

Illinois Cannabis Regulation and Tax Act Recreational Cannabis

Village of Lombard
Village Board Workshop

July 31, 2019

Overview of Discussion

1. Transparency & communication
2. Recreational cannabis legislation review
3. Policy and zoning issues
4. Public comment
5. Board discussion
6. Direction and next steps

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Transparency & Communication

- Village commitment to transparency and communication
- Workshop meeting – no final action
- Communications efforts
- Dedicated website address

www.villageoflombard.org/recreationalcannabis

- Links to statute
- FAQ
- Presentation
- Updates

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Communication Efforts

- E-Pride Newsletter
 - July 11 – 1,122 opens; 43% open rate
 - July 28 – 1,014 opens; 38% open rate
- Website
 - Dedicated page www.villageoflombard.org/recreationalcannabis
 - Visits 596
 - Unique page views 483
 - Average time spent on the page: 5 minutes and 46 seconds
 - Entrances from a link posted elsewhere (social media) 487
- Dedicated e-mail address
 - recreationalcannabis@villageoflombard.org
 - 1 e-mail received

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Communication Efforts – Social Media

- Posts on July 11, 22, 26, & 29
 - Facebook
 - Reached 14,784 people
 - FB engaged 3,109 people
 - 3,250 comments and 57 shares
 - Twitter reached: 2,626
 - Instagram likes: 76

■ **Social media totals:**
17,410 reaches



Recreational Cannabis in Illinois

- Illinois Cannabis Regulation and Tax Act (HB 1438) signed by Governor Pritzker on June 25, 2019
- Authorizes lawful purchase and consumption of recreational cannabis on January 1, 2020
- Any resident or non-resident may consume cannabis on private property or carry it on their person.
- It shall remain unlawful to consume cannabis outdoors or in public spaces.

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Recreational Cannabis in Lombard

- Recreation use of cannabis approved as of right under State law – not a local decision
- Local jurisdiction and scope is limited to regulation of recreational cannabis dispensaries:
 - Does the Village of Lombard wish to prohibit recreational cannabis dispensaries from locating within the corporate limits?
 - If no, what reasonable restrictions, if any, should be placed on the location and operations of a dispensary?

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Local Regulatory Policy Questions

- Should the Village of Lombard pass an ordinance to prohibit the location of cannabis dispensaries within the corporate limits? Note that cannabis use remains permitted regardless.
- If not otherwise prohibited, should the Village enact additional regulatory restrictions pertaining to location and operations of local dispensaries?

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Potential Local Regulatory Issues/Questions

- Zoning districts for cannabis dispensary locations
- Conditional or permitted use
- Distance Requirements (buffer zones from other uses)
- Performance standards and operational regulations
- Limits on number of dispensaries
- Other amendments to local ordinances

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Local Communities With Medical Cannabis Dispensaries

- Naperville
- Arlington Heights
- Mt. Prospect
- Elmwood Park
- Rolling Meadows
- Deerfield
- Evanston
- Oak Park
- North Aurora
- Romeoville
- Addison

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Security & Public Safety Requirements

- Police Department contacted communities with existing medical cannabis dispensaries to seek information on impact upon police services.
- Minimal calls for service reported.
- Public safety concerns regarding impaired driving.
- Impacts on the demand for police services and increases to drug impaired drivers, if any, would likely occur regardless of whether recreational cannabis dispensaries are permitted locally or not.

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Current Zoning of MEDICINAL Cannabis

- Since 2013, Medical Cannabis dispensaries are permitted as a conditional use in O – Office District (zoning entitlement process)
- Currently Lombard has ZERO medical cannabis dispensaries
- May not be located within 1,000 feet of the property line of a pre-existing public or private preschool, elementary school, secondary school, day care center, day care home, group day care home, or part day child care facility (State law)
- Prohibited in areas zoned residential (State law)
- *Policy Question: should the Village amend the Zoning Ordinance to allow for recreational, as well as medical, in the Office District?*

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Zoning of RECREATIONAL Cannabis Dispensaries

- Recreational cannabis dispensaries may open on January 1, 2020 with a State license
- Should the Village choose to opt-out of permitting this use?
- If not, what Zoning Districts are appropriate?
- Should dispensaries be permitted or conditional uses?

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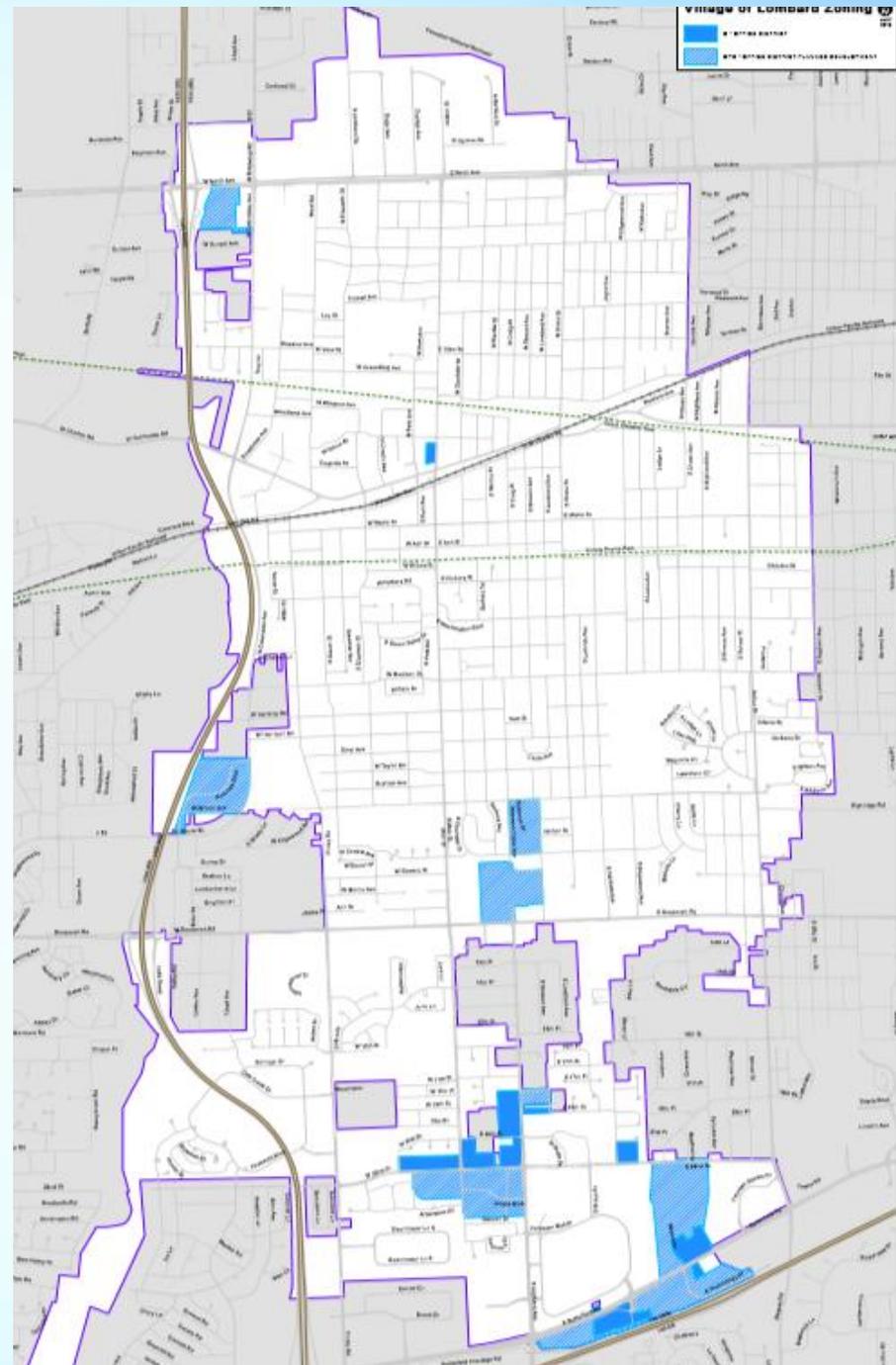
Zoning Process

- *Policy Question: if allowed, should recreational cannabis be a permitted or conditional use? What zoning districts?*
- Permitted use – can open by right without Plan Commission or Village Board review/approval
- Conditional use process
 - Allows the review of each petition
 - Approximate 60-90 day process
 - Public hearing with the Plan Commission
 - Requires Village Board consideration/vote
- May need to approve a text amendment for recreational cannabis dispensaries
 - Can do in conjunction with a potential business (like tattoo studios)
 - Can do independently without a potential business like medical cannabis or breweries in the downtown
- May need to add a definition in the zoning ordinance

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Map of Office District

- Key Areas:
 - Heron Point (North Avenue and Route 53)
 - Woodlake Business Park
 - 22nd Street
 - Highland Avenue
 - Butterfield Road



