



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Planning Division

m e m o r a n d u m

TO: Mayor Diane Wolfe Marlin and City Council Members
FROM: Lorrie Pearson, AICP, Community Development Director
Kevin Garcia, AICP, Planner II
DATE: October 17, 2019
SUBJECT: **An Ordinance Amending The Urbana Zoning Ordinance (Cannabis Text Amendment – Plan Case 2385-T-19)**

Introduction

The Zoning Administrator requests an amendment to Articles II and V of the Zoning Ordinance to add definitions and establish use provisions for non-medical, adult use cannabis businesses. The proposed amendment would add definitions to Article II; add non-medical cannabis uses to Table V-1, Table of Uses; and amend Section V-13, Regulation of Medical Cannabis Uses.

On June 25, 2019, Governor Pritzker signed the Cannabis Regulation and Tax Act (410 ILCS 705/) into law, making Illinois the 11th state to legalize non-medical, adult use cannabis and the first to do so by the legislative process, rather than through a ballot initiative. The Act will take effect on January 1, 2020, making it legal for all adults 21 and older to possess and consume cannabis for nonmedicinal purposes. The Act established regulations for the cultivation, processing, distribution, and use of cannabis, adds taxing provisions, and includes social equity components that are generally lacking in other states that have legalized non-medical, adult use cannabis.

On September 3, the City Council passed a three percent Municipal Cannabis Retailers' Occupation Tax.

Since non-medical, adult use cannabis will not be legal in Illinois until January 1, 2020, there are no definitions or use regulations in the Zoning Ordinance governing adult use cannabis businesses. The Zoning Administrator requests this text amendment to establish guidelines for such uses. The proposal would add regulations to allow non-medical cannabis uses as permitted or conditional uses in some business, industrial, and agricultural districts.¹

The Plan Commission held public hearings on the proposed text amendment at their September 19 and October 10, 2019, meetings. The Plan Commission voted unanimously to recommend approval of the proposed text amendment to City Council.

¹ While the Act allows local governments to regulate “on-premise consumption” (e.g., cannabis smoking lounges), the proposal does not include regulations for such uses. The State is expected to release guidance to help clarify how on-premise consumption may be regulated. At that time, the City of Urbana may choose to address the issue. **Until the issue is addressed, on-premise consumption is not allowed.**

Background

On June 25, 2019, Governor Pritzker signed the Cannabis Regulation and Tax Act (410 ILCS 705/) (“the Act”), making it legal for adults 21 and older to purchase, possess, and consume cannabis for nonmedicinal purposes. In addition, the Act regulates how cannabis may be cultivated, transported, processed, and sold, and restricts the number of dispensing businesses that will be allowed in each region of the state. The Act prohibits consumption of cannabis in public places, in motor vehicles, on school grounds, and near people under the age of 21, and prohibits smoking of cannabis in any place where smoking is prohibited under the Smoke Free Illinois Act.¹

The Act grants local governments the authority to adopt reasonable zoning controls to regulate...

“...the time, place, manner, and number of cannabis business establishment operations, including minimum distance limitations between cannabis business establishments and locations it deems sensitive, including colleges and universities, through the use of conditional use permits.”²

Any regulations that a local government enacts cannot be more strict than the Act allows. For instance, dispensaries may operate between 6:00 AM and 10:00 PM. A local government could not further restrict the operating hours to, say, 8:00 AM to 8:00 PM.

Regarding distance limitations, the Act provides the following minimum distance requirements for cannabis businesses:

- No dispensary shall be located on a parcel whose property line is within 1,500 feet of the property line of a pre-existing dispensary.
- No craft grower shall be located on a parcel whose property line is within 1,500 feet of the property line of another craft grower or cultivation center.

On September 3, 2019, City Council passed Ord. No. 2019-08-047, which established a three percent Municipal Cannabis Retailers’ Occupation Tax. The tax would apply to all non-medical cannabis sales in Urbana. The proposed text amendment is a necessary step to identify where cannabis businesses may locate.

On September 19, 2019, the Plan Commission held a public hearing on the proposed text amendment. Ultimately, the Plan Commission continued the case, recommending that staff consider establishing minimum distance buffers between dispensaries and K-12 schools, and between cultivation centers and residential areas. At the October 10, 2019, Plan Commission meeting, staff presented an updated text amendment that included such minimum distances: for dispensaries, staff suggested using the same 100-foot buffer from schools that Urbana requires for liquor stores; and, for cultivation centers, staff suggested a 300-foot buffer from residentially-zoned parcels, based on regulations used in Aurora, Colorado, considered a “best practice” community for cannabis business regulation. After discussion, the Plan Commission accepted staff’s recommendations, which are presented below, and voted unanimously to recommend approval of the proposed text amendment to City Council. No members of the public spoke at either Plan Commission meeting.

¹ Cannabis consumption is not limited to smoking, hence the specific reference to prohibiting smoking.

² Cannabis Regulation and Tax Act (410 ILCS 705/55-25 – Local Ordinances).

Discussion

There are no specific use regulations for non-medical cannabis cultivation, processing, transportation, or sale in Urbana, since these are all new business types in Illinois. These uses should be defined in Article II and their locations regulated in Article V of the Zoning Ordinance.

The State defines six types of cannabis business: craft growers, cultivation centers, dispensaries, infusers, processors, and transporters. Each is described below. *For complete definitions, see Exhibit A.*

- Craft growers are small-scale growing facilities (up to 5,000 sq.ft.¹) that can grow, process, and package cannabis for sale at dispensaries or to processors. They may also share premises with dispensaries or processors (or both).
- Cultivation centers are larger-scale growing facilities (up to 210,000 sq.ft. of “canopy space”) that can grow, process, and transport cannabis to other cannabis businesses.
- Dispensaries sell cannabis, cannabis-infused products, cannabis seeds, and paraphernalia.
- Infusers make cannabis-infused products like oils, tinctures, food, and beverages.
- Processors extract chemicals or compounds from cannabis to produce cannabis concentrate or cannabis products.
- Transporters transport cannabis for other cannabis businesses.²

In Article II, the proposed amendment adds a general definition, “Cannabis business,” which lists each type of cannabis business permitted by the State and refers to the Act for specific definitions. This “incorporation by reference” is preferable to defining each use separately, primarily because it ensures that Urbana’s Zoning Ordinance will always be consistent with the State statute. If the State changes the definition for any cannabis business, the Zoning Ordinance will automatically reflect the change. This will save time and effort since future text amendments will not be required if the State simply changes their definitions. Having a general definition is also more efficient: one definition is preferable to six.

In Article V, the proposed amendment adds distance requirements that mirror the requirements found in the Act. While the Zoning Ordinance could simply refer to the Act (as is proposed for definitions), in this case the day-to-day use and administration of the ordinance will be easier if the distance requirements are explicitly stated, even if that means in the future the ordinance may need to be changed if the State changes the Act.

As proposed, Article V also includes minimum distances from sensitive uses for dispensaries and cultivation centers, per the Plan Commission’s suggestions. The Plan Commission suggested that there should be some separation between dispensaries and K-12 schools. They asked staff to look at the City’s requirements for liquor stores as a basis for establishing a minimum distance for dispensaries, since the uses are similar. The City (and the State of Illinois) requires at least 100 feet of separation between liquor stores and schools, so the proposed text amendment would not allow dispensaries

¹ Craft growers may increase their growing area up to 14,000 sq. ft., in increments of 3,000 sq. ft., based on market need, craft grower capacity, and the licensee's history.

² In less-densely populated areas, like Champaign-Urbana, cannabis businesses can transport their products up to 15 miles, which will likely reduce the need for transporter businesses in the area.

within 100 feet of any elementary school, middle school, or high school. The Plan Commission also recommended that, in addition to the “by right” zones proposed by staff for dispensaries, they also be allowed as a conditional use in the B-2, Neighborhood Business – Arterial, district. This would align the allowed zones for dispensaries with what is allowed for liquor stores.

The Plan Commission also had concerns that cultivation centers could emit odors that could be unpleasant for neighbors, so they suggested that a minimum distance be established between cultivation centers and residential zones. Staff researched the issue and suggested a minimum distance of 300 feet based on the regulations for cultivation centers in Aurora, Colorado, which was highlighted in *Planning* magazine as a “best practice” community in regulating cannabis businesses. Staff also suggested adding language, also based on Aurora, Colorado, to require cultivation centers to mitigate odors using air filters, scrubbers, or other methods.

All of the proposed changes described above, as well as the specific zoning districts proposed for each cannabis business type, are presented below, in the “Proposed Changes” section. In general, dispensaries, craft growers, and infusers are proposed as permitted uses in the more intense business zones and industrial zones, and cultivation centers, processors, and transporters are proposed as permitted uses in industrial zones.

Comprehensive Plan

The following goals and objectives of the 2005 Urbana Comprehensive Plan relate to this case:

Goal 24.0 Enhance Urbana’s commercial areas.

- 24.1 Use a variety of economic development tools to improve and redevelop Urbana’s existing commercial areas.

Goal 28.0 Develop a diversified and broad, stable tax base.

- 28.3 Promote an expanded tax base through aggressive marketing and development efforts aimed at attracting new business, retaining and expanding existing business, and annexation.

Goal 32.0 Promote new and expanded business opportunities.

The proposed text amendment would help accomplish these goals and objectives in several ways. This amendment would allow an entirely new job- and tax-generating industry to be established in Urbana. On September 3, 2019, the City Council passed a three percent Municipal Cannabis Retailers’ Occupation Tax¹, a tax on retail cannabis sales, which the Finance Department estimates would generate between \$275,000 and \$550,000 per year in tax revenue for the City of Urbana. In addition to the taxes generated from cannabis sales, cannabis businesses could help to fill vacant storefronts and vacant lots, and the businesses will provide jobs. There should also be some property tax benefits that occur once cannabis businesses are established.

¹ Ord. No. 2019-08-047.

Proposed Text Changes

The proposed changes are listed below, using a strikethrough and underline notation system. A strikethrough is used to indicate ~~deleted language~~, while an underline is used to indicate added language. Commentary on the proposed changes follow each proposed change and is listed *in italics*.

Section II-3. Definitions

Cannabis Business: A craft grower, cultivation center, dispensary, infuser, processor or transporter, as defined by the Cannabis Regulation and Tax Act, 410 ILCS 705/ 1-1 et seq., as amended.

This change would add a definition to include all Cannabis Businesses. The definition refers to specific business types defined in the Cannabis Regulation and Tax Act (410 ILCS 705/). See Exhibit X for full definitions of each of these business types.

Section V-13. Regulation of ~~Medical~~ Cannabis Uses

The title of this section should be changed so the section can include all cannabis uses.

~~A. Medical cannabis uses listed as permitted in Table V-1 shall only be permitted as provided herein so that these uses will not unduly interfere with or adversely affect the public health, safety, comfort, adjacent land uses, property values, or general welfare of the community.~~

This paragraph was added to the Zoning Ordinance in the text amendment that added medical cannabis uses to the Zoning Ordinance. It was copied from the opening paragraph in the “Adult Entertainment Uses” section of the Zoning Ordinance. However, nothing to date suggests that medical cannabis affects public health, safety, comfort, adjacent land uses, property values, or general welfare of the community, so this paragraph serves no real purpose.

