

VILLAGE OF DOWNERS GROVE
Report for the Village
9/17/2019

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, September 3 and September 10, 2019 Village Council meetings.

At the September 10, 2019 Village Council meeting, the Village Council approved a motion to direct staff to prepare an ordinance prohibiting adult-use cannabis business establishments (other than medical cannabis cultivation centers and dispensaries) from operating within the Village of Downers Grove. Approval of the attached Ordinance would prohibit adult use cannabis businesses in the Village. Action at the discretion of Village Council.

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

Cannabis Use Disorder or Problematic Marijuana Use	Verywellmind.com	Health
Is Marijuana Addictive?	Verywellmind.com	Health

ATTACHMENTS

Zoning of Cannabis Based Business Slide Show
Police Department Memo

Cannabis

ORDINANCE NO. _____**AN ORDINANCE PROHIBITING
ADULT USE CANNABIS BUSINESS ESTABLISHMENTS**

WHEREAS, the Village of Downers Grove ("Village") is a home rule unit of local government under the laws and Constitution of the State of Illinois; and

WHEREAS, the Village has the authority to adopt ordinances and to promulgate rules and regulations that pertain to its government and affairs and that protect the public health, safety and welfare of its citizens; and

WHEREAS, this Ordinance is adopted pursuant to the provisions of the Illinois Cannabis Regulation and Tax Act, Public Act 101-0027, which provides that the Village is authorized to prohibit the location of adult use cannabis business establishments within the Village; and

WHEREAS, the Village has determined that the operation of adult use cannabis business establishments may present adverse impacts upon the health, safety and welfare of the residents, and additional costs, burdens and impacts upon law enforcement and regulatory operations of the Village of Downers Grove; and

WHEREAS, the Village Council has determined that passage of this ordinance prohibiting the location of adult use cannabis business establishments within the Village is in the best interests of the Village and the public; and

WHEREAS, nothing herein shall be deemed to conflict with or in any way impede or impact the provisions set forth in the Village of Downers Grove Municipal Code pertaining to Medical Cannabis, including but not limited to Medical Cannabis Cultivation Centers and Medical Cannabis Dispensing Organizations.

BE IT ORDAINED by the Village Council of the Village of Downers Grove in DuPage County, Illinois, as follows: (Additions are indicated by **shading**/underline; deletions by ~~strikeout~~):

Section 1. That Section 8.2200ART. is hereby added to read as follows:**8.2200ART. ARTICLE XXII. Adult Use Cannabis Business Establishments****Section 2. That Section 8.2200SEC. is hereby added to read as follows:****8.2200SEC. Short Title.**

This Ordinance shall be known as, and may be referred to as the "Village of Downers Grove Adult Use Cannabis Business Establishment Ordinance".

Section 3. That Section 8.2201. is hereby added to read as follows:**8.2201. Findings and Purpose.**

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The Village Council hereby finds, as follows:

That the Illinois Cannabis Regulation and Tax Act, Public Act 101-0027, provides that the Village is authorized to prohibit the location of adult use cannabis business establishments within the Village; and

That the operation of adult use cannabis business establishments may present adverse impacts upon the health, safety and welfare of the residents, and additional costs, burdens and impacts upon law enforcement and regulatory operations of the Village of Downers Grove; and

That prohibiting the location of adult use cannabis business establishments within the Village is in the best interests of the Village and the public.

Section 4. That Section 8.2202. is hereby added to read as follows:

8.2202. Definitions.

The following words and phrases shall, for the purposes of this Chapter, have the meanings respectively ascribed to them by this section, as follows:

Adult Use Cannabis Business Establishments. Cannabis Business Establishments include: Adult Use Cannabis Cultivation Centers (not including Medical Cannabis Cultivation Centers as set forth in Chapter 28 of the Downers Grove Zoning Ordinance), Adult Use Cannabis Craft Growers, Adult Use Cannabis Processing Organizations, Adult Use Cannabis Infuser Organization or Infuser, Adult Use Cannabis Dispensing Organizations (not including Medical Cannabis Dispensing Organizations as set forth in Chapter 28 of the Downers Grove Zoning Ordinance), and Adult Use Cannabis Transporting Organizations.

