



AGENDA
COMMUNITY DEVELOPMENT COMMITTEE
Monday, December 8, 2014

6:00 PM

Public Safety Building

I) Roll Call

II) Approval of Minutes – November 24, 2014

III) Items Requiring Council Action – December 15, 2014

- A. Pre-annexation Agreement – 9920 Rieder Road (Resolution)
- B. Video Gaming Ordinance (1st Reading)
- C. Frank Scott Lakeside Apartment - Commercial Extension (Motion)

IV) Other Business

- A. General Project Updates

NEXT MEETING: Monday, December 22, 2014 – 6:00 P.M. – Public Safety Building

General Citizen Comments: The City of O'Fallon welcomes comments from our citizens. The Illinois Open Meetings Act provides an opportunity for citizens to speak at all committee and Board meetings. However, 5 ILCS 120/1 mandates that NO action shall be taken on matters not listed on the agenda. Please submit your name to the chairman and limit your comments so that anyone present has the opportunity to speak.



MINUTES
COMMUNITY DEVELOPMENT COMMITTEE
6:00 PM Monday, November 24, 2014

Minutes of a regular meeting of the Community Development Committee of the City of O'Fallon, held at the Public Safety Building, 285 N. Seven Hills Road, O'Fallon, Illinois.

CALL TO ORDER: 6:00 PM

- I) **Roll Call** – *Committee members:* David Cozad, Ray Holden Jerry Mouser and Harlan Gerrish. *Other Elected Officials Present:* John Drolet, Herb Roach, Michael Bennett, Kevin Hagerty, Ed True and Richie Meile. *Staff:* Walter Denton, Ted Shekell, Jeff Stehman and Justin Randall. *Visitors:* Janet Robichaux, Seymour Rider, Charlie Pitts, chuck Jorgenson, Vern Malare, Stephen Johnston, Jay Reeser, Nancy Chase, Phil Kammann, Dave Witter, Roberta Clark, Jeffery Schmidt, Bob Dee, Jr., Tracy Butler, Terry Barnes, Jason Huekam, Joe Bequette, Joseph Uram, Diane Kimble, Alan Hookway, and Michael Tierman.
- II) **Approval of Minutes from Previous Meeting** – All ayes. Motion carried.
- III) **Items Requiring Council Action**
 - A. Pre-annexation Agreement – 10037 Rieder Road (Resolution) – Justin Randall gave a brief overview of the agreement, indicating that the city requested an easement through the property to run a new water main. In return the city would give the property owner a water tap. Ted Shekell indicated that a number of residences along the Rieder Road have signed the pre-annexation agreement so when the city has annexed to the property, the agreements are already signed and can be annexed into the city. The committee discussed the pre-annexation agreement and recommended approval with a vote of 4-0.
 - B. 2012 ICC Code Adoption (2nd Reading) - Jeff Stehman provided a quick update on a couple additional changes from the 2006 ICC Codes to the 2012 ICC Codes to the Council members. Stehman provided information on an issue with current construction practices of floor joists and the need to protect these composite I-beams with fire protection. Bob Dee, president of the Homebuilders Association (HBA) requested addition time for materials to being available and at a lower cost, citing that new technologies for this issue were being developed. Bob Dee also indicated many of the builders have pre-sold homes and had not calculated this cost into the cost of the house and requested an extension for this particular code. Stehman indicated staff would work with the builders and if they were to submit a permit by the end of the year, it would be approved under the current codes and the permit would be good for 180 days. The committee discussed the adoption of the new building codes and recommended approval of the adoption of the 2012 ICC Codes with a vote of 4-0.
 - C. CarMax Planned Use Extension (2nd Reading) – Ted Shekell informed the committee there were no changes to the extension. The committee discussed the extensions and recommended approval with a vote of 4-0.

IV) Other Business

- A. Video Gaming – Ted Shekell gave a brief introduction to the topic. Phil Kammann gave an overview of the work that had been done and was requesting the City Council to at a minimum vote on an ordinance for video gaming. The committee discussed the information and asked staff what would be the procedure to get an ordinance drafted. Walter Denton indicated to make a motion and vote to have staff prepare an ordinance. The committee made a motion for staff to prepare an ordinance and passed with a vote of 3-0, with Gerrish voting present.
- B. General Project Updates – Ted Shekell and Justin Randall provided a quick briefing on work being conducted as a part of the downtown plan. Staff provided the committee with data on parking throughout the downtown and gave a brief timeline of the next steps in the planning process.

MEETING ADJOURNED: 6:55 PM

NEXT MEETING: December 8, 2014 – Public Safety Building

Prepared by: Justin Randall, Senior City Planner



MEMORANDUM

TO: Community Development Committee
FROM: Justin Randall, Senior City Planner
THROUGH: Ted Shekell, Director of Planning and Zoning
DATE: December 8, 2014
SUBJECT: Annexation Agreement – 9920 Rieder Road (Resolution)

Project Background and Summary

The petitioner, Michael Dietz has filed a petition to enter into an annexation agreement for the property located at 9920 Rieder Road, Parcel Number 04-35.0-200-005, having approximately 2.84 acres. The parcel is currently zoned A (Agricultural District) in St. Clair County. The property will be zoned A, Agricultural District upon its annexation to the City of O'Fallon. The attached annexation agreement includes one free residential water tap that was offered due to the property owner granting the city an easement for a 12-inch water main several years ago.

A public hearing will be held at the City Council meeting on Monday, December 15, 2014 at 7:00 pm. At that same meeting, a resolution will be presented authorizing the Mayor to sign the annexation agreement.

Recommendation

Staff recommends approval of the annexation agreement for 9920 Rieder Road, Parcel Number 04-35.0-200-005.

PRE-ANNEXATION AGREEMENT

This Pre-Annexation Agreement (Agreement) is made and entered into this 17th day of November 2014, by and among Michael Dietz, ("Owner") and the City of O'Fallon (the "City") a municipal corporation organized and existing under and by virtue of the laws of the State of Illinois by and through its Mayor and City Council (collectively, "Corporate Authorities").

A. Owners are the owners of record of certain parcels of real property located at 9920 Rieder Road, Lebanon, IL 62254, Parcel Number 04-35.0-200-005 and is contiguous to or is expected to be contiguous to the City of O'Fallon in St. Clair County, Illinois, which is more particularly described in Exhibit A attached hereto and made a part hereof (the "Parcel").

