



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Planning Division

m e m o r a n d u m

TO: Mayor Laurel Lunt Prussing

FROM: Elizabeth H. Tyler PhD., FAICP, Director

DATE: March 12, 2015

SUBJECT: Plan Case 2250-T-15: An amendment to Article II, Article V, and Article VII of the Urbana Zoning Ordinance to establish definitions, use provisions, and special use permissions for “Gaming Halls”, Urbana Zoning Administrator, applicant.

Introduction

The Zoning Administrator is requesting an amendment to multiple sections of the Zoning Ordinance in order to add definitions and establish use provisions for gambling or “gaming” halls. The proposed ordinance amendment would add definitions to Article II, add Gaming Hall as a use to Table V-1, Table of Uses, and add gaming hall conditions to Article VII.

The purpose of the proposed amendment is to address a use that is newly permitted by the State in the Urbana Zoning Ordinance. Since enactment of the Illinois Video Gaming Act (230 ILCS 40/1) in 2010, many bars and restaurants have adopted video gaming machines on their premises as an accessory use. The machines, known as terminals in State statute, are designed to provide supplementary revenue for businesses and additional entertainment options for their clientele. The state requirements of a liquor license and a limit of no more than five terminals per establishment are designed to allow businesses to operate gaming without functioning as a casino. On July 30, 2012, the City of Urbana approved Municipal Ordinance 2012-07-073 which granted the licensing of video gaming machines with liquor licenses with a limit of 12 licenses according to section 3.7-15 in the Municipal Code (as seen in Exhibit A). As a result, 12 Urbana businesses received the available licenses and installed machines in their establishments, with additional businesses applying for gaming licenses. The City Council has considered allowing for more gaming licenses in 2015.

Since passage of the act, the City has seen at least one establishment obtain a liquor license with a principal use centered on their video gaming machines rather than as an accessory to an existing bar or restaurant. The establishment offers food and beverages but generates the majority of the customer traffic from video gaming machines. Since there are currently no listings for a principal use of gaming hall in Table V-1, Table of Uses, staff and the Zoning Administrator have considered gaming halls as a form of food and beverage establishments but have also determined the need to add Gaming Hall as a distinctive use in the Zoning Ordinance. Until there is an adopted definition and clarification of gaming halls as distinct from bars and restaurants, this approach is consistent

with Section V-1.B of the Zoning Ordinance, which states that “such use shall be subject to the regulations of the use...to which it is most related or similar, as determined by the Zoning Administrator.”

Because there are unique characteristics associated with these uses and they are likely to continue to be sited in Urbana in the future, the Zoning Administrator is requesting a text amendment to establish specific uses and guidelines for such facilities. Through the text amendment, the Zoning Administrator proposes to add definitions and regulations to allow gaming halls as a Special Use in some business districts. The Urbana City Council should review the proposed Zoning Ordinance text amendment and decide to adopt, adopt with changes, or deny the proposed changes.

The Urbana Plan Commission reviewed the proposed text amendment over several meetings and stated a preference of disallowing video gaming as a principal use. At their March 5, 2015 meeting the Commission voted unanimously in a straw poll for a ban of gaming halls. The Commission learned that ultimately prohibiting a use through the Zoning Ordinance is not feasible and would be better enacted in through a change in City Code. Because the policy-making abilities of video gaming licensing ultimately lie with the Urbana City Council, the Plan Commission did recommend a Zoning Ordinance amendment with provisions for regulating gaming halls. The proposed amendment established a detailed definition of Gaming Hall while also establishing use restrictions and a permitting process that the Commission felt would best protect the welfare of the City. While the Commission stated a preference of non-allowance, they did provide an alternative should the City Council feels differently.

Background

On July 13, 2009, the State of Illinois approved the Illinois Video Gaming Act (230 ILCS 40/1), allowing video gaming machines for the purpose of gambling in bar and restaurant establishments. Qualifying as a *licensed establishment*, a business is allowed to operate up to five machines with varying categories. The statute defines a *licensed establishment* in the following statute:

"Licensed establishment" means any licensed retail establishment where alcoholic liquor is drawn, poured, mixed, or otherwise served for consumption on the premises, whether the establishment operates on a nonprofit or for-profit basis (230 ILCS 40/5).

A licensed establishment, licensed truck stop establishment, licensed veterans establishment, or licensed fraternal establishment may operate up to 5 video gaming terminals on its premises at any time(230 ILCS 40/25(e)).

Most of the Urbana businesses that installed video gaming machines pursuant to the State act and local ordinance are traditional bars and restaurants along with local chapters of the American Legion and Veterans of Foreign Wars. The machines provided extra revenue to these businesses and contributed significant revenue to the City from their municipal share as required by state law (see Attachment Exhibit E). More recently, a few businesses have emerged that focus on gaming as a principal, rather than as an accessory use to a restaurant, bar, or fraternal lodge. While the businesses may be considered as a form of a restaurant or tavern, the majority of their revenue comes from the operation of their permitted five video gaming machine terminals. The food and beverage offerings are also limited compared to other area establishments, in some cases offering

only prepackaged food. Classified as “Gaming Cafés” or “Gaming Halls”, these businesses exist as a sort of casino on a micro level. Many cities across the state have made quick and important policy decisions with the sudden emergence of video gaming machines. In many circumstances, local communities have not had the chance to make decisions about gaming as a primary use before a gaming hall has opened for business. Many gaming halls operate from an established business model successfully used in other states. With such an easily repeatable and profitable business model, gaming halls are quickly becoming prevalent enough to require being addressed in a community’s zoning ordinance.

The City of Urbana, like many other municipalities in Illinois, has found itself without any listing and with limited guidance for a gaming hall as a principal use in its zoning ordinance. A lack of proper use identification can create future problems and undermine the goals of the Zoning Ordinance. The establishment of a gaming hall definition and new addition to the Urbana Zoning Ordinance’s Section V-1, Table of Uses would allow such uses to be properly zoned and regulated in the city.

Local governments in Illinois have the authority to adopt reasonable zoning controls to determine where and how gaming halls are located. The Act provides guidance for locating gaming halls terms of proximity to existing casinos, river boats, and horse racing facilities. The Act also requires a 100-foot setback for schools and places of worship from establishments with video gaming machines and an allowance of no patron under the age of 21:

Sec. 25. Restriction of licenses

Location restriction. A licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment that is (i) located within 1,000 feet of a facility operated by an organization licensee licensed under the Illinois Horse Racing Act of 1975 or the home dock of a riverboat licensed under the Riverboat Gambling Act or (ii) located within 100 feet of a school or a place of worship under the Religious Corporation Act, is ineligible to operate a video gaming terminal.

A few local governments in Illinois have already adopted zoning regulations regarding gaming halls. The City of Champaign does not have a separate principal use category for gaming halls, but regulates them through their liquor license and gaming license provisions. The following table summarizes several communities’ regulations. The list is not exhaustive, but shows that zoning regulations range from somewhat restrictive (e.g. South Beloit, Homer Glen) to forbidden (e.g. Lake County, Bloomington). In most cities where gaming halls are forbidden, video gaming machines are still allowed, but only as accessory uses within established restaurants and taverns. Many communities are still in the active process of deciding how to regulate gaming halls. Urbana’s proposed use restrictions are also shown.

Jurisdiction	Statute	Permission	Additional Information
Peoria		Not Permitted (Moratorium until March 2015)	Gaming Cafe - An establishment or a business whose primary purpose is to operate video gaming terminals as defined under the Illinois Video Gaming Act and in which the sale of pre-packaged foods or snacks and alcoholic beverages are only incidental to the operation of the video gaming terminals. Moratorium until March 2015
Olney	Section 5.12.060	Permitted: C-2 Commercial District	Class V (Video Gaming Establishment License) - Class V liquor licenses shall authorize the sale of alcoholic liquor at retail on the premises specified for consumption on the premises only if such sale is secondary to the business of video gaming. This license shall be issued only to businesses that operate primarily for the purpose of video gaming with a majority of the revenue coming from video gaming receipts.
South Beloit	Sec. 6-82	Permitted: CG – Commercial General District CR – Commercial Retail District	Class "BG" (bar-boutique gaming) licenses. Class "BG" shall authorize the retail sale of alcoholic liquor on the premises specified for consumption on the premises of businesses whose estimated net revenue from the sale of food, alcohol, and/or general merchandise is less than 51 percent per year. -Size limit of 1,500 sq.ft., no patio, no alcohol related signage, no musical events, no additional games such as pool tables, pinball machines, etc.
Lake County	Article III, Section 6(m)	Not Permitted	At least 60% of venue's revenue must be from food or beverage. No more than 10 % of its space is dedicated to video gaming.
Bloomington	Chapter 6, Section 4-14B	Not Permitted	No license shall be created for, or maintained by, an establishment whose primary or major focus is video gaming. In determining whether an establishment's primary or major focus is video gaming, the following factors may be considered. The Layout and design of the establishment including: the number of video gaming machines relative to the customer seating capacity of the establishment, the square footage of space devoted to video gaming relative to the amount of space devoted to other activities, whether the probable revenue derived from the establishment will be primarily from video gaming, and the number of employees at the establishment and their proposed function, "other relevant factors"
Homer Glen		Conditional	Establishments must be greater than 1500 sq.ft. City ordinance pending
Urbana (proposed)	Section VII-5	Special Use Permit: B-3, B-4, and B-4E	May not be located within 500 feet of any existing school, place of worship, or video gaming licensed establishment.

Comprehensive Plan

The following goals and objectives of the 2005 Urbana Comprehensive Plan relate to this case:

Goal 17.0 Minimize incompatible land uses.

Objectives

17.1 Establish logical locations for land use types and mixes, minimizing potentially incompatible interfaces, such as industrial uses near residential areas.

17.2 Where land use incompatibilities exist, promote development and design controls to minimize concerns.

Goal 28.0 Develop a diversified and broad, stable tax base.

Objectives

28.6 Increase the allocation of land devoted to tax-generating commercial uses in appropriate locations.

Goal 29.0 Develop a focused approach to economic development.

Objectives

29.1 Encourage supportive services and amenities that will benefit a strong civic, financial, and professional business base in Urbana.

The proposed text amendment would accomplish these goals and objectives in the following ways. First, the amendment would create a proper zoning description for businesses that operate with a principal function of video gaming. Additionally, the amendment would allow existing businesses to continue to operate as gaming halls and not unduly discourage the location of future establishments in in the City. Lastly, the amendment would not harm the City's economic and fiscal benefits of gaming activity by properly zoning businesses operating as gaming halls without banning or unduly limiting them.

Discussion

With one exception, the current licensees that provide video gaming machines in Urbana are established businesses that offer food and beverage service or cater to veteran organizations. The licenses to acquire video gaming machines were done in conjunction with standard liquor license renewal. The total number of machines at the 12 permitted establishments reached 50 by the end of 2014. The City has seen video gaming revenue climb almost every month with record receipts going through the beginning of the new year. The terminals have provided the City with \$208,720 over the last two years as part of its 5% share as mandated by state law (See Attached Exhibit F). With the exception of one gaming-oriented "café" (Hot Spot on Philo Road), the businesses have used the video gaming machines as an accessory use to their food and beverage offerings. The City is registering a backlog of businesses requesting video gaming licenses and is handling more applications for gaming halls to operate with gaming as their primary use. City leaders have given an annual consideration to adjusting license caps and allowing more establishments with gaming.

Because this type of use has not previously existed, there are currently no specific regulations for the principal use of gaming halls in Urbana and Table V-1 does not list it as a principal use. According to Section V-1.B of the Zoning Ordinance, when a principal use is proposed to be established that is not listed in Table V-1, the Zoning Administrator shall determine what is the most related or similar use. The proposed use would then be allowed under the same regulations as the most similar use. Because video gaming machines are only permitted in small numbers for businesses with liquor licenses, they have been determined to be a form of restaurants, bars, or clubs. However, video gaming halls are a distinctly different use from restaurants and bars in that the terminals act as more than just a complementary revenue source. In this case, the gaming changes from an accessory to a principle use.

In Table V-1, there is no use for “gaming hall” listed. Gaming halls fall into similar use characteristics as bars and restaurants as a recreational business that some consider a societal vice through a liquor license. In contrast to the decades-long existence of liquor serving establishments, gaming halls have attracted greater scrutiny and attention because of their recent emergence. Currently, businesses with liquor licenses are primarily zoned in commercial districts, including B-3, B-3U, B-4, and B-4E (and as a Conditional Use in IN-1). Bars, restaurants, clubs, and establishments selling liquor are permitted by right in Business Districts. In only a few exceptions, a restaurant or liquor store is allowed to exist by special or conditional use.

The Zoning Administrator proposes adding a definition of Gaming Hall to Article II. An established definition eliminates ambiguity in City zoning decisions. This definition would clarify that gaming halls are businesses whose primary purpose is video gaming. Taverns, cafés and restaurants that serve alcohol would still be allowed to have properly licensed machines, but would not be considered gaming halls. Likewise, the Veterans of Foreign Wars and American Legion chapters would be given their own definitions and separated from the classification of Gaming Hall. In determining a business’s principal use, the Zoning Administrator would consider several factors. These include floor area devoted to gaming versus food or beverage service, revenue sources, and patron activities. An enterprise may derive much of its revenue from gaming, but if patrons are spending most of their time eating, drinking, or socializing, and if only a small area of the space is devoted to gaming, it would not be considered a principal use Gaming Hall. Cafés that have a kitchen and full-service bar with a small area devoted to gaming machines would be considered a café. However, a business with video gaming that only offers prepackaged food and bottles or cans of alcoholic beverages would be considered a Gaming Hall.

Staff recommends that the principal use of gaming halls be added to Table V-1 to be allowed in certain business districts of the City, based on their similarity to Taverns, Pool Halls, or Bowling Alleys. These establishments that offer alcohol are generally limited to districts that do not contain any residential uses. Limiting business with a primarily gaming use would be appropriate because of the similarity in their building footprint and customer traffic. Based on input from the Plan Commission and the research presented here, the Zoning Administrator proposes to allow gaming halls as a Special Use in the B-3, General Business, B-4, Central Business, and B-4E Central Business-Expansion districts. This would be similar to the districts in which comparable uses, such as Pool Halls and Bowling Alleys are allowed, except those uses are also allowed in the B-3U, CCD, and MOR districts. Because of the illegality of individuals under 21 years of age patronizing video gaming machines, the Zoning Administrator is proposing to not allow gaming halls in the CCD, Campus Commercial District or B-3U, General Business University district.

Proposed Text Changes

The proposed changes are listed below, using a strikethrough and underline notation system. A strikethrough is used to indicate ~~deleted language~~, while an underline is used to indicate added language. Commentary on the proposed changes are listed *in italics*.

Section II-3. Definitions

Gaming Hall: An establishment whose primary purpose is to operate video gaming terminals as defined under the Illinois Video Gaming Act (230 ILCS 40/5) and in which alcoholic liquor is drawn, poured, mixed, or otherwise served for consumption on the premises which is subsidiary to the operation of the video gaming terminals. In determining whether an establishment's primary purpose is video gaming, the considerations include but are not limited to:

- A. *a seating area for video gaming terminals being greater than the seating area for food and beverage service or merchandise sales,*
- B. *the absence of a full service kitchen,*
- C. *an estimated net revenue of at least 40% or more derived from video gaming terminals, and*
- D. *an overall size of 1500 square feet or less.*

Fraternal establishments and veteran establishments as defined by the Illinois Video Gaming Act (230 ILCS 40/5) are exempt from this definition.

Fraternal Establishment: The location where a qualified fraternal organization that derives its charter from a national fraternal organization regularly meets.

Veterans Establishment: The location where a qualified veterans organization that derives its charter from a national veterans organization regularly meets.

This change would add definitions for Gaming Halls, Fraternal Establishments, and Veterans Establishments. Fraternal Establishment and Veterans Establishment are added for the purpose of distinction from Gaming Halls. Restaurants and taverns would not likely fall under the definition of Gaming Hall with the specified criteria.

Table V-1. Table of Uses

Principal Uses	R-1	R-2	R-3	R-4	R-5	R-6	R-6B	R-7	AG	B-1	B-2	B-3	B-3U	B-4	B-4E	CCD	CRE	MOR	IN-1	IN-2
Gaming Hall †††												S		S	S					

††† See Section VII-5.F Standards of Gaming Halls

(Note: Gaming Hall will be placed under the "Recreation" section of the use table.)

This change would establish which districts Gaming Halls would be allowed in, and specify where they may be permitted. The Urbana Plan Commission is proposing that Gaming Halls be allowed with a Special Use Permit in the B-3, B-4, and B-4E zoning district zoning districts. Gaming Halls more closely resemble Restaurants and Tavern or Night Club because of their shared characteristic of having a liquor license. Therefore, they are categorized in the Business section in the Table of Uses. Like food and beverage establishments, gaming halls are proposed to be limited to primarily commercial districts and ones not centered near the University or any mixed-use zoning designation. Limiting gaming halls to the primarily commercial districts of B-3, B-4, and B-

4E lowers the risk of them being incompatibly located near residential areas. Requiring a Special Use Permit would make an applicant show that their use is not a detriment to the public welfare.

