AN ORDINANCE GRANTING AN EXCEPTION
BY APPROVING A PILOT PROGRAM

WHEREAS, the Village of Arlington Heights 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, on November 4, 2019, pursuant to the provisions of the Illinois Cannabis Regulation and Tax Act, Public Act 101-0027, the Village Board adopted Ordinance 19-045, prohibiting all types of adult-use cannabis business establishments in the Village; and

WHEREAS, in May 2020, the Village received a request from PharmaCann Inc. d/b/a Verilife ("Verilife"), asking that the Village consider a pilot program permitting Verilife the ability to sell adult-use cannabis at its existing medical cannabis dispensary located at 1816 S Arlington Heights Road, Arlington Heights, IL; and

WHEREAS, on July 20, 2020, the Village Board decided to permit Verilife to operate an Adult-Use Cannabis Dispensing Organization under a Pilot Program ("Program"), setting forth specific conditions under which the program will be operated,

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF ARLINGTON HEIGHTS AS FOLLOWS:

SECTION ONE: An exception is granted from the provisions of Chapter 7, Article XVI, which prohibits the operation of an Adult-Use Cannabis Dispensing Organization in the Village, to expressly permit Verilife to operate as an Adult-Use Cannabis Dispensing Organization ("Business") at its existing medical cannabis dispensary located at 1816 S Arlington Heights Road, Arlington Heights, IL ("Site").

SECTION TWO: This exception permits Verilife to operate an Adult-Use Cannabis Dispensing Organization at the Site in accordance with the following Program:

1. The Business may begin operations pursuant to the Program on September 1, 2020 through February 28, 2022, unless otherwise terminated as set forth in Section Two.

2. The Business may be open up to seven days a week between the hours of 9:00 a.m. and 9:00 p.m.

3. Verilife will have four parking studies performed, one prior to the Site being opened for adult use cannabis and one every six months after the Site has opened.

4. In accordance with the provisions of Sections 8-11-22, of the Illinois Municipal Code (65 ILCS 5/8-11-22), the Village Board will be adopting an ordinance imposing a Municipal Cannabis Retailers' Occupation Tax upon all persons engaged in the business of selling cannabis, other than cannabis purchased under the Compassionate Use of Medical Cannabis

Pilot Program Act, at retail in the Village at the rate of 3% of the gross receipts from these sales made in the course of that business. The tax will be effective for sales as of January 1, 2021. In recognition of the fact that the Village's cannabis sales tax will not take effect until January 1, 2021, Verilife agrees to pay to the Village an amount equal to 3% of the gross receipts from the sales of adult use cannabis from its onset of the Program through December 31, 2020. This is intended to be the amount the Village would have received had the Village's tax been in place in 2020.

SECTION TWO: No later than December 31, 2021, the Village Board will determine whether the Business will be allowed to continue operating at the Site. If the Village Board determines that the Business may continue at the Site, an ordinance amending the Village Code to permit, at a minimum, one Adult-Use Cannabis Dispensing Organization, will be adopted by the Village Board prior to the February 28, 2022 expiration of the Program.

If the Village Board determines that the Business shall not be allowed to continue, the Program will end on February 28, 2022. The Business will no longer be allowed to operate at the Site after that date and the permission granted by this Ordinance will expire.

SECTION THREE: That this Ordinance shall be in full force and effect from and after its approval.

AYES:

NAYS:

PASSED AND APPROVED this 17th day of August, 2020.

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Village President

ATTEST:

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Village Clerk