



Agenda
Village of Glen Ellyn
Special Village Board Workshop
Monday, December 7, 2020
7:00 PM

Glen Ellyn Civic Center, Galligan Board Room
Meeting Held Virtually - Via Zoom Only

Meeting Procedures Statement

This meeting will be conducted by audio and video conference as well as broadcasted on cable and streamed online without a physically present quorum of the Village Board because of a disaster declaration related to COVID-19 and public health concerns affecting the Village of Glen Ellyn. The Illinois General Assembly passed Senate Bill 2135 on May 23, 2020, which was signed by the Governor on June 12, 2020. Senate Bill 2135 (now Public Act 101-0640) amends the Open Meetings Act and allows the Village Board to participate electronically in Board meetings when it is not feasible due to a disaster such as COVID-19. The Village President has determined that an in-person meeting at the Civic Center is not practical or prudent because of the disaster. The Village Manager and Village Clerk will be in attendance at the Civic Center in compliance with the Act.

To participate in this meeting at the appointed date and time, please visit the following link: <https://us02web.zoom.us/j/81650131872?pwd=SkNOalZFZGp6M2lpMzFBdUVyL3J6QT09>

Password: 686258

Or join by telephone:

Dial (for higher quality, dial a number based on your current location): US: +1 312 626 6799 or +1 301 715 8592 or +1 646 558 8656 or +1 253 215 8782 or +1 346 248 7799 or +1 669 900 9128

Webinar ID: 816 5013 1872

Passcode: 686258

- A. Call to Order**
- B. Pledge of Allegiance**
- C. Roll Call**
- D. Audience Participation**

1) Open:

The Illinois General Assembly passed Senate Bill 2135 on May 23, 2020, which was signed by the Governor on June 12, 2020. Senate Bill 2135 (now Public Act 101-0640) amends the Open Meetings Act and allows the Village Board to participate electronically in Board meetings when it is not feasible due to a disaster such as COVID-19. To participate in this meeting at the appointed date and time, please visit <https://us02web.zoom.us/j/81650131872?pwd=SkNOalZFZGp6M2lpMzFBdUVyL3J6QT09>

In lieu of participating in the electronic meeting, the public may also complete a public comment form which will be read into the record during the meeting. This form can be found at www.glenellyn.org/publiccomment. Members of the public are welcome to speak or submit public comment forms on any item not specifically listed on tonight's agenda for up to (3) three minutes. For those items which are on tonight's agenda, the public may speak up to (3) three minutes on those items or may submit public comment forms which will be read into the record during that agenda item.

E. Central Business District Streetscape Review (Presented by Senior Civil Engineer Topor) (Discussion Only)

- 1) Senior Civil Engineer Tom Topor will provide an update to the Village Board on the Central Business District Street and Streetscape Project.

F. Holladay Properties Redevelopment Agreement (Presented by Village Manager Franz) (Discussion Only)

- 1) Village Manager Mark Franz will update the Village Board on the Holladay Properties Redevelopment Agreement.

G. Recreation Cannabis (Presented by Community Development Director Springer) (Discussion Only)

- 1) Community Development Director Staci Springer will lead a discussion with the Village Board regarding potential text amendments for cannabis businesses.

H. Other Business

I. Motion to adjourn to Executive Session for the discussion regarding the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body pursuant to 5 ILCS 120/2 (C)(1) and discussion concerning pending litigation matters pursuant to 5 ILCS 120/2 (C)(11) without returning to open session thereafter



Glen Ellyn Village Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 12/7/2020 7:00 PM
Department: Public Works
Department Head: Julius Hansen
Category: Discussion Item
Prepared By: Thomas Topor

**AGENDA ITEM (ID
2020-707)**

DOC ID: 2020-707

Senior Civil Engineer Tom Topor will provide an update to the Village Board on the Central Business District Street and Streetscape Project.

Statement of the Issue:

Introduction and Background

The design of the streetscape and utility improvements is progressing well and staff would like to take this opportunity to revisit the budget and construction schedule along with a plan for potentially getting construction underway in 2021. To facilitate the discussion, an updated cost estimate, overall schedule, and specific 2021 schedule have been prepared.

The Village Board last visited the project budget and schedule in June of this year. Staff presented an original project schedule and major factors affecting the start of construction. At that time, the Village Board was generally in favor of delaying the start of substantial construction work until 2022 to allow for full impact of COVID-19 to be known and to allow time for businesses to recover from COVID-19 restrictions. In the last six months, more information became known about the potential duration of the pandemic as well as specific schedules for completion of the Apex 400 and Civic Center Parking Garage.

Analysis:

Overall Project Schedule

It has been 35 years since the last time the Central Business District received substantial improvements to its infrastructure. Since then, various projects have been completed along with resurfacing and selective patching; however, the streets and sidewalks continue to deteriorate, requiring annual maintenance and posing access and safety issues.

Design engineer and staff have put together a strategy to begin addressing these infrastructure

needs. This strategy prioritizes a reduction in the number of times/seasons that major construction is done on one single block, grouping the construction phases into geographical areas, and reducing the number of times that businesses are inconvenienced by roadway construction. Figure 1 below describes the plan for completing the CBD Streetscape and Utility Improvements in four distinctive phases. Previously prepared schedules included a strategy of completing the utility work first and following up with roadway and streetscape work the next season. This strategy works well in most cases as it only required partial year impacts and it has been employed by other towns undertaking similar projects. Based on the feedback received from local business, the overwhelming preference is to complete all of the necessary utility and streetscape work in a single year and provide turnkey ready projects at the end of each construction year.

Figure 1 – Overall Construction Schedule

This plan was put together with the following factors in mind:

Frida Kahlo Exhibit

- No work in the vicinity of the train station with construction concentrated on Main St (Hillside/Duane) already impacted by the ongoing construction of Apex 400 building.
- Park Blvd and Prospect Ave railroad crossing open at all times to allow for open access for transportation between the train station and COD.
- Continued pedestrian access to businesses on Main St during utility and roadway construction through the use temporary sidewalks and ramps.

Civic Center Garage Development

- The parking garage to offer 277 parking spaces with direct and convenient connection to Main St via Main Street Pedestrian Access.
- Temporary conversion of commuter parking spaces to customer parking to and capitalizing on reduced Metra ridership.
- Continued pedestrian access to businesses on Main St during utility and roadway construction through the use temporary sidewalks and ramps.

Apex 400 Development

- Combines the planned streetscape improvements along the frontage of the building with the rest of the block.
- Allows for businesses on the block to only be inconvenienced only one time with major construction on the block of Main St.

Glenwood Station Development

- Currently site work and adjacent to the proposed development is scheduled to be completed in 2023. This plan allows for remaining sections of Glenwood and Crescent to be completed in the same year.

Train Station and Pedestrian Underpass Project could be constructed as early as 2024 and will have an impact on adjacent streets. Combining the roadway and utility work with the train station projects allows for surrounding business to only be impacted once and provides an opportunity to capitalize on the project funding.

General Considerations

- Maintaining at least one direction of travel on streets impacted by construction, when possible.
- Maintaining one side of on-street parking to extent possible.
- Keeping 2 of 3 CBD railroad crossings open at any time.

2021 Construction Plan

The streetscape test materials were installed at the corner of Main and Crescent, and the Village is in the process of gathering input from the members of the public on the preferred treatment for the streetscape project. Thus far, the materials and survey have received lots of interest and with the input received, the Village will be in the position to make final decisions on the material and general design details in early 2021. Staff tentatively anticipates facilitating these decisions by the Village Board in February, 2021. The information will be used to finalize detailed design work for the first section to be constructed. At the same time, work continues on the design of the proposed underground utility improvements with first phase design plans to be ready early in 2021.

Staff is proposing that the Village Board considers capitalizing on the factors associated with completion of Civic Center Parking Garage and an ongoing Apex 400 construction and proceeds with the construction of the Main St and Duane St improvements in 2021. Staff and the design consultant are fully aware how important proving access to local businesses is during construction and has put together a preliminary plan for construction sequence and traffic control to demonstrate how it could be accomplished.

During the first stage of construction, staff recommends that closing down Main street to vehicular traffic and allowing the contractor to get the improvements done as quickly as possible is the best strategy. At the same time, pedestrian access to local business will be constantly monitored and maintained. Aside from days when sidewalk or utility work is being performed directly in front of a particular business entrance, the pedestrian access will be open and maintained otherwise. Maintaining pedestrian access will be key as it will allow for shoppers and diners to park at the Civic Center Parking Garage and walk to local businesses along Main St.

Figure 2 - 2021 Preliminary Construction Sequence

Additionally, staff and the consultant team is working on fast-tracking the design of the utility

and streetscape improvements on the south side of Pennsylvania Avenue, immediately east of Main Street (along A Toda Madre's restaurant) to get this section to construction in early spring of 2021. This would allow for the A Toda Madre restaurant to construct permanent outdoor seating planned to be constructed prior to the 2021 spring/summer season.

Additional CIC Input and Recommendations

Option of starting the projects in 2021 was previously discussed by the members of the CIC at the June 9th CIC meeting with following recommendations by the CIC:

- Members of the CIC unanimously supported the plan of starting the project in as originally planned in 2021 and capitalizing on additional parking availability to be created by the Civic Center Public Garage and potential efficiencies afforded by unifying the Village's underground and streetscape improvements with the APEX 400 development project.

Staff respectfully requests that the Village Board review the aforementioned project schedule options and provide input on preferred schedule scenario.

Budget Impact:

Project Budget

The cost estimate has been updated to reflect the latest plans and changes to project scope and has been summarized in the table below.

Figure 3 – Updated Project Cost Estimate

Approximately \$22.6M of the overall cost estimate represents costs for basic utility, roadway and engineering costs that would be required to get the needed infrastructure upgrades completed. These costs are largely driven by roadway/sidewalk improvements, recently completed Underground Utility Study, and Storm Sewer Modeling Analysis. Factoring out the cost of the basic improvements, leaves about \$5.2M for upgrades related to streetscape material upgrades, site furnishings, and landscaping features. The overall budget shows an increase about \$1.1M from a previous estimate prepared in February of this year. The following changes and assumptions are included in the cost estimate:

- Additional storm sewer work on Pennsylvania, based on latest storm sewer modeling and consolidation of existing sewers On Pennsylvania east of Main Street (~\$850,000)
- Updated unit prices to reflect current market prices
- Additional brick pavers in carriage walk (behind curb)

- Extended streetscape elements into more of the CBD based on comments received
- Removed fountains, fireplaces, and parklets from the scope of the projects
- Included 235 total trees at 35' spacing
- Includes streets projected to be part of the Train Station project (-\$500,000)
- Crescent east of Main
- Forest (Crescent to Pennsylvania)
- Forest (Duane to railroad tracks)

These costs can be dialed back further as described below. The design team will look for further ways to value engineer the project and sees opportunities to trim the cost estimate. Some of the opportunities include:

- Review street furniture quantity, as current plan is based on amount of street furniture required for Main St.
- PW can potentially purchase/install some of the street furniture to save on contractor markup/labor cost
- Reduce temporary restoration costs by combining Utility and Streetscape work into single season projects
- Reduce or eliminate the brick pavers in the carriage walks
- Reduce the amount of granite vs concrete planters
- Remove the ornamental railings from some or all planters
- Remove decorative bollards
- Reduce number of plantings in planters
- Scale back on suspended pavement/soil cells
- Requires additional long planters

Staff will present an overall design with detailed costs to continue the discussion with the Village Board on ways to dial back the design in an effort to reduce project costs.

Action Requested:

Action Requested by the Village Board

Staff would like to use the Workshop Meeting to solicit input and direction on the overall schedule, plan for 2021 construction, and budget.

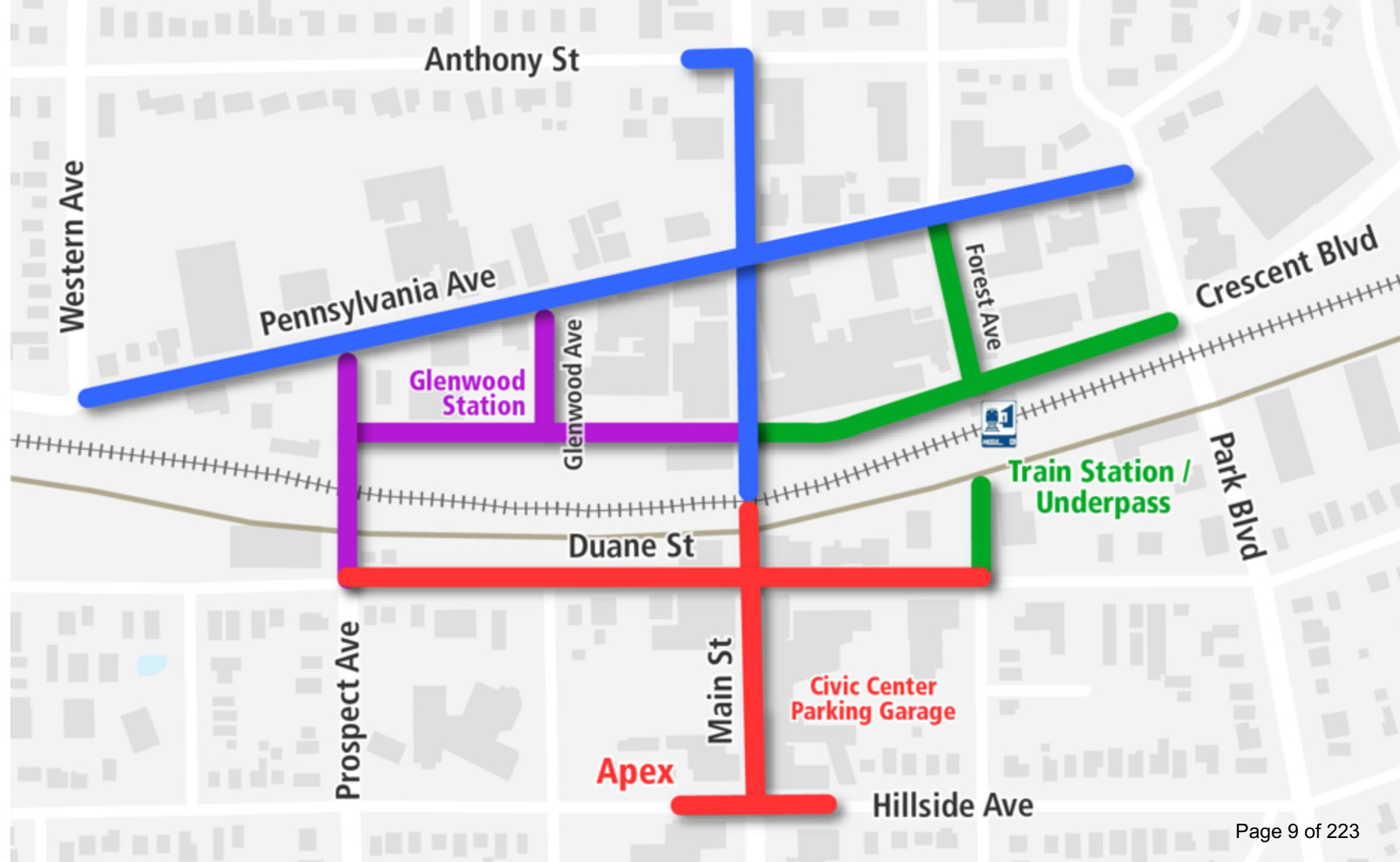
Attachments:

1. Figure 1

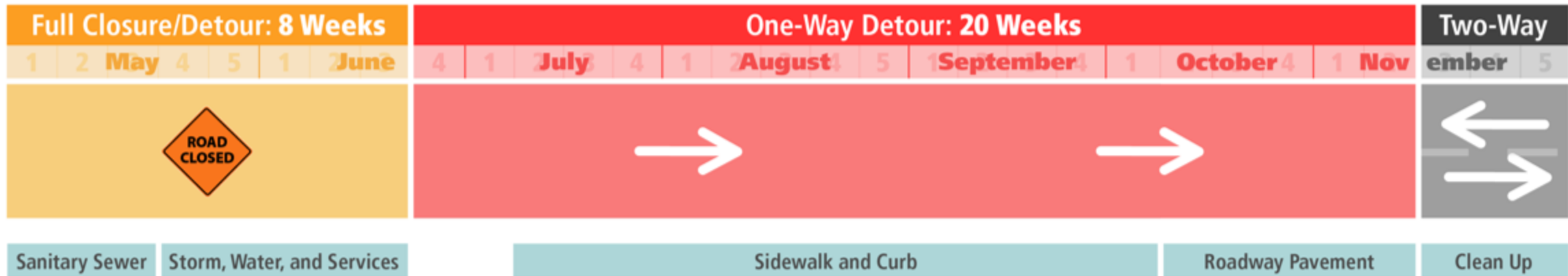
2. Figure 2
3. Figure 3
4. 2020_12_07 Board Workshop Presentation1

Construction Year

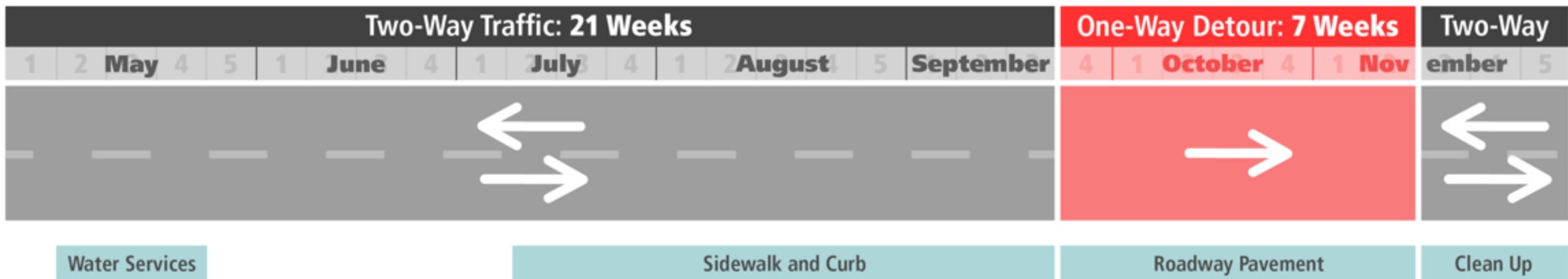
- 2021
- 2022
- 2023
- 2024-2026



MAIN ST



DUANE ST



- Pedestrian access will be maintained at all times
- Potential pedestrian accommodations are illustrated on the next slide

<u>Cost Estimate for Work Type</u>	<u>Current Estimate</u>
Roadway and Sidewalk Work	\$7.3M
Landscaping - Trees (235 @ 35' spacing), Shrubs, Perennials	\$0.6M
Street Lighting Repairs and Installations - Conduit/Wiring Replacement, Temporary Lighting	\$2.2M
Underground Utilities - Water, Sanitary Sewer, Storm Sewer, Temporary Restoration	\$8.5M
Upgrade Sidewalk and Crosswalk Areas	\$1.4M
Site Furnishings - Benches, Bike Racks, Trash Receptacles, Etc.	\$1.1M
Landscaping Features- Seat Walls, Planters, Soil Cells, Etc.	\$2.7M
Total Construction Cost	\$23.8M
Other Costs	
Phase II Engineering	\$1.4M
Phase III Engineering (est. as 11% of Construction Cost)	\$2.6M
TOTAL PROJECT COST	\$27.8M



Civiltech Engineering, Inc.

www.civiltechinc.com



Central Business District (CBD) Streetscape and Utility Improvements

Village Board Workshop

Village of Glen Ellyn

December 7, 2020



Current Project Cost Estimate

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TOTAL PROJECT COST	\$27.8M

**19% of Total Cost (\$5.2M):
Upgrades for Streetscape**

Plan Updates

- Removed fountains, fireplaces, and parklets
- 235 total trees at 35' spacing
- Brick pavers in carriage walk (behind curb)
- Extended streetscape elements into more of the CBD based on comments received
- Additional water main and storm sewer based on additional studies
- Includes streets projected to be part of the Train Station project for consistency
 - Duane east of Main
 - Crescent east of Main
 - Forest

Value Engineering Opportunities

- Review street furniture quantity. Current plan based on current Main St.
 - Village can purchase/install on their own to save on contractor markup/labor cost
- Reduce or eliminate the brick pavers in the carriage walks
- Reduce the amount of granite vs concrete planters
- Remove the ornamental railings from some or all planters
- Remove decorative bollards
- Reduce number of plantings in planters
- Scale back on suspended pavement/soil cells
 - Requires additional long planters

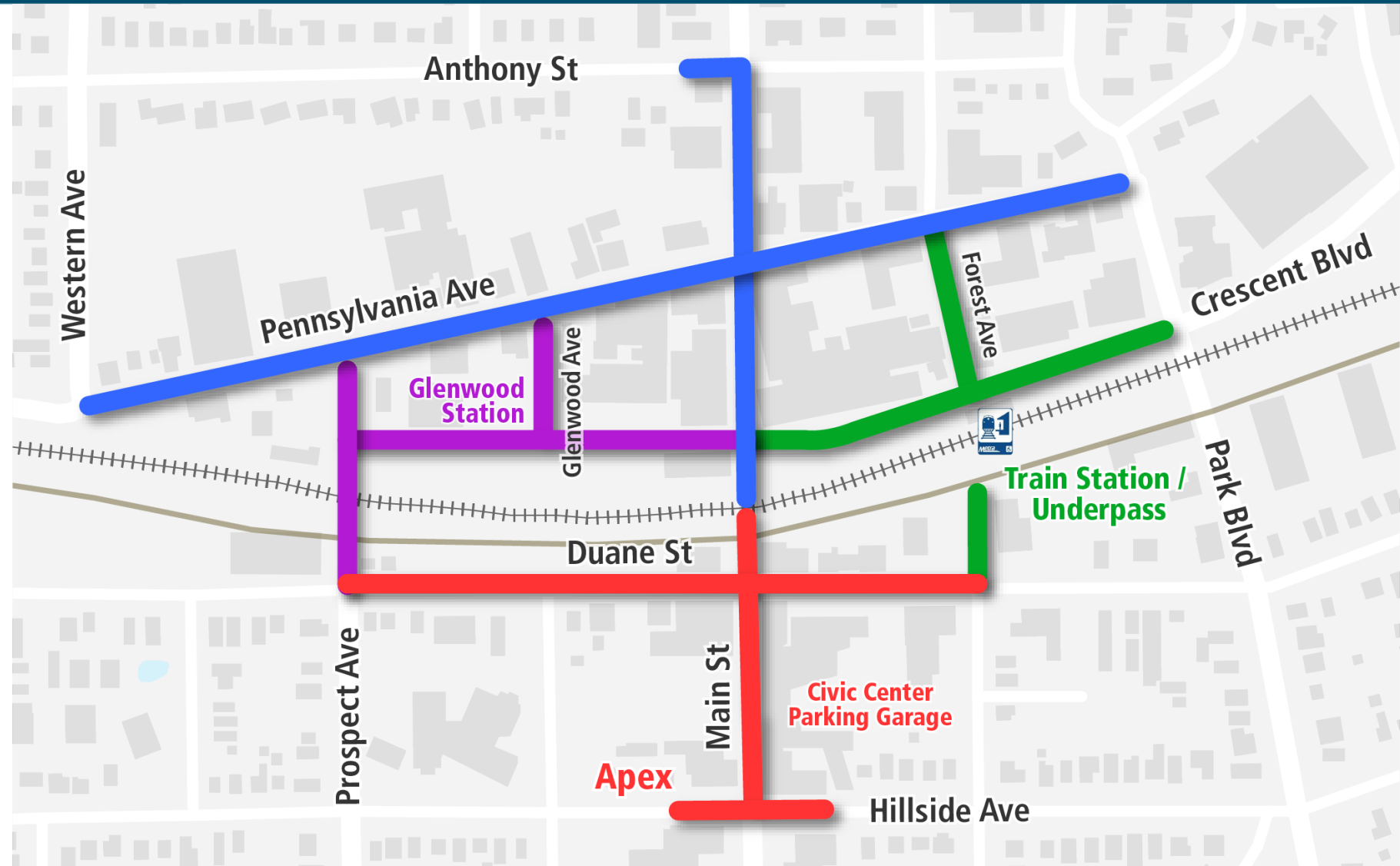
Construction Schedule

- Schedule Factors
 - Frida Kahlo Exhibit
 - Civic Center Garage Development
 - Apex 400 Development
 - Glenwood Station Development
 - Train Station and Underpass Project
- Traffic Factors
 - Maintain at least one direction of travel when possible
 - Maintain one side of on-street parking to extent possible
 - Keep 2 of 3 CBD railroad crossings at any time