B. Pursuant to the provisions of 65 ILCS 5/11-15.1-1, *et seq.*, a proposed Pre-Annexation Agreement in substance and form the same as this Agreement was submitted to the Corporate Authorities and a public hearing was held thereon pursuant to notice, all as provided by statute and the ordinances of the City.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, and in compliance with the ordinances, codes, and regulations of the City in effect as of the date hereof, or as may hereinafter be enacted, the parties hereto hereby agree as follows:

1 **Annexation.** Owners have filed with the City Clerk a Petition for Annexation of the Parcel to the City conditioned on the terms and provisions of this Agreement, which petition has been prepared, executed, and filed in accordance with 65 ILCS 5/7-1-8, and the ordinances and other requirements of the City. A copy of said Petition is attached hereto as Exhibit C and made a part hereof. To the extent that the Parcels are not yet contiguous to the City, Owners agree to execute such additional Petition in the future as may be required by the City upon the Parcel becoming contiguous to the City boundary. Subject to the requirements and conditions herein and satisfaction of the conditions of the Petition for Annexation, the City shall, if during the term of this agreement it determines in its discretion to annex the Parcels, shall do so subject to this agreement approved pursuant to 65 ILCS 5/11-15.1-1, *et seq.* Owners have filed with the City Clerk a preliminary Plat of Annexation, which contains an accurate map of the Parcel, which Plat is attached hereto as **Exhibit B** and made a part hereof. This annexation is not for the purpose of a new residential development

2. **Water Supply.** From the effective date of this Agreement, the City shall supply fresh, potable water service when available to the Parcel in quantities and pressure sufficient in all respects to serve the needs of the Parcel as currently used and the persons therein and subject to otherwise applicable usage charges, fees and regulations, provided that any change in the use of the property is subject to and in compliance with the provisions of the City's ordinances and regulations, whether prior to or after annexation the effective date of the annexation.

3. Miscellaneous

- (a) This Agreement shall be effective for a term of twenty (20) years from the date hereof, provided that the obligations to the City shall survive such termination to the extent not inconsistent with 65 ILCS 5/11-15.1-1.
- (b) Upon annexation, the parcel shall be zoned to the City zoning classification equivalent to the County zoning in place at the time of the annexation. The Owner shall retain the right to petition to rezone their property, pursuant to the laws of the City, during the term of the agreement. The City agrees that it will not seek to rezone the Parcel to another zoning district classification without the written petition of the Owner for the duration of the agreement.
- (c) Pole barn type construction and metal sided buildings shall be allowed for any new lawful agricultural or accessory structure.
- (d) Livestock can be had and maintained on the Parcel as provided for by the requirements of the Agricultural zoning district provided that the property is zoned within that district.

- (e) Burning of yard waste generated from the Parcel shall be allowed on the Parcel in accordance with the laws of the City of O'Fallon.
- (f) One free residential water tap shall be provided for the Parcel shown on Exhibit B, when available, and subject to all other applicable conditions.
- (g) The Parcel shall be subject to all laws, codes, ordinances, fees, annexation fees, taxes, usage charges, and regulations of the City, now existing or as may hereinafter be amended, enacted or enforced, and nothing herein shall be interpreted to limit the enforceability or application of such; provided that the required annexation fee of \$2,250 per unit shall NOT apply to the Parcel and be required to be paid until the Parcel is rezoned at the request of the property owner or the Parcel is developed as a new residential subdivision.
- (h) This Agreement and the obligations of Owner hereunder shall be a covenant that shall run with the land, shall be a provision of any sale or other contract for transfer of interest in the Parcel, and may be recorded.
- (i) The undersigned persons whether signing individually, on behalf of a municipal corporation, or by an attorney-in-fact warrant themselves: (i) to be of lawful age, (ii) to be legally competent to execute this Agreement, (iii) to be fully authorized to execute this Agreement on behalf of themselves or the municipal corporation indicated below, and (iv) to have signed this Agreement on their own behalf or on behalf of such municipal corporation as their own free acts and deeds and/or the free acts and deeds of such municipal corporation after opportunity to consult with legal counsel.
- (j) The City may terminate this Agreement prior to effective date of the Annexation on written notice to the Owner if deemed by the City appropriate in the public interest, in which event the obligations of all parties pursuant to this Agreement shall thereafter cease.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

CITY OF O'FALLON
 A Municipal Corporation,
 County of St. Clair
 State of Illinois

ATTEST:

By: _____

By: _____

Name: Philip A. Goodwin

Name: Gary L. Graham

Title: City Clerk

Title: Mayor

OWNER: Michael Dietz

DATED: 11/17/14

BY: Michael Dietz

ATTEST: _____

State of Illinois
County of St. Clair

SUBSCRIBED AND SWORN to before me this 17th day of November, 2010.

Jo A. Thieleman
Notary Public

O'Fallon, Illinois



My Commission expires: 4-16-17

LIST OF EXHIBITS

- A. Legal Description of Parcel
- B. Plat of Annexation
- C. Annexation Petition

AA2014-02: 9920 Rieder Road



Michael Dietz
9920 Rieder Road, Lebanon, IL 62254
PIN: 04-35.0-200-005

RIEDER RD

Provided by East-West Gateway Council of Governments, imagery
flown by SURDEX

 Subject Property

0 155 310 620 930 Feet



PETITION FOR ANNEXATION

TO THE MAYOR AND CITY COUNCIL OF THE CITY OF O'FALLON, ST. CLAIR COUNTY, ILLINOIS

The undersigned Petitioners hereby respectfully petition to annex to the City of O'Fallon, St. Clair County, Illinois, the tract of land described as follows:

ADDRESS: 9920 South Rieder Road, Lebanon, IL 62254

PARCEL NUMBER: 04-35.0-200-005

(See attached Exhibits "A") (hereinafter the "Tract")

and states as follows:

- 1. The Tract is not within the corporate limits of any municipality.
2. The Tract is contiguous to the City of O'Fallon, St. Clair County, Illinois.
3. There are ___ electors residing on the Tract.
4. The Petitioners are the sole owners of record of all land within the Tract, and they have also executed this Petition as such owners.
5. This Petition is conditioned on the provisions of a certain Annexation Agreement between the City of O'Fallon by and through its Mayor and City Council and Petitioners.

WHEREFORE, Petitioners respectfully request that the corporate authorities of the City of St. Clair County, Illinois, annex the Tract to said City in accordance with the provisions of this Petition and in accordance with the law in such case made and provided.

DATE: Michael Dietz
OWNER: Michael Dietz
DATED: 11/17/14
BY: _____

State of Illinois
County of St. Clair
SUBSCRIBED AND SWORN to before me this 17th day of November, 2010.

Signature of Jo A. Thieleman
Notary Public



O'Fallon, Illinois

My Commission expires: 4-16-17



MEMORANDUM

TO: Community Development Committee
FROM: Justin Randall, Senior City Planner
THROUGH: Ted Shekell, Director of Community Development
DATE: December 8, 2014
SUBJECT: Illinois Video Gaming Act and O'Fallon Liquor/Gambling Ordinance

Summary

The Community Development Committee requested staff work with City Attorney Dale Funk to develop an ordinance for video gaming that could be brought to the committee for further discussion as a result of the November 4, 2014, non-binding referendum where the measure passed 52%-48%.

The City has prohibited gambling devices for decades (§116.38, Gambling Devices), particularly in relationship with establishments having liquor licenses. The City currently has the option of either adopting an ordinance allowing for video gaming and repealing existing ordinances prohibiting video gaming or allowing the existing regulations prohibiting video gaming to remain in effect. This memo and the attached materials are intended to provide information to assist the Council in making that decision.