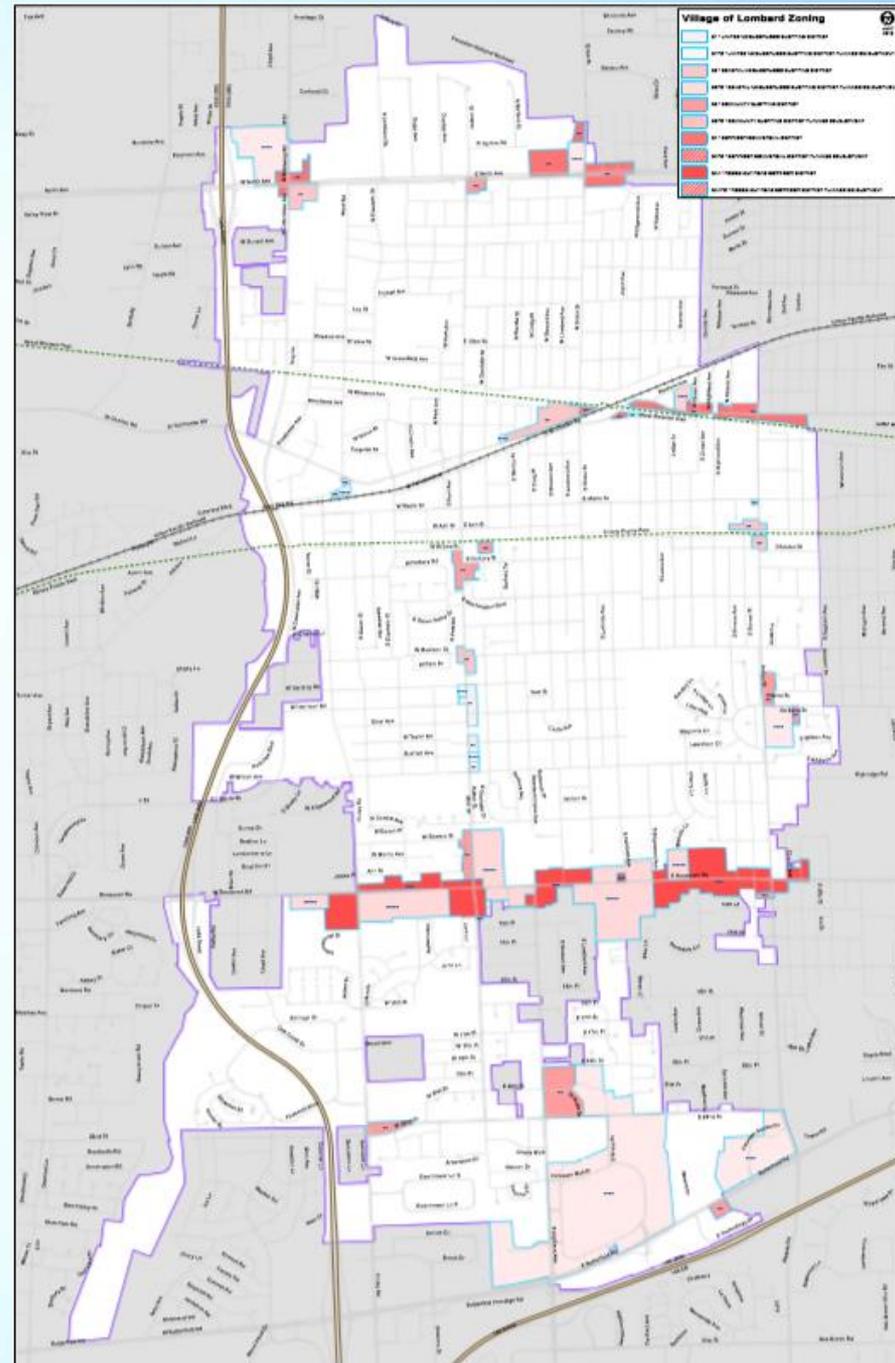
Lombard Retail Districts

- B1 and B2
 - Considered neighborhood commercial
 - Most businesses are smaller in nature and serve the immediate neighborhood
- B3, B4, B4A
 - Considered community and corridor shopping districts
 - Draw from a larger area, including areas outside Lombard
- For reference, liquor stores (packaged goods) are permitted uses in the B2, B3, B4, B4A, B5 and B5A districts

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Map of Retail Districts B1, B2, B3, B4, B4A

- Key Areas:
 - Roosevelt Road
 - East St Charles Road
 - Yorktown Mall
 - Highland Avenue
 - North Avenue



B5 and B5A – Downtown and Downtown Perimeter Districts

- The B5 Central Business district constitutes the "downtown" core area of the Village of Lombard. It is intended to accommodate all retail, service and specialty shops and necessary civic services characteristic of the traditional central area. (Purpose statement)
- The B5A Downtown Perimeter District is intended to be a transition between the downtown and other commercial areas that accommodates all retail, service, and specialty shops and necessary civic services characteristic of the traditional central area in a pedestrian environment while also recognizing compatible automotive land uses. (Purpose statement)

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Map of B5 and B5A Districts



Industrial District

- One industrial district in the Village
- Allows for businesses that are manufacturers, warehouses, offices, and the like, as a permitted use
- Allows for indoor athletic training centers (learning centers), banks, schools, medical offices, etc. with a conditional use permit
- Not a retail area

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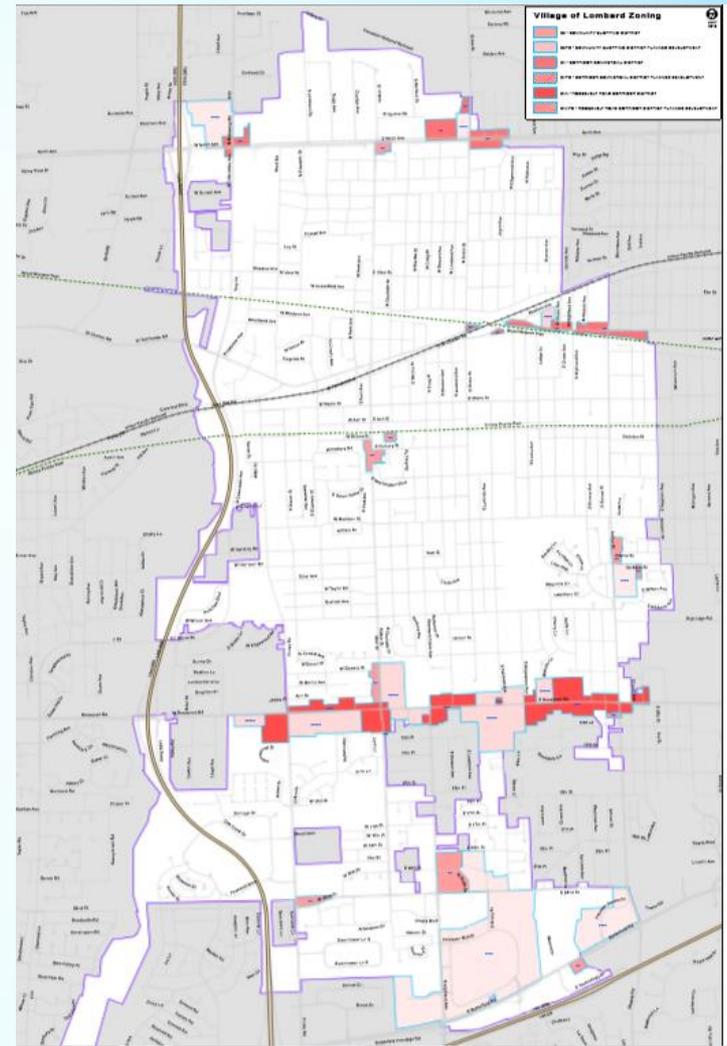
Map of the Industrial District

- Key Areas:
 - Properties north of North Avenue
 - Western Avenue and St. Charles Road
 - Yorkbrook Business Park on Eisenhower Lane and Finley Road



Map: B3, B4, and B4A

- Zoning Districts staff would suggest if the Village Board was considering to allow it
- Key Areas:
 - North Avenue
 - Roosevelt Road
 - East St. Charles Road
 - Yorktown Mall
 - Highland Avenue



Additional Zoning Considerations

- Law allows for cannabis smoking establishments
 - Amend zoning ordinance definition for smoking establishments to exclude cannabis
 - Smoking establishments are allowed with a conditional use permit in the B4A District (Roosevelt Road)
 - Staff has presumed that, if permitted, zoning would exclude on-site use (like package liquor sales)
- Cannabis cultivation
 - Staff has not received any inquires on cannabis growers
 - Not currently considering zoning regarding cultivation operations

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Recreational Cannabis Revenue & Financial Considerations

- Sales of cannabis will be taxed by the State
- Existing state and local taxes will apply
- State of Illinois will distribute 8% of state taxes to local jurisdictions to LGDF for local law enforcement crime prevention, training and interdiction efforts.
- Municipalities may opt to add a special tax of up to an additional 3%

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Text Amendment Process

- If the Village of Lombard were to amend zoning to permit recreational cannabis dispensaries within the Village, a text amendment to the Zoning Ordinance would need to be approved
 - Public hearing before the Plan Commission
 - Addition of definitions
 - Modifications to the zoning provisions
 - Use identified as permitted or conditional use in specifically identified zoning districts
 - Possible local conditions/restrictions
 - Requires Village Board approval by Ordinance

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Potential Revenue

- **Estimates** assume a 2% share of local sales tax (1% regular tax and 1% non-home rule) and a 3% additional local tax
- **Methodology A**
 - Applying Colorado consumption rates to authorized number of Illinois dispensaries (limited to 185)
 - Estimate of \$669,000 total revenue per location
- **Methodology B**
 - Applying IEPI estimate of statewide sales to authorized number of Illinois dispensaries
 - Estimate of \$436,000 revenue per location
- **All Estimates**
 - Conservative and based on initial year of operation

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Next steps

- Public comments
- Board discussion
- Directions
- Next steps

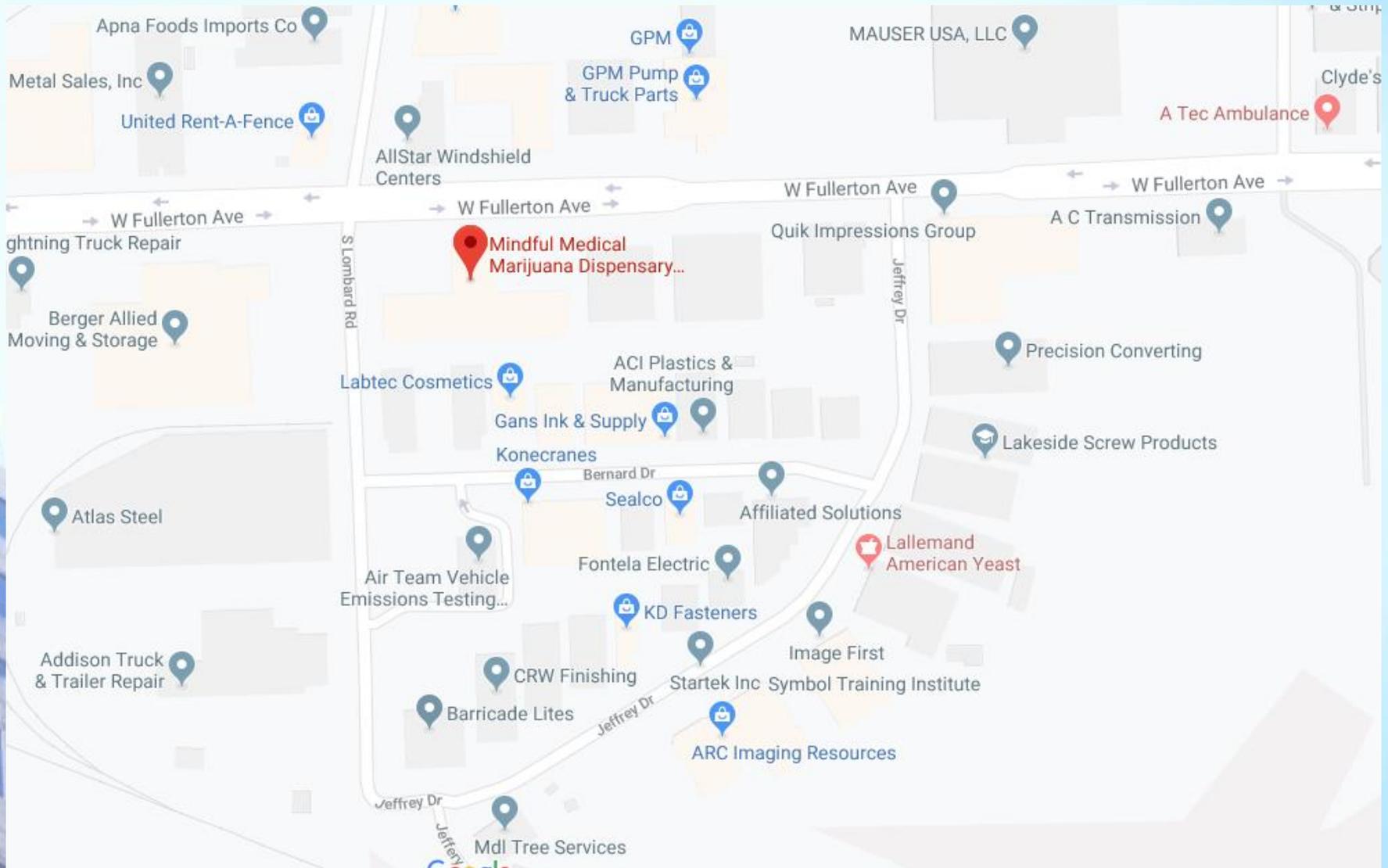
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Current Medical Cannabis Locations

