



**HUMAN RESOURCES &
FINANCE DEPARTMENT**

MEMORANDUM

TO: Mayor Diane Wolfe Marlin and City Council Members

FROM: Elizabeth Hannan, Human Resources & Finance Director / CFO

DATE: October 29, 2020

SUBJECT: Ordinance Amending Liquor Code to Allow Sixth Video Gaming Terminal

Introduction: Attached is an Ordinance amending the Liquor Code to allow a sixth video gaming terminal (VGT) at establishments that are permitted to allow video gaming.

Discussion: The State increased the allowed number of VGTs at an establishment to six effective in January 2020, with approval of Senate Bill 690. However, the Urbana Liquor Code caps the number of terminals at five. This change was made at the same time the maximum bet was increased from \$2 to \$4.

Local business owners have asked the City Council to consider permitting placement of a sixth VGT in local establishments. This would allow businesses to increase revenue to offset the increased minimum wage and revenue losses related to the pandemic. The gaming industry was shut down for approximately fourteen weeks because of the pandemic, losing significant revenue.

The attached request was signed by sixteen owners of local establishments that are permitted to allow video gaming. Urbana currently has twenty-one licensed video gaming establishments; all but three currently have five VGTs.

Fiscal Impact: Allowing a sixth VGT could result in an increase of \$20,000 in terminal fees annually and \$70,000 in new tax revenue for the City on an annual basis.

Alternatives:

1. Forward the Ordinance amending the Liquor Code to City Council for approval on November 9, 2020.
2. Do not forward the Ordinance to City Council for approval.

Recommendation: Forward the Ordinance amending the Liquor Code to City Council for approval on November 9, 2020.

ORDINANCE NO. 2020-11-059

AN ORDINANCE AMENDING CITY CODE CHAPTER 3

(Increase in Number of Allowable Video Gaming Terminal Permits)

WHEREAS, the City of Urbana (“City”) is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs, including the power to regulate for the protection of the public health, safety, and welfare; and

WHEREAS, Section 4-1 of the Liquor Control Act of 1934, 235 ILCS 5/4-1, gives the City Council the power by general ordinance or resolution to establish such regulations and restrictions upon the issuance of and operations under local liquor licenses not inconsistent with law as the public good and convenience may require; and

WHEREAS, the City Council has adopted and, from time to time, has amended Urbana City Code Chapter 3 concerning the regulation of the sale and service of alcoholic beverages; and

WHEREAS, the City Council finds that the public health, safety, and welfare will best be protected by amending Urbana City Code Chapter 3 to allow certain classes of liquor license holders, as provided in Urbana City Code Chapter 3, to obtain up to six (6) video gaming terminal permits so that they can place on their premises up to six (6) video gaming terminals.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Urbana, Champaign County, Illinois, as follows:

Section 1.

Urbana City Code Chapter 3, “Alcoholic Liquors”; Article III, “Retail Licenses and Riders”; Section 3-46, “License Classifications; Section 3-46(g), “Gaming Hall License” shall be and hereby is amended as follows with the language bearing strike-throughs indicating language to be deleted and with the language being underlined indicating language to be added.

(6) No more than ~~five (5)~~six (6) video gaming terminals may be located on any Class GH licensee's premises.

Section 2.

Those sections, paragraphs, and provisions of the Urbana City Code that are not expressly amended or repealed by this Ordinance are hereby re-enacted, and it is expressly declared to be the intention of this Ordinance not to repeal or amend any portions of the Urbana City Code other than those expressly set forth as amended or repealed in this Ordinance. The invalidity of any section or provision of this Ordinance hereby passed and approved shall not invalidate other sections or provisions thereof.

Section 3.

This Ordinance shall not be construed to affect any suit or proceeding pending in any court, or any rights acquired, or a liability incurred, or any cause or causes of action acquired or existing prior to the effective date of this Ordinance; nor shall any right or remedy of any character be lost, impaired, or affected by this Ordinance.

Section 4.

The City Clerk is directed to publish this Ordinance in pamphlet form by authority of the corporate authorities, and this Ordinance shall be in full force and effect from and after its passage and publication in accordance with Section 1-2-4 of the Illinois Municipal Code.

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

PASSED BY THE CITY COUNCIL this ____ day of _____, _____.

AYES:

NAYS:

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, _____.

Diane Wolfe Marlin, Mayor