



CITY OF WASHINGTON, ILLINOIS

Committee of the Whole Agenda Communication

Meeting Date: May 11, 2020

Prepared By: Jon Oliphant, AICP, Planning & Development Director
Pat Brown, City Clerk
Jeff Stevens, Deputy Chief

Agenda Item: Beck Oil Video Gaming Consideration

Explanation: Staff has had several meetings and discussions with Bill Smith and Pat Berry from Beck Oil about their desire to open a fuel center in Washington. Most recently, they have focused on having a new location near the intersection of Business 24 and Eagle Avenue close to the former Todd's Shell, which would be demolished. Their development would be able to accommodate both automobiles and trucks. The tentative project would include a convenience store and likely be part of a larger multi-phased development on Business 24. While the parcels adjacent to Business 24 are annexed, Beck Oil would likely annex a portion of the property to the south that is not currently in the city limits and include slightly more than three acres. It would roughly be situated to be west of a potential future southern extension of Eagle Avenue to eventually connect with Kern Road. However, that is conceptual and would require identifying a funding stream and design consent from IDOT.

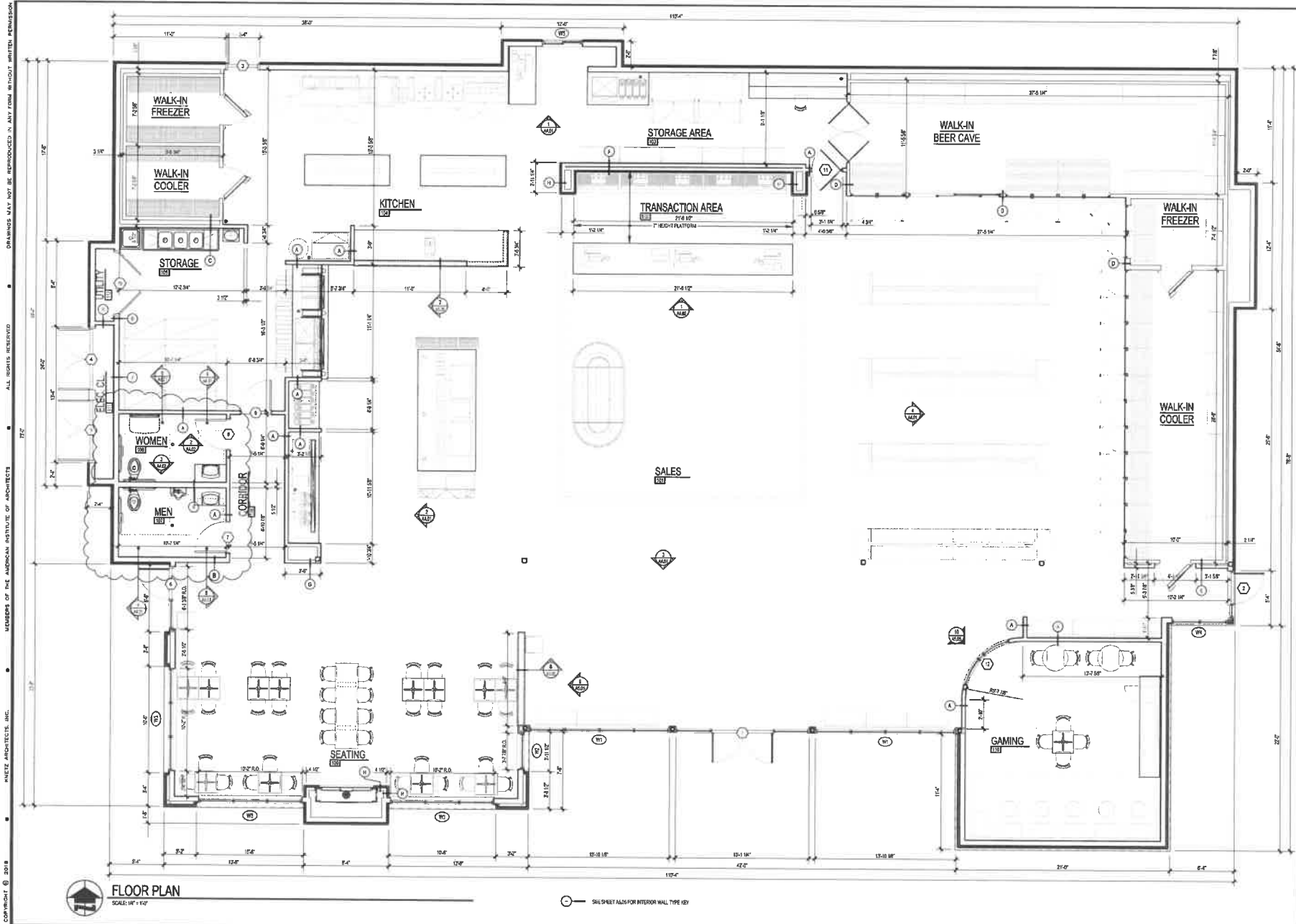
Attached is a rough site plan that is overlaid on an aerial photo of the proposed site. In order to be classified as a truck stop, the development must have a minimum of three acres. Also attached are several photos and the floor and site plans from the Beck Oil location in Princeton. While architectural elevations and site engineering has not commenced for the proposed Washington location, the Beck Oil executives have indicated that the Princeton location is a good representation for how they envision the appearance in Washington. The final layout for the Business 24 site would be modified depending on the exact shape of the lot. It would likely have its Beck's Coffee House but the food offering has not been determined. They do not anticipate having a fast food franchise in the building. A drive-up window would provide another sales option.

