BACKGROUND SUMMARY: On September 20, 2011, the Council adopted Ordinance 2011-L imposing a 180 day moratorium on the issuance of any Business Tax License, Permit, Conditional Use Approval, Site Plan Approval, or other official action for permitting or allowing the construction and/or operation of businesses related to Game Rooms, Arcades, Internet Cafes, Sweepstakes Redemption Centers, Establishments using slot machines or slot machine-like equipment and similar indoor entertainment.

Ordinance 2012-A was adopted on March 6, 2012 for a ninety day period which sunset on June 6, 2012. Ordinance 2012-H, adopted on June 19, 2012, extended the temporary moratorium for an additional ninety (90) day period.

The Lake County Board of County Commissioners (BCC) adopted Ordinance 2012-5 on January 24, 2012, enacting a 180 day moratorium on internet cafes with simulated gambling. Subsequently, on July 10, 2012 the BCC adopted Ordinance 2012-46 extending the moratorium for a one year period. The back-up materials furnished to the BCC sited two reasons for the recommendation of the one year extension: 1) the 2012 Florida Legislative Session did not adopt legislation regulating or prohibiting simulated gambling establishments, but bills may be considered in the 2013 session; and 2) Seminole County has banned simulated gambling establishments and this ban has been challenged in the U.S. Courts; a decision is likely within the next 365 days.

The City Attorney is of the opinion that it would be prudent for Umatilla to further extend its moratorium in order to be consistent with the direction chosen by Lake County. This extension is for a moratorium on adult themed gambling only and will allow for quality family/children arcade type activity such as “Chucky Cheese, Inc.”

The temporary moratorium set forth in this Ordinance will terminate on September 18, 2013. The City will accept no applications or act on pending applications which are subject to the moratorium during this time frame.
**STAFF RECOMMENDATIONS:** Approval of Ordinance 2012 – J, Extension of Moratorium

**FISCAL IMPACTS:** N/A

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AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UMATILLA, FLORIDA, EXTENDING A TEMPORARY MORATORIUM IMPOSED BY ORDINANCE 2011 – L, ORDINANCE 2012 – A, AND ORDINANCE 2012 - H AS IT APPLIES TO THE ISSUANCE OF ANY BUSINESS TAX LICENSE, PERMIT, CONDITIONAL USE APPROVAL, SITE PLAN APPROVAL AND ANY OTHER OFFICIAL ACTION OF THE CITY OF UMATILLA, FLORIDA HAVING THE EFFECT OF PERMITTING OR ALLOWING THE CONSTRUCTION AND/OR OPERATION OF INTERNET CAFÉS, INTERNET SWEEPSTAKES REDEMPTION CENTERS, OR ADULT ARCADE AMUSEMENT CENTERS UTILIZING SIMULATED GAMBLING DEVICES OR SLOT MACHINES, THROUGH SEPTEMBER 18, 2013, PENDING THE APPROVAL OF REGULATIONS PERTAINING THERETO; PROVIDING LEGISLATIVE FINDINGS; PROVIDING THE DURATION; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council is aware of the opening of several businesses in the City, adjoining and surrounding cities, and in Lake County that simulate a casino-type gambling atmosphere, utilizing electronic machines/computers that have the appearance of gambling devices that are used in casinos. These businesses are typically described as game rooms, internet cafes, sweepstakes redemption centers, and arcade amusement centers; and

WHEREAS, on September 20, 2011, the City Council approved Ordinance 2011 - L imposing a temporary moratorium for a period of one hundred and eighty (180) days on the issuance of any business tax license, permit, conditional use approval, site plan approval and any other official action of the City of Umatilla having the effect of permitting or allowing the construction and/or operation of certain businesses within the City of Umatilla related to game rooms, arcades, internet cafes, sweepstakes redemption centers, establishments using slot machines or slot machine-like equipment and similar indoor entertainment and amusement activities; and

WHEREAS, Section Four (b) of Ordinance 2011 - L provides that the City Council may extend the temporary moratorium upon a finding that the problems giving rise to the need for the temporary moratorium continue to exist and that reasonable progress is being made in carrying out a specific and prompt plan of corrective action and that additional time is needed to adequately address the issues; and

WHEREAS, the City Council of the City of Umatilla extended the temporary moratorium imposed by Ordinance 2011 - L for a period of ninety (90) days pursuant to Ordinance 2012 - A; and

WHEREAS, the City Council of the City of Umatilla extended the temporary moratorium imposed by Ordinance 2012 - A for a period of ninety (90) days pursuant to Ordinance 2012 - H; and

WHEREAS, on July 19, 2011, the Attorney General for the State of Florida issued a legal opinion (AGO 2011-14) to the Honorable Glenn Hess, State Attorney for the 14th Judicial Circuit of Florida, providing that electronic games that simulate gambling devices (similar to those that are subject to the City’s temporary moratorium) constitute illegal slot machines or devices; and

WHEREAS, the City Council previously determined and continues to believe that there is a compelling local interest in addressing the harmful effects caused to its citizens as a result of the
proliferation of electronic machines and devices that promote gambling and a gambling/casino atmosphere; and

WHEREAS, Lake County passed its Ordinance 2012-46 on July 10, 2012, which imposed a 365-day temporary moratorium on the acceptance of applications for, the processing of, and the issuance or approval of any business tax receipt, zoning clearance, rezoning, permit, conditional use permit, site plan, or any other official action of Lake County permitting or having the effect of permitting the construction and/or operation of new simulated gambling establishments; and