It should also be noted that in conducting research for this proposed ordinance, staff found several communities that were having issues related to the "unintended consequences" of the new law. For example, some communities were finding that machines were popping up in places like flower shops (because they had wine tasting permits), gas stations, grocery stores, apartment complexes with club houses, etc. There have also been a number of business models where mini-casino type businesses are being developed in small rental spaces in shopping centers, such as Lucy's Place. Interestingly, we had a recent request by a massage therapy business that wanted an on-site consumption liquor license, although there was no specific mention of them seeking video gaming machines at this time.

The Illinois Video Gaming Act does allow a municipality to create limitations that supersede the state law. As noted earlier, a number of issues are beginning to show up throughout Illinois that should be thought through prior to adopting an ordinance permitting video gaming. In addition to determining where video gaming establishments are to be permitted, we need to also look at where on-site alcohol consumption is being proposed.

The ordinance that is attached was prepared by City Attorney Dale Funk and should be considered a first draft only. We will be seeking input from the Committee and begin incorporating those comments into a revised draft. As part of this process, we will also be reviewing the City's Liquor Ordinances with Dale and the Clerk's Office to ensure they will work well with the proposed Video Gaming Ordinance so as to minimize any "unintended consequences".

Video Gaming Act Summary

There are four categories of establishments where video gaming is allowed under the Act:

- "Licensed establishments": As defined by the state law, a licensed establishment is "any licensed retail establishment where alcoholic liquor is drawn, poured, mixed, or otherwise served for consumption on the

Community Development Department

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premises, whether the establishment operates on a nonprofit or for-profit basis.” In O’Fallon, there are currently 42 businesses that have liquor licenses that permit on-premise consumption that could potentially qualify for video gaming licenses. That number is expected to grow in the near term.

- “Licensed fraternal establishment”: A licensed fraternal establishment is a location where a fraternal organization that derives its charter from its national parent organization regularly meets. There are 2 establishments of this kind in O’Fallon.
- “Licensed veterans establishment”: A licensed veterans establishment is a location where a qualified veterans organization that holds a charter from its national parent organization regularly meets. Two organizations could qualify under this category.
- “Licensed truck stop establishment”: A licensed truck stop establishment is a facility of at least three acres with a convenient store, separate diesel islands for fueling commercial motors vehicles and parking spaces for commercial vehicles. Currently O’Fallon does not have a truck stop establishment.

Revenue

The state will tax revenue from the machines at 30 percent with local government retaining 1/6 of the tax (or 5 percent of total revenues). The local government has no restrictions on the use of funds. The remaining 70 percent of revenue is split 50/50 between the terminal operator and the business location. In 2012, the Illinois Municipal League (IML) commissioned a study to estimate revenues generated through video gaming and determined that for an establishment with the maximum number of 5 machines, a municipality will generate an estimated \$11,250 in tax revenue per year. However, a May 2014 report from IML indicates the original estimates fluctuation based on proximity to riverboats and the state wide average for an establishment with 5 machines is down to \$8,760 in tax revenue per year. Below is a table that shows revenues generated within a number of communities around the O’Fallon area from October 2013 – October 2014:

Municipality	Establishments	VGT Count	Municipality Share (\$)	Tax Share/Total VGT Count
St. Clair County	18	66	\$ 92,204.60	\$ 1,397.04
Columbia	6	20	\$ 15,654.21	\$ 782.71
Belleville	27	109	\$ 148,856.03	\$ 1,365.65
Fairview Heights	9	39	\$ 59,260.40	\$ 1,519.50
Shiloh	3	15	\$ 27,683.32	\$ 1,845.55
Madison County	16	57	\$ 81,129.58	\$ 1,423.33
Alton	30	118	\$ 173,025.13	\$ 1,466.31
Collinsville	15	56	\$ 67,277.45	\$ 1,201.38
Highland	13	50	\$ 52,811.65	\$ 1,056.23
Troy	8	35	\$ 51,301.77	\$ 1,465.76
Total	145	565	\$ 769,204.14	\$ 13,523.48
Average	14.5	56.5	\$ 76,920.41	\$ 1,352.35

Source: Illinois Gaming Board

Survey of Other Municipalities

A review of the Illinois Gaming Board’s (IGB) website and the ordinances of various municipalities throughout the state indicated:

- 176 municipalities in the State of Illinois do not allow video gaming
- 926 municipalities in the State of Illinois do allow video gaming, 37 municipalities limit video gaming
- 336 municipalities in the State of Illinois are not yet classified as allowing or not allowing video gaming

According to the IGB, video gaming is on the rise. In October 2013, there were 2,672 establishments with a total machine count of 11,105. As of October 2014, there were 4,570 establishments housing 18,669 video gaming terminals.

Communities that prohibit video gaming in St. Clair County, include O'Fallon, East St. Louis, Swansea and Lebanon. The Village of Freeburg allows video gaming on a limited basis, with an ordinance excluding video gaming at truck stops. All other communities in St. Clair County, including unincorporated areas allow video gaming. Communities that prohibit video gaming in Madison County, include Bethalto, Edwardsville, Glen Carbon, Maryville and Roxana. All other communities in Madison County, including unincorporated areas allow video gaming.

As previously mentioned, 37 municipalities have video gaming on a limited basis. The majority of the limitations associated with video gaming prohibits gaming terminals in truck stop establishments (20 communities) and require a certain liquor license (7 communities). The Village of Crete (Will County) prohibits video gaming in bowling alleys; the Village of Evergreen Park (Cook County) only allows video gaming in licensed veterans establishments and the City of McLeansboro (Hamilton County, southwest of Mt. Vernon) only allows video gaming in veterans, fraternal and truck stop establishments.

Attachments:

Draft Ordinance approving Video Gaming
Sections of the Illinois Video Gaming Act and associated rules
Current Liquor Licenses in O'Fallon
§116.15, Classification of Licenses
Recent News Articles

DRAFT

ORDINANCE NO.