Section VII-5. Special Terms and Conditions

F. The following conditions shall apply to any Gaming Hall:

1. An establishment requesting a license for a principal use gaming hall shall be a minimum of five hundred feet from a preexisting Day Care Facility, School, or place of worship as defined under the Religious Corporation Act (805 ILCS 110/0.01 et seq.). An establishment shall also be a minimum of five hundred feet away from any existing licensed Gaming Halls or any establishment containing a licensed video gaming terminal. City Council may increase the minimum distance between Gaming Halls and other Gaming Halls or preexisting Day Care Facilities, Schools, or Places of Worship where necessary to maintain the public welfare.

These changes would add regulations for the siting of Gaming Halls to ensure consistency with the stipulations of the Illinois Video Gaming Act (230 ILCS 40/25(h.ii)). There is an addition to Article VII concerning Special Use Permits, although City Council may adopt changes if necessary

Plan Commission Action

The Urbana Plan Commission reviewed the proposed text amendment over the course of three meetings on February 5, 2015, February 19, 2015, and March 5, 2015. The Plan Commission members expressed serious reservations about the allowance of gaming halls in the City and the effects of expanded video gaming. They expressed concern about the effect of principal use video gaming on area residents and existing Urbana businesses. While acknowledging the revenue provided to the City and local businesses, they took into serious consideration the economic harm of gambling on the local population. Commission members expressed a preference for prohibiting gaming halls in the City's municipal code rather than restricting it through the Zoning Ordinance. However, the Commission decided to recommend approval of an amendment that heavily regulates gaming halls as an alternative only if the City Council decides not to ban such uses through the City Code. Included in the amendment are restrictions such as a Special Use Permit requirement and distance requirement buffers from existing video gaming license holders, schools, and places of worship. At their March 5, 2015 meeting, the Plan Commission voted five to zero to forward the case to City Council with a recommendation for approval.

Summary of Findings

1. The Zoning Administrator is proposing a text amendment to the Zoning Ordinance in order to add definitions and establish use provisions for gaming halls.

2. Video gaming machines in establishments with a liquor license are legal in Illinois as of January 1, 2010 and their usage is regulated by the Illinois Video Gaming Act (230 ILCS 40/1).
3. The proposed amendment will modify Articles II, V, and VII of the Urbana Zoning Ordinance to distinguish establishments with liquor licenses that exist for the primary purpose of video gaming as “Gaming Halls” and to further establish definitions and use permissions
4. The proposed amendment would allow Gaming Halls in the B-3, General Business, B-4, Central Business District and B-4E, Central Business-Expansion District with a Special Use Permit.
5. The proposed amendment is consistent with the goals and objectives of the 2005 Urbana Comprehensive Plan to minimize incompatible land uses, develop a diversified and stable tax base, and to develop a focused approach to economic development.
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).
7. The Urbana Plan Commission expressed a desire of the City Council to prohibit principal use Gaming Halls in the City’s municipal code, but voted to recommend approval of the proposed text amendment should the City Council decide not to prohibit such uses.

Options

The Urbana City Council has the following options regarding Plan Case 2250-T-15 and the proposed City Code amendment:

- a. Approve the proposed Zoning Ordinance text amendment and City Code amendment as presented herein;
- b. Approve the proposed Zoning Ordinance text amendment and City Code amendment as modified by specific suggested changes; or
- c. Deny approval of the proposed Zoning Ordinance text amendment and City Code amendment.

Recommendation

At their March 5, 2015 meeting, the Urbana Plan Commission voted five ayes to zero nays to recommend **APPROVAL** of the proposed text amendment to the Urbana Zoning Ordinance as amended and presented herein, but only if City Council decides not to ban principal use Gaming Halls through City Code.

Attachments:

- Exhibit A: Map – Locations of Existing and Potential Video Gaming Licenses in Urbana Zoning Districts
- Exhibit B: Map – Locations of Existing and Potential Video Gaming Licenses With Proposed Buffer Requirement
- Exhibit C: Text – Proposed Text Amendment
- Exhibit D: Text – Local Statute on City Licensing Policy
- Exhibit E: Text – State Statute on Video Gaming Machines
- Exhibit F: Table – Video Gaming Revenue from Urbana Establishments

ORDINANCE NO. 2015-03-029

AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF URBANA, ILLINOIS (Revising Article II, Article V, and Article VII to establish definitions, use provisions, and special use permissions for "Gaming Hall"/ Plan Commission Case No. 2250-T-15)

WHEREAS, the City Council of the City of Urbana, Illinois adopted Ordinance #9293-124 on June 21, 1993 which adopted the 1993 Comprehensive Amendment to replace the 1979 Comprehensive Amendment to the 1950 Zoning Ordinance of the City of Urbana which is also known as the Urbana Zoning Ordinance; and,

WHEREAS, the State of Illinois enacted the Illinois Video Gaming Act (230 ILCS 40/) on January 1, 2010, which allowed video gaming terminals in establishments with liquor licenses in the State of Illinois; and

WHEREAS, the City of Urbana in Ordinance No. 2012-07-073 enacted Urbana City Code Chapter 3.7 to regulate amusement devices and gamerooms in the City and Section 14-7 to establish a schedule of fees for the various licenses, permits, fines, and other fees required under the Urbana City Code on July 30, 2012; and

WHEREAS, video gaming uses are not listed in the Urbana Zoning Ordinance and are not distinguished as principal or accessory uses; and

WHEREAS, the Zoning Administrator is proposing to amend the Urbana Zoning Ordinance in order to establish definitions, special use provisions, and location restrictions for establishments with video gaming as a principal use; and

WHEREAS, said text amendment is consistent with the goals and objectives of the Urbana Comprehensive Plan; and

WHEREAS, after due publication in accordance with Section XI-7 of the Urbana Zoning Ordinance and with Chapter 24, Section 11-13-14 of the Illinois

Revised Statutes, the Urbana Plan Commission held a public hearing on this application at their February 5, 2015, February 19, 2015, and March 5, 2015 meetings; and

WHEREAS, the Urbana Plan Commission on March 5, 2015 voted 5 ayes to 0 nays to recommend approval of the proposed Zoning Ordinance amendment as presented and amended;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, that the Urbana Zoning Ordinance shall be amended as follows:

Section 1. That Section II-3, Definitions, of Urbana Zoning Ordinance is hereby amended to add the following new definitions:

Gaming Hall: An establishment whose primary purpose is to operate video gaming terminals as defined under the Illinois Video Gaming Act (230 ILCS 40/5) and in which alcoholic liquor is drawn, poured, mixed, or otherwise served for consumption on the premises which is subsidiary to the operation of the video gaming terminals. In determining whether an establishment's primary purpose is video gaming, the considerations include but are not limited to:

- A. a seating area for video gaming terminals being greater than the seating area for food and beverage service or merchandise sales,
- B. the absence of a full service kitchen,
- C. an estimated net revenue of at least 40% or more derived from video gaming terminals, and
- D. an overall size of 1500 square feet or less.

Fraternal establishments and veteran establishments as defined by the Illinois Video Gaming Act (230 ILCS 40/5) are exempt from this definition.

Fraternal Establishment: The location where a qualified fraternal organization that derives its charter from a national fraternal organization regularly meets.

Veterans Establishment: The location where a qualified veterans organization that derives its charter from a national veterans organization regularly meets.

Section 2. That Table V-1, Table of Uses, of the Urbana Zoning Ordinance is hereby amended to include the following new use as follows:

Table V-1. Table of Uses

Principal Uses	R-1	R-2	R-3	R-4	R-5	R-6	R-6B	R-7	AG	B-1	B-2	B-3	B-3U	B-4	B-4E	CCD	CRE	MOR	IN-1	IN-2
<i>Recreation</i>																				
Gaming Hall †††												S		S	S					

††† See Section VII-5.F Standards of Gaming Halls

Section 3. That Section VII-5, Special Terms and Conditions, of the Urbana Zoning Ordinance is hereby amended to include the following new Paragraph F as follows:

Section VII-5. Special Terms and Conditions

F. The following conditions shall apply to any Gaming Hall:

1. An establishment requesting a license for a principal use gaming hall shall be a minimum of five hundred feet from a preexisting Day Care Facility, School, or place of worship as defined under the Religious Corporation Act (805 ILCS 110/0.01 et seq.). An establishment shall also be a minimum of five hundred feet away from any existing licensed Gaming Halls or any establishment containing a licensed video gaming terminal. City Council may increase the minimum distance between Gaming Halls and other Gaming Halls or preexisting Day Care Facilities, Schools, or Places of Worship where necessary to maintain the public welfare.

Section 4. The City Clerk is directed to publish this Ordinance in pamphlet form by authority of the corporate authorities. This Ordinance shall be in full force and effect from and after its passage and publication in accordance with the terms of Chapter 65, Section 1-2-4 of the Illinois Compiled Statutes (65 ILCS 5/1-2-4).

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called of a majority of the members of the City Council of the City of Urbana, Illinois, at a regular meeting of said Council on the _____ day of _____, 2015.

PASSED by the City Council this _____ day of _____, 2015.

AYES:

NAYS:

ABSTAINED:

Phyllis D. Clark, City Clerk

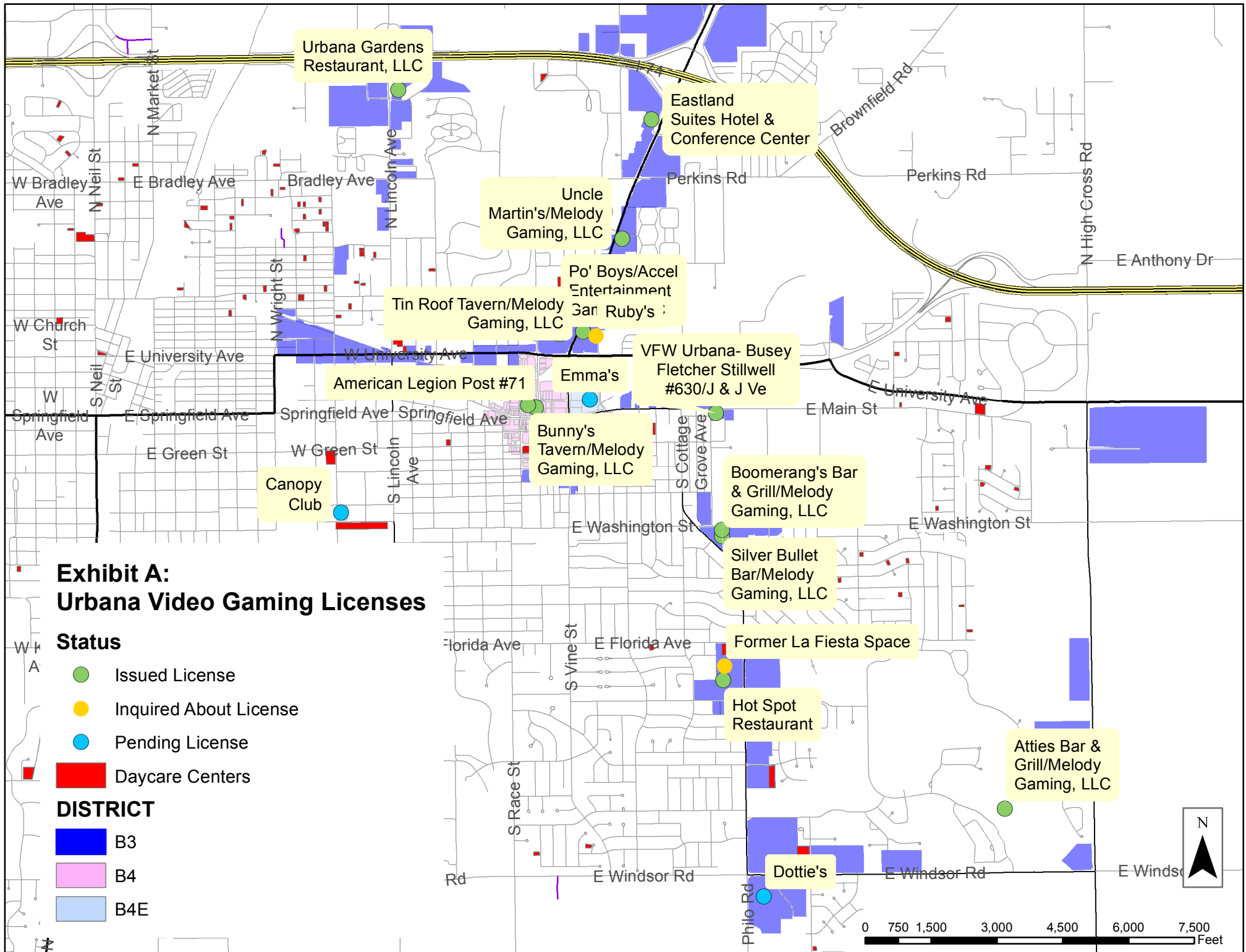
APPROVED by the Mayor this _____ day of _____, 2015.

Laurel Lunt Prussing, Mayor

CERTIFICATE OF PUBLICATION IN PAMPHLET FORM

I, Phyllis D. Clark, certify that I am the duly elected and acting Municipal Clerk of the City of Urbana, Champaign County, Illinois. I certify that on the ____ day of _____, 2015, the corporate authorities of the City of Urbana passed and approved Ordinance No. _____, entitled "AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF URBANA, ILLINOIS (Revising Article II, Article V, and Article VII to establish definitions, use provisions, and special use permissions for "Gaming Hall"/ Plan Commission Case No. 2250-T-15)" which provided by its terms that it should be published in pamphlet form. The pamphlet form of Ordinance No. _____, including all of its attachments, was prepared, and a copy of such Ordinance was posted in the Urbana City Building commencing on the ____ day of _____, 2015, and continuing for at least ten (10) days thereafter. Copies of such Ordinance were also available for public inspection upon request at the Office of the City Clerk.

DATED at Urbana, Illinois, this ____ day of _____, 2015.



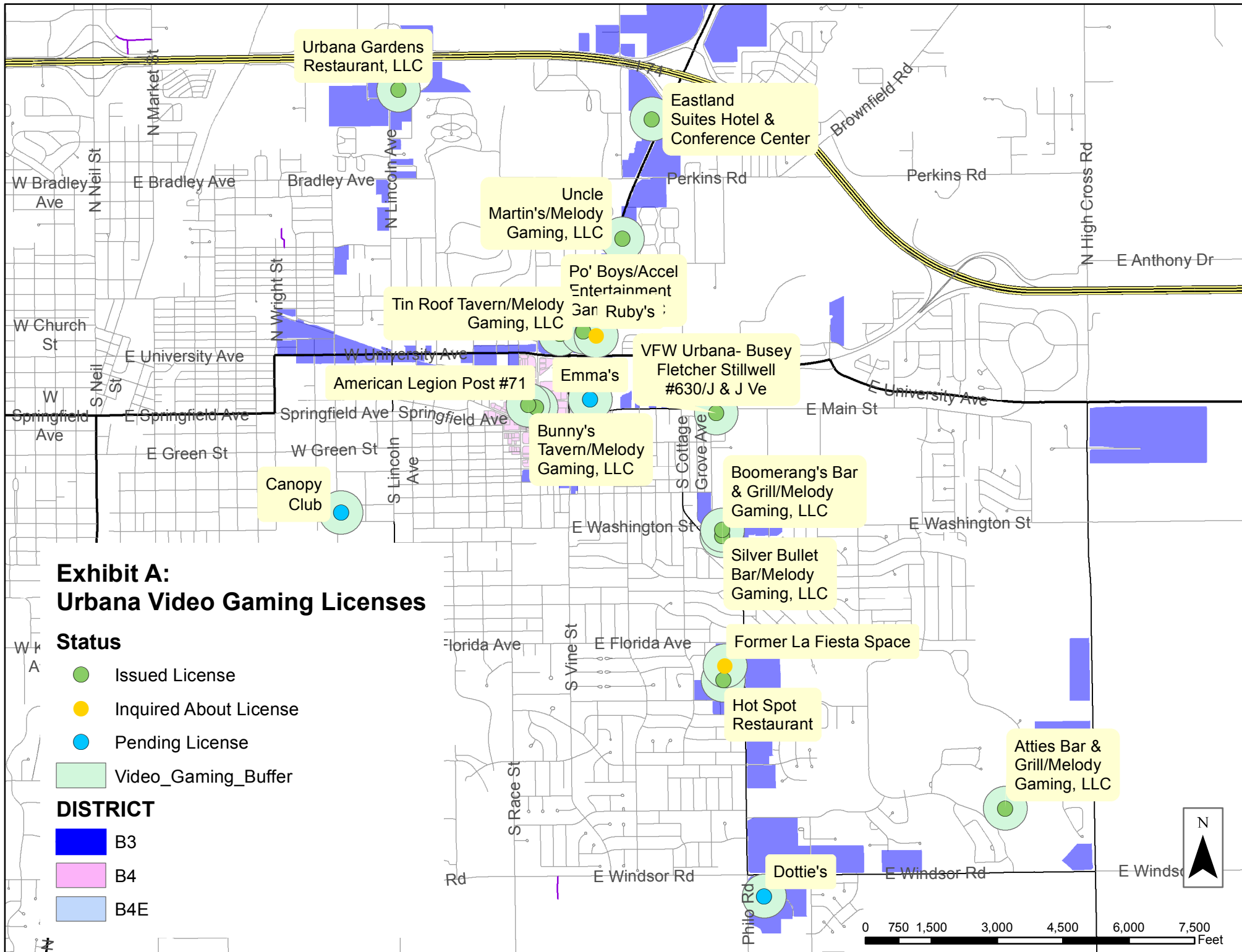


Exhibit C: Proposed Text Amendment

The proposed changes are listed below, using a strikethrough and underline notation system. A strikethrough is used to indicate ~~deleted language~~, while an underline is used to indicate added language. Commentary on the proposed changes are listed *in italics*.

