



**CITY OF CRYSTAL LAKE**  
**AGENDA**

**CITY COUNCIL**  
**REGULAR MEETING**

City of Crystal Lake  
100 West Woodstock Street, Crystal Lake, IL  
City Council Chambers  
May 1, 2012  
7:30 p.m.

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **Proclamations**
  - a. **Older Americans Month**
  - b. **Look at Local History Month**
5. **Approval of Minutes – April 17, 2012 Regular City Council Meeting**  
**April 3, 2012 Library Budget Workshop Meeting**  
**March 20, 2012 Budget Workshop Meeting**
6. **Accounts Payable**
7. **Public Presentation**

*The public is invited to make an issue oriented comment on any matter of public concern not otherwise on the agenda. The public comment may be no longer than 5 minutes in duration. Interrogation of the city staff, Mayor or City Council will not be allowed at this time, nor will any comment from the Council. Personal invectives against city staff or elected officials are not permitted.*
8. **Mayor's Report**
  - a. **PICA Award Presentation**
9. **Council Reports**
10. **Consent Agenda**
  - a. **St. Thomas School request to close Lake Street from an area just south of the First Congregational Church entrance to an area just south of the St. Thomas School parking lot on May 29, 2012 and May 30, 2012 during the St. Thomas Field Days.**
11. **958 Sheffield Drive – Simplified Residential Variations to allow an accessory structure to be located as close as 3.3 feet from the property line and to be located closer than 6 feet to a principal structure.**
12. **903 North Shore Drive – Special Use Permit to allow a detached accessory structure greater than 600 square feet, to allow the garage to be approximately 660 square feet; Variation to allow a front yard (lakeside) setback of 35 feet instead of the required 52.23 feet; Variation to allow a corner side yard (street side) setback of 52 feet instead of the required 57.05 feet; Variation to allow a zero lot-line setback along North Shore Drive; and Variation to allow the existing nonconformities to expand.**
13. **Kyoto Japanese Restaurant, 5690 Northwest Highway – City Code Amendment increasing the number of Class 7 liquor licenses and decreasing the number of Class 1 liquor licenses.**
14. **New Retailer Job Creation and Investment Grant application requests – Five Guys Burgers and Fries, 6000 Northwest Highway, and Starbuck's Coffee, 6000 Northwest Highway.**
15. **Crystal Lake Park District – Sign Variation request to allow a free-standing sign greater than the Unified Development Ordinance allowance at Lippold Park.**

16. **Resolution authorizing the City's participation in the 2012 Suburban Purchasing Cooperative Pavement Marking Joint Purchasing Program and the purchase of thermoplastic pavement marking through the Suburban Purchasing Cooperative 2012 Pavement Marking Joint Purchasing Program.**
17. **Proposal award and resolution authorizing execution of an agreement for Phase I Preliminary and Phase II Design Engineering for the McHenry Avenue improvement and approval of changes in scope by 10 percent of the original price.**
18. **Resolution authorizing appropriation of MFT funds for the McHenry Avenue Improvement.**
19. **Bid award and resolution authorizing execution of a contract for the purchase and installation of air conditioning in the boat house at Three Oaks Recreation Area and approval of up to 10 percent in justifiable contract amendments from a contingency allowance.**
20. **Ordinance reserving the State of Illinois volume cap for private activity bonds.**
21. **Ordinance authorizing the acceptance of a parcel of land from the Village of Lake in the Hills pursuant to the Lake in the Hills Airport Intergovernmental Agreement.**
22. **Electrical Aggregation Public Hearing on the Plan of Operation and Governance; and Ordinance authorizing aggregation of electrical load and adopting an Electric Aggregation Plan of Operation and Governance.**
23. **Video Gaming – Discussion Only**
24. **Council Inquiries and Requests**
25. **Adjourn to Executive Session for the purpose of discussing matters of pending and probable litigation, the sale, purchase or lease of real property, collective bargaining, and personnel.**
26. **Reconvene to Regular Session.**
27. **Adjourn**

*If special assistance is needed in order to participate in a City of Crystal Lake public meeting, please contact Brad Mitchell, Assistant to the City Manager, at 815-459-2020, at least 24 hours prior to the meeting, if possible, to make arrangements.*



**Agenda Item No. 4a**

**City Council  
Agenda Supplement**

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**Meeting Date:**

May 1, 2012

**Item:**

Proclamation – Older Americans Month

**Staff Contact:**

Anne O’Kelley, Executive Assistant

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**Background:**

Senior Services Associates has requested that Mayor Shepley proclaim the month of May as Older Americans Month. A representative of Senior Services Associates will be present at the meeting to accept the proclamation.



## MAYORAL PROCLAMATION

**WHEREAS**, an increasing number of adults are reaching retirement age and remaining strong and active for longer than ever before; and

**WHEREAS**, Crystal Lake's older adults are among our most treasured resources, united by historical experiences, strengthened by diversity, and interpreting events through varied perspectives and backgrounds to bring wisdom and insight to our community; and

**WHEREAS**, the older adults in our community deserve recognition for the contributions they have made and will continue to make to the culture, economy, and character of the City of Crystal Lake; and

**WHEREAS**, our community can provide older Americans with that recognition and respect by increasing their opportunities to remain active and engaged in community life, by providing individualized services and support systems to maintain their dignity, independence and self-determination as they age, and by combating ageist attitudes and honoring their past, present, and future contributions.

**NOW, THEREFORE, I**, Aaron T. Shepley, Mayor of the City of Crystal Lake, do hereby proclaim the month of May as

### **Older Americans Month**

in the City of Crystal Lake, and urge every citizen to take time this month to honor our older adults and their invaluable contributions to our community.

**IN WITNESS WHEREOF**, I have set my hand and caused the seal of the City of Crystal Lake to be affixed this 1st day of May, 2012.

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Aaron T. Shepley, Mayor



**Agenda Item No. 4b**

**City Council  
Agenda Supplement**

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**Meeting Date:**

May 1, 2012

**Item:**

Proclamation – “Look at Local History Month”

**Staff Contact:**

Anne O’Kelley, Executive Assistant

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**Background:**

The McHenry County Joint Council of Historic Groups has requested that Mayor Shepley proclaim the month of May as “Look at Local History Month.” Historic Preservation Commission member Diana Kenney will be present at the meeting to accept the proclamation.



## MAYORAL PROCLAMATION

**WHEREAS**, the National Trust for Historic Preservation created Preservation Week in 1971 to spotlight grassroots preservation efforts around the country; and

**WHEREAS**, Preservation Week has grown into an annual celebration observed throughout small towns and big cities across America; and

**WHEREAS**, the National Trust for Historic Preservation has declared May 2012 as National Historic Preservation Month; and

**WHEREAS**, historic preservation is an effective tool for managing growth, revitalizing neighborhoods, fostering local pride and maintaining community character while enhancing livability, and is relevant for people of all ages, all walks of life and all ethnic backgrounds; and

**WHEREAS**, it is important to celebrate the role of history in our lives and the contributions made by dedicated individuals in helping to safeguard the tangible aspects of the heritage that has shaped us as a people and enhanced our lives; and

**WHEREAS**, the Illinois House of Representatives on May 14, 2008, adopted House Resolution No. 1037 declaring the month of May as "Look at Local History Month" in the State of Illinois; and

**WHEREAS**, the McHenry County Joint Council of Historic Groups, in conjunction with the National Trust and the State of Illinois, is promoting May 2012 as "Look at Local History Month."

**NOW, THEREFORE**, I, Aaron T. Shepley, Mayor of the City of Crystal Lake, do hereby proclaim May 2012, as

### "Look at Local History Month"

and call upon the people of Crystal Lake, Illinois to join their neighbors in recognizing and participating in this special observance.

**IN WITNESS WHEREOF**, I have set my hand and caused the seal of the City of Crystal Lake to be affixed this 1st day of May, 2012.

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Aaron T. Shepley, Mayor



**Agenda Item No: 10a**

**City Council  
Agenda Supplement**

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**Meeting Date:** May 1, 2012

**Item:** St. Thomas School Street Closure Request

**Staff Recommendation:** Motion to approve the closure of Lake Street from an area just south of the First Congregational Church entrance to an area just south of the St. Thomas School parking lot on Tuesday, May 29, 2012 and Wednesday, May 30, 2012 from 7:45 a.m. until 2:15 p.m., during the St. Thomas Field Days.

**Staff Contact:** Brad Mitchell, Assistant to the City Manager

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**Background:**

The City has received a request from St. Thomas School for the closure of Lake Street from an area just south of the First Congregational Church entrance to an area south of the St. Thomas School parking lot on Tuesday, May 29, 2012 and Wednesday, May 30, 2012 from 7:45 a.m. until 2:15 p.m. for the St. Thomas Field Days. During the St. Thomas Field Days, the children will be going back and forth from the school to the playing fields, participating in a wide variety of activities. Closing Lake Street would make it safer for the children to cross from the school to the fields, as well as make it easier on the parent volunteers coordinating the St. Thomas Field Days. The City Council approved a similar request in 2011.

City staff has reviewed the petitioner's request and does not have concerns regarding the closure of Lake Street, providing the following conditions are met:

- 1) City-owned barricades must be used to block off the street closure sections. Barricades shall be placed to allow access to existing crosswalks. In addition, a "Local Traffic Only" sign must be temporarily placed at the entrance to Lake Street from Dole Avenue. The petitioner must complete and submit a Barricade Borrowing Application.
- 2) The petitioner must send a notice to all affected property owners along Lake Street.

- 3) The petitioner must contact the school districts in the area in case there are any bus routes that may utilize Lake Street.
- 4) Emergency vehicle access must be maintained throughout the event. Items should not be placed on the roadway to prohibit access, and volunteers should be available to remove barricades to allow emergency vehicles on the roadway, if necessary.
- 5) Emergency access to the School must be maintained throughout the event. The petitioner must provide a plan of the St. Thomas Field Days layout.
- 6) Local traffic access to Lake Street must be maintained throughout the event. Volunteers should be available to remove barricades to allow property owners on the roadway, if necessary.
- 7) All debris created by the event shall be cleaned up during and after the event.
- 8) Petitioner must adhere to the required City insurance provisions for the use of City-owned property by providing a certificate of insurance naming the City as additional insured, and sign the required Indemnity/Hold Harmless agreement.
- 9) If tents or canopies will be used, the petitioner shall contact the Fire Rescue Department for further review.
- 10) Any additional permits or requests for signage shall be made through the Engineering and Building Department.
- 11) In the case of inclement weather, an alternate date can be approved by the City Manager.

The petitioner has agreed to meet these conditions. The letter requesting approval for the closure of Lake Street and a map indicating the portion of the roadway to be closed have been attached for City Council consideration.

**Votes Required to Pass:**

Simple majority vote of the City Council





**Agenda Item No: 11**

**City Council  
Agenda Supplement**

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**Meeting Date:** May 1, 2012

**Item:** REPORT OF THE PLANNING & ZONING COMMISSION  
#2012-26 Sadzeck 958 Sheffield Drive

Simplified Residential Variations from Article 3, Density and Dimensional Standards and Article 4-600 Accessory Structures and Uses to allow an accessory structure (shed) to be located as close as 3.3 feet from the property line and to be located closer than 6 feet to a principal structure

Donald Sadzeck, 958 Sheffield Drive

**PZC Recommendation:** Motion to approve the Planning and Zoning Commission recommendation and adopt an ordinance granting variations from the required setback and separation requirements at 958 Sheffield Drive.