Construction Schedule

Construction Year

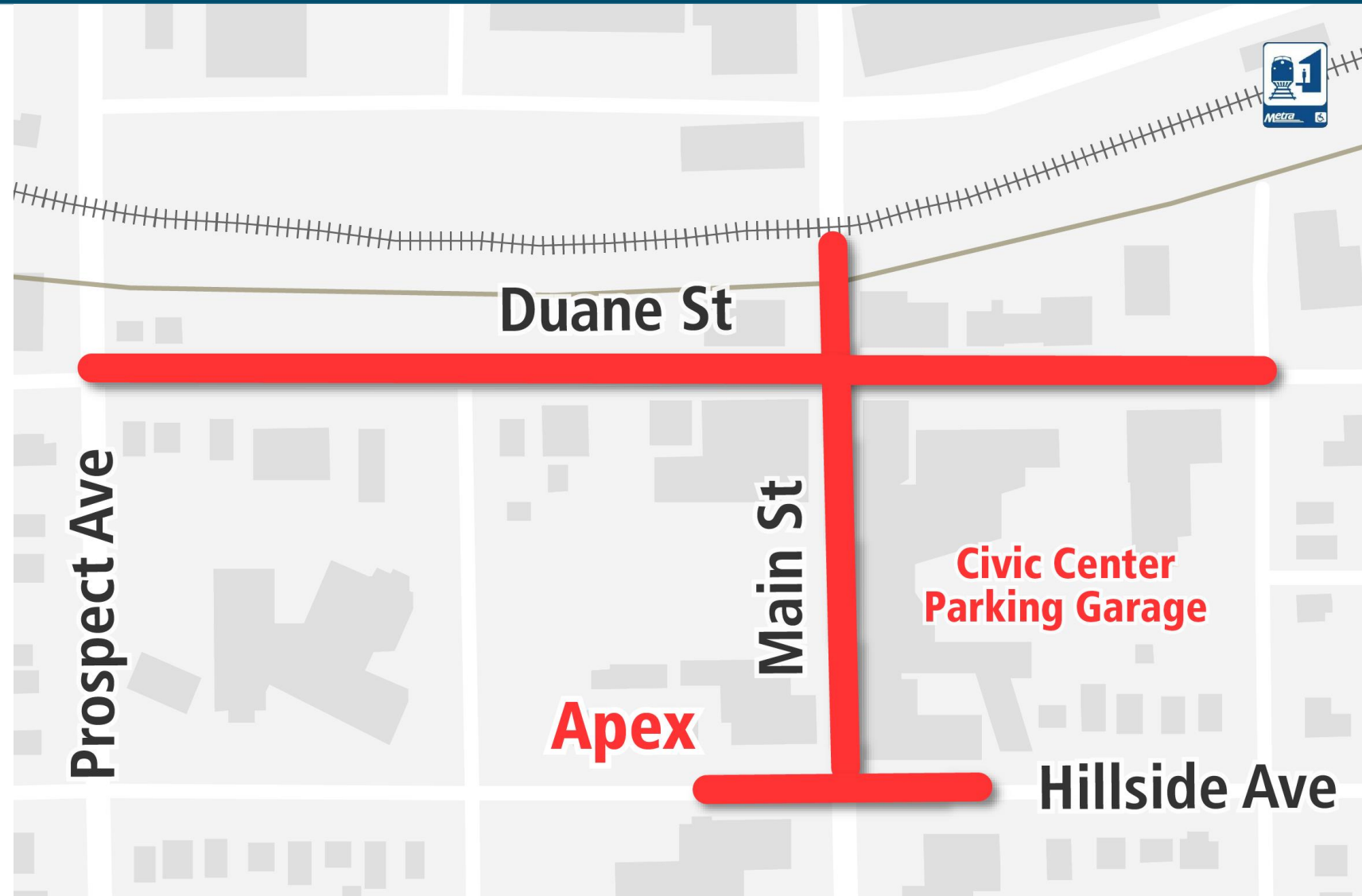
- 2021
- 2022
- 2023
- 2024-2026



2021 Construction

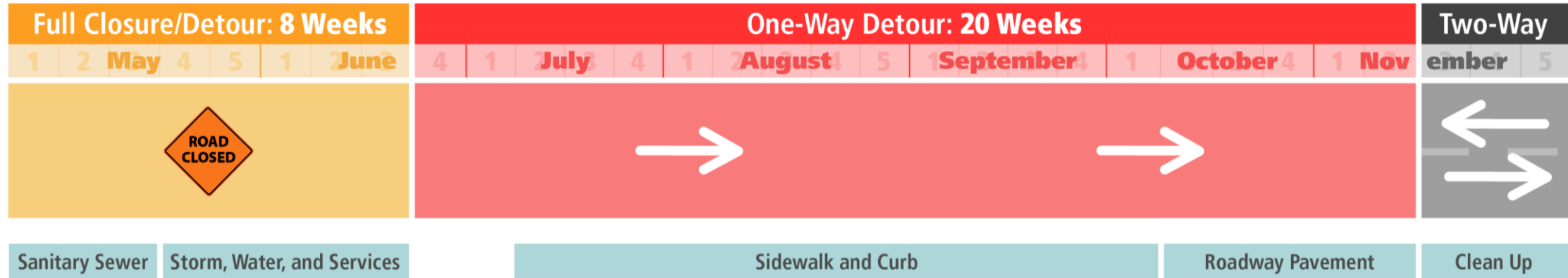
Construction Year

 2021

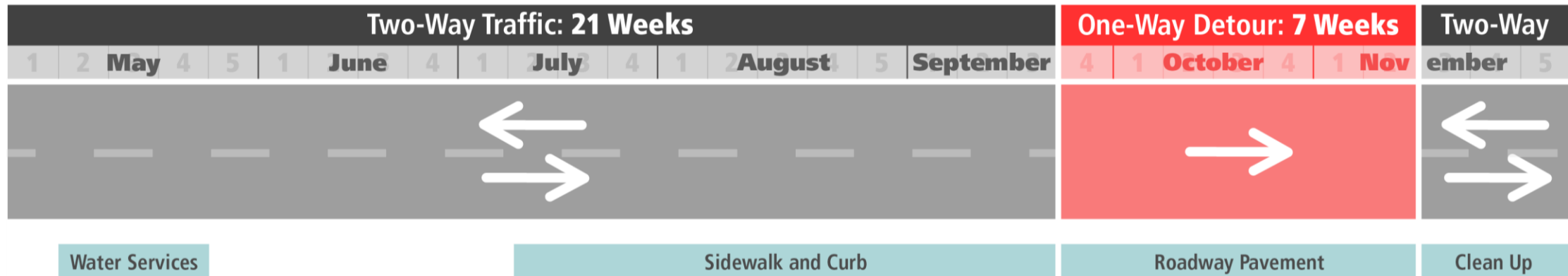


2021 Construction Sequence

MAIN ST



DUANE ST



- Pedestrian access will be maintained at all times
- Potential pedestrian accommodations are illustrated on the next slide

Access During Construction

Parking	Sidewalk
Civic Center Garage open	Maintain access to business
Accommodate street parking where possible	Temporary ramps and walks
Street parking locations may shift weekly	High-early strength concrete – open to foot traffic faster



Access During Construction





Glen Ellyn Village Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 12/7/2020 7:00 PM
Department: Administration
Department Head: Mark Franz
Category: Discussion Item
Prepared By: Mark Franz

**AGENDA ITEM (ID
2020-720)**

DOC ID: 2020-720

Village Manager Mark Franz will update the Village Board on the Holladay Properties Redevelopment Agreement.

Statement of the Issue:

Holladay Properties, based in South Bend, Indiana, is under contract to purchase the property located at 460 Crescent Boulevard. With over 30 offices throughout the country, Holladay functions as a multi-faceted firm that offers services for every step of the real estate cycle from property development to property management. They develop a wide range of land uses, including primarily commercial uses such as hotels and office space, as well as multi-family and mixed-use development.

Locally, Holladay Properties completed Burlington Station in downtown Downers Grove in 2018; an 89-unit, four-story building. A 94-unit, five-story building called Quincy Station in downtown Westmont is set to open in 2021. In August of 2019, Holladay received approval from the Village of Lombard to construct Lilac Station in the downtown which will consist of 118 units and 3,000-4,000 square-feet of ground-floor commercial space.

Analysis:

Current Development Proposal

Michael O'Connor, Vice President of Development & Leasing for Holladay Properties, submitted applications for a Special Use Permit for a Planned Unit Development with Zoning Deviations, a Special Use Permit for multi-family dwelling units, and Exterior Appearance approval to allow a mixed-use development concept, to be known as Glenwood Station, for the subject property. The subject property is zoned C5B – Central Service Subdistrict. They are proposing a 5-story (+/- 67 ft.), 6-level mixed-use building with 86 apartment units; 1,490 square-feet of commercial space; and 104 parking stalls. All of the proposed parking stalls are for the apartments and none are proposed for the commercial space, where six are required.

Of the 86 apartments, four are studios, 47 are one-bedrooms, 31 are two bedrooms, and four are

2-bedrooms with dens. The required number of parking stalls for this mix of apartment types is 145 or a 1.69 unit per stall parking ratio. The proposed parking ratio is 1.2 stalls, with the parking garage component being the below-grade and at-grade levels of the building. The at-grade or ground floor consists of the upper parking level, commercial space and a 1,350 square-foot lobby for the apartments. The second floor consists of 20 apartments, with a 948 square-foot fitness room, 1,113 square-foot club room, and a 1,330 square-foot outdoor patio. Floors 3-5 consist of 22 apartments each.

In addition to the above, the applicant will be required to make public improvements per the Village's plans for the downtown streetscape improvement project. This would include any street furniture, lighting, and material upgrades. To enhance the public realm, the applicant is also proposing outdoor seating along the Glenwood Avenue façade for a prospective tenant. The applicant is further open to adding public art to the Crescent Boulevard façade for pedestrian interest, as well as to the north façade at the corner facing Glen Oak Café. The public art will be reviewed at a later date, separate from the zoning approvals and TIF incentive requests.

The Plan Commission has discussed this plan through the pre-application process as well as the formal public approval process and is recommending approval of the \$30M project. Review of the plan and project is set for consideration by the Village Board December 14 Village Board meeting. However, before that meeting, staff wanted to update the Village Board on the draft Redevelopment Agreement that has been developed based on direction from the Village Board back in June and ongoing negotiations with the Developer. Although the principle business terms have been agreed to by both parties, it should be noted that this is still a draft agreement and the attorneys continue to finalize some minor aspects.

RDA and Incentive Request

The proposed development is located within the Central Business District (CBD) TIF. Holladay properties has identified a financial gap, that "but for" TIF assistance, the project would not be financially feasible. Therefore, they are requesting assistance from the TIF for their project. Holladay has presented the Village with an updated pro-forma. Staff and our consultant Kane McKenna and Associates (KMA), have reviewed the pro-forma and finalized their analysis based on direction from the Village Board back in June to a \$2M performance based TIF incentive and a one-time \$200K capital reimbursement.

The gap on the project that creates the incentive request arises from the higher property acquisition cost and a higher projected property tax burden for mixed-used/apartment projects in Milton Township as compared to the other surrounding townships. Without TIF incentives, Holladay has indicated they cannot proceed as they cannot meet a return on project costs of 6.75-7.0% in order to secure both equity investors as well as financing for the project. Bob Rychlicki from KMA has reviewed and analyzed Holladay's pro-forma and incentive request and has prepared their report which is attached and which will be presented to the Village Board at the

meeting.

Originally, Holladay had requested a TIF incentive request of approximately \$3.3 million. Through negotiation, staff was able to bring forth an incentive request for the Board's consideration with the following basic business terms:

1. A 50%/50% (Developer/Village) performance based agreement generated by available TIF increment for up to \$2.0 million. The developer must also justify TIF eligible costs to receive the increment.
2. Schools are entitled to up to 40% of the increment based on the number of net new students in the development. The Village has agreed to pay for the student costs with the TIF increment generated prior to any incentives being released.
3. The developer will be reimbursed for 10 years of increment. Therefore, this would be a \$2M or 10 years, whichever occurs first
4. In addition, the Village has agreed to assist in controlling some costs of the project as follows:
 - * A contribution of up to \$200,000 in capital costs to reimburse for costs associated with street, sidewalk, and other improvements made as part of the project.
 - * A reduction of \$200,000 in developer donations.

Incentive Analysis

KMA has prepared TIF increment projections based upon the current proposed terms. Those projections include:

Scenarios	Cumulative Taxes Before School Payments	Estimated School Payments	Village 50-50 Sharing to Developer for 10 years	Cumulative Incentive to Village over Life of TIF
Estimated Tax Payments Assuming 2 New Students/ Year	\$5,596,877	\$495,613	\$1,719,248	\$3,382,017

*Excludes the \$200,000 Public Improvements Grant ** Includes the annual 50% sharing for ten years

KMA's incremental property tax analysis shows that the Project could potentially generate approximately \$5,596,877 of cumulative incremental property tax revenue for the remaining term of the TIF (expiration year 2035, final collection year 2036), after the assumed annual school contributions for

two net new students. The above table assumes that for ten years, 50% of these revenues, or a projected \$1,719,000 are made available to the Developer in the form of “pay-as- you-go” financial assistance, again, depending on the amount of school allocations (this excludes the \$200,000 Public Improvements Grant). The above table also assumes that after the ten-year sharing period, the Village receives 100% of the annual incremental property tax revenue, until the expiration of the TIF in 2035. Including the annual 50% sharing, projected total receipts for the Village are \$3,382,000. The Village expects to set a Developer sharing cap of \$2,000,000 for the ten-year period in the event taxes are higher than projected or the net new student count is lower than projected.

Project Benefits

This parcel has long been cited as a key redevelopment site within the Village and has been vacant for some time. Similar to Geische Shoe Store, these large retail buildings are difficult to lease given the changing retail market, particularly in suburban downtowns. Many of the benefits of this project align with the Village’s Strategic Plan which seeks to promote economic development within the Village. Some of the key benefits include:

1. Meets goals of the downtown plan and CBD TIF Plan, including additional units and residents in the downtown to help sustain the businesses in the downtown. Additional residents and nearby residents tend to be more loyal customers.
2. Creates additional diverse housing stock which will allow more “age-in-place” options.
3. Estimated \$30 million investment in the Central Business District.
4. The developer is qualified and experienced and has completed several other projects in the area.
5. The Village benefits from the TIF increment generated from this project to help offset the costs of the Civic Center Parking Garage, Streetscape, and Train Station projects.
6. All taxing bodies would benefit from this development once the TIF expires in 2036 as this project grows the overall EAV and diversifies the tax base by increasing commercial property.

Redevelopment Agreement

The attached RDA captures the incentive request, development details, and provides important protections for the Village. Critical points include:

- TIF eligible costs will be identified
- Developer financing requirements
- Construction timeline (Begin construction by April 2022 to complete construction January 2024)

- Village has appropriate liability and indemnification coverage with Developer assuming all litigation expenses
- Cap on permit fees (staff is comfortable that all costs are being covered)
- Ten Year Term to coincide with the TIF Incentives

Strategic Plan

Strategic Issue II: ECONOMIC DEVELOPMENT. Engage in progressive and proactive economic development to attract and retain key businesses to foster a vibrant business community by strategically increasing the Village's footprint, adding housing variety and increasing downtown commercial growth and residential density.

Goal: Implement strategic plan for Economic Development that focuses on overall commercial vitality, EAV growth and sales tax growth.

Action Step: Focus on key development sites in the CBD and move forward with Giesche and McChesney sites and other underutilized parcels by December 31, 2020.

Budget Impact:

Any TIF incentives agreed to by the Village Board would be funded by the Central Business District (CBD) TIF Fund and would have no impact to the General Fund. These incentives would only be paid if the increment is created, so this performance-based approach limits Village risk. The \$200,000 capital contribution would also be funded by the CBD TIF Fund.

Action Requested:

Staff wants to provide the Village Board with an opportunity to ask any questions and have more time to review the RDA. The project and final RDA is set for the December 14 Village Board meeting.

Attachments:

1. Draft Redevelopment Agreement -- Glenwood Station -- 12.3.20
2. KMA Analysis Glenwood Station Development 12.02.2020 (002)

***RETURN AFTER
RECORDING:***

Village Clerk
Village of Glen Ellyn
535 Duane Street
Glen Ellyn, IL 60137

***THIS DOCUMENT
PREPARED BY:***

Gregory W. Jones, Esq.
Ancel Glink, P.C.
140 S. Dearborn Street
Sixth Floor
Chicago, IL 60603

Above Space for Recorder's Use Only

REDEVELOPMENT AGREEMENT

BETWEEN

VILLAGE OF GLEN ELLYN

AND

HP GLENWOOD STATION LAND, LLC

(GLENWOOD STATION, 464 GLENWOOD AVENUE)

REDEVELOPMENT AGREEMENT

BETWEEN

THE VILLAGE OF GLEN ELLYN

AND

HP GLENWOOD STATION LAND, LLC

(GLENWOOD STATION, 464 GLENWOOD AVENUE)

THIS REDEVELOPMENT AGREEMENT (“*Agreement*”) is dated as of the ____ day of _____, 2020 (“*Effective Date*”), and is by and between the **VILLAGE OF GLEN ELLYN**, an Illinois municipal corporation and home rule unit of local government with offices at 535 Duane Street, Glen Ellyn, Illinois (“*Village*”), and HP Glenwood Station Land, LLC, an Indiana limited liability company with offices located at 3454 Douglas Road, Suite 250, South Bend, Indiana (“*Developer*”) (collectively, the Developer and the Village are the “*Parties*”).

IN CONSIDERATION OF the recitals and the mutual covenants and agreements set forth in this Agreement, the parties agree as follows:

Section 1. Recitals.

A. The Village has the authority, pursuant to the laws of the State of Illinois and its home rule authority, to promote the health, safety, and welfare of the Village and its residents, to prevent the spread of conditions detrimental to healthy economic development, to encourage private development in order to enhance the local tax base, to increase employment, and to enter into contractual agreements with developers and redevelopers for the purpose of achieving such objectives.

B. The Village is authorized under the provisions of Art. VII, Section 10 of the State of Illinois Constitution to contract and otherwise associate with individuals, associations, and corporations in any manner not prohibited by law.

C. The Village is authorized under the provisions of Art. VIII of the State of Illinois Constitution to use public funds for public purposes.

D. The Village is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, as amended, 65 ILCS 5/11-74.4-1, *et seq.* (“*Act*”), to finance redevelopment projects in accordance with and pursuant to the Act.

E. The Village is authorized under the provisions of the Illinois Municipal Code to make grants to commercial enterprises that are deemed necessary or desirable for the promotion of economic development within the Village, 65 ILCS 5/8-1-2.5 (“*Code*”).

F. On February 13, 2012, the Corporate Authorities, pursuant to and in accordance with the Act, adopted Ordinance Nos. 6002, 6003, and 6004, which: (i) approved a Tax Increment Redevelopment Plan and a Tax Increment Redevelopment Project (collectively, the “**TIF Plan and Project**”), (ii) designated a Tax Increment Redevelopment Project Area, and (iii) adopted Tax Increment Allocation Financing (collectively, “**TIF Ordinances**”), establishing the Central Business District Redevelopment Project Area (“**TIF District**”).

G. The Developer is the contract purchaser of the property commonly known as 464 Glenwood Avenue (*f.k.a.* 460 Crescent Boulevard), Glen Ellyn, Illinois, legally described and depicted in **Exhibits A and B** (“**Subject Property**”), which is currently occupied by a vacant retail structure (“**Vacant Building**”).

H. The Developer proposes to redevelop the Subject Property as a planned unit development in the C5B Zoning District, consisting of a 6 level, 5 story mixed use development containing: (1) at least 85 multi-family dwelling units; (2) at least 1,400 square feet of ground-floor commercial space; (3) at least 102 vehicle parking spaces; and (4) associated amenities and improvements on and around the Subject Property, all as depicted in the Development Plans attached as **Exhibit C** (“**Development**”).

I. The Village and the Developer desire that the Subject Property be developed and used in compliance with this Agreement, and the Village desires to financially assist the Developer, pursuant to and in accordance with this Agreement, the Code, and the Act, to facilitate the Development on the Subject Property.

J. The Village desires to see the Subject Property developed in accordance with this Agreement to clear the blight and conservation factors and characteristics of the TIF District, to promote the health, safety, and welfare of the Village and its residents, to prevent the spread of those conservation conditions and characteristics in the TIF District, encourage further private investment and development and promote economic development within the Village, enhance the Village’s tax base, increase employment opportunities for Village residents, and enhance the future tax revenues for those overlying taxing bodies who levy against the Subject Property, and within the TIF District.

K. The Development is essential to meet the overall objectives of the TIF District, thereby implementing and advancing the TIF Plan and Project.

L. The Developer has represented to the Village that without financial assistance from the Village as detailed herein, the Development is not economically feasible and that Developer would not undertake the Development.

M. The Corporate Authorities, after due and careful consideration, have concluded that the redevelopment and use of the Subject Property pursuant to and in accordance with this Agreement is consistent with the Village’s land use goals and objectives, including those identified in the Strategic Plan, and is in the Village’s best interests.

N. The Corporate Authorities have exercised their legislative judgment and determined, based on studies, analysis, and information available, including, without limitation

the Village's 2001 Comprehensive Plan, Strategic Plan, the 2009 Downtown Plan, Financial Scorecard, the Central Business District Redevelopment Plan and Project (collectively, the "**Long Term Plans**"), and the Developer's Proforma, that the Development provides public benefits, including, without limitation, tax revenue, additional downtown retail, housing, and parking, modern stormwater management facilities, pedestrian-scale improvements, and improvements intended to help the Village achieve the vision contained in the Long Term Plans for the Central Business District and the Village as a whole.

