

REPORT OF THE PROCEEDINGS OF
The ORDINANCE REVIEW COMMITTEE
OF THE VILLAGE OF ARLINGTON HEIGHTS PLAN COMMISSION
HELD AT VILLAGE HALL ON:

May 11, 2022

Project Title: Adult Use Cannabis Dispensaries
Amendments to Chapter 28

Petitioner: Village of Arlington Heights
33 S. Arlington Heights Road
Arlington Heights, IL

Requested Action:

Chapter 28 Text Amendment: To permit Adult Use Cannabis Dispensaries with a maximum cap of one per each of three geographic areas of the Village.

Attendees: Bruce Green, Plan Commissioner
Lynn Jensen, Plan Commissioner
Terry Ennes, Plan Commissioner
Bill Enright, Assistant Director Planning and Community Development

Background

In August, 2020, the Village Board adopted an Ordinance establishing a pilot program to allow one adult use cannabis dispensary at Golf Road and Arlington Heights Road. The pilot program has twice been extended by the Board, with the current program expiring June 30, 2022.

On February 21, 2022 the Board discussed allowing adult use cannabis with restrictions on the total number and locations of future dispensaries. After significant discussion related to which zoning districts should allow for dispensaries, and whether there should be a maximum cap on number of dispensaries, the Board directed staff to develop a draft ordinance amending Chapter 28 Zoning.

Meeting Discussion:

B. Enright called the Roll Call: Commissioners Green, Jensen and Ennes confirmed their attendance and 3 of 5 members of the Committee are present so there is a quorum.

B. Enright provided a brief background on the adult use cannabis pilot program which has been in place for a couple years. The program is specific to Verilife at Golf and Arlington Heights Roads. The pilot program allows adult use cannabis sales at this one location. Prior to that, Verilife operated as a medical cannabis dispensary which operated as of right as a pharmacy. In 2019 the Board adopted an ordinance to not allow adult use dispensaries when the State enacted legislation to allow adult use cannabis sales. Verilife approached the Village requesting the ability to expand to allow for adult use cannabis sales. The Board agreed to the pilot program, however after a couple extensions, this pilot program ends June 30th of this year.

The Village Board met this February to discuss a code amendment to allow adult use cannabis dispensaries. The consensus of the Board was to permit on a limited basis. Therefore as a result of the February meeting, the Village Manager, Director of Planning, Village Attorney and myself met to discuss developing an Ordinance reflecting the Board's discussion.

The proposed Ordinance is presented tonight to the Committee and would permit adult use cannabis dispensaries in the B2 and B-3 zoning districts, but only allow a total of three, one in each of three geographic areas of the Village. These areas are defined as Hintz Road north the the municipal limits at Lake Cook Road. The middle area from Hintz to Central Road and the third area from Central Road south to the municipal limits. These would be permitted in the B-2 and B-3 zoning districts only. The downtown B-5 district is not included given the mixed uses nature of downtown and parking concerns. One dispensary would be allowed in each of three areas. The map I handed out indicates the three areas of town.

The B-2 and B-3 zoning districts constitute most of the commercial zoning in the community. The State also has spacing regulations as dispensaries can not be closer than 1,000 feet from schools and day cares. The Village would regulate dispensaries through issuance of a business license. An operator would need to provide proof of a State license and have a location secured in order to obtain a business license. The Village would issue only one license in each if the three areas.

Regarding parking, Verilife hired KLOA to conduct a parking study of their location in the Village at Golf and Arlington Heights Roads. Staff conducted a study of other communities who have dispensaries as well. The KLOA study showed no issues with parking at the Verilife site as demonstrated in the study provided. Staff did see that in other municipalities where they allowed dispensaries in industrial parks, there were often times parking issues as on site parking was inadequate. However in commercial areas parking has not been an issue. Staff does recommend a ratio of 1 space per 200 square feet of floor area similar to medical uses as parking should be fine in larger centers but in smaller centers the 1:200 ratio is appropriate.

The proposed ordinance includes various definitions which our Attorney has included to provide clarity so there is no confusion as to what's permitted. Also the amendment includes adding adult use cannabis dispensaries to the B-2 and B-3 zoning districts in the Permitted Use Table of Chapter 28, and also adding the geographic locations dividing the Village into three areas. Also the parking section would be amended to include the 1:200 ratio.

Staff has scheduled and notified for the May 25th Plan Commission public hearing to discuss this proposed amendment.

Commissioner Jensen had no questions and stated that the bulk of this amendment is the definitions and this amendment looks straight forward.

Commissioner Ennes asked if the State limits the number of locations within a community?

B. Enright stated no they dont, but they do have a limit on licenses issued in the State. The

dispensaries tend to be spaced out so that they don't poach each other. The Village does collect a 3% sales tax from dispensary sales.

Commissioner Ennes asked if Verilife was both recreational and medical sales?

B. Enright said yes they are but most dispensaries are now adult use so they can sell to those of age and to those who have a medical card, who pay lower sales taxes.

Commissioner Ennes stated that this proposed ordinance would limit the number to three, but can that change?

B. Enright said yes this ordinance limits the total to three and additional dispensaries would require an amendment to allow more.

Commissioner Green didn't have any questions but stated that maybe this could be left to open competition rather than a maximum but he is fine with this ordinance as written although he doesn't see the need for these.

Commissioner Jensen asked if under Federal law cannabis sales are still illegal and does this cause issues for handling of monies?

B. Enright indicated that Federal law has not changed but that States have the right to allow for cannabis sales so that has not been an issue at a local level.

Commissioner Ennes made a motion to approve the proposed Ordinance. Seconded by Commissioner Jensen. Per voice vote all were in favor. Motion passed 3-0.

Commissioner Jensen made a motion to adjourn. Commissioner Ennes seconded. Voice vote all in favor. Motion passed 3-0

Meeting adjourned at 6:18 pm.

Bruce Green, Acting Chairman
Ordinance Review Committee
Bill Enright, Recorder