**Staff Contact:** Michelle Rentzsch, Director of Planning and Economic Development

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**Background:**

- Location: 958 Sheffield Drive, north of Dartmoor Drive
- Zoning: "R-2" Single-Family Residential
- Existing Improvements: Residence with attached garage
- Request: Variations to allow an accessory structure (shed) to be located as close as 3.3 feet from the property line and for the shed to be located closer than 6 feet to a principal structure.

***Key Factors***

- Details: The petitioner's request is to allow a 10' x 10' shed to be located as close as 3.3 feet from the east property line. The proposed shed will replace the existing shed that has been at the same location for the past 25-30 years and will utilize the existing concrete pad. The shed will be located approximately 4.08 feet from the corner of the residence.

- Ordinance Requirements: Per the UDO all detached accessory structures must be located at least 5 feet from the side property line. The City Council recently adopted an amendment to the UDO to allow detached accessory structures to be as close as 5 feet from principal structures and closer with the appropriate IRC fire rating. This will eliminate the variation for the shed to be closer than 6 feet to the principal structure.
- Hardship: The petitioner has indicated that the hardship is related to the shape of the lot; the property line runs at an angle narrowing at the southeast end and the shed would be at least 6 feet from the property line at its north end. Additionally, the petitioner has indicated that relocating the shed would render the existing concrete slab obsolete. The petitioner has also indicated that a shed is currently located in the same location and no adverse comments have been received from the neighbors.

***PZC Highlights***

- The PZC had no concerns and recommended **approval (7-0)** of the request.

The following conditions are recommended:

1. Approved plans, reflecting staff and advisory board recommendations, as approved by the City Council:
  - A. Application, Site Plan Sketch, Plat of Survey – received 3-30-12
2. Variations to allow the shed to be located as close as 40 inches from the property line and to be located closer than 6 feet to a principal structure are hereby granted.
3. The petitioner shall address all of the review comments and requirements of the Engineering and Building, Fire Rescue, Police, Public Works, and Planning and Economic Development Departments.

**Votes Required to Pass:**            A simple majority vote.

ORDINANCE NO. \_\_\_\_\_  
FILE NO. \_\_\_\_\_

AN ORDINANCE GRANTING A VARIATION  
AT 958 SHEFFIELD DRIVE

WHEREAS, pursuant to the terms of a Petition (File #2012-26) before the Crystal Lake Planning and Zoning Commission, the Petitioner has requested the granting of a Simplified Residential Variations from Article 3, Density and Dimensional Standards and Article 4-600 Accessory Structures and Uses to allow an accessory structure (shed) to be located as close as 3.3 feet from the property line and to be located closer than 6 feet to a principal structure; and

WHEREAS, it is in the best interests of the CITY OF CRYSTAL LAKE that the Variation be granted as requested in said Petition.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE, McHENRY COUNTY, ILLINOIS, as follows:

Section I: That a Variation be granted from Article 3, Density and Dimensional Standards and Article 4-600 Accessory Structures and Uses to allow an accessory structure (shed) to be located as close as 3.3 feet from the property line and to be located closer than 6 feet to a principal structure

at the property commonly known as 958 Sheffield Drive, City of Crystal Lake,.

Section II: That the Variation be granted with the following conditions:

1. Approved plans, reflecting staff and advisory board recommendations, as approved by the City Council:

A. Application, Site Plan Sketch, Plat of Survey – received 3-30-12

2. Variations to allow the shed to be located as close as 40 inches from the property line and to be located closer than 6 feet to a principal structure are hereby granted.

3. The petitioner shall address all of the review comments and requirements of the Engineering and Building, Fire Rescue, Police, Public Works, and Planning and Economic Development Departments.

Section III: That the City Clerk be and is hereby directed to amend the official zoning map of the City of Crystal Lake and all pertinent records of the City of Crystal Lake to show the granting of a Variation in accordance with the provisions of this Ordinance, as provided by law.

Section IV: That this Ordinance shall be in full force and effect from and after its passage and

**DRAFT**

approval as provided by law.

DATED at Crystal Lake, Illinois, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_

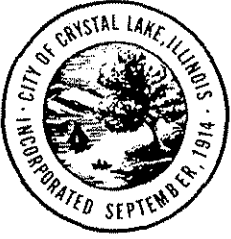
MAYOR

ATTEST:

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CITY CLERK

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**Agenda Item No: 12**

**City Council  
Agenda Supplement**

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**Meeting Date:** May 1, 2012

**Item:** REPORT OF THE PLANNING & ZONING COMMISSION

#2012-22 Watkins 903 North Shore Drive

1. Special Use Permit to allow a detached accessory structure greater than 600 square feet to allow the garage to be approximately 660 square feet;
2. Variation from Article 7, Nonconformities, to allow a front yard (lakeside) setback of 35 feet instead of the required 52.23 feet;
3. Variation from Article 7, Nonconformities, to allow a corner side yard (street side) setback of 52 feet instead of the required 57.05 feet;
4. Variation from Article 7, Nonconformities and Article 4-600 Accessory Structures and Uses to allow a zero lot-line setback along North Shore Drive;
5. Variation from Article 7, Nonconformities, to allow the existing nonconformities to expand.

Scott and Lori Watkins, 903 North Shore Drive

**PZC Recommendation:** Motion to approve the Planning and Zoning Commission recommendation and adopt an ordinance granting a special use permit and variations to allow the proposed additions at 903 North Shore Drive.

**Staff Contact:** Michelle Rentzsch, Director of Planning and Economic Development

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**Background:**

- Location: 903 North Shore Drive, west of Baldwin Avenue
- Zoning: "R-2" Single-Family Residential
- Existing Improvements: 2-story brick & frame residence

- Request: Variations from the lakeside and street side setback to accommodate an addition to the existing residence and garage. Special Use Permit to allow a detached accessory structure greater than 600 square feet.

***Key Factors***

- Dimensional Standards: The property does not meet the minimum lot area and lot width requirement for the “R-2” district, and is therefore treated as a nonconforming lot. Any improvements must meet the standards listed in Article 7, Nonconformities of the UDO and receive the benefit of reduced setbacks. The bulk requirements (building height, building coverage, impervious coverage) must meet the requirements for the district the property is located in.
- Details: The petitioner is requesting variations and a special use permit to remodel the residence and garage as presented.
  - For the residence, a deck addition is proposed on the 1<sup>st</sup> floor on the lake side. This proposed deck and stairs will be as close as 35 feet from the property line. It is not indicated if a roof is proposed over the deck or if it is proposed to be screened.
  - For the residence, an addition is proposed on the 1<sup>st</sup> floor on the street side. This proposed addition will be approximately 6 feet beyond the existing residence.
  - For the residence, an addition is also proposed on the 2<sup>nd</sup> floor. These additions will be on both the lake and street sides as compared to the existing residence.
  - The petitioner is also proposing an addition to the existing garage, which as it is currently sited is located partially in the right-of-way. The proposed addition will increase the square footage of the garage to approximately 660 square feet, thereby necessitating a special use permit.

***PZC Highlights***

- At the Planning and Zoning Commission meeting, the neighbors expressed some concerns regarding the flooding problems in the North Shore area.
- The PZC felt that granting a variation to allow the garage at the zero lot-line was not necessary at this time as the variation to allow the nonconformities to expand will accommodate the request for expansion of the garage.
- The PZC recommended **approval (7-0)** of the request.

The following conditions are recommended:

1. Approved plans, reflecting staff and advisory board recommendations, as approved by the City Council:
  - A. Application – received 3-26-12
  - B. Plat of Survey, dated 5-11-11, received 3-26-12
  - C. Plan Set, ALA, dated 10-12-11, received 3-26-12
2. The following variations are hereby granted:
  - a. Variation from Article 7, Nonconformities, to allow a front yard (lakeside) setback of 35 feet instead of the required 52.23 feet;

- b. Variation from Article 7, Nonconformities, to allow a corner side yard (street side) setback of 52 feet instead of the required 57.05 feet;
  - ~~e. Variation from Article 7, Nonconformities and Article 4-600 Accessory Structures and Uses to allow a zero lot-line setback along North Shore Drive;~~
  - d. Variation from Article 7, Nonconformities, to allow the existing nonconformities to expand.
3. A Special Use Permit to allow a detached accessory structure greater than 600 square feet to allow the garage to be approximately 660 square feet;
  4. A variation to allow a zero lot-line setback for the garage is not granted. If the garage is destroyed or needs to be rebuilt, it must meet the requirements of the Ordinance at the time of construction.
  5. The deck along the lakeside shall not be screened-in or enclosed in any way nor shall a roof be installed over it.
  6. No variations from the maximum height for the principal or accessory structure are granted. No variations for a 3<sup>rd</sup> story shall be granted with this approval.
  7. Data indicating the proposed maximum building and impervious lot coverage is not provided. The proposed plans are allowed as presented.
  8. The petitioner shall address all of the review comments and requirements of the Engineering and Building, Fire Rescue, Police, Public Works, and Planning and Economic Development Departments.

**Votes Required to Pass:**

A simple majority vote.

# DRAFT

ORDINANCE NO. \_\_\_\_\_  
FILE NO. \_\_\_\_\_

## AN ORDINANCE GRANTING A SPECIAL USE PERMIT AND VARIATION AT 903 NORTH SHORE DRIVE

WHEREAS, pursuant to the terms of a Petition (File #2012-22) before the Crystal Lake Planning and Zoning Commission, the Petitioner has requested the issuance of a Special Use Permit to allow a detached accessory structure greater than 600 square feet to allow the garage to be approximately 660 square feet; Variation from Article 7, Nonconformities, to allow a front yard (lakeside) setback of 35 feet instead of the required 52.23 feet; Variation from Article 7, Nonconformities, to allow a corner side yard (street side) setback of 52 feet instead of the required 57.05 feet; Variation from Article 7, Nonconformities and Article 4-600 Accessory Structures and Uses to allow a zero lot-line setback along North Shore Drive; Variation from Article 7, Nonconformities, to allow the existing nonconformities to expand for the property located at 903 North Shore Drive; and

WHEREAS, it is in the best interests of the CITY OF CRYSTAL LAKE that the Special Use Permit and Variation be issued as requested in said Petition.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE, McHENRY COUNTY, ILLINOIS, as follows:

Section I: That a Special Use Permit to allow a detached accessory structure greater than 600 square feet to allow the garage to be approximately 660 square feet; Variation from Article 7, Nonconformities, to allow a front yard (lakeside) setback of 35 feet instead of the required 52.23 feet; Variation from Article 7, Nonconformities, to allow a corner side yard (street side) setback of 52 feet instead of the required 57.05 feet; Variation from Article 7, Nonconformities and Article 4-600 Accessory Structures and Uses to allow a zero lot-line setback along North Shore Drive; Variation from Article 7, Nonconformities, to allow the existing nonconformities to expand be issued for the property commonly known as 903 North Shore Drive, Crystal Lake, Illinois.

Section II: Said Special Use and Variation are issued with the following conditions:

1. Approved plans, reflecting staff and advisory board recommendations, as approved by the City Council:
  - A. Application – received 3-26-12
  - B. Plat of Survey, dated 5-11-11, received 3-26-12
  - C. Plan Set, ALA, dated 10-12-11, received 3-26-12
2. The following variations are hereby granted:
  - A. Variation from Article 7, Nonconformities, to allow a front yard (lakeside) setback of 35 feet instead of the required 52.23 feet;



- B. Variation from Article 7, Nonconformities, to allow a corner side yard (street side) setback of 52 feet instead of the required 57.05 feet;
- C. Variation from Article 7, Nonconformities, to allow the existing nonconformities to expand.

