



**DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES**

*Planning Division*

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

**TO:** Urbana Plan Commission

**FROM:** Christopher Marx, Planner I

**DATE:** February 13, 2015

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

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**Introduction and Discussion**

On February 5, 2015, the Urbana Plan Commission held a public hearing on Plan Case 2250-T-15, regarding the addition of Gaming Halls as a permitted use in the Urbana Zoning Ordinance. The commission decided to continue the case to the next meeting on February 19, 2015. Members of the commission expressed concern about the proximity of gaming halls to schools, child care centers, and places of worship beyond the restrictions proposed in the amendment. They also expressed concern for the possibility of multiple gaming hall establishments existing in close proximity to each other. Furthermore, they expressed a desire for a more specific definition of Gaming Hall.

Since the last Plan Commission meeting, the Urbana City Council has not updated the cap on the number of video gaming license holders from 12. Additionally, all video gaming terminal license holders and pending applicants in Urbana were given notice of a possible change in the Zoning Ordinance in regards to video gaming.

*Definition*

At the last Plan Commission meeting, there was some concern about the definition of Gaming Halls and the distinction of gaming as a principal use as opposed to an accessory use. Based on these concerns, staff has added criteria to the proposed definition of Gaming Hall that would better help to determine staff determinations. Additional criteria include the number of video gaming terminals 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, and the net revenue of food, beverages, and general merchandise compared to gaming revenue. The amendment also includes proposed definitions for Veterans Establishments and Fraternal Establishments that exempt long-existing local groups like the Veterans of Foreign Wars and American Legion Post that have an organizational purpose outside of gaming or food

and beverage service. The content of the definitions are consistent with the categories of establishment found in the statutory text of the Illinois Video Gaming Act.

#### *Conditional Use Permit for B-4, Central Business and B-4E, Central Business Extension*

Plan Commission members asked if permitting Gaming Halls by right was appropriate in all of the proposed districts of B-3, General Business, B-4, Central Business, and B-4E, Central Business Expansion. In response to this concern, staff has reduced the proposed amendment permissions in B-4 and B-4E to a conditional use instead of permitted. The proposed change to a conditional use is consistent with one of the goals in the Downtown Strategic Plan of “protecting and enhancing the character of downtown”. Retaining the permitted-by-right use in B-3, General Business district is consistent with its definition and purpose as the most permissive commercial district and is consistent with similar uses in the B-3 district such as a tavern, bowling alley, or pool hall. The Gaming Hall use would still be restricted to strictly commercial zones and insulated from any mixed-use or university oriented districts. Gaming Halls would be one of the few business category uses requiring a Conditional Use Permit in the B-4 and B-4E districts.

#### *Distance Restrictions*

Plan Commission members expressed concern about the distance requirements of Gaming Halls from uses like schools, day care centers, and churches. The original amendment proposed a 100-foot separation requirement for compliance with State law. In accordance with commission concerns, staff has added Day Care Centers to be included with schools and places of worship in a required setback of 100 feet. Additionally, commission members asked about the possibility of Gaming Hall operators exploiting a lack of distance requirements between existing businesses. A member offered the possibility that several different licensed Gaming Halls might locate side-by-side to create an effectively single establishment. In response to the concern, staff has proposed a minimum 100 foot separation requirement between licensed Gaming Halls. The distance restrictions are an addition to Article V of the Zoning Ordinance.

Attached: Exhibit B (Revised Text Amendment)

### **Summary of Staff Findings**

1. The Zoning Administrator is proposing a revised text amendment to the Zoning Ordinance in order to add definitions and establish use provisions for gaming halls after input from the Plan Commission.
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 and V of the Urbana Zoning Ordinance to distinguish establishments with liquor licenses that exist for the primary purpose of video gaming as “Gaming Halls” and establish definitions and use permissions

4. The proposed amendment would allow Gaming Halls in the B-3, General Business District as a Permitted use. The amendment would allow Gaming Halls in the B-4, Central Business District and B-4E, Central Business-Expansion District as a Conditional use
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).

## Options

The Plan Commission has the following options for recommendation to the Urbana City Council regarding Plan Case 2250-T-15:

- a. forward this case to City Council with a recommendation for approval as presented herein;
- b. forward this case to City Council with a recommendation for approval as modified by specific suggested changes; or
- c. forward this case to City Council with a recommendation to deny the proposed amendment.

## Staff Recommendation

Based on the evidence presented in the discussion above, and without the benefit of considering additional evidence that may be presented at the public hearing, staff recommends that the Plan Commission make a recommendation to City Council to **APPROVE** the proposed text amendment as presented herein.