O. The Corporate Authorities have reviewed and considered the Development and the zoning and other approvals requested to improve the Subject Property and surrounding area, and find the Development to be consistent with the Village's goals and objectives set forth in Long Term Plans, including, without limitation, the TIF Plan and Project, the TIF District, and the TIF Ordinances.

P. The foregoing Recitals are incorporated herein and made a part of this Agreement.

Section 2. Definitions; Rules of Construction.

A. **Definitions.** Whenever used in this Agreement, the following terms shall have the following meanings unless a different meaning is required by the context:

"Act:" As defined in Section 1(D).

"Budget:" As defined in Section 8(H)(1).

"Building:" The 6 level, 5-story, mixed-use structure to be constructed on the Subject Property, including, without limitation, at least 85 multi-family dwelling units, at least 1,400 square feet of commercial space, at least 102 vehicle parking spaces, and indoor and outdoor improvements, all as depicted on the Development Plans.

"Building Code:" Title 4, entitled "Building Regulations," of the Village Code of the Village of Glen Ellyn, including all local amendments, as amended.

"Capital Expense Grant:" As defined in Section 8(B)(3).

"Certificate of Reimbursable Project Costs:" As defined in Section 8(F).

"Code:" As defined in Section 1(E).

"Commencement Date:" As defined in Section 6(G).

"Construction Schedule:" As defined in Section 6(G).

"Corporate Authorities:" The Village President and Board of Trustees of the Village of Glen Ellyn.

"Developer's Lender:" As defined in Section 8(A).

“Development Plans:” Those certain development plans for the Subject Property consisting of the following documents:

“Floor Plans:” Lower Level Parking, Tandem Architecture Inc., dated 11-5-20, Sheet A-101; Main Parking / Street Level Planned Unit Development Plan, Tandem Architecture Inc., dated 11-23-20, Sheet A-102; Floors 3-5, Tandem Architecture Inc., dated 9-29-20, Sheet A-103;

“Site Plan:” Main Parking / Street Level Planned Unit Development Plan, Tandem Architecture Inc., dated 11-23-20, Sheet A-102;

“Elevations:” N-S-E-W Elevations, Tandem Architecture Inc., dated 11-23-20, Sheet A-200;

“Exterior Materials Exhibit:” Exterior Materials, Tandem Architecture Inc., dated 12-1-2020;

“Preliminary/Final PUD Plan:” Site Dimensional and Paving Plan, CivWorks Consulting, LLC, dated 12-1-20, Sheet C3.0;

“Preliminary/Final Landscaping Plan:” Landscape Plan, Tandem Architecture Inc., dated 11-23-20, Sheet L-100; and

“Final Engineering Plan:” As defined in Section 4(E), and consisting of the following sheets: Existing Conditions Plan, CivWorks Consulting, LLC, dated 12-1-20, Sheet C2.0; Site Demolition Plan, CivWorks Consulting, LLC, dated 12-1-20, Sheet C2.1; Site Dimensional and Paving Plan, CivWorks Consulting, LLC, dated 12-1-20, Sheet C3.0; Site Utility Plan, CivWorks Consulting, LLC, dated 12-1-20, Sheet C4.0; and Site Grading Plan, CivWorks Consulting, LLC, dated 12-1-20, Sheet C5.0;

copies of which are attached as **Exhibit C** to this Agreement.

“Effective Date:” As defined in the Agreement’s preamble.

“Email:” As defined in Section 15(A).

“FOIA:” As defined in Section 15(T).

“Force Majeure:” Strikes, lockouts, pandemics, war, civil disturbances, acts of God, or other factors beyond a party’s reasonable control and reasonable ability to remedy that occur after the Effective Date; provided, however, that Force Majeure shall not include delays caused by weather conditions, unless those conditions are unusually severe or abnormal considering the time of year and the particular location of the Subject Property. In no event shall increased costs or other financial considerations be considered a force majeure event.

“Guaranty Security:” As defined in Section 10(B).

“Incentive Period:” As defined in Section 8(B)(1).

“IPT Revenue:” As defined in Section 8(B)(1).

“Long Term Plans:” As defined in Section 1(N).

“Performance Security:” As defined in Section 10(A).

“Person:” Any corporation, partnership, individual, joint venture, trust, estate, association, business, enterprise, proprietorship, or other legal entity of any kind, either public or private, and any legal successor, agent, representative, or authorized assign of the above.

“Public Improvements:” All of the public improvements, infrastructure, and facilities necessary or proposed to serve the Subject Property including, without limitation, all of the right-of-way improvements on Crescent Boulevard and Glenwood Avenue adjacent to or near the Subject Property, and all of the power lines (overhead and underground), water, sanitary and storm sewer extensions depicted on the Final Engineering Plan. The Public Improvements are more specifically set forth on the list attached to this Agreement as **Exhibit D**.

“Reimbursable Project Costs:” As defined in Section 8(F).

“Replacement Security:” As defined in Section 10(C).

“Requirements of Law:” All applicable federal, state, and local laws, statutes, codes, ordinances, resolutions, orders, rules, and regulations, as amended.

“School Allocation:” As defined in Section 8(B)(2).

“Subdivision Code:” Title 11, entitled “Subdivision Regulations Code,” of the Village Code of the Village of Glen Ellyn, as amended.

“Subject Property:” The real property legally described and depicted in **Exhibits A and B**.

“Substantial Completion” or “Substantially Complete:” Refers to the point that (1) the Developer’s construction of the Development (as hereinafter obligated) has received all final inspections, (2) the Developer has obtained all final approvals for the public and private improvements (subject to any maintenance guaranty obligations), and (3) all life safety elements, as determined by the Zoning Administrator, have been approved and (4) the Development is eligible for issuance of a temporary certificate of occupancy.

“SSA:” As defined in Section 8(K).

“SSA Law:” The Special Service Area Tax Law, 35 ILCS 200/27, *et seq.*, as amended.

“TIF District:” As defined in Section 1(F).

“TIF Incentive:” As defined in Section 8(B)(1).

“TIF Ordinances:” As defined in Section 1(F).

“TIF Plan and Project:” As defined in Section 1(F).

“Transferee Assumption Agreement:” As defined in Section 12.

“Vacant Building:” As defined in Section 1(G).

“Village Attorney:” The Village Attorney of the Village of Glen Ellyn.

“Village Code:” The Village of Glen Ellyn Village Code, as amended.

“Village Manager:” The Village Manager of the Village of Glen Ellyn.

“Wage Act:” As defined in Section 15(M).

“Zoning Administrator:” The Community Development Director of the Village of Glen Ellyn.

“Zoning Code:” Title 10, entitled “Zoning Code,” of the Village of Glen Ellyn Village Code, as amended.

B. Rules of Construction.

1. Grammatical Usage and Construction. In construing this Agreement, pronouns include all genders, and the plural includes the singular and vice versa.
2. Headings. The headings, titles, and captions in this Agreement have been inserted only for convenience and in no way define, limit, extend, or describe the scope or intent of this Agreement.
3. Calendar Days. Unless otherwise provided in this Agreement, any reference in this Agreement to “day” or “days” shall mean calendar days and not business days. If the date for giving of any notice required to be given, or the performance of any obligation, under this Agreement falls on a Saturday, Sunday, or federal holiday, then the notice or obligation may be given or performed on the next business day after that Saturday, Sunday, or federal holiday.

Section 3. Acquisition of Subject Property. The Developer shall acquire fee simple title to the Subject Property and provide the Village Manager with written proof of the same by no later 90 days after the Effective Date. Developer’s failure to acquire title to the Subject Property or provide the Village Manager with satisfactory written proof, to the Village Manager’s reasonable satisfaction, in accordance with this Section shall entitle the Village Manager, in his sole discretion, to terminate this Agreement and all of the Parties’ rights and obligations hereunder.

Section 4. Zoning and Entitlements Approvals.

A. Zoning and Entitlements Ordinance. Immediately after approval of the ordinance approving this Agreement, the Corporate Authorities will pass ordinances, in substantially the same form as **Exhibit E** and in accordance with the requirements of Village Code that approve (1) a special use permit for a planned unit development to construct and operate the Development on the Subject Property; (2) a special use permit for multi-family dwellings; and (3) the following Zoning Code deviations: (a) to reduce the number of required vehicle parking spaces; (b) to increase the Building's maximum height; (c) to eliminate the step back requirement for that portion of the Building with frontage on Glenwood Avenue; (d) to reduce the required impervious surface setbacks as measured from the Subject Property's north, south, and east lot lines; (e) to reduce the required setback from the north lot line to accommodate an emergency generator and mechanical equipment; (f) to reduce the required setback from the south lot line to accommodate the building footprint; (g) to reduce the required setbacks from the north lot line to accommodate a retaining wall; (h) to increase the maximum permitted lot coverage of the Building from 65 percent to up to 84 percent; (i) to reduce the required length of one 45-degree parking stall; (j) to reduce the required drive aisle width for one 90-degree parking stall; and (k) to allow certain exterior light fixtures to have exposed tops and sides where they are required to be shielded on the tops and sides.

B. Permitted and Prohibited Uses; Individual Use Special Use Permits. Notwithstanding anything to the contrary in the Zoning Code, the uses listed on **Exhibit F** are prohibited from operating on the Subject Property. Any use designated in the Zoning Code as requiring a special use must obtain approval of a special use permit in accordance with the Zoning Code before receiving a certificate of occupancy or commencing operations.

C. No Construction Prior to Acquisition. The Developer agrees that unless approved by the Village Manager, in his reasonable discretion, no permanent construction, improvement, or physical development of any kind shall be permitted on any portion of the Subject Property unless and until the Developer acquires the Subject Property.

D. Recordation of Zoning and Entitlement Ordinances. Upon approval of this Agreement and Developer providing the Village with: 1) proof of ownership of the Subject Property in accordance with Section 3; or 2) consent to recording from the Subject Property's owner, if the Developer does not yet own the Subject Property, the Village will promptly cause the ordinances to be recorded against the Subject Property with the DuPage County Recorder of Deeds.

E. Final Engineering Plan. The final engineering plan shall: 1) depict the Development's infrastructure and other improvements; 2) comply with all Village ordinances, rules, and regulations, except as expressly modified by ordinance; and 3) substantially conform to the other Development Plans, excluding modifications approved by the Zoning Administrator ("**Final Engineering Plan**"). The Developer shall obtain the Village's approval of the Final Engineering Plan before the Village issues a permit to construct the Development.

Section 5. Development of the Subject Property.

A. General Restrictions. Subject to the particular terms for development set forth in Section 5(D) of this Agreement, the Developer's construction of the Development, except for minor alterations approved by the Village Manager, shall be pursuant to and in accordance with the following:

1. This Agreement.
2. The Development Plans.
3. The Zoning Code.
4. The Subdivision Code.
5. The Building Code.
6. The other Requirements of Law.

Unless otherwise provided in this Agreement, in the event of a conflict between or among any of the above plans or documents, the plan or document that provides the greatest control and protection for the Village, as determined by the Village Manager, shall control. All of the above plans and documents shall be interpreted so that the duties and requirements imposed by any one of them are cumulative among all of them, unless otherwise provided in this Agreement.

B. Public Utility and Storm Water Easements. The Developer will grant all utility easements to the Village and other governmental bodies and utility services over, on, and across the Subject Property, as required by the Village or other governmental body for the purposes of making repairs, maintaining, installing and servicing utilities, and providing public and emergency services.

C. Utility Location and Relocation. The Developer will, subject to the Village's approval, relocate all existing utilities through, under and around the Subject Property as needed to accommodate the Development, all as depicted on the Final Engineering Plan. When proposing utility relocation, the Developer will exercise its best efforts to coordinate with the Village and all other governmental bodies and utility services providing utility service to or through the Subject Property.

D. Particular Terms for Development. Notwithstanding any use or development right that may be applicable or available to the Subject Property pursuant to the Zoning Code or any other Requirement of Law, the Subject Property shall be used and developed, subject to the provisions in this Subsection 5(D), as follows:

1. The Building shall contain at least eighty five (85) multi-family dwelling units and a parking garage containing at least one hundred and two (102) vehicle parking spaces, all of which shall be accessible by elevator service.

2. The Development will contain at least one thousand four hundred (1,400) square feet of ground-floor commercial space located along the Building's easterly frontage.
3. The Building's dwelling units will contain a mix of junior 1 bedroom, 1 bedroom, 2 bedroom, and 2 bedroom + den dwelling units ranging in size from approximately 550 square feet to approximately 1,350 square feet, and the approximate average unit size will be ± 900 square feet.
4. The Development will include the following community amenities, in addition to all others identified on the Development Plans which are attached as **Exhibit C**: (a) bike storage; (b) pet spa; (c) craft room; (d) meeting room; (e) business center; (f) package room; (g) club room; (h) outdoor shared patio; (i) fitness room; (j) bicycle studio; and (k) comparable amenities traditionally found in luxury multi-family developments located in municipalities in the Chicago Metropolitan Statistical Area.
5. The Development will be staffed and managed by a full time professional management company with experience managing multi-family developments that command comparable or higher rents and are located in the Chicago Metropolitan Statistical Area.
6. The Building shall be constructed as depicted in the Development Plans, and the Developer shall be solely responsible for ensuring that Development complies with all Requirements of Law.
7. The Building shall contain no more than five (5) stories above grade. The "overall maximum height" of the Building, as defined in the Zoning Code and approved by Ordinance No. _____, shall be not greater than as depicted in the Elevations.
8. The Building's exterior façade shall be constructed of the materials set forth in the Elevations and Exterior Materials which are attached as **Exhibit C**.
9. The Development shall include new, modern streetscape improvements along the Crescent Boulevard and Glenwood Avenue public rights of way adjacent to the Subject Property. All streetscape improvements, including, without limitation, pavers, light standards, benches, and materials, shall substantially conform to the Village's Streetscape Improvement Design, which the Village anticipates adopting in 2021, and Developer shall be solely responsible for the cost of installing and constructing such streetscape improvements.

E. Damage to Public Property. The Developer will maintain all streets, sidewalks, and other public property adjacent to the Subject Property in a good and clean condition during

development of the Subject Property and construction of the Development. Further, the Developer will promptly clean all mud, dirt, or debris deposited on any street, sidewalk, or other public property in or adjacent to the Subject Property by the Developer or any agent of or contractor hired by, or on behalf of, the Developer no less frequently than the end of each work day, and will repair any damage to public property that may be caused by the activities of the Developer or any agent of or contractor hired by, or on behalf of, the Developer. Within a reasonable period of time, but in no event more than 12 hours, after the Village gives the Developer notice to clean all mud, dirt, or debris deposited on any street, sidewalk, or other public property in or adjacent to the Subject Property deposited by the Developer or any agent of or contractor hired by, or on behalf of, the Developer, the Developer shall clean such property. If the Developer neglects to clean, or undertake with due diligence to clean, the affected public property, then the Village will be entitled to clean, either with its own forces or with contract forces, the affected public property and to recover from the Developer costs or charges reasonably incurred by the Village to perform the cleaning.

F. Changes to the Planned Unit Development (PUD), including the Development Plans. All changes to the Development Plans shall be processed in accordance with Zoning Code.

G. Demolition. Developer shall be responsible, at its sole cost, for demolishing and removing the Vacant Building and all improvements, structures, buildings, infrastructure, and appurtenances located above or below grade on and around the Subject Property that are necessary to construct the Development as depicted on the Final Engineering Plan, and subject to all Requirements of Law. The Parties agree that no prudent or feasible alternative exists to the demolishing the Vacant Building, that the Developer shall not include any costs associated with the Vacant Building's demolition on any Certificate of Reimbursable Project Costs submitted to the Village, and that all costs associated with the Vacant Building's demolition shall be ineligible for reimbursement using TIF Incentive funds.

H. Construction Type. The Building shall be constructed pursuant to the Building Code.

I. Issuance of Building Permits. The Developer may seek issuance of multiple building permits to construct the Development. If requested by Developer, the Village shall grant a permit allowing for mass grading and/or construction of the Building's foundation to facilitate timely commencement of construction, subject to the terms of this Agreement. The Village will not unreasonably withhold issuance of any complete and properly filed application for a building and/or demolition permit.

J. Issuance of Certificates of Occupancy. Upon the Developer's request, the Zoning Administrator may issue a temporary certificate of occupancy, as may be appropriate, for the Building upon Substantial Completion of an entire floor of residential units or upon completion of the Development's commercial tenant space.

Section 6. Public Improvements.

A. Developer Duty to Construct Public Improvements. The Developer will construct and install all of the Public Improvements listed on **Exhibit D** (collectively, the “**Public Improvements**”), including, without limitation, parkway trees, sidewalk pavement, curb and gutter, street pavement, street lighting, and all other right of way and streetscape improvements located in the Glenwood Avenue and Crescent Boulevard rights of way adjacent to the Subject Property, as depicted in the Final Engineering Plan and Preliminary/Final Landscape Plan.

B. Standards Applicable to Public Improvements.

1. General Standards. The Developer will construct all Public Improvements pursuant to, and in accordance with, the Final Engineering Plan, Preliminary/Final Landscape Plan, and the Village Code, and to the reasonable satisfaction of the Zoning Administrator. All work performed on the Public Improvements will be conducted in a good and workmanlike manner and in accordance with this Agreement. All materials used for construction of the Public Improvements will be new and of first-rate quality.
2. Contract Terms; Prosecution of the Work. The Developer and all of its contractors will prosecute the work diligently, in full compliance with, and as required by or pursuant to, this Agreement, until the work is properly completed.
3. Village Inspections and Approvals. During the course of construction of the Public Improvements, Village inspectors will have the full right, permission, and authority to inspect and approve all work on the Public Improvements with reasonable notice to the Developer.
4. Other Approvals. If the construction and installation of any Public Improvement requires the consent, permission, or approval of any Person, then the Developer will take all steps required to obtain the required consent, permission, or approval. No work requiring the consent, permission, or approval of any Person will commence without that prior consent, permission, or approval.

C. Closure of Sidewalk and Right-of-Way. The Developer shall be entitled to close the Glenwood Avenue and Crescent Boulevard sidewalk immediately adjacent to the Subject Property and use that area to support the Development’s construction during the course of construction, subject to the Village’s approval of a traffic control plan that provides adequate protection and direction to pedestrians and vehicles. Developer and the Village shall cooperate and schedule any right of way closures as may be necessary and appropriate to complete the Development, including any improvements located within the right-of-way. Developer will be responsible, at Developer’s sole cost, for repairing any damage or injury to any rights of way or other public property in accordance with the Village Code and this Agreement.

D. Final Inspections and Approvals. When the Developer determines that the Public Improvements have been properly completed, the Developer shall request final inspection, approval, and, as appropriate, acceptance of the Public Improvements by the Village. The notice and request shall be given sufficiently in advance to allow the Village time to inspect the Public Improvements, to prepare a punch list of items requiring repair or correction, and to allow the Developer time to make all required repairs and corrections prior to the Development's completion date as identified in the Construction Schedule. The Developer shall promptly make all necessary repairs and corrections as specified on the punch list. Subject to the provisions of Subsection 6(E), the Village shall not be required to approve or accept any Public Improvement until all of the Public Improvements, including without limitation all punch list items, have been fully and properly completed.

E. Dedication and Acceptance of Specified Public Improvements. The Developer shall dedicate to the Village and the Village shall accept from the Developer the Public Improvements listed on **Exhibit D**. Nothing whatsoever shall constitute an acceptance by the Village of any Public Improvement except express written acceptance by the Village in compliance with the requirements of the Village Code. Prior to acceptance of any Public Improvement to be accepted by the Village, the Developer shall execute, or cause to be executed, final lien waiver(s) and a bill of sale to transfer ownership of the Public Improvement to, and to evidence ownership of the Public Improvement by, the Village, free and clear of all liens, claims, encumbrances, and restrictions unless otherwise approved by the Village. The documents transferring ownership of any Public Improvement to, and to evidence ownership of the Public Improvement by, the Village shall be reasonably acceptable in form and substance to the Village Attorney. Notwithstanding the foregoing, said documentation shall not impose any warranty or other burden on Developer associated with the dedication of the Public Improvement except as expressly set forth in this Agreement or the Village Code. Developer shall, simultaneously, grant, or cause to be granted, to the Village all insured easements or other property rights as the Village may require to install, operate, maintain, service, repair, and replace the Public Improvements that have not previously been granted to the Village, free and clear of all liens, claims, encumbrances, and restrictions, unless otherwise approved by the Village.

F. Developer's Guaranty and Maintenance of Public Improvements. The Developer hereby guarantees the prompt and satisfactory correction of all defects and deficiencies in the Public Improvements that occur or become evident within one (1) year after approval and any required acceptance of the Public Improvements by the Village pursuant to this Agreement. If any defect or deficiency occurs or becomes evident during the one (1) year period, then the Developer shall, after ten (10) days' prior written notice from the Village, diligently commence to correct it or cause it to be corrected. In the event any Public Improvement is repaired or replaced pursuant to the demand of the Village, the Guaranty provided by this Section 6(F) shall be extended, as to the repair or replacement, for one (1) full year from the date of completion of the repair or replacement. Upon Developer's failure to comply with this Section, the Village may, in addition to other remedies available at law, in equity, or under this Agreement, draw upon the Guaranty Security.

G. Commencement and Completion of Construction. Developer shall commence work on the Development not later than November 21, 2021 ("**Commencement Date**"). Construction of the Development shall begin, proceed, be Substantially Completed, and made

ready for inspection, approval, and any required acceptance by the Village, in accordance with the schedule attached to this Agreement as **Exhibit G**, as may be amended from time to time by written agreement between the Developer and the Village Manager (“**Construction Schedule**”). Developer will pursue diligently, continuously, and in full compliance with this Agreement, Substantial Completion of all construction, as required in, or permitted by, Sections 5 and 6 of this Agreement.

H. Village Remedy for Failure to Complete Construction. If the Developer fails to comply with the Construction Schedule, except in the instance of a Force Majeure event, or any portion thereof, the Developer will, subject to any right to cure granted to Developer and Developer’s Lender in Subsection 6(I) of this Agreement, promptly remove any partially constructed or partially completed buildings, structures, or improvements from the Subject Property. If the Developer fails or refuses to remove the partially constructed or partially completed buildings, structures, or improvements from the Subject Property, the Village will have, and is hereby granted, in addition to all other rights and remedies afforded to the Village in this Agreement and by law, the right, at its option, to complete the Development, in whole or in part, or demolish and remove any of the partially constructed or partially completed buildings, structures, or improvements from the Subject Property, and the Village will have the right to charge the Developer an amount sufficient to defray the entire cost of such completion, in whole or in part, demolition and removal, in whole or in part, including without limitation legal and administrative costs.