Addison #1



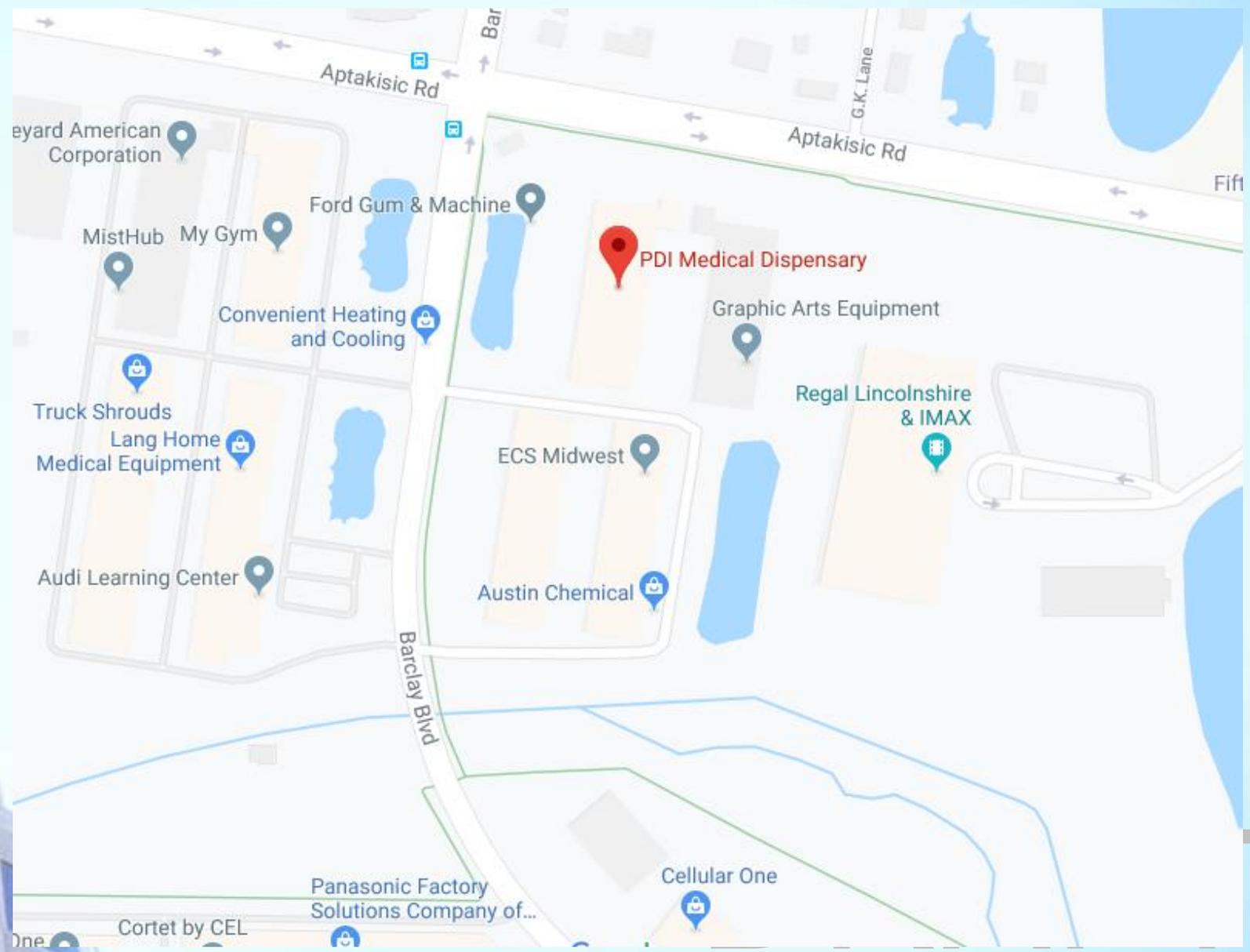
Addison #2



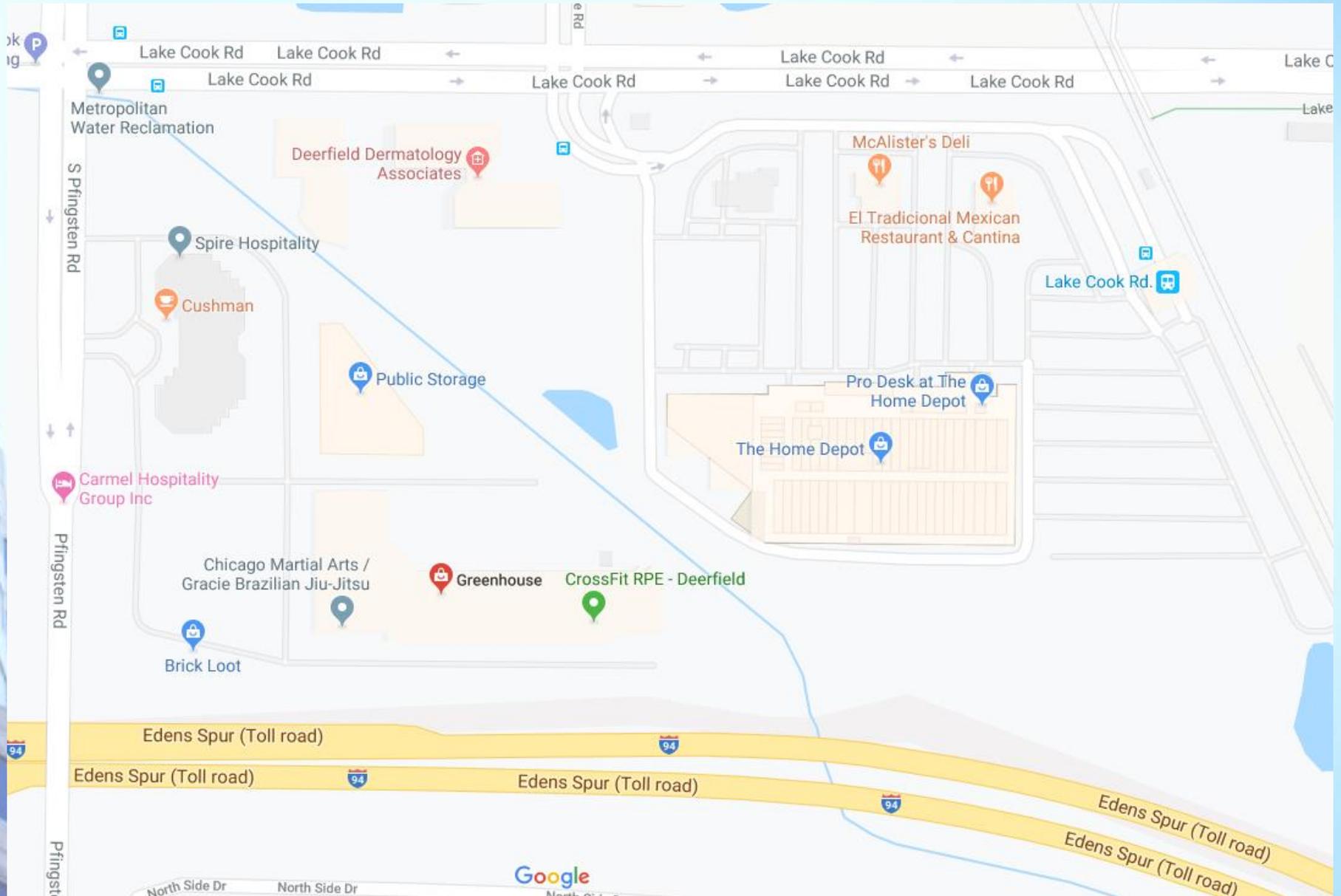
Arlington Heights



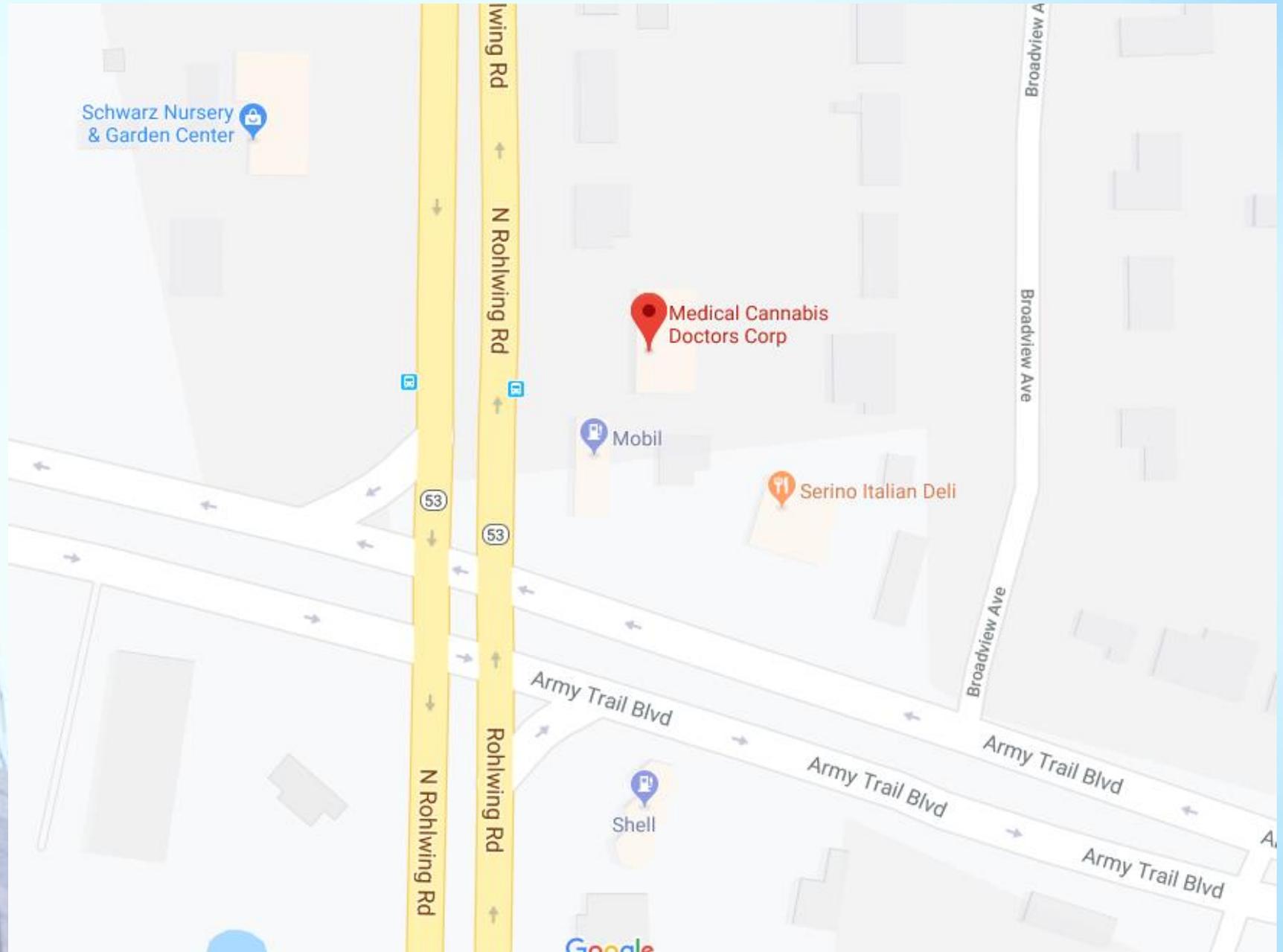
Buffalo Grove