- A. Medical cannabis uses shall only be allowed in locations that are consistent with the Compassionate Use of Medical Cannabis ~~Pilot~~ Program Act (410 ILCS 130/1 et seq., as amended):
1. No medical cannabis cultivation center shall be located or established in a building or structure within 2,500 feet of the property line of a pre-existing public or private preschool or elementary school or secondary school or day care center, day care home, group day care home, part day child care facility, or on any lot in an R-1, R-2, R-3, R-4, R-5, R-6, R-6B, R-7, B-3U or MOR Zoning District. State law reference (410 ILCS 130/105(c).)
 2. No medical cannabis dispensary shall be located or established in a building or structure within 1,000 feet of the property line of a pre-existing public or private preschool or elementary or secondary school or day care center, day care home, group day care home, or part day child care facility, or in a house, apartment, or condominium, or on any lot in an R-1, R-2, R-3, R-4, R-5, R-6, R-6B, R-7, B-3U or MOR Zoning District. State law reference (410 ILCS 130/130(d).)

On August 9, 2019, Public Act 101-0363 took effect, deleting the word “Pilot” from the name of the Compassionate Use of Medical Cannabis Program Act. This change reflects that, and cleans up references to State law.

B. Cannabis business uses shall only be allowed in locations that are consistent with the Cannabis Regulation and Tax Act, 410 ILCS 705/ 1-1 et seq., as amended, and as follows:

1. No dispensary shall be located on a parcel whose property line is within 1,500 feet of the property line of a pre-existing dispensary, or within 100 feet of a public or private elementary or secondary school. State law references 410 ILCS 705/15-20(b); 410 ILCS 705/15-70(n)(15).
2. No craft grower shall be located on a parcel whose property line is within 1,500 feet of the property line of another craft grower or cultivation center. State law reference 410 ILCS 705/30-30(o).
3. (OPTION 1) No cannabis cultivation center or craft grower shall be located on a parcel whose property line is within 300 feet of any residentially zoned lot in the City of Urbana, City of Champaign, or Champaign County, or in the B-3U or MOR Zoning District.

OR

3. (OPTION 2) A Conditional Use Permit is required to establish a cannabis cultivation center or craft grower on a parcel whose property line is within 300 feet of any residentially zoned lot in the City of Urbana, City of Champaign, or Champaign County, or in the B-3U or MOR Zoning District.
4. (OPTION 3) A Special Use Permit is required to establish a cannabis cultivation center or craft grower on a parcel whose property line is within 300 feet of any residentially zoned lot in the City of Urbana, City of Champaign, or Champaign County, or in the B-3U or MOR Zoning District.
5. Cannabis cultivation centers and craft growers shall mitigate exterior odors by installing air scrubbing and/or air filtration systems, or by some other means approved by the Zoning Administrator.

These minimum proposed distances mirror the requirements in the Act, and include the distances suggested by the Plan Commission. If the minimum distances in the Act ever change, this section may need to be updated. It is best to explicitly include these distances in the Zoning Ordinance, however, rather than refer to the Act, as the distance requirements are difficult to find within the Act.

For cultivation centers, Option 1 represents the language proposed by staff and recommended by the Plan Commission. Upon further analysis, Option 2 or 3 would provide more flexibility to allow cultivation centers in special circumstances (and with additional oversight), even if the parcel lies within 300 feet of a residentially-zoned district. Option 2 or 3 would be useful, for example, in

cases where there is a very large parcel where a small portion lies within 300 feet of a residential zone. A site plan could be approved as part of a conditional or special use permit to ensure that the cultivation center would be built far from nearby homes. Many unincorporated parcels on the edge of the City, which could be annexed if developed, fall into this category (see Exhibit L).

Option 2 or 3 would also allow craft growers in more locations, but would require conditional/special use permits in places close to residential areas, which would help ensure that they do not become a nuisance for nearby residents.

Table V-1. Table of Uses

Principal Uses	R-1	R-2	R-3	R-4	R-5	R-6	R-6B	R-7	AG	B-1	B-2	B-3	B-3U	B-4	B-4E	CCD	CRE	MOR	IN-1	IN-2
<u>Cannabis Business</u>																				
Craft Grower									C C			P	P	P	P				P	P
Cultivation Center (Non-Medical)									C C										P	P
Dispensary (Non-Medical)											C	P	P	P	P				P	
Infuser												P	P*	P*	P				P	P
Processor																			P	P
Transporter																			P	P
<u>Medical Cannabis</u>																				
Medical Cannabis Cultivation									C										S	P
Medical Cannabis Dispensary												P		P					P	
Liquor Store											C	P	P	P	P					

*Use permitted by Right when the gross square footage of the use is 3,500 square feet or less per floor, and by Conditional Use when the gross square footage is greater than 3,500 square feet per floor.

Notes: Changes are not being proposed for medical cannabis uses except to consolidate them under a “Medical Cannabis” heading in the use table. Liquor stores are included for purposes of comparison, esp. for dispensaries.

Craft Growers are proposed as by right uses in the higher business zones and industrial zones, and as a conditional use in the AG – Agriculture district. Since craft growers can share premises with dispensaries or processors, the allowed districts mostly overlap with the zones proposed for those two business types.

Cultivation Centers are proposed as by right uses in industrial zones and with a conditional use permit in agricultural districts. Cultivation centers are usually indoor facilities that are more industrial than agricultural in nature, so in the AG – Agriculture district, a conditional use permit will help ensure they are compatible with surrounding uses.

Dispensaries are proposed as by right uses in the higher business zones and the light industrial zone, and as conditional uses in the B-2, Neighborhood Business – Arterial district. This would allow dispensaries in the same zones that liquor stores are allowed in.

Infusers are proposed as by right uses in B-3, General Business and B-4E, Central Business-Expansion, and industrial zones. Smaller infusers (less than 3,500 square feet per floor) are proposed as by right uses in the B-3U, General Business-University and B-4, Central Business districts, and as conditional uses in those same districts. This would allow, for example, a small

cannabis bakery downtown by right, while a larger, more industrial-type operation would require a conditional use permit.

Processors and Transporters are proposed as by right uses in industrial districts only.

Summary of Findings

1. The Zoning Administrator proposes a text amendment to the Zoning Ordinance to add definitions and establish use provisions for non-medical, adult use cannabis businesses.
2. Adult use cannabis will be legal in Illinois on January 1, 2020 and its use is regulated by the provisions of the Cannabis Regulation and Tax Act (410 ILCS 705/) (“the Act”). The Act also regulates where and how adult use cannabis businesses can operate.
3. The proposed amendment will modify Articles II and V of the Urbana Zoning Ordinance to define and allow cannabis businesses in limited districts.
4. The proposed amendment would prohibit dispensaries from being located on a parcel whose property line is within 1,500 feet of the property line of a pre-existing dispensary, or within 100 feet of any elementary, middle, or high school.
5. The proposed amendment would prohibit craft growers from being located on a parcel whose property line is within 1,500 feet of the property line of another craft grower or cultivation center.
6. The proposed amendment would allow Craft Growers in the B-3, General Business; B-3U, General Business-University; B-4, Central Business; B-4E, Central Business-Expansion; IN-1, Light Industrial/Office; and IN-2, Heavy Industrial zoning districts.
7. The proposed amendment would allow Cultivation Centers in the IN-1, Light Industrial/Office and IN-2, Heavy Industrial zoning districts, and as a conditional use in the AG-Agriculture zoning district.
8. The proposed amendment would allow Dispensaries in the B-3, General Business; B-3U, General Business-University; B-4, Central Business; B-4E, Central Business-Expansion; and IN-1, Light Industrial/Office zoning districts.
9. The proposed amendment would allow Infusers in the B-3, General Business; B-4E, Central Business-Expansion; IN-1, Light Industrial/Office; and IN-2, Heavy Industrial zoning districts, and as a conditional use in the B-3U, General Business-University and B-4, Central Business zoning districts.
10. The proposed amendment would allow Processors in the IN-1, Light Industrial/Office and IN-2, Heavy Industrial zoning districts.
11. The proposed amendment would allow Transporters in the IN-1, Light Industrial/Office and IN-2, Heavy Industrial zoning districts.
12. The proposed amendment is consistent with the goals and objectives of the 2005 Urbana Comprehensive Plan to enhance Urbana’s commercial areas, develop a diversified and broad, stable tax base, and promote new and expanded business opportunities.
13. The proposed amendment conforms to notification and other requirements for the Zoning Ordinances as required by the State Zoning Act (65 ILCS 5/11-13-14).

Options

The City Council has the following options regarding An Ordinance Amending The Urbana Zoning Ordinance (Cannabis Text Amendment – Plan Case 2385-T-19):

1. Approve the text amendment as presented herein;
2. Approve the text amendment as modified by specific suggested changes; or
3. Deny the text amendment.

Recommendation

At its October 10, 2019, meeting, the Plan Commission voted with seven ayes and zero nays to forward the proposed cannabis text amendment to the City Council with a recommendation for APPROVAL.

Attachments:

- Plan Commission Minutes 9/17/19 and 10/10/19 (Draft)
- Exhibit A: Cannabis Business Definitions
- Exhibit B: Local Zoning Authority
- Exhibit C: Illinois Municipal League Adult-Use Cannabis Fact Sheet
- Exhibit D: Municipal Cannabis Retailers' Occupation Tax (Ord. No. 2019-08-047)
- Exhibit E: Map – Proposed locations for Craft Growers
- Exhibit H: Map – Proposed locations for Infusers
- Exhibit I: Map – Proposed locations for Processors and Transporters
- Exhibit J: Map – Dispensaries allowed by BLS region
- Exhibit K: Proposed Zones for Cannabis Dispensaries
- Exhibit L: Proposed Zones for Cannabis Cultivation Centers

ORDINANCE NO. 2019-10-59

AN ORDINANCE AMENDING THE URBANA ZONING ORDINANCE

(Cannabis Text Amendment – Plan Case 2385-T-19)

WHEREAS, the City Council passed Ordinance No. 9293-124 on June 21, 1993, which adopted the 1993 Comprehensive Amendment to replace the 1979 Comprehensive Amendment to the 1950 Zoning Ordinance of the City of Urbana (“City”), which is also known as the Urbana Zoning Ordinance (“Zoning Ordinance”); and

WHEREAS, the State of Illinois enacted the Cannabis Regulation and Tax Act (410 ILCS 705/) on June 25, 2019, making it legal as of January 1, 2020, for all adults 21 and older to possess and consume cannabis for non-medical purposes in the State of Illinois; and

WHEREAS, non-medical, adult use cannabis business uses are not included in the Urbana Zoning Ordinance; and

WHEREAS, the Zoning Administrator has submitted a petition to amend the Zoning Ordinance to add definitions and establish use provisions for non-medical, adult use cannabis businesses the Zoning Ordinance; and

WHEREAS, said petition was presented to the Plan Commission as Plan Case No. 2385-T-19; and

WHEREAS, after due publication in accordance with Section XI-7 of the Zoning Ordinance and Section 11-13-14 of the Illinois Municipal Code (65 ILCS 5/11-13-14), the Plan Commission held public hearings on the petition on September 19, 2019 and October 10, 2019; and

WHEREAS, the Plan Commission voted six ayes to zero nays on October 10, 2019, to forward Plan Case No. 2385-T-19 to the City Council with a recommendation for approval of the proposed amendment; and

WHEREAS, the amendments described herein conform to the goals, objectives and policies of the 2005 Comprehensive Plan as amended from time to time; and

WHEREAS, after due and proper consideration, the City Council finds that amending the Zoning Ordinance as herein provided is in best interests of the residents of the City and is desirable for the welfare of the City's government and affairs.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1.