I. Developer and Lender Notice and Right to Cure for Failure to Complete Construction. In the event Developer fails to comply with the Construction Schedule, or any portion thereof, the Village will provide written default notice to Developer and to Developer’s Lender. The default notice will specify the basis of the default. Developer and Developer’s Lender will have a period of sixty (60) days from the date of the default notice to begin to cure the default so that Substantial Completion of the Development can occur in accordance with the Construction Schedule. The Developer or the Developer’s Lender may request a hearing before the Corporate Authorities to request additional time to Substantially Complete the Development. In the event Developer or Developer’s Lender requests a hearing, the Corporate Authorities will reasonably consider, in light of prior investment in the Subject Property and the current financial ability of the Developer or Developer’s Lender, a proposal from Developer or Developer’s Lender that sets forth a reasonable schedule for Substantial Completion of the Development. The Village will reasonably cooperate with the Developer or the Developer’s Lender to ensure that Substantial Completion of construction can be achieved within the agreed upon schedule with the Developer or Developer’s Lender.

J. Survival of Public Improvements Obligation. The Public Improvement obligations set forth in this Section 6 shall survive the expiration of this Agreement; provided, however, upon completion of the Public Improvements, acceptance thereof by the Village, and conclusion of any guaranty period under Subsection 6(F) of this Agreement, Developer’s Public Improvement obligations under this Section 6 shall be satisfied.

Section 7. Construction Traffic and Parking; Streets; Construction Trailer.

A. Construction Traffic and Parking; Streets.

1. Designated Traffic Routes. Before the Village issues a permit, the Developer shall submit and receive the Zoning Administrator's approval of a construction site management plan. The Village may, within the approved construction site management plan or otherwise, designate routes of access to the Subject Property for construction traffic to protect pedestrians and to minimize disruption of traffic and damage to paved street surfaces; provided, however, that the designated routes shall not unduly hinder or obstruct efficient access to the Subject Property for construction traffic. The Developer shall keep all routes used for construction traffic free and clear of mud, dirt, debris, obstructions, and hazards and shall repair all damage caused by the construction traffic. The Developer shall maintain and operate the Subject Property, the Development, and any property used by the Developer to support the Development in accordance with the Village's Construction Site Rules of Conduct attached as **Exhibit H**.
2. Parking. All construction vehicles, including, without limitation, passenger vehicles and construction equipment, shall be parked within the Subject Property or in areas designated by the Village.

B. Construction Trailer. The Village shall allow the Developer to use the Subject Property for purposes of siting one (1) construction trailer, subject to the Developer obtaining a building permit for the trailer and placing the trailer in a location approved by the Zoning Administrator. No trailer shall be sited on the Subject Property prior to the Developer acquiring title to the Subject Property in accordance with Section 3, and no trailer may be located on the Subject Property after the date of issuance of any temporary certificate of occupancy for the Subject Property.

Section 8. Development Financing and Monitoring

A. Developer Financing. Within one hundred eighty (180) days of the Effective Date, the Developer shall secure a binding financing commitment necessary to Substantially Complete the Development, including, without limitation, a loan commitment from a lender. The Developer's financing commitments shall be sufficient to cover the equity and debt financing in the amounts set forth in **Exhibit I**. As a pre-condition of the Village issuing any building permit for the Development, the Developer shall provide evidence of project financing acceptable to the Village, in the Village Manager's reasonable discretion, and provide the Village with the contact name, mailing address, phone number, and Email address for the Developer's lender or lenders (collectively, "**Developer's Lender**"). The Village may unilaterally terminate this Agreement and all of the Parties' obligations hereunder if: 1) the Developer fails to provide evidence of Development financing and assurances that are acceptable to the Village within the timeframes set forth in this Section; or 2) the Developer fails to receive the Village Manager's written approval of an extension to the deadline to provide proof of financing.

B. Village Incentives. Based upon the Developer's representation of its need for assistance, and provided the Developer fulfills its obligations in this Agreement and under the Act, the Village will provide the following assistance to facilitate the Development.

1. TIF Incentive. Upon Substantial Completion of the Development and subject to the provisions of Section 8(B)(2), the Village will pay the Developer fifty (50%) percent of the incremental property tax revenue generated by the Subject Property during the Incentive Period, as defined below ("***IPT Revenue***"), in an amount not to exceed two million (\$2,000,000) dollars ("***TIF Incentive***"). The Village will pay the TIF Incentive, or a portion thereof, once annually on or before December 1st each year beginning on the December 1st immediately following the Development's Substantial Completion date until the full TIF Incentive has been paid to the Developer, or until January 5, 2033 whichever occurs first ("***Incentive Period***"). The Village's obligation to pay the TIF Incentive is conditioned on: a) the Developer submitting a reimbursement request in accordance with Section 8(F); b) IPT Revenue being available; c) the Development being inhabitable and compliant with all Requirements of Law; and d) the Developer complying with the Act and this Agreement's terms. The Developer shall have no right to apply for or receive any TIF Incentive or IPT Revenue after the Incentive Period's voluntary or involuntary termination.
2. School District Payments. Before the Developer may receive any TIF Incentive, the Village shall first use IPT Revenue to satisfy any school district payment obligations associated with the Development pursuant to the Act ("***School Allocation***"). The Developer's share of IPT Revenue as stated in in Section 8(B)(1) shall be calculated after the Village pays the School Allocation.¹ The Village's payment of TIF Incentive to the Developer shall be secondary and subordinate to the Village's obligation to pay the School Allocation.
3. Capital Expense Grant. The Developer anticipates incurring expenses related to the construction of improvements located in public rights of way adjacent to the Subject Property, as listed on **Exhibit D**, including, without limitation, parkway trees, sidewalk pavement, curb and gutter, street pavement, street lighting, and all other right of way and streetscape improvements. Within one hundred twenty (120) days of Developer Substantially Completing any of the improvements listed on **Exhibit D**, the Developer may apply for reimbursement for up to two hundred thousand (\$200,000) dollars of capital costs actually incurred by the Developer for Reimbursable Project Costs, as defined in Section 8(F), for

¹ For example, if the Subject Property generates \$1,000 in IPT Revenue in 2025 and the School Allocation equals \$100, the Developer's share of the IPT revenue for 2025 would be \$450 (*i.e.*, \$1,000 IPT Revenue – \$100 School Allocation x 0.50 = \$450).

improvements constructed on or in adjacent rights of way (“***Capital Expense Grant***”). The Developer shall submit a reimbursement request and supporting documents in accordance with Section 8(F) to substantiate its Capital Expense Grant request, and the Village shall review and process the Developer’s reimbursement request in accordance with Section 8(G). The Developer shall only be entitled to receive Capital Expense Grant funds for improvements that: a) the Developer has not previously received payments or any other form of Village financial incentive for, including, without limitation, TIF Incentive funds; and b) qualify as Reimbursable Project Costs. The Developer warrants and represents that it will not seek reimbursement via TIF Incentive or any other Village-administered incentive program for any improvements funded by or reimbursed through the Capital Expense Grant. The Parties agree that the Village may record against the Subject Property an instrument approved by the Village Attorney memorializing the Capital Expense Grant, including, without limitation, the Parties’ obligations under the Agreement.

4. Non-Recourse Against the Village. The TIF Incentive will be payable from IPT Revenue as it becomes available and from no other source. The Developer shall have no recourse against the Village’s general fund or other Village revenues and this Agreement shall have no effect on the Village’s ability to issue debt in the future. Upon expiration of the Incentive Period, any unpaid amount owed by the Village to the Developer shall be forgiven in full.

C. TIF Incentive Clawback.

1. If the Subject Property or Development is abandoned for any consecutive six (6) month period, except in the instance of any Force Majeure event, Developer will pay back in full, upon fifteen (15) business days’ written demand from the Village, any TIF Incentive and Capital Expense Grant funds previously provided by the Village to the Developer.
2. If the Developer fails for any reason whatsoever to maintain its obligations as set forth in this Agreement, except in the instance of any Force Majeure event, upon written notice from the Village, Developer shall remedy such default within ninety (90) days of receiving notice from the Village, unless this Agreement provides a shorter cure period, in which case the shorter cure period shall control. In the event Developer fails to comply with this Section, Developer will pay back in full, upon fifteen (15) days’ written demand from the Village, any TIF Incentive and Capital Expense Grant funds previously provided by the Village to the Developer.

D. Future Sale of Subject Property. If the Developer conveys title to the Subject Property, or any portion thereof, to any third party within five (5) years of the Effective Date

without the prior written consent of the Village Manager in accordance with Section 12, the Developer shall, prior to conveying title, reimburse the Village the full cost of the Capital Expense Grant. Upon the Developer reimbursing the Capital Expense Grant, the Village agrees to provide the Developer with a signed, written release, in a form approved by the Village Attorney, of the Village's right to reimbursement of the Capital Expense Grant.

E. TIF Eligible Costs. The Village will reimburse the Developer for Reimbursable Project Costs up to the full amount of the TIF Incentive. Reimbursement will occur as IPT Revenue becomes available and in accordance with this Agreement. The Parties anticipate Reimbursable Project Costs will include those expenditures identified in **Exhibit J**. Reimbursement from the Village will occur as the Developer submits Certificates of Reimbursable Project Costs in accordance with this Agreement, and as IPT Revenue becomes available.

F. Certification of Reimbursable Project Costs. Developer represents and warrants that the Developer has incurred, or will incur prior to the Development's Substantial Completion, the costs set forth on **Exhibit J**. When seeking reimbursement of Development costs that are reimbursable under the Act ("**Reimbursable Project Costs**"), the Developer shall submit to the Village Manager a written reimbursement request in the form attached as **Exhibit K** ("**Certificate of Reimbursable Project Costs**"), certifying costs incurred in connection with the Development that qualify as Reimbursable Project Costs. The Developer shall submit no more than one (1) Certificate of Reimbursable Project Costs per calendar year, and no request shall be made for an amount less than five thousand (\$5,000) dollars.

Each Certificate of Reimbursable Project Costs shall be accompanied by documentation supporting the requested reimbursement, including, without limitation, sworn statements, title insurance updates, lien waivers, invoices, financing statements, receipts, checking account statements, canceled checks, payroll records, project expenditure summaries, and all other documentation reasonably deemed necessary by the Village Manager. The Developer shall only be eligible to receive reimbursement for Reimbursable Project Costs that are supported by a Certificate of Reimbursable Project Costs, including all supporting documentation reasonably deemed necessary by the Village Manager to verify compliance with the Act and this Agreement. Any material inaccuracy, false statement, misrepresentation, or false representation made by the Developer within a Certificate of Reimbursable Project Costs or within documentation accompanying a Certificate of Reimbursable Project Costs shall constitute a default under this Agreement.

G. Review of Reimbursable Costs. Provided Developer has submitted its Certificate of Reimbursable Project Costs at least thirty (30) days before a regular meeting of the Corporate Authorities and the Village has already paid the School Allocation for that calendar year, the Village Manager shall have thirty (30) days from the receipt of a complete Certificate of Reimbursable Project Costs and all supporting documentation requested by the Village to recommend approval or disapproval in writing to the Corporate Authorities, with a copy also being provided to the Developer. If the Developer submits its Certificate of Reimbursable Project Costs and all necessary supporting documents before the Village has paid the School Allocation for the calendar year, the Village Manager shall have thirty (30) days from the date

the Village pays the School Allocation to recommend approval or disapproval in writing to the Corporate Authorities, with a copy also being provided to the Developer.

In the event the Corporate Authorities deny a request for reimbursement, the Village shall notify the Developer in writing within fifteen (15) days, specifying the item(s) denied and the reason there for. Developer shall have the right to cure the cause of the denial and resubmit its application for reimbursement, detailing the action taken to cure the defect. In the event the resubmission is denied, the Developer may appeal to the Village Manager and Village Attorney who shall meet and confer with the Developer to attempt to resolve the cause of the denial. If the matter is not resolved, Developer may further appeal to the Corporate Authorities. If the Corporate Authorities uphold the denial, the Developer and the Village may jointly agree to submit the matter to arbitration in accordance with the rules of the American Arbitration Association.

H. Open Book Development.

1. Attached hereto as **Exhibit L** is the Developer's good faith estimate of the overall costs of the Development ("**Budget**"). The Developer acknowledges that the Parties relied on the Budget when determining the TIF Incentive amount. The Development shall be an "open book" project, and the Developer will provide the Village full access, upon the Village providing reasonable notice, to all portions of the Development. During business hours and at the office of the Developer, the Developer shall make available for review by the Village and its agents the books and records relating to the Developer's costs with respect to the Development to enable the Village to verify the Development's costs, including, but not limited to, the Developer's, general contractor's and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts, invoices, and all other information reasonably requested by the Village. These records shall be available for inspection, audit and examination. The Village agrees to keep all financial information of the Developer confidential, except to the extent required for compliance with any applicable law, rule, or regulation. The foregoing Village review and audit rights shall terminate upon the voluntary or involuntary termination of this Agreement.
2. If upon Substantial Completion of the Development, the Village determines that the cost of the Development is below the amount contained in the Budget, the TIF Incentive amount will be reduced proportionally. For example, if the Village determines that the Development's actual cost equals ninety five (95%) percent of the amount identified in the Budget, the TIF Incentive amount will be reduced by five (5%) percent from \$2,000,000 to \$1,900,000.

I. Progress Meetings. Developer shall at all times have an individual designated as the Village's primary point of contact for matters pertaining to this Agreement. Upon written

request of the Village, Developer shall meet on a monthly basis with the Village Manager, or his designee, and other Village staff as appropriate, to provide a comprehensive progress report on the Development. Appropriate Development team personnel shall attend the meeting on behalf of Developer and the Village, and the Developer shall provide information regarding the status of construction and occupancy, pending permit requests, and other logistical information deemed necessary by the Village.

J. Property Taxes and Valuation. Developer shall timely and fully pay when due all taxes and assessments levied against the Subject Property. Developer shall have the right to petition to reduce the assessed value of the Subject Property, appeal the applicable property tax rate, seek any real estate tax exemption, or otherwise pursue a reduction in any property tax owed during this Agreement's term, provided that:

1. The Developer provides the Village with at least thirty (30) days advance notice of filing any appeal, exemption, or other request to reduce tax monies owed by the Developer, regardless of the amount of or nature of the reduction sought; and
2. The Developer shall provide the Village copies of all documents, including, without limitation, appeal applications, appraisals, expert statements and testimony, and studies, submitted or presented to any unit, agency, or body of government or court in connection with the appeal, including, without limitation, the DuPage County Board of Review, the Illinois Property Tax Appeal Board, or any court or tribunal, at the same time such materials are provided to the unit, agency, or body of government or court.

Developer does not waive its right to receive any TIF Incentive by filing a petition seeking to reduce the Subject Property's assessed value, appeal the applicable tax rate, seek a real estate tax exemption, or otherwise reduce the amount of real estate tax owed for the Subject Property. However, if the Developer's petition results in a refund of previously paid tax installment payments while under appeal, which were part of a prior TIF Incentive payment to the Developer, then there will be a recalculation and reconciliation of the previously paid TIF Incentive payment and Developer will return any funds to the TIF Fund for use by the Village in accordance with the Act. The Village reserves the right to withhold future TIF Incentive payments to Developer until reconciliation occurs, and Developer hereby waives any objection or challenge to the same.

Section 9. Fees, Dedications, Donations, and Contributions.

A. Negotiation and Review Fees. In addition to all other costs, payments, fees, charges, contributions, or dedications required by this Agreement or by the Requirements of Law, the Developer shall pay to the Village, after presentation of a written demand or demands for payment, all reasonable legal, engineering, and landscape architect fees, costs, and expenses, and any other consultant fees, costs, and expenses deemed necessary by the Zoning Administrator, incurred or accrued in connection with the review and processing of plans for the development of the Subject Property. Permit fees due and payable to the Village shall not

exceed the amount identified in **Exhibit L**. Fees and costs due and payable to entities and agencies other than the Village, including, without limitation, DuPage County, the Illinois Environmental Protection Agency, and Village consultants and contractors providing services concerning or related to the Development shall not be subject to the fee limit amount identified in Exhibit L, are expressly excluded from the fee limit in Exhibit L, and shall be timely and fully paid by the Developer at its sole cost. Payment of all fees, costs, and expenses for which demand has been made, but payment has not been received, by the Village prior to execution of this Agreement, shall be made by a certified or cashier's check contemporaneous with the execution of this Agreement by the Village. The Developer agrees that it will continue to be liable for and to pay, immediately after presentation of a written demand or demands for payment, the fees, costs and expenses, as required pursuant to the Village Code, this Agreement, or the Village's Reimbursement of Fees Agreement for the Development, and incurred in connection with any applications, documents, or proposals, whether formal or informal, of whatever kind submitted by the Developer during the term of this Agreement in connection with the use and development of the Subject Property. Further, the Developer agrees that it shall be liable for and will pay after demand all fees, costs, and expenses incurred by the Village for publications and recordings required in connection with the above matters, subject to the permit fee limit identified in Exhibit L.

B. Fees to the Village and Others. In addition to all other costs, payments, fees, charges, contributions, or dedications required by this Agreement, the Developer will pay to the Village or other entity from whom an invoice is received, all application, inspection, and permit fees, all water and sewer general and special connection fees, tap-on fees, charges, contributions, impact fees, and all other fees, charges, and contributions pursuant to the Requirements of Law, including, without limitation, all DuPage County fees and Village impact fees. The permit fees, charges, and contributions the Developer owes to the Village shall not exceed the fee limit amount identified in **Exhibit L**. Fees, charges, and contributions due and payable to entities and agencies other than the Village, including, without limitation, DuPage County, the Illinois Environmental Protection Agency, and Village consultants and contractors providing services concerning or related to the Development shall not be subject to the fee limit amount identified in Exhibit L, are expressly excluded from the fee limit in Exhibit L, and shall be timely and fully paid by the Developer at its sole cost.

C. Dedications, Donations, and Contributions to Others. As required by the Village Code and/or the zoning and entitlements ordinance attached as **Exhibit E**, the Developer will make cash contributions to the school districts, park district, library, volunteer fire company, and any other authority with jurisdiction over the Subject Property. All payments shall be made before the Village issues a building permit for the Development. The Village may withhold issuing any permit or certificate of occupancy for the Development until the Developer has made all payments required by this Section 9(C).

Section 10. Security Instruments

A. Performance Security. As security to the Village for the performance by the Developer of the Developer's obligations (1) to construct and Substantially Complete the Public Improvements pursuant to and in accordance with this Agreement, (2) to pay all Village costs, fees, and charges due from the Developer pursuant to this Agreement, (3) to maintain and repair

streets, sidewalks, and other public property pursuant to this Agreement, (4) to comply with all DuPage County Stormwater and Floodplain Ordinance requirements, and (5) to otherwise comply with this Agreement's terms, the Developer shall, within sixty (60) days of the Effective Date and prior to the issuance of any building permit for the Subject Property or payment of the TIF Incentive or Capital Expense Grant, or any portion thereof, deposit with the Zoning Administrator a cash deposit in a form approved by the Village Attorney or a letter of credit ("**Performance Security**") in the form attached as **Exhibit M**, in an amount equal to 125% of the estimated cost of the Public Improvements, as approved by the Zoning Administrator. The Performance Security shall be maintained and renewed by the Developer, and shall be held in escrow by the Village until the Village's acceptance of the Public Improvements; however, the Developer may apply to the Village to reduce the Performance Security in accordance with the Village Code.

B. Guaranty Security. Immediately prior to any required acceptance by the Village of the Public Improvements pursuant to this Agreement, the Developer shall post a new cash deposit in a form approved by the Village Attorney or a letter of credit in the form attached as **Exhibit M**, in the amount of ten percent (10%) of the actual total cost of the Public Improvements as security for the performance of the Developer's obligations under this Agreement ("**Guaranty Security**"). The Guaranty Security shall be held by the Village in escrow until the last to occur of (i) the date that is the end of the one-year guaranty period set forth in this Agreement or (ii) the date that is one (1) year after the proper correction of any defect or deficiency in the Public Improvements pursuant to this Agreement and payment of the cost of correction. If the Village is required to draw on the Guaranty Security by reason of the Developer's failure to fulfill its obligations under this Agreement, then the Developer shall within ten (10) days thereafter cause the Guaranty Security to be increased to its full original amount.

C. Replacement Security. Prior to the issuance of any certificate of occupancy for the Development, the Developer shall post surety in the form of a bond or other insurance in favor of the Village and in a form approved by the Village Attorney, providing in the alternative for replacement of the Development or direct payment to the Village of the TIF Incentive and the Capital Expense Grant in the event of the Development or any part thereof becomes uninhabitable ("**Replacement Security**"). The Replacement Security shall identify the Village as an additional insured and include an endorsement assigning insurance proceeds to the Village in the event of a covered loss only. The Village shall be given written notice at least thirty (30) days prior to any cancellation or material amendment of the Replacement Security.

D. Costs. The Developer shall bear the full cost of securing and maintaining the Performance Security, the Guaranty Security, and the Replacement Security.

E. Form of Security Instruments.

All security instruments shall be from an institution (i) acceptable to the Village, (ii) licensed in the State of Illinois, and either (iii) having capital resources of at least Fifty Million Dollars (\$50,000,000) or (iv) having an AM Best rating of at least A-. Each form of security shall, at a minimum, provide that (1) it shall not be canceled or modified without the prior consent of the Village; (2) it shall not require the consent of the Developer prior to any draw on

it by the Village; and (3) if at any time it will expire within 60 or fewer days, and if it has not been renewed, and if any applicable obligation of the Developer for which it is security remains uncompleted or unsatisfactory, then the Village may, call and draw down the security and use the proceeds to complete the obligations and reimburse the Village for any and all costs and expenses, including, without limitation, legal fees, costs of appeal, and administrative costs, incurred by the Village. The Performance Security may provide that the aggregate amount of the cash deposit or security instrument may be reduced, but only after joint direction by the Developer and the Village. No reduction for payment of Public Improvement work satisfactorily completed shall be allowed except after presentation by the Developer of proper contractors' sworn statements, partial or final waivers of lien, as may be appropriate, and any additional documentation that the Village may reasonably request to demonstrate satisfactory completion of the Public Improvement in question and full payment of all contractors, subcontractors, and material suppliers and in accordance with the Village Code. The Guaranty Security shall not be reduced by reason of any cost incurred by the Developer to satisfy its obligations under this Agreement.

F. Replenishment of Security. If at any time the Village reasonably determines that (i) the funds remaining in the Performance Security are not, or may not be, sufficient to pay in full the remaining unpaid cost of all Public Improvements, or (ii) the funds remaining in the Guaranty Security are not, or may not be, sufficient to pay all unpaid costs of correcting any and all defects and deficiencies in the Public Improvements, or (iii) the funds remaining in the Replacement Security are not, or may not be, sufficient to satisfy the Developer's Replacement Security obligations pursuant to this Agreement, then, within ten (10) days after a demand by the Village, the Developer shall increase the amount of the cash deposit or security instrument to an amount reasonably determined by the Village Manager to be sufficient to pay the unpaid costs of correcting defects and deficiencies.

