

Village of Lombard

Village Hall 255 East Wilson Ave. Lombard, IL 60148 villageoflombard.org

Minutes

Economic & Community Development Committee

Bill Johnston, Chairperson Reid Foltyniewicz, Alternate Chairperson Dennis McNicholas, Garrick Nielsen, Matthew Pike, Brian LaVaque, Paula Dillon, Laine Vant Hoff, Gregory Ladle and Alan Bennett

Staff Liaison: William Heniff

Monday, December 10, 2018

7:00 PM

Community Room

1.0 Call to Order and Pledge of Allegiance

Trustee Johnston called the meeting to order at 7:02 p.m.

The Pledge of Allegiance was recited.

2.0 Roll Call

Present 6 - Dennis McNicholas, Brian LaVaque, Matthew Pike, Laine Vant Hoff, Gregory Ladle, and Alan Bennett

Absent 2 - Garrick Nielsen, and Paula Dillon

Also present: William Heniff, AICP, Director of Community Development; Jennifer Ganser, AICP, Assistant Director of Community Development, Scott Niehaus, Village Manager, Nicole Aranas, Assistant Village Manager

3.0 Public Participation

None

4.0 Approval of Minutes

On a motion by Mr. Bennett, and seconded by Mr. McNicholas, the minutes of the November 12, 2018 meeting were approved as corrected by the members present.

5.0 Unfinished Business

<u>180450</u> Discussion-Video Gaming

Discussion and recommendation from the Economic and Community Development Committee regarding whether video gaming should be permitted within the corporate limits of the Village of Lombard.

Trustee Johnston said this discussion occurred at other Village Committees and was brought to the Village's attention by local businesses. Mr. Niehaus reviewed a PowerPoint. He discussed Village budget issues and noted that video gaming won't fix all the issues. Mr. LaVaque asked if future years all show a zero percent growth for retail sales tax and Mr. Niehaus said yes. He discussed the Village cutting expenses and raising fees, noting that since we are non-home rule there are limitations on fees that can be raised. Mr. Bennett said there are other limitations such as tax caps and bonding authority.

Ms. Aranas discussed video gaming and noted that recently businesses came to the Village asking to lift the ban on video gaming. She showed a map of towns that allow video gaming. She reviewed the state of Illinois restrictions and revenue amounts. Ms. Dana Moreau asked if the revenue numbers include stand along gaming parlors and Ms. Aranas said yes. Mr. Niehaus said the Village took conservation estimates. Ms. Aranas said an estimated Village Revenue would be between \$131,000-164,000. Mr. LaVague asked what percentage of the total Village budget this would be and Mr. Niehaus said our budget is \$40 million, therefore less than 1%. Ms. Aranas discussed local restrictions that can be added and have been added in other towns. Ms. Moreau noted that the Village approves liquor licenses which give control to the Village. Ms. Aranas said yes, we do have latitude and Mr. Bennett said an applicant can always file an appeal to the State. Mr. McNicholas said in 2014 there was opposition to gaming and he doesn't remember revenue being discussed. Mr. Niehaus said at the time we didn't spend as much time on the revenue aspect. Mr. Bennett said now the issue is being raised by businesses that are in an unfair position with their competition. Mr. McNicholas noted that Addison and Villa Park have high revenues from gaming.

Trustee Johnston asked Ms. Ganser to read questions from Ms. Dillon. Ms. Ganser noted that Ms. Dillon could not attend but emailed staff questions and comments. Have other communities with a ban in existence on gaming parlors reconsidered their ban or re-surveyed their residents? Mr. Niehaus said Forest Park had video gaming, but a citizen referendum was brought forth and then video gaming was

eliminated. Ms. Ganser read there is mention of ensuring the "vibe of business districts" and in the Chamber of Commerce survey comments that there is some potential opposition to gaming in the downtown area, as it is considered a "family zone". How would we distinguish that? Trustee Johnston said he arranged for the Chamber to complete a survey and noted that the respondents could remain anonymous. He said some businesses many feel more impacts than others. Ms. Ganser read do the budget assumptions base the revenue on the maximum number of terminals and all business participating? Is there prorated amounts in the event that some establishments do not opt or do not add max number of terminals? Ms. Ganser noted Ms. Aranas covered this in her presentation; the Village took the average of the DuPage County revenue per machine. This was a conservative estimate and not budgeted in the 2019 budget. Ms. Ganser read do the licenses renew yearly or for a multiyear period? How would this impact the budget? Mr. Niehaus said we could charge \$25/year and this was not included in the budget impact. Ms. Ganser read in other suburbs, while not creating additional police activity, have there been instances of establishments not meeting yearly audit requirements or other rules pertaining to gaming machines? Ms. Aranas said those audits are mostly State requirements and subject to their review and approval. Ms. Ganser read from Ms. Dillon's email "After a full review of the materials and considering the potential benefits to the Village, I am indicating support in favor of this proposal - it meets a requested need of residents to remain competitive with surrounding municipalities; the oversight and requirements for establishments opting to go this route appear rigorous and well documented; the ultimate decision is that of the business establishment and not mandated by the village and provides clear financial benefits to the village and business establishments." Ms. Ganser said Ms. Dillon is aware that she cannot vote tonight as she is not present.

Trustee Johnston opened the meeting to public comment.

Ms. Marymae Meyer said she is a 30-year resident of Lombard. She said video gaming could affect the Village character. She noted she was a small business owner for 10 years. She reviewed the Illinois Gaming Board and said consists of five people appointed by the Governor. The control is outside of Lombard. She asked others to review the gaming board minutes and infractions.

