

TO: Dan Chanzit, Chairman, Government Services Committee

FROM: Laura Newman

DATE: June 30, 2020

RE: ORD 20-43 Amending Title 3, Chapter 26 of the City Code Video Gaming Devices Limiting the Number of Sites Within the City Limits Where Video Gaming is Allowed to Eight

Upon the direction of at least two aldermen, staff was directed to create an amendment to our Video Gaming Ordinance that would cap the number of establishments allowed to have video gaming at the current number of license holders, which is eight:

- VFW
- Speedway
- Bulldog's Cellar
- Full Moon
- Rosati's
- Crosstown Pub
- Funway
- Riverside Pizza

In order to effectuate this limit, Title 3, Chapter 26 (Video Gaming Devices), would be amended to include an additional paragraph:

3-26-9 LIMIT ON NUMBER OF LICENSES

At any given time, there may only be eight active video gaming site licenses in the City of Batavia.

The following analysis provides the pros and cons of imposing such a limit.

Reasons to impose a limit include:

- Video gaming signage is unsightly to some.
- Patrons who do not approve of video gaming will not patronize businesses that have it.
- Gambling addiction causes severe financial harm and has been the source of loss of not only money, but livelihoods and familial relationships.
- Gambling preys upon those least able to afford it.
- Video gaming is not something that aligns with our vision of what is appropriate in Batavia.

Reasons not to impose the limit include:

- Since it was allowed in 2016, there have been very few establishments that have applied for a video gaming license. This is likely attributable to the fact that the City of Batavia's ordinance requires both having a liquor license for at least one year prior and a significant annual fee for the machine operator.

- The City last year realized revenue of \$80,858.19 for its municipal share of the state gaming tax for video gaming receipts. At a time when the City expects that its revenues will be impacted in a significant way by the effects that pandemic mitigation measured will have on our municipal revenue, potentially for the next few years, it is not advised that we eliminate this source of revenue.
- Consumption taxes, like video gaming, alleviates the burden on tax payers, since revenue may come from residents and non-residents. In the case of Batavia, the Speedway truck stop is the highest grossing video gaming site by far, accounting for 35% of the total amount played in Batavia.
- As demonstrated by the majority of the establishments currently holding licenses, video gaming has provided a few small, independent business owners the ability to supplement their revenue. A limit on the number of licenses provides a competitive advantage to the existing license holders and may discourage potential new business owners who would like to have this potential opportunity for supplemental revenue.
- The City allows other forms of gambling such as lottery tickets without limiting the number of establishments that can sell them.
- The City allows the sale of other addictive “vice” products such as cigarettes and alcohol without limiting the number of establishments that can sell them.
- The police department has had no noticeable increase in criminal activity that could be linked to allowing video gaming.

Based upon the foregoing analysis, staff recommends that the Committee of the Whole does not recommend approval of Ordinance 20-43 Amending Title 3, Chapter 26 of the City Code Limiting the Number of Sites Within the City Limits Where Video Gaming is Allowed to Eight.

**CITY OF BATAVIA, ILLINOIS
ORDINANCE 20-43
AMENDING TITLE 3, CHAPTER 26 OF THE CITY CODE
VIDEO GAMING DEVICES**

**ADOPTED BY THE MAYOR AND
CITY COUNCIL THIS 19th DAY OF
OCTOBER, 2020**

Published in pamphlet
form by authority of the
Mayor and City Council
of the City of Batavia,
Kane & DuPage Counties,
Illinois,

Prepared by:
City of Batavia
100 N. Island Ave.
Batavia, IL 60510

**CITY OF BATAVIA, ILLINOIS
ORDINANCE 20-43**

**AMENDING TITLE 3, CHAPTER 26 OF THE CITY CODE
VIDEO GAMING DEVICES**

WHEREAS, the City of Batavia’s Municipal Code currently allows certain types of entities located within the City to obtain a license to have video gaming devices on their premises, and,

WHEREAS, the City wishes to limit the number of establishments that have a video gaming to eight, which is the number of establishments that currently hold a license; and,

THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Batavia, Kane and DuPage Counties, Illinois, as follows:

Section 1. That Title 3 of the Batavia City Code is hereby amended instanter to add the following words, phrases and numbers:

...

3-26-9 LIMIT ON NUMBER OF LICENSES

At any given time, there may only be eight active video gaming site licenses in the City of Batavia.

Section 2. Should any provision of this Ordinance be declared invalid by a court of competent jurisdiction, the remaining provisions will remain in full force and affect the same as if the invalid provision had not been a part of this Ordinance.

Section 3. This Ordinance shall be in full force and effect after passage and publication pursuant to law. Publication date: October 19, 2020. Effective date: October 19, 2020.

CITY OF BATAVIA ORDINANCE 20-43

PRESENTED to the City Council of the City of Batavia, Illinois this 19th day of October 2020.

PASSED by the City Council of the City of Batavia, Illinois, this 19th day of October 2020.

APPROVED by me as mayor of said City of Batavia, Illinois, this 19th day of October 2020.

Jeffery D. Schielke, Mayor

Ward	Aldermen	Ayes	Nays	Absent	Abstain	Aldermen	Ayes	Nays	Absent	Abstain
1	O'Brien					Baerren				
2	Callahan					Wolff				
3	Meitzler					Chanzit				
4	Malay					Knopp				
5	Uher					Beck				
6	Cerone					Russotto				
7	McFadden					Miller				
Mayor Schielke										
VOTE:		Ayes	Nays	Absent	Abstentions					
Total holding office: Mayor and 14 aldermen										

ATTEST:

Ellen Posledni, City Clerk