G. Replacement of Security. If at any time the Village reasonably determines that the institution issuing the Performance Security, Guaranty Security, or Replacement Security is unable to meet any federal or state requirement for reserves, is insolvent, is in danger of becoming any of the foregoing, or is otherwise in danger of being unable to honor the appropriate letter of credit at any time during its term, or if the Village otherwise reasonably deems itself to be insecure, then the Village shall have the right to demand that the Developer provide replacement security instruments from a financial institution or surety satisfactory to the Village. The replacement security instrument shall be deposited with the Village not later than ten (10) days after the demand. After deposit of the replacement security instrument, the Village shall surrender the original security instrument to the Developer.

H. Use of Funds in the Event of Breach of Agreement. If the Developer fails or refuses to complete the Public Improvements in accordance with this Agreement, or fails or refuses to correct any defect or deficiency in the Public Improvements as required by Section 6 of this Agreement, or fails or refuses to restore property in accordance with a demand made pursuant to Section 6 of this Agreement, or in any other manner fails or refuses to fully meet any of its obligations under this Agreement, then the Village may, in its sole and absolute discretion, draw on any security instrument provided pursuant to this Agreement or the Requirements of Law, according to the specific terms set forth in the security instrument, and use the funds according to the terms of the security instrument.

I. Village Lien Rights. If any money or other consideration due from the Developer to the Village pursuant to this Agreement is not either recovered from any security instrument provided for in this Section 10 or paid or conveyed to the Village by the Developer within ten (10) days after a demand for payment or conveyance, then the money, together with interest at the maximum rate permitted by law and costs of collection, including reasonable legal fees and administrative expenses, shall become a lien on the Subject Property, and the Village shall have the right to collect the amount or value, with applicable interest and costs, including reasonable legal fees and administrative expenses, and the right to enforce the lien in the manner provided by law for mortgage foreclosure proceedings. The lien shall be subordinate to the lien of any first mortgage now or hereafter placed on the Subject Property; provided, however, that the lien subordination shall apply only to charges that have become due and payable prior to a sale or transfer of the Subject Property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure, but the sale or transfer shall not relieve the Subject Property from liability for any charges thereafter becoming due, nor from the lien of any subsequent charge.

J. Developer's Assistance in the Event of Breach of Agreement. In the event the Village exercises its rights under the Performance Security, Guaranty Security, or Replacement Security, then the Developer will cooperate with the Village's efforts to collect funds under the security instrument(s) for completion of the Development or remedying the default according to the terms of this Agreement.

K. Survival of Performance Security, Guaranty Security, and Replacement Security Obligations. The Performance Security, Guaranty Security, and Replacement Security obligations set forth in this Section 10 shall survive the voluntary or involuntary termination of this Agreement; provided, however, upon completion of the Public Improvements, acceptance thereof by the Village, and conclusion of any guaranty period under Subsection 6(B) of this Agreement, Developer's Guaranty Security obligations under this Section 10 shall be satisfied.

Section 11. Liability, Indemnity of Village, and Insurance.

A. Village Review. The Developer acknowledges and agrees that the Village is not, and shall not be, in any way liable for any damages or injuries to Developer that may be sustained as the result of the Village's review and approval of any plans for the Subject Property, the Development, or the Public Improvements, or the issuance of any approvals, permits, certificates, or acceptances for the development or use of the Subject Property or the Public Improvements, and that the Village's review and approval of those plans and the Public Improvements and issuance of those approvals, permits, certificates, or acceptances does not, and shall not, in any way, be deemed to insure the Developer, or any of its heirs, successors, assigns, tenants, and licensees, or any other Person, against damage or injury of any kind at any time.

B. Village Procedure. The Developer acknowledges and agrees that notices, meetings, and hearings have been properly given and held by the Village with respect to the approval of this Agreement and agrees not to challenge the Village's approval of this Agreement on the grounds of any procedural infirmity or of any denial of any procedural right.

C. Indemnity. The Developer agrees to defend, hold harmless, and indemnify the Village, the Corporate Authorities, the Village Plan Commission, and all Village elected or

appointed officials, officers, employees, agents, representatives, engineers, and attorneys, from any and all claims, liabilities, damages, penalties, and costs that may be asserted at any time against any of them, or awarded against them, in connection with (i) the Village's review and approval of any plans for the Subject Property or the Public Improvements; (ii) the issuance of any approval, permit, or certificate; and (iii) the Developer's construction of the Development; or (iv) this Agreement.

D. Defense Expense. The Village shall provide the Developer written notice of any claim for which the Village may seek indemnification, defense, or to be held harmless against within ten (10) days of obtaining notice of a claim. The Developer shall have the right to hire counsel of its choosing, with consent of the Village, and to control defense of any claim or to settle any claim provided that the Village shall have the right to participate in the defense and settlement of the claim. The Village shall provide Developer timely notice of any defense to a claim so as to avoid prejudice. Failure of the Village to tender timely notice or defense of a claim shall waive any obligation of Developer to indemnify, defend, and hold harmless the Village. In the event that the Village retains defense of any claim the Developer shall, and does hereby agree to, pay all expenses, including without limitation all reasonable legal fees, including those incurred on appeal, incurred by the Village in defending itself with regard to any and all of the claims referenced in Section 11(C) of this Agreement, provided that Developer shall have the right to participate in said defense and approval of any settlement of a claim.

E. Insurance.

1. Liability Insurance Prior to Completion. Prior to issuance of a building permit, Developer shall procure and deliver evidence of such policies to the Village, at Developer's cost and expense, and shall maintain in full force and effect through completion of construction of the Development, a policy or policies naming the Village of Glen Ellyn, together with its officers, agents, employees, contractors, attorneys, and engineers as additional primary, non-contributory named insureds. All such policies shall be in such form and issued by such companies as shall be reasonably acceptable to the Village, and any insurance carried by the Village for like risks shall be secondary and in excess of the insurance required hereby. All policies shall be written on a "per occurrence" basis. The Developer shall procure and maintain insurance for protection from claims under worker's compensation acts, claims for damages because of bodily injury including personal injury, sickness or disease or death of any and all employees or of any Person other than such employees, and from claims or damages because of injury to or destruction of property including loss of use resulting therefrom, alleged to arise from the Developer's negligence in the performance of services under this Agreement. Developer's certificate of insurance shall contain a provision that the coverage afforded under the policy(s) will not be canceled or reduced without thirty (30) days prior written notice (hand delivered or registered mail) to the Village. Developer shall promptly forward new certificate(s) of insurance evidencing the coverage(s) required herein upon annual renewal of the subject policies. Failure of the Developer to supply a valid certificate of insurance, or if a previously valid certificate of insurance has

expired and is not replaced, is grounds for issuance of a stop work order, in addition to all other remedies available at law or in equity, until such time as a valid certificate of insurance is provided. Failure of the Village to collect or demand a certificate of insurance shall not be deemed a waiver of the requirement to provide one. The limits of liability for the insurance required by this Subsection shall not be less than the following:

Workmen's Compensation Insurance:

All Liability imposed by Workmen's Compensation statute

Employer's Liability Insurance \$1,000,000

Contractual Liability Insurance \$1,000,000

Completed Operations Insurance \$ 500,000

Owned, Hired, and Non-Ownership Vehicle, Bodily Injury and Property Damage to the following Limits:

Commercial General Liability \$2,000,000 (each occurrence)

Bodily Injury \$2,000,000 (each person) \$2,000,000
(each accident)

Property Damage \$2,000,000 (each accident)

Automobile Liability \$1,000,000 combined single limit
(each accident)

Umbrella Liability \$7,500,000 (each occurrence)

\$7,500,000 (aggregate)

2. Developer's Risk Prior to Completion. Prior to Substantial Completion of the Development, Developer shall keep in force at all times builders risk insurance on a completed value basis, in non-reporting form, against all risks of physical loss, including collapse, covering the total value of work performed and equipment, supplies and materials furnished for the Development (including on-site stored materials), all as to work by Developer. Such insurance policies shall be issued by companies satisfactory to the Village. Such policies shall contain a provision that the same will not be canceled or materially amended without prior written notice to the Village.
3. Developer's Ongoing Obligations. Throughout this Agreement's term, the Developer shall maintain in full force and effect insurance, in a form and amount approved by the Village Attorney, sufficient to cover the replacement cost of the Development in the event the Development is destroyed in whole or in part. The Developer shall be obligated to use the insurance proceeds to reconstruct the Development and make it habitable again, consistent with the Development Plans.

Section 12. Nature, Survival, and Transfer of Obligations. All obligations assumed by the Developer under this Agreement shall be binding on the Developer individually, on any and all of the Developer's successors, and assigns, and on any and all of the respective successor legal or beneficial owners of all or any portion of the Subject Property. To assure that the Developer's successors, and assigns, and successor owners of all or any portion of the Subject Property have notice of this Agreement and the obligations created by it, the Developer shall:

- A. Deposit with the Village Clerk, contemporaneously with the Village's approval of this Agreement, any consents or other documents necessary to authorize the Village to record this Agreement in the office of the Recorder of DuPage County; and
- B. Notify the Village in writing at least thirty (30) days prior to any date after which the Developer transfers a legal or beneficial interest in any portion of the Subject Property to any Person not a party to this Agreement; and
- C. Incorporate, by reference, this Agreement into any and property sales contracts entered into for the sale of all or any portion of the Subject Property to a Person not a party to this Agreement; and
- D. Require, prior to the transfer of all or any portion of the Subject Property, or any legal or equitable interest in the Subject Property to any Person not a party to this Agreement, the transferee to execute an enforceable written agreement, in substantially the form attached to this Agreement as **Exhibit N**, agreeing to be bound by this Agreement ("**Transferee Assumption Agreement**"), and to provide the Village, after request, with reasonable assurance of the financial ability of the transferee to meet those obligations as the Village may require;

Provided, however, that the requirements stated in the four preceding clauses shall not apply to any lease for a portion of the Subject Property irrespective of the status of Substantial Completion. The Village agrees that after a successor becoming bound to the personal obligation created in the manner provided in this Agreement and providing the financial assurances required in this Section 12, the individual liability of the Developer shall be released to the extent of the transferee's assumption of liability. The failure of the Developer to provide the Village with a fully executed copy of a Transferee Assumption Agreement with the transferee's proposed assurances of financial capability before completing the transfer shall result in the Developer remaining fully liable for all of the Developer's obligations under this Agreement but shall not relieve the transferee of its liability for those obligations as a successor to the Developer.

Section 13. Term. This Agreement shall run with and bind the Subject Property until January 1, 2037, unless such term is extended by mutual agreement of the Parties, and shall inure to the benefit of and be enforceable by the Developer and the Village, and any of their respective legal representatives, heirs, successors, and assigns.

Section 14. Enforcement. Each Party to this Agreement may, in law or in equity, by suit, action, mandamus, or any other proceeding, including without limitation specific performance, enforce or compel the performance of this Agreement. Developer agrees that it will not seek, and does not have the right to seek, to recover a judgment for monetary damages against the Village, or any of its elected or appointed officials, officers, employees, agents, representatives, engineers, or attorneys, on account of the negotiation, execution, or breach of this Agreement; except to the extent that the Village has committed fraud, exhibited willful or wanton disregard to the right of Developer or the terms of this Agreement, or otherwise acted in bad-faith or in a manner to intentionally prevent Developer from performing under the terms of this Agreement. In addition to every other remedy permitted by law for the enforcement of the terms of this Agreement, the Village will be entitled to withhold the issuance of building permits, certificates of occupancy for any and buildings and structures within the Subject Property, and/or payment or reimbursement of any TIF Incentive, Capital Expense Grant, or other monies authorized by this Agreement at any time the Developer has failed or refused to meet fully any of its obligations under this Agreement. In the event of a judicial proceeding brought by one party to this Agreement against the other party to this Agreement pursuant to this Section 14, the prevailing party shall be entitled to reimbursement from the unsuccessful party of all costs and expenses, including without limitation reasonable attorneys' fees, incurred in connection with the judicial proceeding. Neither Party shall seek personal liability against an official, officer, employee, or agent of the other party in connection with this Agreement.

Section 15. General Provisions.

A. **Notice.** Any notice or communication required or permitted to be given under this Agreement shall be in writing and shall be delivered (i) personally, (ii) by a reputable overnight courier, (iii) by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid, (iv) by facsimile, or (v) by electronic internet mail ("***Email***"). Facsimile notices shall be deemed valid only to the extent that they are (a) actually received by the individual to whom addressed and (b) followed by delivery of actual notice in the manner described in either (i), (ii), or (iii) above within three business days thereafter at the appropriate address set forth below. Email notices shall be deemed valid only to the extent that they are (a) opened by the recipient on a business day at the address set forth below, and (b) followed by delivery of actual notice in the manner described in either (i), (ii), or (iii) above within three business days thereafter at the appropriate address set forth below. Unless otherwise provided in this Agreement, notices shall be deemed received after the first to occur of (a) the date of actual receipt; or (b) the date that is one (1) business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (c) the date that is three (3) business days after deposit in the U.S. mail, as evidenced by a return receipt. By notice complying with the requirements of this Section 15(A), each party to this Agreement shall have the right to change the address or the addressee, or both, for all future notices and communications to them, but no notice of a change of addressee or address shall be effective until actually received.

Notices and communications to the Village shall be addressed to, and delivered at, the following address:

Village of Glen Ellyn
ATTN: Village Manager

535 Duane Street
Glen Ellyn, IL 60137
Fax: 630.469.8849

With a copy to: Village of Glen Ellyn
ATTN: Village Attorney
535 Duane Street
Glen Ellyn, IL 60137
Fax: 630.469.8849

Notices and communications to the Developer shall be addressed to, and delivered at, the following address:

HP Glenwood Station Land, LLC
ATTN: _____

Fax: _____

With a copy to: _____

B. Time of the Essence. Time is of the essence in the performance of this Agreement.

C. Rights Cumulative. Unless expressly provided to the contrary in this Agreement, each and every one of the rights, remedies, and benefits provided by this Agreement shall be cumulative and shall not be exclusive of any other rights, remedies, and benefits allowed by law.

D. Non-Waiver. The Parties shall be under no obligation to exercise any of the rights granted to it in this Agreement. The failure of a Party to exercise at any time any right granted to the Party shall not be deemed or construed to be a waiver of that right, nor shall the failure void or affect the Party's right to enforce that right or any other right, except as otherwise set forth herein.

E. Consents. Unless otherwise provided in this Agreement, whenever the consent, permission, authorization, approval, acknowledgement, or similar indication of assent of any party to this Agreement, or of any duly authorized officer, employee, agent, or representative of any party to this Agreement, is required in this Agreement, the consent, permission, authorization, approval, acknowledgement, or similar indication of assent shall be in writing.

F. Governing Law. This Agreement shall be governed by, and enforced in accordance with, the internal laws, but not the conflicts of laws rules, of the State of Illinois. Venue for disputes arising from or related to this Agreement, the Development, or the Subject

Property shall be in the Illinois Circuit Court for the Eighteenth Judicial Circuit, DuPage County, Illinois.

G. Severability. It is hereby expressed to be the intent of the Parties that should any provision, covenant, agreement, or portion of this Agreement or its application to any Person or property be held invalid by a court of competent jurisdiction, the remaining provisions of this Agreement and the validity, enforceability, and application to any Person or property shall not be impaired thereby, but the remaining provisions shall be interpreted, applied, and enforced so as to achieve, as near as may be, the purpose and intent of this Agreement to the greatest extent permitted by applicable law.

H. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes any and all prior agreements and negotiations between the parties relating to the subject matter of this Agreement.

I. Interpretation. This Agreement shall be construed without regard to the identity of the party who drafted the various provisions of this Agreement. Moreover, each and every provision of this Agreement shall be construed as though all parties to this Agreement participated equally in the drafting of this Agreement. As a result of the foregoing, any rule or construction that a document is to be construed against the drafting party shall not be applicable to this Agreement.

J. Exhibits. **Exhibits A through N** attached to this Agreement are, by this reference, incorporated in, and made a part of this Agreement. In the event of a conflict between an exhibit and the text of this Agreement, the text of this Agreement shall control.

K. Amendments and Modifications. No amendment or modification to this Agreement shall be effective until it is reduced to writing and approved and executed by all parties to this Agreement in accordance with all Requirements of Law.

L. Changes in Laws. Unless otherwise provided in this Agreement, any reference to the Requirements of Law shall be deemed to include any modifications of, or amendments to, the Requirements of Law that may occur in the future.

M. Compliance with Laws. Developer agrees to comply with all Requirements of Law when performing any task associated with this Agreement or the Development, including, without limitation, the Illinois Prevailing Wage Act, 820 ILCS 130/0.01, *et seq.* (“**Wage Act**”) for those portions of the Development funded by the Capital Expense Grant. To the extent that the Wage Act applies, the Developer agrees to pay and require every contractor and subcontractor to pay prevailing wages as established by the Illinois Department of Labor for each craft or type of work needed to execute the contract in accordance with the Act. The Developer shall prominently post the current schedule of prevailing wages at the Subject Property and shall notify immediately in writing all of its contractors and subcontractors, of all changes in the schedule of prevailing wages. Any increases in costs to the Developer due to changes in the prevailing rate of wage during the terms of any contract shall be at the expense of the Developer and not at the expense of the Village. The Developer agrees to indemnify and hold harmless the Village from any and all claims, damages, fines, fees and penalties arising out of non-compliance

with the Requirements of Law, including, without limitation, the Wage Act, by the Developer and its agents, contractors, employees, successors, and assigns.

N. Disclosures. Upon the Village's request, Developer will provide a list of all entities owning a greater than one percent (1%) interest in Developer. Developer will update this information at the request of the Village. Based in part on the information provided by Developer and in part on information from the Village's independent investigation, the Village will affirm that its Corporate Authorities, and all appropriate Village elected and appointed officials, officers, employees, agents and representatives of the Village have or will comply with the disclosure and conflict-of-interest provisions of the Public Officer Prohibited Activities Act (50 ILCS 105/3), the Act, and the Illinois Governmental Ethics Act (5 ILCS 420).

O. Authority to Execute. The Village hereby warrants and represents to the Developer that the Persons executing this Agreement on its behalf have been properly authorized to do so by the Corporate Authorities. The Developer hereby warrants and represents to the Village that it has the full and complete right, power, and authority to enter into this Agreement and to agree to the terms, provisions, and conditions set forth in this Agreement and to bind the Subject Property as set forth in this Agreement, that all legal actions needed to authorize the execution, delivery, and performance of this Agreement have been taken, and that neither the execution of this Agreement nor the performance of the obligations assumed by the Developer will (a) result in a breach or default under any agreement to which the Developer is a party or to which it or the Subject Property is bound or (b) violate any statute, law, restriction, court order, or agreement to which the Developer or the Subject Property are subject.

P. Standard of Performance. Developer's performance pursuant to this Agreement shall exhibit the same level of care, competence, judgment, and diligence that is reasonably expected of a real estate development firm in the Chicago Metropolitan Statistical Area that has experience which developments that are equally and more complex than the Development. The Development shall be constructed in a good and workmanlike manner and in compliance with (a) all Requirements of Law; and (b) this Agreement. All improvements associated with the Development or the Subject Property shall be new and of the best grade of their respective kinds for their intended purpose.

Q. No Third Party Beneficiaries. Nothing herein, express or implied, is intended to or shall confer upon any other person, entity, company, or organization, any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

R. Recording. After the Developer has paid to the Village the amounts due pursuant to Section 9 of this Agreement and the Developer has paid to the Village an amount sufficient to cover the cost of recording this Agreement, all necessary ordinances, plats, and other instruments, the Village shall promptly cause this Agreement to be recorded in the office of the Recorder of DuPage County.

S. Counterparts. This Agreement may be executed in counterpart, each of which shall constitute an original document, which together shall constitute one and the same instrument.

T. Freedom of Information Act. Developer agrees to maintain, without charge, all records and documents concerning or relating to this Agreement, the Subject Property, the Development, and the Village in accordance with the Freedom of Information Act (“**FOIA**”) 5 ILCS 140/1, *et seq.* Upon the Village’s request, the Developer shall produce all records requested by the Village within the timeframe requested by the Village, and if additional time is needed to compile the requested records, the Developer shall promptly notify the Village. In the event that either party is found to have not complied with FOIA due to the other party’s failure to produce documents or otherwise appropriately respond to a request under the Act, then the party failing to produce and/or respond shall indemnify and hold harmless the other party, and pay all amounts determined to be due, including, but not limited to, fines, costs, attorneys’ fees and penalties.

U. Force Majeure. Whenever any performance that is required hereunder shall be delayed at any time by Force Majeure, the party excused from performance shall be excused from performance only: 1) after delivery of notice to the other party, which notice shall identify the nature of the Force Majeure event and the anticipated duration of the delay due to the Force Majeure event; 2) during the duration of the Force Majeure event; and 3) so long as the party whose performance is impaired continues to take reasonable steps to mitigate the effect of the Force Majeure event and to substantially perform despite the occurrence of the Force Majeure event.

[Signature pages follow]

Exhibit List:

- A. Subject Property legal description
- B. Subject Property depiction
- C. Development plans
- D. Public improvements
- E. Zoning entitlement ordinance
- F. Use guidelines
- G. Construction schedule
- H. Construction site rules of conduct
- I. Debt / equity schedule
- J. TIF eligible costs
- K. Certificate of reimbursable costs
- L. Budget
- M. Irrevocable standby letter of credit
- N. Transferee assumption agreement

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed on the date first above written.

ATTEST:

HP GLENWOOD STATION LAND, LLC, an Indiana limited liability company

Name: _____

Its: _____

Name: _____

Its: _____

ATTEST:

VILLAGE OF GLEN ELLYN, an Illinois municipal corporation

John Chereskin, Village Clerk

Diane McGinley, Village President

[seal]

ACKNOWLEDGEMENT

STATE OF ILLINOIS)
) SS.
COUNTY OF DUPAGE)

This instrument was acknowledged before me on _____,
202__, by **DIANE MCGINLEY**, the President of the **VILLAGE OF GLEN ELLYN**, an
Illinois municipal corporation, and by **JOHN CHERESKIN**, the Village Clerk of said municipal
corporation.

Signature of Notary

SEAL

My Commission expires:

STATE OF ILLINOIS)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me on
_____ 202__, by _____ the _____ and
_____ the _____ of **HP Glenwood Station Land, LLC**, an Indiana
limited liability company, as their free and voluntary act in their capacities as officers of said
company for the uses and purposes herein.

Signature of Notary

SEAL

My Commission expires:

Exhibit A

Subject Property's Legal Description

THE SOUTH 110 FEET OF ALL THAT PART OF BLOCK 5, IN THE TOWN OF DANBY (ALSO BLOCK 5 IN THE PLAT OF COUNTY CLERK'S SECOND ASSESSEMENT DIVISION), ALL IN THE SOUTHWEST ¼ OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE WEST LINE OF LOT 3 IN MORRELL'S PLAT OF LOTS 2 AND 3, BEING PART OF SAID BLOCK 5 ACCORDING TO THE PLAT OF SAID MORRELL'S LOTS RECORDED JANUARY 10, 1962 AS DOCUMENT R62-994, IN DUPAGE COUNTY, ILLINOIS.

