Hi. My name is Allison Laff and I am the Zoning Administrator and Deputy Director of Transportation, Engineering, and Development for the City of Naperville.

On May 5, 2020, the Naperville City Council approved a roadmap that will be used to facilitate the creation of zoning regulations for adult-use cannabis facilities. The first step in that roadmap is to hold a workshop where City Council will provide direction on potential adult-use cannabis zoning ordinance components. The workshop has been scheduled for June 22, 2020 at 7 p.m. and will be held remotely using Zoom video conferencing.

Through this video presentation, I will provide you with a preview of the adult-use cannabis topics that will be discussed at the workshop. After watching this video, there will be a survey that you can use to provide your input regarding adult-use cannabis zoning considerations.

Before we move into the workshop discussion points, I will provide you with an overview of several cannabis topics to make sure that you are up to speed on discussions held to date. During today’s presentation, I will provide an overview of:

- Medical cannabis regulations
- State of Illinois adult-use cannabis regulations
- Naperville adult-use cannabis discussions, referendum, & tax
- Adult-use cannabis discussion points
- Roadmap & next steps

In 2013 the State of Illinois enacted the Compassionate Use of Medical Cannabis Pilot Program Act which became effective on January 1, 2014. Per the adopted act, the cultivation and dispensing of medical marijuana for use in serious diseases became permitted in all municipalities, subject to the limitations of the Act. While municipalities were not permitted to opt-out of having these facilities in their city, they were permitted to adopt stricter zoning regulations than those provided in the Act.

The City adopted zoning regulations for medical cannabis facilities in December 2013. In addition to the location requirements specified by the State of Illinois, the City added additional separation requirements between these facilities and residential properties.

Staff is proposing to use the framework of the medical cannabis zoning regulations to begin discussions on adult-use cannabis zoning, so these regulations will be described in more detail as we move through the presentation.

For reference, the City currently has one medical cannabis dispensing facility (known as GTI) located on an industrial-zoned property on Quincy Avenue. GTI has informed the City that it will seek approval to co-locate an adult-use cannabis operation at the same location when the zoning is established to do so.

The Cannabis Regulation and Tax Act (CRTA), legalizing and regulating the production, consumption and sale of recreational cannabis in Illinois (also known as “adult-use cannabis”), took effect on January 1, 2020. The CRTA allows adults over the age of 21 to possess and privately use recreational cannabis in limited quantities in Illinois. In the same Act, the state legislature also established six types of cannabis businesses.

While cities cannot prohibit members of the public from using or possessing cannabis within city limits (so long as such use and possession is within the parameters of the CRTA), cities have been granted the ability, through their zoning authority, to regulate or prohibit the location of cannabis businesses within city limits. This is unlike the 2013 Medical Cannabis Pilot Program Act which did not allow cities to prohibit medical cannabis facilities in their municipality.
The CRTA also loosened some zoning requirements that were previously established through the medical cannabis pilot program, which we will discuss later in the presentation.

**Slide 6**
The City of Naperville hosted significant discussions between July and September 2019 as to whether adult-use cannabis dispensing facilities should be permitted within Naperville city limits. Over 400 members of the public spoke on this topic over multiple meetings before the City Council. Speakers offered both positions in support and against local adult-use cannabis dispensing facilities.

Prior to proceeding with a final decision to locally opt-in or opt-out, the City Council elected to have an advisory referendum asking whether Naperville should allow the sale of adult-use cannabis within City limits. This referendum question was added to the March 17, 2020 ballot.

Because the referendum question would be asked after the January 1, 2020 date that adult-use cannabis facilities would become legal in Illinois, the City Council passed an ordinance on September 3, 2019 opting out of having any local adult-use cannabis facilities pending the outcome of the March 17 referendum question.

At the February 4, 2020 meeting, City Council discussed establishing a tax on local adult-use cannabis sales in the event that Naperville would become an opt-in municipality following the results of the March 17 referendum question.