Beck Oil has indicated that its projected total annual sales would be approximately \$9.75 million. Gas would comprise about \$5.33 million of that and diesel would result in another \$693,000 in sales based on a \$2.50 per gallon price. The convenience store would generate about \$3.72 million in sales. Video gaming is an important component of its business model. Beck has asked staff about the possibility of amending the City Code to allow for up to six video gaming terminals as part of a small truck stop development. Illinois state statute defines a licensed truck stop establishment as having 1) a three-acre facility with a convenience store, 2) separate diesel islands for fueling commercial motor vehicles, 3) retail sales more than 10,000 gallons of diesel or biodiesel fuel per month, and 4) parking spaces for commercial motor vehicles. The requirement for meeting item 3) can be met through showing that past or future sales average at least 10,000 gallons per month. Beck would meet each of these conditions as part of its prospective development.

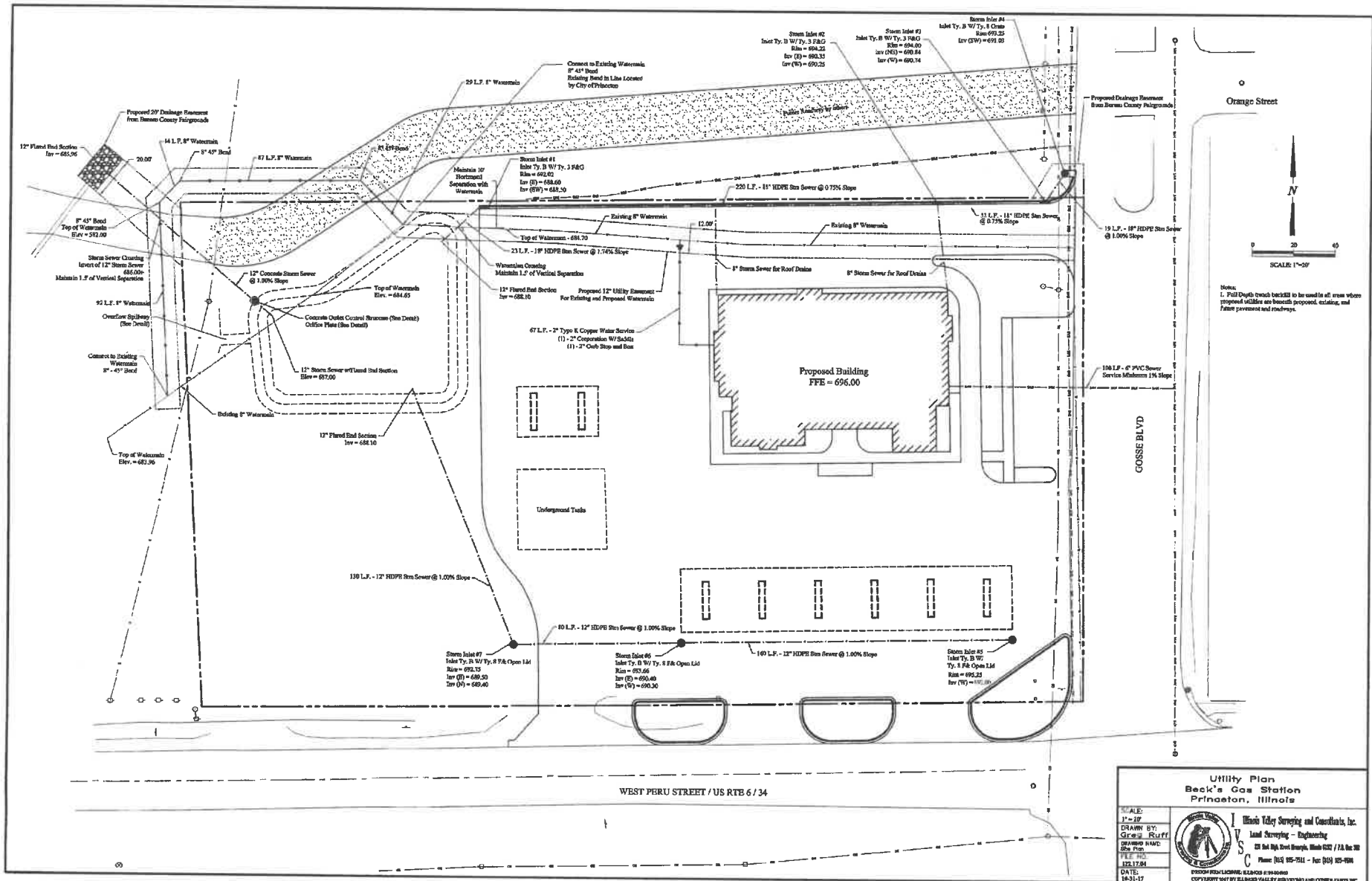
Fiscal Impact: The projected sales could conservatively generate \$60,000 in home rule sales tax.

