



MEMORANDUM

TO: Village of Long Grove Planning Commission & Zoning Board of Appeals

FROM: James M. Hogue, Village Planner

DATE: November 20, 2015

RE: Ordinance Amendments including permitted & special uses and more specifically for the consideration of Video Gaming.

Item: PCZBA PETITION 15-10

PUBLIC HEARING: Consideration of a text amendment to Title 5 (Zoning Regulations) of the Village Code for the Village of Long Grove, regarding Permitted and Special Uses, to allow video gaming within the Village of Long Grove.

Status: Petition submitted 1/13/14. Referral by Village Board 1.14.14. Publication in news- paper completed 1/1/13 and is therefore timely.

Proposal: Consideration of a request by New Midwest Capital, for a text amendment of Title 5 of the Village Code to allow video gaming within the B-1 Historic District within the Village of Long Grove.

History:

July 13, 2009. Governor Pat Quinn signed the Video Gaming Act (Public Acts 096-0034, 096-0037 and 096-0038) (the "Act") making Licensed Video Gaming Terminals legal in Illinois. The Act allows for Licensed Video Gaming Terminals to be placed in certain liquor establishments, truck stops and fraternal/veterans clubs throughout the State. The Illinois Gaming Board (the "IGB" or "Board") has the responsibility of implementing and regulating video gaming in Illinois. Under this Act, a municipality may pass an ordinance prohibiting video gaming within the corporate limits of the municipality. A county board may pass an ordinance prohibiting video gaming within the unincorporated areas of the county. Video gaming is not allowed in these communities.

09/2009. Village Board unanimously approved ordinance 2009-O-33 amending the Village Code to prohibit gambling within the Village except with respect to such activities allowed under the Charitable Games Act, PA 84-1303.

1/14/2014. Village Board referred request to consider a text amendment to Title V (Zoning Code) to add Video Gaming as a permitted or special use in the B-1 Historic Business District.

2/4/2014. PCZBA held public hearing to consider a text amendment to Title V (Zoning Code) to add Video Gaming as a permitted or special use in the B-1 Historic Business District. PCZBA voted recommending against allowing video gaming.

2/11/2014. Village Board considered recommendation by the PCZBA and voted in favor accepting the recommendation of the PCZBA to not amend Zoning Code for Video Gaming.

5/1/2014. Village Board considered and approved An Ordinance (2014-O-08) Temporarily Amending Sections 10-1-8 (General Regulations) and 3-2-5 (Police Regulations) to permit Video Gaming on a six (6) month trial basis. *Expiration date 11/1/2014*.

10/14/2014. Village Board considered and approved An Ordinance (2014-O-22) extending the approvals granted by Ord. 2014-O-08 for six months (6), restarting the clock, since many of the businesses did not have the video machines until then due to processing times by the State. *Expiration date 4/14/2015*.

03/24/2015. Village Board considered and approved An Ordinance (2015-O-04) extending the approvals granted by Ord. 2014-O-08 until August 12, 2015 to have the results of the Residents survey. *Expiration date 8/12/2015*.

08/11/2015. Village Board considered and approved An Ordinance (2015-O-18) extending the approvals granted by Ord. 2014-O-04 until December 9, 2015 due to delays in finalizing the survey and to have the results of the Residents survey prior to making a final decision.

Analysis:

Revenue

The licensed terminal operator ensures that the machines in your business are connected to the state's central communications network so that revenues are tracked accurately. The Illinois Video Gaming Act requires that revenues be shared equally between the retailer and the operator. The split is based on net terminal income ("NTI"). NTI is the difference between the cash deposited into the gaming machines and the winnings paid to players. Thirty percent (30%) of NTI is paid to the State immediately. The remaining seventy percent (70%) is shared equally by the establishment and the operator. For example, if the NTI is \$100,000, the establishment and the operator would each earn \$35,000 ($\$100,000 * 70% * 50%$). The Terminal Operator and the establishment owner cannot own, manage, or have any control of the other's business.

The Illinois gaming board has a web site where you can run revenue reports by establishment, municipality and / or statewide. The link is as follows: <http://www.igb.illinois.gov/videoreports.aspx>

Local Revenue Generated:

Attached is a report from the Illinois Gaming Board regarding video gaming revenues in the Village. For the four (4) establishments with gaming licenses a total of \$157,817 has been received by these businesses from July of 2014 through October of 2015. A breakdown of the revenues per each establishment is attached.

Village Video Gaming Revenues (Thru Sept. 2015):

- Since Aug. 2014, the Village received revenues totaling \$15,781.96.
- To date, the State has delayed distribution of \$7,802.83 of revenues to the Village.
- The Village receives approximately \$1,200 to \$1,300 each month.
- There are 16 machines, a total of \$3,520,884.66 played and \$3,205,250.45 won.

Citizen Survey;

One of the questions in the newly received resident survey dealt with video gaming in the village. In fact the extension approved in August 2015 (Expires December 9th 2015) was granted to have the results of the residents survey prior to making a final decision on this issue. The results to that question are listed below;

Table 35: Question 23

Please indicate the extent to which you support or oppose video gaming/gambling within the Village limits of Long Grove.	Percent	Number
Strongly support	11%	N=95
Somewhat support	21%	N=187
Somewhat oppose	14%	N=127
Strongly oppose	53%	N=469
Total	100%	N=878

To summarize, 67% of the survey respondents strongly oppose or somewhat oppose video gaming within the village.

