

VILLAGE OF DOWNERS GROVE
Report for the Village
9/10/2019

SUBJECT:	SUBMITTED BY:
Zoning Regulations for Cannabis Based Businesses	Stan Popovich, AICP Director of Community Development

SYNOPSIS

Staff is requesting Village Council discussion to consider zoning regulations for cannabis based businesses.

STRATEGIC PLAN ALIGNMENT

The goals for 2017-2019 includes a *Strong, Diverse Local Economy* and *Stewards of Financial Sustainability*.

FISCAL IMPACT

Municipalities may enact up to a 3% tax on gross sales of adult-use cannabis. Preliminary revenue projections are shown in the slide deck. Permitting cannabis based business establishments in the Village does not guarantee that a cannabis based business establishment will locate within the Village and does not guarantee that any revenue will be generated. Staff recommends that revenue projections be prepared at such time a cannabis based business begins to operate in the Village.

UPDATE & RECOMMENDATION

This item was discussed at the August 20 and September 3, 2019 Village Council meetings. Placed on the September 10, 2019 active agenda:

Motion to “direct staff to prepare amendments to the Zoning Ordinance for Plan Commission review and consideration at a public hearing, to include the following:

- Categorize Cannabis Dispensaries as a Special Use in the B-2, B-3, ORM, M-1 and M-2 Zoning Districts
- Categories All Other Cannabis Businesses as a Special Use in the ORM, M-1 and M-2 Zoning Districts
- Other Regulations for Cannabis Business
 - Not adjacent to residentially zoned properties
 - Must be located **1,000 feet or 1,300 feet** from schools, parks and daycares (Plan Commission to discuss these distance regulation options)
 - A dispensary must not be within 1,500 feet of another dispensary
 - A maximum of three Special Use permits for all cannabis businesses shall be issued”

BACKGROUND

The Village Council began consideration of regulations and taxes on cannabis based businesses during their [August 20, 2019 meeting](#) and directed staff to prepare additional information to consider allowing cannabis based businesses within the Village. Staff has attached the following information for Village Council consideration:

- Zoning of Cannabis Based Businesses Slide Show Summary Document
- Police Department Memo

Staff has also prepared a cannabis related resource library with links to articles that are shown on the following pages.

GOVERNMENT RESOURCES		
Article Link	Organization Name	Topic
Illinois - Adult Use Cannabis Summary	State of Illinois	General
National Discussion on Measuring Marijuana Impacts	City of Denver	General
Impacts of Marijuana Legalization in Colorado <ul style="list-style-type: none"> • Summary of Report • Denver Post Article on Report 	Colorado Division of Criminal Justice	General
Colorado 2018 Sunset Reviews: Medical Marijuana Code Retail Marijuana Code	Colorado Department of Regulatory Agencies	General
The Legalization of Marijuana in Colorado: The Impact	Rocky Mountain High Intensity Drug Trafficking Area	General
Market Size and Demand for Marijuana in Colorado: <ul style="list-style-type: none"> • Summary 	Marijuana Policy Group (Commissioned by Colorado Department of Revenue)	Financial
<ul style="list-style-type: none"> • CDOR Marijuana Sales Reports • CDOR Marijuana Tax Reports 	Colorado Department of Revenue	Financial
<ul style="list-style-type: none"> • Statistics from Oregon Marijuana Tax Returns • Monthly Marijuana Tax Payments 	Oregon Department of Revenue	Financial
Recreational Marijuana Supply and Demand: Legislative Report	Oregon Liquor Control Commission	Financial
Adverse Health Effects of Marijuana Use	Department of Health and Human Services	Health
Boulder Police Department Marijuana Information	City of Boulder	Police Ops
Potential Impact of Cannabis Dispensaries On Police Operations	Village of Lombard	Police Ops
Drivers' Use of Marijuana in Washington State	National Highway Traffic Safety Administration	Police Ops
Zoning Issues Related to Recreational Cannabis	Village of Lombard	Zoning
Zoning for Medical Marijuana in the City of Grand Rapids	City of Grand Rapids	Zoning
Is Cannabis Addictive? Cannabis Evidence Brief	Canadian Public Health Association	Health
The Cannabis Conversation	Colorado Department of Transportation	Police Ops