Adult Use Cannabis Craft Grower. An Adult Use Cannabis Craft Grower is a facility operated by an organization or business that is licensed by the Illinois Department of Agriculture to cultivate, dry, cure and package cannabis and perform other necessary activities to make cannabis available for sale at a dispensing organization or use at a processing organization, per the definition of Craft Grower as set forth in the Cannabis Regulation and Tax Act, (P.A.101-0027), as may be amended from time-to-time, and regulations promulgated thereunder.

Adult Use Cannabis Cultivation Center. An Adult Use Cannabis Cultivation Center is facility operated by an organization or business that is licensed by the Illinois Department of Agriculture to cultivate, process, transport and perform necessary activities to provide cannabis and cannabis-infused products to licensed cannabis business establishments, per the definition of Cultivation Center as set forth in the Cannabis Regulation and Tax Act, (P.A.101-0027), as may be amended from time-to-time, and regulations promulgated thereunder. Adult Use Cannabis Cultivation Center does not include Medical Cannabis Cultivation Centers as set forth in Chapter 28 of the Downers Grove Zoning Ordinance.

Adult Use Cannabis Dispensing Organization. An Adult Use Cannabis Dispensing Organization is a facility operated by an organization or business that is licensed by the Illinois Department of Financial and Professional Regulation to acquire cannabis from licensed cannabis business establishments for the purpose of selling or dispensing cannabis, cannabis-infused products, cannabis seeds, paraphernalia or related supplies to purchasers or to qualified registered medical cannabis patients and caregivers, per the Cannabis Regulation and Tax Act, (P.A.101-0027), as may be amended from time-to-time, and regulations promulgated thereunder. Adult Use Cannabis Dispensing Organization does not include Medical Cannabis Dispensing Organizations as set forth in Chapter 28 of the Downers Grove Zoning Ordinance.

Cannabis

Adult Use Cannabis Infuser Organization or Infuser. A facility operated by an organization or business that is licensed by the Illinois Department of Agriculture to directly incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis-infused product, per the Cannabis Regulation and Tax Act, (P.A. 101-0027), as it may be amended from time to time, and regulations promulgated thereunder.

Adult Use Cannabis Processing Organization or Processor. An Adult Use Cannabis Processing Organization, or Processor, is a facility operated by an organization or business that is licensed by the Illinois Department of Agriculture to either extract constituent chemicals or compounds to produce cannabis concentrate or incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis product, per the Cannabis Regulation and Tax Act, (P.A.101-0027), as may be amended from time-to-time, and regulations promulgated thereunder.

Adult Use Cannabis Transporting Organization or Transporter. An Adult Use Cannabis Transporting Organization, or Transporter, is an organization or business that is licensed by the Illinois Department of Agriculture to transport cannabis on behalf of a cannabis business establishment or a community college licensed under the Community College Cannabis Vocational Training Pilot Program, per the Cannabis Regulation and Tax Act, (P.A.101-0027), as it may be amended from time-to-time, and regulations promulgated thereunder.

Person. A natural individual, firm, partnership, association, joint stock company, joint venture, public or private corporation, limited liability company, or a receiver, executor, trustee, guardian, or other representative appointed by order of any court.

Section 5. That Section 8.2203. is hereby added to read as follows:

8.2203. Adult Cannabis Business Establishments; Prohibited.

The following Adult Use Cannabis Business Establishments are prohibited from being located within the Village of Downers Grove. No person shall locate, operate, own, suffer, allow to be operated or aid, abet or assist in the operation within the Village of Downers Grove of any of the following:

Adult Use Cannabis Craft Grower
Adult Use Cannabis Cultivation Center
Adult Use Cannabis Dispensing Organization
Adult Use Cannabis Infuser Organization or Infuser
Adult Use Cannabis Processing Organization or Processor
Adult Use Cannabis Transporting Organization or Transporter

Cannabis Business Establishments do not include Medical Cannabis Cultivation Centers or Medical Cannabis Dispensing Organizations as set forth in Chapter 28 of the Downers Grove Zoning Ordinance.

Section 6. That Section 8.2204. is hereby added to read as follows:

8.2204. Public Nuisance Declared.

Operation of any prohibited Adult Use Cannabis Business Establishments within the Village in violation of the provisions of this Chapter is hereby declared a public nuisance and shall be abated pursuant to all available remedies.

