

## **A G E N D A**

COMMUNITY AND ECONOMIC  
DEVELOPMENT COMMISSION  
of the  
VILLAGE OF LA GRANGE  
Village Hall Auditorium  
53 S. La Grange Road, La Grange, IL

**August 10, 2017 - 7:00 p.m.**

1. Call to Order and Roll Call
2. Approval of Minutes – February 2, 2017
3. New Business
  - A. Community & Economic Development Activity Report
  - B. LGBA Update
  - C. Workshop Discussion – Video Gaming
5. Chairman Comments
6. Adjournment

The Village of La Grange is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the facilities, are requested to contact the ADA Coordinator at 579-2315 promptly to allow the Village to make reasonable accommodations for those persons.

# **MINUTES**

## Community and Economic Development Commission Village of La Grange

February 2, 2017

### **I. CALL TO ORDER AND ROLL CALL:**

A meeting of the Community and Economic Development Commission was held on February 2, 2017 in the Auditorium of the Village Hall at 53 South La Grange Road, La Grange, IL and was convened at 7:00 p.m. by Chairman Russ Riberto.

Present: Commissioners Arnold, Augustine, Cassidy, Dillon, DiDomenico, Gale, Stiles, Washington, Wimbush, and Chairman Riberto.

Absent: Commissioners Carlson, Hall, Palmer, Janevski, and Sher.

Also Present: Trustee Malia Arnett, Community Development Director Charity Jones, Assistant Community Development Director Angela Mesaros, LGBA Kathy Dierkes, and LGBA Executive Director Nancy Cummings.

### **II. APPROVAL OF MINUTES:**

On motion by Commissioner Gale, seconded by Commissioner DiDomenico, the minutes of the November 3, 2016 Community and Economic Development Commission meeting were approved.

### **III. OLD BUSINESS:**

#### **A. Walgreens Kiosk Update and Future Discussion**

Community Development Director Jones provided photos showing the interim solution to improve the Walgreens kiosk space – historic photos provided by the La Grange Historical Society, enlarged to fill the windows of the kiosk area. The Commission noted that the photos really improved the look of the area and created a more positive impression to visitors and commuters. The Commission noted that long-term solutions should be revisited in the future, upon completion of a new license agreement with the property owner.

### **IV. NEW BUSINESS:**

#### **LGBA Project Updates – Website and Special Event Marketing**

Kathy Dierkes and Nancy Cummings of the LGBA provided the Commission with a tour of the new website for LGBA.com and the La Grange app developed to accompany the website. Nancy Cummings provided an overview of the LGBA's event marketing plan, as developed by Stevens & Tate. She also noted that events will be marketed using the url "lagrangeevents.com" which will direct consumers to the events page of the LGBA website. Commissioners agreed that the new website and app looked great. Commissioner Cassidy noted that La Grange's event marketing should consider including marketing in the city and not just suburbs.

Nancy Cummings also noted that the West End Arts Festival will be retooled in 2017, with a focus on a broader definition of the arts, including music and food. Further, Ms. Cummings reported the La Grange Craft Fair has 200 vendors already, which is 50 more vendors than in the past five years.

**B. Community Branding Initiative**

Director Jones noted that the FY 17/18 budget proposed by staff has a placeholder for a community branding effort. Director Jones then led the Commission through a presentation defining branding and how a branding initiative can assist the Village in focusing economic development activities. The Commission was receptive to proceeding with the branding effort in the 17/18 fiscal year. Additionally, the Commission noted that it would sense to wait on execution of new gateway signage until the branding effort is complete.

**C. Community & Economic Development Activity Report**

Director Jones provided an update on various Community Development Department activities and local economic trends.

**V. ADJOURNMENT:**

There being nothing further to come before the Community and Economic Development Commission, a motion was made by Commissioner Cassidy and seconded by Commissioner Arnold that the meeting be adjourned at 9:00 p.m.

Respectfully Submitted:

Charity Jones  
Community Development Director

VILLAGE OF LA GRANGE  
Community Development Department

**MEMORANDUM**

TO: Community and Economic Development Commission

FROM: Charity Jones, AICP, Community Development Director  
Mark Burkland, Village Attorney

DATE: August 10, 2017

RE: Video gaming

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**Background**

On July 13, 2009, the State of Illinois passed the Video Gaming Act, allowing for “video gaming terminals,” which are defined by the act as electronic video game machines that play such games as video poker, line up, and blackjack and from which a player may receive free games or credits that can be redeemed for cash.

When the Video Gaming Act was adopted, local municipalities and county boards were given the option to pass an ordinance prohibiting video gaming within their jurisdiction. In addition, local governments were granted the option to hold a referendum on whether to prohibit video gaming within their jurisdiction.

On October 26, 2009 the Village of La Grange adopted Ordinance 0-09-31, prohibiting video gaming within La Grange.

Video gaming did not “go live” in Illinois until October 2012. Now that more than four years of data is available, President Livingston asked staff to provide a report on video gaming to the CEDC to stimulate Commission discussion on the Village’s current position relative to video gaming. Staff will also provide a presentation at the Commission meeting.