**Slide 7**
The following Referendum Question was added to the March 17 ballot:

*Shall the City of Naperville, in light of state legislation legalizing the possession, consumption, and sale of recreational adult use cannabis, allow the sale of recreational adult use cannabis within its jurisdiction?*

Based on a majority of votes being cast in support of allowing the sale of recreational adult use cannabis within the City through the March 17 referendum, City Council passed an ordinance on April 7, 2020 that would allow the City to enact a tax of 3% on cannabis sales effective July 1, 2020.

City Council will continue to discuss the use of the new cannabis tax revenue collected; however, those discussions will not be included within the zoning review.

Also at the April 7, 2020 meeting, the City Council directed staff to begin the process of creating zoning regulations for adult-use cannabis facilities. As mentioned earlier, the first step in this process is the June 22, 2020 workshop where the City Council will provide direction on potential adult-use cannabis zoning ordinance components. This direction will be used to draft the zoning regulations which will then be presented to the Planning and Zoning Commission for review through a public hearing.

**Slide 8**
As I mentioned earlier, staff will use the existing medical cannabis regulations as a starting point for discussions related to the proposed adult-use cannabis regulations. Ideally, the final ordinance will result in one set of regulations for both medical and adult-use facilities, particularly as it will be unlikely that any new stand-alone medical facilities will be proposed moving forward.

I will now walk you through the existing medical cannabis regulations. As you consider each existing regulation, think about whether you think the same requirement should apply to adult use cannabis facilities, or if you think the requirement should be more or less restrictive for adult-use cannabis facilities. In the survey provided, you will be asked these same questions.

Under the CRTA, there are several categories of cannabis business types. Two of them are equivalent to categories already in existence in the City’s zoning ordinance for medical cannabis: cultivation centers and dispensing organizations.

Under the CRTA,
- A cultivation center is a facility that is licensed by the Department of Agriculture to cultivate, process, and transport cannabis to cannabis business establishments; and
- A dispensing organization is a facility that is licensed by the Department of Financial and Professional Regulation to sell cannabis and paraphernalia.

**Slide 9**
The chart displayed shows current medical cannabis zoning in the City which we’ll use to discuss possible zoning for adult-use cannabis. Again, as you consider each existing regulation, think about whether you think the same requirement should apply to adult-use cannabis facilities, or if you think the requirement should be more or less restrictive for adult-use cannabis facilities. In the survey provided, you will be asked these same questions.

**Medical cannabis cultivation centers** require a conditional use in the City’s industrial zoning districts. When a conditional use is required, the request must be reviewed by the Planning and Zoning Commission through a public hearing followed by a formal vote by the City Council. This is typically a 3-4-month process.

**Medical cannabis dispensing organizations** require a conditional use in the City’s business districts. Again, the conditional use is subject to review by the Planning and Zoning Commission with final approval by the City Council.

**Medical cannabis dispensing organizations** are permitted by right in the City’s industrial zoning districts provided all required building permits are obtained.

**Medical cannabis dispensing organizations** cannot be located within 250’ of any property zoned or used for residential purposes. When this requirement was established in 2013, it exceeded the regulations established by the State. The State’s regulations noted that a dispensing organization could not be located in a home, apartment, condo or any area zoned for residential use. The City’s adopted regulations imposed an additional 250’ buffer between any dispensary and a property zoned or used for residential purposes.

**Medical cannabis dispensing organizations** cannot be located within 1,000 feet of any pre-existing schools and daycares. This requirement was established in the 2013 medical cannabis regulations established by the State. However, this requirement was eliminated in the 2019 CRTA. This separation distance can be kept in the zoning ordinance to be drafted, or it can be amended or removed altogether.

**Drive-through facilities** are currently prohibited for any medical cannabis dispensing facilities.

**Retail sales** within medical cannabis dispensing facilities are currently limited to taking up no more than 10% of the total square footage of the unit. This requirement is intended to maintain the primary purpose of the facility as dispensing, not retail sales of paraphernalia.

**Slide 10**
If the existing medical cannabis dispensing restrictions are applied to adult-use dispensing facilities, there are a limited number of locations citywide in which such a facility could be located. This map, which is also posted on the City’s website for closer review, displays those areas in which a dispensary could be located; the areas shown in red hashing are currently ineligible.