3. A Special Use Permit to allow a detached accessory structure greater than 600 square feet to allow the garage to be approximately 660 square feet;

4. A variation to allow a zero lot-line setback for the garage is not granted. If the garage is destroyed or needs to be rebuilt, it must meet the requirements of the Ordinance at the time of construction.

5. The deck along the lakeside shall not be screened-in or enclosed in any way nor shall a roof be installed over it.

6. No variations from the maximum height for the principal or accessory structure are granted. No variations for a 3<sup>rd</sup> story shall be granted with this approval.

7. Data indicating the proposed maximum building and impervious lot coverage is not provided. The proposed plans are allowed as presented.

8. The petitioner shall address all of the review comments and requirements of the Engineering and Building, Fire Rescue, Police, Public Works, and Planning and Economic Development Departments.

Section III: That the City Clerk be and is hereby directed to amend the official zoning map of the City of Crystal Lake and all pertinent records of the City of Crystal Lake to show the issuance of a Special Use Permit in accordance with the provisions of this Ordinance, as provided by law.

Section IV: That this Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

DATED at Crystal Lake, Illinois, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

DRAFT

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**Agenda Item No: 13**

**City Council  
Agenda Supplement**

**Meeting Date:**

May 1, 2012

**Item:**

City Code Amendment to Increase the Number of Class "7" Liquor Licenses – Applicant: Kyoto Japanese Restaurant

**Staff Recommendation:**

Motion to adopt an ordinance increasing the number of Class "7" Liquor Licenses from the current permitted 4 licenses to 5 licenses and decreasing the number of Class "1" liquor licenses from the current 13 licenses to 12 licenses.

**Staff Contact:**

George Koczwara, Deputy City Manager

**Background:** The City has received a request from Kyoto Japanese Restaurant, located at 5690 Northwest Highway, to change their liquor license classification from a Class "1" liquor license, which allows the retail sale, on the premises specified, of alcoholic liquor, for consumption, on the premises (interior of the building only), as well as the retail sale of alcoholic liquor in the original package, to a Class "7" liquor license, which allows the retail sale, on the premises specified (interior of the building and open unroofed area immediately contiguous to the building), of alcoholic liquor, for consumption, on the premises, as well as the retail sale of alcoholic liquor in the original package.

Section 329-5-G of the City Code permits the issuance of a Class "7" liquor license for the retail sale, on the premises specified, which shall include not only the interior of the building but also an open unroofed area immediately contiguous to the building where alcoholic beverages are served or consumed, of alcoholic liquor, for consumption, on the premises as well as the retail sale of alcoholic liquor in the original package between the hours of 11:00 a.m. and 1:00 a.m. Monday, Tuesday, Wednesday, Thursday; 11:00 a.m. and 2:00 a.m. Friday and Saturday; and noon on Sunday and 1:00 a.m. on Monday.

Kyoto Japanese Restaurant is requesting the license classification change to permit the sale of alcoholic beverages in an outdoor patio area installed at their new restaurant location at 5690 Northwest Highway, previously Applebee's Restaurant.

Four establishments, Coleman's, Duke O'Brien's, Friends.Music.Libations, and Nick's Pizza & Pub, currently hold a Class "7" liquor license.

**Votes Required to Pass:** Simple majority



DRAFT

**ORDINANCE AMENDING THE CODE  
OF THE CITY OF CRYSTAL LAKE, ILLINOIS**

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE as follows:

SECTION I: That CHAPTER 329 LIQUOR LICENSES Section 329-6 Limitations on licenses shall be amended as follows:

1. Class 7 License shall be increased from 4 to 5.
2. Class 1 License shall be decreased from 13 to 12.

SECTION II: That this Ordinance shall be in full force and effect from and after its passage and approval according to law.

SECTION III: That all Ordinances and parts of Ordinances in conflict herewith are hereby repealed.

DATED at Crystal Lake, Illinois, this 1st day of May, 2012.

APPROVED:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

PASSED: May 1, 2012

APPROVED: May 1, 2012

Published in pamphlet form by the authority of the Mayor and City Council of the City of Crystal Lake.



**Agenda Item No: 14**

**City Council  
Agenda Supplement**

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**Meeting Date:** May 1, 2012

**Item:** New Retailer Job Creation and Investment Grant application requests:

- 1) #2011-22-09 for Five Guys Burgers and Fries, at 6000 Northwest Highway, to request \$10,000 in matching grant funds, and
- 2) #2011-22-10 for Starbuck's Coffee, at 6000 Northwest Highway, to request \$10,000 in matching grant funds.

Pam Daniels, Inland Real Estate Property Management

**Recommendations:** City Council's discretion:

1. Motion to approve the Retailer Job Creation and Investment Grant Agreements with Inland Real Estate Property Management, and to award \$20,000 in grant funding for furniture, fixtures and equipment at 6000 Northwest Highway, for Five Guys Burgers and Fries and Starbucks;
2. Motion to deny the grant application.

**Staff Contact:** Michelle Rentzsch, Director of Planning and Economic Development  
James Richter II, Assistant Director of Economic Development

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**Background:** On May 4, 2010, the City Council approved the Retailer Façade and Commercial Tenant Improvement Program, which offers matching grant funding to retailers providing eligible building improvements. On November 1, 2011, the City Council approved the **Retailer Job Creation and Investment Program**, which provides grant funding to new and existing retailers who occupy vacant space and hire full-time employees or install eligible furniture, fixtures, and equipment.

**FIVE GUYS BURGERS AND FRIES (6000 Northwest Highway)**

Five Guys Burgers and Fries is a specialty fast casual restaurant offering sandwiches, fries and non-alcoholic beverages. Five Guys is leasing approximately 2,500 square feet where they have hired approximately 45 part-time staff members. Over \$185,000 has been invested in eligible furniture, fixtures, and equipment.

Prior to the development of the building where Five Guys is located, City staff worked with Inland to attract Five Guys to this location. The City offered Inland an incentives package for securing these tenants, including \$10,000 matching grants for each of the two tenants that were included in this development. The timing of Inland's matching grant applications was delayed due to the prevailing wage issue that challenged our grant programs last year.

In order to objectively analyze the applications for funding, review criteria have been established in the Ordinance approving this program. The chart below outlines the evaluation of the applicant's request in relation to our review criteria:

REVIEW CRITERIA	APPLICANT'S ABILITY TO MEET THE REVIEW CRITERIA
Improvement to overall appearance	Minor improvements to the appearance of the subject property would be provided*
Aesthetic impact to surrounding areas	Improvements would provide a minor aesthetic impact to the area
Number of employees and wages	45 part-time employees will be added as a result of Five Guys Burgers*
Value of new FFE	Furniture, fixtures, and equipment in excess of \$185,000*
Use of the property as a result of a new business	Promotes the intended use of the building for retail sales*
Contribution to economic vitality	Promotes occupancy of vacant retail space with a viable restaurant collecting sales taxes*
Compatibility with nearby uses	Compatible with adjacent uses*

The applicant's request has been evaluated for the value of the improvement, the extent of proposed work, and its potential impact. The current application would fulfill 6 of the 7 review criteria (marked with an asterisk\*).

**STARBUCK'S COFFEE (6000 Northwest Highway)**

Starbuck's Coffee has secured a lease in the end-cap opposite of Five Guys Burgers in the outlet building at 6000 Northwest Highway. Starbuck's is well-known for its specialty coffee, beverages and other menu items. Starbucks will occupy approximately 1,666 square feet and invest approximately \$50,000 in eligible furniture, fixtures, and equipment.

In order to objectively analyze the applications for funding, review criteria have been established in the Ordinance approving this program. The chart below outlines the evaluation of the applicant's request in relation to our review criteria:

REVIEW CRITERIA	APPLICANT'S ABILITY TO MEET THE REVIEW CRITERIA
Improvement to overall appearance	Minor improvements to the appearance of the subject property would be provided*
Aesthetic impact to surrounding areas	Improvements would provide a minor aesthetic impact to the area
Number of employees and wages	At least 20 part-time employees will be added as a result of Starbucks*
Value of new FFE	Furniture, fixtures, and equipment in excess of \$50,000*
Use of the property as a result of a new business	Promotes the intended use of the building for retail sales*
Contribution to economic vitality	Promotes occupancy of vacant retail space with a viable restaurant collecting sales taxes*
Compatibility with nearby uses	Compatible with adjacent uses*

The applicant's request has been evaluated for the value of the improvement, the extent of proposed work, and its potential impact. The current application would fulfill 6 of the 7 review criteria (marked with an asterisk\*).

## SUMMARY OF CURRENT REQUESTS

The chart below provides a complete summary of the pending grant funding requests. The City has budgeted \$80,000 for reimbursements to awarded recipients. The job creation and investment programs will share the same funding source (\$80,000).

File #	Applicant Name / Business name	Address	New Retailer Programs	Existing Retailer Programs	Manufacturer Programs	Total Requested	Amount Approved	Status
2011-22-01	The Fresh Market	6000 Nw Hwy	\$10,000.00			\$0.00	\$0.00	Withdrawn
2011-22-02	Shawn Lee, Kyoto	5690 Nw Hwy		\$2,500.00		\$2,500.00	\$2,500.00	Approved
2011-22-03	Aptar / Cobalt	450 Congress			\$10,000.00	\$10,000.00	\$10,000.00	Approved
2011-22-04	RW Technologies	387 Congress			\$10,000.00	\$10,000.00	\$10,000.00	Approved
2011-22-05	The Olive Tap	68 N. Williams	\$10,000.00			\$10,000.00	\$10,000.00	Approved
2011-22-06	Phoenix Electronics	300 Millennium			\$10,000.00	\$10,000.00	\$10,000.00	Approved
2011-22-07	Chen's Chinese Cuisine	6100 Nw Hwy		\$5,000.00		\$5,000.00	\$5,000.00	Approved
2011-22-08	Soccer Heads	1275 Randall Rd	\$3,775.00			\$3,775.00	\$3,775.00	Approved
2011-22-09	Five Guys Burgers	6000 Nw Hwy	\$10,000.00			\$10,000.00		Pending
2011-22-10	Starbucks	6000 Nw Hwy	\$10,000.00			\$10,000.00		Pending

<b>TOTALS</b>	<b>\$43,775.00</b>	<b>\$7,500.00</b>	<b>\$30,000.00</b>	<b>\$73,775.00</b>	<b>\$51,275.00</b>
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**Votes Required to Pass:** A simple majority vote.



**Agenda Item No: 15**

**City Council  
Agenda Supplement**

**Meeting Date:**

May 1, 2012

**Item:**

Sign Variation to allow a free-standing sign greater than the UDO allowance for the Crystal Lake Park District at Lippold Park.

**Recommendation:**

City Council Discretion

- A. Motion to approve an ordinance with the variation as requested, with recommended conditions for Crystal Lake Park District at Lippold Park; or
- B. Motion to deny the variation request.

**Staff Contact:**

Michelle Rentzsch, Director of Planning & Economic Development

**Background:**

- Crystal Lake Park District is requesting a sign variation to replace the two existing free-standing signs at Lippold Park's east and west entrances.
- The existing signs are 5.5 feet tall, 64 square feet in area and externally illuminated. The proposed signs would be 7.5 feet tall, 60 square feet in area and internally illuminated.
- Per the UDO, Parks are considered 'Unique Sign Areas' and are permitted one free-standing sign, 32 square feet in area and 6 feet tall. Internal illumination is permitted if certain requirements are met.
- The Park District has indicated that with the volume of visitors at Lippold Park, they need taller signs to keep all the lettering legible, particularly with the higher speed limit on Route 176.