PROFESSIONAL TRADE RESOURCES		
The Financial Impact of Legalizing Marijuana in Illinois	Illinois Economic Policy Institute	Financial
Taxing Cannabis	Institute on Taxation and Economic Policy	Financial
The Health Effects of Cannabis and Cannabinoids - Report Highlights	The National Academy of Science, Engineering, and Medicine	Health
Impact of the Legalization and Decriminalization of Marijuana on the DWI System	Governors Highway Safety Association	Police Ops
Local Impacts of Commercial Cannabis	ICMA	General
AAN Position: The Use of Medical Marijuana for Neurological Disorders	American Academy of Neurology	Health
Regulating Medical and Recreational Marijuana Land Use	American Planning Association	Zoning
SCHOLARLY RESOURCES		
Association of Marijuana Laws With Teen Marijuana Use • AP News Article with quotes from author	American Medical Association (JAMA Pediatrics)	Health
Cannabis and Pain: A Clinical Review	Cannabis and Cannabinoid Research	Health
Cannabis in Homes with Children: Use and Storage Practices in a Legalized State	The BMJ	Health
The Social Impacts of Cannabis Legalization in Oregon: A Case Study	Portland State University	Social
Zoning, Race, and Marijuana	Lewis and Clark Law Review	Zoning
Marijuana and the Psychiatric Patient	Psychiatric Times	Health
The Effect of Cannabis Compared with Alcohol on Driving	National Center for Biotechnology Information	Health
OTHER RESOURCES		
Senator Steans Adult Use Cannabis Resource	Illinois State Senator Steans	General
DEA Again Promises to Improve Access to Marijuana to Research	The Scientist	Health
How Illinois Cannabis Law Aims to Reduce Violence and Restore Communities	The Chicago Community Trust	Social
Is Cannabis Addictive?	PotGuide.com	Health

<u>Cannabis Use Disorder or Problematic Marijuana Use</u>	<u>Verywellmind.com</u>	Health
<u>Is Marijuana Addictive?</u>	<u>Verywellmind.com</u>	Health

ATTACHMENTS

Zoning of Cannabis Based Business Slide Show
Police Department Memo

VILLAGE OF DOWNERS GROVE
COUNCIL ACTION SUMMARY

INITIATED: Village Attorney DATE: September 10, 2019
(Name)

RECOMMENDATION FROM: FILE REF:
(Board or Department)

NATURE OF ACTION:

- Ordinance
Resolution
[X] Motion
Other

STEPS NEEDED TO IMPLEMENT ACTION:

- Motion to "direct staff to prepare amendments to the Zoning Ordinance for Plan Commission review and consideration at a public hearing, to include the following:
• Categorize Cannabis Dispensaries as a Special Use in the B-2, B-3, ORM, M-1 and M-2 Zoning Districts.
• Categorize All Other Cannabis Businesses as a Special Use in the ORM, M-1 and M-2 Zoning Districts.
• Other Regulations for Cannabis Businesses
o Not adjacent to residentially zoned properties
o Must be located 1,000 feet or 1,300 feet from schools, parks and daycares (Plan Commission to discuss these distance regulation options)
o A dispensary must not be within 1500 feet of another dispensary
o A maximum of three Special Use permits for all cannabis businesses shall be issued"

SUMMARY OF ITEM:

[Handwritten signature]

Adoption of this motion will direct staff to prepare text amendment to the zoning ordinance for Plan Commission consideration.

RECORD OF ACTION TAKEN:

[Blank lines for recording action taken]

Zoning of Cannabis Based Businesses

— September 3, 2019 —

Zoning of Cannabis Based Businesses

Cannabis Business Descriptions

Illinois Licensing Requirements

Status of other DuPage County Municipalities

Just a Zoning Idea and Mapping it Out

Public Safety Impacts

Cannabis Business Descriptions

Dispensary

Description	Sells cannabis items to the public
Approximate Size	2,000 - 4,000 sq ft
Similar To	Retail sales / convenience goods
Potential Zoning Impacts	Odor, parking and traffic similar to fast food restaurant
Potential Annual Sales	\$7-10 Million
Potential Existing Retail Sales Tax Revenue (2%)	\$140,000 - \$200,000
Additional Municipal 3% Allowed by State (Total 5%)	\$350,000 - \$500,000