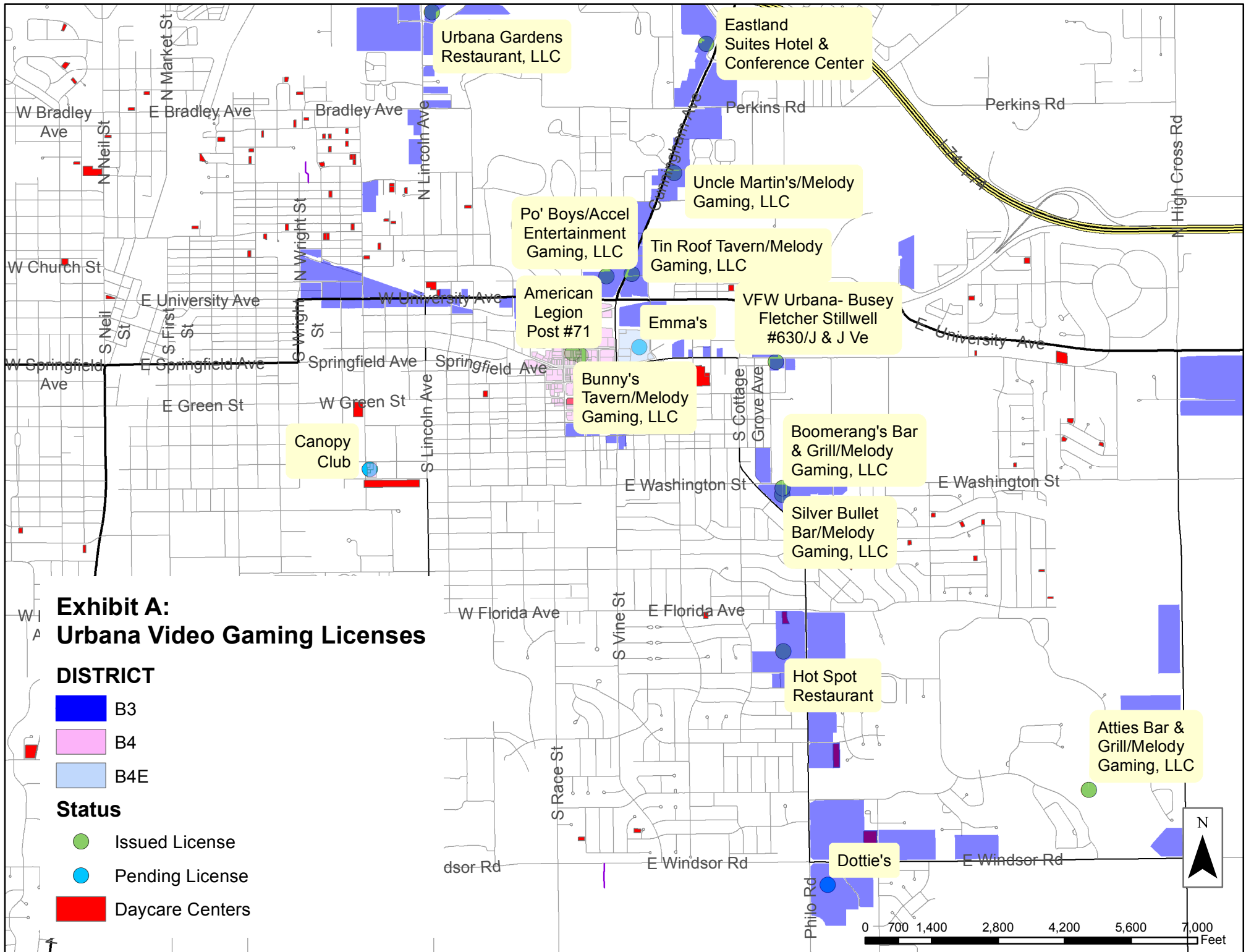
Attachments:

Exhibit A: Map – Locations of Existing Gaming Halls and Daycare Centers in proposed Urbana Zoning Districts for Gaming Halls.

Exhibit B: Gaming Halls Text Amendment

Exhibit C: Notice to Existing License Holders and Pending Applicants For Video Gaming

cc: Existing and pending video gaming license permit holders (Attached: Exhibit C)



**Exhibit A:**

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 the sale of food or alcoholic beverages are subsidiary to the operation of the video gaming terminals. In determining whether an establishment's primary purpose is video gaming, the considerations may include but are not limited to: the number of video gaming terminals 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, and the net revenue of food, beverages, and general merchandise compared to video gaming revenue. 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												P1		C1	C1					

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

**Section V-13. Regulation of Gaming Halls**

A. Location Restriction

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



**DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES**

*Planning Division*  
400 S. Vine Street  
Urbana, IL 61801  
(217) 384-2440

February 10, 2015

**NOTICE OF PUBLIC HEARING REGARDING PROPOSED TEXT AMENDMENT**

To Whom It May Concern:

The Urbana Plan Commission is holding a public hearing on **Thursday, February 19, 2015 at 7:30 P.M.** in the Urbana City Council Chambers, 400 South Vine Street, Urbana, Illinois, at which time and place the Commission will consider the following case:

**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 possible conditional permissions for “Gaming Halls”, Urbana Zoning Administrator, applicant.

The Plan Commission is considering an amendment to the Urbana Zoning Ordinance that would define establishments with video gaming terminals as a principal use. Currently, businesses with a license to operate video gaming terminals are categorized under an existing principal use as restaurant, tavern, etc. The amendment would create a new principal use category for businesses with video gaming as a principal use, as opposed to an accessory use. The amendment would also assign zoning districts with use provisions consistent with state law.

Detailed information on this case is available from Christopher Marx at the City of Urbana Community Development Services Department, 400 South Vine Street, Urbana, Illinois 61801 or via email at [cdmarx@urbanaininois.us](mailto:cdmarx@urbanaininois.us). The case is subject to change during the public hearing process.

All persons desiring to be heard for or against said request may appear at said meeting and be heard thereon. Persons with disabilities needing services or accommodations for this public hearing should contact the Community Development Services Department at (217) 384-2440 or the City of Urbana's Americans with Disabilities Act Coordinator at (217) 384-2466 or TTY at (217) 384-2360.

Sincerely,

Christopher Marx  
Planner I