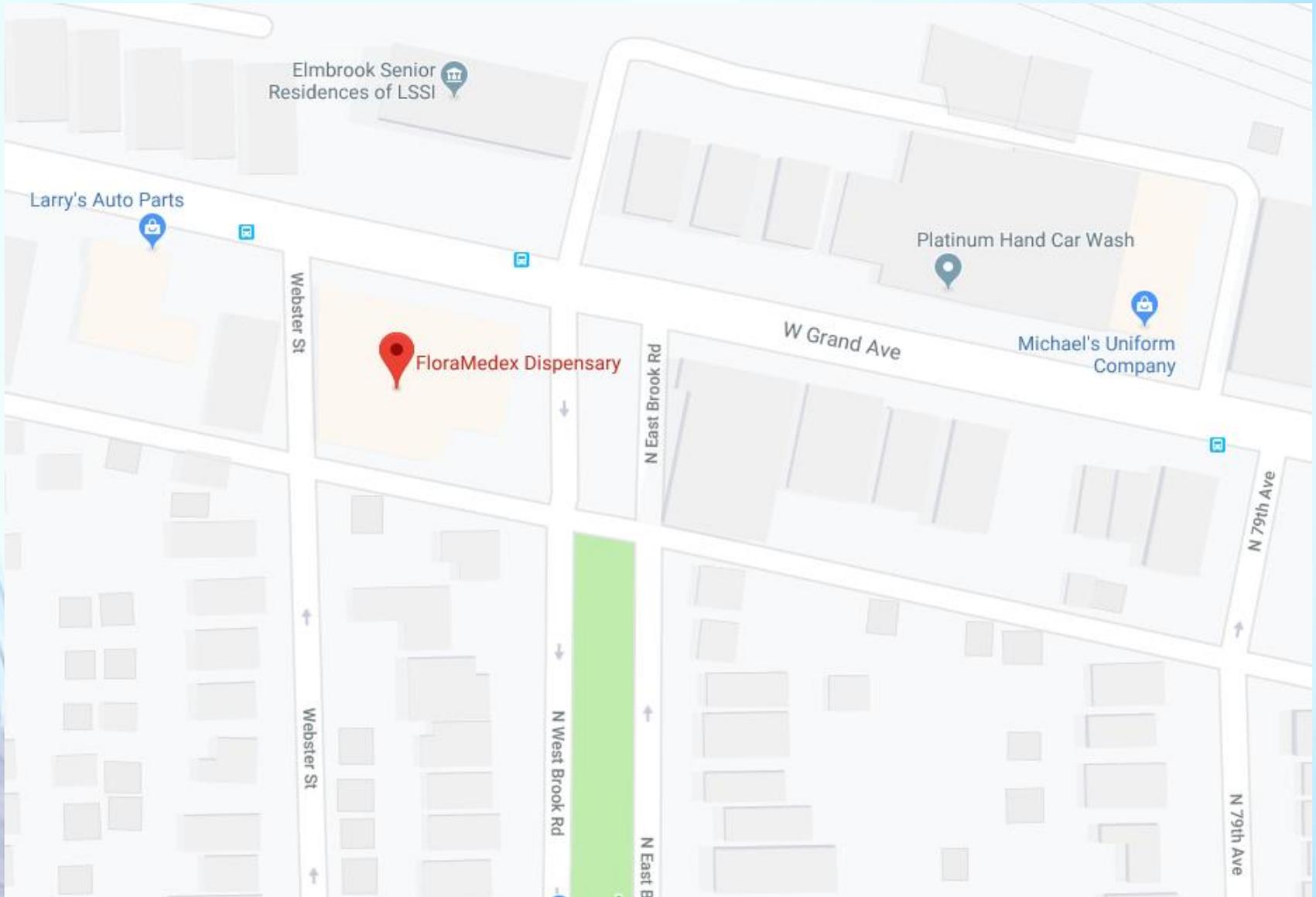
Deerfield



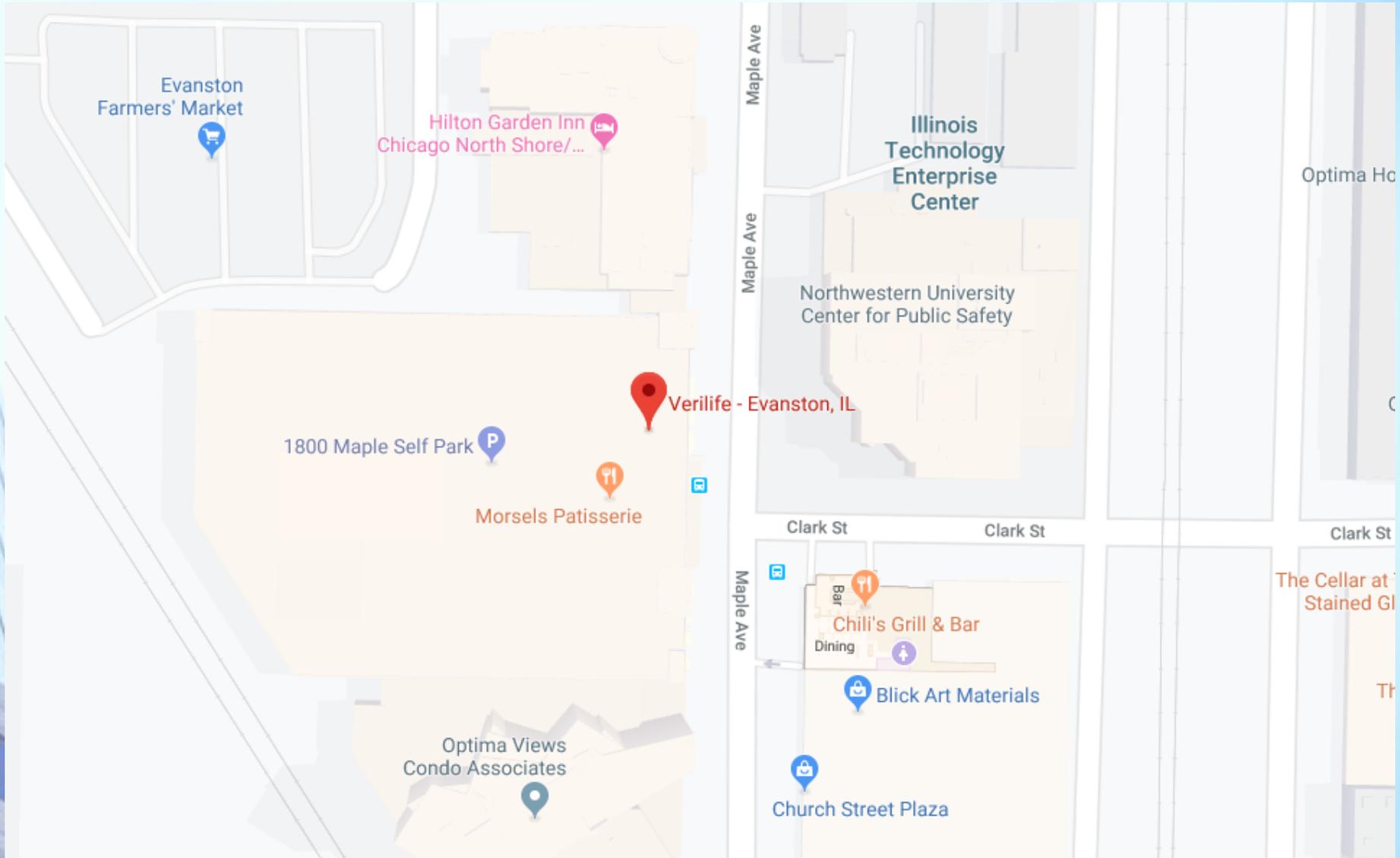
DuPage County



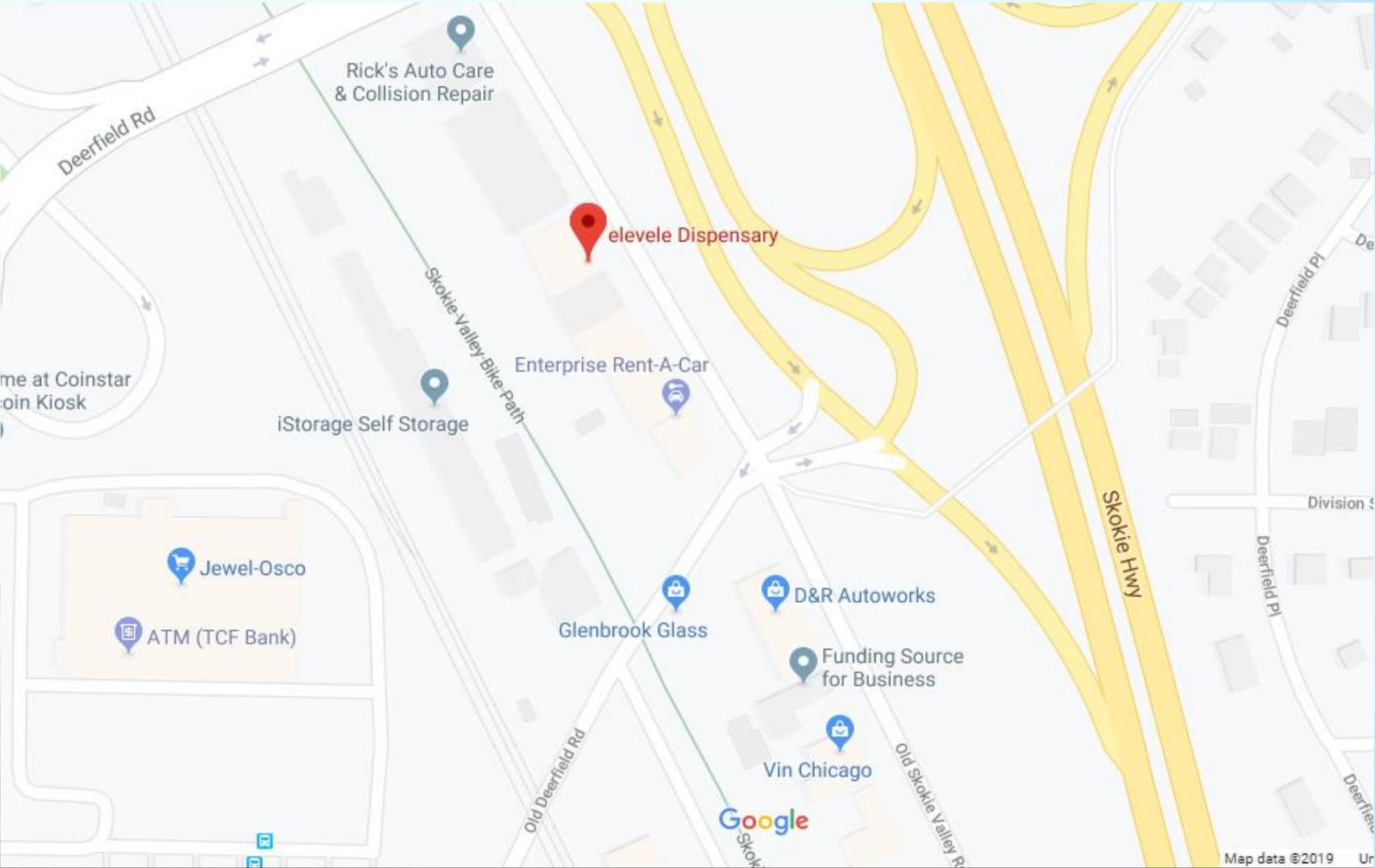
Elmwood Park



Evanston