***Key Factors***

The following signage is being requested:

Location	Type	Number	Total square footage (SF)
East Entrance	Internally illuminated free standing	1	60
West Entrance	Internally illuminated free standing	1	60
<b>Total</b>			<b>120</b>



The petitioner has requested a variation from Section 4-1000 I Unique Area Signs in the UDO. The variations are detailed below:

Item	UDO Requirement	Proposed Signage	Variation
Free-standing signs – Unique Area	One free-standing sign, 32 square feet in area and 6 ft in height	Two free-standing signs, 60 square feet in area and 7'-6" in height per sign	Yes – 28 SF and 1.5 ft in height for each sign

A sign variation application and details of the proposed signage are included.

The City Council can grant a variation from the requirements of the Ordinance to overcome an exceptional condition which poses practical difficulty or particular hardship in such a way as to prevent the display of a sign as intended by the Ordinance and where the following standards are met:

- A. The proposed variation will not serve merely as a convenience, but alleviate some demonstrable and unusual hardship.
- B. The proposed variation will not be materially detrimental to the public welfare or injurious to other property or improvements in the neighborhood. The proposed variation will not by itself, or with other signs, contribute to the creation of visual distraction which may lead to personal injury or a substantial reduction in the value of the property.
- C. The proposed variation is in harmony with the intent, purpose and objectives of the Ordinance.

Ann Viger has made the request on behalf of the Park District and will be in attendance at the meeting to discuss this request with the City Council.

**Recommended Conditions:**

- 1. Approved plans, reflecting staff and advisory board recommendations, as approved by the City Council:
  - A. Sign Variation Application, received 4-24-12
  - B. Sign Plan, Hughes Sign Company, received 4-24-12
- 2. The internal illumination for the signs must:
  - A) Shine fully only through the letter and graphic elements of the sign.
  - B) Only illuminated between 7 am and 11 pm. All other times, the internal illumination must be extinguished.
- 3. The proposed signs shall meet all of the other requirements in the UDO, as applicable.

**Votes Required to Pass:** Simple majority vote

DRAFT

ORDINANCE NO. \_\_\_\_\_  
FILE NO. \_\_\_\_\_

AN ORDINANCE GRANTING A SIGN VARIATION FOR THE  
CRYSTAL LAKE PARK DISTRICT/LIPPOLD PARK, 1251 W. ROUTE 176

WHEREAS, pursuant to the terms of the request (File #2012-05-E) before the City of Crystal Lake, the Petitioner has requested a sign variation to allow two free standing entry signs greater than the UDO allowance for the Crystal Lake Park District/Lippold Park at 1251 W. Route 176; and

WHEREAS, a hearing of the request was held before the City of Crystal Lake City Council in the manner and in the form as prescribed by Ordinance and Statute; and

WHEREAS, as a result of said hearing, the City Council made a motion to approve the sign variation as requested; and

WHEREAS, it is in the best interests of the City of Crystal Lake that the sign variation be granted as requested,

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE, McHENRY COUNTY, ILLINOIS, as follows:

SECTION I: That a sign variation be granted to allow two free standing entry signs greater than the UDO allowance for the Crystal Lake Park District/Lippold Park at 1251 W. Route 176, Crystal Lake, Illinois with the following conditions:

1. Approved plans, reflecting staff and advisory board recommendations, as approved by the City Council:
  - A. Sign Variation Application, received 4-24-12
  - B. Sign Plan, Hughes Sign Company, received 4-24-12
2. The internal illumination for the signs must:
  - A. Shine fully only through the letter and graphic elements of the sign.
  - B. Only illuminated between 7 am and 11 pm. All other times, the internal illumination must be extinguished.
3. The proposed signs shall meet all of the other requirements in the UDO, as applicable.

SECTION II: That the City Clerk be and is hereby directed to amend the official zoning map of the City of Crystal Lake and all pertinent records of the City of Crystal Lake to show the granting of Variations in accordance with the provisions of this Ordinance, as provided by law.

SECTION III: That this Ordinance shall be in full force and effect from and after its passage and

**DRAFT**

approval as provided by law.

DATED at Crystal Lake, Illinois, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

Published in pamphlet form by the authority of the Mayor and City Council of the City of Crystal Lake.



**Agenda Item No: 16**

**City Council  
Agenda Supplement**

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**Meeting Date:**

May 1, 2012

**Item:**

2012 Thermoplastic Program Funding Authorization

**Staff Recommendation:**

Motion to adopt a resolution authorizing the City's participation in the 2012 Suburban Purchasing Cooperative Pavement Marking Joint Purchasing Program, and the expenditure of \$33,000 for the purchase of thermoplastic pavement marking through the Suburban Purchasing Cooperative 2012 Pavement Marking Joint Purchasing Program.

**Staff Contact:**

Erik D. Morimoto, Director of Engineering and Building

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**Background:**

The Northwest Municipal Conference (NWMC) conducts joint purchasing programs for several different goods and services for its member municipalities through the Suburban Purchasing Cooperative (SPC). Among those is a joint purchase for thermoplastic lane-marking services. Since many different municipalities participate in this program, the SPC is able to leverage the large quantities into better unit prices for thermoplastic marking. The Engineering and Building Department has participated in this program for the last several years and it has yielded a significant unit cost savings over when the City bids this program out on its own.

Superior Road Striping was this year's low bidder for the program. They have been the low bidder for the previous five years in the SPC's thermoplastic program and have done an excellent job each year.

According to the City's Purchasing Policy, the City Council must approve any purchases over \$10,000. Since the contract for this service is between the SPC and the contractor, the authorization to use \$33,000 of Road and Vehicle License Funds for thermoplastic pavement marking services is requested of the Council. Funds have been budgeted for this purpose.

**Votes Required to Pass:**

Simple majority of City Council present.

DRAFT



**The City of Crystal Lake Illinois**

**RESOLUTION**

**BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE** that the City is hereby authorized to participate in the 2012 Suburban Purchasing Cooperative Pavement Marking Joint Purchasing Program.

**BE IT FURTHER RESOLVED** that the City be authorized to spend \$33,000 for the purchase of thermoplastic pavement marking through the 2012 Suburban Purchasing Cooperative Pavement Marking Joint Purchasing Program.

**DATED** this first day of May, 2012.

CITY OF CRYSTAL LAKE, an Illinois Municipal Corporation

BY: \_\_\_\_\_  
AARON T. SHEPLEY, MAYOR

SEAL

ATTEST:

\_\_\_\_\_  
NICK KACHIROUBAS, CITY CLERK

PASSED: May 1, 2012

APPROVED: May 1, 2012



## Agenda Item No: 17

### City Council Agenda Supplement

**Meeting Date:**

May 1, 2012

**Item:**

Consultant Selection Approval for the McHenry Avenue improvement for Phase I Preliminary and Phase II Design Engineering

**Staff Recommendation:**

Motion to award the proposal for the McHenry Avenue improvement for Phase I Preliminary and Phase II Design Engineering to the lowest qualified, responsible, and responsive proposer, Ciorba Group, Inc., and adopt a resolution authorizing the City Manager to execute an agreement with Ciorba Group, Inc., in the amount of \$108,144.28 and approve changes in scope by 10 percent of the original price.

**Staff Contact:**

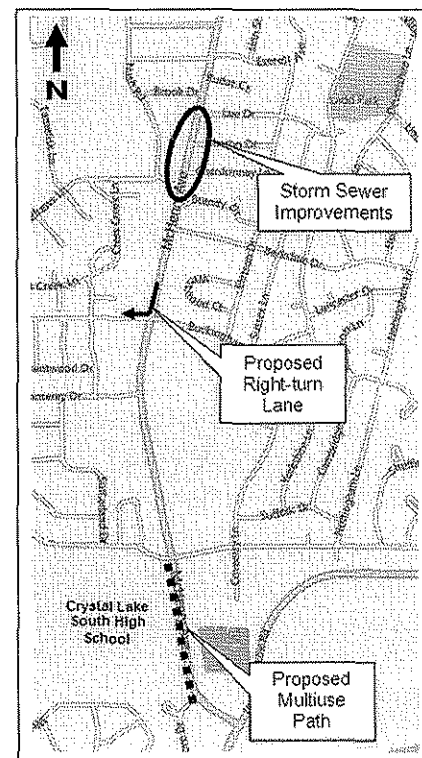
Erik D. Morimoto, Director of Engineering and Building

**Background:**

The improvement to McHenry Avenue is a programmed construction project which will resurface McHenry Avenue from north of Rakow Road to Route 14. This improvement also includes a new multi-use path along the frontage of McHenry Avenue from Windham Cove Drive to Dartmoor Drive, striping of a dedicated right-turn lane on southbound McHenry Avenue at the intersection of Barlina Road/Buckingham Drive and storm sewer improvements from Lee Drive to Nash Road and along Nash Road. The City has obtained \$864,000 in federal Surface Transportation Program funding for the construction and construction engineering.

*CONSULTANT SELECTION PROCESS:*

The City sent the Request for Qualifications & Proposal (RFQ&P) directly to qualified engineering firms. An



advertisement of the RFQ&P was also placed in the *Northwest Herald* and on the City's webpage. Through this notification process, the City received thirteen proposals.

As federal funds are not being utilized for the engineering portion of this project, staff from the Engineering and Building Department reviewed the proposals based on their qualifications and proposed cost. The qualifications criteria considered during the review were:

- Proposal completeness
- Firm's reputation and integrity
- General experience and history of performance on similar projects
- Current or past projects related to the scope of services
- Understanding of the project
- Adherence to the Project Scoping Summary
- Experience of personnel
- Miscellaneous – additional items which made the firm stand out

A summary of the firms who submitted proposals and their costs are as follows:

ENGINEERING FIRM	COST
CIORBA GROUP	\$108,144.28
CIVILTECH ENGINEERING	\$112,129.01
CHRISTOPHER B. BURKE ENGINEERING	\$114,163.60
GEWALT HAMILTON & ASSOCIATES	\$121,191.83
STRAND ASSOCIATES	\$131,520.00
HAMPTON, LENZINI & RENWICK	\$134,081.96

ENGINEERING FIRM, CONT	COST
THOMAS ENGINEERING	\$153,828.99
PATRICK ENGINEERING	\$225,712.71
TRANSYSTEMS	\$238,294.48
PRIMERA ENGINEERS	\$281,453.56

\*\*Pavia-Marting, Stanley, and Crispell-Snyder were unqualified or non-responsive.

Ciorba Group has the best overall understanding of the required federal processing for this specific project, experience on similar projects of this type, and is IDOT prequalified. It is staff's recommendation to select Ciorba Group to perform the Phase I preliminary and Phase II design engineering for the McHenry Avenue improvement.

**Votes Required to Pass:**

Simple Majority



DRAFT



**The City of Crystal Lake Illinois**

**RESOLUTION**

**BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE** that the City Manager be authorized to execute an agreement with Ciorba Group, Inc. in the amount of \$108,144.28 for the Phase I Preliminary and Phase II Design Engineering of the McHenry Avenue Improvement. The City Manager is additionally authorized to approve up to 10 percent in justifiable contract amendments from a contingency allowance.

**DATED** this first day of May, 2012.

CITY OF CRYSTAL LAKE, an Illinois  
Municipal Corporation

BY: \_\_\_\_\_  
AARON T. SHEPLEY, MAYOR

SEAL

ATTEST:

\_\_\_\_\_  
NICK KACHIROUBAS, CITY CLERK

PASSED: May 1, 2012

APPROVED: May 1, 2012

Published in pamphlet form by the authority of the Mayor and City Council of the City of Crystal Lake.



