 93-11-29)	93-53	Defunct	Permitted by Right
S-248	Arcade (Ord. No. 94-3-28)	94-08	Defunct	Permitted by Right

Exhibit 1 – Specific Use Permits for Arcade

Number	Description	Zoning Case	Status	Indoor Commercial Amusement
S-263	Arcade (Ord. Nos. 2003-6-25 and 94-7-14) 1. Limit the arcade uses to 800 square feet in the area shown on the floor plan. 2. Floor plan was adopted as Exhibit B of this ordinance.	2003-28 94-59	Operating	Permitted by Right
S-291	Arcade (Ord. No. 95-6-31)	95-36	Defunct	Permitted by Right
S-339	Arcade (Ord. No. 97-10-35)	97-39	Operating	Permitted by Right
S-340	Arcade (Ord. No. 97-12-10) 1. A maximum of 25 video machines shall be allowed. 2. The zoning exhibit is adopted as part of the ordinance.	97-59	Defunct	Permitted by Right
S-346	Arcade (Ord. Nos. 98-4-8 and 98-2-19)	98-17 97-83	Operating	Permitted by Right
S-436	Arcade (Ord. Nos. 2008-3-14 and 2001-2-33)	2008-17 2000-102	Operating	Permitted by Right
S-463	Expanded Arcade (Ord. Nos. 2013-6-5 and 2002-4-7)	2013-10 2002-01	Operating	Permitted by Right
S-465	Arcade (Ord. No. 2002-3-17) City Council waived the 300-foot distance requirement from a residential district.	2002-04	Defunct	Permitted by Right
S-477	Arcade (Ord. No. 2002-11-15)	2002-44	Defunct	Permitted by Right
S-482	Arcade (Ord. No. 2002-11-38) The arcade must be an accessory use and not the primary use of the property.	2002-53	Defunct	Permitted by Right
S-546	Arcade (modified boundary) (Ord. Nos. 2005-1-10 and 2004-8-35) 1. The arcade is permitted only in conjunction with an operational regional theater. 2. The arcade is limited to a maximum number of 25 machines	2004-51 2004-30	Defunct	Permitted by Right
S-548	Arcade (Ord. No. 2004-9-17) 1. The maximum allowable floor area for arcade use shall be 3,200 square feet. 2. The maximum number of arcade machines shall be 75.	2004-26	Defunct	Permitted by Right
S-616	Arcade (Ord. No. 2011-12-8) The minimum 300-foot separation distance between an arcade and residentially-zoned district is waived.	2011-34	Operating	Permitted by Right
S-641	Arcade (Ord. No. 2014-1-10)	2013-31	Operating	S-642 for Commercial Amusement (Indoor) in place