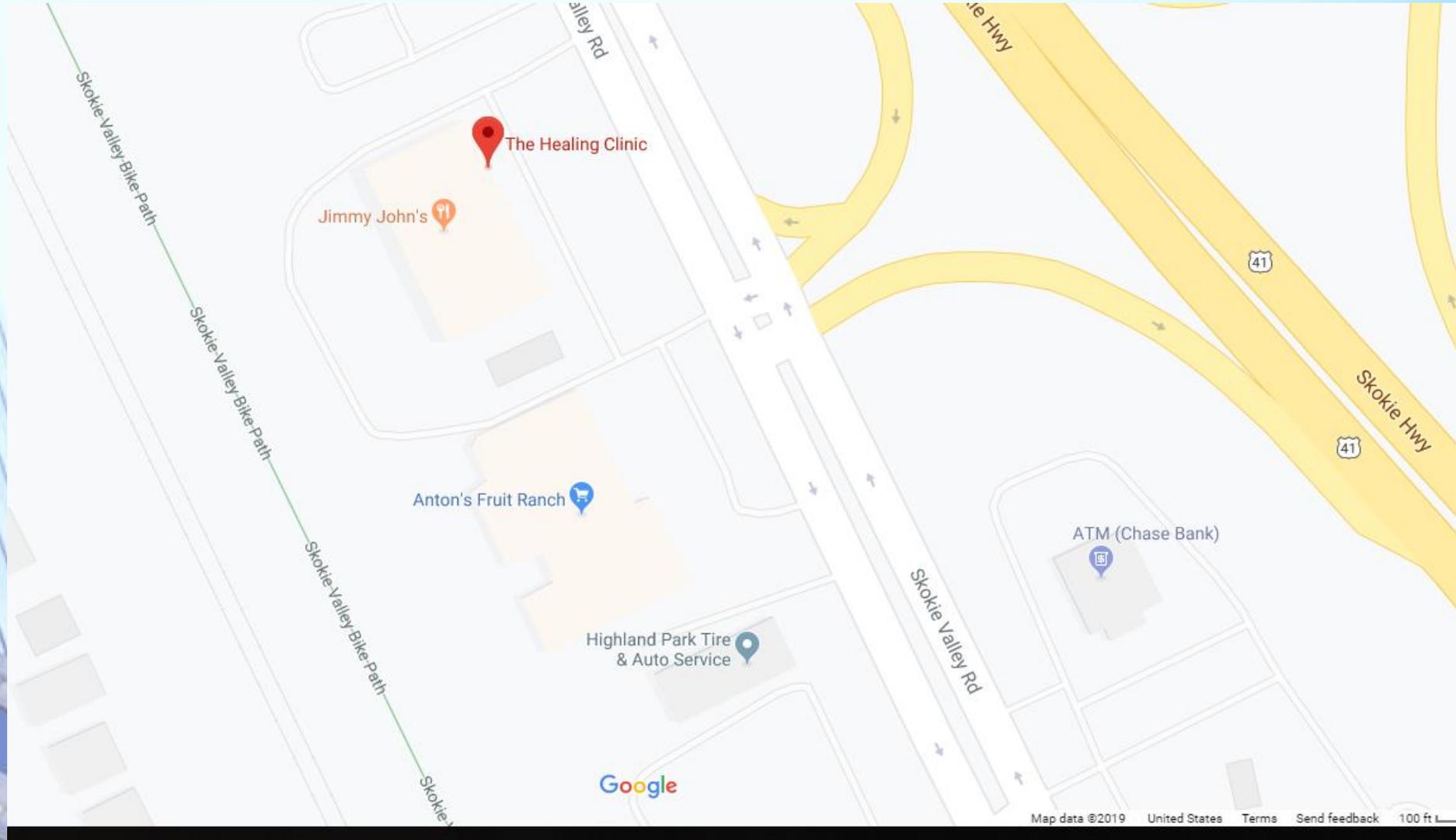


Highland Park

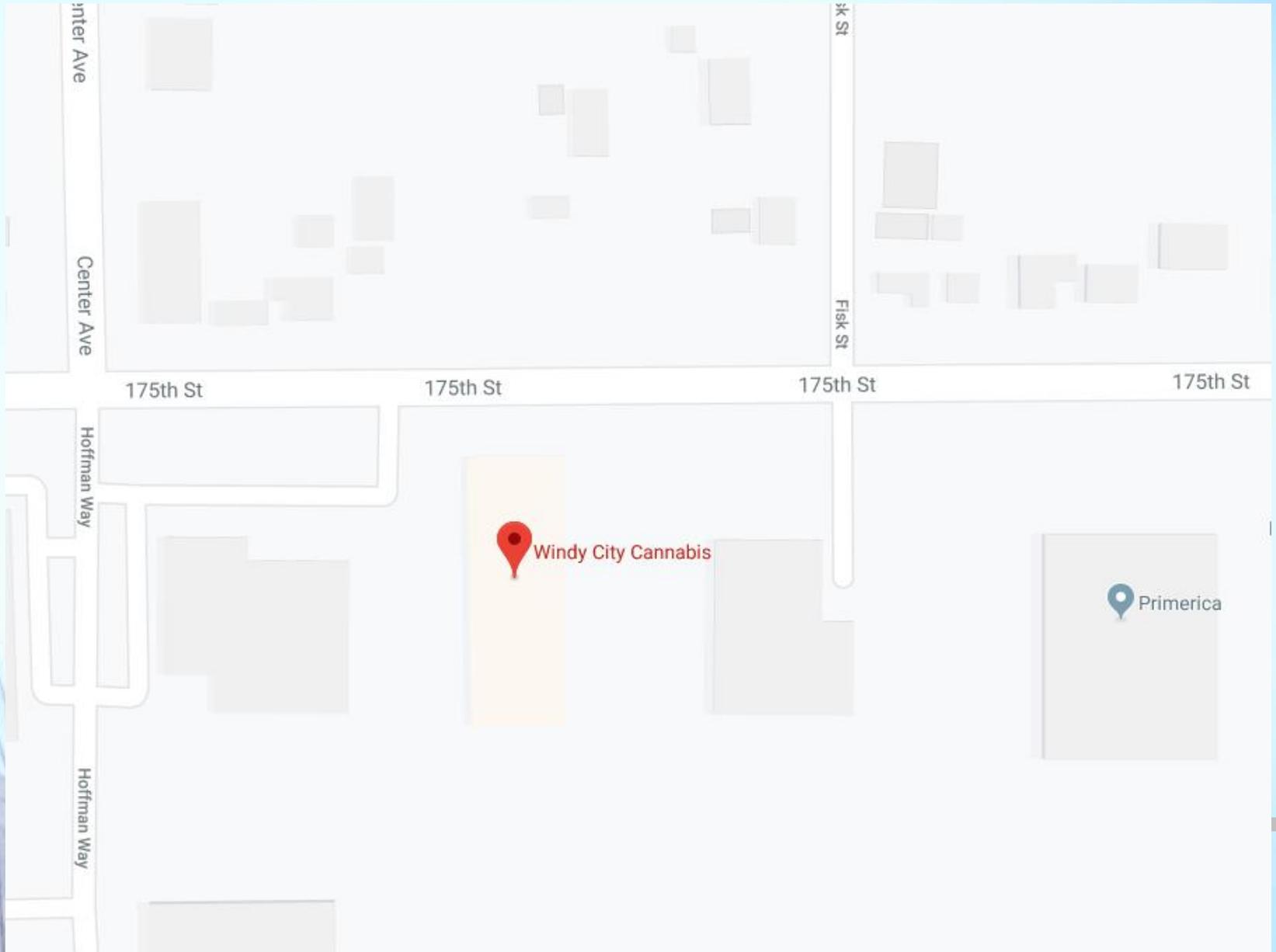


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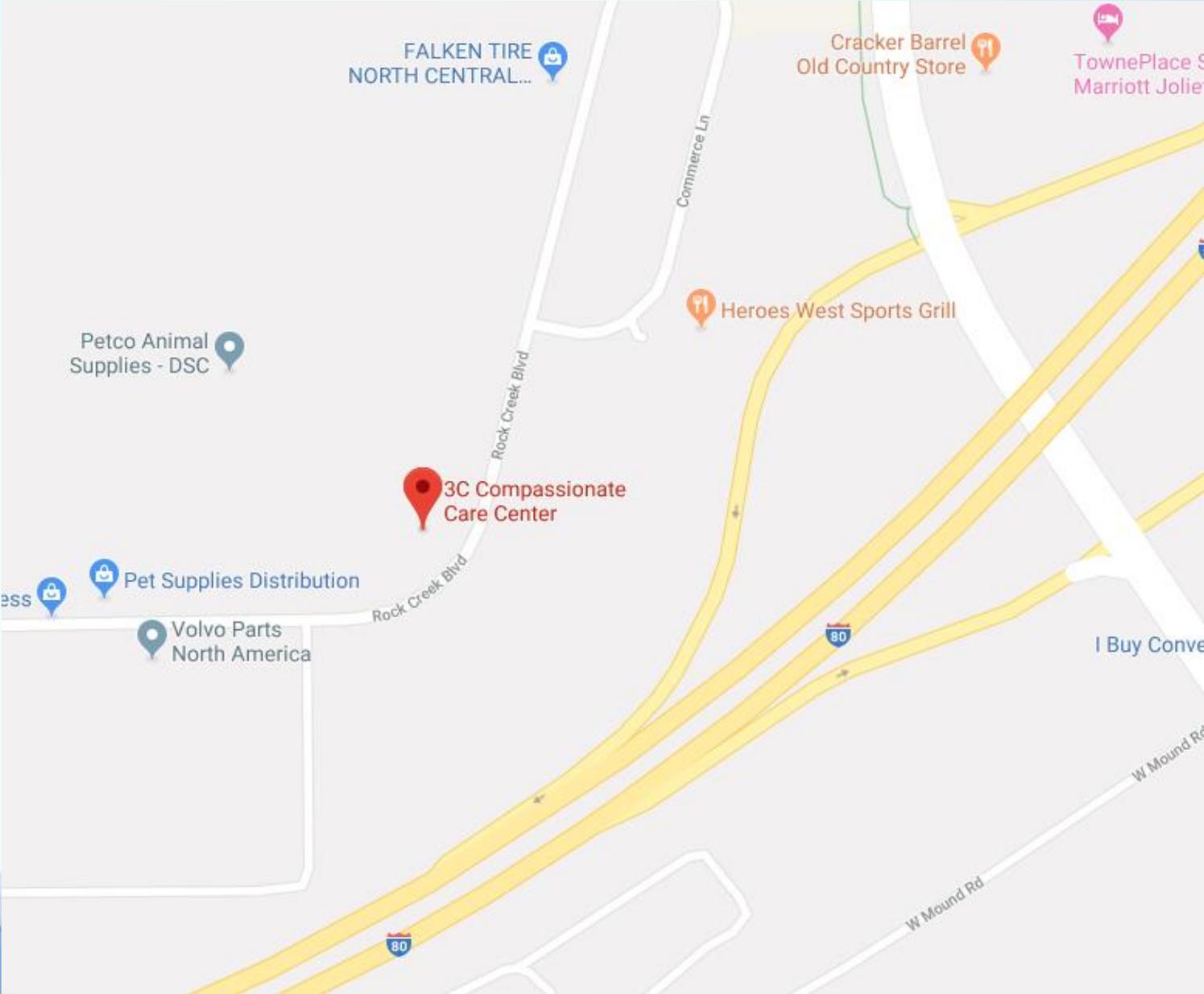
Highland Park