The following provisions of the Urbana Zoning Ordinance are hereby amended and as amended shall read as set forth in Ordinance Attachment A, which is attached hereto and incorporated herein by reference:

- A. Article II, "Definitions," Section II-3, "Definitions,"
- B. Article V, "Use Regulations," Section V-13, "Regulations of Medical Cannabis Uses," Table V-1, "Table of Uses."

Section 2.

This Ordinance shall not be construed to affect any suit or proceeding pending in any court, or any rights acquired, or a liability incurred, or any cause or causes of action acquired or existing prior to the effective date of this Ordinance; nor shall any right or remedy of any character be lost, impaired, or affected by this Ordinance.

Section 3.

The City Clerk is directed to publish this Ordinance in pamphlet form by authority of the corporate authorities, and this Ordinance shall be in full force and effect from and after its passage and publication in accordance with Section 1-2-4 of the Illinois Municipal Code.

This Ordinance is hereby passed by the affirmative vote, the “ayes” and “nays” being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a meeting of said Council.

PASSED BY THE CITY COUNCIL this ___ day of _____, 2019.

AYES:

NAYS:

ABSTAINED:

Charles A. Smyth, City Clerk

APPROVED BY THE MAYOR this ___ day of _____, 2019.

Diane Wolfe Marlin, Mayor

CERTIFICATE OF PUBLICATION IN PAMPHLET FORM

I, Charles A. Smyth, certify that I am the duly elected and acting Municipal Clerk of the City of Urbana, Champaign County, Illinois. I certify that on the _____ day of _____, 2019, the corporate authorities of the City of Urbana passed and approved Ordinance No. _____, entitled “An Ordinance Amending the Urbana Zoning Ordinance (Cannabis Text Amendment – Plan Case 2385-T-19)” which provided by its terms that it should be published in pamphlet form. The pamphlet form of Ordinance No. _____ was prepared, and a copy of such Ordinance was posted in the Urbana City Building commencing on the _____ day of _____, 2019, and continuing for at least ten (10) days thereafter. Copies of such Ordinance were also available for public inspection upon request at the Office of the City Clerk.

DATED at Urbana, Illinois, this _____ day of _____, 2019.

ORDINANCE ATTACHMENT A

Section II-3. Definitions

Cannabis Business: A craft grower, cultivation center, dispensary, infuser, processor or transporter, as defined by the Cannabis Regulation and Tax Act, 410 ILCS 705/ 1-1 *et seq.*, as amended.

Section V-13. Regulation of Cannabis Uses

- A. Medical cannabis uses shall only be allowed in locations that are consistent with the Compassionate Use of Medical Cannabis Program Act (410 ILCS 130/1 *et seq.*, as amended):
1. No medical cannabis cultivation center shall be located or established in a building or structure within 2,500 feet of the property line of a pre-existing public or private preschool or elementary school or secondary school or day care center, day care home, group day care home, part day child care facility, or on any lot in an R-1, R-2, R-3, R-4, R-5, R-6, R-6B, R-7, B-3U or MOR Zoning District. State law reference 410 ILCS 130/105(c).
 2. No medical cannabis dispensary shall be located or established in a building or structure within 1,000 feet of the property line of a pre-existing public or private preschool or elementary or secondary school or day care center, day care home, group day care home, or part day child care facility, or in a house, apartment, or condominium, or on any lot in an R-1, R-2, R-3, R-4, R-5, R-6, R-6B, R-7, B-3U or MOR Zoning District. State law reference 410 ILCS 130/130(d).
- B. Cannabis business uses shall only be allowed in locations that are consistent with the Cannabis Regulation and Tax Act, 410 ILCS 705/ 1-1 *et seq.*, as amended, and as follows:
1. No dispensary shall be located on a parcel whose property line is within 1,500 feet of the property line of a pre-existing dispensary, or within 100 feet of a public or private elementary or secondary school. State law references 410 ILCS 705/15-20(b); 410 ILCS 705/15-70(n)(15).
 2. No craft grower shall be located on a parcel whose property line is within 1,500 feet of the property line of another craft grower or cultivation center. State law reference 410 ILCS 705/30-30(o).
 3. **(OPTION 1: Prohibit Cultivation on Parcels within 300 feet of Residential Zones)** No cannabis cultivation center or craft grower shall be located on a parcel whose property line is within 300 feet of any residentially zoned lot in the City of Urbana, City of Champaign, or Champaign County, or in the B-3U or MOR Zoning District.

3. **(OPTION 2: Require Conditional Use Permit for Cultivation on Parcels within 300 feet of Residential Zones)** A Conditional Use Permit is required to establish a cannabis cultivation center or craft grower on a parcel whose property line is within 300 feet of any residentially zoned lot in the City of Urbana, City of Champaign, or Champaign County, or in the B-3U or MOR Zoning District.

3. **(OPTION 3: Require Special Use Permit for Cultivation on Parcels within 300 feet of Residential Zones)** A Special Use Permit is required to establish a cannabis cultivation center or craft grower on a parcel whose property line is within 300 feet of any residentially zoned lot in the City of Urbana, City of Champaign, or Champaign County, or in the B-3U or MOR Zoning District.

4. Cannabis cultivation centers and craft growers shall mitigate exterior odors by installing air scrubbing and/or air filtration systems, or by some other means approved by the Zoning Administrator.

Table V-1. Table of Uses

Principal Uses	R-1	R-2	R-3	R-4	R-5	R-6	R-6B	R-7	AG	B-1	B-2	B-3	B-3U	B-4	B-4E	CCD	CRE	MOR	IN-1	IN-2
<i>Cannabis Business</i>																				
Craft Grower									C			P	P	P	P				P	P
Cultivation Center (Non-Medical)									C										P	P
Dispensary (Non-Medical)											C	P	P	P	P				P	
Infuser												P	P*	P*	P				P	P
Processor																			P	P
Transporter																			P	P
<i>Medical Cannabis</i>																				
Medical Cannabis Cultivation									C										S	P
Medical Cannabis Dispensary												P		P					P	

**Use permitted by Right when the gross square footage of the use is 3,500 square feet or less per floor, and by Conditional Use when the gross square footage is greater than 3,500 square feet per floor.*

MINUTES OF A REGULAR MEETING

URBANA PLAN COMMISSION

APPROVED

DATE: September 19, 2019

TIME: 7:00 P.M.

PLACE: Urbana City Building
Council Chambers
400 South Vine Street
Urbana, IL 61801

MEMBERS PRESENT: Barry Ackerson, Dustin Allred, Jane Billman, Andrew Fell, Tyler Fitch, Lew Hopkins, Chenxi Yu

MEMBERS EXCUSED: Jonah Weisskopf

STAFF PRESENT: Lorrie Pearson, Deputy Director of Community Development Services Department/Planning Manager; Kevin Garcia, Planner II; Teri Andel, Administrative Assistant II

...

Plan Case No. 2385-T-19 – An application by the Urbana Zoning Administrator to amend the Urbana Zoning Ordinance to add definitions and regulations for recreational cannabis.

NOTE: Mr. Hopkins arrived at the meeting.

Chair Fitch opened the public hearing for this case. Kevin Garcia, Planner II, presented the case to the Plan Commission. He began by stating the purpose for the proposed text amendment, which is to add definitions and establish use provisions for non-medical, adult use cannabis businesses. He discussed the Cannabis Regulation and Tax Act that the State of Illinois passed on June 25, 2019. He explained the six types of cannabis businesses the State of Illinois defines in the Act. He talked about how the proposed text amendment related to the goals and objectives of the 2005 Urbana Comprehensive Plan. He reviewed the proposed changes to the text in the Zoning Ordinance. He referred to Exhibit G – Proposed Locations for Dispensaries. He read the options of the Plan Commission and presented City staff’s recommendation for approval.

Chair Fitch asked if any members of the Plan Commission had questions for City staff.

Mr. Fell asked if there is a 3% tax on both medical and recreational cannabis. Mr. Garcia said no. Medical cannabis is still governed by the Medical Cannabis Act and has a 1% tax.

Mr. Fell believed that the City of Champaign allows smoking of cannabis in public areas; however, they do not regulate people smoking cigarettes in public. Mr. Garcia explained that he is not familiar with the regulations in the City of Champaign; he would research this to ensure that the City of Urbana does not have any loopholes like this.

Mr. Garcia noted that the Act does allow municipalities to permit businesses where people can smoke cannabis recreationally. However, City staff is not addressing that at this time in the proposed text amendment.

Mr. Fell asked if any of the types of cannabis businesses required to be a certain distance from each other. Mr. Garcia replied that there must be at least 1500 feet between dispensaries and between craft growers and cultivation centers. The State of Illinois does not require any other separation for any other types of cannabis uses. Chair Fitch added that a craft grower could also have a dispensary.

Mr. Fell stated that there have been problems in other areas with large cultivation centers frequently blowing air out of their buildings about every five minutes and upsetting their neighbors. Would this be something that the City of Urbana should address proactively? Mr. Garcia responded that this is something that the City could address. Some towns in Colorado have specific rules for ventilation and to ensure that there is no odor coming from cultivation centers.

Mr. Fell said that he personally did not have a problem with any of the cannabis uses being permitted by right; however, some constituents might have a problem with them. He asked what City staff's reasoning is for allowing some uses to be permitted by right and other uses requiring approval of a conditional or special use permit. Mr. Garcia explained that the State of Illinois has strict rules on cannabis operations. Staff did not know if the City wanted to get into the nuance of covering operations that are already covered under the State statute. Mr. Fell believed that the City should give the residents more of a say on whether they want a use located near them, so some uses should require additional approvals.

Mr. Ackerson said that at some point in the future, people will want a place to go to consume cannabis. He asked if staff anticipates there being places like cannabis bars with edibles or juice drinks infused with cannabis? Mr. Garcia said that the Act defines "public places" beyond what a person would normally think of as public places. It includes essentially anything open to the public, so until the City decides to tackle on-site consumption, it will not be allowed anywhere. This may come up in the future if there is a demand for it. Mr. Ackerson talked about his experience in Juneau, Alaska, where there is a dispensary every two to three blocks in some areas. He said it is no different than seeing a drug store on a corner.