AN ORDINANCE AMENDING THE CITY OF O’FALLON MUNICIPAL CODE, TO PERMIT VIDEO GAMING TERMINALS AT LICENSED ESTABLISHMENTS IN THE CITY OF O’FALLON IN ACCORDANCE WITH THE ILLINOIS VIDEO GAMING ACT, REGULATIONS ESTABLISHED BY THE ILLINOIS GAMING BOARD AND RULES AND REGULATIONS CONTAINED IN THIS ORDINANCE

WHEREAS, the City of O’Fallon, an Illinois municipal corporation is a home rule unit of government that has authority to adopt an ordinances and to promulgate rules and regulations that pertain to its government and affairs and to protect the public’s health, safety and welfare of its citizens; and

WHEREAS, the State of Illinois has enacted the Illinois Video Gaming Act, 230 ILCS 40/1et seq., which authorized video gaming at video gaming terminals licensed by the Illinois Gaming Board at certain locations in the state, including licensed retail establishments where alcoholic liquor is drawn, poured, mixed or otherwise served for consumption on the premises and licensed fraternal establishments, veterans establishments and truck stops; and

WHEREAS, the Illinois Liquor Control Act of 1934, 235 ILCS 5/1-1 et. seq., grants the Liquor Control Commissioner of a municipality, the power to grant liquor licenses to serve alcoholic liquor on premises within its jurisdiction, and to revoke or suspend such liquor licenses and levy fines on liquor licenses for violation of said act and/or its Ordinances related to liquor control; and

WHEREAS, the Illinois Gaming Act, does not expressly preempt municipalities from regulating video gaming, and grants the City of O’Fallon limited power to regulate video gaming terminals within the City’s corporate limits; and

WHEREAS, the citizens of the City of O’Fallon, pursuant to a referendum, have chosen not to ban video gaming within the City; and

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WHEREAS, as a result of the referendum, the O’Fallon City Council has determined that it is in the best interest of the City, its residents and local business owners to permit video gaming terminals in the City of O’Fallon, in accordance with the Illinois Video Gaming Act, regulations adopted by the Illinois Gaming Board and rules and regulations contained in this Ordinance.

NOW THEREFORE, BE IT ORDAINED BY THE O’FALLON CITY COUNCIL THAT THE CITY OF O’FALLON MUNICIPAL CODE IS AMENDED BY ADDING TITLE 135-A VIDEO GAMING TO READ AS FOLLOWS:

Chapter 135-A of the Code of O’Fallon, shall constitute and be known and may be cited as Video Gaming.

Section 1. Definitions:

- (A) The phrases “Video Gaming Terminal”, “Licensed Establishment”, “Licensed Fraternal Establishment”, “Licensed Veteran’s Establishment” and “Licensed Truck Stop Establishment” shall have the meanings set forth in the Illinois Video Gaming Act (230 ILCS 40/1 et seq.).
- (B) “Permit Holder” shall mean and include all the establishments defined in paragraph “A” above.

Section 2. Video Gaming Establishment Permit:

In order for a licensed establishment to operate a video gaming terminal in the City of O’Fallon, the licensed establishment is required to obtain an annual video gaming terminal permit for each video gaming terminal from the City by submitting a written application to the City Clerk, on a form provided by the City Clerk. The burden is upon each applying licensed establishment to demonstrate its suitability for the permit. All video gaming terminal permits issued by the City shall expire April 30, next, after date of issue, with an annual nonrefundable permit fee of _____ dollars (\$ _____) per terminal, up to a maximum of five (5) terminals, payable in full at the time the application is filed with the City. The fee shall be prorated on a monthly basis if paid after April 30. A permit shall be purely a personal privilege, good until April 30 following the date of its issuance, unless sooner revoked as provided by law, and shall not constitute property, nor shall it be subject to attachment, garnishment, or

execution, nor shall it be alienable or transferable, voluntarily or involuntarily, or subject to being encumbered.

Section 3. Regulations for Operating Video Gaming Terminals:

The following regulations apply to all licensed establishments operating a video gaming terminal on the licensed premises.

- (1) A valid state Gaming Board video gaming license must be clearly displayed at all times in a conspicuous place.
- (2) A valid City video gaming terminal permit shall be clearly displayed at all times on each video gaming terminal whether operational or not.
- (3) No more than 5 video gaming terminals may be located on the premises of the licensed establishment.
- (4) Other than having up to 5 video gaming terminals with a valid video gaming terminal permit, a licensed establishment is prohibited from having, anywhere on its premises, an electronic video gaming machine which may be available to play or simulate the play of poker, line up, blackjack, roulette, craps, slots, or any other card or dice game or other game of chance, or that is otherwise similar to the gambling or gaming device under this code, even if solely for amusement purposes.
- (5) All video gaming terminals must be located in an area restricted to persons 21 years of age or older. The entrance to such area must, at all times, be within the view of at least 1 employee of the licensee who is at least 21 years of age.
- (6) No licensed establishment may cause, suffer or permit any person under the age of 21 years to use, play or operate a video gaming terminal.
- (7) No video gaming terminal may be played except during the legal hours of operation allowed for the consumption of alcoholic beverages at the licensed establishment pursuant to the City of O'Fallon Liquor Control Ordinance.
- (8) The licensed establishment must fully comply with the Illinois Video Gaming Act, 230 ILCS 40/1 et seq., as amended, and all rules, regulation and restrictions imposed by the Illinois Gaming Board.

- (9) The licensed establishment must fully comply with all applicable City of O’Fallon Ordinances, including, the City of O’Fallon Liquor Control Ordinance, as well as any applicable federal and Illinois laws or regulations.
- (10) Licensed establishments must immediately notify the City Liquor Control Commissioner in the event the Illinois Gaming Board revokes or suspends the licensed establishment’s video gaming license.

Section 5. Inspection of Premises:

Every licensed establishment where a video gaming terminal is kept shall be subject to inspection by the City of O’Fallon Director of Public Safety or his authorized agents, at any time, to ensure compliance with the Video Gaming Ordinance. This includes establishments applying for a video gaming terminal permit. It shall be unlawful for any person to hinder, resist, oppose or attempt to hinder, resist or oppose the City of O’Fallon Director of Public Safety or his respective agents in the course of an inspection.

Section 6. Revocation/Suspension of License and Permit Sticker:

The Local Liquor Control Commissioner may revoke or suspend any video gaming terminal permit issued hereunder if he determines that the permit holder has violated any of the provisions of the Video Gaming Act, 230 ILCS 40/1 et seq., and/or Title 11 of the Illinois Administrative Code Subtitle D: Video Gaming, Chapter 1: Illinois Gaming Board, Part 1800 Video Gaming (General), as amended, incorporated by reference in this Chapter. No such permit shall be revoked or suspended for more than thirty (30) days and no licensee shall be fined except after a public hearing by the Local Liquor Control Commissioner with a three (3) day written notice to the permit holder affording the permit holder opportunity to appear and defend. The Local Liquor Control Commissioner may also levy a fine only or a fine in addition to a suspension or revocation of a permit not to exceed \$1,000.00 for a first violation within a 12 month period; \$1,500.00 for second violation within a 12 month period; \$2,500 for a third or subsequent violation within a 12 month period. Each day on which a violation continues shall constitute a separate violation. Not more than \$15,000.00 in fines under this Section may be imposed against a permit holder during the permit period. Proceeds of such fines shall be paid into a general corporate fund of the City.

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If the Local Liquor Control Commissioner has reason to believe that any continued operation of a particular licensed establishment will in any way threaten the welfare of the community, he may, upon the issuance of a written order stating the reason for such conclusion and without notice or hearing, order the licensed establishment closed for not more than seven (7) days, giving the permit holder opportunity to be heard during that period; except that if such permit holder shall also be engaged in the conduct of another business or businesses on the premises, such order shall not be applicable to such other business or businesses.