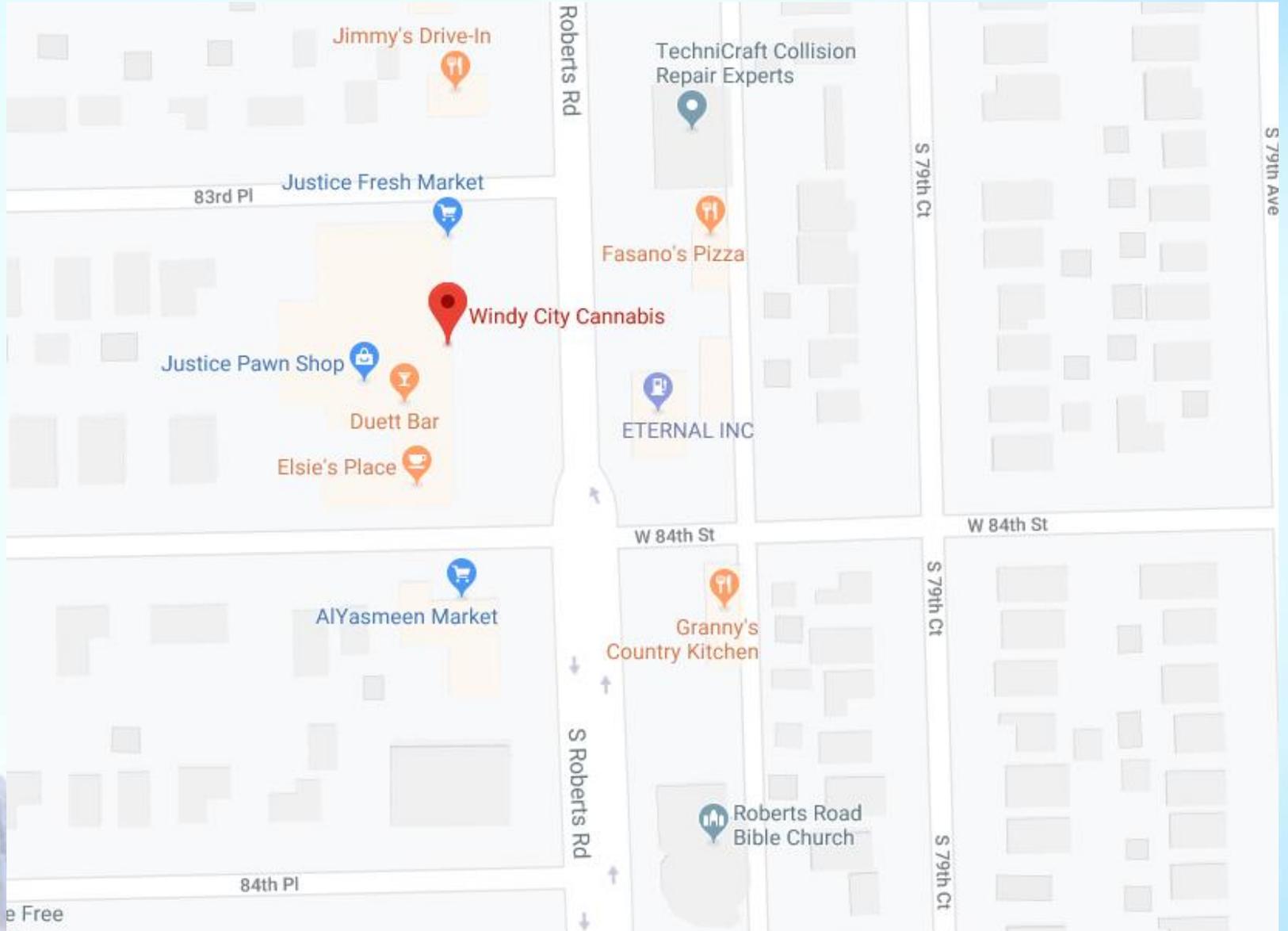
Homewood



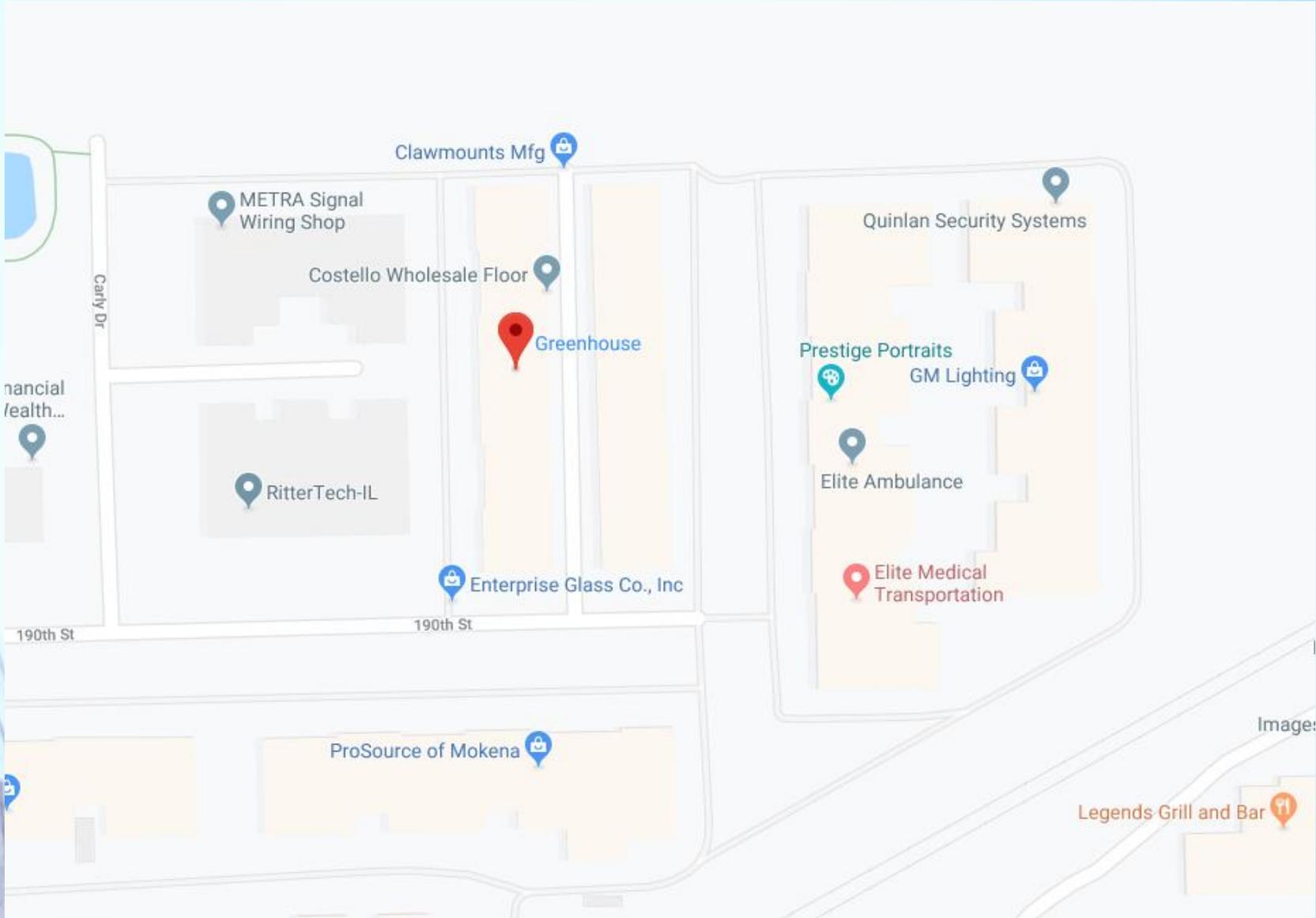
Joliet



Justice



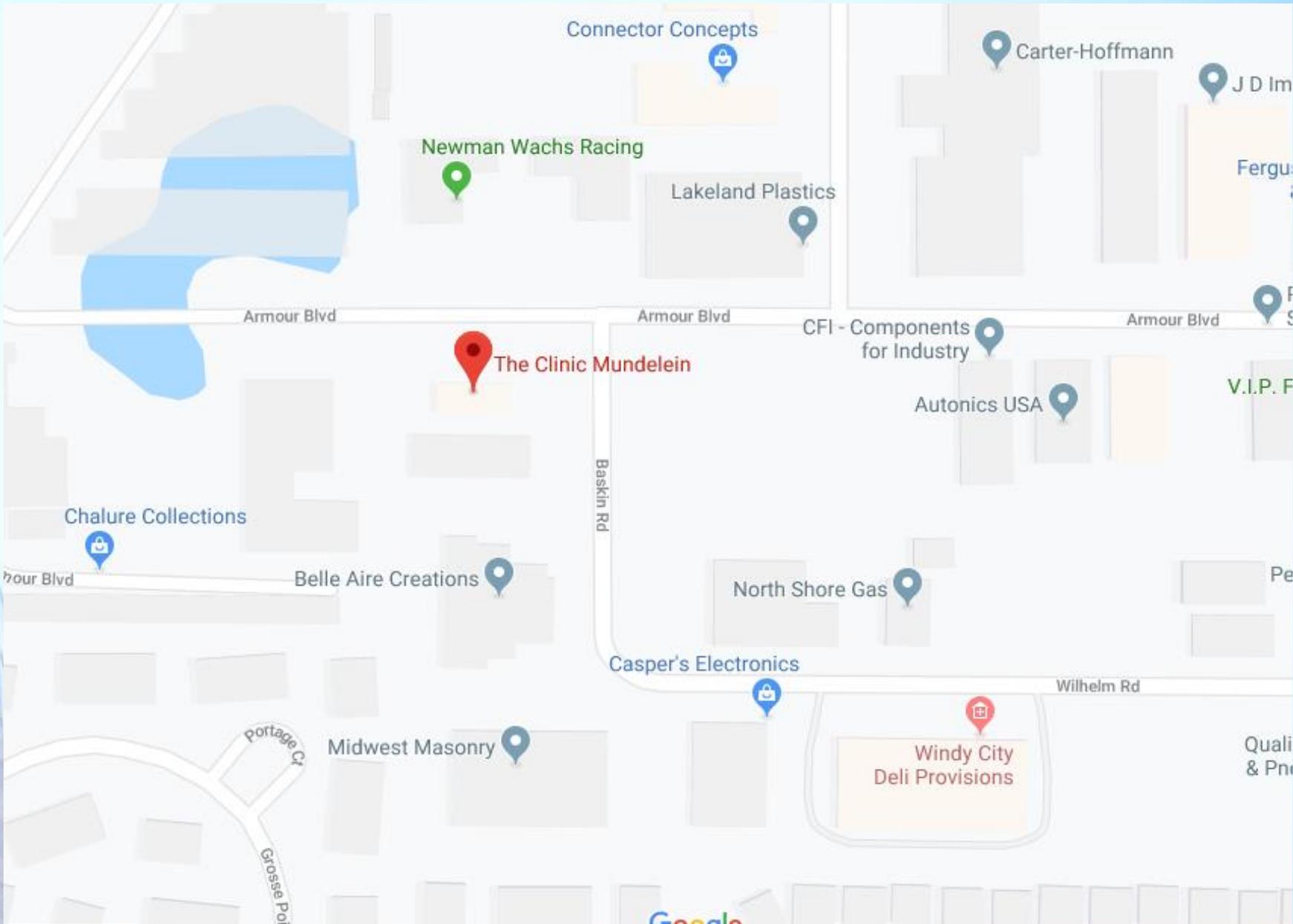
Mokena



Mount Prospect