Ms. Yu inquired why a cultivation center in an Agriculture (AG) Zoning District requires approval of a conditional use permit? Why is it treated differently than a craft grower? Mr. Garcia replied that craft growers are small businesses around 5,000 square feet, so he did not anticipate one wanting to locate in an AG Zoning District. Craft growers can be located next to a dispensary so he anticipated them more in business districts. Staff could add craft grower as a conditional use permit in the AG District. Ms. Yu felt the two uses should not be treated differently.

Mr. Hopkins mentioned the irony in how medical cannabis is regulated compared to recreational cannabis. Medical cannabis is still restricted relative to other land uses by distance constraints, but recreational cannabis is not. Now that recreational cannabis will be allowed, why would a person continue to go to a medical cannabis dispensary? Mr. Garcia replied that there is a difference in taxes [medical cannabis is taxed at 1%; non-medical cannabis will be taxed at 3%].

Mr. Hopkins stated that a medical cannabis dispensary could not locate within 1500 feet of a daycare center; however, there is no restriction on a recreational cannabis dispensary. Does this restriction come from the City or the State? Mr. Garcia answered that the City's current medical cannabis regulations mirror what the State of Illinois required [in 2014]. Mr. Hopkins asked if Mr. Garcia knew why there is a difference between medical cannabis and recreational cannabis, or if it is this a political artifact of timing. Mr. Garcia said it could be a timing issue. Mr. Hopkins stated that some residents may want to keep a recreational cannabis dispensary away from their schools more so than a medical cannabis dispensary, and what the City is giving them is the opposite.

Mr. Hopkins stated that the City is not allowed to be more restrictive in the cannabis use regulations with regards to time than the State of Illinois; however, we can restrict the distance. From a business' point of view, it would be more restrictive to increase the distance, but from a neighbor's point of view, it would be more restrictive to decrease the distance requirement. He felt that the City should think about whether 1500 feet is too far apart because it would restrict where a dispensary could be located.

Mr. Hopkins expressed concern about the use of "pre-existing" in Section V-13.B. He felt it should say "existing" for both 1 and 2 to be consistent. Mr. Garcia agreed with the idea that they should be consistent between the two sections. However, staff took the language verbatim from the Act, so he would be hesitant to change "pre-existing" to "existing".

Chair Fitch noted a typo error in Table V-1. Table of Uses. It lists "Cultivation Center (Non-" but does not have anything after it. Mr. Garcia said it should say, "Cultivation Center (Non-Medical)".

Chair Fitch asked if they are allowed to regulate location in relation to other uses through the conditional use process even though it is more restrictive than what the Act specifies. Mr. Garcia said yes.

Mr. Allred noticed that the general approach is to treat recreational cannabis uses as other retail uses. Has this been the approach in other states as well? Mr. Garcia stated that he was not familiar with how other states regulate non-medical cannabis uses.

Chair Fitch understood that Champaign County would get 3 of the 75 licenses for dispensaries for the first year. Eventually, more licenses will be available, which could mean more for Champaign County. By his estimation, he thought there could be up to 20, since there will ultimately be 500 dispensaries allowed statewide. Mr. Garcia said that based on his calculation, he thought there would be 5-7 dispensaries, but he would research it further and report back. Mr. Fell asked if a conditional use permit or special use permit stays with the property or the business. Mr. Garcia said it stays with the use. As long as the use continues, even through a change in ownership the permit continues.

Ms. Billman inquired about a 3% tax being “voluntary” [as Mr. Garcia had stated previously]. Mr. Garcia explained that unlike property tax, where every owner has to pay their taxes, the City is not going to make everyone buy cannabis. For those that buy cannabis voluntarily, they would pay a 3% tax.

Ms. Billman wondered if Champaign County was planning to regulate recreational cannabis. Mr. Garcia said he believed that they might; however, he has not heard anything as of yet.

Regarding cultivation centers and dispensaries being required to locate so many feet away from public and private preschools, Ms. Billman asked if the regulations for daycares would need to be changed or whether they would get special preference. Mr. Garcia stated it has to do with existing daycares. If a medical cannabis dispensary already existed and a person wanted to locate a daycare next door, they could do that, but they would not be allowed to complain about the medical cannabis dispensary that they moved next to.

Ms. Billman asked if the City should regulate the cultivation of cannabis being grown outdoors. Mr. Garcia explained that a business would either have to be licensed by the State of Illinois as a craft grower or a cultivation center. While they could grow cannabis outdoors, it would be less likely to happen. When talking with one of the owners of NuMed (the existing medical cannabis dispensary in the City of Urbana), he learned that you can get six times the amount of cannabis out of an indoor facility than from growing it outdoors, so he did not believe that there would be many, if any cannabis grown outdoors in this area. The State of Illinois regulations are strict and may have addressed this issue. He could research this more.

Ms. Billman asked about the possibility of having 5-7 dispensaries in the City of Urbana. Mr. Garcia said no, that it would be throughout the Champaign-Urbana region. He then explained his calculations to come up with 5-7 potential dispensaries.

Mr. Allred asked staff to explain the logic for not including Section V-13.A of the medical cannabis regulations in the recreational cannabis regulations. Mr. Garcia responded that staff felt it added some level of stigma. It seemed unnecessary to include it since the City has no evidence that the existing medical cannabis dispensary has any negative moral impact or property value impact.

There was no public present for public input. Chair Fitch opened the hearing for Plan Commission discussion and/or motion(s).

Mr. Ackerson stated that he did not believe there would be any outdoor growers because of the amount one could grow inside a facility and the lack of security to keep people from stealing it. In addition, the growing season in this area is much shorter. He noted that people with medical marijuana cards can grow their own; however, it must be grown inside a locked room where kids cannot get to it. So, the only people who could grow cannabis outdoors are the larger, licensed, and heavily regulated craft growers and cultivation centers.

Mr. Allred asked if security precautions are part of the licensing process and requirements through the State of Illinois. Mr. Garcia said that the requirements of the State are very specific and the facilities are very secure. It is similar to that required for medical cannabis growers.

Mr. Fell said he did not feel comfortable allowing cannabis uses to be permitted by right except in the business zoning districts. Mr. Allred suggested that City staff research other communities in other states because the City does not have a good sense of what the constituents' opinions would be.

Mr. Hopkins pointed out that one potential parallel is liquor. While there are State regulations governing liquor, the City does have additional constraints on where alcohol can be sold, where it can be consumed, and how these relate to other uses and facilities. He expressed concern about cannabis uses being located near middle schools and high schools. Discussion ensued about Exhibits E through I on where proposed locations for cannabis uses would be allowed and their proximity to different schools.

Mr. Ackerson agreed that they should treat cannabis similar to alcohol and tobacco. None of it is good for a person, but people do consume them. There are certain areas where there needs to be restrictions such as schools and residential areas. Chair Fitch noted that there was a consensus of the Plan Commission members to limit where cannabis uses could be located. The Plan Commission further discussed how many feet they should recommend to provide a buffer from schools, which cannabis uses should require buffers, and which cannabis uses should require a conditional or special use permit. Mr. Garcia stated that the Act only specifies conditional use permits. Lorrie Pearson, Deputy Director of Community Development, pointed out that there are certain uses such as gaming halls and adult uses that have distance requirements, which are permitted by right in certain zones. Mr. Hopkins felt that some uses could be allowed by right so they would not overload the Zoning Board of Appeals with unnecessary activity.

Mr. Garcia recommended listing dispensaries in Table V-1. Table of Uses as P/C. Dispensaries would be permitted by right in the B-3 (General Business) Zoning District. However, they would require a conditional use permit if they want to locate within a given distance of a school or daycare. This offers some flexibility, he said.

Ms. Pearson asked for some clarity about dispensaries having a distance requirement from schools and daycares. Mr. Fell suggested basing the requirements for recreational cannabis on what the requirements are for liquor uses. He would be in favor of recreational cannabis dispensaries being permitted by right in certain zoning districts as long as they meet the distance requirements from schools. In other zoning districts, they would require a conditional use permit.

Mr. Hopkins stated that the most crucial are schools with Kindergarten through 12th grades and the paths that kids travel to and from school. He was less concerned about daycares. Chair Fitch expressed concern about students at the University of Illinois. Mr. Ackerson pointed out that the University High School would knock out a chunk of the University of Illinois. His main concern is with paths to middle schools and high schools; not with K-5th elementary schools. Mr. Fell added that the Child Development Laboratory (CDL) would also prevent recreational cannabis uses from locating in another area of campus.

Ms. Pearson asked if the Plan Commission had any concerns with uses other than dispensaries. Some of the members expressed concern about the impact of craft growers and cultivation centers on their neighbors. The Plan Commission could ask for distance regulations from

residential zoning districts because of exhaust [odor] effects. They preferred craft growers and cultivation centers to be located in industrial zoning districts. The members recommended that City staff research other communities where recreational cannabis has been allowed to see if there are any complaints regarding odor nuisance.

Mr. Hopkins moved that the Plan Commission continue Plan Case No. 2385-T-19 to the next regular meeting scheduled for October 10, 2019. Mr. Ackerson seconded the motion. The case was continued by unanimous voice vote.

Ms. Pearson noted that the City Council agenda for September 23rd included a presentation on the proposed cannabis text amendment. She will get more guidance on whether to hold the presentation or postpone it.

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MINUTES OF A REGULAR MEETING

URBANA PLAN COMMISSION

DRAFT

DATE: October 10, 2019

TIME: 7:00 P.M.

PLACE: Urbana City Building
Council Chambers
400 South Vine Street
Urbana, IL 61801

MEMBERS PRESENT: Barry Ackerson, Dustin Allred, Jane Billman, Tyler Fitch, Lew Hopkins, Chenxi Yu

MEMBERS EXCUSED: Andrew Fell, Jonah Weisskopf

STAFF PRESENT: Lorrie Pearson, Deputy Director of Community Development Services; Kevin Garcia, Planner II; Marcus Ricci, Planner II

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Plan Case No. 2385-T-19 – An application by the Urbana Zoning Administrator to amend the Urbana Zoning Ordinance to add definitions and regulations for recreational cannabis.

Chair Fitch re-opened the public hearing for this case. Kevin Garcia, Planner II, presented an update to the case. He began by noting the major concerns of the Plan Commission at the previous meeting concerning the following:

- Location of cannabis dispensaries and cultivation centers. The Plan Commission expressed interest in setting dispensaries back a distance from schools, specifically Kindergarten through 12th Grades (K-12).
- Questions about how the City would determine those distances, whether they should be permitted by right or require approval of a conditional use permit.
- Suggested that City staff look into the requirements of the liquor stores as a basis for establishing regulations for cannabis dispensaries.
- Confusion on the total number of dispensaries that would be allowed in the region.
- Location of cultivation centers in relation to residential areas. How would odors from cultivation centers affect residential neighborhoods?