Section 7. That Section 8.2205. is hereby added to read as follows:

Cannabis

8.2205. Violations.

Violations of this Chapter may be enforced in accordance with the provisions of Section 1.15 of the Downers Grove Municipal Code.

Section 8. That Section 8.2206. is hereby added to read as follows:**8.2206. Severability.**

If any section, paragraph, or provision of this Ordinance, or the application hereof, is held unconstitutional or otherwise invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect other provisions of this Ordinance or any other Village ordinance, resolution, or provision of the Downers Grove Municipal Code that can be given effect without the unconstitutional or invalid section, paragraph, or provision. Any unconstitutional or invalid section, paragraph, or provision, or application hereof, is severable.

Section 9. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 10. That this ordinance shall be in full force and effect from and after its passage and publication in the manner provided by law.

 Mayor

Passed:

Published:

Attest: _____

Village Clerk

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

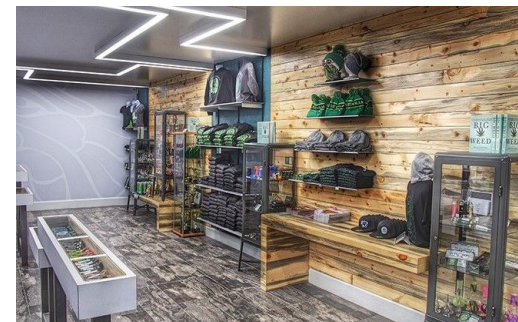
Just a Zoning Idea and Mapping it Out

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

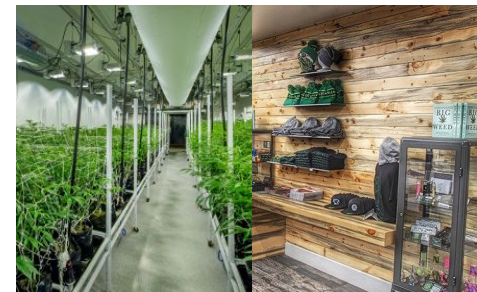
Description	Transports cannabis between one cannabis business and another No on-site sales
Approximate Size	Varies
Similar To	Trucking / transportation terminal
Potential Zoning Impacts	Odor (fuel), parking and traffic similar to a trucking business
Potential Annual Sales	N/A



