



MEMORANDUM

TO: City Council

FROM: Richard Olson, City Manager

DATE: January 14, 2013

REF: Call for a Public hearing – CUP 01-12 Request of the City of Elizabeth City to rescind conditional use permit of Cyberworld (Kevin Stroud and Eric Rainwater) to operate an internet sweepstakes café at 900 W. Ehringhaus Street.

PREPARED BY: June C. Brooks, Planning & Community Development

BACKGROUND:

In June of 2012, City Council approved a conditional use permit for Kevin Stroud and Eric Rainwater to operate an internet sweepstakes café at 900 W. Ehringhaus Street. With the recent ruling of the North Carolina Supreme Court making internet sweepstakes gambling illegal in North Carolina, staff is requesting that CUP-01-12 be rescinded.

ANALYSIS:

Since October 2010, the State of North Carolina has been in litigation as to the legality of internet sweepstakes gambling. The North Carolina Supreme Court ruled in December, 2012 this type of use is illegal in North Carolina and that such uses had to cease operations by January 3, 2013. While these businesses have ceased operating, staff is of the opinion that the conditional use permits should be rescinded in order to eliminate any questions that the City would allow such uses.

Staff Recommendation:

Hold a public hearing at your January 28, 2013 City Council meeting to rescind CUP-01-12.