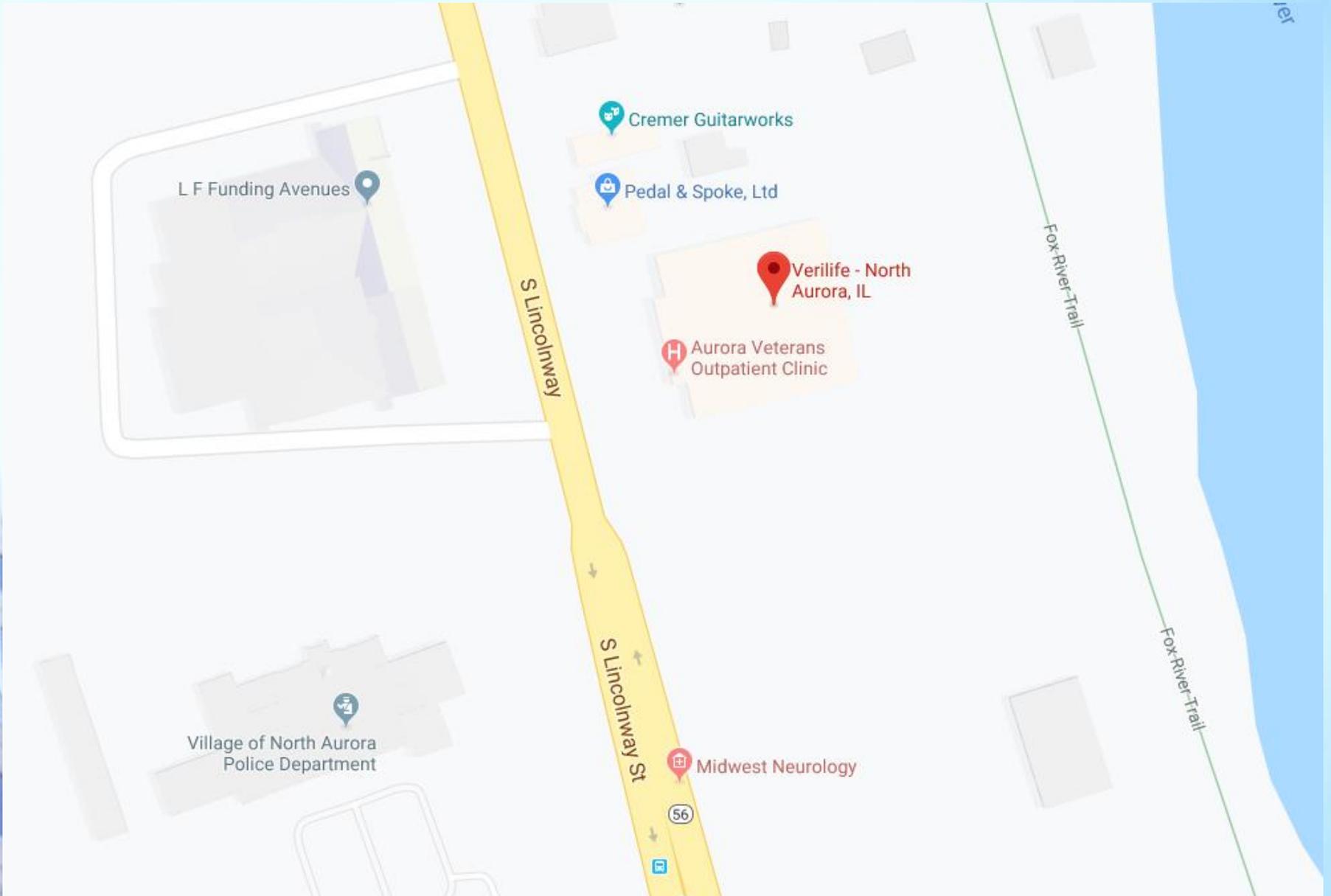
Mundelein



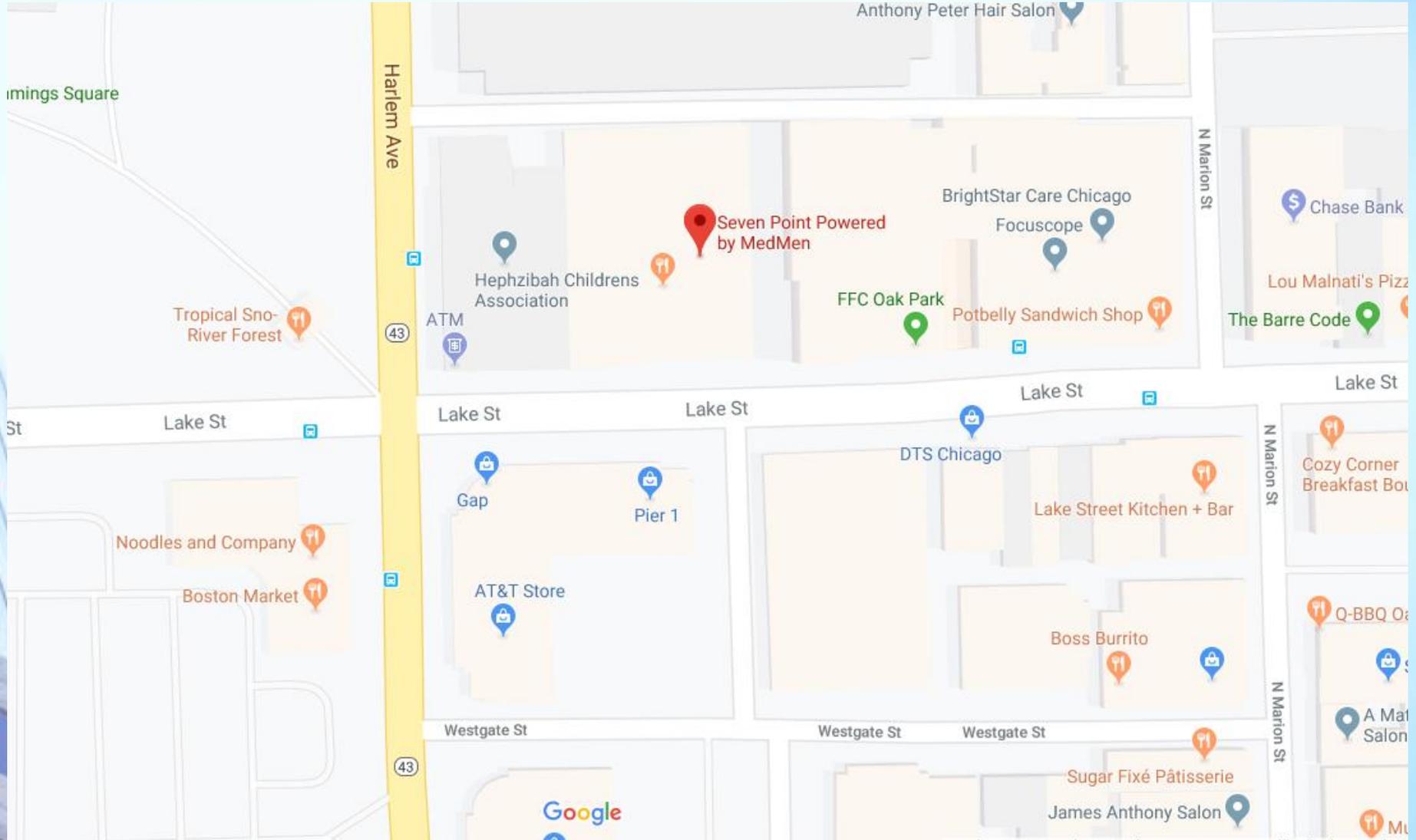
Naperville



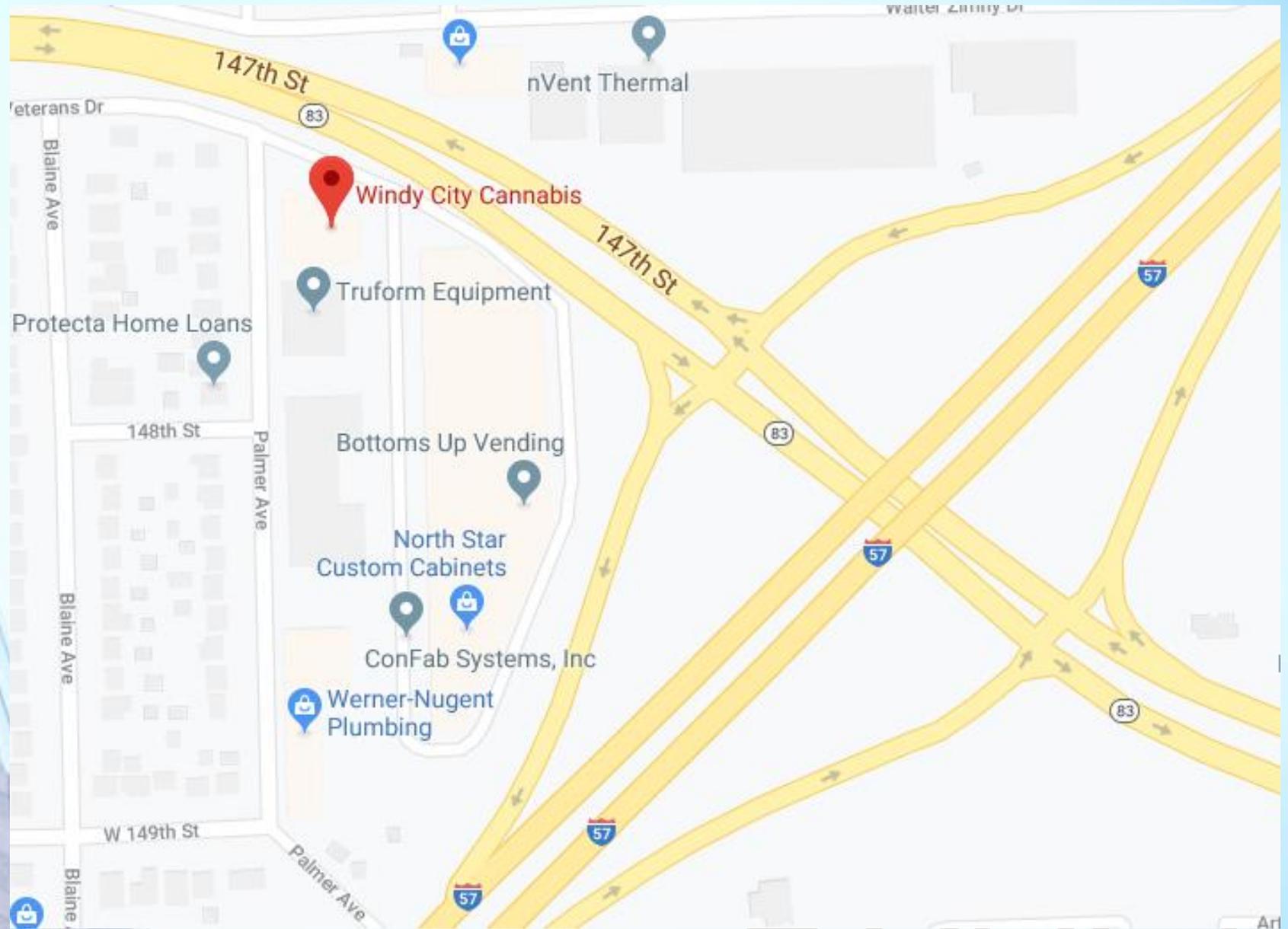
North Aurora



Oak Park