Section II-3. Definitions

Gaming Hall: An establishment whose primary purpose is to operate video gaming terminals as defined under the Illinois Video Gaming Act (230 ILCS 40/5) and in which alcoholic liquor is drawn, poured, mixed, or otherwise served for consumption on the premises which is subsidiary to the operation of the video gaming terminals. In determining whether an establishment’s primary purpose is video gaming, the considerations include but are not limited to:

- A. *a seating area for video gaming terminals being greater than the seating area for food and beverage service or merchandise sales,*
- B. *the absence of a full service kitchen,*
- C. *an estimated net revenue of at least 40% or more derived from video gaming terminals, and*
- D. *an overall size of 1500 square feet or less.*

Fraternal establishments and veteran establishments as defined by the Illinois Video Gaming Act (230 ILCS 40/5) are exempt from this definition.

Fraternal Establishment: The location where a qualified fraternal organization that derives its charter from a national fraternal organization regularly meets.

Veterans Establishment: The location where a qualified veterans organization that derives its charter from a national veterans organization regularly meets.

Table V-1. Table of Uses

Principal Uses	R-1	R-2	R-3	R-4	R-5	R-6	R-6B	R-7	AG	B-1	B-2	B-3	B-3U	B-4	B-4E	CCD	CRE	MOR	IN-1	IN-2
Gaming Hall †††												SI		SI	SI					

††† See Section VII-5.F Standards of Gaming Halls

(Note: Gaming Hall will be placed under the “Recreation” section of the use table.)

Section VII-5. Special Terms and Conditions

F. The following conditions shall apply to any Gaming Hall:

1. An establishment requesting a license for a principal use gaming hall shall be a minimum of five hundred feet from a preexisting Day Care Facility, School, or place of worship as defined under the Religious Corporation Act (805 ILCS 110/0.01 et seq.). An establishment shall also be a minimum of five hundred feet away from any existing licensed Gaming Halls or any establishment containing a licensed video

gaming terminal. City Council may increase the minimum distance between Gaming Halls and other Gaming Halls or preexisting Day Care Facilities, Schools, or Places of Worship where necessary to maintain the public welfare.

Exhibit D: Urbana Municipal Code, Article II

ARTICLE II. - AMUSEMENT DEVICES; VIDEO GAMBLING TERMINALS; GAMEROOMS

FOOTNOTE(S):

--- (2) ---

Editor's note— Section 1 of Ord. No. 2012-07-073, adopted July 30, 2012, amended art. II in its entirety to read as herein set out. Former art. II, §§ 3.7-11-3.7-18 pertained to amusement devices and gamerooms and derived from Ord. No. 8283-22, §§ 1-8, adopted Sept. 20, 1982.

Sec. 3.7-11. - Definitions.

As used in this article, the following words and phrases shall have the following meanings ascribed to them:

Amusement device shall mean and include any device for which a fee is charged for the purpose of entertainment or amusement which returns to the player or operator thereof no money or property or right to receive money or property, or any other such device which, upon insertion of a coin, slug or token in any slot or receptacle in or attached to such device, operates or is operated for use as entertainment or amusement, including, but not limited to, jukeboxes, motion or still picture viewers, pinball games, video games, air hockey games, electronic games, and any other such similar devices.

Gameroom shall mean and include any specific place or location owned or leased by any person who displays twenty (20) or more amusement devices as herein defined upon such premises.

Video gambling terminal shall have the same meaning as "video gaming terminal," as set forth in the Video Gaming Act, 230 ILCS 40/1 et seq. as amended.

(Ord. No. 2012-07-073, § 1, 7-30-12)

Sec. 3.7-12. - Imposition of tax and license.

(a) There is hereby imposed, on the privilege of operating every amusement device or gameroom in the city, an annual privilege tax and license for each such amusement device or gameroom.

(b) There is hereby imposed, on the privilege of operating every video gambling terminal in the city, an annual privilege tax and license for each such video gambling terminal.

(Ord. No. 2012-07-073, § 1, 7-30-12)

Sec. 3.7-13. - License required.

Any person who displays any amusement device or video gambling terminal to be played or operated by the public at any place owned or leased by any such person shall, before such person displays such device or terminal, file with the comptroller of the city an application for a license for each such device or terminal or for a gameroom. Any person who displays any video gambling terminal to be played or operated by the public shall as a prerequisite to receiving any license from the city have a valid license from the State of Illinois for each such terminal, and the loss or suspension of any such license by the State of Illinois shall automatically result in the same status for the license issued hereunder without refund of any license fee.

(Ord. No. 2012-07-073, § 1, 7-30-12)

Sec. 3.7-14. - Reserved.

Sec. 3.7-15. - License application; issuance; limitations on video gambling terminals.

- (a) Any person desiring to display in the city any amusement device or video gambling terminal shall make application for the appropriate license to the comptroller. Each such application shall be accompanied by the required license tax and shall set forth such applicant's name and address, with a brief description of each amusement device or video gambling terminal to be displayed on the premises where such device or terminal will be located, together with such other relevant data or information as the comptroller may require. The applicant shall include a copy of the license from the State of Illinois for each video gaming terminal on the premises. Upon receipt of the proper application and upon the payment of the tax and license as herein provided, the comptroller shall issue the appropriate license for each such device, terminal, or gameroom, which such license shall be issued for a period of one year from July first to June thirtieth in the ensuing year.
- (b) No more than five (5) video gambling terminals may be located on any licensed premises. No more than twelve (12) licensed premises may display video gambling terminals to be played or operated by the public. In the event that all licenses last granted by operation of this section for video gambling terminals at any of the twelve (12) licensed premises lapse or are terminated for any reason, the number of licensed premises authorized by the corporate authorities to display video gambling terminals to be played or operated by the public shall automatically and immediately be reduced by one. Prior to authorizing any new licensed premises to display video gaming terminals under this section, the city council shall convene and conduct a public hearing as necessary to gather additional information on the application or for other good reason.

(Ord. No. 2012-07-073, § 1, 7-30-12)

Sec. 3.7-16. - Display of license; transfer.

- (a) *Amusement devices and video gambling terminals.* The license for each amusement device or video gambling terminal shall be in the form of a gummed sticker, which shall be serially numbered and shall be securely affixed in plain view to the device for which it is issued. An amusement device license may be transferred from one amusement device to another amusement device located on the same premises and owned by the same applicant, provided that any and all such amusement devices so displayed at any one time on such premises shall be licensed as provided herein. A video gambling terminal license is not transferable.
- (b) *Gamerrooms.* A gameroom license shall be in such form as shall be determined from time-to-time by the comptroller and every such gameroom license shall be framed and hung in plain view in a conspicuous place on the licensed premises.

(Ord. No. 2012-07-073, § 1, 7-30-12)

Sec. 3.7-17. - License fee.

Each applicant for a license required by this article shall pay such amount for such annual privilege tax and license as is set forth and established in section 14-7 of the Code of Ordinances, City of Urbana, Illinois.

(Ord. No. 2012-07-073, § 1, 7-30-12)

Sec. 3.7-18. - Illegal amusement devices and video gambling terminals prohibited; inspections.

No license shall be issued for any amusement device, video gambling terminal, or gameroom which violates the laws of the state or the ordinances of the city. All amusement devices, video gambling terminals, and gamerooms shall be available for

inspection by the proper city authorities for the purpose of ascertaining and declaring whether such laws and ordinances are complied with.

(Ord. No. 2012-07-073, § 1, 7-30-12)

Sec. 3.7-19. - Public notice.

Each licensee of a video gambling terminal license shall post a conspicuous sign visible to the public, not less than eight and one-half (8½) inches by eleven (11) inches in size, at the location of the video gambling terminal and inside each public restroom on the licensed premises, bearing the following text:

ARE YOU A PROBLEM GAMBLER? The American Psychiatric Association describes the symptoms of a problem gambler as someone who:

1. is preoccupied with gambling (e.g. preoccupied with reliving past gambling experiences, handicapping or planning the next venture, or thinking of ways to get money with which to gamble)
2. needs to gamble with increasing amounts of money in order to achieve the desired excitement
3. has repeated unsuccessful efforts to control, cut back, or stop gambling
4. is restless or irritable when attempting to cut down or stop gambling
5. gambles as a way of escaping from problems or of relieving a dysphoric mood (e.g. feelings of helplessness, guilt, anxiety, depression)
6. after losing money gambling, often returns another day to get even ("chasing" one's losses)
7. lies to family members, therapist, or others to conceal the extent of involvement with gambling
8. has committed illegal acts such as forgery, fraud, theft, or embezzlement to finance gambling
9. has jeopardized or lost a significant relationship, job, or educational or career opportunity because of gambling
10. relies on others to provide money to relieve a desperate financial situation caused by gambling

If this describes YOU, please call the Gamblers Anonymous Hotline at 1-800-GAMBLER.

(Ord. No. 2012-07-073, § 1, 7-30-12)

Exhibit D: Illinois Video Gaming Act. (230 ILCS 40/)

(230 ILCS 40/Art. 5 heading)

ARTICLE 5.

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/1)

Sec. 1. Short title. This Article may be cited as the Video Gaming Act. Any references in this Article to "this Act" mean this Article.

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/5)

Sec. 5. Definitions. As used in this Act:

"Board" means the Illinois Gaming Board.

"Credit" means one, 5, 10, or 25 cents either won or purchased by a player.

"Distributor" means an individual, partnership, corporation, or limited liability company licensed under this Act to buy, sell, lease, or distribute video gaming terminals or major components or parts of video gaming terminals to or from terminal operators.

"Electronic card" means a card purchased from a licensed establishment, licensed fraternal establishment, licensed veterans establishment, or licensed truck stop establishment for use in that establishment as a substitute for cash in the conduct of gaming on a video gaming terminal.

"Electronic voucher" means a voucher printed by an electronic video game machine that is redeemable in the licensed establishment for which it was issued.

"Terminal operator" means an individual, partnership, corporation, or limited liability company that is licensed under this Act and that owns, services, and maintains video gaming terminals for placement in licensed establishments, licensed truck stop establishments, licensed fraternal establishments, or licensed veterans establishments.

"Licensed technician" means an individual who is licensed under this Act to repair, service, and maintain video gaming terminals.

"Licensed terminal handler" means a person, including but not limited to an employee or independent contractor working for a manufacturer, distributor, supplier, technician, or terminal operator, who is licensed under this Act to possess or control a video gaming terminal or to have access to the inner workings of a video gaming terminal. A licensed terminal handler does not include an individual, partnership, corporation, or limited liability company defined as a manufacturer, distributor, supplier, technician, or terminal operator under this Act.

"Manufacturer" means an individual, partnership, corporation, or limited liability company that is licensed under this Act and that

manufactures or assembles video gaming terminals.

"Supplier" means an individual, partnership, corporation, or limited liability company that is licensed under this Act to supply major components or parts to video gaming terminals to licensed terminal operators.

"Net terminal income" means money put into a video gaming terminal minus credits paid out to players.

"Video gaming terminal" means any electronic video game machine that, upon insertion of cash, electronic cards or vouchers, or any combination thereof, is available to play or simulate the play of a video game, including but not limited to video poker, line up, and blackjack, as authorized by the Board utilizing a video display and microprocessors in which the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, or tokens or is for amusement purposes only.

"Licensed establishment" means any licensed retail establishment where alcoholic liquor is drawn, poured, mixed, or otherwise served for consumption on the premises, whether the establishment operates on a nonprofit or for-profit basis. "Licensed establishment" includes any such establishment that has a contractual relationship with an inter-track wagering location licensee licensed under the Illinois Horse Racing Act of 1975, provided any contractual relationship shall not include any transfer or offer of revenue from the operation of video gaming under this Act to any licensee licensed under the Illinois Horse Racing Act of 1975. Provided, however, that the licensed establishment that has such a contractual relationship with an inter-track wagering location licensee may not, itself, be (i) an inter-track wagering location licensee, (ii) the corporate parent or subsidiary of any licensee licensed under the Illinois Horse Racing Act of 1975, or (iii) the corporate subsidiary of a corporation that is also the corporate parent or subsidiary of any licensee licensed under the Illinois Horse Racing Act of 1975. "Licensed establishment" does not include a facility operated by an organization licensee, an inter-track wagering licensee, or an inter-track wagering location licensee licensed under the Illinois Horse Racing Act of 1975 or a riverboat licensed under the Riverboat Gambling Act, except as provided in this paragraph. The changes made to this definition by Public Act 98-587 are declarative of existing law.

"Licensed fraternal establishment" means the location where a qualified fraternal organization that derives its charter from a national fraternal organization regularly meets.

"Licensed veterans establishment" means the location where a qualified veterans organization that derives its charter from a national veterans organization regularly meets.

"Licensed truck stop establishment" means a facility (i) that is at least a 3-acre facility with a convenience store, (ii) with separate diesel islands for fueling commercial motor vehicles, (iii) that sells at retail more than 10,000 gallons of diesel or biodiesel fuel per month, and (iv) with parking spaces for commercial motor vehicles. "Commercial motor vehicles" has the same meaning as defined in Section 18b-101 of the Illinois Vehicle Code. The requirement of item (iii) of this paragraph may be met by showing that estimated future sales or past sales average at least 10,000 gallons per month.

(Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13; 98-582, eff. 8-27-13; 98-587, eff. 8-27-13; 98-756, eff. 7-16-14.)

(230 ILCS 40/15)

Sec. 15. Minimum requirements for licensing and registration. Every video gaming terminal offered for play shall first be tested and approved pursuant to the rules of the Board, and each video gaming terminal offered in this State for play shall conform to an approved model. For the examination of video gaming machines and associated equipment as required by this Section, the Board may utilize the services of one or more independent outside testing laboratories that have been accredited by a national accreditation body and that, in the judgment of the Board, are qualified to perform such examinations. Every video gaming terminal offered in this State for play must meet minimum standards set by an independent outside testing laboratory approved by the Board. Each approved model shall, at a minimum, meet the following criteria:

(1) It must conform to all requirements of federal

law and regulations, including FCC Class A Emissions Standards.

(2) It must theoretically pay out a mathematically

demonstrable percentage during the expected lifetime of the machine of all amounts played, which must not be less than 80%. The Board shall establish a maximum payout percentage for approved models by rule. Video gaming terminals that may be affected by skill must meet this standard when using a method of play that will provide the greatest return to the player over a period of continuous play.

(3) It must use a random selection process to

determine the outcome of each play of a game. The random selection process must meet 99% confidence limits using a standard chi-squared test for (randomness) goodness of fit.

(4) It must display an accurate representation of the game outcome.

(5) It must not automatically alter pay tables or any function of the video gaming terminal based on internal computation of hold percentage or have any means of manipulation that affects the random selection process or probabilities of winning a game.

(6) It must not be adversely affected by static discharge or other electromagnetic interference.

(7) It must be capable of detecting and displaying the following conditions during idle states or on demand: power reset; door open; and door just closed.

(8) It must have the capacity to display complete play history (outcome, intermediate play steps, credits available, bets placed, credits paid, and credits cashed out) for the most recent game played and 10 games prior thereto.

(9) The theoretical payback percentage of a video gaming terminal must not be capable of being changed without making a hardware or software change in the video gaming terminal, either on site or via the central communications system.

(10) Video gaming terminals must be designed so that replacement of parts or modules required for normal maintenance does not necessitate replacement of the electromechanical meters.

(11) It must have nonresettable meters housed in a locked area of the terminal that keep a permanent record of all cash inserted into the machine, all winnings made by the terminal printer, credits played in for video gaming terminals, and credits won by video gaming players. The video gaming terminal must provide the means for on-demand display of stored information as determined by the Board.

(12) Electronically stored meter information required by this Section must be preserved for a minimum of 180 days after a power loss to the service.