The Local Liquor Control Commissioner shall, within five (5) days after such hearing, if he determines after such hearing that the permit should be revoked or suspended or that the permit holder should be fined, state the reason or reasons for such determination in a written order and shall serve a copy of such order within the five (5) days upon the licensee. The licensee shall have the privilege, within a period of twenty (20) days after the receipt of such order of fine, suspension or revocation, of appealing the order as allowed by State law.

Notwithstanding the foregoing, any licensed establishment that has its liquor license suspended by the City under the Code of O'Fallon or by the Illinois State Liquor Commission, or has its video gaming license revoked or suspended by the Illinois Gaming Board, shall automatically, without a hearing before the Local Liquor Control Commissioner, have all of its video gaming terminal permits revoked or suspended for the same time frame as its liquor and/or Illinois Gaming Board gaming license is suspended, whichever the case maybe.

Section 7. Seizure or Unlawful Video Gaming Terminals:

Every video gaming terminal which does not have a valid video gaming terminal permit or is otherwise unlawful shall be considered a gambling device subject to seizure the City Director of Public Safety or his respective agents and shall be turned over to the Illinois Gaming Board, in accordance with Board regulations and applicable law, unless otherwise ordered by a court of competent jurisdiction.

Section 8.

This Ordinance shall be in full force affect, from and after its passage, approval and publication in pamphlet form as provided by law.

PASSED this ____ day of _____, 2014, pursuant to a roll call vote as follows:

DRAFT

ROLL CALL:	McCoskey	Meile	True	Albrecht	Mouser	Hagarty	Drolet	SUB TOTALS
Aye								
Nay								
Absent								

ROLL CALL:	Roach	Bennett	Cardona	Hursey	Holden	Cozad	Gerrish	SUB TOTALS	SUM OF TOTALS
Aye									
Nay									
Absent									

APPROVED by me this _day of _____ 2014.

Gary L. Graham, Mayor

ATTESTED

Philip A. Goodwin, City Clerk

Selected Provisions from the Illinois Gaming Act (230 ILCS 40)

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

"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.

Sec. 25. Restriction of licensees.

(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.

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.)

Selected Provisions from the Joint Committee on Administrative Rules:

Title 11, Subtitle D: Video Gaming

Subpart H: Location of Video Gaming Terminals in Licensed Video Gaming Locations

Section 1800.810 Location and Placement of Video Gaming Terminals

- a) All licensed video gaming locations and terminal operators shall be responsible for the proper placement, installation, maintenance and oversight of video gaming terminals within a licensed video gaming location as prescribed by the Act and this Part.
- b) All video gaming terminals must be located in an area restricted to persons over 21 years of age. For all licensed video gaming locations that restrict admittance to patrons 21 years of age or older, a separate restricted area is not required. Any licensed video gaming location that allows minors to enter where video gaming terminals are located shall separate any video gaming terminals from the area accessible by minors. In those licensed video gaming locations where separation from minors under 21 is required, a physical barrier to the gaming area is required, which may consist of a short partition, gate or rope or other means of separation. No barrier shall visually obscure the entrance to the gaming area from an employee of the licensed video gaming location who is over the age of 21.
- c) When two or more adjacent businesses appear to the Administrator to be a single business, or are operated by the same or commingled ownership, then the Administrator may limit those businesses to the maximum number of video gaming terminals. The maximum will be the number permitted under Illinois law for one business as the total number of video gaming terminals authorized for both or more such businesses, where the Administrator determines that the limitation would further the intent of the Act and the integrity of video gaming in the State of Illinois.
 - 1) In the event the Administrator decides that two or more adjacent businesses shall be a single business for purposes of determining the maximum number of video gaming terminals to which they are entitled, the Administrator shall provide the affected businesses with written notice of this decision in accordance with the notice requirements of Section 1800.615.

- 2) An applicant that has been deemed to constitute a single business with one or more adjacent businesses for purposes of determining the maximum number of video gaming terminals to which it is entitled may submit a request for hearing to the Board. The hearing procedures shall be those set forth in Subpart F.
- d) The owner, manager or employee of the licensed video gaming location who is over 21 years of age shall be present during all hours of operation, and the video gaming terminals or the entrance to the video gaming terminal area must be within the view of at least one owner, manager or employee

Section 1800.820 Measurement of Distances from Locations

In computing the distance between a licensed video gaming location and another facility for purposes of compliance with the location restrictions of Section 25(h) of the Act, a measurement shall be taken of the distance between the respective closest points of the outer walls of the structure containing the licensed video gaming location and the structure containing any of the following:

- a) A facility operated by an organization licensee licensed under the Illinois Horse Racing Act of 1975 [230 ILCS 5];
- b) The home dock of a riverboat licensed under the Riverboat Gambling Act [230 ILCS 10];
- c) A school; or
- d) A place of worship under the Religious Corporation Act [805 ILCS 110].

(Source: Amended at 38 Ill. Reg. 849, effective December 27, 2013)

Current Liquor Licenses in the City of O'Fallon

Business Name	Location	Liquor License Class	Business Name	Location	Liquor License Class
801 Degrees Wood Fired Pizza LLC D/B/A Peel Wood Fired Pizza	101 S. Cherry Street	F*	A Sure Wing LLC D/B/A Buffalo Wild Wings	1424 Central Park Circle	B*
Aldi Inc. #14	1635 W. Highway 50	A*	American Legion Fischer-Sollis 137	109 N. Penn Street	B*
Aroy Thai Cuisine	1140 Central Park Drive	A*	Bella Milano, Inc.	455 Regency Park	A*
Bond Drug Company of Illinois LLC Walgreens #04599	704 Cambridge Boulevard	C-1	C.C. Food Marts Inc.	101 W. Highway 50	C-2
Casey's Retail Co D/B/A Casey's General Store #2195	504 Hartman Lane	C-1	CFM Management Company Inc. D/B/A Chevys Fresh Mix	1305 Central Park Drive	B*
Colonnade Senior Development LLC D/B/A The Colonnade Senior Living	700 Weber Road	A*	D & D Lodging LLC, Hilton Garden Inn & Regency Conference Center	360 Regency Park	B*
DP Golf Center Inc.	5628 Old Collinsville Road	A*	Drury Development Corp. D/B/A Drury Hotels Company LLC	1118 Central Park Drive	A*
East St. Louis Knights Club, Inc. D/B/A KC Council 592	5420 Old Collinsville Road	B*	El Durango, Inc. Casa Azteca	501 W. Highway 50	A*
Elsas Cuisine LLC D/B/A Thips Thai Cuisine	701 W. Highway 50	A*	FKG Oil CO D/B/A Highway 50 Motomart #3156	970 W. Highway 50	C-2
FKG Oil CO D/B/A Gia's Pizza	102F W. State Street	A*	FKG Oil CO D/B/A O'Fallon Motomart	721 W Main Street	C-2
Global Brew, Inc.	455 Regency Park	B*	Haney's Place Inc.	126 E. State Street	B*
Hemingway's Zen Garden LLC	123 E First Street	A*	Highland Park CVS LLC D/B/A CVS Pharmacy #2713	753 W Highway 50	A*
Hotshots Sports Bar & Grill	1319 Central Park Drive	D-1*	JGRG LLC D/B/A Japanese Garden	108 Regency Park	A*
Krishna Gas Inc. D/B/A O'Fallon BP Food Shop	720 S. Lincoln Avenue	C-2	La Casa Mexicana of O'Fallon Inc.	122 Central Park Drive	A*