WHEREAS, the City of Umatilla finds it may be in the City’s best interests to enact land development regulations concerning internet cafes and simulated gambling establishments that are consistent with those adopted by Lake County; and

WHEREAS, a continuation of the temporary moratorium is required to preserve the status quo while the City develops and implements regulations pertaining to such activities, minimizing the potential negative impacts and secondary effects on abutting properties, property values, community and neighborhood preservation, and possible harm to the City’s economic and redevelopment activities; and to prevent the possible creation of nuisance properties, increased crime, or other significant and adverse effects on the public health, safety, morals and welfare of the citizens of the City of Umatilla; and

WHEREAS, based on the foregoing, the City Council has determined that the problems giving rise to the need for the temporary moratorium continue to exist and that reasonable progress is being made in carrying out a specific and prompt plan of corrective action and that additional time is needed to adequately address the issues.

NOW THEREFORE, be it ordained by the City Council of the City of Umatilla, Florida:

Section 1. RECITALS. The foregoing findings are incorporated herein by reference and made a part hereof.

Section 2. FINDINGS. The City Council hereby determines that internet cafes, sweepstakes redemption centers, and adult arcade amusement centers utilizing simulated gambling devices or slot machines continue to present possible harm to the City’s economic and redevelopment activities and potential negative impacts on abutting properties, property values, and community and neighborhood preservation. Accordingly, the City Council finds that the temporary moratorium imposed pursuant to Ordinance 2011 – L, Ordinance 2012 – A, and Ordinance 2012 - H should be extended as they apply to internet cafes, sweepstakes redemption centers, and adult arcade amusement centers utilizing simulated gambling devices or slot machines in order to facilitate the City’s progress in carrying out a specific and prompt plan of corrective legislative action.

Section 3. TEMPORARY MORATORIUM UPON THE ISSUANCE OF ANY BUSINESS TAX LICENSE, PERMIT, CONDITIONAL USE APPROVAL, SITE PLAN APPROVAL AND ANY OTHER OFFICIAL ACTION OF THE CITY OF UMATILLA, FLORIDA HAVING THE EFFECT OF PERMITTING OR ALLOWING THE CONSTRUCTION AND/OR OPERATION OF INTERNET CAFES, INTERNET SWEEPSTAKES REDEMPTION CENTERS, OR ADULT ARCADE AMUSEMENT CENTERS UTILIZING SIMULATED GAMBLING DEVICES OR SLOT MACHINES.

All activities relating to the acceptance, review, and action upon permit applications for internet cafes, internet sweepstakes redemption centers, or adult arcade amusement centers utilizing simulated gambling devices or slot machines are temporarily suspended in order for the City of Umatilla, Florida,
through its officials and staff, to have adequate time and opportunity to conduct a study or studies and
comprehensively analyze the adequacy of application criteria, standards, and other approved processes
and procedures related to the issuance of said permits within the City. Accordingly, based upon the
foregoing, there is hereby imposed a temporary moratorium on the receipt and/or acting upon applications
for licenses for internet cafes, internet sweepstakes redemption centers, or adult arcade amusement
centers utilizing gambling devices or slot machines.

During the time the temporary moratorium is in effect, the City will accept no applications or act
on any pending applications for permits or business tax receipts for such activities and no such new
activities shall be permissible within the City. It is unlawful for any person or entity to engage in the
activities that are the subjects of the Ordinance without first obtaining a business tax receipt or permit for
such activities. During the period of time that the temporary moratorium is in effect, the City shall not
accept payments of the business tax for such activities and shall return any funds accepted for pending
applications.

Section 4. GEOGRAPHIC AREA COVERED. The temporary moratorium established
in this Ordinance shall be effective in the corporate and municipal boundaries of the City of Umatilla,
Florida.

Section 5. IMPOSITION OF MORATORIUM.

(a) The temporary moratorium set forth in this Ordinance shall take effect immediately upon
and simultaneously with the cessation of that temporary moratorium imposed by Ordinance 2011 - L and
extended by Ordinance 2012 – A and Ordinance 2012 - H and shall terminate on September 18, 2013.
The City will accept no applications or act on pending applications which are subject to the moratorium.

(b) The City Council may extend the temporary moratorium established in this Ordinance for
additional periods upon a finding by the City Council set forth in the Ordinance that the problems giving
rise to the need for the temporary moratorium established herein continue to exist and that reasonable
progress is being made in carrying out a specific and prompt plan of corrective legislative action, but that
additional time is reasonably needed to adequately address the issues facing the City.

Section 6. SEVERABILITY.

If any section or portion of a section of this Ordinance proves to be invalid, unlawful, or
unconstitutional, it shall not be held to invalidate or impair the validity, force, or effect of any other
Section or part of this Ordinance.

Section 7. CONFLICTS.

This Ordinance shall stand repealed as of September 18, 2013, unless sooner repealed; provided,
however, nothing herein shall prevent the extension, re-adoptions or ratification of this Ordinance in the
same or similar form.

Section 8. EFFECTIVE DATE.

This Ordinance shall take effect immediately upon its adoption by the City Council of the City of
Umatilla, Florida.

PASSED AND ORDAINED this ____ day of September, 2012, by the City Council of the City of
Umatilla, Florida.
PETER TARBY
ACTING MAYOR

Attest: Glenn A. Irby
City Manager

Approved as to form:
Katrina Stone/Lewis Stone/Scott Gerkin
City Attorney

Passed First Reading:
Passed Second Reading:

[Seal]