

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

 X Resolution or Ordinance (Blue) X *Waiver of First Requested*
_____ Recommendations of Boards, Commissions & Committees (Green)
_____ Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: Scott Niehaus, Village Manager

DATE: December 11, 2024 (B of T) Date: December 19, 2024

TITLE: Ordinance Regarding Restrictions on Liquor Licenses Permitting Video Gaming
New Business Class “VG” Liquor License Waiting Period

BACKGROUND/POLICY IMPLICATIONS:

Attached please find information regarding an ordinance amending the liquor code to include a 24-month waiting period for video gaming liquor license applications, to include the ability for the waiting period to be waived at the recommendation of the Liquor Commission by action of the Village Board.

Review (as necessary):

Village Attorney X _____	Date _____
Finance Director X _____	Date _____
Village Manager X _____	Date _____

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.



MEMORANDUM

TO: Scott Niehaus, Village Manager
FROM: Nicole P. Aranas, Deputy Village Manager
DATE: December 11, 2024
SUBJECT: **Ordinance Regarding Restrictions on Liquor Licenses Permitting Video Gaming New Business Class “VG” Liquor License Waiting Period**

Attached please find information pertaining to a proposed ordinance amendment on behalf of the Liquor Commissioner relating to VG – Video Gaming Liquor License applications for new establishments. The proposed amendment memorializes current practice and previous direction from the Village Board which sets forth a waiting period of 24-months before a new establishment within the Village may apply for a Video Gaming liquor license. The current practice of imposing a waiting period prior to application for Video Gaming license was established in connection with discussion of the Village Board during a workshop on the matter which took place in April of 2023. The proposed ordinance also aligns with the guidance that staff has been providing to potential and current business operators over time since this discussion.

At a Village Board workshop in April of 2023, Village staff presented an overview on the issuance and status of video gaming liquor licenses “Class VG” since 2019. As part of the discussion, the Village Board was presented with and asked to evaluate a number of policy matters related to the issuance of future licenses. Among these policy considerations, the Board was asked to provide staff direction on the implementation of a waiting period which would require new licensees to operate without video gaming for a certain period before issuance of a “VG” license. At such time, the Board provided staff direction to implement a waiting period with exceptions wherein no new business can receive a “VG” license until operating for a minimum period of time with limited exceptions for special circumstances.

The purpose behind the implementation of this type of waiting period in practice and within the ordinance before application for a Video Gaming license is to ensure that new businesses seeking to open within the Village have the opportunity to become well-established and financially self-sustaining through their primary business operations, in lieu of creating an initial reliance on additional video gaming revenue to sustain operations. By doing so, such a policy aims to foster businesses that are stable and integral to our community’s economic health, rather than those whose existence relies heavily or exclusively on gaming revenue from the outset.

The proposed ordinance includes a clause allowing the Village Board to waive the waiting period at its discretion. This waiver provision has previously been utilized sparingly and only in limited instances to address unique circumstances at the recommendation of the Liquor Commissioner. Such instances have only ever been found to be appropriate where existing licensed establishments have considered sale of existing establishment to new ownership and/or where new businesses are current license holders with a proven concept elsewhere in the region. Instances of waiver or reduction of the waiting period will remain at the discretion of the Liquor Commissioner and Village Board solely for limited circumstances.

The proposed waiting period serves several critical purposes. It ensures that establishments are focused on their primary business operations and can operate sustainably without reliance on video gaming revenue. It aligns with the Village's goals of fostering diverse and vibrant business establishments rather than encouraging operations predominantly reliant on gaming terminals. Furthermore, the waiting period formalizes the practice that has already been communicated to new and prospective businesses, creating a clear and equitable codified standard for all applicants.

The benefits of implementing this waiting period are multifold. Primarily, it protects new businesses from potential instability that could arise from quick dependence on gaming revenue. Further, it upholds the quality and integrity of our commercial environment by encouraging businesses to develop robust core services prior to introduction and reliance on gaming revenues.

The proposed ordinance is presented for your consideration and approval. If adopted, staff will update informational materials and continue to communicate the policy consistently to new and prospective businesses. Staff recommends that the Village Board approve the ordinance amending the liquor code to include the 24-month waiting period for video gaming liquor license applications, with the ability for the waiting period to be waived at the recommendation of the Liquor Commission by action of the Village Board.

ORDINANCE NO. _____

**AN ORDINANCE AMENDING TITLE XI, CHAPTER 112,
SECTION 112.18(D) OF THE LOMBARD VILLAGE CODE IN REGARD TO
RESTRICTIONS ON LIQUOR LICENSES PERMITTING VIDEO GAMING**

BE IT ORDAINED by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, as follows:

SECTION 1: That Title XI, Chapter 112, Article II, Section 112.18(D) of the Lombard Village Code, is hereby amended by adding a new Subsection (11) to read in its entirety as follows:

“(11) the liquor license applicant shall have operated a business with a liquor license on the premises for which a video gaming liquor license is sought for at least twenty-four (24) consecutive months at the time of application. This requirement may be waived by legislative action of the Village Board for good cause shown.”

SECTION 2: That this Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form, as provided by law.

Passed on first reading this _____ day of _____, 2024.

First reading waived by action of the Board of Trustees this ____ day of _____, 2024.

Passed on second reading this _____ day of _____, 2024,
pursuant to a roll call vote as follows:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED by me this _____ day of _____, 2024.

Keith Giagnorio, Village President

ATTEST:

Elizabeth Brezinski, Village Clerk

Published by me in pamphlet form this _____ day of _____, 2024.

Elizabeth Brezinski, Village Clerk