P.I.N.: 05-11-314-008

Address: 464 Glenwood Avenue, Glen Ellyn, Illinois

Exhibit B

Subject Property's Depiction

[insert]

Exhibit C

Development Plans

[insert]

Exhibit D

Public Improvement List

[insert]

Exhibit E

Ordinance Approving PUD

[insert]

Exhibit F

Use Guidelines

The following uses are prohibited from operating on the Subject Property:

- a. Communication exchange (e.g., a switching station with no windows).
- b. Laundromats
- c. Mortuary
- d. Automobile car wash
- e. Automobile repair or service
- f. Church
- g. Compounding of cosmetics, toiletries, dyes and pharmaceutical products
- h. Congregate housing for the elderly
- i. Drive-in commercial facility
- j. Dwellings
- k. Hotel, motel
- l. Light manufacturing assembly of previously manufactured part, fabricating, cleaning, testing, repairing or servicing
- m. Public school
- n. Public utility and public services use
- o. Storage warehousing

Exhibit G

Construction Schedule

[insert]

Exhibit H

Construction Site Rules of Conduct

[insert]

Exhibit I

Debt / Equity Schedule

[insert]

Exhibit J

Reimbursable Project Costs

[insert]

Exhibit K

Certificate of Reimbursable Project Costs

The undersigned _____ [name], being first duly sworn, on oath states as follows:

1. I am the _____ [title] of HP Glenwood Station Land, LLC (“**Developer**”) and I am authorized by the Developer to make the following representations on behalf of the Developer to the Village of Glen Ellyn (“**Village**”) for the purpose of inducing the Village to make certain payments to Developer, as hereafter set forth.

2. I hereby certify that the costs set forth on Schedule A hereto have been incurred by Developer in connection with Developer’s performance of its obligations under the Redevelopment Agreement between the Village and the Developer concerning _____ Glenwood Avenue, Glen Ellyn, Illinois, commonly known as Glenwood Station, dated _____, 20____ (“**RDA**”), and that such costs are eligible for payment from the Village’s Special Tax Allocation Fund in connection with the redevelopment project described in the RDA.

3. I hereby certify that: (i) the Developer has reviewed all costs for which payment is sought; (ii) the Developer has reviewed the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, *et seq.*) (“**Act**”) and understands what costs are eligible for reimbursement; and (iii) the Developer has determined, with the assistance of its counsel, that all costs for which payment is sought are eligible for reimbursement under the Act and the RDA.

4. I hereby certify the Developer has neither previously requested nor received payment from the Village for any of the costs Developer now seeks reimbursement for.

5. I hereby certify that all statements and representations made by the Developer within the RDA are accurate and correct, and hereby restate all of the same as of the date of this Certificate of Reimbursable Project Cost.

6. I hereby certify that the Developer is in full compliance with the RDA, including, without limitation, the Construction Schedule attached as Exhibit G to the RDA.

7. I hereby certify that the information provided in and accompanying this Certificate is complete and accurate.

Dated _____, 20__

HP Glenwood Station Land, LLC, an Indiana
limited liability company

Name: _____

Title: _____

Subscribed and sworn to before me

this _____ day of _____, 20__

Notary Public

Schedule A

- Itemized expenditures
- Identification of relationship of each expenditure to development project
- Evidence of payment
- Lien waivers
- Amount of this payment request
- Total payments received to date

Exhibit L

Budget

[insert]

Exhibit M

Irrevocable Standby Letter of Credit

[insert]

Exhibit N

Transferee Assumption Agreement

THIS AGREEMENT (“*Agreement*”), made as of this ____ day of _____, 20__, by, between and among HP Glenwood Station Land, LLC, an Indiana limited liability company (“*Owner*”); _____, a _____ (“*Transferee*”); and the Village of Glen Ellyn, an Illinois municipal corporation (“*Village*”),

WITNESSETH:

WHEREAS, pursuant to that certain real estate sale contract dated _____, 20__, the Transferee agreed to purchase from the Owner certain real property situated in DuPage County, Illinois and legally described in Exhibit 1 attached hereto and by this reference incorporated herein and made a part hereof (“*Property*”); and

WHEREAS, following the conveyance of the Property by the Owner, the Transferee will be the legal owner of the Property; and

WHEREAS, as a condition to the conveyance of the Property by the Owner, the Owner and the Village require that the Transferee agree to comply with all the terms, requirements and obligations set forth in that certain Redevelopment Agreement, dated as of _____, 20__, and recorded in the Office of the DuPage County Recorder on _____, 20__, as Document No. _____, by and between the Village and Owner, as amended from time to time (“*Redevelopment Agreement*”);

NOW, THEREFORE, in consideration of the agreement of the Owner to convey the Property to the Transferee and of the Village to accept the transfer of obligations as provided herein and to grant the releases granted herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed by, between and among the Village, the Owner, and the Transferee as follows:

1. Recitals. The foregoing recitals are by this reference incorporated herein and made a part hereof as substantive provisions of this Agreement.

2. Assumption of Obligations. The Transferee, on its behalf and on behalf of its successors, assigns, heirs, executors and administrators, hereby agrees, at its sole cost and expense, to comply with all of the terms, requirements and obligations of the Redevelopment Agreement, including all exhibits and attachments thereto, regardless of whether such terms, requirements and obligations are to be performed and provided by, or are imposed upon, the Owner or the developer of the Property.

3. Assurances of Financial Ability. Contemporaneously with the Transferee’s execution of this Agreement, the Transferee shall, upon the request of the Village, provide the Village with reasonable assurances of financial ability to meet the obligations assumed hereunder as the Village may require.

4. Acknowledgement and Release of Transferor. The Village hereby acknowledges its agreement to the Transferee's assumption of the obligation to comply with the terms, requirements and obligations of the Redevelopment Agreement, including all exhibits and attachments thereto, and the Village hereby releases the Owner from any and all liability for failure to comply with the terms, requirements and obligations of the Redevelopment Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first written above.

ATTEST:

HP GLENWOOD STATION LAND, LLC, an Indiana limited liability company

By:_____

By:_____

Its:_____

Its:_____

ATTEST:

VILLAGE OF GLEN ELLYN, an Illinois municipal corporation

By:_____

By:_____

Its:_____

Its:_____

ATTEST:

TRANSFeree

Name: HP Glenwood Station, LLC, an Indiana limited liability company

By:_____

By:_____

Its:_____

Its:_____

ACKNOWLEDGEMENT

STATE OF ILLINOIS)
) SS.
COUNTY OF DuPAGE)

 This instrument was acknowledged before me on _____,
20 __, by _____, the President of the **VILLAGE OF GLEN ELLYN**, an
Illinois municipal corporation, and by _____, the Village Clerk of said
municipal corporation.

Signature of Notary

SEAL

My Commission expires:

STATE OF _____)
) SS.
COUNTY OF _____)

 The foregoing instrument was acknowledged before me on
_____ 20 __, by _____ the _____ and
_____ the _____ of **HP Glenwood Station Land, LLC**, an Indiana
limited liability company, as their free and voluntary act in their capacities as officers of said
company for the uses and purposes herein.

Signature of Notary

SEAL

My Commission expires:

STATE OF _____)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me on
_____ 20____, by _____ the _____ and
_____ the _____ of _____, a _____, as
their free and voluntary act in their capacities as officers of said company for the uses and
purposes herein.

Signature of Notary

SEAL

My Commission expires:

Exhibit 1

Property's Legal Description

THE SOUTH 110 FEET OF ALL THAT PART OF BLOCK 5, IN THE TOWN OF DANBY (ALSO BLOCK 5 IN THE PLAT OF COUNTY CLERK'S SECOND ASSESSEMENT DIVISION), ALL IN THE SOUTHWEST $\frac{1}{4}$ OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE WEST LINE OF LOT 3 IN MORRELL'S PLAT OF LOTS 2 AND 3, BEING PART OF SAID BLOCK 5 ACCORDING TO THE PLAT OF SAID MORRELL'S LOTS RECORDED JANUARY 10, 1962 AS DOCUMENT R62-994, IN DUPAGE COUNTY, ILLINOIS.

P.I.N.: 05-11-314-008

Address: 464 Glenwood Avenue (*f.k.a.* 460 Crescent Boulevard), Glen Ellyn, Illinois

4838-1963-1469, v. 1

MEMO

TO: Mark Franz
Christina Coyle
Meredith Hannah

FROM: Kane, McKenna and Associates, Inc.

DATE: December 2, 2020

RE: **Review of Proposed Holladay 86 Apartments and Mixed Use**

1) Background on Redevelopment Project

In April, 2020, the Village of Glen Ellyn (the “Village”) retained Kane, McKenna & Associates, Inc. (“KMA”) to review a redevelopment proposal and corresponding request for \$3,300,000 of Village assistance that it had received from Holladay Properties (the “Developer”), regarding its proposed redevelopment of the property located at 460 Crescent Boulevard, the former McChesney & Miller grocery store property (the “Project”). In June, 2020 KMA presented its *preliminary* findings to Village staff. KMA has now updated its findings, based upon the Developer’s final proposal and Project parameters, and those findings are contained herein.

The Property is located in the Village of Glen Ellyn Central Business District Tax Increment Finance District, which was established in 2012 and is due to expire in 2035, with a final payment in 2036. The Project, anticipated to be known as “Crescent Station”, consists of one tax parcel (05-11-314008). As currently proposed, the Project will consist of an 86-unit market-rate luxury apartment building with concierge lobby and 1,490 square feet of ground floor retail or restaurant space. There will be 104 residential parking spaces within an enclosed two-level garage. The proposed Project would be developed and owned by Holladay Properties, or by entities subsequently formed by Holladay Properties.

2) Data Sources: Limitations of KMA Analysis

The *initial* Project pro forma and Project budget presented by the Developer to the Village, dated June 18, 2020, suggested a need for Village financial assistance (the “Gap Analysis”) in the amount \$3,300,000 over the next ten years of the TIF. The Village asked KMA to review this pro forma to assess the Developer’s request for Village financial assistance for the Project. Accordingly, KMA reviewed data provided by the Developer regarding proposed uses, square footages, market assessment of income from proposed uses, and other variables.

In reviewing the Developer's pro forma "Gap Analysis", KMA reviewed the Developer's memorandum of general conclusions of the near-west suburban residential rental market prepared by Tracy Cross & Associates, Inc. and commissioned by the Developer. KMA also used internal data sources and published construction benchmarks as a basis of comparison to assess the reasonableness of the Developer budget assumptions.

It is important to note that **KMA is not a certified appraiser nor is KMA providing any assessment of the residential market for DuPage County.** To the extent the Village desires to check valuations or sales forecasts in more detail, appropriate professionals should be retained. **KMA's assignment relates to the overall review of the Developer's proposal and the reasonableness of the Developer's request for public assistance for the Project.** In addition, no review was made relating to parking, zoning or planning issues, which would be reviewed by Village staff separately.

3) Project Description: Case for Public Assistance

The Project, as currently presented by the Developer, consists of 86 residential rental units, together with 104 enclosed parking spaces and 1,490 square feet of first floor restaurant or retail space, all within a 124,890 square foot structure. Current projected Project costs presented by the Developer can be summarized as follows:

Project Cost Category	Amount
Land	\$ 2,825,000
Hard Costs	\$21,889,529
Soft Costs	\$ 3,985,471
TOTAL	\$28,700,000

Source: Developer Project Budget (Hard Costs include a construction contingency and Soft Costs include a Developer fee)

These projected total Project costs, calculate to \$229.80 per square foot. This is within the range of industry averages for this type of building, but details should ultimately be required as back up for a more refined analysis of construction and site improvement costs. Soft costs, as a percentage of the total costs (13.3%), also appear to be within industry ranges.

The Developer's pro forma, projects residential monthly rental rates range from \$1,493 for a 607 square foot studio apartment to \$2,966 for a 1,336 square foot two-bedroom-plus-den apartment. The Developer's estimated market-introduction *average* rental rate is \$2.36 per square foot for an *average* unit size of 895 square feet (trending up to stabilization). These projected rental rates appear to be based on comparable residential rental properties undertaken by the Developer in the near-west Chicago suburbs, and on a memorandum of general conclusions of the near-west suburban residential rental market prepared by Tracy Cross & Associates, Inc. dated April 18, 2020. The Tracy Cross memorandum estimates a projected April 2020 benchmark average residential rental rate of \$2.34 per square foot in today's dollars is achievable, including floor and corner-unit premiums. The memorandum also states that at market introduction in 2022, the proposed development would yield an average residential rental rate of \$2.41 per square foot, *excluding* floor and corner unit premiums.

It should be noted that the Tracy Cross memorandum indicates that Tracy Cross will prepare a detailed report which will include alternate benchmark rent strategies if engaged to do so by Holladay. Holladay has advised that it will engage this larger study. KMA recommends that the Village obtain this detailed report when it becomes available, for further evaluation of the Developer's projected rental rates.

The Developer also projects additional income from monthly amenity fees of \$100 for 51 one-bedroom apartments and \$125 for 35 two-bedroom apartments, along with enclosed parking rentals of \$125 for 86 spaces and \$250 for 18 second-assigned spaces, \$50 per month for 25 storage lockers rentals, \$30 per month pet fees on an assumed 40% of the units, and miscellaneous other fees. The Developer's projections show a 5% stabilized vacancy rate, which is consistent with the Tracy Cross memorandum and likely consistent with the Developer's experience at similar properties in the near west Chicago suburbs.

The Developer projects retail/restaurant rental income of \$20.00 per square foot with a common area expense reimbursement of \$3.00 per square foot for 1,490 square feet. The Tracy Cross memorandum does not address the retail rental market (the Village should review this assumed rental rate).

The Developer's projected operating expenses include a 4% management fee and estimated real estate taxes at approximately \$4,778 per unit. The Developer's pro forma shows total annual operating expense margins ranging from approximately 39% to 40% of gross income in each of the ten years, before debt service, *without* any Village assistance. *With* Village TIF assistance the Developer projects a reduction in annual operating expense margins to a range of approximately 32% to 33% over the ten-year period. According to the Developer's analyses, this amount of reduction in annual operating expense margin generated by the proposed TIF assistance is what makes the Project economically feasible given the risk, and this reduction also favorably impacts debt service coverage for the lender.

4) Preliminary Results of KMA's Revenue Projections

As indicated in Section 1 above, the Developer initially requested assistance from the Village in the amount of \$3,300,000 in the form of property tax rebates, over a ten-year period, starting in the first stabilized year of operations (2023), in order to offset the costs of land acquisition, the parking garage, utility relocations and infrastructure improvements. Accordingly, KMA prepared two analyses to evaluate the feasibility and suitability of this proposed Village TIF assistance.

First, KMA prepared property tax revenue projections (Exhibit A) for the proposed development to estimate of the amount of incremental property taxes that the proposed Project would generate for the Central Business District TIF allocation fund, and therefore be available to the Village to provide TIF assistance for the project, after statutory requirements for school contributions. Second, KMA prepared its own operating projections for the Project (Exhibit B) to assess the internal rate of return that the Project would yield in order to evaluate the Developer's assertion that the Project is not feasible without Village assistance. The results of both analyses are summarized below.

Property Tax Revenue Projections. KMA's property tax revenue projections, shown in Exhibit A, are based on the following assumptions:

- KMA's projections start with the year 2022 (the year in which lease up of the property is assumed to begin) and go through to 2036 (the year after the 2035 expiration of the Central Business District TIF to capture the 2035 tax collection year).
- The residential portion of the Project has an average initial market value of \$180,000 per unit in the year first year, 2022, and that the retail/commercial portion of the Project has an initial value of \$150 per square foot in the first year, 2022.
- The 2019 equalized assessed value (EAV) of the property (05-11-314-008), \$530,262 is the base, or frozen, EAV for the Project. This 2019 EAV was obtained from the DuPage County Clerk's office.
- Annual escalations of EAV are assumed to be 2%.
- The property tax rate is held constant in each year.
- Real estate taxes are assumed to be \$4,683 per unit, pursuant to preliminary review with the Milton Township assessor.
- Based upon the Developer's experience with similar TOD developments in the near-west suburbs, four (4) students are assumed to live in the development each year, and half of them are assumed to be *new* students to the school district. School contributions are estimated at \$16,000 per student, or \$32,000 for the two net new students.
- Incremental tax revenues remaining after the school payment allocations are shared with the developer on a 50-50 basis, so that the Developer and the Village each receive 50% of the incremental property tax revenues after the school allocation payments for ten (10) years, or until 2032 (final tax collection year 2033). Afterward, the Village accrues 100% of the incremental tax revenue until the expiration of the TIF in 2035 (final tax collection year 2036).

Based upon the foregoing projections, KMA estimates the following *cumulative* incremental tax revenues through the last year of the term of the Central Business District TIF, 2035 (refer to Exhibit A for additional detail).

Scenarios	Cumulative	Estimated	Village 50 -50	Cumulative
	Taxes Before	School	Sharing To	Increment to
	School Pyts	Payments	Developer For	Village Over Life
			Ten Years*	of TIF**
Expected Tax Payments Assuming 2 New Students/Year	\$ 5,596,877	\$ 495,613	\$ 1,719,248	\$ 3,382,017

*Excludes the \$200,000 Public Improvements Grant

** Includes the annual 50% sharing for ten years

KMA's incremental property tax analysis shows that the Project could potentially generate approximately \$5,596,877 of cumulative incremental property tax revenue for the remaining term of the TIF (expiration year 2035, final collection year 2036), after the assumed annual school contributions for two net new students. The above table assumes that for ten years, 50% of these revenues, or a projected \$1,719,000 are made available to the Developer in the form of "pay-as-you-go" financial assistance, again, depending on the amount of school allocations (this excludes the \$200,000 Public Improvements Grant). The above table also assumes that after the ten-year sharing period, the Village receives 100% of the annual incremental property tax revenue, until the expiration of the TIF in 2035. Including the annual 50% sharing, projected total receipts for the Village are \$3,382,000. The Village expects to set a Developer sharing cap of \$2,000,000 for the ten-year period in the event taxes are higher than projected or the net new student count is lower than projected.

5) Return Analysis

The return analysis provided in Exhibit B, as prepared by KMA, is based on the Developer's assumptions, including for debt financing, and are summarized below.

	Without Village Assistance	With Village Assistance
Initial Stabilized Year Project NOI (after operating expense)	\$1,456,425	\$ 1,656,425
Project Costs	\$ 28,700,000	\$ 28,700,000
Less: Public Improvement Grant	\$ 0	\$ 200,000
Net Project Costs	\$ 28,700,000	\$ 28,500,000
Leveraged Return	10.27%	13.44%
Return on Cost 1st Stabilized Year	5.11%	5.81%
Avg Annual Return on Cost (10 Yrs)	5.61%	6.32%

The Developer initially requested Village TIF assistance of \$3,300,000, on a performance-based "pay-as-you-go" basis, in the form of annual property tax and sales tax rebates, for a period of ten (10) years. This request was based on the Developer's assertion that a return on cost that approaches 6.75%, and an internal rate of return of approximately 12% is required to make the redevelopment Project economically feasible, given the risk. The Developer's original pro forma, dated June 18, 2020, suggested that, with Village Assistance of \$3,300,000, the Project would yield an average annual return on cost of 6.75%, sufficient to execute the Project. An approximate 6.75% average annual return on cost and a 12% internal rate of return is a reasonable investment objective based

on industry standards. KMA's IRR analysis (Exhibit B), however, suggests that a lesser amount of Village Assistance will achieve close to an average annual return on cost of 6.75%.

Accordingly, as a counter proposal to the Developer's request, **Village staff has suggested it provide TIF assistance as follows:**

- A cumulative not-to-exceed amount of \$2,000,000, on a performance-based "pay-as-you-go" basis, payable to the Developer, annually, over ten years. The amount of each annual payment to the Developer shall be equal to half of the *actual* annual incremental property tax revenue generated by the development, after *actual* annual school contribution payments, with the Village retaining the remaining half of the incremental property revenue for the CBD TIF allocation fund. After the cap is achieved or the 10-year period expires, the Village would receive 100% of the incremental taxes after school contributions.
- \$200,000 one-time up-front "public improvement grant" to reimburse the Developer for costs associated with certain streetscape improvement in the public right-of-way at Crescent and Glenwood consisting of new curb and gutter, new wider sidewalks, planters, tree wells, street light relocation, new street lights, new street trees, benches. This reduces project costs and helps improve return on cost for the Developer.

Exhibit B shows that the return on cost in the first stabilized year (2023), *without* Village assistance, is 5.11%, compared to 5.81% *with* the proposed Village assistance. Even *with* Village assistance, the enhanced return on cost in the first stabilized year falls well short of the Developer's target of approximately 6.75%; however, the Developer takes a long-term view in evaluating its return on cost and considers the average annual return on cost for each of the first *ten* years. Taking into account the returns on cost in each of the ten years, it can be seen that the *average annual* return on cost is 5.61% *without* Village assistance, as compared to 6.32% *with* the Village assistance. This enhanced 6.32% return is close enough to the Developer's target rate of 6.75% to warrant undertaking the project, taking into account longer-term returns – see below.

Exhibit B also shows that the Internal Rate of Return (IRR) can be increased from 10.27% *without* Village assistance 13.44% *with* Village assistance. Industry target IRR's for comparable projects should range from 12% to 14%, so the Village assistance, again, helps achieve the target IRR. The Village assistance also improves debt coverage, making private debt placement for the Developer less challenging.