(13) It must have one or more mechanisms that accept cash in the form of bills. The mechanisms shall be designed to prevent obtaining credits without paying by stringing, slamming, drilling, or other means. If such attempts at physical tampering are made, the video gaming terminal shall suspend itself from operating until reset.

(14) It shall have accounting software that keeps an electronic record which includes, but is not limited to, the following: total cash inserted into the video gaming terminal; the value of winning tickets claimed by players; the total credits played; the total credits awarded by a video gaming terminal; and pay back percentage credited to players of each video game.

(15) It shall be linked by a central communications system to provide auditing program information as approved by the Board. The central communications system shall use a standard industry protocol, as defined by the Gaming Standards Association, and shall have the functionality to enable the Board or its designee to activate or deactivate individual gaming devices from the central communications system. In no event may the communications system approved by the Board limit participation to only one manufacturer of video gaming terminals by either the cost in implementing the necessary program modifications to communicate or the inability to communicate with the central communications system.

(16) The Board, in its discretion, may require video gaming terminals to display Amber Alert messages if the Board makes a finding that it would be economically and technically feasible and pose no risk to the integrity and security of the central communications system and video gaming terminals.

The Board may adopt rules to establish additional criteria to preserve the integrity and security of video gaming in this State. The central communications system vendor may be licensed as a video gaming terminal manufacturer or a video gaming terminal distributor, or both, but in no event shall the central communications system vendor be licensed as a video gaming terminal operator.

The Board shall not permit the development of information or the use by any licensee of gaming device or individual game performance data. Nothing in this Act shall inhibit or prohibit the Board from the use of gaming device or individual game performance data in its regulatory duties. The Board shall adopt rules to ensure that all licensees are treated and all licensees act in a non-discriminatory manner and develop processes and penalties to enforce those rules.

(Source: P.A. 98-31, eff. 6-24-13; 98-377, eff. 1-1-14; 98-582, eff. 8-27-13; 98-756, eff. 7-16-14.)

(230 ILCS 40/20)

Sec. 20. Direct dispensing of receipt tickets only. A video gaming terminal may not directly dispense coins, cash, tokens, or any other article of exchange or value except for receipt tickets. Tickets shall be dispensed by pressing the ticket dispensing button on the video gaming terminal at the end of one's turn or play. The ticket shall indicate the total amount of credits and the cash award, the time of day in a 24-hour format showing hours and minutes, the date, the terminal serial number, the sequential number of the ticket, and an encrypted validation number from which the validity of the prize may be determined. The player shall turn in this ticket to the appropriate person at the licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment to receive the cash award. The cost of the credit shall be one cent, 5 cents, 10 cents, or 25 cents, and the maximum wager played per hand shall not exceed \$2. No cash award for the maximum wager on any individual hand shall exceed \$500. (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

(230 ILCS 40/25)

Sec. 25. Restriction of licensees.

(a) Manufacturer. A person may not be licensed as a manufacturer of a video gaming terminal in Illinois unless the person has a valid manufacturer's license issued under this Act. A manufacturer may only sell video gaming terminals for use in Illinois to persons having a valid distributor's license.

(b) Distributor. A person may not sell, distribute, or lease or market a video gaming terminal in Illinois unless the person has a valid distributor's license issued under this Act. A distributor may only sell video gaming terminals for use in Illinois to persons having a valid distributor's or terminal operator's license.

(c) Terminal operator. A person may not own, maintain, or place a video gaming terminal unless he has a valid terminal operator's license issued under this Act. A terminal operator may only place video gaming terminals for use in Illinois in licensed establishments, licensed truck stop establishments, licensed fraternal establishments, and licensed veterans establishments. No terminal operator may give anything of value, including but not limited to a loan or financing arrangement, to a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment as any incentive or inducement to locate video terminals in that establishment. Of the after-tax profits from a video gaming terminal, 50% shall be paid to the terminal operator and 50% shall be paid to the licensed establishment, licensed truck stop

establishment, licensed fraternal establishment, or licensed veterans establishment, notwithstanding any agreement to the contrary. A video terminal operator that violates one or more requirements of this subsection is guilty of a Class 4 felony and is subject to termination of his or her license by the Board.

(d) Licensed technician. A person may not service, maintain, or repair a video gaming terminal in this State unless he or she (1) has a valid technician's license issued under this Act, (2) is a terminal operator, or (3) is employed by a terminal operator, distributor, or manufacturer.

(d-5) Licensed terminal handler. No person, including, but not limited to, an employee or independent contractor working for a manufacturer, distributor, supplier, technician, or terminal operator licensed pursuant to this Act, shall have possession or control of a video gaming terminal, or access to the inner workings of a video gaming terminal, unless that person possesses a valid terminal handler's license issued under this Act.

(e) Licensed establishment. No video gaming terminal may be placed in any licensed establishment, licensed veterans establishment, licensed truck stop establishment, or licensed fraternal establishment unless the owner or agent of the owner of the licensed establishment, licensed veterans establishment, licensed truck stop establishment, or licensed fraternal establishment has entered into a written use agreement with the terminal operator for placement of the terminals. A copy of the use agreement shall be on file in the terminal operator's place of business and available for inspection by individuals authorized by the Board. A licensed establishment, licensed truck stop establishment, licensed veterans establishment, or licensed fraternal establishment may operate up to 5 video gaming terminals on its premises at any time.

(f) (Blank).

(g) Financial interest restrictions. As used in this Act, "substantial interest" in a partnership, a corporation, an organization, an association, a business, or a limited liability company means:

(A) When, with respect to a sole proprietorship, an individual or his or her spouse owns, operates, manages, or conducts, directly or indirectly, the organization, association, or business, or any part thereof; or

(B) When, with respect to a partnership, the individual or his or her spouse shares in any of the profits, or potential profits, of the partnership activities; or

(C) When, with respect to a corporation, an individual or his or her spouse is an officer

or director, or the individual or his or her spouse is a holder, directly or beneficially, of 5% or more of any class of stock of the corporation; or

(D) When, with respect to an organization not covered

in (A), (B) or (C) above, an individual or his or her spouse is an officer or manages the business affairs, or the individual or his or her spouse is the owner of or otherwise controls 10% or more of the assets of the organization; or

(E) When an individual or his or her spouse furnishes

5% or more of the capital, whether in cash, goods, or services, for the operation of any business, association, or organization during any calendar year; or

(F) When, with respect to a limited liability

company, an individual or his or her spouse is a member, or the individual or his or her spouse is a holder, directly or beneficially, of 5% or more of the membership interest of the limited liability company.

For purposes of this subsection (g), "individual" includes all individuals or their spouses whose combined interest would qualify as a substantial interest under this subsection (g) and whose activities with respect to an organization, association, or business are so closely aligned or coordinated as to constitute the activities of a single entity.

(h) Location restriction. A licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment that is (i) located within 1,000 feet of a facility operated by an organization licensee licensed under the Illinois Horse Racing Act of 1975 or the home dock of a riverboat licensed under the Riverboat Gambling Act or (ii) located within 100 feet of a school or a place of worship under the Religious Corporation Act, is ineligible to operate a video gaming terminal. The location restrictions in this subsection (h) do not apply if (A) a facility operated by an organization licensee, a school, or a place of worship moves to or is established within the restricted area after a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment becomes licensed under this Act or (B) a school or place of worship moves to or is established within the restricted area after a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment obtains its original liquor license. For the purpose of this subsection, "school" means an elementary or secondary public school, or an elementary or secondary private school registered with or recognized by the State Board of Education.

Notwithstanding the provisions of this subsection (h), the Board may waive the requirement that a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment not be located within 1,000 feet from a facility operated by an organization licensee licensed under the Illinois Horse Racing Act of 1975 or the home dock of a riverboat licensed under the Riverboat Gambling Act. The Board shall not grant such waiver if there is any common ownership or control, shared business activity, or contractual arrangement of any type between the establishment and the organization licensee or owners licensee of a riverboat. The Board shall adopt rules to implement the provisions of this paragraph.

(i) Undue economic concentration. In addition to considering all other requirements under this Act, in deciding whether to approve the operation of video gaming terminals by a terminal operator in a location, the Board shall consider the impact of any economic concentration of such operation of video gaming terminals. The Board shall not allow a terminal operator to operate video gaming terminals if the Board determines such operation will result in undue economic concentration. For purposes of this Section, "undue economic concentration" means that a terminal operator would have such actual or potential influence over video gaming terminals in Illinois as to:

- (1) substantially impede or suppress competition among terminal operators;
- (2) adversely impact the economic stability of the video gaming industry in Illinois; or
- (3) negatively impact the purposes of the Video Gaming Act.

The Board shall adopt rules concerning undue economic concentration with respect to the operation of video gaming terminals in Illinois. The rules shall include, but not be limited to, (i) limitations on the number of video gaming terminals operated by any terminal operator within a defined geographic radius and (ii) guidelines on the discontinuation of operation of any such video gaming terminals the Board determines will cause undue economic concentration.

(j) The provisions of the Illinois Antitrust Act are fully and equally applicable to the activities of any licensee under this Act. (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13; 98-77, eff. 7-15-13; 98-112, eff. 7-26-13; 98-756, eff. 7-16-14.)

Sec. 26. Residency requirement. Each licensed distributor, terminal operator, and person with a substantial interest in a licensed distributor or terminal operator must be an Illinois resident. However, if an out-of-state distributor or terminal operator has performed its respective business within Illinois for at least 48 months prior to the effective date of this Act, the out-of-state person may be eligible for licensing under this Act, upon application to and approval of the Board. The Board shall adopt rules to implement this Section. (Source: P.A. 96-38, eff. 7-13-09.)

(230 ILCS 40/27)

Sec. 27. Prohibition of video gaming by political subdivision. A municipality may pass an ordinance prohibiting video gaming within the corporate limits of the municipality. A county board may, for the unincorporated area of the county, pass an ordinance prohibiting video gaming within the unincorporated area of the county. (Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/30)

Sec. 30. Multiple types of licenses prohibited. A video gaming terminal manufacturer may not be licensed as a video gaming terminal operator or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall be licensed to sell only to persons having a valid distributor's license or, if the manufacturer also holds a valid distributor's license, to sell, distribute, lease, or market to persons having a valid terminal operator's license. A video gaming terminal distributor may not be licensed as a video gaming terminal operator or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall only contract with a licensed terminal operator. A video gaming terminal operator may not be licensed as a video gaming terminal manufacturer or distributor or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall be licensed only to contract with licensed distributors and licensed establishments, licensed truck stop establishments, licensed fraternal establishments, and licensed veterans establishments. An owner or manager of a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment may not be licensed as a video gaming terminal manufacturer, distributor, or operator, and shall only contract with a licensed operator to place and service this equipment. (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

(230 ILCS 40/35)

Sec. 35. Display of license; confiscation; violation as felony.

(a) Each video gaming terminal shall be licensed by the Board before placement or operation on the premises of a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment. The license of each video gaming terminal shall be maintained at the location where the video gaming terminal is operated. Failure to do so is a petty offense with a fine not to exceed \$100. Any licensed establishment, licensed truck

stop establishment, licensed fraternal establishment, or licensed veterans establishment used for the conduct of gambling games in violation of this Act shall be considered a gambling place in violation of Section 28-3 of the Criminal Code of 2012. Every gambling device found in a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment operating gambling games in violation of this Act shall be subject to seizure, confiscation, and destruction as provided in Section 28-5 of the Criminal Code of 2012. Any license issued under the Liquor Control Act of 1934 to any owner or operator of a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment that operates or permits the operation of a video gaming terminal within its establishment in violation of this Act shall be immediately revoked. No person may own, operate, have in his or her possession or custody or under his or her control, or permit to be kept in any place under his or her possession or control, any device that awards credits and contains a circuit, meter, or switch capable of removing and recording the removal of credits when the award of credits is dependent upon chance.

Nothing in this Section shall be deemed to prohibit the use of a game device only if the game device is used in an activity that is not gambling under subsection (b) of Section 28-1 of the Criminal Code of 2012.

A violation of this Section is a Class 4 felony. All devices that are owned, operated, or possessed in violation of this Section are hereby declared to be public nuisances and shall be subject to seizure, confiscation, and destruction as provided in Section 28-5 of the Criminal Code of 2012.

The provisions of this Section do not apply to devices or electronic video game terminals licensed pursuant to this Act. A video gaming terminal operated for amusement only and bearing a valid amusement tax sticker shall not be subject to this Section until 30 days after the Board establishes that the central communications system is functional.

(b) (1) The odds of winning each video game shall be posted on or near each video gaming terminal. The manner in which the odds are calculated and how they are posted shall be determined by the Board by rule.

(2) No video gaming terminal licensed under this Act may be played except during the legal hours of operation allowed for the consumption of alcoholic beverages at the licensed establishment, licensed fraternal establishment, or licensed veterans establishment. A licensed establishment, licensed fraternal establishment, or licensed veterans establishment that violates this subsection is subject to termination of its license by the Board.

(Source: P.A. 97-1150, eff. 1-25-13; 98-111, eff. 1-1-14.)

(230 ILCS 40/40)

Sec. 40. Video gaming terminal use by minors prohibited. No licensee shall cause or permit any person under the age of 21 years to use or play a video gaming terminal. Any licensee who knowingly permits a person under the age of 21 years to use or play a video gaming terminal is guilty of a business offense and shall be fined an amount not to exceed \$5,000. (Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/45)

Sec. 45. Issuance of license.

(a) The burden is upon each applicant to demonstrate his

suitability for licensure. Each video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed fraternal establishment, and licensed veterans establishment shall be licensed by the Board. The Board may issue or deny a license under this Act to any person pursuant to the same criteria set forth in Section 9 of the Riverboat Gambling Act.

(a-5) The Board shall not grant a license to a person who has facilitated, enabled, or participated in the use of coin-operated devices for gambling purposes or who is under the significant influence or control of such a person. For the purposes of this Act, "facilitated, enabled, or participated in the use of coin-operated amusement devices for gambling purposes" means that the person has been convicted of any violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012. If there is pending legal action against a person for any such violation, then the Board shall delay the licensure of that person until the legal action is resolved.

(b) Each person seeking and possessing a license as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment shall submit to a background investigation conducted by the Board with the assistance of the State Police or other law enforcement. To the extent that the corporate structure of the applicant allows, the background investigation shall include any or all of the following as the Board deems appropriate or as provided by rule for each category of licensure: (i) each beneficiary of a trust, (ii) each partner of a partnership, (iii) each member of a limited liability company, (iv) each director and officer of a publicly or non-publicly held corporation, (v) each stockholder of a non-publicly held corporation, (vi) each stockholder of 5% or more of a publicly held corporation, or (vii) each stockholder of 5% or more in a parent or subsidiary corporation.

(c) Each person seeking and possessing a license as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment shall disclose the identity of every person, association, trust, corporation, or limited liability company having a greater than 1% direct or indirect pecuniary interest in the video gaming terminal operation for which the license is sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of the beneficiaries; if a corporation, the names and addresses of all stockholders and directors; if a limited liability company, the names and addresses of all members; or if a partnership, the names and addresses of all partners, both general and limited.

(d) No person may be licensed as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment if that person has been found by the Board to:

- (1) have a background, including a criminal record, reputation, habits, social or business associations, or prior activities that pose a threat to the public interests of the State or to the security and integrity of video gaming;

(2) create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of video gaming; or

(3) present questionable business practices and financial arrangements incidental to the conduct of video gaming activities.

(e) Any applicant for any license under this Act has the burden of proving his or her qualifications to the satisfaction of the Board. The Board may adopt rules to establish additional qualifications and requirements to preserve the integrity and security of video gaming in this State.

(f) A non-refundable application fee shall be paid at the time an application for a license is filed with the Board in the following amounts:

- (1) Manufacturer.....\$5,000
- (2) Distributor.....\$5,000
- (3) Terminal operator.....\$5,000
- (4) Supplier.....\$2,500
- (5) Technician.....\$100
- (6) Terminal Handler.....\$50

(g) The Board shall establish an annual fee for each license not to exceed the following:

- (1) Manufacturer.....\$10,000
- (2) Distributor.....\$10,000
- (3) Terminal operator.....\$5,000
- (4) Supplier.....\$2,000
- (5) Technician.....\$100
- (6) Licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment.....\$100
- (7) Video gaming terminal.....\$100
- (8) Terminal Handler.....\$50

(h) A terminal operator and a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment shall equally split the fees specified in item (7) of subsection (g).

(Source: P.A. 97-1150, eff. 1-25-13; 98-31, eff. 6-24-13; 98-587, eff. 8-27-13; 98-756, eff. 7-16-14.)

(230 ILCS 40/50)

Sec. 50. Distribution of license fees.

(a) All fees collected under Section 45 shall be deposited into the State Gaming Fund.