Mr. Garcia addressed each of these concerns and questions as explained in the written staff report. He talked about how the City of Aurora in Colorado regulates cannabis uses. He noted the changes proposed to Section B of the text amendment, which are as follows:

1. No dispensary shall be located on a parcel whose property line is within 1,500 feet of the property line of a pre-existing dispensary, or within 100 feet of a public or private elementary or secondary school. State law references 410 ILCS 705/15-20(b); 410 ILCS 705/15-70(n)(15).
2. No craft grower shall be located on a parcel whose property line is within 1,500 feet of the property line of another craft grower or cultivation center. State law reference 410 ILCS 705/30-30(o).
3. No cannabis cultivation center or craft grower shall be located on a parcel whose property line is within 300 feet of any lot in the R-1, R-2, R-3, R-4, R-5, R-6, R-6B, R-7, B-3U or MOR Zoning District.
4. Cannabis cultivation centers and craft growers shall mitigate exterior odors by installing air scrubbing and/or air filtration systems, or by some other means approved by the Zoning Administrator.

Mr. Garcia noted that there are other communities without conditional use permits, so they only have special use permits. They are considering special use permits as a requirement for cannabis uses. Since the City of Urbana does have conditional use permits, staff recommends that if we require approval, then they should require approval of conditional use permits. This would be the most legally defensible way to regulate. He reiterated that the proposed text amendment does not address public consumption at this time.

Chair Fitch asked if any members of the Plan Commission had questions for City staff.

Ms. Billman asked if there would be a distance requirement from daycares. Mr. Garcia replied that the City's regulations for medical cannabis does have distance requirements for dispensaries from daycares. The State of Illinois Act on medical cannabis required a distance between the two uses, so the City followed the requirements of the State. The State of Illinois does not require a distance for non-medical cannabis dispensaries from daycares, so staff is not proposing it either.

Chair Fitch inquired where other dispensaries could potentially locate if a 1,500-foot buffer was required. Mr. Garcia showed Exhibit K from the September 13, 2019 staff report. In relation to NuMed, another dispensary would not be able to locate in Downtown Urbana or at Lincoln Square Mall.

Chair Fitch inquired where cultivation centers could potentially locate in relation to schools. Mr. Garcia showed Exhibit L from the September 13, 2019 staff report. Many of the white squares on the map indicate schools. He believed that since there could only be nine more cultivation centers permitted, they will more than likely want to locate on large properties. He talked about two small properties on east University Avenue and the property on the corner of Lierman Avenue and Washington Street, and noted that the larger property would only be about 350 feet away from residential.

Mr. Ackerson asked for clarification in that the proposed requirements for craft growers are similar to the requirements for dispensaries. H believed that craft growers would be more likely to locate in Downtown Urbana than a cultivation center would. Mr. Garcia stated that if the Plan Commission had a concern about distance requirements for craft growers, then they could remove craft growers from Section V-13.B.3 in the proposed text amendment.

Mr. Allred stated that the text of the written staff report mentioned allowing dispensaries in the B-2, Neighborhood Business – Arterial Zoning District; however, Table V-1 does not allow it. Mr. Garcia responded that this is still being considered. Staff felt a cannabis dispensary might have more traffic than a liquor store, which is allowed with a conditional use permit in the B-2 Zoning District. If the City wants to allow a dispensary in the B-2 District, then staff feels it would be appropriate to do so with a conditional use permit. That way, the Zoning Board of Appeals would be able to ask questions about how much traffic the dispensary anticipated.

Ms. Yu asked if Section B.1 referred to a non-medical dispensary or a medical dispensary or both. Mr. Garcia assumed that since the State of Illinois Act does not specify, the City could then interpret both types of dispensaries.

There was no public present for public input. Chair Fitch opened the hearing for Plan Commission discussion and/or motion(s).

Mr. Hopkins asked if the revised language was on the screen before them. Mr. Garcia said yes.

Chair Fitch asked if the Plan Commission members were acceptable to allowing staff's recommended permissions in Table V-1. Table of Uses. Did they want to allow dispensaries in the B-2, Neighborhood Zoning Districts? Mr. Garcia noted where the B-2 Zoning Districts were located in the City of Urbana.

Mr. Hopkins announced that the University of Illinois is enforcing federal prohibition on cannabis on campus because of their relationship to federal funding. Therefore, possession or any activity involving cannabis is illegal on campus. This may potentially create a demand for places where students would be allowed to consume/smoke cannabis across the street from campus. These types of places will probably want to be in association with dispensaries, including the B-2 Zoning District along Springfield Avenue close to campus.

The Plan Commission discussed whether there should be a buffer around the U of I campus or whether dispensaries should be allowed in B-1 (Neighborhood Business) and B-2 Zoning Districts near the U of I campus.

Mr. Ackerson stated that he would be okay with allowing cannabis dispensaries in the B-2 Zoning District with approval of a conditional use permit, but not in the B-1 Zoning District. Liquor stores are not allowed in the B-1 Zoning District. Other Plan Commission members agreed.

Chair Fitch asked how the Plan Commission members felt about requiring a 100-foot buffer from dispensaries to schools. Mr. Hopkins pointed out that 100 feet is equivalent to about two lots. From looking at Exhibit K: Proposed Zones for Cannabis Dispensaries in the written staff report dated October 4, 2019, he stated that if the City required a 500-foot buffer, it did not appear to cut anything out and would send a useful message. The members of the Plan Commission discussed the impact on Cunningham Avenue and what the justification would be for requiring a larger separation distance than that required for liquor stores. Many of the members felt that 100 feet would suffice. Ms. Billman preferred 500 feet; however, she cannot defend it.

Chair Fitch suggested that the members discussed separation distance requirements for cultivation centers from residential. In looking at Exhibit L: Proposed Zones for Cannabis Cultivation Centers, the members agreed that it would be more likely for a cultivation center to be located on a larger parcel of land in the northern portion of the City rather than on a small lot inside the City. Mr. Garcia noted that many of the sites that already have existing buildings on them would be less desirable because the State of Illinois has strict standards regarding construction and security for cultivation centers.

Mr. Hopkins stated that they need to make sure there are potential locations they would want to be located so the City needed to be careful in pretending that there are areas where cultivation centers would not be located. Mr. Garcia replied that he would take out the “unlikely to be suitable” areas on Exhibit L.

Lorrie Pearson, Deputy Director of the Community Development Services Department, suggested adding “City or Champaign County residential zoning district” to B.3. Mr. Garcia stated that he did not know if they needed to be specific. They could generally say “residential areas”.

Mr. Hopkins moved that the Plan Commission forward Plan Case No. 2385-T-19 to the City Council with a recommendation for approval as originally recommended by City staff with the following amendment to Section V-13.B:

1. No dispensary shall be located on a parcel whose property line is within 1,500 feet of the property line of a pre-existing dispensary, or within 100 feet of a public or private elementary or secondary school. State law references 410 ILCS 705/15-20(b); 410 ILCS 705/15-70(n)(15).
3. No cannabis cultivation center or craft grower shall be located on a parcel whose property line is within 300 feet of any lot in the City or Champaign County residential zoning districts, City B-3U or MOR Zoning District.
4. Cannabis cultivation centers and craft growers shall mitigate exterior odors by installing air scrubbing and/or air filtration systems, or by some other means approved by the Zoning Administrator.

and the modification to Table V-1. Table of Uses to allow Cannabis Business Dispensary (Non-Medical) as a Conditional Use Permit in the B-2 Zoning District. Mr. Ackerson seconded the motion. Roll call on the motion was as follows:

Mr. Ackerson	-	Yes	Mr. Allred	-	Yes
Ms. Billman	-	Yes	Mr. Fitch	-	Yes
Mr. Hopkins	-	Yes	Ms. Yu	-	Yes

The motion passed by unanimous vote.

Ms. Pearson noted that this case would be forwarded to City Council on October 21, 2019

– Exhibit A –

**Cannabis Business Definitions from the
Cannabis Regulation and Tax Act**

"Craft grower" means a facility operated by an organization or business that is licensed by the Department of Agriculture to cultivate, dry, cure, and package cannabis and perform other necessary activities to make cannabis available for sale at a dispensing organization or use at a processing organization. A craft grower may contain up to 5,000 square feet of canopy space on its premises for plants in the flowering state. The Department of Agriculture may authorize an increase or decrease of flowering stage cultivation space in increments of 3,000 square feet by rule based on market need, craft grower capacity, and the licensee's history of compliance or noncompliance, with a maximum space of 14,000 square feet for cultivating plants in the flowering stage, which must be cultivated in all stages of growth in an enclosed and secure area. A craft grower may share premises with a processing organization or a dispensing organization, or both, provided each licensee stores currency and cannabis or cannabis-infused products in a separate secured vault to which the other licensee does not have access or all licensees sharing a vault share more than 50% of the same ownership.

"Cultivation center" means a facility operated by an organization or business that is licensed by the Department of Agriculture to cultivate, process, transport (unless otherwise limited by this Act), and perform other necessary activities to provide cannabis and cannabis-infused products to cannabis business establishments.

"Dispensary" means a facility operated by a dispensing organization at which activities licensed by this Act may occur.

"Dispensing organization" means a facility operated by an organization or business that is licensed by the Department of Financial and Professional Regulation to acquire cannabis from a cultivation center, craft grower, processing organization, or another dispensary for the purpose of selling or dispensing cannabis, cannabis-infused products, cannabis seeds, paraphernalia, or related supplies under this Act to purchasers or to qualified registered medical cannabis patients and caregivers. As used in this Act, dispensary organization shall include a registered medical cannabis organization as defined in the Compassionate Use of Medical Cannabis Pilot Program Act or its successor Act that has obtained an Early Approval Adult Use Dispensing Organization License.

"Infuser" means a facility operated by an organization or business that is licensed by the Department of Agriculture to directly incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis-infused product. "Cannabis-infused product" means a beverage, food, oil, ointment, tincture, topical formulation, or another product containing cannabis that is not intended to be smoked.

"Processor" means a facility operated by an organization or business that is licensed by the Department of Agriculture to either extract constituent chemicals or compounds to produce cannabis concentrate or incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis product.

"Transporter" means an organization or business that is licensed by the Department of Agriculture to transport cannabis on behalf of a cannabis business establishment or a community college licensed under the Community College Cannabis Vocational Training Pilot Program.

– Exhibit B –

Local Zoning Authority from the Cannabis Regulation and Tax Act

Sec. 55-25. Local ordinances. Unless otherwise provided under this Act or otherwise in accordance with State law:

(1) A unit of local government, including a home rule unit or any non-home rule county within the unincorporated territory of the county, may enact reasonable zoning ordinances or resolutions, not in conflict with this Act or rules adopted pursuant to this Act, regulating cannabis business establishments. No unit of local government, including a home rule unit or any non-home rule county within the unincorporated territory of the county, may prohibit home cultivation or unreasonably prohibit use of cannabis authorized by this Act.

