

## ARLINGTON ECONOMIC ALLIANCE EXCERPT OF MINUTES FROM SEPTEMBER 18, 2019

### Retail Sale of Adult-Use Cannabis

Mr. Mertes summarized the new State law that will allow the retail sale of adult-use cannabis, as well as the Village Board's direction on the Alliance's discussion. Ms. Barabicho recused herself from participation in the discussion.

Ms. Ruhl asked if the levels of THC in product, which was a concern expressed by the Board of Health in their recommendation against retail sales of adult-use cannabis, was something that could be considered as part of the process should the Village decide to allow such sales as a special use only. Mr. Ridler responded that potency is regulated by the State. Verilife, the existing medicinal marijuana dispensary in Arlington Heights, also has such information displayed on their products.

Mr. Paisley asked if the Village could also still allow additional medicinal-only dispensaries. In terms of zoning, Mr. Mertes responded that such uses are defined as *Drug Store and Pharmacy* in the Code, and are permitted in most commercial B-zones (excluding B-4) assuming they have appropriate state approval. Ms. Holton-Crowe asked if there are limits on how many retail sites the Village is allowed to have, and Mr. Mertes replied that the Village can limit the number of licenses, if desired. He added that there are also already some State-designated restrictions based upon the number Illinois will allow overall, as well as proximity to certain public places (e.g. schools, parks, etc.) in terms of marketing. Existing medicinal marijuana providers will get first right to apply for retail licenses with the State. Mr. Ridler added that there are 55 currently medical marijuana dispensaries statewide.

Mr. Casey, representing Northwest Community Hospital, expressed his opposition to retail sales of cannabis from a health care perspective. Mr. Stengren is also opposed despite potential economic benefit. He asked if it was possible for the Village to review the impact on other communities before legalizing retail sales itself. In agreement, Mr. Fink asked if it was necessary for Arlington Heights to be an early adopter. In response, Mr. Ridler said that Verilife might move on to a community that will allow them adult-use retail sales. Additionally, you will get more experienced operators at first. If the Village waits to approve retail sales, they are more likely to have inexperienced retailers approach them in the future. Ms. Holton-Crowe feels that allowing early adaptors has economic benefit and affords better oversight. Mr. Casey noted that the community could assess the experience of future applicants, following statewide implementation, before moving forward with permitting such businesses.

According to Mr. Parulo, the Commission needs to recognize that the State has already passed the law and needs to decide if allowing retail sales fits the Village's image. Additionally, he inquired as to the residents' perspective on this issue. Mr. Casey asked if the Village Board requested input from other Commissions. Mr. Mertes said that the Board of Health was asked to review this issue by the Village Board. It voted against retail sales. Looking at which neighboring communities are supporting adult-use cannabis sales might be valuable, in Mr. Paisley's opinion. Mr. Mertes was not aware of any that have *formally* allowed it to this point. That said, Buffalo Grove approved a 3% tax rate on such sales if formally approved. Rolling Meadows had a public discussion with a medicinal dispensary and did not seem to have any formal objections according to *The Daily Herald*. Palatine is currently researching the issue, while Mount Prospect's Committee-of-the-Whole is scheduled to review the issue in the next week.

Ms. Ruhl asked when the Arlington Heights Village Board plans to formally vote on this issue. The date is not official, but late October or early November is a possibility. Mr. Ridler referred to a recent State

referendum on the issue and Mr. Mejdrich, an employee of Rep. Mark Walker's office, provided the results from Arlington Heights precincts. Mr. Ridler noted that about 10,000 Arlington Heights voters showed 56% support of retail sales. Questioning the potential economic impact, Mr. Guido wondered aloud if the benefits trump the impacts. Mr. Mertes noted that the maximum total tax share for Arlington Heights would actually be 5% (2% for general municipal plus home rule taxes, and an additional 3% specifically for cannabis sales).

Emphasizing the significance of the referendum results, Mr. Ridler added that the Village also has the right to regulate number and location of stores. Per Mr. Stengren's question, Mr. Mertes responded that any such revenues are not tied to a specific fund at this point. Mr. Ridler said that some of the revenues can be earmarked for appropriate needs, such as assisting the Police Department with enforcement.