While much of this would be capturing sales from a gap in the market, it would also likely be taking some sales away from similar competitors. Gaming revenue would result if terminals were allowed in the facility. Beck has indicated that it will need video gaming to be allowed in order to proceed with a Washington development.

Action Requested: Staff requests feedback on whether to consider amending the City Code to allow for a new truck stop video gaming classification. Staff has drafted language for a possible amendment should there be interest in allowing for the code changes.



PROJECT NUMBER: 1703 DRAWN BY: MSK DATE: 10/18	KMETZARCHITECTS, INC. <small>11 BACALA STREET • LITTLE ROCK, AR 72201-2001 • PHONE: 501-225-1200 • FAX: 501-225-1201</small>	BECK OIL COMPANY NEW CONVENIENCE STORE WEST PERU ST/US ROUTE 6 AND QOSBE BLVD PRINCETON, IL	DESCRIPTION FLOOR PLAN	SHEET NO. A1.01 OF 21
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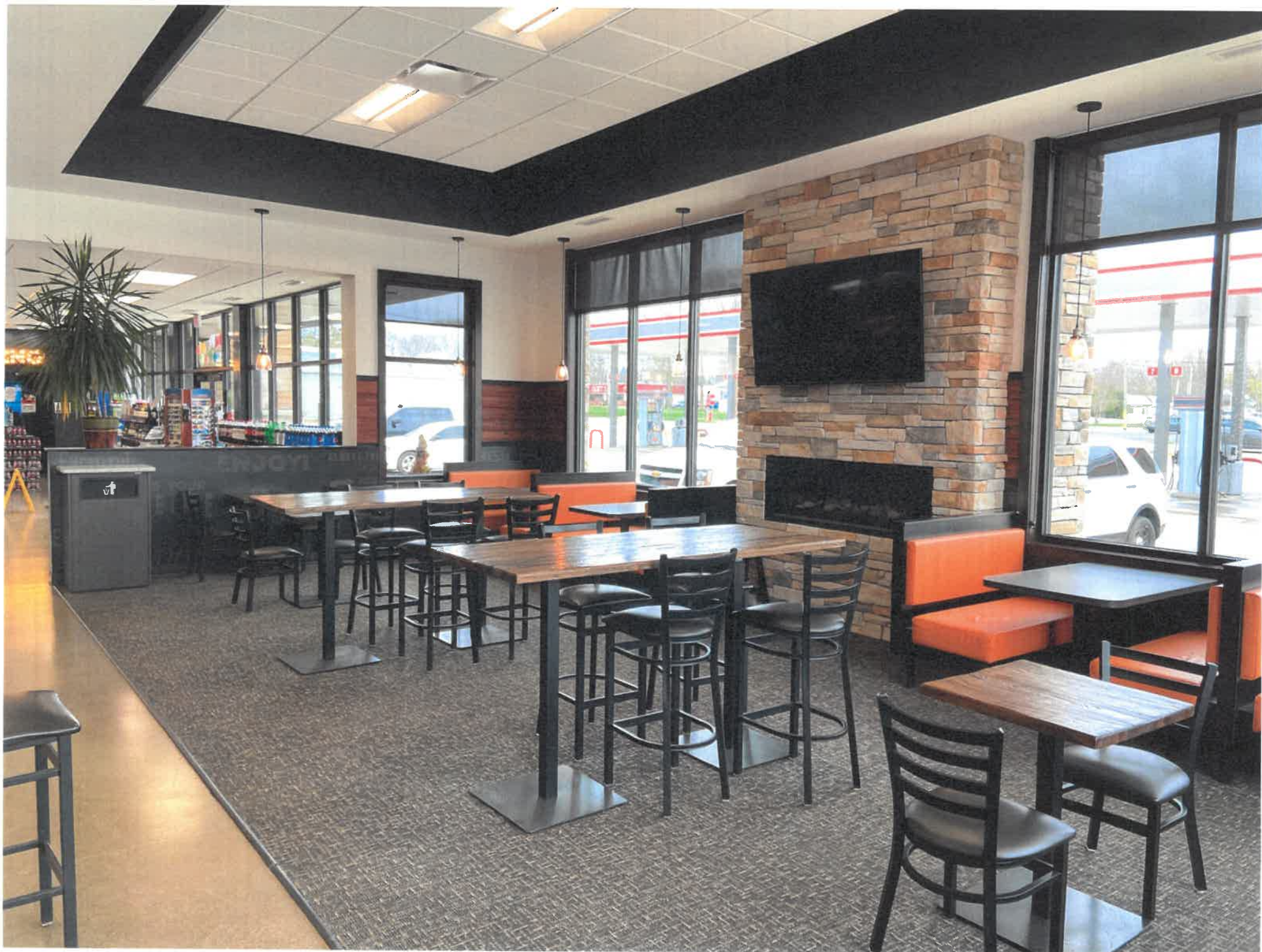












LICENSED VIDEO GAMING

§ 136.50 LICENSED VIDEO GAMING

- (A) Licensed Video Gaming Exemption. The prohibitions of this Chapter 136 and any other chapter or section of the City Code that may reference or govern gambling or gaming shall not apply to any video gaming terminal that has a valid video gaming terminal permit sticker and is being operated by a licensed establishment or licensed truck stop establishment that has a valid City video gaming establishment license and is in full compliance with § 136.50.
- (B) Definitions.
- (1) "Licensed establishment": any establishment that is both licensed to sell liquor at retail in the City under a Class A or E license pursuant to Chapter 112 of the City Code and licensed by the Illinois Gaming Board to operate a video gaming terminal on its premises.