**Agenda Item No: 18**

**City Council  
Agenda Supplement**

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**Meeting Date:**

May 1, 2012

**Item:**

Appropriation of MFT funds for the McHenry Avenue Improvement.

**Staff Recommendation:**

Motion to adopt a resolution appropriating \$119,000.00 in MFT funds for the McHenry Avenue Improvement.

**Staff Contact:**

Erik D. Morimoto, Director of Engineering and Building

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**Background:**

City staff is requesting that the Council allocate \$119,000.00 in Motor Fuel Tax funds for the McHenry Avenue Improvement. This allocation is for Phase I and Phase II Engineering of the project, and a 10 percent contingency. Any funds that are obligated and not spent will be returned to the City's unobligated balance once the project is complete. The City has budgeted for this project, and has sufficient reserves in its MFT fund for the engineering.

**Votes Required to Pass:**

Simple majority



Resolution for Improvement by Municipality Under the Illinois Highway Code

BE IT RESOLVED, by the Mayor and City Council of the City of Crystal Lake Illinois that the following described street(s) be improved under the Illinois Highway Code:

Table with 4 columns: Name of Thoroughfare, Route, From, To. Row 1: McHenry Avenue, FAU 120, US Route 14 (FAP 66), Rakow Road (FAP 336)

BE IT FURTHER RESOLVED, 1. That the proposed improvement shall consist of improving McHenry Avenue; the funds appropriated here shall be used for Phase I and Phase II Engineering

and shall be constructed 36 feet wide and be designated as Section 11-00115-00-RS

2. That there is hereby appropriated the (additional Yes No) sum of one hundred and nineteen thousand Dollars (\$119,000.00) for the improvement of said section from the municipality's allotment of Motor Fuel Tax funds.

3. That work shall be done by Contract; and,

BE IT FURTHER RESOLVED, that the Clerk is hereby directed to transmit two certified copies of this resolution to the district office of the Department of Transportation.

Approved
Date
Department of Transportation
Regional Engineer

I, Nick Kachiroubas Clerk in and for the City of Crystal Lake County of McHenry, hereby certify the foregoing to be a true, perfect and complete copy of a resolution adopted by the Council at a meeting on May 1, 2012 IN TESTIMONY WHEREOF, I have hereunto set my hand and seal this 1st day of May, 2012 (SEAL) City, Town, or Village Clerk



**Agenda Item No: 19**

**City Council  
Agenda Supplement**

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**Meeting Date:**

May 1, 2012

**Item:**

Three Oaks Recreation Area Marina Boat House  
Air Conditioning

**Staff Recommendation:**

A motion awarding the bid for marina boat house air conditioning at the Three Oaks Recreation Area and adopting a resolution authorizing the City Manager to execute a contract with the lowest responsive and responsible bidder, M.G. Mechanical Contracting, for the purchase and installation of air conditioning in the boat house of the Three Oaks Recreation Area in the amount of \$22,876 and authorizing the City Manager to approve up to 10 percent in justifiable contract amendments from a contingency allowance.

**Staff Contact:**

Eric T. Helm, Deputy City Manager

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**Background:**

On Tuesday, April 10, 2012, the City of Crystal Lake publicly opened and read aloud the bids received for air conditioning in the marina boat house at the Three Oaks Recreation Area. The boat house is used to charge the rental batteries, store rental equipment, and serve customers at the service counter. Air conditioning in the boat house is needed for two reasons.

**First, it will aid in the efficient charging of the rental batteries.** When the batteries charge, they produce heat, which causes the room air temperature to increase. During much of the summer, the elevated room air temperature causes the batteries to charge less efficiently. In addition, in hot conditions, the batteries are not as receptive to charging. This leads to the batteries losing their charging capacity and limiting their effectiveness for customers.

**Second, it will improve employee safety and work conditions.** During the warm summer months, marina employees spend much of the time working on the boat docks, assisting customers with watercraft rental. On warm summer days, there is currently no

area for them, in the vicinity of the boat dock, to cool down. An air-conditioned boat house will lead to greater employee safety and efficiency.

The specifications are attached and summarized below:

1. Furnish and install two air conditioning systems: one for the battery charging room and another for the customer service/staff area.
2. Install all necessary wiring, controllers and refrigeration lines.
3. Install wall hung evaporator coils and condensers.
4. Modify electrical panels to power condensers.

The breakdown of the bids received is shown below:

<i>Contractor</i>	<i>Price</i>
√ <i>M.G. Mechanical Contracting</i> <i>Woodstock, IL</i>	<i>\$22,876</i>
Dowe & Wagner, Inc. Richmond, IL	\$24,983
JP Mechanical Services McHenry, IL	\$25,125
Jensen's Plumbing and Heating Woodstock, IL	\$25,500
Sherman Mechanical Cary, IL	\$26,848
Althoff Industries Crystal Lake, IL	\$27,588
Martin Peterson, Co., Inc. Kenosha, WI	\$31,603
Amber Mechanical Alsip, IL	\$34,450
Geothermal Energy Solutions, Inc. Northbrook, IL	\$36,500
F.E. Moran, Inc. Northbrook, IL	\$55,700

√ - Indicates lowest responsive and responsible bidder

**Recommendation:**

The City Manager's Office and Fleet and Facilities Services Division have reviewed all bids received for completeness and accuracy in accordance with the Invitation to Bid document and have checked references. Surplus construction bond proceeds will be used to purchase the air conditioning system. It is staff's recommendation to award the contract for the boat house air conditioning to M.G. Mechanical in the total bid amount of \$22,876 and approve up to 10 percent in justifiable contract amendments from a contingency allowance.

**Votes Required to Pass:**

Simple majority vote of the City Council.



DRAFT

**RESOLUTION**

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE that the City Manager be and he is hereby authorized and directed to execute a contract for marina boat house air conditioning between the City of Crystal Lake and M.G. Mechanical Contracting in the amount of \$22,876. The City Manager is additionally authorized to approve up to 10 percent in justifiable contract amendments from a contingency allowance.

DATED this 1<sup>st</sup> day of May, 2012

CITY OF CRYSTAL LAKE, an  
Illinois municipal corporation,

By: \_\_\_\_\_  
MAYOR

SEAL

ATTEST

\_\_\_\_\_  
CITY CLERK

PASSED:  
APPROVED:



**Agenda Item No: 20**

**City Council  
Agenda Supplement**

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**Meeting Date:** May 1, 2012

**Item:** Private activity bond volume cap reservation.

**Recommendation:** Motion to adopt an ordinance reserving the State of Illinois volume cap for private activity bonds.

**Staff Contact:** Michelle Rentzsch, Director of Planning & Economic Development  
James Richter II, Assistant Director of Economic Development

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**Background:** The City of Crystal Lake received notification from the Governor's office regarding the reservation of Crystal Lake's volume cap. Private activity bonds can be issued as Industrial Revenue Bonds using the volume cap allocation. The State requires that all eligible municipalities pass an Ordinance to reserve their volume cap for the fiscal year.

For 2012, each home rule municipality is authorized a volume cap amount equal to \$95 per capita. Using this formula, Crystal Lake's allocation equals \$3,870,585, based upon the State's assigned population of 40,743.

At this time, there have been no official applications from private businesses for the City to allocate our volume cap in the form of Industrial Revenue Bonds. However, staff has had discussions with several businesses recently regarding the issuance of Industrial Revenue Bonds for pending or prospective developments. According to the State Office of Management and Budget, after the volume cap has been reserved, the municipality is supposed to allocate the amount allocated for private activity bonds by December 31 of that year. If the City does not allocate our volume cap by December 31, we can request to carry-over our allocation for up to three years for a variety of different projects, but not for qualified small issue bonds, including Industrial Revenue Bonds. The attached ordinance reserves the City's allocation for possible future use.

There is no obligation to the municipality in issuing Industrial Revenue Bonds. All the payment responsibility rests with the private party. The lien is on the property, secured by the Industrial Revenue Bonds. Under Federal law, the City can utilize the authorized volume cap as additional incentive for industrial firms to relocate or expand facilities within its jurisdiction. Industrial Revenue Bonds can be attractive to industrial firms because of the difference to the bond buyers between the tax-free interest rates and the prevailing taxable interest rates.

**Votes Required to Pass:** A simple majority vote.

ORDINANCE NO. \_\_\_\_\_  
FILE NO. \_\_\_\_\_



DRAFT

AN ORDINANCE RESERVING VOLUME CAP IN CONNECTION WITH  
PRIVATE ACTIVITY BOND ISSUES, AND RELATED MATTERS.

WHEREAS, the City of Crystal Lake, McHenry County, Illinois (*the "Municipality"*), is a Municipality and a home rule unit of government under Section 6 of Article VII of the 1970 Constitution of the State of Illinois; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986, as amended (*the "Code"*), provides that the Municipality has volume cap equal to \$95.00 per resident of the Municipality in each calendar year, which volume cap may be reserved and allocated to certain tax-exempt private activity bonds; and

WHEREAS, the Illinois Private Activity Bond Allocation Act, *30 Illinois Compiled Statutes 1998, 345/1 et seq.*, as supplemented and amended (*the "Act"*), provides that a home rule unit of government may transfer its allocation of volume cap to any other home rule unit of government, the State of Illinois or any agency thereof or any non-home rule unit of government; and

WHEREAS, it is now deemed necessary and desirable by the Municipality to reserve all of its volume cap allocation for calendar year 2012 to be applied toward the issuance of private activity bonds (*the "Bonds"*), for unidentified projects, as provided in this Ordinance, or to be transferred, as permitted by this Ordinance.

BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF CRYSTAL LAKE, McHENRY COUNTY, ILLINOIS, as follows:

SECTION I: That, pursuant to Section 146 of the Code and the Act, the entire volume cap of the Municipality for calendar year 2012, in the amount of \$3,870,585, based upon the State of Illinois assigned population of 40,743, is hereby reserved by the Municipality, which shall issue Bonds using such volume cap, or shall transfer such cap, without further action required on the part of the Municipality; and the adoption of this Ordinance shall be deemed to be an allocation of such volume cap to the issuance of the Bonds or such other bonds, provided that any such transfer shall be evidenced by a written instrument executed by the Mayor or any



DRAFT

other proper officer or employee of the Municipality.

SECTION II: That the City of Crystal Lake shall maintain a written record of this Ordinance in its records during the term that the Bonds or any other such bonds to which such volume cap is allocated remain outstanding.

SECTION III: That the Mayor, the City Clerk and all other proper officers, officials, agents and employees of the Municipality are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary to further the purposes and intent of this Ordinance.

SECTION IV: That the provisions of this Ordinance are hereby declared to be separable, and if any section, phrase, or provision of this Ordinance shall for any reason be declared to be invalid, such declaration shall not affect the remainder of the sections, phrases, and provisions of this Ordinance.

SECTION V: That this Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

DATED at Crystal Lake, Illinois, this 1<sup>st</sup> day of May, 2012.

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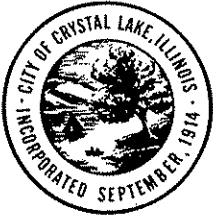
MAYOR

ATTEST:

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CITY CLERK

Published in pamphlet form by the authority of the Mayor and the City Council of the City of Crystal Lake.



**Agenda Item No: 21**

**City Council  
Agenda Supplement**

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**Meeting Date:**

May 1, 2012

**Item:**

Lake in the Hills Parcel Acceptance

**Staff Recommendation:**

Motion to adopt an ordinance authorizing the acceptance of a parcel of land from the Village of Lake in the Hills pursuant to the Lake in the Hills Airport Intergovernmental Agreement.