(2) A unit of local government, including a home rule unit or any non-home rule county within the unincorporated territory of the county, may enact ordinances or rules not in conflict with this Act or with rules adopted pursuant to this Act governing the time, place, manner, and number of cannabis business establishment operations, including minimum distance limitations between cannabis business establishments and locations it deems sensitive, including colleges and universities, through the use of conditional use permits. A unit of local government, including a home rule unit, may establish civil penalties for violation of an ordinance or rules governing the time, place, and manner of operation of a cannabis business establishment or a conditional use permit in the jurisdiction of the unit of local government. No unit of local government, including a home rule unit or non-home rule county within an unincorporated territory of the county, may unreasonably restrict the time, place, manner, and number of cannabis business establishment operations authorized by this Act.

(3) A unit of local government, including a home rule unit, or any non-home rule county within the unincorporated territory of the county may regulate the on-premises consumption of cannabis at or in a cannabis business establishment within its jurisdiction in a manner consistent with this Act. A cannabis business establishment or other entity authorized or permitted by a unit of local government to allow on-site consumption shall not be deemed a public place within the meaning of the Smoke Free Illinois Act.

(4) A unit of local government, including a home rule unit or any non-home rule county within the unincorporated territory of the county, may not regulate the activities described in paragraph (1), (2), or (3) in a manner more restrictive than the regulation of those activities by the State under this Act. This Section is a limitation under subsection (i) of Section 6 of Article VII of the Illinois Constitution on the concurrent exercise by home rule units of powers and functions exercised by the State.

(5) A unit of local government, including a home rule unit or any non-home rule county within the unincorporated territory of the county, may enact ordinances to prohibit or significantly limit a cannabis business establishment's location.

(Source: P.A. 101-27, eff. 6-25-19.)

FACT SHEET

Adult-Use Cannabis

Public Act 101-0027 creates the Cannabis Regulation and Tax Act and was signed into law by Governor JB Pritzker on June 25, 2019. Effective January 1, 2020, the Act legalizes the possession and private use of cannabis for Illinois residents over 21 years of age.



7/15/19

LOCAL REGULATION OF CONSUMPTION

Municipalities may not restrict the private consumption of cannabis that is authorized by the Act. However, the Act prohibits the use of cannabis in public places, schools and child care facilities among other locations. Municipalities may adopt and enforce local ordinances to regulate possession and public consumption of cannabis so long as the regulations and penalties are consistent with the Act.

HOME GROW LIMITED TO MEDICAL PROGRAM PARTICIPANTS

Home grow cannabis will be authorized only for medical cannabis program participants, and is limited to five plants in their residence and subject to specified restrictions. Home grow of recreational cannabis by non-medical participants is prohibited. [More information about the medical cannabis program is available via this link.](#)



ZONING

The Act preserves local zoning authority and directly authorizes municipalities to prohibit (opt out) or significantly limit the location of cannabis businesses by ordinance. Municipalities will have the authority to enact reasonable zoning regulations that are not in conflict with the act. This would include the authority to opt out of either commercial production or distribution (dispensaries) of adult-use cannabis within their jurisdiction. Municipalities also may enact zoning ordinances and regulations designating the time, place, manner and number of cannabis business operations, including minimum distances between locations through conditional use permits.

BUSINESS REGULATION

In addition to zoning authority, municipalities will have the authority to allow for on-premise use of cannabis at locations to be determined locally. The Act anticipates that local authorities will engage in inspections of cannabis-related businesses. Municipalities may establish and impose civil penalties for violations of the local ordinances and regulations.



Municipalities, by ordinance, may impose a Municipal Cannabis Retailers' Occupation Tax on adult-use cannabis products of up to 3% of the purchase price, in .25% increments. Counties may impose up to 3.75% in unincorporated areas, in .25% increments. The taxes imposed under this Act shall be in addition to all other occupation, privilege or excise taxes imposed by the State of Illinois or by any unit of local government, such as sales tax.



SMOKE FREE ILLINOIS ACT

The Act applies the restrictions of the Smoke Free Illinois Act on smoking cannabis, and provides that property owners may prohibit the use of cannabis by any guest, lessee, customer or visitor. In addition, lessors may prohibit cultivation of cannabis by their lessees.

EMPLOYER PROVISIONS

The Act provides employer protections including that nothing in the enactment prohibits employers from adopting reasonable zero-tolerance or drug-free workplace employment policies concerning drug testing, smoking, consumption, storage or use of cannabis in the workplace or while on-call. These policies must be applied in a nondiscriminatory manner. Employers may prohibit the use of cannabis by employees in the workplace, and engage in discipline, including termination, for violations of those policies and workplace rules.

STATE LICENSING

The Act authorizes the production and distribution of cannabis and cannabis products through state-licensed cultivators, craft growers, infusers, transporters and dispensaries. Cannabis transporters will be separately licensed by the Act, as well. A market study due in March 2021 will inform future licensing. The state will issue licenses according to a graduated scale. By the end of the first year, there will be up to 295 dispensing organizations. The Act will allow up to 500 dispensing organizations by January 1, 2022. Cultivators will be capped at 50, and 100 craft growers will be allowed. By that same date, 100 infusers will also be authorized to be licensed.

GRANTS AND INVESTMENT

The Act establishes the Restore, Reinvest and Renew (R3) Program to invest in communities historically impacted by economic disinvestment and violence. The Illinois Criminal Justice Information Authority (ICJIA) will identify R3 areas that qualify for funding, and grants will be awarded by the R3 Board. A 22-member R3 Board will award grants throughout the state, subject to an application process and the Government Accountability and Transparency Act (GATA); the R3 Board shall be chaired by the Lt. Governor.

SOCIAL EQUITY

The Act provides for a social equity program to establish a legal cannabis industry that is accessible to those most adversely impacted by the enforcement of drug-related laws in this state, including cannabis-related laws. Qualifying social equity applicants may be awarded financial assistance and incentives if they are interested in establishing cannabis related businesses.

DECRIMINALIZATION AND EXPUNGEMENTS

A significant portion of the Act addresses the decriminalization of cannabis through mandatory and discretionary expungements of criminal convictions relating to non-violent cannabis offenses.

STATE REVENUE

State revenues derived from the Cannabis Regulation and Tax Act will be deposited into the Cannabis Regulation Fund. The funds will be distributed to multiple state agencies for implementation of the Act. The legalization of adult cannabis also includes a new source of Local Government Distributive Fund (LGDF) dollars. A portion of the Cannabis Regulation Fund revenues (8% of deposits) will go to local governments, through LGDF, which will be used to fund crime prevention programs, training and interdiction efforts. The Cannabis Regulation Fund is derived from moneys collected from state taxes, license fees and other amounts required to be transferred into the Fund.

ORDINANCE NO. 2019-08-047

**AN ORDINANCE AMENDING URBANA CITY CODE CHAPTER 22 BY
ADDING ARTICLE II, SECTIONS 22-16 THROUGH 22-19**

(Municipal Cannabis Retailers' Occupation Tax)

WHEREAS, the City of Urbana, Illinois (the "City") is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, 5 ILCS 220/1 *et seq.*, and may exercise any power and perform any function pertaining to its government and affairs, including the power to regulate for the protection of the public health, safety, and welfare; and

WHEREAS, on June 25, 2019, the Illinois Governor signed into law the Cannabis Regulation and Tax Act (Public Act 101-0027; 410 ILCS 705/1-1 *et seq.*) (the "Act"); and

WHEREAS, the Act legalizes the sale by a state-issued licensed dispensing organization and the personal consumption and possession of cannabis in certain quantities by persons age of 21 years or older as more fully provided for in the Act; and

WHEREAS, the Act allows municipalities such as the City to regulate the retail sale of cannabis for personal consumption and possession of cannabis in certain quantities so long as such regulations are not inconsistent with the Act; and

WHEREAS, the Act permits the City to impose a municipal cannabis retailers' occupation tax on the sale of cannabis for personal consumption and possession with such tax not to exceed three percent (3%) of the purchase price; and

WHEREAS, the Act requires the City to amend certain of its Ordinances including those pertaining to the possession of cannabis and cannabis and drug paraphernalia; and

WHEREAS, this Ordinance amends certain sections of the Urbana City Code as provided in the Exhibit appended hereto and incorporated herein.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Urbana, Illinois as follows:

Section 1. Urbana City Code Chapter 22, "Taxation" shall be and hereby is amended by adding a new ARTICLE II, "HOME RULE MUNICIPAL RETAILERS' OCCUPATION TAX ON CANNABIS SALES, Sections 22-16 to 22-29 as follows:

UCC CHAPTER 22. – TAXATION

ARTICLE II. – MUNICIPAL CANNABIS RETAILERS' OCCUPATION TAX

Sec. 22-16. – Imposition of Municipal Cannabis Retailer's Occupation Tax.

A tax is hereby imposed upon all persons engaged in the business of selling cannabis or cannabis-infused products, other than cannabis sold pursuant to a legally issued prescription pursuant to the Compassionate Use of Medical Cannabis Program Act, at retail within the city at the rate of 3% of the gross receipts from these sales made in the course of that business with this tax being imposed in accordance with the provisions of Sections 8-11-22, of the Illinois Municipal Code (65 ILCS 5/8-11-22). The tax shall also be imposed upon the sale of any food and/or beverage for human consumption where such food and/or beverage is infused with cannabis as defined in 410 ILCS 705/65-5.

Sec. 22-17. Collection and enforcement.

The tax imposed by this article, and all civil penalties that may be assessed as an incident thereto, shall be collected and enforced by the Department of Revenue of the State of Illinois. Such Department of Revenue shall have full power to administer and enforce the provisions of this article. Any tax required to be collected pursuant to or as authorized by section 22-16 of this article and any such tax collected by such retailer and required to be remitted to such Department of Revenue shall constitute a debt owed by the retailer to the State of Illinois. Retailers may reimburse themselves for their seller's tax liability hereunder by separately stating that tax as an additional charge, which charge may be stated in combination, in a single amount, with any State tax that sellers are required to collect as provided in 65 ILCS 5/8-11-22.

Sec. 22-18. – Severability.

If any provision of section 22-16 of this article, or the application of any provision of the said section, is held unconstitutional or otherwise invalid, such occurrence shall not affect other provisions of this Ordinance, or their application, that can be given effect without the unconstitutional or invalid provision or its application. Each unconstitutional or invalid provision, or application of such provision, is severable, unless otherwise provided by this article.

Sec. 22-19. – Effective date.

Exhibit D - Municipal Cannabis Retailers' Occupancy Tax

This article shall be in full force and effect from and after its passage and approval and publication as required by law, provided, however, that the tax provided for herein shall take effect for all sales on or after the first day of January, 2020. Copies of this Ordinance shall be certified and sent to the Illinois Department of Revenue prior to September 30, 2019.

Secs. 22-20–22.29. – Reserved.

Section 2. This Ordinance shall not be construed to affect any suit or proceeding pending in any court, or any rights acquired, or a liability incurred, or any cause or causes of action acquired or existing prior to the effective date of this Ordinance; nor shall any right or remedy of any character be lost, impaired, or affected by this Ordinance.