(b) Fees collected under Section 45 shall be used as follows:

(1) Twenty-five percent shall be paid, subject to appropriation by the General Assembly, to the Department of Human Services for administration of programs for the treatment of compulsive gambling.

(2) Seventy-five percent shall be used for the administration of this Act.

(c) All licenses issued by the Board under this Act are renewable annually unless sooner cancelled or terminated. No license issued under this Act is transferable or assignable.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

(230 ILCS 40/55)

Sec. 55. Precondition for licensed location. In all cases of application for a licensed location, to operate a video gaming terminal, each licensed establishment, licensed

fraternal establishment, or licensed veterans establishment shall possess a valid liquor license issued by the Illinois Liquor Control Commission in effect at the time of application and at all times thereafter during which a video gaming terminal is made available to the public for play at that location. Video gaming terminals in a licensed location shall be operated only during the same hours of operation generally permitted to holders of a license under the Liquor Control Act of 1934 within the unit of local government in which they are located. A licensed truck stop establishment that does not hold a liquor license may operate video gaming terminals on a continuous basis. A licensed fraternal establishment or licensed veterans establishment that does not hold a liquor license may operate video gaming terminals if (i) the establishment is located in a county with a population between 6,500 and 7,000, based on the 2000 U.S. Census, (ii) the county prohibits by ordinance the sale of alcohol, and (iii) the establishment is in a portion of the county where the sale of alcohol is prohibited. A licensed fraternal establishment or licensed veterans establishment that does not hold a liquor license may operate video gaming terminals if (i) the establishment is located in a municipality within a county with a population between 8,500 and 9,000 based on the 2000 U.S. Census and (ii) the municipality or county prohibits or limits the sale of alcohol by ordinance in a way that prohibits the establishment from selling alcohol. (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10; 97-594, eff. 8-26-11.)

(230 ILCS 40/57)

Sec. 57. Insurance. Each terminal operator shall maintain liability insurance on any gaming device that it places in a licensed video gaming location in an amount set by the Board. (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

(230 ILCS 40/58)

Sec. 58. Location of terminals. Video gaming terminals must be located in an area restricted to persons over 21 years of age the entrance to which is within the view of at least one employee, who is over 21 years of age, of the establishment in which they are located. The placement of video gaming terminals in licensed establishments, licensed truck stop establishments, licensed fraternal establishments, and licensed veterans establishments shall be subject to the rules promulgated by the Board pursuant to the Illinois Administrative Procedure Act. (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

(230 ILCS 40/60)

Sec. 60. Imposition and distribution of tax.

(a) A tax of 30% is imposed on net terminal income and shall be collected by the Board.

(b) Of the tax collected under this Section, five-sixths shall be deposited into the Capital Projects Fund and one-sixth shall be deposited into the Local Government Video Gaming Distributive Fund.

(c) Revenues generated from the play of video gaming terminals shall be deposited by the terminal operator, who is responsible for tax payments, in a specially created, separate bank account maintained by the video gaming terminal operator to allow for electronic fund transfers of moneys for tax payment.

(d) Each licensed establishment, licensed truck stop

establishment, licensed fraternal establishment, and licensed veterans establishment shall maintain an adequate video gaming fund, with the amount to be determined by the Board.

(e) The State's percentage of net terminal income shall be reported and remitted to the Board within 15 days after the 15th day of each month and within 15 days after the end of each month by the video terminal operator. A video terminal operator who falsely reports or fails to report the amount due required by this Section is guilty of a Class 4 felony and is subject to termination of his or her license by the Board. Each video terminal operator shall keep a record of net terminal income in such form as the Board may require. All payments not remitted when due shall be paid together with a penalty assessment on the unpaid balance at a rate of 1.5% per month.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

(230 ILCS 40/65)

Sec. 65. Fees. A non-home rule unit of government may not impose any fee for the operation of a video gaming terminal in excess of \$25 per year.

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/70)

Sec. 70. Referendum. Upon the filing in the office of the clerk, at least 90 days before an election in any municipality or county, as the case may be, of a petition directed to such clerk, containing the signatures of not less than 25% of the legal voters of that municipality or county, the clerk shall certify such proposition to the proper election officials, who shall submit the proposition at such election to the voters of such municipality or county. The proposition shall be in the following form:

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Shall video gaming                               YES
be prohibited in                                 -----
.....?                                           NO
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If a majority of the voters voting upon such last mentioned proposition in any municipality or county vote "YES", such video gaming shall be prohibited in such municipality or county. The petition mentioned in this Section shall be a public document and shall be subject to inspection by the public.

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/75)

Sec. 75. Revenue sharing; Local Government Video Gaming Distributive Fund.

(a) As soon as may be after the first day of each month, the Department of Revenue shall allocate among those municipalities and counties of this State that have not prohibited video gaming pursuant to Section 27 or Section 70 the amount available in the Local Government Video Gaming Distributive Fund, a special fund in the State Treasury, as provided in Section 60. The Department shall then certify such allocations to the State Comptroller, who shall pay over to those eligible municipalities and counties the respective amounts allocated to them. The amount of such funds allocable to each such municipality and county shall be in proportion to the tax revenue generated from video gaming within the eligible municipality or county compared to the tax revenue

generated from video gaming Statewide.

(b) The amounts allocated and paid to a municipality or county of this State pursuant to the provisions of this Section may be used for any general corporate purpose authorized for that municipality or county.

(c) Upon determination by the Department that an amount has been paid pursuant to this Section in excess of the amount to which the county or municipality receiving such payment was entitled, the county or municipality shall, upon demand by the Department, repay such amount. If such repayment is not made within a reasonable time, the Department shall withhold from future payments an amount equal to such overpayment. The Department shall redistribute the amount of such overpayment to the county or municipality entitled thereto.

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/78)

Sec. 78. Authority of the Illinois Gaming Board.

(a) The Board shall have jurisdiction over and shall supervise all gaming operations governed by this Act. The Board shall have all powers necessary and proper to fully and effectively execute the provisions of this Act, including, but not limited to, the following:

(1) To investigate applicants and determine the eligibility of applicants for licenses and to select among competing applicants the applicants which best serve the interests of the citizens of Illinois.

(2) To have jurisdiction and supervision over all video gaming operations in this State and all persons in establishments where video gaming operations are conducted.

(3) To adopt rules for the purpose of administering the provisions of this Act and to prescribe rules, regulations, and conditions under which all video gaming in the State shall be conducted. Such rules and regulations are to provide for the prevention of practices detrimental to the public interest and for the best interests of video gaming, including rules and regulations (i) regarding the inspection of such establishments and the review of any permits or licenses necessary to operate an establishment under any laws or regulations applicable to establishments, (ii) to impose penalties for violations of this Act and its rules, and (iii) establishing standards for advertising video gaming.

(b) The Board shall adopt emergency rules to administer this Act in accordance with Section 5-45 of the Illinois Administrative Procedure Act. For the purposes of the Illinois Administrative Procedure Act, the General Assembly finds that the adoption of rules to implement this Act is deemed an emergency and necessary to the public interest, safety, and welfare.

(Source: P.A. 98-31, eff. 6-24-13.)

(230 ILCS 40/79)

Sec. 79. Investigators. Investigators appointed by the Board pursuant to the powers conferred upon the Board by paragraph (20.6) of subsection (c) of Section 5 of the Riverboat Gambling Act and Section 80 of this Act shall have authority to conduct investigations, searches, seizures, arrests, and other duties imposed under this Act and the Riverboat Gambling Act, as deemed necessary by the Board. These investigators have and may exercise all of the rights

and powers of peace officers, provided that these powers shall be (1) limited to offenses or violations occurring or committed in connection with conduct subject to this Act, including, but not limited to, the manufacture, distribution, supply, operation, placement, service, maintenance, or play of video gaming terminals and the distribution of profits and collection of revenues resulting from such play, and (2) exercised, to the fullest extent practicable, in cooperation with the local police department of the applicable municipality or, if these powers are exercised outside the boundaries of an incorporated municipality or within a municipality that does not have its own police department, in cooperation with the police department whose jurisdiction encompasses the applicable locality.

(Source: P.A. 97-809, eff. 7-13-12.)

(230 ILCS 40/80)

Sec. 80. Applicability of Illinois Riverboat Gambling Act. The provisions of the Illinois Riverboat Gambling Act, and all rules promulgated thereunder, shall apply to the Video Gaming Act, except where there is a conflict between the 2 Acts. All provisions of the Uniform Penalty and Interest Act shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included herein.

(Source: P.A. 96-37, eff. 7-13-09.)

(230 ILCS 40/85)

Sec. 85. Severability. The provisions of the Video Gaming Act are severable pursuant to Section 1.31 of the Statute on Statutes.

(Source: P.A. 96-37, eff. 7-13-09; P.A. 96-38, eff. 7-13-09.)

(230 ILCS 40/Art. 800 heading)

ARTICLE 800.

(The Capital Spending Accountability Law
is compiled at 20 ILCS 3020/)

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/Art. 900 heading)

ARTICLE 900.

(Amendatory provisions; text omitted)

(Source: P.A. 96-34, eff. 7-13-09; text omitted.)

(230 ILCS 40/Art. 9999 heading)

ARTICLE 9999.

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/9999)

Sec. 9999. Effective date. This Act takes effect July 1, 2009, except that the changes to Sections 15-102, 15-107, 15-111, 15-112, 15-113, 15-306, 15-307, and 16-105 of the Illinois Vehicle Code take effect January 1, 2010; but this Act does not take effect at all unless House Bill 312 of the 96th General Assembly, as amended, becomes law.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

Exhibit F: Video Gambling Terminal Revenue Analysis
Fiscal Year's 2014 - 2015

Licensed Video Gambling Establishments
FY 2014-2015

American Legion Post #71 - 5 VGT's

Month Incurred	Net	5% Municipalit y Share	35% Establishment Share	35%	25% State Share
	Terminal Income (NTI)			Terminal Operator Share	
Jul_14	\$47,952	\$2,398	\$16,783	\$16,783	\$11,988
Aug_14	\$44,298	\$2,215	\$15,504	\$15,504	\$11,075
Sept_14	\$36,732	\$1,837	\$12,856	\$12,856	\$9,183
Oct_14	\$45,095	\$2,255	\$15,783	\$15,783	\$11,274
Nov_14	\$54,640	\$2,732	\$19,124	\$19,124	\$13,660
Dec_14	\$47,928	\$2,396	\$16,775	\$16,775	\$11,982
Jan_15		\$0	\$0	\$0	\$0
Feb_15		\$0	\$0	\$0	\$0
Mar_15		\$0	\$0	\$0	\$0
Apr_15		\$0	\$0	\$0	\$0
May_15		\$0	\$0	\$0	\$0
Jun_15		\$0	\$0	\$0	\$0
	\$276,646	\$13,832	\$96,826	\$96,826	\$69,161

Attie's Bar & Grill - 3 VGT's

Month Incurred	Net	5% Municipalit y Share	35% Establishment Share	35%	25% State Share
	Terminal Income (NTI)			Terminal Operator Share	
Jul_14	\$0	\$0	\$0	\$0	\$0
Aug_14	\$0	\$0	\$0	\$0	\$0
Sept_14	\$0	\$0	\$0	\$0	\$0
Oct_14	\$0	\$0	\$0	\$0	\$0
Nov_14	\$0	\$0	\$0	\$0	\$0
Dec_14	\$968	\$48	\$339	\$339	\$242
Jan_15		\$0	\$0	\$0	\$0
Feb_15		\$0	\$0	\$0	\$0
Mar_15		\$0	\$0	\$0	\$0
Apr_15		\$0	\$0	\$0	\$0
May_15		\$0	\$0	\$0	\$0
Jun_15		\$0	\$0	\$0	\$0
	\$968	\$48	\$339	\$339	\$242

Black Rock Pizza Co - 4 VGT's (Closed 11/2014)

Month Incurred	Net	5% Municipalit y Share	35% Establishment Share	35%	25% State Share
	Terminal Income (NTI)			Terminal Operator Share	
Jul_14	\$5,723	\$286	\$2,003	\$2,003	\$1,431
Aug_14	\$5,659	\$283	\$1,981	\$1,981	\$1,415
Sept_14	\$6,572	\$329	\$2,300	\$2,300	\$1,643
Oct_14	\$11,083	\$554	\$3,879	\$3,879	\$2,771
Nov_14	\$2,938	\$147	\$1,028	\$1,028	\$734
Dec_14	\$0	\$0	\$0	\$0	\$0
Jan_15	\$0	\$0	\$0	\$0	\$0
Feb_15	\$0	\$0	\$0	\$0	\$0
Mar_15	\$0	\$0	\$0	\$0	\$0
Apr_15	\$0	\$0	\$0	\$0	\$0
May_15	\$0	\$0	\$0	\$0	\$0
Jun_15	\$0	\$0	\$0	\$0	\$0
	\$31,976	\$1,599	\$11,192	\$11,192	\$7,994

Exhibit F: Video Gambling Terminal Revenue Analysis
Fiscal Year's 2014 - 2015

Boomerang's Bar & Grill - 5 VGT's

Month <u>Incurring</u>	Net	5% Municipal y Share	35% Establishment Share	35%	25% State Share
	Terminal Income (NTI)			Terminal Operator Share	
Jul_14	\$14,035	\$702	\$4,912	\$4,912	\$3,509
Aug_14	\$12,431	\$622	\$4,351	\$4,351	\$3,108
Sept_14	\$17,183	\$859	\$6,014	\$6,014	\$4,296
Oct_14	\$17,603	\$880	\$6,161	\$6,161	\$4,401
Nov_14	\$22,299	\$1,115	\$7,805	\$7,805	\$5,575
Dec_14	\$15,293	\$765	\$5,353	\$5,353	\$3,823
Jan_15	\$0	\$0	\$0	\$0	\$0
Feb_15	\$0	\$0	\$0	\$0	\$0
Mar_15	\$0	\$0	\$0	\$0	\$0
Apr_15	\$0	\$0	\$0	\$0	\$0
May_15	\$0	\$0	\$0	\$0	\$0
Jun_15	\$0	\$0	\$0	\$0	\$0
	\$98,845	\$4,942	\$34,596	\$34,596	\$24,711

Bunny's Tavern - 5 VGT's

Month <u>Incurring</u>	Net	5% Municipal y Share	35% Establishment Share	35%	25% State Share
	Terminal Income (NTI)			Terminal Operator Share	
Jul_14	\$47,057	\$2,353	\$16,470	\$16,470	\$11,764
Aug_14	\$48,450	\$2,423	\$16,958	\$16,958	\$12,113
Sept_14	\$44,233	\$2,212	\$15,482	\$15,482	\$11,058
Oct_14	\$44,363	\$2,218	\$15,527	\$15,527	\$11,091
Nov_14	\$43,806	\$2,190	\$15,332	\$15,332	\$10,951
Dec_14	\$48,682	\$2,434	\$17,039	\$17,039	\$12,170
Jan_15	\$0	\$0	\$0	\$0	\$0
Feb_15	\$0	\$0	\$0	\$0	\$0
Mar_15	\$0	\$0	\$0	\$0	\$0
Apr_15	\$0	\$0	\$0	\$0	\$0
May_15	\$0	\$0	\$0	\$0	\$0
Jun_15	\$0	\$0	\$0	\$0	\$0
	\$276,591	\$13,830	\$96,807	\$96,807	\$69,148

Eastland Suites Hotel & Conference Center - 4 VGT's

Month <u>Incurring</u>	Net	5% Municipal y Share	35% Establishment Share	35%	25% State Share
	Terminal Income (NTI)			Terminal Operator Share	
Jul_14	\$14,661	\$733	\$5,131	\$5,131	\$3,665
Aug_14	\$16,074	\$804	\$5,626	\$5,626	\$4,018
Sept_14	\$22,096	\$1,105	\$7,734	\$7,734	\$5,524
Oct_14	\$31,311	\$1,566	\$10,959	\$10,959	\$7,828
Nov_14	\$36,083	\$1,804	\$12,629	\$12,629	\$9,021
Dec_14	\$36,593	\$1,830	\$12,807	\$12,807	\$9,148
Jan_15	\$0	\$0	\$0	\$0	\$0
Feb_15	\$0	\$0	\$0	\$0	\$0
Mar_15	\$0	\$0	\$0	\$0	\$0
Apr_15	\$0	\$0	\$0	\$0	\$0
May_15	\$0	\$0	\$0	\$0	\$0
Jun_15	\$0	\$0	\$0	\$0	\$0
	\$156,818	\$7,841	\$54,886	\$54,886	\$39,204