**Staff Contact:**

George J. Koczwara, Deputy City Manager

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**Background:**

In 2002, the City of Crystal Lake (City) and the Village of Lake in the Hills (Village) entered into an intergovernmental agreement to prohibit runway expansion and promote airport safety at the Lake in the Hills Airport. The agreement was initiated at the time because the Village was interested in relocating an existing runway by 85 feet to the east of the airport and the City desired to prevent further expansion of the airport which may interfere with the interests of Crystal Lake and its residents. Among a number of items, the agreement included the following:

1. The parties entered into a jurisdictional boundary line agreement.
2. The Village would acquire certain property for (1) the purpose of relocating the existing runway not to exceed 3801 feet and (2) for the purpose of realigning Pyott Road. The City agreed that it would not take or support any action to either oppose or object to the acquisition of this property by Lake in the Hills.
3. The City agreed to support improvements to the airport subject to a number of conditions, including a) The Village realigning Pyott Road and dedicating a portion of the road to the County; b) runway pavement will have a load bearing capacity of not more than 25,000 pounds; c) the Village would resolve noise complaints; and d) the Village would provide proper storm water management for all improvements.
4. The City would provide the Village with an aviation easement for property it owned near the airport.
5. Both parties agreed to amend their zoning and related codes to reflect the rights and obligations under the agreement.

Finally, pursuant to the agreement, the Village was required to dedicate to the City a 20-foot strip of land on property owned by the Village immediately adjacent to the eastern edge of the realigned Pyott Road. In addition, the agreement provided that the Village would reserve a 20-foot municipal utility easement for the City on the western side of the realigned Pyott Road. Now that the Pyott Road realignment project has been completed, the Village is fulfilling this requirement under the agreement.

**Recommendation:**

The City's Special Counsel has worked with representatives from the Village in this matter and has drafted the attached Ordinance. It is staff's recommendation to adopt an ordinance authorizing the acceptance of a parcel of land from the Village of Lake in the Hills pursuant to the Lake in the Hills Airport Intergovernmental Agreement.

**Votes Required to Pass:**

Simple majority



DRAFT

**AN ORDINANCE AUTHORIZING THE ACCEPTANCE OF A PARCEL OF LAND  
FROM THE VILLAGE OF LAKE IN THE HILLS PURSUANT TO AN  
INTERGOVERNMENTAL AGREEMENT**

**WHEREAS**, on April 12, 2002, the Village of Lake in the Hills (hereinafter, “the Village”) and the City of Crystal Lake (hereinafter, “the City”) entered into an intergovernmental agreement to prohibit runway expansion and promote airport safety, which agreement was recorded with the McHenry County Recorder’s Office on April 24, 2002 as Document # 2002R0037453 (hereinafter, “the Agreement”); and

**WHEREAS**, pursuant to the Agreement, the Village was required to dedicate to the City a 20-foot strip of land on property owned by the Village immediately adjacent to the eastern edge of realigned Pyott Road, as more fully described in the Agreement (hereinafter, “the Deeded Property”); and

**WHEREAS**, the Agreement further provides that the Village would reserve a 20-foot exclusive Municipal Utility Easement for the City for the western side of relocated Pyott Road for underground utilities (hereinafter, the Utility Easement”); and

**WHEREAS**, the City of Crystal Lake, is a home rule municipality as contemplated under Article VII Section 6 of the Constitution of the State of Illinois and the passage of this Ordinance constitutes an exercise of the City’s home rule powers; and

**WHEREAS**, the Deeded Property is legally described in the proposed warranty deed attached hereto and made a part hereof as Exhibit A, and is depicted in the plat of Survey attached hereto and made a part hereof as Exhibit B; and

**WHEREAS**, the Utility Easement is legally described in a proposed permanent municipal utility easement in the form attached hereto and made a part hereof as Exhibit C; and depicted in the survey attached hereto as Exhibit D; and

**WHEREAS**, the City Council has determined that it is necessary and convenient to acquire and use the Deeded Property and the Utility Easement for benefit of the City and its residents; and

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF  
CRYSTAL LAKE, ILLINOIS:**

DRAFT

SECTION I: The foregoing recital are hereby restated and incorporated by reference as though fully set forth herein.

SECTION II: The attorney for the City and members of the City Staff, as appropriate, are hereby authorized to execute such documents as may be necessary to accept and effectuate the transfer of the Deeded Property to the City and the acceptance of the Utility Easement and to direct City Staff or a title company retained by the City to record such documents with the McHenry County Recorder's Office.

SECTION III If any section, paragraph, subdivision, clause, sentence or provision of this Ordinance shall be adjudged by a Court of competent jurisdiction to be invalid such judgment shall not affect, impair, invalidate or nullify the remainder thereof, which remainder shall remain and continue in full force and effect.

SECTION IV: This ordinance shall be in full force and effect from and after its passage and approval according to law.

SECTION V: All ordinances and parts of ordinances in conflict herewith are hereby repealed.

DATED at Crystal Lake, Illinois, this 1<sup>st</sup> day of May 2012.

CITY OF CRYSTAL LAKE, an  
Illinois municipal corporation,

By: \_\_\_\_\_  
MAYOR

SEAL

ATTEST

\_\_\_\_\_  
CITY CLERK

PASSED: May 1, 2012

APPROVED: May 1, 2012

Published in pamphlet form by the authority of the Mayor and City Council of the City of Crystal Lake.



**Agenda Item No: 22**

**City Council  
Agenda Supplement**

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**Meeting Date:**

May 1, 2012

**Item:**

Electrical Aggregation Public Hearing on the Plan of Operation and Governance/Ordinance Adoption

**Staff Recommendation:**

1. Electrical Aggregation Public Hearing on the Plan of Operation and Governance.
2. Motion to adopt an Ordinance Authorizing Aggregation of Electrical Load and Adopting an Electric Aggregation Plan of Operation and Governance

**Staff Contact:**

George Koczwara, Deputy City Manager

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On August 10, 2009, Governor Quinn signed into law Public Act 96-176, amending the Illinois Power Agency Act ("Act") to allow municipalities to arrange for the provision of electricity to residential and small commercial retail customers by alternative electric suppliers (instead of ComEd). Under the new law, the City may seek bids for the provision of aggregate electricity supply services to these customers, in hopes that the selected rate will be lower than the standard rate offered by ComEd. The Act contemplates two types of programs: an "opt-in" program, in which a customer must affirmatively agree to service by the selected alternative supplier; or an "opt-out" program, in which all residential and small commercial retail customers would be switched automatically to the alternative supplier, unless a customer affirmatively opted out of the program and continued service through ComEd or another provider. Under either type of program, ComEd would remain the distributor of electricity in the City; the selected alternative supplier would merely generate the electricity provided and deliver it to ComEd for distribution. ComEd still maintains the infrastructure.

At the December 6, 2011 City Council meeting, an Ordinance was approved initiating the submission of a public question to authorize the City to adopt an "opt- out" program for the supply of electricity to residential and small commercial retail customers on the March 20, 2012 primary election ballot. The ballot measure has subsequently been approved by the voters.

Now that the opt-out referendum has been approved, and in order to comply with the State of Illinois requirements, the City of Crystal Lake must complete the following:

- Public Display of a Plan of Operation and Governance Ordinance (POGO) – March 22, 2012.
- Holding of two public hearings by the City Council concerning the POGO – April 17, 2012 and May 1, 2012.
- Approval of an ordinance formally authorizing an opt-out program for the City and adoption of the POGO – May 1, 2012.
- Solicitation of bids from alternative electricity suppliers – early to mid-May, 2012
- Award of bid – early to mid-May, 2012
- Power flowing to Crystal Lake residents under this program – late Summer 2012

The Plan of Operation and Governance (POGO) outlines the roles and responsibilities of the City, and the electrical aggregation implementation process. A draft POGO (attachment) describes the City of Crystal Lake plan for:

- Providing universal access to all applicable residential customers and equitable treatment of applicable residential customers;
- Providing demand management and energy efficiency services to each class of customers and,
- Meeting any other legal requirements concerning aggregated electric service.

It is anticipated that the bids will be received soon after ComEd sets their new rates in May 2012. A bid will only be accepted if it is less than the ComEd rate. In addition, provisions will be incorporated into the bid contract that will require the ARES match the ComEd rate if it falls below the contracted rate during the period of the agreement. In addition, the agreement with the selected ARES will include the elimination of termination fees, allowing residents and small businesses to revert back to the ComEd rate without suffering any financial penalty.

**Votes Required to Pass:**

Simple majority

**ORDINANCE AUTHORIZING AGGREGATION  
OF ELECTRICAL LOAD AND ADOPTING  
AN ELECTRIC AGGREGATION  
PLAN OF OPERATION AND GOVERNANCE.**

**Recitals**

1. Recently the Illinois Power Agency Act, Chapter 20, Illinois Compiled Statutes, Act 3855, added Section 1-92 entitled Aggregation of Electrical Load by Municipalities and Counties (hereinafter referred to as the "Act").

2. Under the Act, the City of Crystal Lake ("City") may operate the aggregation program under the Act as an opt-out program for residential and small commercial retail customers, if a referendum is passed by a majority vote of the residents pursuant to the requirements under the Act.

3. The City submitted the question in a referendum on March 20, 2012, and a majority of the electors voting on the question voted in the affirmative.

4. The corporate authorities hereby find that it is in the best interest of the City to operate the aggregation program under the act as an opt-out program and to implement the program according to the terms of the Act.

5. The Act requires that prior to the implementation of an opt-out electrical aggregation program by the City, the City must adopt an electrical power aggregation plan of operation and governance and hold not less than two (2) public hearings.

6. The City held the required Public Hearings for the Electric Power Aggregation Plan of Operation and Governance on April 17, 2012 and May 1, 2012 and provided the required public notice.

**BE IT ORDAINED BY THE MAYOR AND BOARD OF TRUSTEES OF THE CITY  
OF CRYSTAL LAKE, MCHENRY COUNTY, ILLINOIS, AS FOLLOWS:**

Section One: The Corporate Authorities of the City find that the recitals set forth above are true and correct.

Section Two: The Corporate Authorities of the City find and determine that it is in the best interests of the City to operate the electric aggregation program under the Act as an opt-out program.



Section Three:

A. The Corporate Authorities of the City hereby are authorized to aggregate in accordance with the terms of the Act residential and small commercial retail electrical loads located within the corporate limits of the City, and for that purpose may solicit bids and enter into service agreements to facilitate for those loads the sale and purchase of electricity and related services and equipment.

B. The Corporate Authorities of the City are granted the authority to exercise such authority jointly with any other municipality or county and, in combination with two or more municipalities or counties, may initiate a process jointly to authorize aggregation by a majority vote of each particular municipality or county as required by the Act.

C. The Aggregation Program for the City shall operate as an opt-out program for residential and small commercial retail customers.

D. The Aggregation Program shall be approved by a majority of the members of the Corporate Authority of the City.

E. The Corporate Authorities of the City with the assistance from the Illinois Power Agency shall develop a plan of operation and governance for the Aggregation Program and shall conduct such public hearings and provide such public notice as required under the Act. The Load Aggregation Plan shall provide for universal access to all applicable residential customers and equitable treatment of applicable residential customers, shall describe demand management and energy efficiency services to be provided to each class of customers and shall meet any requirements established by law concerning aggregated service offered pursuant to the Act.

F. As an opt-out program, the Corporate Authorities of the City shall fully inform residential and small commercial retail customers in advance that they have the right to opt-out of the Aggregation Program. The disclosure and information provided to the customers shall comply with the requirements of the Act.