6) Summary: Policy Review Issues

- 1) The Project would constitute a significant redevelopment of a high-profile downtown property that has been vacant for several years.
- 2) The Project helps achieve the objectives of the Village's Central Business District TIF redevelopment plan.
- 3) The Village would receive incremental TIF revenues over time

OTHER CONSIDERATIONS

- 1) Will the Village mandate an “open book” or “true up” review in order to monitor project costs, revenues, and returns (with adjustments to the Village’s TIF assistance if costs are lower or if revenues or returns are higher than projected)?
- 2) Prior to any Village funding commitments, the Developer should provide evidence of funding commitments (debt and equity amounts consistent with the initial submissions), evidence of property control, and the detailed Tracy Cross market study either in advance or as a condition precedent to Village funding. This requirement can be made part of the redevelopment agreement.
- 3) What demands will the Project place on Village resources for services or public improvements

EXHIBIT A
Incremental TIF Tax Projections

Village of Glen Ellyn
Holladay McChesney Redevelopment
Preliminary Tax Pro Forma
12/1/20

TIF Ends Last Pmt

Levy Year: Collection Yr.:					2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
					2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Component Name	Project Description	Class Code	Sq. Ft./# Units	Market Value Sq. Ft./Unit															
A	Residential	1	86	180,000.00	3,095,690	5,159,484	5,262,674	5,367,927	5,475,286	5,584,791	5,696,487	5,810,417	5,926,625	6,045,158	6,166,061	6,289,382	6,415,170	6,543,473	6,674,343
B	Commercial	3	1,490	150.00	74,493	74,493	75,982	77,502	79,052	80,633	82,246	83,891	85,569	87,280	89,025	90,806	92,622	94,475	96,364
					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total EAV All Components					3,170,183	5,233,977	5,338,656	5,445,429	5,554,338	5,665,425	5,778,733	5,894,308	6,012,194	6,132,438	6,255,086	6,380,188	6,507,792	6,637,948	6,770,707
i. Incremental Property Taxes:																			
a) Base EAV allocated to Project					530,262	530,262	530,262	530,262	530,262	530,262	530,262	530,262	530,262	530,262	530,262	530,262	530,262	530,262	530,262
b) Incremental EAV					2,639,921	4,703,715	4,808,394	4,915,167	5,024,076	5,135,163	5,248,471	5,364,046	5,481,932	5,602,176	5,724,824	5,849,926	5,977,530	6,107,686	6,240,445
c) Tax Rate = 7.7110%					7.7110%	7.7110%	7.7110%	7.7110%	7.7110%	7.7110%	7.7110%	7.7110%	7.7110%	7.7110%	7.7110%	7.7110%	7.7110%	7.7110%	7.7110%
d) Total Est. Incremental Property Taxes					0	203,564	362,703	370,775	379,009	387,406	395,972	404,710	413,622	422,712	431,984	441,441	451,088	460,927	470,964
Cumulative Incremental Property Taxes					0	203,564	566,268	937,043	1,316,052	1,703,458	2,099,430	2,504,140	2,917,762	3,340,473	3,772,457	4,213,896	4,664,986	5,125,913	5,596,877
e) Incremental Property Taxes (Residential Only) for School Districts					0	17,804	32,126	32,842	33,573	34,318	35,078	35,853	36,644	37,450	38,273	39,112	39,968	40,841	41,731
Cumulative Allocations					0	17,804	49,930	82,773	116,346	150,664	185,741	221,595	258,238	295,688	333,961	373,073	413,041	453,882	495,613
Annual breakout by district:																			
Unit School					0	17,804	32,126	32,842	33,573	34,318	35,078	35,853	36,644	37,450	38,273	39,112	39,968	40,841	41,731
Library estimate					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
f) Est. Incremental Property Taxes Available After Payment to Taxing Districts					0	185,760	330,577	337,933	345,436	353,089	360,894	368,857	376,978	385,262	393,711	402,329	411,120	420,087	429,233
Sharing:					50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%				
g) Project Allocation- 50/50 schedule Cumulative Shared Distribution					0	92,880	165,289	168,966	172,718	176,544	180,447	184,428	188,489	192,631	196,855		0	0	0
					0	92,880	268,169	427,135	599,853	776,397	956,844	1,141,273	1,329,762	1,522,392	1,719,248	1,719,248	1,719,248	1,719,248	1,719,248
					0	92,880	165,289	168,966	172,718	176,544	180,447	184,428	188,489	192,631	196,855	402,329	411,120	420,087	429,233
					0	92,880	268,169	427,135	599,853	776,397	956,844	1,141,273	1,329,762	1,522,392	1,719,248	2,121,577	2,532,697	2,952,784	3,382,017

EXHIBIT B
Internal Rate of Return Analyses

VILLAGE OF GLEN ELLYN - McChesney Redevelopment
Preliminary IRR Review with Assumptions
Assumptions Without Public Financial Assistance (Leveraged Return)
12/1/2020

Financing Assumptions:
Total Investment
Construction Loan
Construction Loan Rate
Refinance Loan
Loan Term
Loan Rate (Long Term)
Equity

28,500,001	Total costs including land
21,375,001	
4.25%	rate assumed by Holladay
21,375,001	
30	years
4.25%	
7,125,000	

Project Description:
Residential
Retail
Parking Spaces - 1st Assigned
Parking Spaces - 2nd Assigned

86	units
1,556	sq ft
86	spaces
18	spaces

Residential Revenue Assumptions (Stabilized 2024):
Annual Revenue All Units
Storage Locker (25 units at \$50/mth)
Annual Amenity Fee Income (\$100/1 brm; \$125/2 brm)
Annual Pet Fees (40% of units at \$30/mth)
Annual App Fees, Late Fees, Pet Deposit Fees
Total Annual Res Rental Revenues

\$2,179,140.00
\$15,000.00
\$113,700.00
\$12,384.00
\$3,500.00
\$2,323,724.00

Parking Revenue Assumptions (Stabilized 2024):
Parking - Annual Revenue all Spaces
Parking 2nd Assigned- Mthly Revenue
Total Annual Prkg Revenues

\$129,000.00
\$183,000.00

Retail Revenue Assumptions (Stabilized 2024):
Retail Rental Rate
Retail Annual Rent
Retail CAM Reimbursement (\$3.00/sq ft/yr)
Total Annual Retail Revenues

\$20.00	sq ft
29,800	
\$4,668.00	Holladay pro forma says \$3.00/sq ft, but math is \$2.76/sq ft
\$34,468.00	

Vacancy Rate Residential & Parkg
Year 1 absorption/vacancy

5.0%
(816,043) from Holliday pro forma

TOTAL ANNUAL INCOME

1,725,149

Op. Exp. Assumptions As % of Effective Gross Res'l Income (Stabilized 2024):		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Administrative	6.75%	116,448	166,332	169,658	173,051	176,513	180,043	183,644	187,316	191,063	194,884	198,782
Asset & PM Fee	4.00%	69,006	98,567	100,538	102,549	104,600	106,692	108,826	111,002	113,222	115,487	117,797
Maint, Supplies, Replacements	3.75%	64,693	92,406	94,255	96,140	98,063	100,024	102,024	104,065	106,146	108,269	110,434
Common Area Utilities	2.75%	47,442	67,765	69,120	70,502	71,913	73,351	74,818	76,314	77,840	79,397	80,985
Advertising & Marketing	1.50%	25,877	36,963	37,702	38,456	39,225	40,010	40,810	41,626	42,458	43,308	44,174
Insurance	2.50%	43,129	61,604	62,836	64,093	65,375	66,683	68,016	69,376	70,764	72,179	73,623
	21.25%											

Cable/Internet (\$65/unit/mth)

2.67%	67,080	67,080	67,080	67,080	67,080	67,080	67,080	68,422	69,790	71,186	72,610
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RE Taxes - Comon Area (\$4/sq ft/yr)
RE Taxes - MF Units (\$4,683/unit)

6,224	6,348	6,475	6,605	6,737	6,872	7,009	7,149	7,292	7,438	7,587
402,738	410,793	419,009	427,389	435,937	444,655	453,548	462,619	471,872	481,309	490,935
842,636	1,007,858	1,026,674	1,045,865	1,065,441	1,085,408	1,105,775	1,127,890	1,150,448	1,173,457	1,196,926

Growth Assumptions:
Annual Rental Escalation
Annual Op Exp Escalations

2.00%
2.00%

VILLAGE OF GLEN ELLYN - McChesney Redevelopment
Preliminary IRR Review
Without Public Financial Assistance (Leveraged Return)
6/17/2020

Year	Residential	Add'l Res	Parking	Retail		Effective Gross		Pay Go	Net Revenues	Debt	NOI	IRR		Schedule:			Principal	
	Rental	Income &	Rental	Rental	Less:	Rental	Operating	Property	Available For	Debt		Calculation		Const.			Balance	Annual Return
	Income	Fees	Income	Income	Vacancy	Income	Exp	Tax Rebate	Debt Service	Service		NOI	Add Residual	Draw	Principal	Interest	on Cost	
Const. 2021											-	(7,125,000)	(7,125,000)	21,375,001	-	-	21,375,001	
2022	2,179,140	144,584	183,000	34,468	(816,043)	1,725,149	(842,636)	-	882,513	908,438	(25,925)	(25,925)	(25,925)	-	-	908,438	21,375,001	
2023	2,222,723	147,476	186,660	35,157	(127,843)	2,464,173	(1,007,858)	-	1,456,315	1,273,913	182,402	182,402	182,402	-	365,475	908,438	21,009,526	5.11%
2024	2,267,177	150,425	190,393	35,861	(130,400)	2,513,456	(1,026,674)	-	1,486,783	1,273,913	212,870	212,870	212,870	-	381,008	892,905	20,628,518	5.22%
2025	2,312,521	153,434	194,201	36,578	(133,008)	2,563,726	(1,045,865)	-	1,517,860	1,273,913	243,948	243,948	243,948	-	397,201	876,712	20,231,317	5.33%
2026	2,358,771	156,502	198,085	37,309	(135,668)	2,615,000	(1,065,441)	-	1,549,559	1,273,913	275,646	275,646	275,646	-	414,082	859,831	19,817,236	5.44%
2027	2,405,947	159,632	202,047	38,055	(138,381)	2,667,300	(1,085,408)	-	1,581,892	1,273,913	307,979	307,979	307,979	-	431,680	842,233	19,385,556	5.55%
2028	2,454,066	162,825	206,088	38,817	(141,149)	2,720,646	(1,105,775)	-	1,614,871	1,273,913	340,959	340,959	340,959	-	450,026	823,886	18,935,529	5.67%
2029	2,503,147	166,082	210,209	39,593	(143,972)	2,775,059	(1,127,890)	-	1,647,169	1,273,913	373,256	373,256	373,256	-	469,153	804,760	18,466,377	5.78%
2030	2,553,210	169,403	214,414	40,385	(146,851)	2,830,560	(1,150,448)	-	1,680,112	1,273,913	406,199	406,199	406,199	-	489,092	784,821	17,977,285	5.90%
2031	2,604,274	172,791	218,702	41,192	(149,788)	2,887,171	(1,173,457)	-	1,713,714	1,273,913	439,802	439,802	439,802	-	509,878	764,035	17,467,407	6.01%
2032	2,656,360	176,247	223,076	42,016	(152,784)	2,944,915	(1,196,926)	-	1,747,988	1,273,913	474,076	474,076	16,500,283	-	531,548	742,365	16,935,860	6.13%

IRR analysis:

Assumptions:																							
Cap Rate (Residential/Prkg/Retail)		5.25%		Value (Res.) 10 yrs.		33,295,017		IRR Calculation										10.23%					
Costs of Sale		1.00%																					
Mortgage																							
Balance		16,935,860		Less:																			
				Costs		332,950																	
				Mortgage														Return on cost first stabilized year		5.11%			
				Residual		16,026,208												Average return on cost ten years		5.61%			

VILLAGE OF GLEN ELLYN - McChesney Redevelopment
Preliminary IRR Review with Assumptions
Assumptions With Public Financial Assistance (Leveraged Return)
6/17/2020

Financing Assumptions:
Total Investment
Construction Loan
Construction Loan Rate
Refinance Loan
Loan Term
Loan Rate (Long Term)
Equity

28,500,001	Total costs including land
21,375,001	
4.25%	
21,375,001	
30	years
4.25%	
7,125,000	

Project Description:
Residential
Retail
Parking Spaces - 1st Assigned
Parking Spaces - 2nd Assigned

86	units
1,556	sq ft
0	spaces
18	spaces

Residential Revenue Assumptions (Stabilized 2024):
Annual Revenue All Units
Storage Locker (25 units at \$50/mth)
Annual Amenity Fee Income (\$100/1 brm; \$125/2 brm)
Annual Pet Fees (40% of units at \$30/mth)
Annual App Fees, Late Fees, Pet Deposit Fees
Total Annual Res Rental Revenues

\$2,179,140.00
\$15,000.00
\$113,700.00
\$12,384.00
\$3,500.00
\$2,323,724.00

Parking Revenue Assumptions (Stabilized 2024):
Parking - Annual Revenue all Spaces
Parking 2nd Assigned- Mthly Revenue
Total Annual Prkg Revenues

\$129,000.00
\$183,000.00

Retail Revenue Assumptions (Stabilized 2024):
Retail Rental Rate
Retail Annual Rent
Retail CAM Reimbursement (\$4.00/sq ft/yr)
Total Annual Retail Revenues

\$20.00	sq ft
29,800	
\$4,668.00	Holladay pro forma says \$3.00/sq ft, but math is \$4.00/sq ft
\$34,468.00	

Vacancy Rate Residential & Parkg
Year 1 absorpion/vacancy

5.0%
(816,043) from Holladay pro forma

Op. Exp. Assumptions As % of Effective Gross Res'Income (Stabilized 2024):	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Administrative	6.75%	116,448	166,332	169,658	173,051	176,513	180,043	183,644	187,316	191,063	194,884	198,782
Asset & PM Fee	4.00%	69,006	98,567	100,538	102,549	104,600	106,692	108,826	111,002	113,222	115,487	117,797
Maint, Supplies, Replacements	3.75%	64,693	92,406	94,255	96,140	98,063	100,024	102,024	104,065	106,146	108,269	110,434
Common Area Utilities	2.75%	47,442	67,765	69,120	70,502	71,913	73,351	74,818	76,314	77,840	79,397	80,985
Advertising & Marketing	1.50%	25,877	36,963	37,702	38,456	39,225	40,010	40,810	41,626	42,458	43,308	44,174
Insurance	2.50%	43,129	61,604	62,836	64,093	65,375	66,683	68,016	69,376	70,764	72,179	73,623
	21.25%											

Cable/Internet (\$65/unit/mth)

2.67%	67,080	67,080	67,080	67,080	67,080	67,080	67,080	67,080	67,080	67,080	68,422
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RE Taxes - Comon Area (\$4/sq ft/yr)
RE Taxes - MF Units (\$4.683/unit)

6,224	6,348	6,475	6,605	6,737	6,872	7,009	7,149	7,292	7,438	7,587
402,738	410,793	419,009	427,389	435,937	444,655	453,548	462,619	471,872	481,309	490,935
842,636	1,007,858	1,026,674	1,045,865	1,065,441	1,085,408	1,105,775	1,126,549	1,147,738	1,169,351	1,192,738

Growth Assumptions:
Annual Rental Escalation
Annual Op Exp Escalations

2.00%
2.00%

VILLAGE OF GEN ELLYN - McChesney Redevelopment
Preliminary IRR Review with Assumptions
With Public Financial Assistance (Leveraged Return)
12/1/2020

Year	Residential	Add'l Res	Parking	Retail		Effective Gross		Pay Go	Net Revenues		NOI	IRR		Schedule:				
	Rental Income	Income & Fees	Rental Income	Rental Income	Less: Vacancy	Rental Income	Operating Exp	Property Tax Rebate	Available For Debt Service	Debt Service		Calculation NOI	Add Residual	Const. Draw	Principal	Interest	Principal Balance	Annual Return on Cost
Const. 2021											-	(7,125,000)	(7,125,000)	21,375,001	-	-	21,375,001	
2022	2,179,140	144,584	183,000	34,468	(816,043)	1,725,149	(842,636)	-	882,513	908,438	(25,925)	(25,925)	(25,925)	-	-	908,438	21,375,001	
2023	2,222,723	147,476	186,660	35,157	(127,843)	2,464,173	(1,007,858)	200,000	1,656,315	1,273,913	382,402	382,402	382,402	-	365,475	908,438	21,009,526	5.81%
2024	2,267,177	150,425	190,393	35,861	(130,400)	2,513,456	(1,026,674)	200,000	1,686,783	1,273,913	412,870	412,870	412,870	-	381,008	892,905	20,628,518	5.92%
2025	2,312,521	153,434	194,201	36,578	(133,008)	2,563,726	(1,045,865)	200,000	1,717,860	1,273,913	443,948	443,948	443,948	-	397,201	876,712	20,231,317	6.03%
2026	2,358,771	156,502	198,085	37,309	(135,668)	2,615,000	(1,065,441)	200,000	1,749,559	1,273,913	475,646	475,646	475,646	-	414,082	859,831	19,817,236	6.14%
2027	2,405,947	159,632	202,047	38,055	(138,381)	2,667,300	(1,085,408)	200,000	1,781,892	1,273,913	507,979	507,979	507,979	-	431,680	842,233	19,385,556	6.25%
2028	2,454,066	162,825	206,088	38,817	(141,149)	2,720,646	(1,105,775)	200,000	1,814,871	1,273,913	540,959	540,959	540,959	-	450,026	823,886	18,935,529	6.37%
2029	2,503,147	166,082	210,209	39,593	(143,972)	2,775,059	(1,126,549)	200,000	1,848,510	1,273,913	574,598	574,598	574,598	-	469,153	804,760	18,466,377	6.49%
2030	2,553,210	169,403	214,414	40,385	(146,851)	2,830,560	(1,147,738)	200,000	1,882,822	1,273,913	608,909	608,909	608,909	-	489,092	784,821	17,977,285	6.61%
2031	2,604,274	172,791	218,702	41,192	(149,788)	2,887,171	(1,169,351)	200,000	1,917,820	1,273,913	643,907	643,907	643,907	-	509,878	764,035	17,467,407	6.73%
2032	2,656,360	176,247	223,076	42,016	(152,784)	2,944,915	(1,192,738)	200,000	1,952,176	1,273,913	678,264	678,264	19,907,009	-	531,548	742,365	16,935,860	6.85%

IRR analysis:

Assumptions:																			
Cap Rate (Residential/Prkg/Retail)		5.25%		Value (Res.) 10 yrs.		36,529,904				IRR Calculation		13.40%							
Costs of Sale		1.00%																	
Mortgage																			
Balance		16,935,860																	
				Less:															
				Costs		365,299													
				Mortgage						Return on cost first stablized year		5.81%							
				Residual		19,228,745				Average return on cost ten years		6.32%							



**Glen Ellyn Village
Board**
535 Duane Street
Glen Ellyn, IL 60137

Meeting 12/7/2020 7:00 PM
Department: Community Development
Department Head: Staci Springer
Category: Discussion Item
Prepared By: Kelly Purvis

**AGENDA ITEM (ID
2020-706)**

DOC ID: 2020-706

Community Development Director Staci Springer will lead a discussion with the Village Board regarding potential text amendments for cannabis businesses.

Statement of the Issue:

See Attached Memo

Analysis:

Budget Impact:

Action Requested:

Attachments:

1. VB Memo - December 7, 2020 Meeting
2. 1. Plan Commission Minutes 10.10.19
3. 2. Village Board Packet on Adult Use Cannabis Businesses - Monday, October 28, 2019
4. 3. Glen Ellyn Village Board - Regular Meeting Minutes - Oct 28, 2019
5. 4. Text Amendments - Approve
6. 5. Text Amendments - Deny

MEMORANDUM

TO: Mark Franz, Village Manager

FROM: Staci Springer, Community Development Director
Kelly Purvis, Planning Manager

DATE: November 21, 2020

RE: Regulation of Cannabis Business Establishments



History:

On June 25, 2019, Governor Pritzker signed the Cannabis Regulation and Tax Act (CRTA) which legalizes the sale, possession, and use of cannabis for recreational purposes in limited quantities by persons 21 years and older, beginning January 1, 2020. Each municipality has the authority to determine if adult-use cannabis businesses shall be permitted within their jurisdictions.

The Village has taken the following steps over the past year to determine if adult-use (recreational) cannabis retail establishments should be permitted within the Village limits:

- August 19, 2019 the Village Board discussed the new state legislation passed by Governor Pritzker at a Village Board workshop meeting. The Village Board directed staff to gather more information related to potential benefits and impacts of allowing adult-use cannabis business establishments within the Village.
- September 9, 2019 the Village Board voted to approve Resolution No. 19-12 establishing that the Village Zoning Code does not currently address adult-use cannabis businesses and directed staff to draft potential amendments for consideration within 90 days.
- October 10, 2019 the Plan Commission reviewed potential text amendments that could be adopted if the Village Board determined that Glen Ellyn should allow cannabis retail establishments within the Village limits. There were several members of the public in attendance of which 16 spoke; 7 spoke in favor of allowing recreational cannabis sales in the Village, 7 spoke against and 2 were neutral. No members of the public specifically commented on the proposed text amendments. The Plan Commission recommended approval of the proposed text amendments by a vote of six (6) “yes” and two (2) “no”. The consensus of the Plan Commission was that the Village should wait until more data becomes available from other communities that have opted to allow the sale of recreational cannabis in their jurisdictions. The Commission felt that a referendum might also be appropriate to bring further confidence that the right choice for the community is made. The Plan Commission meeting minutes are attached for the Village Board’s information (**Attachment #1**).

- October 28, 2019 the Village Board reviewed the draft text amendments, considered the Plan Commission's recommendation and heard public comment on the topic. The Village Board determined that more information is needed before a decision can be made and a motion was put forth to put a moratorium on the sale of cannabis within the Corporate Limits of Glen Ellyn. For the full Village Board packet with staff's research and proposed amendments, please see **Attachment #2**. The minutes of this Village Board meeting are also attached (**Attachment #3**).
- November 12, 2019 the Village Board adopted Ordinance No. 6732 establishing a moratorium on cannabis business establishments until October 1, 2020.
- August 24, 2020 the Village Board amended Ordinance No. 6732 through the adoption of Ordinance 6799 which extended the moratorium on cannabis business establishments until December 15, 2020 so that the results on the referendum could be received prior to further consideration by the Village Board on the topic.
- November 3, 2020 a referendum was placed on the General Election Ballot requesting voter preference on whether Glen Ellyn should allow the sale of adult-use cannabis within the Village limits.

The results of the referendum have been tallied. According to the DuPage County General Election results, 16,501 Glen Ellyn residents voted on the referendum. A slight majority (51.25%) of those that voted are in favor of the Village allowing the sale of adult-use cannabis within the Village limits, while the remaining 48.75% of voters are opposed.

Proposed Text Amendments:

If the Village Board decision is to allow recreational sales in Glen Ellyn, staff is supportive of text amendments that would allow recreational cannabis dispensaries only in the C3 zoning district with the following restrictions:

- That cannabis dispensaries be allowed as a special use only in the C3 zoning district (which is along Roosevelt Road).
- That no consumption of cannabis on-site at dispensaries or smoking lounges be permitted.
- That dispensaries be located no closer than 1,500 feet from a school.
- That drive-through and window sales be prohibited.
- That parking requirements be the same as other retail uses (1 space per 250 gross sf).
- That a traffic impact study be required as part of the special use application.
- That all cannabis dispensaries be required to submit a site plan as part of the special use application and that the Village may impose additional setbacks, landscaping, screening and buffering requirements to mitigate impacts on surrounding properties.
- That cannabis dispensaries shall submit a plan for the control of cannabis odors from the subject property as part of the special use application.
- That the number of dispensaries be limited through the use of licenses, similar to liquor

licenses.

- That no other type of cannabis related businesses, other than dispensaries, be allowed to locate within the Village at this time.

Staff has drafted Zoning Code Text Amendments in accordance with this recommendation for the Village Board's review and consideration (**Attachment #4**). Should the Village Board determine that cannabis businesses should not be permitted in the Village, staff has also prepared text amendments to prohibit all cannabis businesses within the Village limits (**Attachment #5**).

Village Board Action:

The Village Board is being asked to determine whether recreational cannabis businesses should be permitted in Glen Ellyn and if so, how those businesses should be regulated. Staff is requesting direction on whether to bring forward an ordinance to approve or deny text amendments that would allow adult-use cannabis in the Village. If the Village Board wishes to amend the regulations staff has prepared, please also provide direction on any changes to be made.