Exhibit F: Video Gambling Terminal Revenue Analysis
Fiscal Year's 2014 - 2015

Hot Spot Restaurant - 5 VGT's

Month	Net Terminal Income	5% Municipality Share	35% Establishment Share	35% Terminal Operator Share	25% State Share
<u>Incurring</u>	<u>(NTI)</u>	<u>y Share</u>	<u>Share</u>	<u>Share</u>	<u>Share</u>
Jul_14	\$0	\$0	\$0	\$0	\$0
Aug_14	\$0	\$0	\$0	\$0	\$0
Sept_14	\$0	\$0	\$0	\$0	\$0
Oct_14	\$25,236	\$1,262	\$8,833	\$8,833	\$6,309
Nov_14	\$49,039	\$2,452	\$17,164	\$17,164	\$12,260
Dec_14	\$53,180	\$2,659	\$18,613	\$18,613	\$13,295
Jan_15	\$0	\$0	\$0	\$0	\$0
Feb_15	\$0	\$0	\$0	\$0	\$0
Mar_15	\$0	\$0	\$0	\$0	\$0
Apr_15	\$0	\$0	\$0	\$0	\$0
May_15	\$0	\$0	\$0	\$0	\$0
Jun_15	\$0	\$0	\$0	\$0	\$0
Total	\$127,455	\$6,373	\$44,609	\$44,609	\$31,864

Po' Boys - 3 VGT's

Month	Net Terminal Income	5% Municipality Share	35% Establishment Share	35% Terminal Operator Share	25% State Share
<u>Incurring</u>	<u>(NTI)</u>	<u>y Share</u>	<u>Share</u>	<u>Share</u>	<u>Share</u>
Jul_14	\$7,479	\$374	\$2,618	\$2,618	\$1,870
Aug_14	\$10,135	\$507	\$3,547	\$3,547	\$2,534
Sept_14	\$11,504	\$575	\$4,026	\$4,026	\$2,876
Oct_14	\$7,856	\$393	\$2,750	\$2,750	\$1,964
Nov_14	\$9,998	\$500	\$3,499	\$3,499	\$2,499
Dec_14	\$10,861	\$543	\$3,801	\$3,801	\$2,715
Jan_15	\$0	\$0	\$0	\$0	\$0
Feb_15	\$0	\$0	\$0	\$0	\$0
Mar_15	\$0	\$0	\$0	\$0	\$0
Apr_15	\$0	\$0	\$0	\$0	\$0
May_15	\$0	\$0	\$0	\$0	\$0
Jun_15	\$0	\$0	\$0	\$0	\$0
Total	\$57,833	\$2,892	\$20,241	\$20,241	\$14,458

Silver Bullet Bar - 4 VGT's

Month	Net Terminal Income	5% Municipality Share	35% Establishment Share	35% Terminal Operator Share	25% State Share
<u>Incurring</u>	<u>(NTI)</u>	<u>y Share</u>	<u>Share</u>	<u>Share</u>	<u>Share</u>
Jul_14	\$2,696	\$135	\$943	\$943	\$674
Aug_14	\$4,035	\$202	\$1,412	\$1,412	\$1,009
Sept_14	\$5,226	\$261	\$1,829	\$1,829	\$1,307
Oct_14	\$8,176	\$409	\$2,862	\$2,862	\$2,044
Nov_14	\$7,232	\$362	\$2,531	\$2,531	\$1,808
Dec_14	\$8,358	\$418	\$2,925	\$2,925	\$2,090
Jan_15	\$0	\$0	\$0	\$0	\$0
Feb_15	\$0	\$0	\$0	\$0	\$0
Mar_15	\$0	\$0	\$0	\$0	\$0
Apr_15	\$0	\$0	\$0	\$0	\$0
May_15	\$0	\$0	\$0	\$0	\$0
Jun_15	\$0	\$0	\$0	\$0	\$0
Total	\$35,724	\$1,786	\$12,503	\$12,503	\$8,931

Exhibit F: Video Gambling Terminal Revenue Analysis
Fiscal Year's 2014 - 2015

Tin Roof Tavern - 5 VGT's

Month	Net Terminal Income	5% Municipality Share	35% Establishment Share	35% Terminal Operator Share	25% State Share
<u>Incurring</u>	<u>(NTI)</u>	<u>y Share</u>	<u>Share</u>	<u>Share</u>	<u>Share</u>
Jul_14	\$50,840	\$2,542	\$17,794	\$17,794	\$12,710
Aug_14	\$62,507	\$3,125	\$21,878	\$21,878	\$15,627
Sept_14	\$49,855	\$2,493	\$17,449	\$17,449	\$12,464
Oct_14	\$50,543	\$2,527	\$17,690	\$17,690	\$12,636
Nov_14	\$32,378	\$1,619	\$11,332	\$11,332	\$8,094
Dec_14	\$34,141	\$1,707	\$11,949	\$11,949	\$8,535
Jan_15	\$0	\$0	\$0	\$0	\$0
Feb_15	\$0	\$0	\$0	\$0	\$0
Mar_15	\$0	\$0	\$0	\$0	\$0
Apr_15	\$0	\$0	\$0	\$0	\$0
May_15	\$0	\$0	\$0	\$0	\$0
Jun_15	\$0	\$0	\$0	\$0	\$0
	\$280,264	\$14,013	\$98,092	\$98,092	\$70,066

Uncle Martin's - 5 VGT's

Month	Net Terminal Income	5% Municipality Share	35% Establishment Share	35% Terminal Operator Share	25% State Share
<u>Incurring</u>	<u>(NTI)</u>	<u>y Share</u>	<u>Share</u>	<u>Share</u>	<u>Share</u>
Jul_14	\$0	\$0	\$0	\$0	\$0
Aug_14	\$0	\$0	\$0	\$0	\$0
Sept_14	\$0	\$0	\$0	\$0	\$0
Oct_14	\$0	\$0	\$0	\$0	\$0
Nov_14	\$0	\$0	\$0	\$0	\$0
Dec_14	\$2,287	\$114	\$800	\$800	\$572
Jan_15	\$0	\$0	\$0	\$0	\$0
Feb_15	\$0	\$0	\$0	\$0	\$0
Mar_15	\$0	\$0	\$0	\$0	\$0
Apr_15	\$0	\$0	\$0	\$0	\$0
May_15	\$0	\$0	\$0	\$0	\$0
Jun_15	\$0	\$0	\$0	\$0	\$0
	\$2,287	\$114	\$800	\$800	\$572

Urbana Gardens Restaurant, LLC - 1 VGT's

Month	Net Terminal Income	5% Municipality Share	35% Establishment Share	35% Terminal Operator Share	25% State Share
<u>Incurring</u>	<u>(NTI)</u>	<u>y Share</u>	<u>Share</u>	<u>Share</u>	<u>Share</u>
Jul_14	\$0	\$0	\$0	\$0	\$0
Aug_14	\$0	\$0	\$0	\$0	\$0
Sept_14	\$0	\$0	\$0	\$0	\$0
Oct_14	\$0	\$0	\$0	\$0	\$0
Nov_14	\$0	\$0	\$0	\$0	\$0
Dec_14	\$0	\$0	\$0	\$0	\$0
Jan_15	\$0	\$0	\$0	\$0	\$0
Feb_15	\$0	\$0	\$0	\$0	\$0
Mar_15	\$0	\$0	\$0	\$0	\$0
Apr_15	\$0	\$0	\$0	\$0	\$0
May_15	\$0	\$0	\$0	\$0	\$0
Jun_15	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0

Exhibit F: Video Gambling Terminal Revenue Analysis
Fiscal Year's 2014 - 2015

VFW Urbana -Busey Fletcher Stillwell #630 - 5 VGT's

Month <u>Incurred</u>	Net	5% Municipalit y Share	35% Establishment Share	35%	25% State Share
	Terminal Income (NTI)			Terminal Operator Share	
Jul_14	\$23,025	\$1,151	\$8,059	\$8,059	\$5,756
Aug_14	\$26,913	\$1,346	\$9,419	\$9,419	\$6,728
Sept_14	\$21,271	\$1,064	\$7,445	\$7,445	\$5,318
Oct_14	\$28,292	\$1,415	\$9,902	\$9,902	\$7,073
Nov_14	\$34,321	\$1,716	\$12,012	\$12,012	\$8,580
Dec_14	\$34,167	\$1,708	\$11,958	\$11,958	\$8,542
Jan_15	\$0	\$0	\$0	\$0	\$0
Feb_15	\$0	\$0	\$0	\$0	\$0
Mar_15	\$0	\$0	\$0	\$0	\$0
Apr_15	\$0	\$0	\$0	\$0	\$0
May_15	\$0	\$0	\$0	\$0	\$0
Jun_15	\$0	\$0	\$0	\$0	\$0
	\$167,990	\$8,399	\$58,796	\$58,796	\$41,997

FY 2014-2014 Total Revenue - 54 VGT's

Month <u>Incurred</u>	Net	5% Municipalit y Share	35% Establishment Share	35%	25% State Share
	Terminal Income (NTI)			Terminal Operator Share	
Jul_14	\$213,469	\$10,673	\$74,714	\$74,714	\$53,367
Aug_14	\$230,503	\$11,525	\$80,676	\$80,676	\$57,626
Sept_14	\$214,674	\$10,734	\$75,136	\$75,136	\$53,668
Oct_14	\$269,559	\$13,478	\$94,346	\$94,346	\$67,390
Nov_14	\$292,733	\$14,637	\$102,457	\$102,457	\$73,183
Dec_14	\$292,458	\$14,623	\$102,360	\$102,360	\$73,114
Jan_15	\$0	\$0	\$0	\$0	\$0
Feb_15	\$0	\$0	\$0	\$0	\$0
Mar_15	\$0	\$0	\$0	\$0	\$0
Apr_15	\$0	\$0	\$0	\$0	\$0
May_15	\$0	\$0	\$0	\$0	\$0
Jun_15	\$0	\$0	\$0	\$0	\$0
	\$1,513,394	\$75,670	\$529,688	\$529,688	\$378,349

MINUTES OF A REGULAR MEETING

URBANA PLAN COMMISSION

APPROVED

DATE: February 5, 2015

TIME: 7:30 P.M.

PLACE: Urbana City Building
Council Chambers
400 South Vine Street
Urbana, IL 61801

MEMBER PRESENT: Corey Buttry, Maria Byndom, Tyler Fitch, Lew Hopkins, Dannie Otto, Christopher Stohr, David Trail

MEMBERS EXCUSED: Andrew Fell

STAFF PRESENT: Elizabeth Tyler, Director of Community Development Services Department, Jeff Engstrom, Interim Planning Manager; Christopher Marx, Planner I; Teri Andel, Planning Administrative Assistant

OTHERS PRESENT: Nick Bartholomew, Bill Brown, Cain Kiser, Alana Miller, Betsy Mitchell, Dennis Roberts, Dena Raposa, Ashley Williams

NEW PUBLIC HEARINGS

Plan Case No. 2250-T-15: A request by the Urbana Zoning Administrator to amend Article II and Article V of the Urbana Zoning Ordinance to establish definitions, use provisions, and possible conditional permissions for “Gaming Halls”.

Chair Fitch opened this case. Christopher Marx, Planner I, presented this case to the Plan Commission. He began his presentation by explaining the purpose of the proposed text amendment. He talked about the existing restrictions on gaming machines. He reviewed the table of other cities’ position and regulations on “*gaming halls*”. He reviewed the following proposed changes to the Zoning Ordinance: 1) Add definition for “*gaming hall*”; 2) Add gaming hall to Table V-1 as a permitted use in the B-3, B-4 and B-4E Zoning Districts; and 3) Add Section V-13 restricting gaming halls from being located with 100 feet of a preexisting school or a place of worship. He summarized staff findings and presented City staff’s recommendations for approval.

Chair Fitch asked if any Plan Commission member had questions for City staff.

Mr. Hopkins asked if the limit of five machines per establishment still exists and the establishment still has to get a liquor license. Mr. Marx replied yes, that is correct. Mr. Hopkins

commented that the basic effect of the proposed text amendment is essentially to restrict those where food is the accessory use rather than gaming being the accessory use.

Mr. Otto recalled that Mr. Marx stated during his presentation that the total revenue was several hundred thousand dollars a year; however, the end of Exhibit D only shows the municipality share as being \$75,670 for the year. Jeff Engstrom, Interim Planning Manager, responded saying that the \$200,000 total was for around two years.

Mr. Otto wondered if a single operator could have five establishments located in a strip mall with five machines each. Mr. Marx said that it could be possible. City staff discussed this and decided not to address this. There are not many use regulations that exist for other entertainment venues that would be applicable to address a concern like this. So, it would be starting a new use regulation for entertainment venues in the City.

Mr. Otto inquired if there had been any consultation with the social service agencies in town. What are the increased costs for them for people not being able to pay their monthly bills due to video gaming? Is that more or less than \$75,000? Mr. Marx answered saying that there have not been any consultation with social service agencies regarding this issue. City staff's research was only from a zoning perspective.

Mr. Stohr asked if City staff was only concerned about separation of a gaming hall from a pre-existing school or place of worship. No separation from other places that children congregate, such as a childcare center or park? Mr. Marx said that the State of Illinois Department law establishes a 100-foot distance requirement between a riverboat casino and a horse race betting establishment from a school or place of worship. A place of worship is defined under the Religious Corporation Act. As for school, it means an elementary or secondary public school or secondary private school registered or recognized by the State Board of Education.

Mr. Stohr expressed concern that gaming halls can be placed anywhere in the B-3, B-4 and B-4E Zoning Districts.

Mr. Trail asked for clarification on the purpose of the proposed text amendment. City staff wants to create a separate use category different from a restaurant but has a couple of gaming machines as a secondary use. Mr. Marx said that this is correct.

Mr. Trail wondered why City staff proposes to allow them by right rather than requiring a conditional use permit. Mr. Marx explained that in the B-3, B-4 and B-4E Zoning Districts there is not much that the City restrict by conditional use permit with regards to entertainment venues. Elizabeth Tyler, Director of Community Development Services Department, added that City staff did internally consider distance requirements and to require conditional use permits. What they are proposing is most consistent with other uses that are similar. However, City staff found in their research that this use could be allowed with conditions, which is why they advertised it in the way that they did.

City staff is sensing some urgency to identify "gaming hall" in the Zoning Ordinance because we are seeing so many. They felt it was important to make a distinction between the accessory uses from the more principled use. An establishment may appear to be a café, but the majority of the business is really the gaming terminals. There is one establishment located on Philo Road that is barely providing the food and beverage options. This is a new type of use in Urbana and should

be regulated appropriately. Mr. Marx added that the proposed text amendment states what the City could do, not what the City should do to regulate gaming halls.

Mr. Hopkins pointed out that because a gaming hall requires a liquor license, City Council and the Mayor could decide that they are not going to grant liquor licenses to such establishments. Ms. Tyler pointed out that these establishments also require gaming licenses.

Mr. Hopkins stated that his initial reaction is that the City does not want to have these types of establishments, but from a zoning point of view they cannot accomplish this. The only thing they can do is make the gaming hall category allowable in a smaller number of zoning districts than restaurants and bars. He believed that they should do this and also to make a recommendation that the City Council either by ordinance or policy stating that the City of Urbana does not intend to grant licenses for such establishments. Ms. Tyler felt that it would be a Council decision. She felt that the option of requiring a conditional use permit would provide a third level of review that would be tied more to land use than the others would be. Mr. Hopkins stated that the difficulty he has with requiring a conditional use permit is that it implies there are some circumstances under which the City wants to allow them. He didn't see a reason to have video gaming only parlors pretending to serve liquor and food available for people who gambling is more problematic.

Mr. Otto inquired if there is a way to withdraw a gaming license if an establishment receives a license as a secondary/accessory use but is actually using gaming machines as a primary use. Mr. Marx noted that the Illinois State law does not distinguish between accessory and principle uses. To remove a gaming license is an action beyond what zoning can do. Ms. Tyler added that local gaming licenses are the same in that they do not distinguish between accessory or principle uses. That is a zoning matter. So, it would only be limited by the five terminals and they would be required to have a liquor license.

Mr. Otto noticed in Exhibit A that Melody Gaming, LLC owns many of the terminals used by different establishments. So, if we have a zoning use of gaming hall only, could Melody Gaming, LLC simply lease space from an establishment and open a gaming hall. Chair Fitch wondered if this is what happened at Attie's Bar & Grill. Ms. Tyler stated that City staff issues Certificates of Occupancy, so a business or establishment has to have an identified use. Most all of the establishments shown in Exhibit A are accessory to bars and restaurants except for one on Philo Road called Hot Spot Restaurant. There are several that are pending, such as Emma's, Dottie's, and Ruby's. They are not typical gaming halls in that they gear towards women. They usually have a café appearance. Mr. Marx pointed out that they market themselves towards patrons that would not want to go to a bar or a crowded restaurant. Ms. Tyler stated that they have the full kitchen and full menu, so in terms of zoning they are considered a principle use restaurant. However, when looking at the revenue, the gaming will make more money than the food. So, by adding the proposed text amendment to the Zoning Ordinance, the City would be providing some protection to the businesses that have already opened or want to open that they can be allowed as a restaurant or with restrictions in limited areas as a principle use gaming hall.