Cannabis Business Descriptions

Cultivation

Description	Grows and processes cannabis Wholesales to dispensaries No on-site sales Could include processing & transportation
Approximate Size	210,000 sq ft maximum
Similar To	General industrial
Potential Zoning Impacts	Odor, parking and traffic similar to industrial manufacturing uses
Potential Annual Sales	N/A



Cannabis Business Descriptions

Processor

Description	Converts raw product to final product No on-site sales
Approximate Size	Varies
Similar To	Limited industrial
Potential Zoning Impacts	Odor, parking and traffic similar to industrial manufacturing uses
Potential Annual Sales	N/A



Cannabis Business Descriptions

Transporter

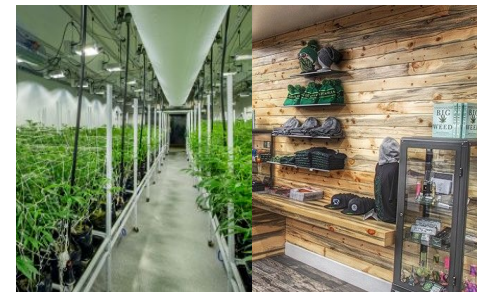
Description	Transports cannabis between one cannabis business and another No on-site sales
Approximate Size	Varies
Similar To	Trucking / transportation terminal
Potential Zoning Impacts	Odor (fuel), parking and traffic similar to a trucking business
Potential Annual Sales	N/A



Cannabis Business Descriptions

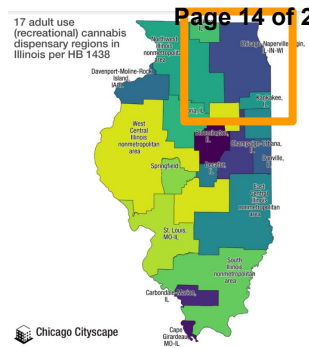
Craft Grower

Description	Grows and processes cannabis Wholesales to dispensaries On-site sales Could include dispensing, processing & transportation
Approximate Size	5,000 - 14,000 sq ft (cultivation only) + dispensary (varies)
Similar To	Artisan Industrial
Potential Zoning Impacts	Odor, parking and traffic similar to a microbrewery
Potential Sales	Varies
Potential Existing Retail Sales Tax Revenue (2%)	Varies
Additional Municipal 3% Allowed by State (Total 5%)	Varies

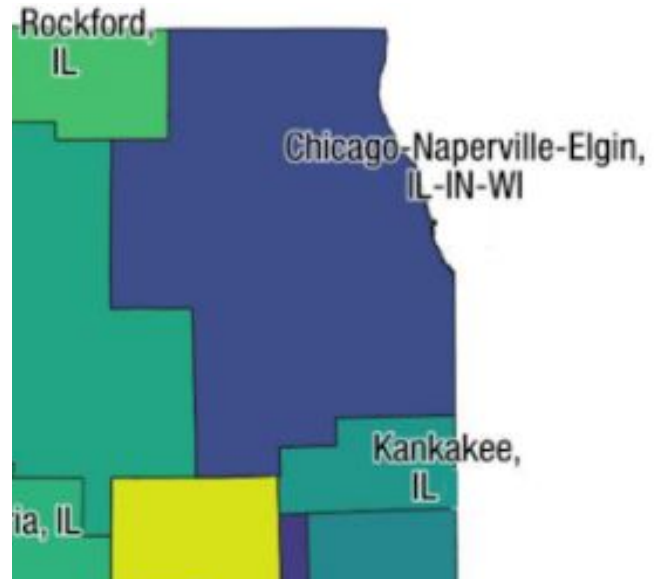


Illinois Licensing Requirements

New Licenses



Available Licenses for Recreational Cannabis Businesses by 7/1/2020		
Recreational License Type	Available State-Wide	Available Chicago-Naperville-Elgin Region
Dispensaries	130	80
Cultivation Centers	0	0
Craft Growers	40	25
Processors	40	25
Transporters	No Limit	No Limit



DuPage County

Status of Community Regulations

To date only Villa Park has opted in to permit as a special use.

Most other communities are within the decision making process.

Just a Zoning Idea....