- (2) "Licensed truck stop establishment": a facility (i) that is at least a 3-acre facility with a convenience store, (ii) with separate diesel island for fueling commercial motor vehicles, (iii) that sells at retail more than 10,000 gallons of diesel or biodiesel fuel per month, and (iv) with parking spaces for commercial motor vehicles. "Commercial motor vehicles" has the same meaning as defined in Section 18b-101 of the Illinois Vehicle Code. The requirement of item (iii) of this paragraph may be met by showing that estimated future sales or past sales average at least 10,000 gallons per month.
- (2) "Video gaming terminal": any electronic video game machine that, upon insertion of cash, is available to play or simulate the play of a video game, including but not limited to video poker, line up, and blackjack, utilizing a video display and microprocessors in which the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, or tokens or is for amusement purposes only.
- (3) "Video gaming terminal operator": any individual, partnership, corporation, or limited liability company that is licensed under this Chapter 136 and that owns, services, and maintains video gaming terminals for placement in licenses establishments.
- (C) Video Gaming Establishment and Terminal Operator License.
- (1) In order for a licensed establishment or a licensed truck stop establishment to operate, host, or provide for use a video gaming terminal, the licensed establishment or licensed truck stop establishment is required to obtain an annual video gaming establishment license from the City by submitting a written application, on a form provided by the City, to the Mayor or the party designated by him/her. The burden

