



Legislation Text

File #: 20-784, Version: 1

PLANNING AND ZONING COMMISSION AGENDA ITEM

ACTION REQUESTED:

Conduct the public hearing regarding proposed amendments to various sections of Title 6 (Zoning Ordinance) regarding Cannabis Facilities.

DEPARTMENT: Transportation, Engineering and Development

SUBMITTED BY: Allison Laff, AICP, Deputy Director

BOARD/COMMISSION REVIEW:

Required notice was published in the Daily Herald on June 29, July 1, and July 3, 2020.

BACKGROUND:

Medical Cannabis Regulations

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 (attached). In addition to the location requirements specified by the State of Illinois, the City added an additional 250 foot separation requirement between these facilities and residential properties. Since the State's regulations only noted that a dispensing organization cannot be located on residential property, this local regulation exceeded State requirements.

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.

Adult-Use Cannabis

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 removed the prior medical cannabis zoning requirement that a cannabis dispensing organization cannot be located within 1,000 feet of any pre-existing schools and daycares. Accordingly, this separation distance can be kept in the proposed zoning ordinance, or it can be amended or removed altogether.

Naperville Adult-Use Cannabis Discussions

The City of Naperville hosted several 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 (see referendum question below). This referendum question was added to the March 17, 2020 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?

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.

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 directed staff to begin the process of creating zoning regulations for adult-use cannabis facilities.

DISCUSSION:

City Council Workshop

The first step in creating zoning regulations for adult-use cannabis facilities was the June 22, 2020 City Council workshop. In advance of the workshop, staff created a webpage, video presentation, and non-binding survey which were released to the public on June 3, 2020. The direction provided by the City Council at the June 22, 2020 workshop regarding potential adult-use cannabis zoning ordinance components is discussed on the following pages.

City Council provided guidance as to how the existing medical cannabis regulations should be applied to the adult-use cannabis cultivation centers and dispensing organizations, as depicted below.

What did Council recommend for Adult Use Cannabis?

Current Medical Cannabis Zoning	Keep it the Same	Make it more restrictive	Make it less Restrictive
Cultivation Centers - require a conditional use in Industrial Districts	✗		
Dispensing Organizations - require a conditional use in Commercial Districts and the Health Services District			✗
Dispensing Organizations - allow as a permitted use in Industrial Districts	✗		
Dispensing Organizations prohibit from being located within 250' of residential property	TO BE REVIEWED BY THE PZC		
Dispensing Organizations - prohibit from being located within 1,000' of pre-existing schools or daycares			✗
Dispensing Organizations - limit retail sales to 10% of total sq.ft. of unit			✗

For those items marked “make it less restrictive”, Council provided the following input:

- While medical dispensaries currently require a conditional use in the B2, B3, and HS Districts, City Council members noted their preference that these facilities (either medical or adult-use) be permitted by right in the commercial zoning districts, subject to compliance with all other cannabis ordinance requirements.
- City Council discussed the appropriate separation distance requirement between dispensaries and residential uses. At the conclusion of their discussion, City Council directed staff to prepare 3 maps for review by the Planning and Zoning Commission (attached). City Council noted that the ideal map will provide for the most separation distance between a dispensary and a residentially zoned property, while still allowing for an adequate number of eligible properties in which a dispensary could be located.
 - o Map 1: 0' separation distance between residential zoning and a dispensary
 - o Map 2: 250' separation distance between residential zoning and a dispensary
 - o Map 3: 1000' separation distance between residential zoning and a dispensary
- With respect to separation distance between dispensaries and schools, City Council noted that day care facilities should not be included in this restriction. Unlike primary and secondary schools, day cares are often located within non-residential zoning districts and therefore can inadvertently limit eligible dispensary locations within commercial and industrial districts.
- City Council did not express any specific concerns regarding the need to continue limiting retail sales within dispensary facilities; accordingly, this restriction has been removed from the draft ordinance.

City Council discussed the six new cannabis business types introduced through the CRTA and indicated their support for only adult-use dispensaries (note: medical cultivation centers will continue to be permitted per the Medical Act). In addition, City Council reached consensus that a maximum of

3 adult-use dispensaries should be permitted to locate in Naperville's corporate limits.

Consensus from the June 22nd City Council Workshop

Cannabis Businesses	OPPOSE	SUPPORT	CAP
Adult Use Cultivation Centers	✗		
Dispensing Organizations		✗ Per Referendum	3
Craft Growers	✗		
Processing Organizations	✗		
Transporting Organizations	✗		
Infuser Organizations	✗		
On-Site Consumption	✗		

Parking Requirements

Staff researched the parking requirements utilized by existing cannabis facilities located through the United States (Colorado, Michigan, Washington), as well as regulations recently established for 19 Illinois opt-in communities (Aurora, Geneva, Joliet, Lombard, Schaumburg, etc.). Based on this research, most communities require cannabis dispensaries to be parked at a retail rate (with regulations ranging from 3 parking spaces/1,000 square feet to 5 parking spaces/1,000 square feet). However, best practices research also shows that this level of parking tends to be insufficient for cannabis dispensing facilities, particularly during demand surges that occur in their first year of operation.

Based on the overall research collected, staff is recommending the following requirements for cannabis dispensaries:

- For those dispensaries that will be located in a larger shopping center or industrial campus in which shared parking is available: 6 parking spaces per 1,000 square feet of gross floor area of the dispensary
- For those dispensaries that are located on a property in which no shared parking is available: 7.5 parking spaces per 1,000 square feet of gross floor area of the dispensary
- In addition to the required parking, the dispensary will be required to submit a parking plan,

subject to review and approval by the Zoning Administrator that denotes additional parking supply (including off-site) which can be used to meet the increased parking demands of the dispensary upon its initial opening. This additional parking will be required to be maintained for a specific period determined by the Zoning Administrator.

Staff finds that the above recommendations will allow for required parking beyond that of a typical retail facility (4.5 parking spaces/1,000 square feet), as has been found to be necessary by other communities. Additionally, the parking plan will allow for the increased parking demands of a newly opened dispensary to be adequately accounted for and accommodated.

Draft Text Amendment

Staff has drafted an amendment to Title 6 (Zoning Ordinance) reflecting the direction provided by the City Council at the June 22, 2020 workshop. This ordinance also includes a minimum separation distance of 1,500 feet between dispensaries, as required by the CRTA, as well as new parking requirements specific to dispensary facilities. A summary of the draft ordinance components are as follows:

- Section 6-2-32 (Cannabis Facilities) will provide regulations for both medical and adult-use cannabis facilities.
- Medical Cultivation Centers will continue to require a conditional use in the I, ORI, and RD Districts.
- Dispensaries (medical and/or adult-use) will be permitted by right in B2, B3, HS, I, ORI and RD.
- A 1,000 foot separation distance will be required between dispensaries and primary/secondary schools; day care facilities are excluded from this restriction.
- PZC will provide feedback regarding the recommended separation between dispensaries and residentially zoned property: 0'; 250'; or 1,000'.
- A maximum of 3 medical and/or adult-use dispensaries will be permitted within the Naperville corporate limits.
- Dispensaries cannot be located within 1,500' of another existing dispensary.
- A list of documents and information to be submitted to the City regarding proposed Cannabis Facilities has been added to the Code.
- New parking requirements for dispensaries have been added.