Previous Staff Conclusions;

Staff had previously researched this issue in general staff came to the following conclusions regarding this propose use;

“Pro” – gaming advocates cite increases in business patrons (particularly helpful in the downtown Long Grove), increases in revenue to both license holders (i.e. local businesses) and the host municipality. Pro gaming sources stress the entertainment value of such devices as a part of a “night out” and the benefits of such entertainment in conjunction with other activities (e.g. dinner & gaming).

“Con” - those opposed to such activities cite social problems associated with chronic gambling particularly in close proximity to homes and neighborhoods, the relatively small amount of revenue generated back to the community in relation to the revenues gained by others and as a gateway for criminal and other nefarious activities within a community.

As a side note, staff has not received any complaints, nor violations, regarding gaming within the village during the 19 month temporary/trial period. Staff is also unaware of any related calls made to the Lake County Sheriff regarding gaming in the village.

Ultimately, as previously noted by staff, the determination as to whether or not to allow such uses in the community should be made by the residents of the community. Such uses do have a certain stigma associated with them and those residing in the community should determine if allowing such a use favorably reflect the values and character of the community in which they choose to live.

The businesses that currently have video gaming have enjoyed increased revenues during this temporary/trial use period. This fact should be taken into account in evaluating this proposal as well.

**ILLINOIS GAMING BOARD
VIDEO GAMING REPORT**

Long Grove

10/24/2015

2:52 pm

July 2014 - October 2015

Municipality	Establishment	License Number	VGT Count	VGT Wagering Activity		Net Wagering		VGT Income		VGT Tax Distribution		
				Amount Played	Amount Won	Activity	Funds In	Funds Out	NTI	NTI Tax Rate	State Share	Municipality
Long Grove	Broken Earth Winery, LLC	140702229	3	\$312,497.15	\$284,103.85	\$28,393.30	\$104,623.00	\$76,229.70	\$28,393.30	\$6,518.15	\$7,098.45	\$1,419.70
Long Grove	LGC 2014, Inc.	140702228	5	\$582,018.53	\$529,776.40	\$52,242.13	\$231,086.00	\$178,853.87	\$52,242.13	\$15,673.30	\$13,061.10	\$2,612.20
Long Grove	SBS Building Enterprises, LTD.	140702887	3	\$566,076.46	\$514,945.77	\$51,130.69	\$192,299.00	\$141,168.21	\$51,130.79	\$15,339.66	\$12,783.07	\$2,556.59
Long Grove	The Village Tavern Of Long Grove, Inc.	140702231	5	\$2,060,292.52	\$1,876,424.43	\$183,868.09	\$705,528.00	\$521,659.91	\$183,868.09	\$55,160.94	\$45,967.47	\$9,193.47
REPORT		4	16	\$3,520,884.66	\$3,205,250.45	\$315,634.21	\$1,233,546.00	\$917,911.69	\$315,634.31	\$94,692.05	\$78,910.09	\$15,781.96

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**Most recent revenue data was reported for September 2015.

Broken Earth Winery, LLC	\$	14,197
LGC 2014, Inc.	\$	26,121
SBS Building Enterprises, LTD.	\$	25,565
The Village Tavern Of Long Grove	\$	91,934
Total	\$	157,817

LEGAL NOTICE
 VILLAGE OF
 LONG GROVE, ILLINOIS
 NOTICE OF A PUBLIC
 HEARING FOR CONSID-
 ERATION OF AMEND-
 MENTS TO THE ZONING
 CODE OF THE VILLAGE
 OF LONG GROVE, ILLI-
 NOIS REGARDING PER-
 MITTED AND SPECIAL
 USES TO ALLOW VIDEO
 GAMING WITHIN THE
 VILLAGE OF LONG
 GROVE.
 PUBLIC NOTICE IS
 HEREBY GIVEN that on
 Tuesday, December 1, 2015
 at 7:00 P.M. a public hearing
 will be held at the regular
 meeting of the Plan Com-
 mission & Zoning Board Ap-
 peals of the Village of Long
 Grove, Lake County, Illi-
 nois, at the Long Grove Vil-
 lage Hall, 3110 RFD, Long
 Grove, Illinois 60047 (unless
 otherwise posted), in con-
 nection with a proposal for a
 text amendment to Title 5
 (Zoning Regulations) of the
 Village Code for the Village
 of Long Grove, regarding
 Permitted and Special Uses,
 to allow video gaming
 within the Village of Long
 Grove.
 Persons attending the hear-
 ing shall have the opportu-
 nity to provide written and
 oral comments and ques-
 tions concerning the pro-
 posed amendments.
 The Plan Commission &
 Zoning Board of Appeals re-
 serve the rights to continue
 the hearing to a later date
 and time should that be-
 come necessary.
 James M. Hogue
 Village Planner
 Village of Long Grove
 Published in Daily Herald
 November 14, 2015 (4425064)

CERTIFICATE OF PUBLICATION

Paddock Publications, Inc.

Daily Herald

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County(ies) of Cook, Kane, Lake, McHenry
 and State of Illinois, continuously for more than one year prior to the date of the first publication of the notice hereinafter referred to and is of general circulation throughout said Village(s), County(ies) and State.

I further certify that the DAILY HERALD is a newspaper as defined in "an Act to revise the law in relation to notices" as amended in 1992 Illinois Compiled Statutes, Chapter 7150, Act 5, Section 1 and 5. That a notice of which the annexed printed slip is a true copy, was published November 14, 2015 in said DAILY HERALD.

IN WITNESS WHEREOF, the undersigned, the said PADDOCK PUBLICATIONS, Inc., has caused this certificate to be signed by, this authorized agent, at Arlington Heights, Illinois.

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BY *Daulla Baltz*
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