With no further questions for City staff, Chair Fitch opened the case for public input. There was no public comment. Chair Fitch, then, closed the public input portion of the case and opened the item for Plan Commission discussion and/or motion(s).

Mr. Stohr wondered if Melody Gaming, LLC is a local enterprise. Ms. Tyler said that they have a local office. She believed that they are located in other places as well. The company has really grown.

Mr. Trail talked about machines that are hooked into a network. In the end, a big percent of the revenue flows elsewhere. Is this what would be happening here with the video gaming machines? Mr. Marx replied that the situations are different in various states. He did not see any specific language in the Illinois State law regarding whether the machines have to be stand alone or if they can be connected to a network. The law also has specific standards about who is qualified to be a vendor, who is qualified to be an operator, and how the machines operate. Ms. Tyler added that Alderman Bill Brown was in the audience. He has researched some of the flow of the revenue from video gaming machines. Last year, he estimated that the City received \$136,000 from our 5% take on the net. The State of Illinois received \$677,000 from their 25% take, which is designated for capital projects. Mr. Trail responded that the scam on these is that they designate their take for education, etc., but what happens is over time is that they remove all of the other sources of funding to those and we end up with less money in the pot. Unless the gamers are from outside the area, they are generally not losers in the long run.

Mr. Otto stated that he was still having a hard time understanding what would be gained. It seemed to him that by requiring a conditional use permit that each and every circumstance would require a public hearing. By setting up a new category of "*gaming hall*" they could be located in certain places by right. The growth of this is much more difficult for the public to have input to. He understood that the number of liquor licenses is currently maxed out; however, the City Council is considering expanding it. Hopefully, the public will take advantage of their opportunity to come to the meeting and comment on that. This is not really significant revenue for the potential social cost to the community, and all of the studies on gaming show that there are huge social costs. So, he is not in favor of doing anything to make it easier for these establishments to open up.

Mr. Trail asked if the City staff wanted to add language to the Zoning Ordinance because they foresee these types of establishments being opened right outside of City limits and we want to provide a mechanism for them to open under controlled circumstances inside the City. He doesn't understand why City staff is proposing that they be allowed by right. Ms. Tyler explained that allowing gaming halls by right is the most consistent recommendation in the Table of Uses. In the written staff report, it states that the Plan Commission could consider imposing a conditional use permit be required.

Mr. Hopkins asked who reviews conditional use permit requests. Mr. Engstrom replied that the Zoning Board of Appeals reviews and has final decision on conditional use permits. There are special standard criteria that they use to review each request.

Mr. Hopkins asked if the Zoning Board of Appeals was more restricted on what they can consider for a conditional use permit than what the Plan Commission is for a special use permit. Mr. Engstrom stated that it is the same criteria of review; however, the Zoning Board makes the final decision of whether to approve or deny a conditional use permit request and the City Council makes the final decision for special use permit requests. Ms. Tyler added that a special use permit is a higher level of permission. Mr. Hopkins added that the City Council has more discretion because of how they can operate than there is for the Zoning Board of Appeals, which is quasi-judicial. Ms. Tyler said that special use permits are requests that need additional review.

There are types of uses that greater potential impacts, concerns, and conflicts so they require a higher level of review, so they require a special use permit, not because they are quasi-judicial. Mr. Hopkins agreed, which helps make his point that when people talk about conditional uses that they are not confusing it with special uses.

The difficulty he has with requiring conditional use permits for gaming hall requests is that he does not know what the conditions would be. If there were conditions for requiring distance from certain uses, then those should just be written into the ordinance. If the idea is to discourage them, then they should use the control over gaming and liquor licenses by which they could actually control the number and make individual judgments over about each one in competition in a budget constraint on gaming and liquor licenses. Ms. Tyler stated that it does not work that way though. A business owner applies for a gaming and/or a liquor license and goes through a background check. There is a numerical constraint, but there are not the same controls over location. There is not as much discretion as he may think. She believed it would be good to define gaming halls in the Urbana Zoning Ordinance from a geographic standpoint, which is what zoning allows. If they were to identify conditions in addition to the limited zones, it would be a more defensible process. There is the criteria and case law, so she believed that they could do a more empirical review. She believed that the qualitative measures that zoning can provide are necessary in addition to the City limiting the number of licenses. Mr. Hopkins replied that from a zoning point of view, the only thing the proposed text amendment would accomplish is to keep “gaming halls” out of certain zones, such as B-3U and B-2. While this does create some additional restrictions on gaming halls, it does not accomplish what the City needs to accomplish.

Mr. Otto asked if the pending license for the Canopy Club would be reclassified if the proposed text amendment was approved. Mr. Engstrom replied no. The Canopy Club would still be considered a principle use of a bar, as it is zoned B-4. Ms. Tyler stated that a gaming hall could not be located at Gregory Place.

Mr. Hopkins asked if a restaurant in Gregory Place could still get a gaming license to allow five video gaming machines in their establishment. Mr. Engstrom said yes.

Mr. Hopkins stated that the proposed text amendment basically says that if your food looks like it is served on tables, you have a kitchen and you serve alcohol other than in bottles and cans, then you can locate in B-2 and B-3U Zoning Districts. If your liquor is in cans and bottles and your food is in a case wrapped in plastic, then you can only locate in the B-3, B-4 and B-4E Zoning Districts.

Mr. Otto and Mr. Hopkins both expressed concern about enforcing the distinction between the two. Ms. Tyler responded saying that they do by defining the use. The City can require the uses to be controlled and City staff to enforce the uses. City staff would look for violations or to see if a use has changed by looking at the square footage, the activity and the revenues and even by interviewing people. Mr. Hopkins felt that the City could define it more precisely in the beginning when a business first applies for gaming and liquor licenses.

With no further discussion, Chair Fitch asked if the Plan Commission members wanted to vote on the case or continue it to the next meeting. Ms. Tyler pointed out that there are license holders waiting. She said it is all coming together: the limits on the gaming, the proposed text amendment and the need to zone. City staff wanted to define the use and talk about the zones.

February 5, 2015

Everything the Plan Commission discussed at this meeting could be added to the proposed text amendment, such as the hours of operation, how to better define the use, whether they want to specify a percent of the revenue, distance, changes in the zones, etc. This is a starting point. It is important to define gaming hall better than what currently exists and to set some perimeters. It will be an additional tool that the City can use in addition to the gaming and liquor licenses.

Ms. Byndom preferred that the Plan Commission continue the case to the next regular meeting.

Mr. Otto requested that City staff add some language to create separation so that gaming halls could not be located in four or five store fronts in a row.

Chair Fitch, then, continued the case.

MINUTES OF A REGULAR MEETING

URBANA PLAN COMMISSION

APPROVED

DATE: February 19, 2015

TIME: 7:30 P.M.

PLACE: Urbana City Building
Council Chambers
400 South Vine Street
Urbana, IL 61801

MEMBER PRESENT: Corey Buttry, Tyler Fitch, Lew Hopkins, Dannie Otto, Christopher Stohr, David Trail

MEMBERS EXCUSED: Maria Byndom, Andrew Fell

STAFF PRESENT: Jeff Engstrom, Interim Planning Manager; Christopher Marx, Planner I; Teri Andel, Planning Administrative Assistant

OTHERS PRESENT:

CONTINUED PUBLIC HEARINGS

Plan Case No. 2250-T-15: A request by the Urbana Zoning Administrator to amend Article II and Article V of the Urbana Zoning Ordinance to establish definitions, use provisions, and possible conditional permissions for “Gaming Halls”.

Chair Fitch re-opened this case. Christopher Marx, Planner I, presented an update for this case to the Plan Commission. He reviewed the concerns that the Plan Commission had expressed during the previous meeting and noted the following changes that City staff made to the proposed text amendment: 1) Adding criteria to the proposed definition of “gaming hall” that would distinguish gaming as a principal use rather than as an accessory use; 2) Reduce the permission of gaming halls in the B-4 and B-4E from a permitted use to require a conditional use permit; 3) Add Day Care Centers to be included with schools and places of worship in a required setback of 100 feet; and 4) Add a setback requirement of 100 feet between licensed gaming halls.

Chair Fitch asked the Plan Commission members if they had any questions. There were none. He, then, reviewed the procedures for a public hearing. He opened the hearing up for public input. There was none, so he closed the public input portion of the hearing and opened it up for Plan Commission discussion and/or motion(s).

Mr. Otto commented that he thought the City's regulations should discourage the proliferation of gaming halls. He is not interested in changing the zoning to make it easier for corporate interest to come in and take money out of the community.

Chair Fitch asked for clarification on whether there were any current requirements for gaming as principal uses. Jeff Engstrom, Interim Planning Manager, replied no. If the proposed amendment is not adopted, then under the current regulations, the Mayor and City Council could create more gaming licenses and award them to either bars, taverns, or what are essentially gaming halls.

Chair Fitch asked what the purpose of the proposed text amendment is for. Mr. Engstrom explained that it is to allow City staff to keep track of gaming halls and to know when they apply for a Certificate of Occupancy what the principal use is going to be.

Mr. Stohr did not feel that 100 feet was very much distance. To locate a facility of the proposed kind so close to a school or place of worship would not be favorable. He asked how the 100-foot distance came about. Mr. Marx stated that it came from the state law. It is a conservative number, but the basis is to keep some separation. If the Plan Commission or City Council wanted, they could extend the distance if they want. He referred to Exhibit A, which shows the location of all existing establishments with a video gaming license in proximity to daycare centers.

Mr. Trail agreed that a 100-foot distance requirement sounded minimal. He wondered if the City could ban gaming halls without getting into any legal trouble. Mr. Marx replied that other communities have taken steps to define gaming hall as a use or to regulate it further than what state law allows. Some communities have even taken steps to prohibit them in their communities. So, the City of Urbana is free to establish regulations as we see fit.

Mr. Trail asked if the City could limit businesses to the number of video gaming machines to constitute no more than 10% of their revenue. Mr. Engstrom said it might pose a legal issue because many existing bars are already around that revenue from these types of machines. Mr. Trail questioned whether the City could just require the bars to remove one or two machines to meet the 10% requirement. Mr. Engstrom replied that this is a possibility for future businesses; however, the licenses have already been issued and any text amendment the City Council adopts or approves would not affect the existing licenses.

Mr. Trail agreed with Mr. Otto in that the City should discourage video gaming. The little bit of short term tax revenue is hardly seems like it would be a great thing to allow. However, if the City does not allow gaming halls, then they will just locate in the Extra Territorial Jurisdiction (ETJ) area.

Mr. Otto felt it would be like any other gambling, the State claimed it would create extra money for schools, but it doesn't. Instead it creates extra money for big corporate interests who then fund the lobbying in Springfield. The State is claiming that allowing video gaming will help keep the VFW halls open, but that is not what is going to happen. Instead there will be a corporation that is very aggressive about marketing and will plunk gaming halls all over town.

So, he wondered if through zoning, the City could limit gaming licenses to one per individual or business entity. Mr. Engstrom answered no, it could not be done through zoning and he did not believe that City Council could do it through the licensing ordinance either.

Mr. Hopkins wondered how the Plan Commission would accomplish the idea that video gaming machines could not exist in any zoning district using the proposed definition for gaming halls. Mr. Marx replied that the proposed definition as amended would not accomplish prohibiting gaming halls in any zoning district. The proposed definition simply provides a better identification for gaming halls and restricts them to the B-3, B-4 and B-4E Zoning Districts.

Mr. Hopkins asked if the City could define gaming hall and then not allow the use in any zoning district as a way to prohibit them. Mr. Engstrom stated that he never heard of doing it this way before. He felt it may be safer to require the use to obtain a conditional use permit in all zoning districts, and then it would up to the applicant to prove that they would not be a social harm.

Mr. Buttry asked for clarification in that the Zoning Board of Appeals reviews and decides on conditional use permit requests. Mr. Engstrom replied yes, that is correct.

Mr. Otto questioned whether through zoning they could require that gaming halls must be attended at all times. Terminals really do not require anyone present. Mr. Marx pointed out that a gaming hall has to serve liquor on the premises, and the Illinois State Law requires someone capable to serve the alcohol. So, for principal or accessory use gaming establishments, they would always have staff present.

Mr. Hopkins asked if the City could modify the liquor ordinance so as to not provide liquor licenses to gaming halls as defined in the proposed text amendment. Mr. Engstrom said that this could be possible, but it would be an amendment to the City Code and not a zoning amendment. Mr. Hopkins stated that he is trying to come up with a way to accomplish what some of the Plan Commission members may want to accomplish and that is to prohibit gaming halls in the City of Urbana. So, he suggested that the Plan Commission might forward this case to the City Council with a recommendation against approval with an attachment suggesting that the basis for that action by the Commission is the intent not to enable gaming as a principal use.

Mr. Stohr wondered if the existing gaming hall would become a non-conforming use. Mr. Engstrom explained that because there is currently no definition for gaming halls, the Zoning Administrator goes by the use permissions of the use that is most closely associated with it, and the existing business would be allowed to continue under that use. Mr. Fitch added that if the City does not adopt regulations for gaming halls and the City Council increases the number of liquor licenses, then more businesses such as the existing gaming hall would be allowed.

Mr. Otto wondered if the current code requires a gaming hall as accessory use and not a primary use, then on what basis could the Zoning Administrator give a gaming hall type business a permit if they do not have the infrastructure in place to sell more food and alcohol than gaming. Mr. Marx explained that the Zoning Ordinance does not distinguish between principal and accessory uses for gaming. All of the existing video gaming licenses have been delegated to

establishments that have been classified as taverns or restaurants on their Certificates of Occupancy. Hot Spot, which is more of a gaming hall, was granted as a restaurant.

Mr. Otto wondered about Hot Sport misrepresenting the purpose of their business. Mr. Engstrom explained that at the time Hot Spot came to the City, there were no mechanisms to use to determine the business as a gaming hall. City staff knew that the business intended to install video gaming machines, so Hot Spot did not misrepresent themselves. It was a failure of the Zoning Ordinance to have a use to put them under, so the Zoning Administrator had to default to what the closest use was in the Table of Uses.

Mr. Trail stated that the proposed text amendment is because of the Illinois State statute on gaming halls. Does the state statute include the term “gaming hall”? Mr. Marx said no. Mr. Trail wondered if the proposed text amendment was being too specific. He wondered how much of it overlaps with the state statute. Mr. Marx replied that the proposed text amendment is within the definition of what video gaming machines are, how they are allowed to operate, etc. Mr. Trail questioned if the state law changes, then would the zoning ordinance change as well. Mr. Engstrom stated that the proposed definition has a reference to the Illinois State law. Mr. Trail expressed concern about making the proposed text amendment too specific and getting gaming stuff that does not fall within the requirements or that it becomes a malleable use that will actually respond more to changes in the State law than to our intentions by creating the use. Mr. Engstrom responded by saying that the City Attorney follows the state laws and would hopefully be able to warn City staff if the state law changed in a way that would negatively impact the City. He mentioned that the State law was passed in 2009, but gaming halls are just now popping up as a principal use.

Mr. Otto stated that one way of addressing this issue is to simply not reference the Illinois State law in the proposed text amendment. Otherwise, every time the state law changes, our ordinance will change. Mr. Trail commented that they could still reference the state law as of this date and that subsequent changes to the state law will not change the Urbana Zoning Ordinance. Mr. Marx pointed out that the language in the proposed text amendment is not intended to act on the state law as a crutch. It is intended to stand on its own merit.

Mr. Trail asked if someone came out with a non-video gaming machine would it still fall under the use “video gaming machine” that is being created in the proposed text amendment. Mr. Marx replied that the term “video gaming terminal” is an umbrella term to describe the legal machines that allow people to gamble. If someone came up with a different mechanism that would allow people to gamble, then yes it would be covered under the proposed use.

Chair Fitch talked about the intent of the Plan Commission. If the Plan Commission members do not want to permit gaming halls as defined in the proposed text amendment, then attempts to add greater protections in such as increasing the separation distance would be pointless. However, if the intent is to allow gaming halls and put in enough protections so that they feel comfortable recommending passage of the proposed text amendment, then the Plan Commission can talk about that.

Mr. Trail stated that he has different ideas of gaming hall as an accessory use within an established restaurant. They are not separated uses that could clearly be regulated differently. Chair Fitch agreed and felt that this is what City staff is trying to propose in a permissive sense. Mr. Buttry felt that even if the Plan Commission recommends denial, he believed that it would be advantageous for the Plan Commission to discuss some suggestive changes to give City Council an understanding of what the Plan Commission's thinking is. Chair Fitch stated that part of the Plan Commission's role is to lay out as full of a record for each case for City Council.

Mr. Stohr stated that if the City Council denies the proposed text amendment, then the City is in the same position that they are now. Gaming halls are coming to town and getting permits. So, by recommending denial, the Plan Commission would not be discouraging these types of establishments. This concerns him. Chair Fitch stated that they could follow Mr. Hopkins idea of recommending denial with a statement that the Plan Commission does not feel that gaming halls should be a permitted use in the City and that the Plan Commission recommends that the City Council change the gaming license ordinance.