Current dispensaries in Illinois, according to Mr. Roginski, are all medical users that exist to aid people. There is a possibility that any new sellers in the community would just focus on recreational use. Ms. Ruhl feels that pharmaceutical companies may have a higher standard of accountability than those selling retail only. Arlington Heights has a nice hometown feel and the Commission needs to consider if legal cannabis sales is a desired image.

Regarding image arguments against allowing retail sales, Chairman Whisler questioned such positions, stating that the racetrack is an example of the Village allowing gambling. He added his support of video gaming in the Village. There should be limits on the number/location of retailers though, although it is not fair if Verilife gets the only approval from the Village. Additionally, the industrial areas are not well-suited for such retailers as they are less likely to be able to accommodate customer parking. Ms. Ruhl agreed, saying that limited traffic, and lighting in such areas during the evening, is a security risk. Chairman Whisler feels that special use approval for retail sales is appropriate.

Mr. Ridler noted the Chamber's support for the community's existing medical marijuana dispensary, emphasizing expansion of business. Hindering business growth is not an image the Village wants. Casey feels that regulation is important, using health care as an example of something typically regulated by the State. Mr. Stengren inquired why the Chamber is supporting one business getting approval to sell retail cannabis, but not supporting the overall expansion of such sales. Additionally, he feels that the Chamber's position cops out on the importance of community image. Mr. Ridler responded that the Chamber's position is based upon support of a locally established business. Ms. Holton-Crowe wants to ensure Arlington Heights as a place of business and lifestyle inclusiveness, but does favor regulations, such as a special use requirement for such uses. Mr. Stengren expressed that his position on this issue is not based upon an unwillingness to be inclusive.

Mr. Guido would like to see consideration towards funding public safety with some of the proceeds from the new tax revenue that would be generated by such a retailer. Regarding Mr. Roginski's inquiry whether the Village could regulate that the retailer only sell product grown in Illinois, Mr. Ridler responded that Illinois retailers must obtain the product from State growers. It is illegal to transport product across boundaries of States that do not legally permit it.

Based on the Arlington Heights-based votes for the State-wide referendum, Mr. Parulo sees the 56% in support as acknowledgement that retail sales of cannabis is something residents favor. Regardless of whether or not Arlington Heights has any such retailers itself, Ms. Ruhl stated that the Village would have to deal with usage and traffic within the community regardless, as those who consume it will be legally be able to buy it elsewhere. Mr. Parulo views the overall discussion of the Alliance as acknowledging the State-approved legality of such a business type, that the referendum results show resident support, and that the

Commission does not want to restrict trade while still appropriately regulating such businesses. Further, the Village should tax at the maximum rate possible. Mr. Casey sees this issue as a question of regulation, and not a debate of legal/illegal.

**LYNDSAY HOLTON-CROWE MOVED AND JON RIDLER SECONDED A MOTION TO RECOMMEND TO THE VILLAGE BOARD THAT:**

- 1. MULTIPLE LOCATIONS MAY POTENTIALLY SELL RETAIL ADULT-USE CANNABIS**
- 2. SUCH USES ARE LOCALLY REGULATED**
- 3. SUCH USES ARE TAXED AT THE FULL 3% RATE ALLOWED BY STATE LAW**

Ms. Cayer, resident, inquired about the cost of the product that would be sold and whether or not the Village would regulate home-grown marijuana. Prices would be contingent upon the retailer itself to determine. The State regulates home-grown cannabis, but the Village does not. Mr. Moens, resident, expressed his support of allowing retail sales of adult-use cannabis, referencing the 56% of residents who supported the same in a public referendum.

**AYE: CHAIRMAN WHISLER; GUIDO; HOLTON-CROWE; PAISLEY; PARULO; RIDLER; ROGINSKI; RUHL**

**NAY: CASEY; FINK; STENGREN**

**RECUSED: BARABICHO**

**THE MOTION WAS APPROVED BY AN 8-3 VOTE WITH ONE RECUSAL.**