Cannabis Business Descriptions

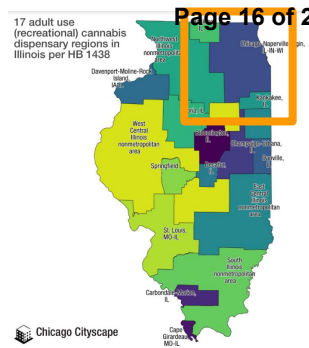
Craft Grower

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

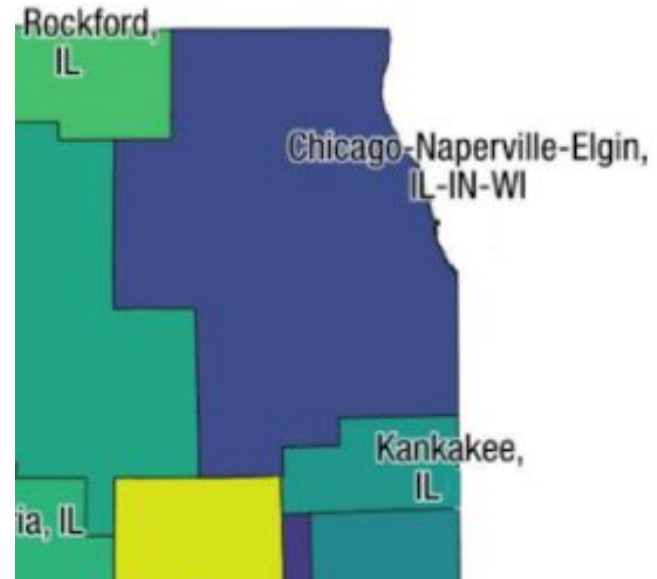


Illinois Licensing Requirements

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					

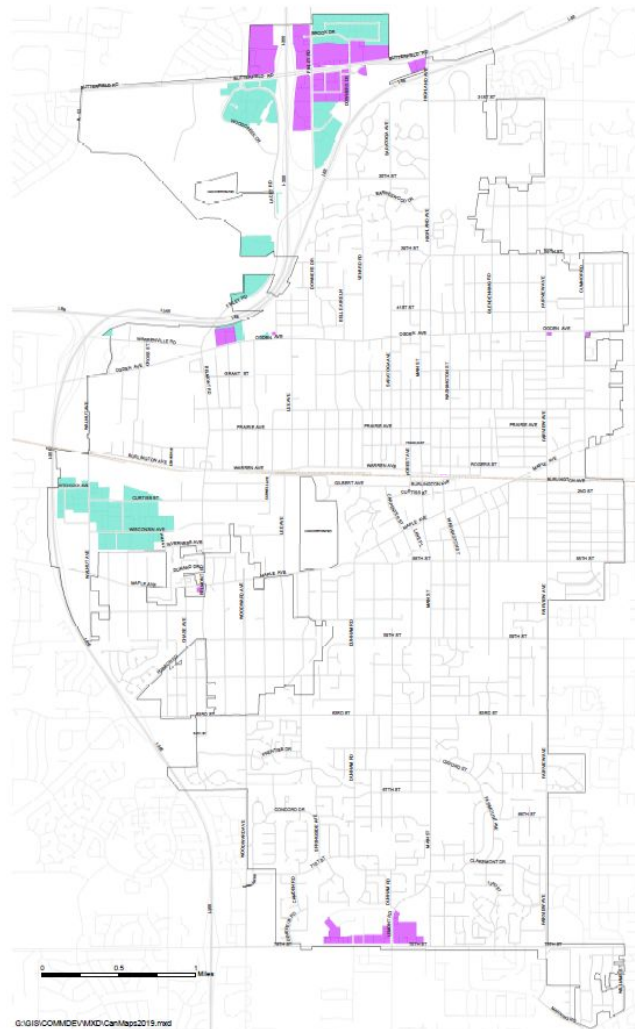
S Special Use
 - Prohibited

Mapping This Out

1,000 ft separation distance

 All Cannabis Related Uses
Including Dispensaries

 Limited to Dispensary *ONLY*



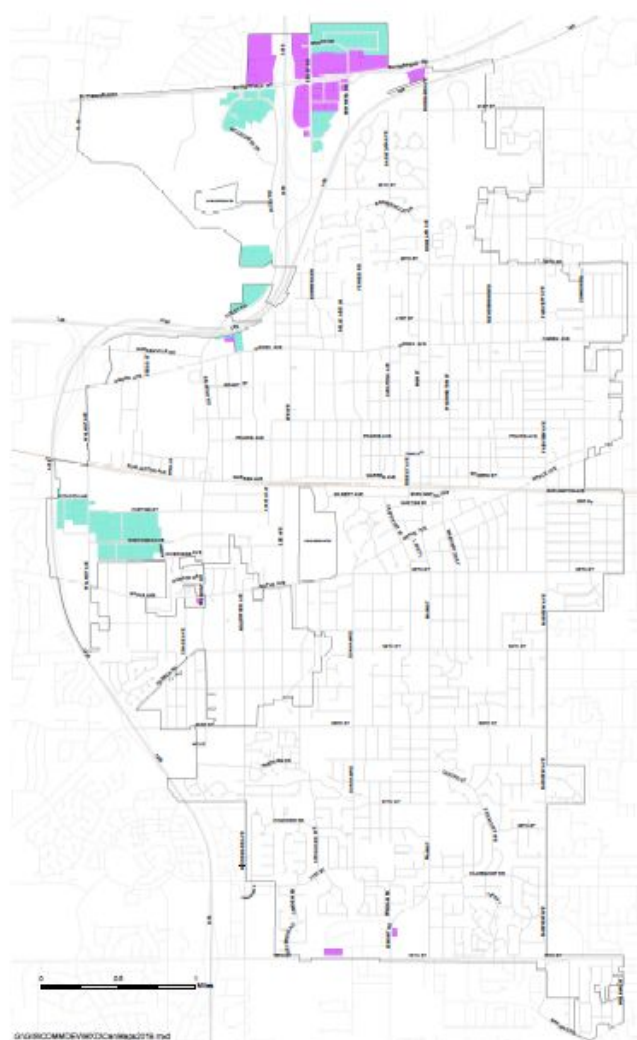
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Mapping This Out

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
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