* Denotes video gaming terminals would be allowed based on the type of liquor license

Business Name	Location	Liquor License Class	Business Name	Location	Liquor License Class
La Parrilla LLC D/B/A La Parrilla Mexican Restaurant	1333 Central Park Drive	A*	Macs Convenience Stores LLC D/B/A Circle K #1348	320 W. State Street	C-2
Macs Convenience Stores LLC D/B/A Circle K #1595	826 W. Highway 50	C-2	Mandy's East State Bar D/B/A Mandy's Place	108 E State Street	B*
NPC International Inc. D/B/A Pizza Hut #4932	318 E. Highway 50	A*	O' Charley's Service Company LLC D/B/A O' Charley's #308	1313 Central Park Drive	B*
O'Fallon Columbus Club, Inc.	402 E. Highway 50	D-1*	O'Fallon Sports LLC D/B/A Vetta Sports	590 Hartman Lane	B*
Paulos at the Mansion LLC	1680 Mansion Way	A*	Pizza Ballers LLC D/B/A Schiappas	1411 W. Highway 50	A*
Ravanelli Edwards & Bush Inc. Ravanellis Restaurant	1214 Central Park Drive	A*	Sake Sushi Bar & Grill LLC	1325 Central Park Drive	A*
Sakura Japanese Restaurant and Sushi Bar Corp	1334 Central Park Drive	A*	Sams West Inc. D/B/A Sams Club #8285	1350 W. Highway 50	C-1
Schnuck Markets Inc. #177	907 E Highway 50	C-1	Scott Quick Mart	821 Seibert Road	C-1
Sgt Charles Fricke, VFW Post 805	221/223 W First Street	B*	Shooter's Bar & BBQ Inc.	111-113 E First Street	B*
St. Clair Bowl Inc.	5950 Old Collinsville Road	D-2*	Sybergs on Central Park LLC	1310 Central Park Drive	B*
T.W. Liquors Inc. D/B/A Plaza Wine & Liquors	500 Southview Plaza	C-1	Tangara Inc. D/B/A Outdoorsman Lounge	127 E. First Street	A*
Texas Roadhouse Holdings LLC	1412 Central Park Circle	A*	Three Cheers LLC D/B/A Amore	1050 Eastgate Drive	A*
Towne Lounge	119 W. First Street	B*	Wal-Mart Stores Inc. D/B/A Wal-Mart #1418	1530 W. Highway 50	C-1
Wehrenberg Inc. D/B/A O'Fallon 15 Cine	1320 Central Park Drive	A*			

* Denotes video gaming terminals would be allowed based on the type of liquor license

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O'Fallon, Illinois Code of Ordinances

§ 116.15 CLASSIFICATIONS OF LICENSES.

There shall be ten classes of licenses issued by the city to retailers of alcoholic liquor. These classes shall be designed as Class "A" licenses, Class "B" licenses, Class "C-1" licenses, Class "C-2" licenses, Class "D-1" licenses, Class "D-2" licenses, Class "E" licenses, Class "F" licenses, Class "G-1" licenses, and Class "G-2" licenses, and shall be described as follows.

(A) Class "A" licenses shall authorize the holder thereof to sell at retail alcoholic liquor for consumption on the premises specified in such license at all hours chosen by the licensee, except between the hours of 1:00 a.m. and 5:00 a.m., when no sales of alcoholic liquor may be made. No person may consume, and no person other than the licensee shall possess or have, any alcoholic liquor upon the licensed premises more than one-half hour after the close of business for the retail sale of alcoholic liquor and before such business reopens as allowed by the preceding, and the premises shall be vacated within one-half hour of the close of such business by all persons other than employees of the licensee then engaged in customary after-hours duties which relate to cleaning and closing such business.

(B) Class "B" licenses shall authorize the holder thereof to sell at retail alcoholic liquor for consumption on the premises specified in such license at all hours chosen by the licensee, except between the hours of 1:00 a.m. and 5:00 a.m. Monday through Friday, inclusive, and between the hours of 2:00 a.m. and 5:00 a.m. on Saturday and Sunday, when no sales of alcoholic liquor may be made. No person may consume, and no person other than the licensee shall possess or have, any alcoholic liquor upon the licensed premises more than one-half hour after close of business for the retail sale of alcoholic liquor and before such business reopens as allowed by the preceding, and the premises shall be vacated within one-half hour of the close of such business by all persons other than employees of the licensee then engaged in customary after-hours duties which relate to cleaning and closing such business.

(C) Class "C-1" licenses shall authorize the holder thereof to sell at retail alcoholic liquor in the original retail package of the manufacturer on the premises specified in the license at all hours chosen by the licensee, except between the hours of 1:00 a.m. and 5:00 a.m., when no sales of alcoholic liquor may be made. No alcoholic liquor sold pursuant to a Class "C-1" license shall be consumed on the premises for which such license is issued.

(D) Class "C-2" licenses shall authorize the holder thereof to sell at retail alcoholic liquor in the original retail package of the manufacturer on the premises specified in the license at all hours chosen by the licensee, except between the hours of 1:00 a.m. and 5:00 a.m. Monday through Friday, inclusive, and between the hours of 2:00 a.m. and 5:00 a.m. on Saturday and Sunday, when no sales of alcoholic liquor may be made. No alcoholic liquor sold pursuant to a Class "C-2" license shall be consumed on the premises for which such license is issued.

(E) Class "D-1" licenses shall authorize the holder thereof to sell at retail alcoholic liquor for consumption on the premises specified in such license at all hours chosen by the holder thereof, except between the hours of 2:00 a.m. and 5:00 a.m., when no sales of alcoholic liquor may be made; provided that, a live band, or such other live entertainment as the Liquor Commissioner deems comparable, performs at such premises at least five days each week. No person may consume, and no person other than the licensee shall possess or have, any alcoholic liquor upon the

licensed premises more than one-half hour after the close of business for the retail sale of alcoholic liquor and before such business reopens as allowed by the preceding, and the premises shall be vacated one-half hour after the close of such business by all persons other than employees of the licensee then engaged in customary after-hours duties relating to cleaning and closing such business.

(F) Class "D-2" licenses shall authorize the holder thereof to sell at retail alcoholic liquor for consumption on the premises specified in the license at all hours chosen by the holder thereof, except between the hours of 2:00 a.m. and 5:00 a.m., when no sales of alcoholic liquor may be made, provided that the holder of such license operates on such same premises a bowling alley and food is being served at all such hours on such premises. No person may consume, and no person other than the licensee may possess or have, any alcoholic liquor on such premises more than one-half hour after the close of business for the retail sale of alcoholic liquor and before such business reopens as allowed by the preceding.