Cannabis Use Type [1]	Business Zoning Districts				
	B-2	B-3	O-R-M	M-1	M-2
Cannabis Dispensary	S	S	S	S	S
Other Cannabis Based Businesses (Cultivation, Processor, Transporter, Craft Grower)	-	-	S	S	S
[1] Not adjacent to residential Not within 1,000 feet of a daycare, school or park Per State Law, a dispensary may not be within 1,500 feet of another dispensary					
Cannabis Based Business Special Use Permits limited to Three					
The Village has the right to impose hours of operations on Cannabis Based Businesses within the Village					

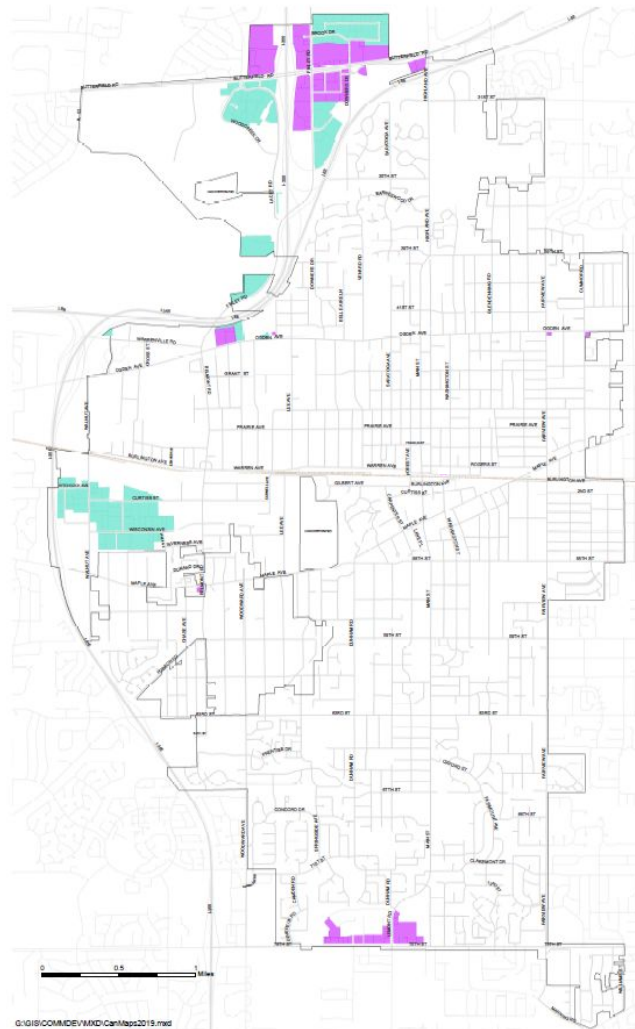
S Special Use
 - Prohibited

Mapping This Out

1,000 ft separation distance

 All Cannabis Related Uses
Including Dispensaries

 Limited to Dispensary *ONLY*

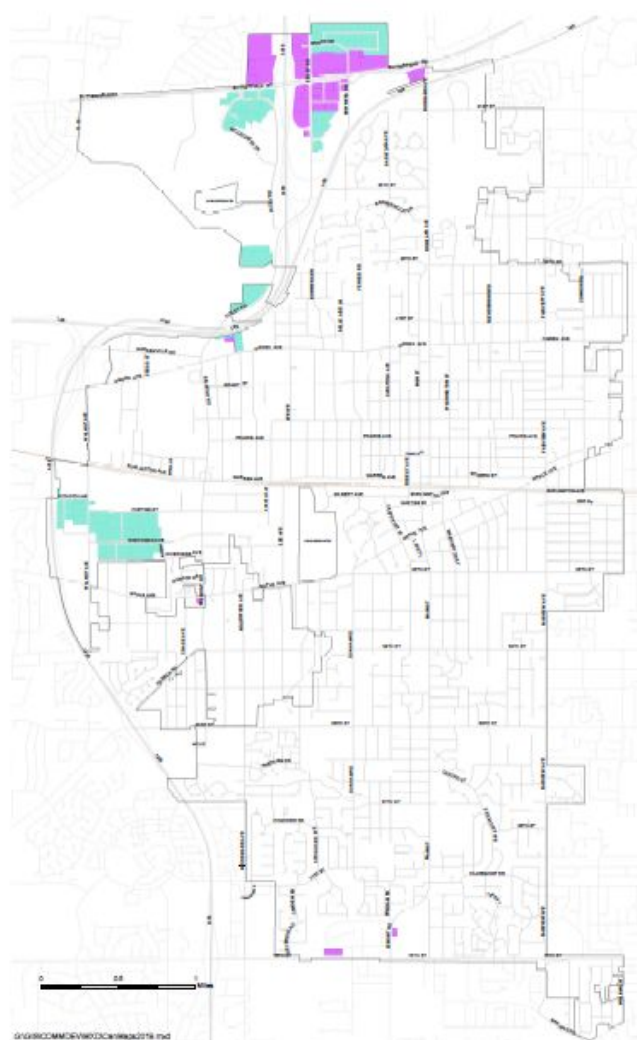


Mapping This Out

1,300 ft separation distance

 All Cannabis Related Uses
Including Dispensaries

 Limited to Dispensary *ONLY*



Public Safety Impact

Potential Incremental Impacts

DUI Enforcement

- Potential increase in local incidents of driving under the influence for those traveling to and from dispensaries

Other Enforcement Issues

- Potential increase in contributing to the delinquency of a minor investigations for those who provide marijuana to underage individuals, easier access for underage consumption
- Potential rise in illegal trafficking of product legitimately purchased from a licensed business

Dispensary Issues

- Dispensaries may be a potential target for burglaries due to the inventory and cash present on-site
- Potential for armed robberies in and around dispensaries - Marijuana is still illegal at the federal level. Therefore, marijuana dispensaries are often cash businesses, and could result in armed robberies
- The Downers Grove Police Department currently conducts undercover checks of liquor and tobacco licensees to enforce violations when a vendor sells to a minor. Additional resources will be required to develop policies and conduct such checks of DG dispensaries
- Security plans need to be established and monitored

Public Safety Impact

State Law Requirements

<p>Security plan that shows the process to ensure that access to the restricted access areas is restricted to registered agents, service professionals, transporting organization agents, Department inspectors, and security personnel.</p>	<p>Locked door or barrier between the entrance and limited access area</p>
<p>Store and dispense all cannabis from the restricted area when open, and store all cannabis and currency in a reinforced vault when closed</p>	<p>Proposed floor plan with security devices that includes cameras, motion detectors, servers, video storage capabilities.</p>
<p>Perimeter alarm on all entry points and sufficient lighting to ensure surveillance in addition to a panic alarm button</p>	<p>Mandatory licensed private security contractor</p>