**Overview of the Video Gaming Act**

Under the Video Gaming Act, video gaming terminals are allowed to be placed in “licensed establishments.” Licensed establishments may be for-profit or not-for-profit entities with a liquor license allowing for alcoholic liquor to be “drawn, poured, mixed, or otherwise served for consumption on the premises.” The Act also allows video gaming terminals within fraternal establishments such as the American Legion, veterans establishments such as the VFW), truck stops in excess of 3 acres in size, and any establishment with a contractual relationship with an inter-track wagering location licensee licensed under the Illinois Horse Racing Act. All aspects of video gaming including licensing for individuals and businesses involved in video gaming, enforcement of age restrictions, terminal payouts, and investigation of allegations of use of illegal gambling machines are regulated by the Illinois Gaming Board.

### **The State of Video Gaming Today**

Currently, there are 6,124 video gaming establishments throughout Illinois with 26,873 video gaming terminals.<sup>1</sup> Statewide, there are 1,052 municipalities or counties that allow video gaming. There are 892 municipalities and 82 counties that have video gaming establishments.

In Cook County there are 30 municipalities that prohibit video gaming, which is approximately 22% of all Cook County municipalities. Video gaming is prohibited in unincorporated Cook County as well. Attached is a list of Cook County municipalities without video gaming.

In municipalities that allow video gaming terminals, there is an average of 6 licensed video gaming establishments within each municipality.<sup>2</sup> On average, each establishment has 4 video gaming terminals. Establishments are limited by the Video Gaming Act to a maximum of 5 video gaming terminals.

### **Video Gaming Revenues**

Under the Video Gaming Act, a video gaming terminal must pay out at least 80% of the amounts played over the life of the terminal. The amount of money played on a video gaming terminal minus the funds paid out to players is known as the Net Terminal Income (NTI). Video gaming terminals are taxed at 30% of NTI. Five-sixths of that revenue (25% of NTI) is directed to the state and one-sixth (5% of NTI) is distributed to the municipality or county within which the video gaming terminal is located. The local revenues are unrestricted; the municipality or county can use video gaming revenue however it sees fit for its corporate purposes.

In 2016, municipalities allowing video gaming received an average of \$57,900 in gaming tax revenue. On average, these municipalities received approximately \$7,100 annually from each licensed video gaming establishment and \$1,670 from each video gaming terminal.

Locally, the Village of Brookfield has 13 licensed video gaming establishments with 71 video gaming terminals (an average of 4.7 terminals per establishment). In 2016, Brookfield received \$157,830 in gaming tax revenue to the municipality. Similarly, the Village of Countryside has 16 licensed gaming establishments with 83 terminals (an average of 4.4 terminals per establishment), resulting in \$255,360 in tax revenue to the municipality in 2016.

The Video Gaming Act requires the after-tax net terminal income to be divided equally between the licensed establishment with the video gaming terminals and the video gaming terminal operator who supplies and maintains the video gaming terminals. For some establishments, video gaming revenue can be a large percentage of overall business revenue. This additional revenue may be significant enough to impact the typical turnover for businesses in a retail district. It can also lead to new types of businesses that exist primarily to provide video gaming, instead of video gaming as a complement to other goods or services. More information on this topic will be presented at the Commission's meeting.

### **Local Control**

Municipalities have some control over the operation of video gaming terminals. They can limit the number of terminals and limit the number of local licenses through their liquor licensing authority. The Act does impose some restrictions and limits on local control. For example, the Act prohibits terminals within 100 feet of a school or place of worship and neither a non-home-rule municipality nor a home rule municipality can alter that standard. Local control for non-home rule municipalities is somewhat lesser

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<sup>1</sup> Source: <https://www.igb.illinois.gov/VideoReports.aspx>. June 2017 represents the most current data available.

<sup>2</sup> Source: <https://www.igb.illinois.gov/VideoReports.aspx>. 2016 data.

than for home rule municipalities on matters like taxation. the control is limited. For example, La Grange can impose a fee on each terminal, but not in excess of \$25 per year.

La Grange also may impose its zoning and building code standards in the usual manner. For example, video gaming terminals must be located in an area that can be restricted to persons not less than 21 years old. If a particular establishment needs some type of code variation to build that area, La Grange is not required by law to approve a variation.

In addition, La Grange may choose how to license establishments for video gaming terminals through the Village's liquor control authority. In this regard, La Grange has ample decision-making authority. For example, the Village may determine to authorize terminals only in a full service restaurant and not in, for example, a hotdog joint or pizza-by-the-slice restaurant. And the Village could impose a "stability" standards, limiting the possibility of a video gaming license to a restaurant that has been in operation for a minimum period of time and has good financial stability.

### **Summary**

This memo serves as a summary of video gaming operations and some of the potential impacts of video gaming on a community. More detailed information related to these issues will be presented at the Commission meeting.

### **Attachments**

1. Cook County Municipalities Prohibiting Video Gaming

**Cook County Communities Prohibiting Video Gaming**

Village of Arlington Heights

City of Chicago

Unincorporated Cook County

City of Des Plaines

City of Evanston

Village of Glencoe

Village of Glenview

Village of Harwood Heights

Village of Kenilworth

Village of LaGrange

Village of LaGrange Park

Village of Lincolnwood

Village of Mount Prospect

Village of Northbrook

Village of Northfield

Village of Oak Park

Village of Orland Park

Village of Palatine

City of Palos Heights

Village of Palos Park

City of Park Ridge

Village of River Forest

Village of Riverside

City of Rolling Meadows

Village of Rosemont

Village of Schaumburg

Village of Skokie

Village of South Barrington

Village of South Holland

Village of Wilmette