is upon each applying licensed establishment or licensed truck stop establishment to demonstrate its suitability for licensure. All video gaming establishment licenses issued by the City shall expire April 30, next, after date of issue, with an annual license fee of \$500.00 payable in full at the time the application is filed with the City. A license shall be purely a personal privilege, good for a time period not to exceed one (1) year after issuance, unless sooner revoked as provided by law, and shall not constitute property, nor shall it be subject to attachment, garnishment, or execution, nor shall it be alienable or transferable, voluntarily or involuntarily, or subject to being encumbered.

- (2) In order for a video gaming terminal operator to lease, deliver, maintain, or otherwise provide for usage any video gaming terminals to a licensed establishment or licensed truck stop establishment in the City, the video gaming terminal operator is required to obtain for each serviced location, an annual video gaming terminal operator license from the City by submitting a written application, on a form provided by the City, to the Mayor or the party designated by him/her. The burden is upon each applying terminal operator to demonstrate its suitability for licensure. All video gaming terminal operator licenses issued by the City shall expire April 30, next, after date of issue, with an annual license fee of \$500.00 payable in full at the time the application is filed with the City. A license shall be purely a personal privilege, good for a time period not to exceed one (1) year after issuance, unless sooner revoked as provided by law, and shall not constitute property, nor shall it be subject to attachment, garnishment, or execution, nor shall it be alienable or transferable, voluntarily or involuntarily, or subject to being encumbered under this article.

(D) Video Gaming Terminal Establishment and Terminal Operator Permit Sticker.

- (1) In order for a video gaming terminal to be operated at a licensed establishment or licensed truck stop establishment, the licensed establishment is required to obtain an annual video gaming terminal permit sticker from the City for each video gaming terminal located on its premises by submitting a written application, on a form provided by the City, to the Mayor or the party designated by him/her. Each video gaming terminal permit sticker issued by the City shall expire April 30, next, after date of issue, with an annual fee of \$50.00 per video gaming terminal payable in full at the time the application is filed with the City.
- (2) In order for a video gaming terminal to be operated at a licensed establishment or licensed truck stop establishment, the licensed video game terminal operator is required to obtain an annual video gaming terminal operator permit sticker from the City for each video gaming terminal leased, delivered, or otherwise provided for usage within the City by submitting a written application, on a form provided by the City, to the Mayor or the party designated by him/her. Each video gaming terminal operator permit sticker issued by the City shall expire April 30, next, after date of issue, with an annual fee of \$500.00 per video gaming terminal payable in full at the time the application is filed with the City.

- (3) In the event that a video gaming terminal currently licensed within the City is replaced, the Mayor or the party designated by him/her may, after verification of the destruction of the original, in-force video gaming terminal permit sticker or video gaming operator terminal permit sticker, issue a replacement sticker upon payment of not more than \$10.00 per video gaming terminal.
- (E) Regulations Governing Licensed Establishments and Licensed Truck Stop Establishments Operating Video Gaming Terminals. The following regulations apply to all licensed establishments and licensed truck stop establishments operating a video gaming terminal on its premises with a valid gaming establishment license and valid video gaming terminal permit stickers for each of its video gaming terminals:
- (1) A valid City video gaming establishment license must be clearly displayed at all times.
 - (2) A valid City video gaming terminal permit sticker and video gaming terminal operator permit sticker shall be clearly displayed at all times on each video gaming terminal.
 - (3) No more than six (6) video gaming terminals may be located on the licensed establishment's or licensed truck stop establishment's premises.
 - (4) Other than having up to six (6) video gaming terminals with valid video gaming terminal permit stickers, a licensed establishment or licensed truck stop establishment is prohibited from having, anywhere on its premises, an electronic video gaming machine that may be available to play or simulate the play of poker, line up, blackjack, faro, roulette, craps, slots, or any other card or dice game or other game of chance, or that is otherwise akin to a gambling or gaming device under Chapter 136 of the City Code, even if solely for amusement purposes.
 - (5) All video gaming terminals must be located in an area ("gaming area") restricted to persons twenty-one (21) years of age or older. The entrance to such area must, at all times, be within the view of at least one (1) employee who is at least twenty-one (21) years of age.
 - (6) No licensed establishment or licensed truck stop establishment may cause or permit any person under the age of twenty-one (21) years to use, play or operate a video gaming terminal.
 - (7) No video gaming terminal may be played except during the legal hours of operation allowed for the consumption of alcoholic beverages at the licensed establishment or for the package sale of alcoholic liquor at a licensed truck stop establishment pursuant to Chapter 112 of the City Code.
 - (8) The licensed establishment, licensed truck stop establishment, and terminal operator must fully comply with the Illinois Video Gaming Act (230 ILCS 40/1, et