G. The electric aggregation shall occur automatically for each person owning, occupying, controlling, or using an electrical load center proposed to be aggregated in the corporate limits of the City, subject to a right to opt-out of the program as described under this ordinance and the Act.

H. The Corporate Authorities hereby grant the City Manager, or his designee in writing, the specific authority to execute a contract, as generally indicated in Attachment "A", without further action by the Corporate Authorities and with the authority to bind the City.

Section Four: The Corporate Authorities hereby adopt the Electrical Power Aggregation Plan of Operation and Governance as set forth in Attachment "B" attached hereto and made a part hereof as if fully set forth by this reference.

DRAFT

Section Five: This ordinance shall be in full force and effect after its passage, approval and publication in pamphlet form as provided by law.

PASSED by the Mayor and the City Council of the City of Crystal Lake, McHenry County, Illinois, on the 1<sup>st</sup> day of May, 2012, and deposited and filed in the office of the City Clerk in said City on that date pursuant to roll call vote as follows:

Ayes:

Nayes:

Absent:

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City Clerk of the City of Crystal Lake, Illinois

APPROVED by the Mayor of the City of Crystal Lake, Illinois, this 1<sup>st</sup> day of May, 2012.

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Mayor of the City of Crystal Lake, Illinois

ATTEST:

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City Clerk of the City of Crystal Lake, Illinois

Published in pamphlet form this 1<sup>st</sup> day of May, 2012.



**Agenda Item No: 23**

**City Council  
Agenda Supplement**

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**Meeting Date:**

May 1, 2012

**Item:**

Video Gaming

**Discussion Only:**

Discuss options for proceeding with Video Gaming

Option 1. Motion to adopt an ordinance amending the City Code to allow video gaming, or

Option 2. Motion to adopt an ordinance expressly prohibiting gambling.

**Staff Contact:**

George J. Koczvara, Deputy City Manager

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**Background:**

This matter is for discussion purposes only. It is anticipated that formal selection of either of the two options will be placed on the June 5, 2012 City Council meeting agenda following City Council direction.

The Illinois Video Gaming Act, 230 ILCS 40/1 *et seq.*, permits the operation of video gaming terminals in certain establishments throughout Illinois, at which players can make cash wagers and play electronic casino-style games such as video poker. Municipalities are authorized under the State Act to regulate video gaming and to prohibit video gaming within their corporate limits. Municipalities that allow video gaming receive a portion of the tax revenue generated by the games. It is difficult to estimate what potential revenue the City would generate from this Act, but when the original legislation was approved in 2009, a figure provided by the Commission on Government Forecasting and Accountability estimated that the City could potentially generate between \$132,762 and \$170,694 annually.

The Illinois Video Gaming Act allows municipalities to prohibit video gaming either by ordinance, 230 ILCS 40/27, or by referendum, 230 ILCS 40/70. Municipalities that do not prohibit video gaming are eligible to receive tax revenues from the Local Government Video Gaming Distributive Fund, pursuant to Section 75 of the Act. The allocation of tax revenues is determined by the proportion of tax revenue generated from video gaming in the municipality compared to that generated statewide. The City has not formally taken a stance to prohibit video gambling under the provision of the new Act (opt out), but there are other elements in the City Code that prohibit video gaming.

Several existing sections of the Code restrict or prohibit gambling activities within the City and would need to be amended if the City intended to allow video gaming. These sections include Sec. 162-8 Mechanical amusement devices, Chapter 198 – Carnivals, Chapter 329 – Liquor licenses, Chapter 364 – Nuisances; Article II: Chronic Nuisances, and Chapter 408 – Raffles.

Now that the Illinois Gaming Commission has completed the rules required under the new Act, the City has started receiving inquiries as to the City's position relative to video gaming.

**History:**

On July 13, 2009 the Governor signed into law the Illinois Jobs Now Program which is a \$31 billion capital improvement bill. Below is a summary of the projects that have been funded specifically to the City of Crystal Lake:

1. \$700,000 for road infrastructure improvements - This project includes the relocation of overhead utilities located along U.S. Route 14 as part of the Virginia Street Streetscape Improvement Project.
2. \$482,000 for North Shore Flooding Improvement Project – This project makes various improvements to the North Shore area to mitigate future flooding.
3. \$100,000 for water and sewer improvements - This series of projects is on the City's five-year Capital Improvement Plan. It includes various improvements to the production and distribution of water to residents as well as wastewater collection and treatment.

The revenue to pay for the \$31 billion capital bill is included in Public Act 96-0034 (House Bill 255) and included legalized video gambling. Legalized video gambling would permit bars, truck stops, fraternal clubs and veterans clubs with a valid liquor license to operate up to five video gambling terminals (including but not limited to video poker, line-up and blackjack). At the time of passage, it was projected that video gambling would bring in at least \$375 million a year to the State, although other estimates varied from as little as \$287 million a year to as much as \$540 million.

Below are some of the basic highlights of the Video Gaming Act:

- Each eligible establishment is allowed to have up to five video poker machines (unless the Illinois Gaming Board allows more).
- A municipality has the right, through passage of an ordinance to prohibit video gaming within their jurisdiction.
- Residents who oppose video gaming can get a referendum on the ballot with petitions signed by 25% of voters who voted in previous elections.
- Non-home rule municipalities cannot impose fees of more than \$25 per machine. The bill is silent on what fees home rule municipalities can impose. The Northwest Municipal Conference Attorneys Committee believes these fees could be imposed to help with enforcement costs (such as the prohibition against players under age 21).
- A tax of 30% is imposed on net terminal income and shall be collected by the Illinois Gaming Board. Of the tax collected, one-sixth (5% of the total take) shall be deposited into the Local government Video Gaming Distributive Fund, while the rest shall be deposited in the State Capital Projects Fund. The Department of Revenue shall allocate among those municipalities and counties that have not prohibited video gaming the respective amounts allocated to them. The amount of such funds allocable shall be in proportion to the tax revenue generated from video gaming within the eligible municipality. The amounts allocated may be used for any general corporate purpose authorized for that municipality.

The Commission on Government Forecasting and Accountability estimated per machine, per day yield in Illinois of between \$70 and \$90. The Commission said the video gambling tax is likely to yield the State between \$287 million and \$534 million a year. In addition, the State will collect between \$6 million and \$10 million a year in annual fees on the manufacturers, distributors and operators of video gambling

terminals. Using those figures, the commission estimated a revenue range of \$345 million (45,000 machines at \$70 in play per day at 109 days per year) to \$640 million (65,000 machines at \$90 in play a day at 109 days per year).

Under this scenario, the City could generate between \$14.00 and \$18.00 per day: This is based on municipalities receiving one-sixth in net terminal income as demonstrated below:

	<u>Yield Estimate 1</u>	<u>Yield Estimate 2</u>
5/6 <sup>th</sup> State Capital Fund (25% of take)	\$70 per machine	\$90 per machine
1/6 <sup>th</sup> Municipalities (5% of take)	\$14 per machine	\$18 per machine

In the City of Crystal Lake, there are approximately 55 liquor license holders that allow for consumption on premises. Of these, there are an estimated 29 establishments that are identified establishments that would likely seek approval for a video gaming license. If all 29 establishments added 3 video gaming machines, there would be a total of 87 gaming machines in the City. Based on the Commission's revenue estimates, the City could potentially generate between \$132,762 and \$170,694 annually. However, if each establishment utilized the maximum allowable five gaming machines, then these estimates would increase.

Nevertheless, at this point it is difficult to estimate what amount of revenue the City could generate under this Act. The Illinois Distilled Spirits Council issued a report arguing that the estimates provided by the State are conservative and that gaming revenue estimates should be higher.

As indicated above, the legislation allows for municipalities to pass an ordinance to prohibit video gaming within their jurisdiction. Also, residents who oppose video gaming can get a referendum on the ballot with petitions signed by 25% of voters who voted in previous elections. A simple majority would need to vote yes to then prohibit video gaming in the community.

Any municipality that passes an ordinance or referendum that prohibits video gaming would not receive video gaming revenue.

**Recommendation:**

If the City Council does not wish to opt out of video gaming, then it is recommended that Option 1 be considered. For video gaming terminal licenses, the annual fees would be \$250 for each machine operated. If, however, the City Council wishes to prohibit video gaming, it is recommend that Option 2 be considered to expressly prohibit gambling, except gambling that is legally allowed under the Illinois Charitable Gambling Act. Currently, 147 communities and 6 counties have expressly banned video poker. This matter is for discussion purposes only. It is anticipated that formal selection of either of the two options will be placed on the June 5, 2012 City Council meeting agenda.

**Votes Required to Pass:**

Discussion Purposes Only

OPTION 1



DRAFT

**ORDINANCE AMENDING THE CRYSTAL LAKE CITY CODE  
RELATED TO VIDEO GAMING DEVICES**

WHEREAS, the Illinois Video Gaming Act, 230 ILCS 40/1 *et seq.* (the "State Act"), permits the operation of video gaming terminals in certain establishments throughout Illinois, at which players can make cash wagers and play electronic casino-style games, subject to state regulation; and

WHEREAS, the State Act allows municipalities to prohibit video gaming within their corporate limits either by ordinance, 230 ILCS 40/27, or by referendum, 230 ILCS 40/70; and

WHEREAS, the Mayor and City Council have determined that it is in the best interests of the City and its residents to permit video gaming within the City, subject to regulation and licensing as provided in the State Act; and

WHEREAS, the Mayor and City Council have further determined that it is appropriate to amend various sections of the Crystal Lake City Code to clarify that video gaming devices are permitted within the City, provided that such devices are operated and maintained in accordance with the State Act;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Crystal Lake, McHenry County and State of Illinois, as follows:

Section 1. Recitals. The foregoing recitals are incorporated into this Ordinance as findings of the Mayor and City Council.

Section 2. Amendment of City Code Section 162-1. Section 162-1, titled "Definitions," of Article I, titled "Mechanical Amusement Devices," of Chapter 162, titled "Amusement Devices," is hereby amended in part by changing the definitions of "Game Machine" and "Mechanical Amusement Device" in their entirety and adding a new definition of "Video Gaming Terminal," all as follows:

\* \* \*

GAME MACHINE: A mechanical amusement device of an upright, tabletop, or similar nature activated by use of a coin or token. The game machine may be operated wholly or partially by electrical or mechanical means, or a combination of these. Game machines do not include photo-type machines, juke boxes, or video gaming terminals maintained and operated in accordance with the Illinois Video Gaming Act, 230 ILCS 40/1 *et seq.*

\* \* \*

MECHANICAL AMUSEMENT DEVICE:

A. Each machine that, upon the insertion of a coin, trade-token, or slug, operates or may be operated as a game or contest of skill or amusement of any kind or description, and that contains no automatic payoff device for the return of money or trade-token or slugs, or that makes no provision whatever for the return of money to the player.

B. Any machine, apparatus, or contrivance that is used or that may be used as a game of skill and amusement wherein or whereby the player initiates, employs, or directs any force generated by the machine.

C. Mechanical amusement devices do not include video gaming terminals maintained and operated in accordance with the Illinois Video Gaming Act, 230 ILCS 40/1 et seq.

\* \* \*

VIDEO GAMING TERMINAL: Any electronic video game machine that is authorized by the Illinois Video Gaming Act, 230 ILCS 40/1 et seq. and, 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.

Section 3. Amendment of City Code Section 162-2. Section 162-2, titled "License," of Article I, title "Mechanical Amusement Devices," of Chapter 162, titled "Amusement Devices," is hereby amended in its entirety to read as follows:

**§ 162-2 LICENSE**

It shall be unlawful for any person, firm, or corporation to have any mechanical amusement device, game machine, or video gaming terminal as defined by this article as a business or in conjunction with any other business of the person, firm, or corporation, or to operate or maintain any such mechanical amusement or music device or game machine or video gaming terminal, without having first obtained the license therefor. Applications must be made to the City Manager or his or her designated representative.