Mr. Hopkins asked if the City Council needs a super majority vote to contradict the Plan Commission's recommendation. Mr. Engstrom researched the Zoning Ordinance and could not find where a super majority vote would be required.

Mr. Hopkins stated that the Plan Commission is in a strategic situation. The City Council would still need to act on the proposed text amendment regardless of the direction of the Plan Commission's recommendation. If the City Council approves the proposed text amendment without changing the liquor ordinance, then the City ends up with a worse ordinance than if the Commission would work on making improvements to the proposed text amendment. The City Council cannot make any fundamental changes to the proposed text amendment without first sending it back to the Plan Commission, because there has to be a public hearing on what the City Council votes on.

Mr. Otto referred to Illinois State Law 230-ILCS-40/50 which talks about undue economic concentration and about limiting gaming licenses. The intent of allowing gaming terminals is to provide supplemental revenue; however, the proposed text amendment would allow some entrepreneur to open a string of video gaming halls. That entrepreneur will have money to advertise and market their businesses; whereas the VFW halls won't. He believed that more research and work need to be done to the proposed text amendment. There is plenty of research material available. Mr. Stohr stated that there was a huge billboard advertising the gaming hall that already exists.

Mr. Stohr went on to say that his concern is that City staff anticipates license applications being turned in so they are under the gun; otherwise, there will be more gaming halls without being restricted. Chair Fitch stated that there is nothing that the Plan Commission can do about it, because it is out of their purview. Mr. Trail felt that there was something the Plan Commission should be able to do or at least recommend. He suggested the following recommendations: 1) Delineate primary from accessory use and 2) Increase the separation distance between gaming halls that are a primary use to prevent gaming districts.

Chair Fitch stated that they could create a list of changes that they would like to see in order to recommend approval. Mr. Hopkins stated that they could do it that way or they could imagine the most restrictive zoning ordinance with regards to gaming halls and work back from there. He stated that he is inclined to Option 2. So, the Plan Commission could pick one zoning district and allow gaming halls in that district with approval of a special use permit. Working back from this, then the Plan Commission might allow the use in more than one district as a special use. There is a set of criteria that every special use permit request must meet. The Plan Commission could add additional restrictions or requirements to the criteria for a special use permit. Chair Fitch read through the options for adding conditions to a Special Use Permit from Section VII-4.E of the Urbana Zoning Ordinance. Mr. Engstrom pointed out that the City only has additional standard special use for the firearm store and shooting range use. Normally conditional use permits are the ones that have specific criteria. Some uses have criteria in Article V of the Urbana Zoning Ordinance whether they are special, conditional or allowed by right. This is a catch all place to put criteria for a use.

Mr. Hopkins suggested that the Plan Commission send the proposed text amendment back to City staff to work on. He recommended that they make all three zoning districts (B-3, B-4 and B-4E) require special use permits. He also recommended that they add language to the definition of “gaming hall” stating that it is subject as a special use so that it identifies the criteria and intent of the use. He believed that a revised ordinance with these changes in addition to the record of the Plan Commission’s deliberation perhaps highlighted as part of a motion might be a reasonably robust strategy to send to the City Council.

Mr. Trail wondered if they make it a special use, then do they need to enumerate the areas in which a special use would be judged. Mr. Hopkins stated that they can, but he imagined that the definition would be elaborate enough that it gives a lot of information about what the special use judgments would be. This plus the general special use criteria in Section VII-4 would be sufficient. However, they might need to redefine the distance numbers. He would even be inclined to remove the specific numbers in the language about the separation distance from daycare centers so that they could apply a larger number as a judgment in during a public hearing for a special use request for a gaming hall.

Mr. Otto wondered how Plan Commission members in the future would know that this Commission intended to have a greater separation distance if they remove the specific numbers. Mr. Hopkins explained that they could add specific things to the special use criteria as they did in the firearm store and shooting range ordinance.

Chair Fitch stated that he did not believe that they could do anything about restricting ownership of gaming halls. He found where the Illinois State law requires the owner to be a resident. Mr. Otto stated that he was more interested in the economic concentration. Chair Fitch asked City staff if the Plan Commission could impose a condition related to how many special use permits a single entity could have for this purpose. Mr. Engstrom said that he did not know if this would be allowed but City staff will check with the City’s Legal staff.

Mr. Stohr inquired as to how some communities have accomplished banning gaming halls. Mr. Marx replied that some communities accomplished it through quantitative definitions and others

through qualitative definitions similar to what City staff described in the proposed definition, but just through a simple process of defining it and stating what they do not want allowed within their confines. Mr. Engstrom stated that City staff can double check this and let the Plan Commission know at the next meeting.

Mr. Buttry asked if there was any danger of gaming licenses being issued while this case is open. Chair Fitch stated that the law is what it is at the current time. The Mayor and the City Council will continue to do what they do. Mr. Otto added that they do have to expand the number of liquor licenses before they could issue any gaming licenses. By doing so, it would be sending a pretty clear signal on the City Council's part that they more aggressively have gaming halls. They are ultimately responsible to the voters.

Mr. Hopkins asked if each liquor license is a substantive decision by the Mayor. If there would be an additional liquor license, the Mayor could decide, even if there is an application for a gaming hall, to give it to another use such as a restaurant or bar. It is the Mayor's discretion who gets the liquor license. Mr. Engstrom said that is correct.

Chair Fitch continued Plan Case No. 2250-T-15 to the next regularly scheduled meeting of the Plan Commission.

MINUTES OF A REGULAR MEETING

URBANA PLAN COMMISSION

DRAFT

DATE: March 5, 2015

TIME: 7:30 P.M.

PLACE: Urbana City Building
Council Chambers
400 South Vine Street
Urbana, IL 61801

MEMBER PRESENT: Andrew Fell, Tyler Fitch, Lew Hopkins, Dannie Otto, Christopher Stohr, David Trail

MEMBERS EXCUSED: Corey Buttry, Maria Byndom

STAFF PRESENT: Jeff Engstrom, Interim Planning Manager; Kevin Garcia, Planner II; Christopher Marx, Planner I; Teri Andel, Planning Administrative Assistant I

OTHERS PRESENT: Joshua Creek

NOTE: Andrew Fell recused himself from Plan Case No. 2250-T-15 and Plan Case No. 2255-M-15 due to conflicts of interest for each case.

CONTINUED PUBLIC HEARINGS

Plan Case No. 2250-T-15: A request by the Urbana Zoning Administrator to amend Article II and Article V of the Urbana Zoning Ordinance to establish definitions, use provisions, and possible conditional permissions for “Gaming Halls”.

Chair Fitch re-opened this case. Christopher Marx, Planner I, presented an update for this case to the Plan Commission. He reviewed the changes made to the proposed text amendment as a result of the discussion held by the Plan Commission at the previous meeting on February 19, 2015. Those changes were as follows:

1. *Definition.* City staff made the definition more hard in terms of more solid, definable criteria that included a presence of a seating area devoted to gaming that is greater than the seating area for food and beverage service or general merchandise, an estimated net revenue of at least 40% or more derived from video gaming terminals, an overall size of 1,500 square feet or less, and the absence of a full service kitchen for any food service.

2. *Use Category Restrictions.* City staff changed gaming halls from a conditional use to a special use in the B-3 (General Business), B-4 (Central Business) and B-4E (Central Business – Expansion) Zoning Districts.
3. *Gradual Accessory to Principal Use Conversion.* City staff consulted and decided that this use would be similar to a change in any other use obtained through a Special Use Permit, and that it would be prosecuted in the same way as any zoning use violation would be.
4. *Gaming Hall Ownership Restrictions.* The City Attorney's office determined those restrictions on how many facilities one entity may own and the requirement that owners of such facilities to reside in Urbana could not be placed in the Urbana Zoning Ordinance and would not withstand legal challenges.
5. *Prohibition in Other Illinois Municipalities.* City staff inquired with the government of Lake County and the City of Bloomington. Both entities achieved prohibition through their liquor licensing provisions in their Municipal or City Code.

Mr. Marx presented City staff's recommendation for approval of the proposed text amendment. He reviewed the exhibits in the written staff report dated February 27, 2015.

Chair Fitch asked if any of the Plan Commission members had questions for City staff.

Mr. Trail inquired about the 1,500 square foot criteria on the size of an establishment. Mr. Marx explained that 1,500 is a general size used for language in the Zoning Ordinance for food and beverage establishments as well as existing gaming halls.

Mr. Trail wondered what the benefit would be for having size criteria. Mr. Marx replied that it is to provide a more specific definition for gaming hall.

Mr. Stohr asked City staff to elaborate more about the City of Bloomington and the language they used to explicitly prohibit licensing for an establishment with video gaming as its principal use. Mr. Marx stated that the City of Bloomington held the same debate as the Urbana Plan Commission is having. The language that they adopted was a little more qualitative and in the discretion of the Zoning Administrator.

Mr. Stohr stated that at the last Plan Commission meeting, many of the members agreed that they were not in favor of seeing gaming halls located in the City of Urbana. Chair Fitch stated that the problem is that the Plan Commission cannot prohibit them in the Zoning Ordinance. Mr. Trail wondered if the City of Bloomington defined gaming hall and then the City Council prohibited them. Mr. Marx replied that they prohibited gaming halls through the City Code.

With no further questions for City staff, Chair Fitch opened the hearing up for public input. There was none. Chair Fitch closed the public input portion of the hearing and opened it for Plan Commission discussion and/or motion(s).

Mr. Stohr stated that he cannot see how the gaming hall use enhances our community. If we cannot outright ban it, then he suggested doing something to discourage it. The minimum of 100 feet is a remarkably small distance. It would be more appropriate to be 1000 foot buffer distance from schools, churches and daycares.

Mr. Otto commented that he still did not understand what is going on. He felt like the Plan Commission was being pushed to introduce a new zoning category. Originally, the proposed use came in as a way to support existing businesses and fraternal organizations. Now, licenses are being issued to sham operations where gaming is not a secondary use, but instead is actually a primary use. They cannot enforce the primary use thing but have to come up with a new zoning category because gaming halls already exist in the City of Urbana. He felt that he was not being given the right tools to address this issue. If they cannot do this or that, then maybe they should restrict them to 2500 feet separation between gaming halls.

Chair Fitch summarized the discussion held by the Plan Commission for this case. He stated that if the Plan Commission sent it to City Council and they decided to amend it, then it would have to come back to the Plan Commission. Mr. Engstrom added that it depends on the changes that City Council wanted to amend. As long as they only changed what was mentioned in the original legal ad, then they could make those changes on the spot.

Chair Fitch stated that next the Plan Commission tried to tighten it by making it a special use rather than allowed by right and by tightening the definition. Now, they can either tighten it some more or just vote to approve it or to deny it as presented. By tightening it and approving it, the record clearly reflects the opinion that most of the Plan Commission members believe that gaming halls are not a beneficial use for the City of Urbana. From tightening it as far as they could and then denying the proposed text amendment, it would also send the signal to City Council that the Plan Commission does not think gaming halls are appropriate establishments for Urbana. It is the City Council's decision whether to ban gaming halls. The Plan Commission provided the discussion on how to ban them if the Council decides to do so.

Mr. Trail stated that if they want to limit it in some way then they will have to define it. He felt that the Plan Commission could tighten the criteria for a special use for gaming hall and add a greater separation distance between establishments. He believed there were a few more ways to limit the gaming hall use through zoning to make them the use less harmful seeing that it probably will not be banned.

Chair Fitch reviewed some of the extra criteria that were approved for a special use permit for a firing range. For the proposed text amendment, the Plan Commission could recommend that the City Council extend the buffer distance from schools, churches and daycares. By doing so, more land owners would become interested in a special use permit request case. A valid written objection could prompt a 2/3 majority vote by City Council.

Mr. Trail wondered what the largest distance is that they could recommend without getting into trouble. Mr. Engstrom replied that the largest buffer requirement in terms of state law is 1000 feet.

Mr. Otto commented that there is so much about this that seemed wrong to him. The linkage of alcohol and gambling is wrong. Chair Fitch agreed, but stated that it is the state law. He stated that he intended to vote against the proposed text amendment. Mr. Trail asked what his reasoning would be for voting against it. Chair Fitch answered that gaming halls would not add

money to the community and in fact would draw money out of the community. The social costs that are associated would offset any money that the community could benefit from. Mr. Trail was not sure how voting against it or voting for it would achieve anything. Chair Fitch reiterated that he believed that it would signal to City Council that the Plan Commission does not feel that gaming halls are appropriate for the community.

Mr. Otto expressed his frustration. It bothered him that the Zoning Administrator could not deny a request for a gaming hall simply because it is not a use in the Table of Uses. Instead it is automatically allowed under what the Zoning Administrator feels is a comparable use. He believed that this is a misuse of the Zoning Ordinance. As a result, he felt that the proposed text amendment was being forced upon the Plan Commission. He hoped that this was not happening with other uses. Chair Fitch clarified that the Community Development staff does not issue gaming or alcohol licenses. Mr. Otto commented that the Zoning Administrator had something to do with Hot Spot being allowed because the Zoning Administrator made the decision that a restaurant or café would be the closest comparable use to what Hot Spot proposed. Mr. Engstrom explained that when Hot Spot came to the City, they said they wanted to have a café and gaming machines. The Zoning Administrator looked at it and determined the closest use in the Table of Uses was café. Since then, gaming machines have become popular. City staff has been pushing the proposed text amendment to have a means to address gaming hall use when it comes up again in the future. If the Plan Commission is against gaming halls, then they should vote down the proposed text amendment and send a message to City Council that they think gaming halls should be prohibited through the City Code.

Mr. Stohr asked if they wanted to elaborate on this, should the Plan Commission increase the distance and note the types of places that gaming halls should be separated from. Mr. Engstrom replied that City staff would convey the Plan Commission's concern about the distance through the written memo to City Council. He did not feel that they needed to make a motion for this.

Mr. Hopkins stated that he does not know what City Council thinks. Because the use is not a banned state use, the City cannot ban gaming hall through the Zoning Ordinance. So, if the Council votes to deny the proposed text amendment, future requests for "gaming halls" would be treated as whatever the Zoning Administrator considers to be the closest defined use under the current Zoning Ordinance. If City Council chooses not to ban the gaming hall use, he wants to them to adopt the Plan Commission's current version of the recommendation, which is quite different from what was originally proposed. Although he agrees that the record makes it clear to City Council what the Plan Commission thinks, he would be inclined to amend it. He was not sure that voting against it would send the right message. So, he suggested that the Plan Commission make a statement with their vote that City Council should ban gaming halls through the gaming license and if they do not then their version of the text amendment should be made. He would even be inclined to amend the distance to 500 feet as well.

Mr. Trail believed that the statement should also be enumerated to really send the message that the Plan Commission is against gaming halls in Urbana. Chair Fitch asked for a straw poll of the members to see who would prefer gaming halls to be banned. All five members raised their hands.

Mr. Otto moved that the Plan Commission forward Plan Case No. 2250-T-15 to the City Council with a recommendation for approval as presented in Exhibit B and with the recommendation that City Council act through the City Code to ban gaming halls. Mr. Hopkins seconded the motion.

After reviewing a map to see what impact a 1,000 foot buffer would have, Mr. Hopkins decided that 1,000 feet would be too much and would keep them from being able to locate where they should. He, then, moved to amend the motion to increase the distance in Section VII-5.F.1 from 100 feet to 500 feet from any existing gaming hall establishments and from existing schools, daycares and churches. Mr. Otto seconded the motion to amend. Roll call on Amendment #1 to the motion was as follows:

Mr. Fitch	-	Yes	Mr. Hopkins	-	Yes
Mr. Otto	-	Yes	Mr. Stohr	-	Yes
Mr. Trail	-	Yes			

Amendment #1 to the motion was approved by a vote of 5-0.

Mr. Stohr moved to amend the motion to extend the 500 foot separation distance to include other licensed gaming establishments in addition to the other others on the list. Mr. Otto clarified that the amendment would add language to Section VII-5.F.1 to read as such, “An establishment shall also be a minimum of five hundred feet away from any existing licensed Gaming Halls or licensed gaming establishment”. Mr. Hopkins seconded the motion. Roll call on Amendment #2 to the motion was as follows:

Mr. Hopkins	-	Yes	Mr. Otto	-	Yes
Mr. Stohr	-	Yes	Mr. Trail	-	Yes
Mr. Fitch	-	Yes			

Amendment #2 to the motion was approved by a vote of 5-0.

Mr. Otto reiterated the motion including the amendments. Roll call was then taken on the motion and was as follows:

Mr. Otto	-	Yes	Mr. Stohr	-	Yes
Mr. Trail	-	Yes	Mr. Fitch	-	Yes
Mr. Hopkins	-	Yes			

The motion passed by a unanimous vote of 5-0. Mr. Engstrom stated that this case would be forwarded to City Council on March 16, 2015.