Section 3. The City Clerk is directed to publish this Ordinance in pamphlet form by authority of the corporate authorities. Further, the City Clerk shall cause a certified copy of this Ordinance to be filed with the Illinois Department of Revenue by no later than September 30, 2019.

This Ordinance is hereby passed by the affirmative vote, the “ayes” and “nays” being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a meeting of said Council.

PASSED BY THE CITY COUNCIL this 3rd day of September, 2019.

AYES: Brown, Hazen, Hursey, Jakobsson, Miller, Wu

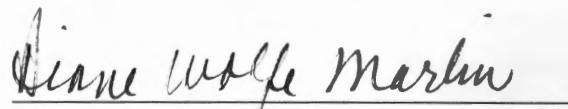
NAYS:

ABSTENTIONS:



Charles A. Smyth, City Clerk

APPROVED BY THE MAYOR this 4th day of September, 2019.



Diane Wolfe Marlin, Mayor



CERTIFICATE OF PUBLICATION IN PAMPHLET FORM



I, Charles A. Smyth, certify that I am the duly elected and acting Municipal Clerk of the City of Urbana, Champaign County, Illinois. I certify that on the 3rd day of September 2019 the City Council of the City of Urbana passed and approved Ordinance No. 2019-08-047, entitled:

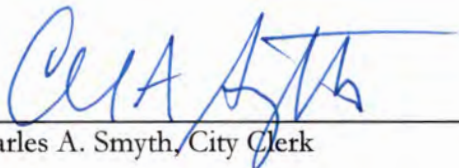
**AN ORDINANCE AMENDING URBANA CITY CODE CHAPTER 22 BY
ADDING ARTICLE II, SECTIONS 22-16 THROUGH 22-19 (MUNICIPAL CANNABIS
RETAILERS' OCCUPATION TAX)**

which provided by its terms that it should be published in pamphlet form.

The pamphlet form of Ordinance No. 2019-08-047 was prepared, and a copy of such Ordinance was posted in the Urbana City Building commencing on the 5th day of September 2019, and continuing for at least ten (10) days thereafter. Copies of such Ordinance were also available for public inspection upon request at the Office of the City Clerk.

Dated at Urbana, Illinois, this 5th day of September, 2019.