Mr. Brendan Fitzharris said he lives in Elmhurst and owns four bars in the area. He said bars without video gaming are struggling and losing customers. Those bars with video gaming can price their food and beverages lower. He said his bar in Villa Park does a free breakfast every Sunday and giveaways. The gaming companies help with marketing and advertising dollars. Though he has benefited from Lombard not having video gaming he is looking to expand his business and may consider Lombard.

Ms. Vicky Topalitks said she has owned Maxfield's for seven years. They like to sponsor school and church groups. Her customers are leaving to go places with video gaming. This would help her get more revenue and help them to continue to support Lombard organizations and beautify the restaurant. It would be fair since neighboring towns allow it.

Ms. Joan Tonne Bezeynski said she has lived in Lombard for 60 years and noted times have changed. She feels Lombard is a safe town and wants to see the town grow. She said she is in support of video gaming.

Mr. Liam Quicke said he represents Punky's which has been open for 45 years. Allowing video gaming would create a level playing field. He is losing customers and the Village is losing on revenue. He employs 13 people and doesn't want to have to cut staff. He said video gaming is regulated greatly by the State. He noted other towns saw home prices go up. There needs to be a level playing field.

Ms. Theresa Brzezinske said she is a former resident, 4th generation Lombardian, was the General Manager at Punky's and Shannon's, and now O'Neil's. She said she is the not the owner. She cares about businesses in downtown Lombard. She thanked the Village for doing research on the matter. She said this could help interested businesses. She believes in 2010 businesses didn't know what this could do to help their businesses. It's needed now as businesses lose 20-30 year patrons because other businesses can offer cheaper food and beverages. This could help businesses make capital improvements. She noted that the owner of O'Neil's, Mary Ann O'Neil is unable to attend tonight but is supportive of video gaming.

Trustee Johnston said public comments are now closed and the meeting is open to the Commissioners.

Mr. Bennett asked if the other communities have recommended approving video gaming and Mr. Niehaus said yes, with conditions.

Ms. Vant Hoff asked if we can cap the licenses and Mr. Niehaus said that is a Board policy decision.

Mr. Ladle asked if there was a legal review on the signage restrictions as a legal challenge could negate any revenues raised. Mr. Niehaus said a few towns have adopted that provision, and an organization could challenge that. If the Village added that restriction we would have the authority to remove it as well. Mr. Ladle asked if the Village has any truck stops and Mr. Niehaus said one, the Thornton's on Route 53 and North Avenue.

Mr. McNicholas said the goal was to deal with addictions then we should ban the lottery and alcohol. He said people can be social drinkers and social gamers. He said it's hard to imagine those with a gambling addiction may spend a lot of time at video gaming.

Mr. Bennett said the State is committed to gaming with casinos and places like Off Track Betting. He made a motion for the ECDC to recommend to the Village Board to permit video gaming with additional restrictions as they see fit. Mr. McNicholas said he seconds that motion adding that the Village Board could add more restrictions. Mr. Bennett agreed.

Trustee Johnston asked for discussion of the motion.

Ms. Vant Hoff asked if places like Elmhurst or Glen Ellyn have brought up allowing video gaming. Mr. Niehaus said Elmhurst voted it down 11-3, he was not aware of the other nearby towns discussing it again. Ms. Vant Hoff said the map makes her question video gaming, adding that the towns without video gaming have very nice downtowns.

Mr. Pike said there are towns that regulate morality but if you don't like something you shouldn't patronize the establishments. If you support what you like, businesses will make decisions based on that. He said the Village should have no restrictions on video gaming.

Mr. Ladle said he has seen people in truck stops playing and waiting for a terminal. He said it may cause a hardship for some people but they could go to the next town over now and gamble. He said he is looking at this from a revenue perspective and the businesses in a competitive disadvantage. Mr. McNicholas said he agrees and that those people may now go to Addison or Villa Park. Mr. Ladle said we're surrounded by video gaming and already allow the lotto.

Mr. LaVaque said he remembers the discussion in 2014 and has been getting feedback from people. He said he changed his mind from 2014 and is not supportive. He does not think this would be a good direction or move for the Village. Mr. Pike asked why it is government's role to allow or not allow this and shouldn't it be a business decision? Mr. LaVaque said he feels there are many unknowns and doesn't share that vision for the Village.

Trustee Johnston thanked everyone for attending and giving comments. He said there will be a Village Board workshop discussion on January 24th which is open to the public.

On a motion by Mr. Bennett and a second by Mr. McNicholas, the ECDC voted 4-2 to recommend that the Village Board permit video gaming with additional restrictions that may be added upon further review by the Village Board of Trustees

Aye: 4 - Dennis McNicholas, Matthew Pike, Gregory Ladle, and Alan Bennett

Nay: 2 - Brian LaVaque, and Laine Vant Hoff

Absent: 2 - Garrick Nielsen, and Paula Dillon

6.0 New Business

None

7.0 Other Business

None

8.0 Information Only

Mr. Heniff said the Village Board authorized staff to continue with Business District 2. Final consideration will occur after the report is completed. Ms. Vant Hoff asked if the Seminary was on the market and Mr. Heniff said it is under contract. Mr. Heniff said the Village Board will consider 101-109 S. Main Street at the January 17, 2019 meeting.

9.0 Adjournment

On a motion by Mr. Bennett and a second by Ms. Vant Hoff, the meeting adjourned at 8:31 p.m $\,$