(G) (1) Class "E" licenses shall authorize a holder thereof to make sales at retail of alcoholic liquors for consumption on the premises with a seating capacity for 20 or more patrons and to sell packaged alcoholic liquors for consumption off the premises.

(2) Class "E" licenses shall authorize a holder thereof to sell, at retail, alcoholic beverages for consumption on the premises specified in such license and to sell packaged alcoholic liquors for consumption off the premises specified in such license at all hours chosen by the licensee except between the hours of 1:00 a.m. and 5:00 a.m. Monday through Friday, inclusive, and between the hours of 2:00 a.m. and 5:00 a.m. on Saturday and Sunday, when no sales of alcoholic beverages may be made. No person may consume, and no person other than the licensee shall possess or have, any alcoholic beverage upon the licensed premises more than one-half hour after the close of business for the retail sale of alcoholic beverage and before such business opens as allowed by the preceding, and the premises shall be vacated within one-half hour of the close of such business by all persons other than employees of the licensee then engaged in customary after-hour duties which relate to cleaning and closing of such business.

(H) (1) Class "F" licenses shall authorize a holder thereof to manufacture beer ("brew pub") and store the brew pub at a designated premises and to make sales to distributors, importing distributors, as well as the direct sale to non-licensed consumers for consumption off the designated premises in containers not larger than 64 ounces or on the designated premise. A licensee shall not sell, for off premises consumption, more than 50,000 gallons of beer per year. A Class "F" licensee must have a valid brew pub license from the State of Illinois.

(2) Class "F" licenses shall authorize a holder thereof to sell, at retail, alcoholic beverages for consumption on the premises specified in such license at all hours chosen by the licensee except between the hours of 1:00 a.m. and 5:00 a.m. Monday through Friday, inclusive, and between the hours of 2:00 a.m. and 5:00 a.m. on Saturday and Sunday, when no sales of alcoholic beverages may be made. No person may consume, and no person other than the licensee shall possess or have, any alcoholic beverage upon the licensed premises more than one-half hour after the close of business for the retail sale of alcoholic beverage and before such business opens as allowed by the preceding. The premises shall be vacated within one-half hour of the close of such business by all persons other than employees of the licensee then engaged in customary after-hour duties which relate to cleaning and closing of such business.

(3) A Class "F" license shall authorize the licensee to sell its micro-brewed beer for consumption off premises in containers not larger than 64 ounces at all hours chosen by the licensee except between the hours of 1:00 a.m. and 5:00 a.m. Monday through Friday, inclusive, and between the hours of 2:00 a.m. and 5:00 a.m. on Saturday and Sunday, when no sales of alcoholic

beverages may be made.

(I) (1) Class "G-1" licenses shall authorize a Not-For-Profit Corporation as holder thereof to sell, at retail, alcoholic liquor for consumption only on the premises where sold. Alcoholic liquor may be sold at retail for consumption on the premises at all hours chosen by the holder thereof, except between the hours of 1:00 a.m. and 5:00 a.m. when no sales of alcoholic liquor may be made. No person may consume, and no person other than the licensee shall possess or have, any alcoholic beverage upon the licensed premises more than one-half hour after the close of business for the retail sale of alcoholic beverage and before such business opens as allowed by the preceding, and the premises shall be vacated within one-half hour of the close of such business by all persons other than employees of the licensee then engaged in customary after-hour duties which relate to cleaning and closing of such business.

(2) Class "G-2" licenses shall authorize a Not-For-Profit Corporation as holder thereof to sell, at retail, alcoholic liquor for consumption only on the premises where sold. Alcoholic liquor may be sold at retail for consumption on the premises at all hours chosen by the holder thereof, except between the hours of 2:00 a.m. and 5:00 a.m. when no sales of alcoholic liquor may be made; providing that a live band or such other live entertainment, as the Liquor Commissioner deems comparable, performs at such premises at least five days each week. No person may consume, and no person other than the licensee shall possess or have, any alcoholic beverage upon the licensed premises more than one-half hour after the close of business for the retail sale of alcoholic beverage and before such business opens as allowed by the preceding, and the premises shall be vacated within one-half hour of the close of such business by all persons other than employees of the licensee then engaged in customary after-hour duties which relate to cleaning and closing of such business.

(1999 Code, § 116.10) (Ord. 1534, passed 3-30-1992; Ord. 3824, passed 3-17-2014; Ord. 3825, passed 3-17-2014; Ord. 3827, passed 4-21-2014)

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By David Mercer and Jim Suhr
The Associated Press

[Print Page](#)

November 29, 2014 3:05PM

Video gaming's spread in Illinois raises cash, eyebrows

CHAMPAIGN — Since video gambling began in Illinois two years ago, the slot-like terminals have been showing up in places lawmakers never imagined — floral shops, laundromats, liquor stores and gas stations. They're also now the main attraction at dozens of storefront bistros and cafes geared toward women.

Video gambling has become big business for the state, but it's also raised some second thoughts in the process.

Since the first terminal was turned on in 2012, it has generated \$210.8 million in tax revenue for the cash-strapped state government and \$42.2 million for local governments on more than \$3 billion in wagered cash, according to the Illinois Gaming Board.

The terminals also have meant significant money for businesses, such as the Arabian Knights Farms and Training Center, an equestrian center in Willowbrook, southwest of Chicago. The horse barn makes most of its money on weddings and parties for income, some of which can be seasonal, owner Michael Vena said.

"There's no money in horses. ... In the middle of winter, this will help," Vena said, talking about the three gambling terminals tucked into a red-carpeted, plywood-walled room in his barn. They bring him \$1,750 a month in profit.

One of the sponsors of the video gambling bill when it was approved in Springfield in 2009 says the spread of the machines into some of these places isn't what he had in mind.

"It was never our intention to turn florists' shops into places for gambling," said Rep. Lou Lang, a Skokie Democrat. "And so, it's something that needs to be looked at, for sure."

The intent was to legalize and regulate a business already operating illegally in many bars and social clubs. Under the law, the key requirement is a liquor license, with each license holder eligible for three to five machines.

"The liquor distinction was something we put in there to keep some control over the amount (of terminals)," Lang said.

As of October, there were 18,669 terminals scattered across 4,570 businesses, according to the gaming board, with several hundred being added every month. Among them are a scuba shop and laundromat in Winnebago County's Loves Park, a florist in Oak Lawn outside Chicago, and a Champaign apartment complex, among others.

Blackhawk Restaurant Group is one of several companies that have opened chains of storefront gambling businesses that also sell food and drinks. They operate under names like Betty's Bistro, Penny's, Emma's and Jena's, and they promote their "higher-end demographic segment" and "aspirational experience."

A company official declined to talk, but according to its website, Blackhawk has 43 locations in the Chicago suburbs and nine others open or planned in the Champaign area, Peoria and elsewhere.

Four of the Blackhawk outlets are in Elk Grove Village, northwest of Chicago, where Mayor Craig Johnson said they are the leading revenue generators among the town's 16 businesses with video gambling terminals.