Charles A. Smyth, City Clerk

Exhibit E: Proposed Locations for Craft Growers

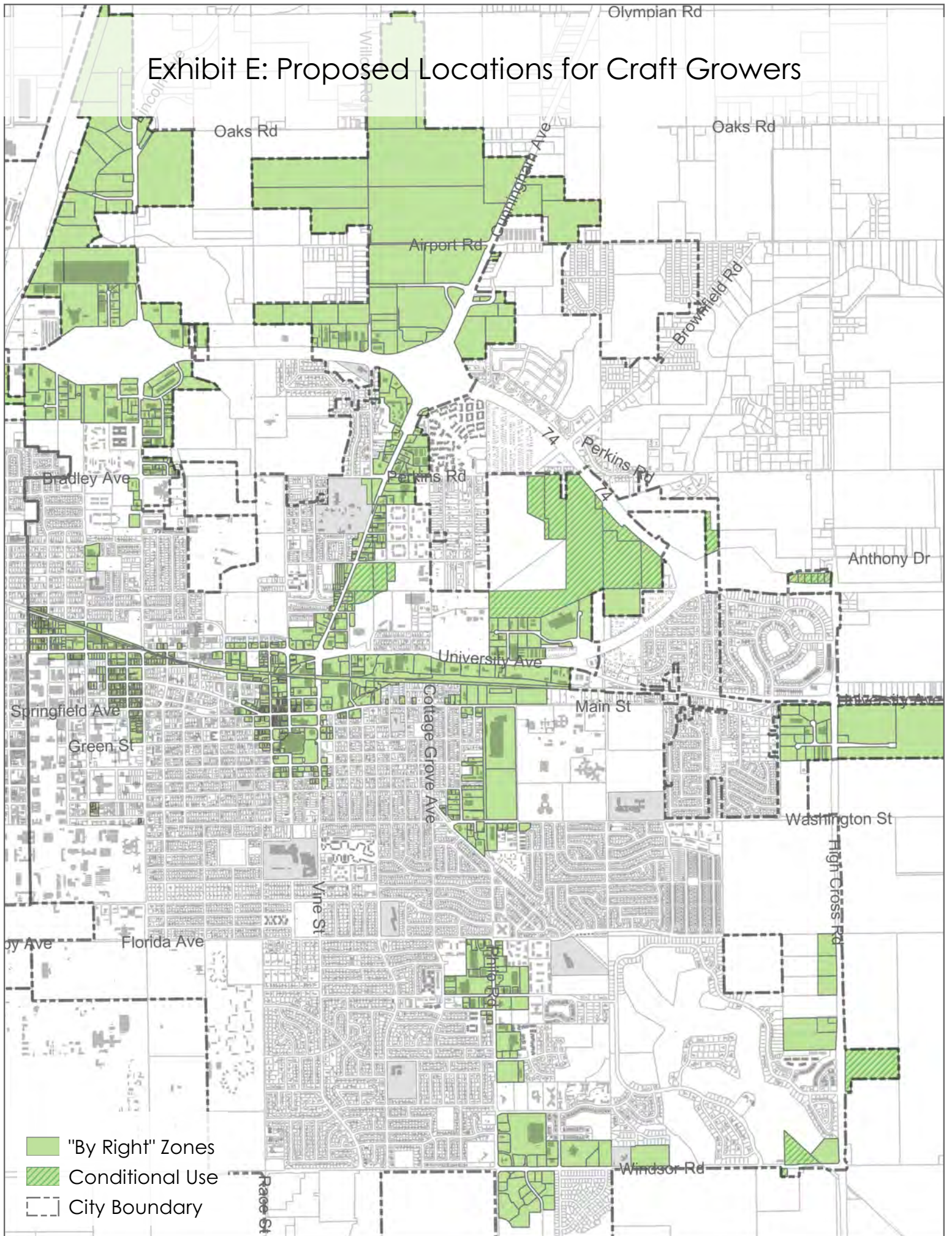


Exhibit H: Proposed Locations for Infusers

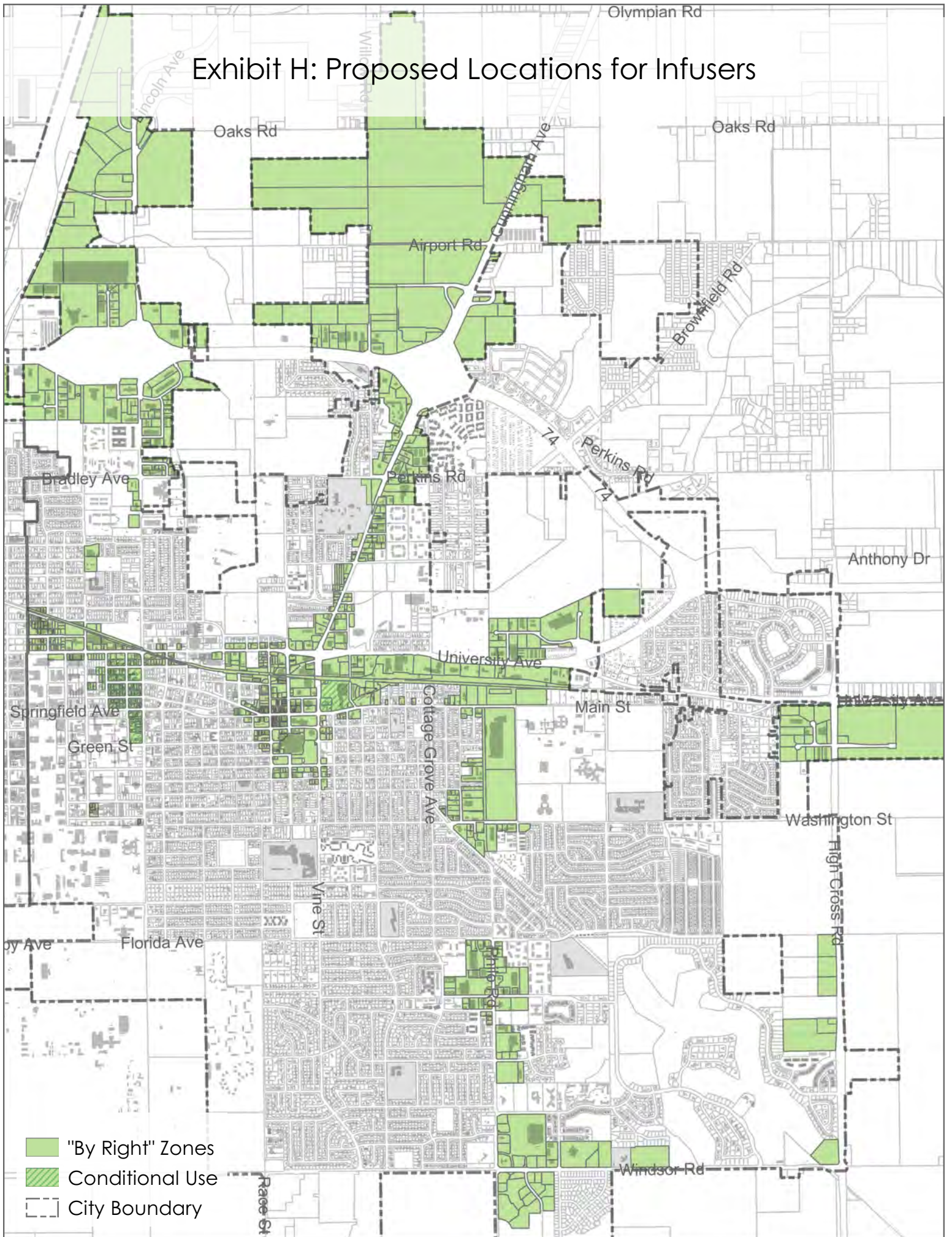


Exhibit I: Proposed Locations for Processors and Transporters

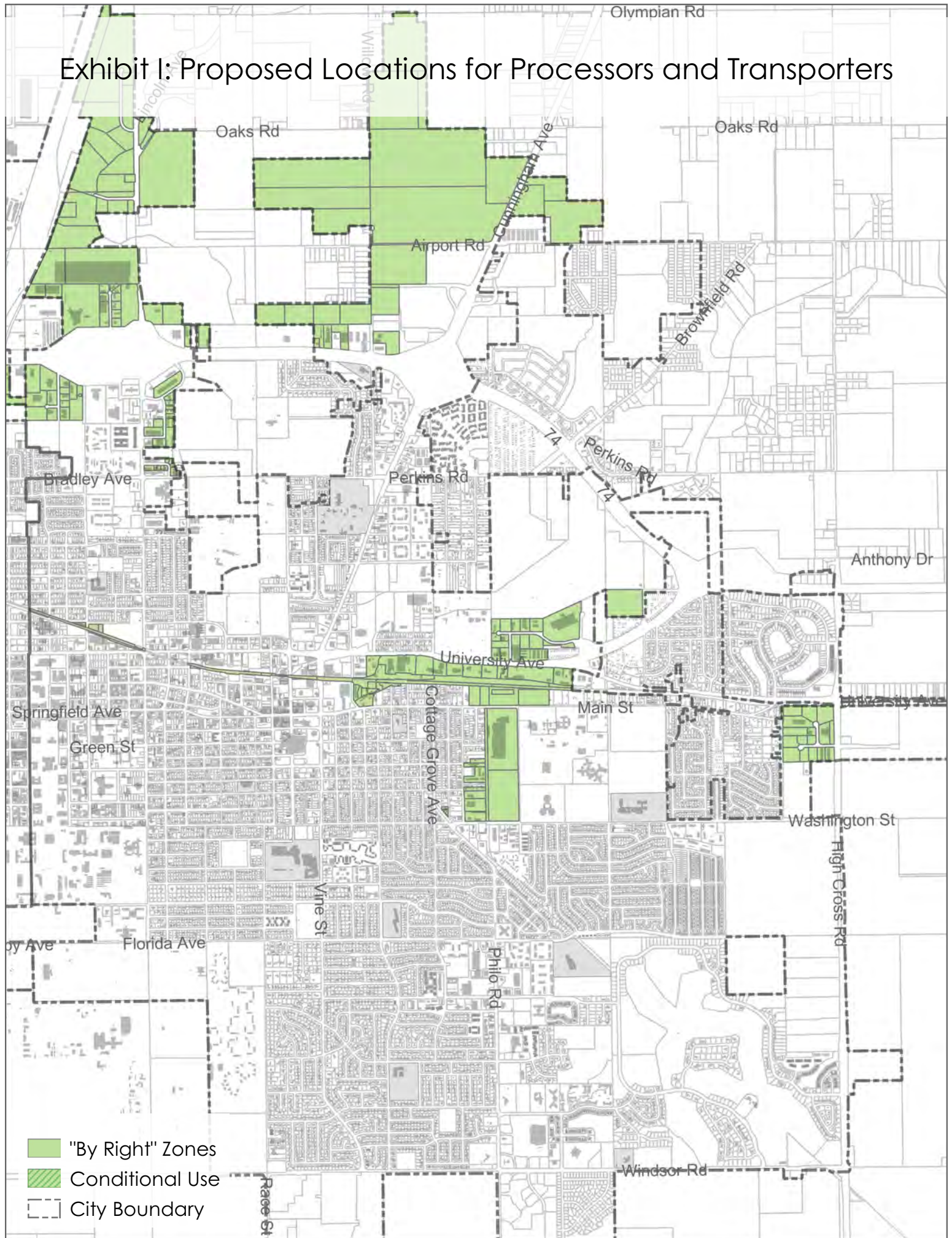
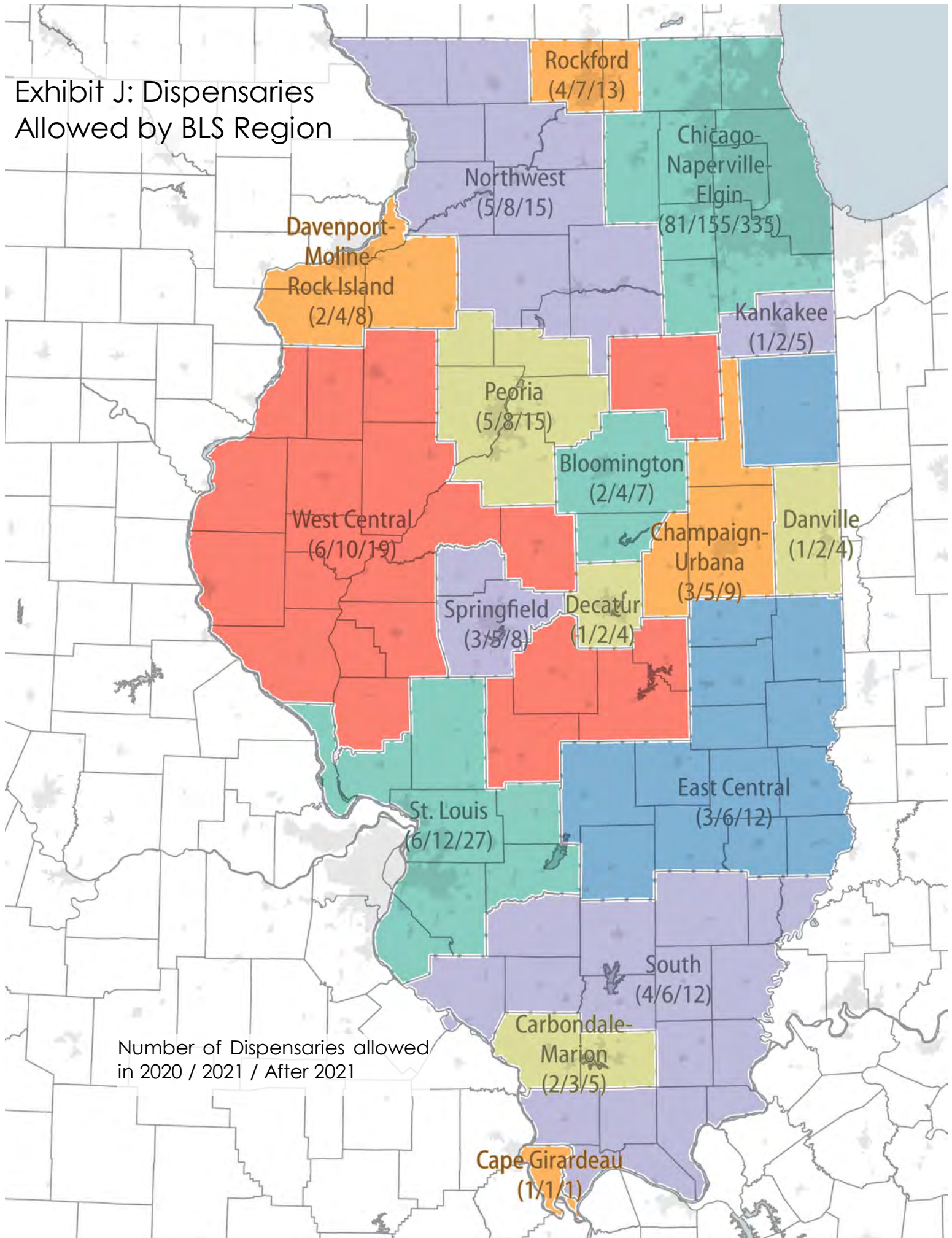
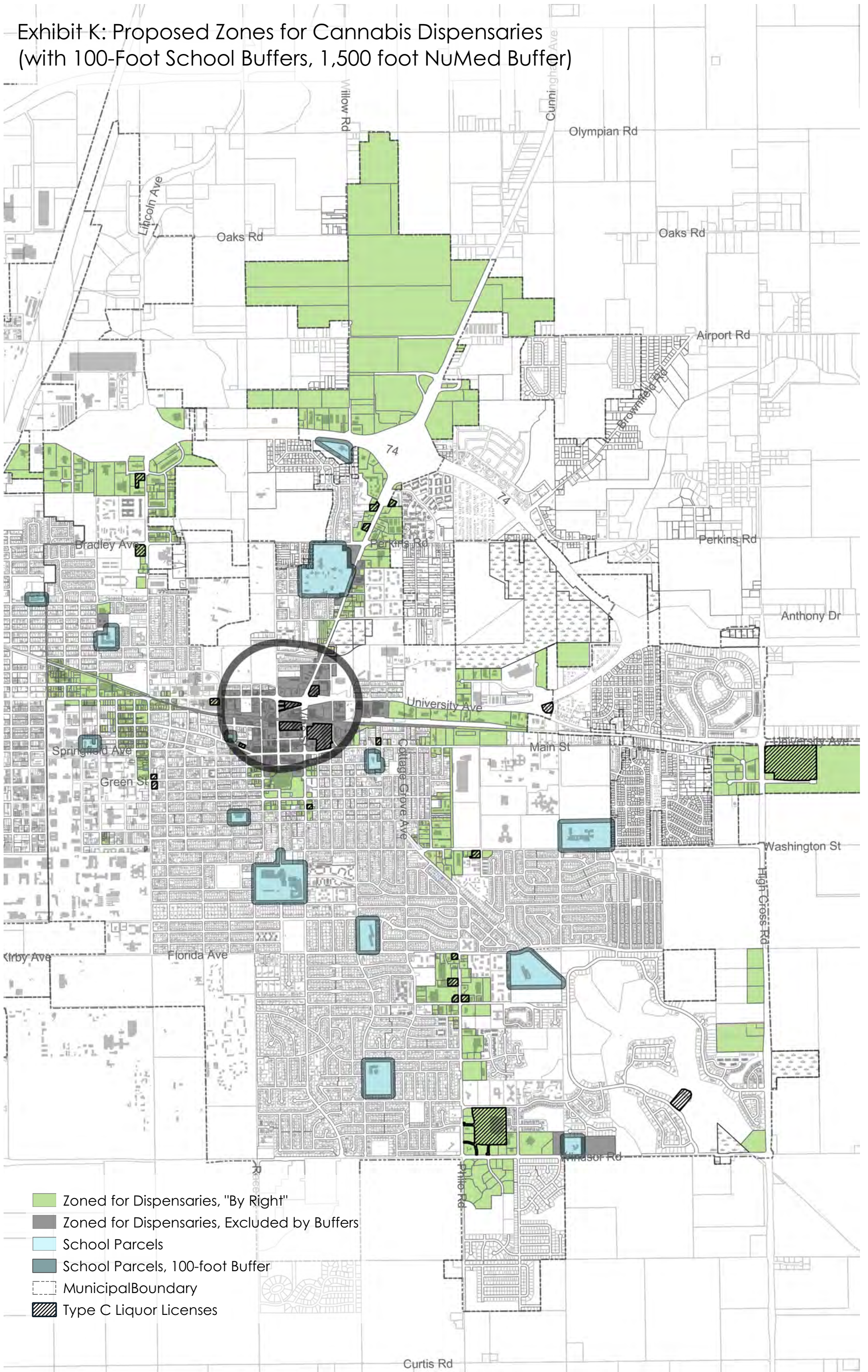


Exhibit J: Dispensaries Allowed by BLS Region



Number of Dispensaries allowed in 2020 / 2021 / After 2021

Exhibit K: Proposed Zones for Cannabis Dispensaries
 (with 100-Foot School Buffers, 1,500 foot NuMed Buffer)



- Zoned for Dispensaries, "By Right"
- Zoned for Dispensaries, Excluded by Buffers
- School Parcels
- School Parcels, 100-foot Buffer
- Municipal Boundary
- Type C Liquor Licenses

Exhibit L: Proposed Zones for Cannabis Cultivation Centers (with 300-Foot Residential Buffers)