Section 4. Amendment of City Code Section 162-3. Section 162-3, titled "Applications," of Article I, titled "Mechanical Amusement Devices," of Chapter 162, titled "Amusement Devices" is hereby amended in part to add a new Subsection (B)(12) as follows:

B. **[unchanged]** The application shall be under oath and shall state as follows:

\* \* \*

(12) If the applicant is seeking a video gaming terminal license, evidence that the applicant has obtained all licenses required by the Illinois Video Gaming Act, 230 ILCS 40/1 et seq., for the operation and maintenance of the proposed video gaming terminals.

Section 5. Amendment of City Code Section 162-5. Section 162-5, titled "Limitations of Licenses" of Article I, titled "Mechanical Amusement Devices," of Chapter 162, titled "Amusement Devices" is hereby amended in part to add a new Subsection J as follows:

J. This Section 162-5 does not apply to video gaming terminal licenses.

Section 6. Amendment of City Code Section 162-7. Section 162-7, titled "Minors," of Article I, titled "Mechanical Amusement Devices," of Chapter 162, titled "Amusement Devices" is hereby amended in its entirety to read as follows:

## **§ 162-7 MINORS**

No person under the age of 18 years may be allowed or permitted to play, use, or operate any game machine or mechanical amusement device licensed hereunder when in an establishment selling alcoholic liquor unless accompanied by an adult. No person under the age of 21 years may be permitted to play, use, or operate any video gaming terminal.

Section 7. Amendment of City Code Section 162-8. Section 162-8, titled "Mechanical Amusement Devices," of Article I, titled "Mechanical Amusement Devices," of Chapter 162, titled "Amusement Devices," is hereby amended in its entirety to read as follows:

## **§ 162-8 MECHANICAL AMUSEMENT DEVICES**

A. Mechanical amusement devices to be kept in plain view; certain gambling devices prohibited. All mechanical amusement devices must at all times be kept and placed in plain view of any person or persons who may frequent or be in any place of business where mechanical amusement devices are kept or used. Video gaming terminals must be located as provided by the Video Gaming Act, 230 ILCS 40/1 et seq.

B. The Mayor and City Council may revoke any license at any time that it is found that any licensee has kept, possessed, maintained, or allowed on the premises any gambling devices, or bookmaking or betting apparatuses, or any machine or game used for gambling purposes, except video gaming terminals maintained and operated in accordance with the Illinois Video Gaming Act, 230 ILCS 40/1 et seq., as proscribed by the Criminal Code, 720 ILCS 5/28-1 et seq., as heretofore or hereafter amended.

Section 8. Amendment to City Code Section 162-10. Subsection A of Section 162-10, titled "Classification of Licenses; Fees," of Article I, titled "Mechanical Amusement Devices," of Chapter 162, titled "Amusement Devices" is hereby amended in its entirety to read as follows:

A. The following tiered schedule applies to license fees:

(1) For gaming machine and mechanical amusement device licenses:



- (a) Tier 1, which includes all businesses with up to five machines. The annual fees shall be \$100 for each business owner or operator plus \$100 for each machine operated.
  - (b) Tier 2, which includes all businesses with six to 10 machines. The annual fees shall be \$250 for each business owner or operator plus \$100 for each machine operated.
  - (c) Tier 3, which shall consist of all businesses, with the exception of commercial recreation restaurants, with more than 10 machines. The annual fees shall be \$500 for each business owner or operator plus \$100 for each machine operated.
  - (d) Tier 4, which shall consist of all businesses herein defined as a commercial recreation restaurant. The annual fees shall be \$500 for each business owner or operator plus \$100 for each machine operated.
- (2) For video gaming terminal licenses, the annual fees shall be \$250 for each machine operated.

Section 9. Amendment of City Code Section 162-15. Section 162-15, titled "Definitions," of Article II, titled "Audiovisual Amusement Devices," of Chapter 162, titled "Amusement Devices," is hereby amended by changing the definition of "Game Machine" in its entirety to read as follows:

\* \* \*

**GAME MACHINE:** A mechanical amusement device of an upright, tabletop, or similar nature activated by use of a coin or token. The game machine may be operated wholly or partially by electrical or mechanical means, or a combination of these. Game machines shall not include video gaming terminals maintained and operated in accordance with the Illinois Video Gaming Act, 230 ILCS 40/1 et seq.

Section 10. Amendment to City Code Section 198-2. Section 198-2, titled "License Required," of Chapter 198, titled "Carnivals," is hereby amended in its entirety to read as follows:

**§ 198-2 LICENSE REQUIRED**

A. No person, firm, corporation, or association shall set up, conduct, or operate any carnival in the City without first securing a license therefor from the City Manager or a person the City Manager may designate. The license may be granted only on the condition that there shall not be set up or operated any gambling device, lottery, number or paddle wheel, number board, punch board, or other game of chance, except as permitted by the Illinois Video Gaming Act, 230 ILCS 40/1 et seq., or any lewd, lascivious, or indecent show or attraction making an indecent exposure of the person or suggesting lewdness or immorality.

B. All carnival requests require the approval of the Crystal Lake City Council.

Section 11. Amendment to City Code Section 329-3. Subsection (A)(9) of Section 329-3, titled "Applications," of Chapter 329, titled "Liquor Licenses," is hereby amended in its entirety to read as follows:

A. **[unchanged]** Applications for such licenses shall be made to the Local Liquor Control Commission in writing, signed by the applicant, or corporation, verified by oath or affidavit, and shall contain the following information and statements:

\* \* \*

(9) A statement that the applicant will not allow gambling devices or gambling on the premises, except video gaming terminals maintained and operated in accordance with the Illinois Video Gaming Act, 230 ILCS 40/1 et seq.

\* \* \*

Section 12. Amendment to City Code Section 329-22. Section 329-22, titled "Revocation of License for Gambling Offenses," of Chapter 329, titled "Liquor Licenses," is hereby amended in its entirety to read as follows:

**§ 329-22 LIQUOR LICENSES**

The Crystal Lake Liquor Control Commissioner may revoke any license at any time it is found that any licensee shall keep, possess, maintain, or allow on the premises any gambling devices, or bookmaking or betting apparatus, or any machine or game used for gambling purposes, except video gaming terminals maintained and operated in accordance with the Illinois Video Gaming Act, 230 ILCS 40/1 et seq, as proscribed by 720 ILCS 5/28-1 et seq., as heretofore or hereafter amended.

Section 13. Amendment to City Code Section 364-4. Subsection (E) of Section 364-4, titled "Definitions," of Chapter 364, titled "Nuisances," is hereby amended in its entirety to read as follows:

**CHRONIC NUISANCE PROPERTY**

**[unchanged]** Property upon which three or more instances of any one or any combination of the behaviors listed below have occurred during any 120-day period, as a result of any three separate factual events that have been independently investigated by any law enforcement agency:

\* \* \*

E. Gambling as defined in 720 ILCS 5/28-1. As provided by State law, "gambling" does not include the operation of video gaming terminal games when conducted in accordance with the Illinois Video Gaming Act, 230 ILCS 40/1, et seq.

\* \* \*

Section 14. Amendment to City Code Section 408-3. Subsection (I) of Section 408-3, titled "Application for License," of Chapter 408, titled "Raffles," is hereby amended in its entirety to read as follows:

[unchanged] Applications for such licenses shall be made to the City Manager or his/her designated representative, signed by the applicant or its duly authorized representatives and verified by oath or affidavit, and shall contain the following information and statements

\* \* \*

I. A statement that the applicant will not allow gambling devices or gambling on the premises where the drawing will be held, except video gaming terminals that are maintained and operated in accordance with the Illinois Video Gaming Act, 230 ILCS 40/1 et seq.

\* \* \*

Section 15. Effective Date. This Ordinance shall be in full force and effect from and after its passage and approval according to law.

DATED at Crystal Lake, Illinois, this 5<sup>th</sup> day of June 2012.

APPROVED:

\_\_\_\_\_  
Aaron T. Shepley, Mayor

ATTEST:

\_\_\_\_\_  
Nick Kachiroubas, City Clerk

PASSED: June 5, 2012

APPROVED: June 5, 2012

Published in pamphlet form by the authority of the Mayor and City Council of the City of Crystal Lake.

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OPTION 2



CITY OF CRYSTAL LAKE

ORDINANCE NO.

AN ORDINANCE AMENDING  
CRYSTAL LAKE CITY CODE REGARDING GAMBLING

WHEREAS, the Video Gaming Act, 230 ILCS 40/1, *et seq.* (the "*Video Gaming Act*") allows the use of video gaming terminals in certain establishments throughout the State; and

WHEREAS, Section 5 of the Video Gaming Act defines video gaming terminals as "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, as authorized by the Board 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;" and

WHEREAS, Section 27 of the Video Gaming Act provides that a municipality may pass an ordinance prohibiting video gaming within the corporate limits of the municipality; and

WHEREAS, Sections of the Crystal Lake City Code generally prohibit gambling within the City limits; and

WHEREAS, to ensure that the City's current policy extends to video gaming terminals, the Mayor and City Council of the City of Crystal Lake have determined that the best interests of the City and its residents will be served by amending the City Code to expressly prohibit video gaming terminals as defined in the Video Gaming Act;

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE, COUNTY OF MCHENRY, STATE OF ILLINOIS, as follows:

**SECTION ONE: Recitals.** The foregoing recitals are by this reference incorporated into and made a part of this Ordinance as if fully set forth.

**SECTION TWO: Amendment of City Code.** The City Code is hereby amended to add Chapter 268, titled "Gambling" as follows:

Chapter 268  
Gambling

\* \* \*

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§ 268-1. **Gambling Places and Devices.**

It shall be unlawful for any person to keep a place for gambling in any building, booth, yard, garden, boat, or float used or occupied by himself or his agent, or to procure or permit any persons to frequent or to come together to play for money or other valuable things at any game in any such building, booth, yard, garden, boat, or float. It shall also be unlawful for any person to possess or use any table, device, or paraphernalia or other apparatus for playing any game or sport for money or any valuable thing, or keep or allow to be used or rented any such place for gambling purposes. For purposes of the foregoing sentence, a "device" for gambling purposes includes without limitation any video gaming terminal, as defined in the Video Gaming Act, 230 ILCS 40/5; or any mechanism, furniture, fixture, equipment or other device designed primarily for use in a gambling place. A "device" for gambling purposes does not include:

- (a) A coin-in-the-slot operated mechanical device played for amusement which rewards the player with the right to replay such mechanical device, which device is so constructed or devised as to make such result of the operation thereof depend in part upon the skill of the player and which returns to the player thereof no money, property or right to receive money or property.
- (b) Vending machines by which full and adequate return is made for the money invested and in which there is no element of chance or hazard.

§ 268-2. **Charitable Games Act.**

Nothing in this Chapter will restrict gambling places and devices if authorized under the Charitable Games Act, 230 ILCS 30.

**SECTION THREE: Effective Date.** This Ordinance shall be in full force and effect following its passage, approval, and publication in pamphlet form in the manner provided by law.

DATED this 5<sup>th</sup> day of June, 2012

CITY OF CRYSTAL LAKE, an  
Illinois municipal corporation,

By: \_\_\_\_\_  
MAYOR

SEAL  
ATTEST

\_\_\_\_\_  
CITY CLERK

PASSED: June 5, 2012  
APPROVED: June 5, 2012