"They gear their businesses toward women between the ages of 35 and 65, and they tell you that," Johnson said.

The suburb has set up hurdles to other operations that officials feared would become "mini-casinos," requiring food service and setting a minimum business size. "It couldn't be like a 500-square-foot storefront and a guy would hand you a can of beer," the mayor said.

Elected officials in other towns are becoming uneasy about video gambling's growth.

Peoria enacted a temporary moratorium on new gambling locations over concerns that some may offer little but gambling. The city council recently rejected several measures that would have permanently restricted further expansion, but Councilwoman Beth Akeson hopes for some kind of limit.

"We have what we have, but I would not like to see any more," she said.

The state's casino industry also is concerned that the growth of video gambling isn't generating new gamblers but turning the casino's customers into their own.

A report by the state Commission on Government Forecasting and Accountability found that in the fiscal year that ended in June, eight of the state's 10 casinos had revenue drops of at least 9 percent. It concluded that new gambling businesses were siphoning off casino customers.

"If our revenues and admissions are dropping because of video gaming parlors, the taxes we're paying are going to start decreasing," said Tom Swoik, the



In this Nov. 10, 2014 photo, Michael Vena, owner of Arabian Knights Farms and Training Center, along with his dog Valor, shows off the farm's gaming room in Willowbrook, Ill. Since Illinois legalized video gambling, the terminals have been showing up in some unusual places: a florist, laundromats, liquor stores and gas stations. And for the businesses that have terminals, like the Arabian Knights Farms and Training Center, they mean money, too, according to Vena. (AP Photo/M. Spencer Green)

Posted: Nov 18, 2014 10:27 PM CST
Updated: Nov 25, 2014 10:28 PM CST

By Kiya Edwards [CONNECT](#)

Galesburg could see another video gaming cafe by next month. The city's planning and zoning commission approved a request Tuesday that would rezone the land for commercial use. This is the third poker parlor approved in Galesburg this year.

Suzi's Video Poker and Slots on Henderson St. was the first to open. While most bars and even bowling alleys have slot machines in Galesburg, video gaming cafes are not quite bars nor casinos. The whole idea is to keep it quaint; state law says they can only have five gaming machines. While they must serve alcohol to the patrons, they do not have full on-bars.

Suzi's opened in July. Down the street, Discount Tobacco Warehouse is scheduled to open up shop with their machines next month. Now, another business is in on the trend. Owner Ben Bekiri has already opened five others across the state, and he says Galesburg was a good place for a sixth.

"I thought, try Galesburg, see what it is," he said. "People don't have to go to the casinos, you know, save them time, and it is going to be nice and quiet."

He says all of the machines are ready to go, but he is waiting on a state gaming license. The parlor would share a building with Deluxe Tax Service. The city is requiring them to put up a fence at the property line in order to separate itself from nearby residents. If the owner decides that he doesn't want to do that, he would have to go to council. Otherwise, the \$100,000 dollar project is approved.

Illinois approved video gaming back in 2009 to help fund a \$31 billion construction program focused on projects involving schools, roads and transportation. After a testing and application period in 2012, several cities moved forward. State law mandated cities have the final say before a bar or restaurant can apply.

Businesses keep a third of the revenue from gaming machines, while the state uses its cut for road and bridge projects. Last year, Moline used some of its proceeds to pay for repairs to Riverside Cemetery, along with playgrounds and park maintenance projects.



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NORTHWEST HERALD

Marengo officials hear backlash on video gaming expansion at gas stations

Marengo officials hear backlash on idea to add gambling at gas stations

Published: Saturday, Nov. 29, 2014 9:16 p.m. CST

[MARENGO](#) – Aldermen will have more time to digest a proposal that would allow Marengo gas stations to operate video gaming machines, as some City Council members already have heard negative feedback on the idea.

A crowded December meeting agenda means the council likely will vote on the potential gambling expansion in January.

The delay allows aldermen time to think about the proposal, after they were divided during an initial discussion on the issue earlier this month.

Mayor Don Lockhart and Alderman Matt Keenum, who said he opposes the idea, have heard negative opinions about it from constituents.

“I’m hearing a lot of people against it,” Lockhart said. “I’ll be frank.”

Aldermen started debating the idea of allowing gas stations to have video gaming machines [after the owners of the Shell station at 302 E. Grant Highway approached the city about it](#).

The proposal would allow the Shell and other businesses that sell packaged liquors to be able to pour alcohol and serve customers on location. The change consequently would make the businesses eligible for video gaming licenses with the Illinois Gaming Board.

City staff members so far haven’t drafted an ordinance for the council because the Marengo police department needed more time to research how other communities have handled the unconventional video gaming idea.

Across the state, many convenience stores and gas stations that traditionally sell packaged liquors have been awarded gaming licenses as part of the truck stop criteria set by the state.

The state has granted licenses to the Quick Mart in [Union](#), a Shell station in East Dundee and the Grove Mart gas station in [Lake in the Hills](#), according to Illinois Gaming Board data.

During a meeting this week, Keenum wanted aldermen to take another informal poll on the idea to see whether staff should even pursue a draft ordinance. But members couldn’t do it because the item wasn’t listed on their posted agenda.

Keenum, though, reiterated his opposition.

“Our job, among other things, is to cast a vision,” he said. “It’s my opinion that’s not the way we want to see Marengo grow.”

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MEMORANDUM

TO: Community Development Committee
FROM: Justin Randall, Senior City Planner
THRU: Ted Shekell, Director of Community Development
DATE: December 8, 2014
SUBJECT: Frank Scott Lakeside Apartments – Commercial Extension (MOTION)

Summary

In December 2009, the City Council approved Ordinance 3645 for Balke Brown Associates for an apartment complex and commercial/retail building at 1146 Frank Scott Parkway East. Per Ordinance 3645, the Planned Use for the commercial/retail building was approval for two (2) years. Then in 2012, the City entered into a Redevelopment Agreement with Central Park Plaza Condominium, LLC for the commercial/retail building. Within the Redevelopment Agreement, Section 8.3(b) granted the approval a 2-year extension of the planned use approval. The extension is set to expire later this month and Steve Brown of Balke Brown Transwestern has filed a written request for an extension to this approval, citing the applicant is seeking additional time to finalize construction document for an initial phase of the project begin in 2015. The petitioner is requesting a 2-year extension, however per Section 9.050(F) of the City of O'Fallon Zoning Code, *"The City Council may grant no more than one (1) extension not exceeding twelve (12) months each upon written request."*

Staff reviewed the TIF Redevelopment Agreement and found that the agreement is tied to the Central Park TIF Redevelopment Agreement. Therefore, the agreement does not require an extension by the City Council. At this time, staff believes a one year extension can be handled with a motion from committee, instead of a full amendment to the original ordinance.

Staff Recommendation: At this time staff recommends approving a one year extension for the commercial project approved in the Frank Scott Lakeside Apartment Planned Use.

Community Development Department

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