seq.) and all rules, regulations and restrictions imposed by the Illinois Gaming Board.

- (9) The licensed establishment, licensed truck stop establishment, and terminal operator must fully comply with Chapter 112 of the City Code and all other provisions of the City Code as well as federal and Illinois law and regulations.
- (F) Inspection of Premises. Every licensed establishment and licensed truck stop establishment where a video gaming terminal is kept shall be subject to inspection by the Chief of Police or his/her authorized agents, at any time, to ensure compliance with the City Code. This includes licensed establishments and licensed truck stop establishments applying for a video gaming establishment license and/or video gaming terminal permit sticker. It shall be unlawful for any person to hinder, resist, oppose or attempt to hinder, resist or oppose the Chief of Police or his/her respective agents in the course of an inspection.
- (G) Revocation/Suspension of License and Permit Sticker. The City's Public Safety Committee may revoke or suspend any video gaming establishment license, video gaming terminal operator license, video gaming terminal operator permit sticker and any video gaming terminal permit sticker issued by the City if it determines that the licensed establishment, licensed truck stop establishment, or terminal operator has violated any of the provisions of this Chapter 136. No license shall be so revoked or suspended, except after a public hearing before the Public Safety Committee, with a three (3) day written notice to the licensed establishment, licensed truck stop establishment, or terminal operator affording the licensed establishment, licensed truck stop establishment, or terminal operator an opportunity to appear and defend. Notwithstanding the foregoing, any licensed establishment or licensed truck stop establishment that has its liquor license revoked or suspended by the City under § 112.31 of the City Code or by the Illinois State Liquor Commission, or has its video gaming license revoked or suspended by the Illinois Gaming Board, shall automatically, without a hearing before the Public Safety Committee, have its City video gaming establishment license and all City video gaming terminal permit stickers revoked or suspended for the same time frame as its liquor and/or Illinois Gaming Board gaming license is suspended, whichever the case may be.
- (H) Seizure of Unlawful Video Gaming Terminals. Every video gaming terminal that does not have a valid video gaming terminal permit sticker or is otherwise unlawful shall be considered a gambling device subject to seizure under § 136.06, and shall be turned over to the Illinois Gaming Board, in accordance with Board regulations and applicable law, unless otherwise ordered by a court of competent jurisdiction.
- (I) Monetary Penalty. Whoever violates any provision of § 136.50 shall be punished by a fine of not less than Five Hundred Dollars (\$500.00) for a first offense in any twelve (12) month period, and a fine of not less than Seven Hundred Fifty Dollars (\$750.00) for a second offense and each subsequent offense in a twelve (12) month period. This penalty may be enforced by issuance of a "Notice of Violation" for the fine amount, or by issuance of a "Notice to Appear." Each day any violation continues shall constitute a separate offense. This monetary penalty shall be in addition to any and all other remedies which may be

available to the City under Chapter 136 or any other provision of the City Code, or federal or Illinois law.