<p>Ability to have power during a power outage, and all access to doors are not solely electronic</p>	<p>Plan for record keeping and inventory, including a communication plan with the State Police for the destruction of cannabis</p>
<p>Security plan that shows the controls to monitor the dispensary, secure the premises, agents and currency, and to prevent the diversion, theft or loss of cannabis</p>	

Zoning of Cannabis Based Businesses

— September 3, 2019 —

MEMORANDUM

To: David Fieldman, Village Manager
From: Shanon Gillette, Police Chief
Re: **Discussion of the impact on public safety in relation to cannabis businesses obtaining zoning approval in Downers Grove, IL.**
Date: August 29, 2019

The State of Illinois has legalized the use of recreational marijuana beginning January 1, 2020. The following document contains preliminary issues that should be considered in light of zoning approval for cannabis businesses in Downers Grove. There is little research on the long-term implications of the law enforcement impacts of zoning approval for cannabis businesses, however, the Police Foundation, in cooperation with the Colorado Association of Chiefs of Police, published a report in 2015 which discussed the impact of the legalization of recreational marijuana on Colorado public safety. This report served as the primary source document for the information that follows, and can be found here:

[Legalized Marijuana: A Practical Guide for Law Enforcement](#)

The full text of House Bill 1438 and amended statutes can be found here:

[House Bill 1438](#)

Potential law enforcement impacts in light of zoning approval for cannabis businesses include:

DUI enforcement

- Potential increase in local incidents of driving under the influence for those traveling to and from dispensaries

Other enforcement issues

- Potential increase in contributing to the delinquency of a minor investigations for those who provide marijuana to underage individuals, easier access for underage consumption
- Potential rise in illegal trafficking of product legitimately purchased from a licensed business

Dispensary issues

- Dispensaries may be a potential target for burglaries due to the inventory and cash present on-site
- Potential for armed robberies in and around dispensaries - Marijuana is still illegal at the federal level. Therefore, marijuana dispensaries are often cash businesses, and could result in armed robberies
- The Downers Grove Police Department currently conducts undercover checks of liquor and tobacco licensees to enforce violations when a vendor sells to a minor. Additional resources will be required to develop policies and conduct such checks of DG dispensaries
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