Please note that these available locations may be further reduced if they are adjacent to a daycare facility. Since the City does not issue business licenses, we do not have a full record of the existing daycare facilities to reflect on this map.

**Slide 11**
In addition to the cultivation centers and dispensing organizations discussed on the prior slides, there are other new types of cannabis businesses under the CRTA that do not have an equivalent category in the existing medical cannabis regulations. I will provide an overview of these uses shortly. If there is support for these facilities in Naperville, zoning regulations will need to be created for these uses as well, including the potential establishment of caps for each business type.
In the survey provided, you will also be asked for your input regarding these additional business types.

Before we begin, it should also be noted that a new requirement was added by the State through the 2019 CRTA that a minimum separation distance of 1,500 feet must be provided between adult-use cannabis dispensing facilities. This requirement will be added to Naperville’s adult-use cannabis zoning regulations. City staff is also collecting research regarding appropriate parking requirements for adult-use dispensaries; this regulation will be included in the proposed zoning regulations that will be presented to the Planning and Zoning Commission.

As you consider each adult use cannabis business type, think about whether you are opposed or in support of these business types. For those that you support, do you think a cap should be added to regulate the maximum number of those business types that would be permitted to locate in the City? In the survey provided, you will be asked these same questions.

**Cultivation centers** must continue to be permitted for medical cannabis purposes; however, the City may choose to prohibit them if proposed strictly for adult-use cannabis purposes. Please note that it would be difficult to ensure this restriction as the product may be similar regardless of its intended distribution point. Caps on the maximum number of cultivation centers permitted in Naperville may also be considered for inclusion in the zoning ordinance regulations.

While the referendum showed majority support for permitting the retail sale of adult-use cannabis in Naperville, the zoning ordinance can include caps on the number of **dispensing organizations** that will be permitted in the City.

A **craft grower** is a facility that is licensed by the Department of Agriculture to cultivate and package cannabis to make it available for sale at a dispensing organization. By definition, a craft grower is intended to be a significantly smaller operation than a cultivation center. If there is support for craft growers in the Naperville, staff would recommend that these be located in industrial districts.

A **processing organization** is a facility that is licensed by the Department of Agriculture to extract chemicals and compounds to produce cannabis concentrate, which may also be incorporated into a cannabis product. If there is support for processing organizations in Naperville, staff would recommend that these be located in industrial districts.

A **transporting organization** is licensed by the Department of Agriculture to transport cannabis on behalf of a cannabis business establishment. If there is support for transporting organizations in Naperville, staff would recommend that these be located in industrial districts.

An **infuser organization** is licensed by the Department of Agriculture to directly incorporate cannabis or cannabis concentrate to produce a cannabis-infused product. Infusers may only sell or distribute cannabis to a Dispensing Organization or as otherwise provided by state rules. Infuser organizations may not be located in an area zoned residential, but may share premises with a craft grower or a dispensing organization. If there is support for infuser organizations in Naperville, staff would recommend that these be located in industrial districts.

**On-site consumption** may be permitted within designated areas of retail tobacco stores and/or at dispensing organizations.

**Slide 12**
As discussed at the beginning of the presentation, the City Council approved a roadmap to be used for the creation of zoning regulations for adult-use cannabis facilities, as follows:

**Step 1:** June 22, 2020 City Council Workshop
Step 2: Staff will draft an adult-use cannabis zoning amendment to the City Code based on discussions from the June 22 Workshop.

Step 3: The adult-use cannabis draft zoning amendment will be presented to the Planning and Zoning Commission (PZC) for a public hearing.

Step 4: Following a PZC vote on the proposed ordinance amending the City Code, the ordinance will be presented to the City Council at a City Council meeting for a first reading.

Step 5: The ordinance will return to a subsequent City Council meeting for a final vote.

Slide 13
That concludes this presentation. I encourage you to complete and submit the survey found on the City’s website using the web address shown on this screen. The survey will close on June 12 at 5 p.m. A summary of the survey responses will be shared with the City Council at the June 22 workshop. You can also email your questions or comments directly to me at laffa@naperville.il.us. Comments received by June 12 at 5p.m. will be included in the June 22 City Council workshop packet.

Thank you for your time!