(Ord. 2995, passed 7-2-12, Am. Ord. 3020, passed 2-18-13; Am. Ord. 3247, passed 10-2-17; Am. Ord. 3317, passed 4-15-19; Am. Ord. 3341, passed 9-3-19)

§ 136.51 REQUIREMENTS FOR VIDEO GAMING ESTABLISHMENT LICENSE AND TERMINAL PERMIT STICKERS

Subject to the limitations and restrictions set forth in this chapter, and all other lawful limitations and restrictions, the Mayor of the city, or anyone designated by him may, from time to time, grant a Video Gaming Establishment License and Terminal Permit Sticker(s) to any licensed establishment or licensed truck stop establishment within the city, subject to the following requirements;

- (A) For a new licensed establishment applicant, each of the two years prior to applying for a license to operate video gaming terminals, the applicant's establishment in which the applicant is seeking approval to operate video gaming terminals must show it has generated at least 80 percent of its revenue from the sale of food or beverages;
- (B) For an applicant who has been previously issued a licensed establishment license under this article, the applicant's establishment must show at a minimum, 60 percent of total revenue annually from the sale of food or beverages;
- (C) Each licensed establishment applicant must provide the city with a report or reports showing its gross annual sales totals and categories, including food and beverage sales. Any applicant who shall not include this report or reports shall be ineligible for a Video Gaming Establishment license;
- (D) Each applicant's licensed establishment or licensed truck stop establishment must maintain customer seating outside the gaming area but within the premises at a rate of 10 seats for each permitted video gaming terminal and for each square foot of floor space in the gaming area, the licensed establishment or licensed truck stop establishment must maintain 5 square feet of general use customer-accessible area outside the gaming area;
- (E) Each licensed truck stop establishment applicant, must provide the city with an estimated future sales or past sales average of at least 10,000 gallons of diesel or biodiesel fuel per month. Any applicant who shall not include this report or reports shall be ineligible for a Video Gaming Establishment license. Upon issuance of a licensed truck stop establishment license, the establishment must submit monthly diesel fuels sales reports to the City;
- (~~F~~) There shall be no more than nine (~~9~~10) Video Gaming Establishment Licenses in the City in force at any one time;
- (~~F~~G) There shall be no more than forty-six (~~46~~54) Video Gaming Terminal Permit Stickers in the City in force at any one time;
- (~~G~~H) The licensed establishment must operate continually with a bona fide full bar;

- (H) For an applicant who has been issued a Video Gaming Establishment license under § 136.50 prior to the establishment of this ordinance, the requirements (A)-(D) of this §136.51 shall have no effect;
- (I) For an applicant who has purchased an establishment subject to subsection (H) of this §136.51 and which becomes an operating licensed establishment and which obtains a City Video Gaming Establishment license within 1 year of that purchase, subsection (A) of this §136.51 shall have no effect, but said establishment must show continual compliance with subsection (B) quarterly during its first year of operation and annually thereafter as required by this Chapter, as amended from time to time;
- (J) For an applicant who has continuously held a City of Washington Class E liquor license issued prior to the establishment of this ordinance, the requirements (A)-(D) of this §136.51 shall have no effect.

(Am. Ord. 3247, passed 10-2-17; Am. Ord. 3317, passed 4-15-19;
Am. Ord. 3341, passed 9-3-19)

§ 136.52 REQUIREMENTS FOR VIDEO GAMING TERMINAL OPERATOR LICENSE AND TERMINAL OPERATOR PERMIT STICKERS

Subject to the limitations and restrictions set forth in this chapter, and all other lawful limitations and restrictions, the Mayor of the City, or anyone designated by him may, from time to time, grant a Video Gaming Terminal Operator License and Terminal Operator Permit Sticker(s) to any licensed terminal operator who shall lease, deliver, or otherwise provide video gaming terminal(s) for usage within the City, subject to the following requirements;

- (A) Each applicant shall show proof of current licensure in accordance with 230 ILCS 40/1 et. seq.;
- (B) Each applicant must provide a complete listing of the video gaming establishments it intends to serve within the City during the license period, including the number of video gaming terminals it intends to provide to each establishment;
- (C) Other than having up to six (6) video gaming terminals with valid video gaming terminal operator permit stickers, a terminal operator is prohibited from leasing, delivering, or otherwise providing, anywhere within an establishment licensed under this Chapter 136, an electronic video gaming machine that may be available to play or simulate the play of poker, line up, blackjack, faro, roulette, craps, slots, or any other card or dice game or other game of chance, or that is otherwise akin to a gambling or gaming device under Chapter 136 of the City Code, even if solely for amusement purposes.

(Ord. 3317, passed 4-15-19; Am. Ord. 3341, passed 9-3-19)

§ 136.99 PENALTY

Whoever violates the provisions of this chapter, for which another penalty is not already provided, shall be fined not more than five hundred dollars (\$500.00) for each offense.