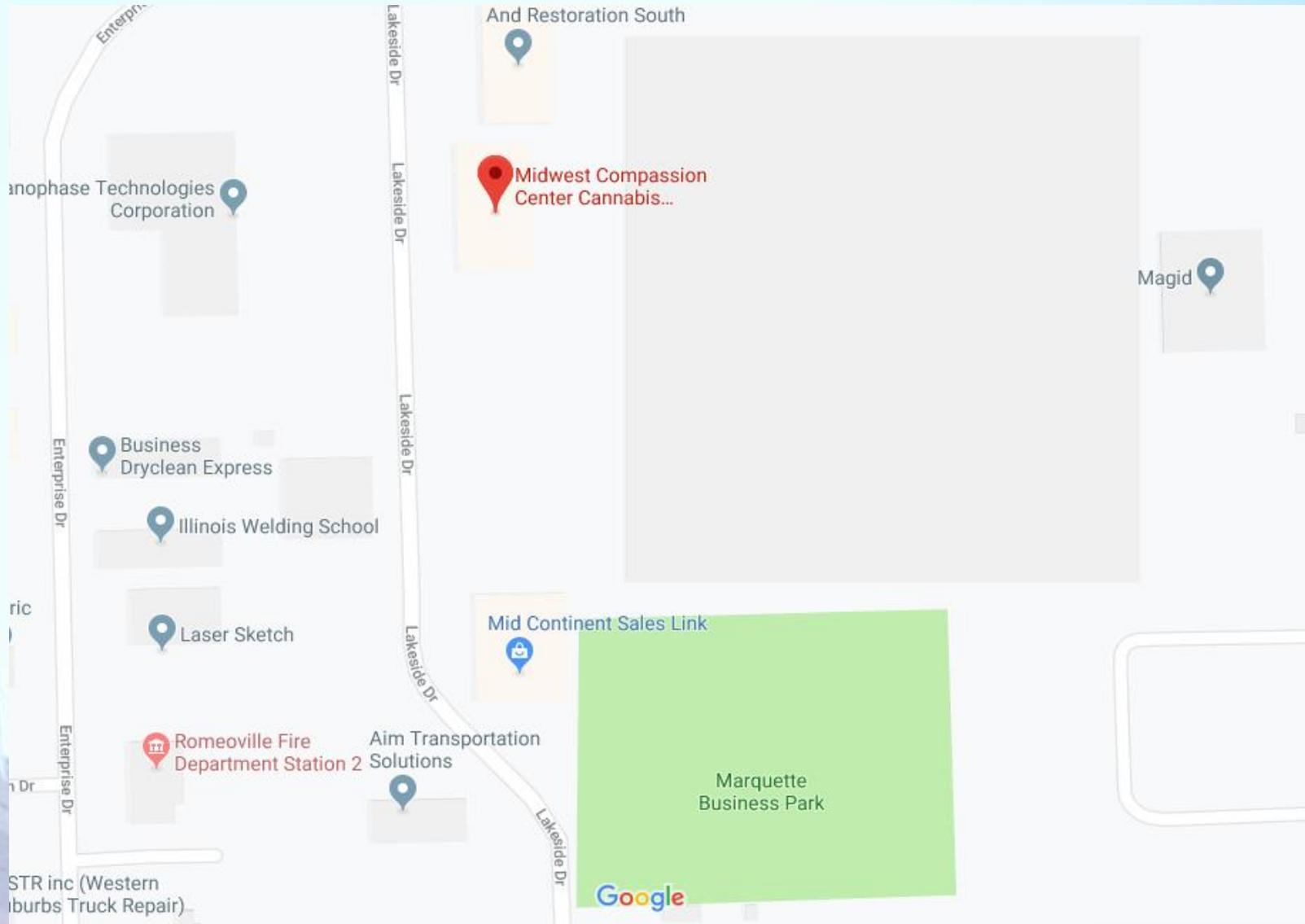
Posen



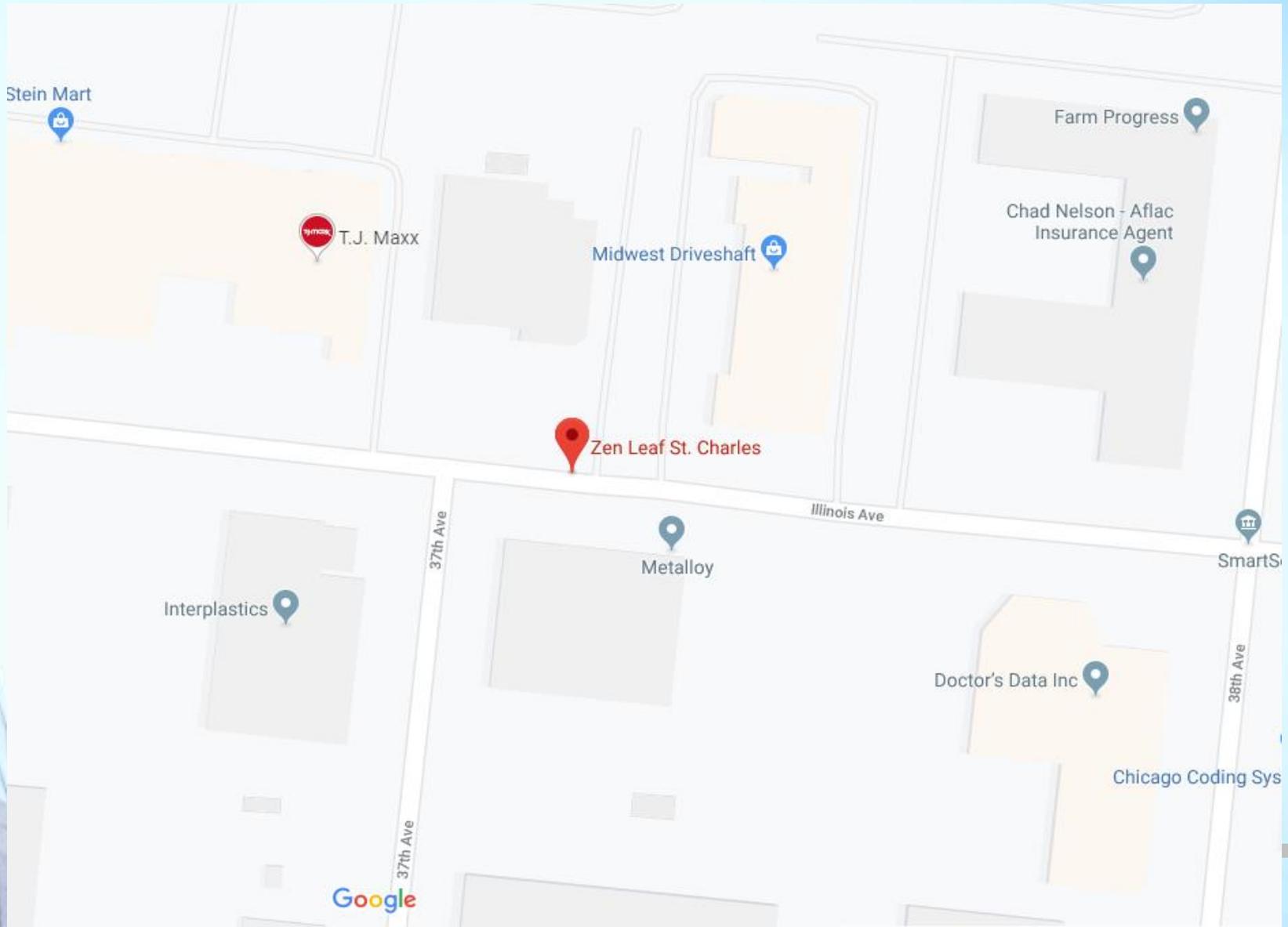
Rolling Meadows



Romeoville



St. Charles



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Worth