Attachments:

1. Plan Commission meeting minutes from 10/10/2019
2. Village Board Packet on Adult-Use Cannabis Business Regulations 10/28/19
3. Minutes from the 10/28/19 Village Board meeting
4. Proposed Text Amendments to allow adult use cannabis sales
5. Proposed Text Amendments to prohibit adult use cannabis sales

CC: Mary Loch, Plan Commission Chair
Greg Mathews, Village Attorney
Phil Norton, Police Chief
Cole Jackson, Associate Planner

X:\PLANDEV\CODE, TEXT, POLICY AMENDMENTS\AMENDMENTS - ZONING\BY SUBJECT\CANNABIS AND MEDICAL CANNABIS\RECREATIONAL\2019\VILLAGE BOARD WORKSHOP\VB MEMO - DECEMBER 7, 2020 MEETING.DOCX

MINUTES
REGULAR PLAN COMMISSION MEETING
OCTOBER 10, 2019

Call to Order

The regular meeting of the Plan Commission was called to order by Chairperson Mary Loch at 7:00 p.m. Plan Commissioners Lloyd Berry, Angela Fanella, Phillip Hartweg, John Mulherin, David Rodemann, Mohammed Saeed and Jamie Vondruska were present. Commissioner Tracy Heming Littwin was excused. Also present were Community Development Director Staci Springer, Village Planner Kelly Purvis, Associate Planner Cole Jackson, Attorney Kurt Asprooth, Deputy Police Chief Kurt Vavra, Trustee Liaison Bill Enright and Recording Secretary Debbie Solomon.

Public Comment

No general comments on non-agenda items were made by the public at this Plan Commission meeting.

Approval of June 20, 2019 Special Plan Commission Minutes

Commissioner Hartweg moved, seconded by Commissioner Saeed, to approve the minutes of the June 20, 2019 Special Plan Commission minutes. The motion carried unanimously by voice vote.

Approval of June 27, 2019 Special Plan Commission Minutes

Commissioner Saeed moved, seconded by Commissioner Berry, to approve the minutes of the June 27, 2019 Plan Commission minutes. The motion carried unanimously by voice vote.

Chairperson Loch explained the procedures and role of the Plan Commission and the order of the process for the public hearing and after.

Public Hearing – Recreational Cannabis Businesses – Zoning Text Amendment

On the agenda was a public hearing to review proposed text amendments prepared by staff related to zoning, buffers, on-site use and parking requirements for cannabis dispensaries if the Village Board decides to allow recreational cannabis businesses in the Village.

PUBLIC HEARING – RECREATIONAL CANNABIS BUSINESSES – ZONING TEXT AMENDMENTS

PUBLIC HEARING WITH DISCUSSION, CONSIDERATION, AND RECOMMENDATION REGARDING PROPOSED TEXT AMENDMENTS PREPARED BY STAFF RELATED TO ZONING, BUFFERS, ON-SITE USE AND PARKING REQUIREMENTS FOR CANNABIS DISPENSARIES IF THE VILLAGE BOARD DECIDES TO ALLOW RECREATIONAL CANNABIS BUSINESSES IN THE VILLAGE.

Commissioner Fanella moved, seconded by Commissioner Hartweg, to open the public hearing at 7:04 p.m. The motion carried unanimously by voice vote.

Staff Introduction

Sworn in for the Village were Village Planner Purvis and Associate Planner Jackson.

Associate Village Planner Jackson provided an overview of the state-level legislation, Cannabis Regulation and Tax Act (CRTA) that was signed by Governor Pritzker in June 2019. Associate Village Planner Jackson stated this legislation created six kinds of cannabis businesses and the various licenses needed to operate these businesses which will be issued on a staggered basis through 2022. Associate Village Planner Jackson stated the CRTA authorizes counties and municipalities to impose local taxes on retail sales including an optional tax up to 3%. Associate Village Planner Jackson stated the CRTA also includes information regarding security protocols and the State Level Tax Distribution. Associate Village Planner Jackson stated there is more information in the Commissioners' packets and online.

Village Planner Purvis stated this topic came before the Village Board at a Workshop meeting in August, and the Village Board made no definitive determination, but did direct the staff to find more information on costs and benefits, hear more public feedback on this topic and have the Plan Commission look at possible zoning and text amendments needed. Village Planner Purvis stated that after the Workshop, the Village Board did pass a resolution which states that recreational cannabis is not currently addressed in the Village Code and is therefore not allowed within the Village at this time, and that the Plan Commission will hold a public hearing on text amendments to regulate recreational cannabis within 90 days.

Village Planner Purvis stated the Village created a webpage to receive comments from residents related to recreational cannabis, and she shared the data collected so far. Village Planner Purvis stated 113 residents did submit comments for and against the possible sale of cannabis in the Village, and a little over half of the respondents were in favor of the sale of recreational cannabis being permitted in the Village.

Village Planner Purvis stated the Village staff did extensive research and pulled information from many different sources, including an interview with a Cannabis Educator and a meeting on recreational cannabis at the College of DuPage (COD) and conferred with legal counsel Kurt Asprooth with Ancel Glink who is well-versed in CRTA regarding this topic. Village Planner Purvis stated the cannabis educator said that education would be a critical piece if the Village does allow the sale of recreational cannabis in the Village, and that any dispensaries should be located away from schools. Village Planner Purvis stated the staff did a literature review, and many of these pieces were either strongly for the sale of cannabis or against the sale of cannabis. Village Planner Purvis stated the most comprehensive study the staff could find on the effects of recreational legalization was published in 2018 by Colorado's Department of Public Safety, and Village Planner Purvis relayed the key findings in the study, including the number of cannabis related arrests and court filings decreased, an overall increase in the adult usage of marijuana, hospitalization rates with possible marijuana exposure increased substantially, and no significant change in youth use rates, but that the student usage of marijuana tends to increase by grade. Village Planner Purvis stated the study does caution that its data is preliminary, and that that the information should be interpreted with caution.

Village Planner Purvis stated the staff completed a survey showing how 64 other Illinois communities are choosing to regulate recreational cannabis businesses. Village Planner Purvis stated approximately 36% of these surveyed communities are taking action or leaning toward permitting some sort of cannabis business while approximately 31% are taking action or leaning toward prohibiting cannabis related businesses. Village Planner Purvis stated nearly one-third of the communities surveyed have not taken action to permit or ban cannabis related businesses. Village Planner Purvis stated the Village of Lombard did vote to allow recreational dispensaries by-right in their office and industrial districts and in their business district along Roosevelt Road.

Village Planner Purvis stated the staff did prepare several buffer maps, and staff does recommend cannabis businesses be required at a minimum to meet the same distance buffers as liquor license holders. Village Planner Purvis stated Police Chief Norton has expressed opposition to recreational cannabis businesses within Glen Ellyn.

Village Planner Purvis stated the Village Administration and Community Development Department have considered the issues related to recreational cannabis and if the Village Board decides to allow recreational cannabis businesses, staff drafted zoning text amendments that would allow recreational cannabis dispensaries only in the C3 zoning district with the following restrictions:

- That cannabis dispensaries be allowed as a special use only in the C3 zoning district (which is along Roosevelt Road).

- That no consumption of cannabis on-site at dispensaries or smoking lounges be permitted.
- That dispensaries be located no closer than 1,000 feet from a school.
- That drive-through and window sales be prohibited.
- That parking requirements be the same as other retail uses (1 space per 250 gross sf).
- That the number of dispensaries be limited through the use of licenses, similar to liquor licenses.
- That no other type of cannabis related businesses be allowed to locate within the Village at this time.

Village Planner Purvis stated the Plan Commission is being asked to provide a recommendation on the proposed text amendments proposed by staff related to zoning, buffers, on-site use and parking requirements for cannabis dispensaries, and depending upon whether the Village Board decides to allow recreational cannabis businesses within the Village, additional amendments to the Zoning Code may come forward for the Commission's consideration.

Questions from the Plan Commission

Commissioner Hartweg asked if there is the same age limitation as there is on alcohol to which Village Planner Purvis stated the legal age for cannabis consumption is 21. Commissioner Hartweg asked about the increased hospitalization rates in the Colorado report. Village Planner Purvis read from the literature and stated these are hospitalization rates with "possible" marijuana exposure and are not split out by ages.

Chairperson Loch asked about revenue projections. Village Planner Purvis stated the State has estimated \$57 million for licenses, fees and sales taxes, but nothing specifically for the Villages. Village Planner Purvis stated the Village can add a tax up to 3% on recreational sales.

Commissioner Vondruska asked if the medical dispensaries have first choice at licenses to have recreational dispensaries to which Village Planner Purvis stated they do. Attorney Asprooth explained the licenses which have to do with the entire Chicagoland region.

Commissioner Fanella stated Naperville has a medical dispensary but said no to a recreational dispensary. Attorney Asprooth stated Naperville wanted to go to a non-binding referendum before they move forward with possible recreational cannabis businesses.

Village Planner Purvis stated the State of Illinois will have far less dispensaries than Colorado as Illinois will have 1 dispensary for every 25,000 people, and Colorado has a dispensary for every 10,000 people.

Commissioner Vondruska asked if licenses would be issued on a case by case basis. Village Planner Purvis stated the Village would enact a license schedule, and as with alcohol licenses, if a Special Use is approved for a recreational cannabis business, the Village would increase the license number.

Commissioner Rodemann asked if the size of a recreational cannabis dispensary can be limited. Village Planner Purvis stated she is not aware of any limit on size. Attorney Asprooth stated there is not a limit on the size of a recreational cannabis dispensary, but there are many security protocols as a part of CRTA that could limit the size.

Commissioner Mulherin asked about Village regulation. Village Planner Purvis stated the Village cannot regulate the licensing process at all and only the State will do this. Attorney Asprooth stated the Village can do random inspections of any recreational cannabis business.

Commissioner Vondruska asked if this topic could come back in a year or two if the Plan Commission recommends denial to which Village Planner Purvis stated the issue can come back later, the Village always has the ability to amend its codes.

Commissioner Fanella asked if the selling hours would be along the lines of liquor-selling hours. Village Planner Purvis stated the Village cannot regulate the selling hours for cannabis and the state has said that dispensaries can operate from 6am to 10pm.

Village Planner Purvis showed images from different dispensaries.

Chairperson Loch asked if a landlord can ban cannabis. Attorney Asprooth stated a landlord cannot prevent a tenant from using edibles in their unit, but a landlord can prohibit the smoking of cannabis. Village Planner Purvis stated a medical patient who has a medical cannabis card can grow up to 5 marijuana plants in their home with a landlord's permission.

Public Comment

Carlos Guzman, who resides at 506 Taylor Avenue, Unit E, stated he feels like this is like Prohibition, and if you want cannabis, you are going to get cannabis. Mr. Guzman stated in the best interest of moving forward, the Village should allow the regulation of marijuana, and he would also like to see education about the use of marijuana, abuse of marijuana and potential repercussions. Mr. Guzman stated cannabis businesses should be regulated in the same way we regulate bars. Mr. Guzman stated the keys will be education, regulation and then allow people to enjoy cannabis however they enjoy it. Mr. Guzman stated he has seen many dispensaries,

and these dispensaries are in nice locations for the most part. Mr. Guzman stated he is former military, and depression and PTSD are real, and medical marijuana can help this.

David Hartsell, who resides at 714 Meredith Place, stated cannabis should be a hard no. Mr. Hartsell stated it is a sad day when the state turns to drugs and gambling to balance the budget. Mr. Hartsell stated this is not who the Village is and not the image the Village wants to project. Mr. Hartsell stated we tell our kids not to drink or smoke or do drugs so the selling of cannabis would be hard to explain to children. Mr. Hartsell stated many towns have said no to cannabis already, and they can let Lombard be the pot capitol. Mr. Hartsell stated he has seen no revenue projections, and he feels it is naïve to believe the sale of cannabis could help with property taxes. Mr. Hartsell stated he was shocked to see the staff recommendations on this and feels this is way ahead.

Robert Pieper, who resides at 503 Ridgewood Avenue, stated he is shocked by this and thought he knew what this Village stood for. Mr. Pieper asked what benefits would come from this revenue, and he feels there are 50 downsides to this. Mr. Pieper asked what number would come from the 3% tax. Mr. Pieper stated they need to define who the Village is, what the Village stands for and what the Village's values are. Mr. Pieper stated the answer is not to add another possibly addictive drug in the Village.

Jane Pieper, who resides at 503 Ridgewood Avenue, stated she is a student at Glenbard West High School and is at the meeting on behalf of Reality Illinois who she read a statement on behalf of. Ms. Pieper stated she believes communities should opt out of marijuana businesses. Ms. Pieper stated the perception of youth that there is a lack of risk with cannabis will continue. Ms. Pieper stated there is already serious issues with vaping and shared statistics. Ms. Pieper asked why the Village would broaden the scope of THC products. Ms. Pieper stated the Village should readdress this issue in another year and take a step back for now to take the time to make an informed decision.

Tom Turek, who resides at 357 Birchbrook Court, stated he has lived in Glen Ellyn for 60 years, and Glen Ellyn is a safe community. Mr. Turek stated he is worried about adult-use cannabis. Mr. Turek stated he has seen many dispensaries in Denver, and he sees a lot of bums on the streets who are smoking marijuana all day. Mr. Turek stated he does not want to see this in Glen Ellyn. Mr. Turek stated Colorado has seen an increase in street crime, and he is not sure if this is a consequence of having dope, but this was not there before. Mr. Turek stated 13% of fatal crashes in Colorado test positive for cannabis. Mr. Turek stated he is not opposed to progress, but he does see revenue being generated from cannabis sales.

Commissioner Mulherin stated the Plan Commission's role tonight is to help determine what type of zoning and guidelines might be needed for recreational cannabis businesses. Commissioner Mulherin asked the audience to remember this.

Chet Brett, who resides at 505 Taylor Avenue, thanked the Village for all the public outreach and available information on this topic. Mr. Brett stated if more opportunity for public outreach is needed, the Plan Commission will find this out by asking questions tonight. Mr. Brett stated he wants people to embrace a millennial community.

Patrick Ryan, who resides at 539 Dawes Avenue, stated this is a very serious issue, and the Village Board wants to make a decision after only 3 months. Mr. Ryan stated the State says there will be a lot of revenue from this, but he is not sure on this. Mr. Ryan stated there is no field test available for marijuana. Mr. Ryan stated they have taught their kids not to do drugs so he cannot understand why we would encourage this. Mr. Ryan asked what kinds of morals they would be teaching to their children.

Andrew Ho, who resides at 1N350 Blue Ridge Court in Wheaton, stated he has been in the cannabis industry for the past 5 years, owning and running a medical dispensary in Elmwood Park. Mr. Ho stated he is happy to offer himself as a resource. Mr. Ho stated the Elmwood Park dispensary has 700 medical patients, and this dispensary generates \$8 million in sales. Mr. Ho stated if a recreational dispensary was put in Glen Ellyn, he estimates it could approximately do \$12 million to \$15 million in sales the first year, and within 3 years, \$15 million to \$20 million in sales. Mr. Ho stated if the Village did do the 3% in tax, this could be real dollars to the village. Mr. Ho stated the Village would be empowered with how dispensaries will act.

Michelle Andringa, who resides at 708 Highview Avenue, thanked the staff and Plan Commission for their research. Ms. Andringa stated she is adamantly opposed to the sales of recreational cannabis as it runs counter to the culture in the community, increased access to recreational marijuana will increase marijuana use in the Village and the sale of marijuana will normalize its use and send the wrong message to the children. Ms. Andringa stated they need to put the health and safety of the Village first.

Rick Scheck, who resides at 678 Oak Street, thanked the Village for keeping the public up to date on this topic. Mr. Scheck stated he is in favor of a recreational dispensary like this. Mr. Scheck stated we teach our kids right from wrong, but they still may do these things when they reach the age. Mr. Scheck stated there will be safety and security restrictions like bars and restaurants that have liquor licenses too. Mr. Scheck stated this is the same as allowing the sale of alcohol to anyone 21 and over. Mr. Scheck stated education will be key. Mr. Scheck stated many towns in Illinois already have medical cannabis dispensaries, and he is not sure if these towns have safety issues.

Pete Ladesic, who resides at 615 Scott, asked about the chart of communities included in the packet. Village Planner Purvis stated this is a chart of changing information, and the staff is trying to keep it up to date as much as possible. Mr. Ladesic stated at the Village Board Workshop, those who supported cannabis did support medical marijuana. Mr. Ladesic stated he is opposed to recreational cannabis sales. Mr. Ladesic stated the Village needs economic development, but not at this cost, and this will not be an economic development driver. Mr. Ladesic stated there is no place in the community for this, and he urges the Plan Commission to not recommend any zoning districts.

Anne Gould, who resides at 609 Newton Avenue, stated it sounds like they are trying to normalize cannabis and compare this to alcohol, but she has never met a doctor who prescribed alcohol. Ms. Gould stated recreational cannabis is a separate issue from medical marijuana. Ms. Gould stated she suggests the Village add an over/under 21 identifier on the webpage where comments are being left for the Village. Ms. Gould stated there is no clear compelling reason for cannabis to be sold in Glen Ellyn, and it is not a risk the Village should be taking. Ms. Gould stated they need to take a step back, see the real implications and then make a more prudent approach.

Kurt Barry, who resides at 373 Forest Avenue, stated he and his wife are the owners of Mindful Medical Marijuana Dispensary in Addison. Mr. Barry stated these stores are for people ages 21 and over. Mr. Barry stated public consumption of cannabis is illegal. Mr. Barry stated when a cannabis store comes into a neighborhood, there is a lot of noise at first because of the fear of the unknown, but then it ends up being a non-event. Mr. Barry stated the operators in the industry are law-abiding and tax-paying, and the cannabis business industry is scrutinized closer than any other industry. Mr. Barry stated in the three years that the two medical dispensaries have been in Addison, the police have only been called once.

Commissioner Fanella asked about education being done. Mr. Barry stated they do educational at the store regularly, and dosing can be different for every person so they go slow to learn what each person's dose is.

David Scott, who resides at 895 Clifton Avenue, stated he and his family moved here from downstate a few years ago. Mr. Scott stated he remembers when the medical marijuana legislation came out as he was on the Planning Commission in his town then. Mr. Scott stated there has been an inability to stick to the subject at hand. Mr. Scott stated people seem to think this will sully and tarnish the culture and image in Glen Ellyn, but he cannot imagine this would happen. Mr. Scott stated he would like to see a more convenient place for people to buy pot. Mr. Scott stated the culture of the community is determined by the behavior of its residents.

Lorenzo Tassone, who resides at 671 Sheehan Avenue, stated he suffers from chronic pain, but he does not qualify for a medical marijuana card. Mr. Tassone stated he understand the fear, but the passage of this would not stop people from moving to the Village. Mr. Tassone stated if he chooses to use marijuana in his home, that is his choice, and marijuana may not be for you, but it is probably for someone else in the community. Mr. Tassone stated marijuana is already here, and you cannot fight the progress of time.

Anna Gluszak, who resides at 506 Taylor Avenue, stated if a teenager is going to get their hands on marijuana, they will get their hands on it so the Village should ensure marijuana is regulated. Ms. Gluszak stated they need to ensure this is implemented correctly so it is safe. Commissioner Mulherin moved, seconded by Commissioner Hartweg, to close the public hearing at 8:41 p.m. The motion carried unanimously by voice vote.

Chairperson Loch called for a 5-minute break at 8:41 p.m.

Chairperson Loch reconvened the meeting at 8:48 p.m. Chairperson Loch stated there is nothing in the Village's Code on cannabis so this issue does need to be discussed. Attorney Asprooth stated the Plan Commission needs to give the Village Board some kind of recommendation to act on. Commissioner Fanella asked for the slide about the Staff's recommendations for Text Amendments be put back on the screen.

Comments from the Plan Commission

Commissioner Rodemann stated he is against this, and he has concerns with the size of the business and possible traffic as he thinks this would be a high use facility. Commissioner Rodemann stated he is in favor of medical marijuana for the benefits for patients. Commissioner Rodemann stated he would want this limited to Roosevelt Road and maybe have higher parking ratios. Commissioner Rodemann stated he anticipates issues could come along.

Commissioner Berry asked what the suggested parking space is for retail. Village Planner Purvis stated it is the same for retail as for what is suggested for a cannabis business – 1 parking space per 250 square feet. Village Planner Purvis stated they can require a traffic study too as part of the Special Use application.

Chairperson Loch asked why the 1,500 feet from schools was not done as the Illinois Municipal League had suggested. Village Planner Purvis put up a buffer map and stated if they go with the 1,500 feet instead of 1,000 feet, it would take out much of the Village due to the distances to schools and daycares. However 1,500 feet from schools would likely allow sales on Roosevelt

Road. Community Development Director Springer explained the zoning along Roosevelt Road and how the staff came up with their recommendation.

Commissioner Vondruska thanked the staff for their research and stated as of January 1st, cannabis will be around. Commissioner Vondruska stated he feels there is no harm in waiting to see what the other municipalities around do on this issue. Commissioner Vondruska stated he is in support of the staff's recommendations for the Text Amendments, and he would not want to see cannabis businesses in the Central Business District or the north side of the Village by Five Corners. Commissioner Vondruska stated a cannabis business would require a Special Use and would have to be approved by the Village Board anyways.

Commissioner Berry stated the biggest unknown coming into the meeting was understanding what the Plan Commission needed to do. Commissioner Berry stated he supports the recommended Text Amendments.

Commissioner Mulherin stated he does endorse the Text Amendments if the Village Board does decide to allow recreational cannabis dispensaries in the Village. Commissioner Mulherin stated he is concerned about racing into this, and he would not mind seeing how this topic develops in other communities.

Chairperson Loch stated she is fine with recommending these text amendments.

Commissioner Fanella stated if the Village Board allows the sale of recreational cannabis, she would recommend the Text Amendments; however, she is not fine yet with cannabis being sold in the Village.

Commissioner Hartweg stated in the other public meetings on cannabis, it was 50/50 with the residents. Community Development Director Springer stated at tonight's public hearing, 6 spoke in favor of this, 7 spoke against this and 2 were neutral.

Motion

Commissioner Fanella moved, seconded by Commission Mulherin to recommend that if the Village Board would move forward to approve the allowance of recreational cannabis dispensaries in Glen Ellyn, the Plan Commission supports the Zoning Code Text Amendments as presented in the Plan Commission packet on Thursday, October 10, 2019. Commissioner Fanella stated those Text Amendments should include the following:

1. That cannabis dispensaries be allowed as a Special Use only in the C3 zoning district (which is along Roosevelt Road).
2. That no consumption of cannabis on-site at dispensaries or smoking lounges be permitted.
3. That dispensaries be located no closer than 1,000 feet from a school.
4. That drive-through and window sales be prohibited.
5. That parking requirements be the same as other retail uses (1 space per 250 gross sf).
6. That the number of dispensaries be limited through the use of licenses, similar to liquor licenses.
7. That no other type of cannabis related businesses be allowed to locate within the Village at this time.

The motion carried with six (6) yes votes and two (2) no votes as follows: Plan Commissioners Fanella, Mulherin, Berry, Hartweg and Vondruska and Chairperson Loch voted “yes.” Commissioners Rodemann and Saeed voted “no.” Motion carried.

Commissioner Berry stated the consensus of the Plan Commission of Glen Ellyn is that more evidence is required before a decision is made on approving or disproving the legality of recreational marijuana sales in the Village of Glen Ellyn, and this can be accomplished by waiting longer or through a referendum to help bring a level of confidence to making the right decision for the community.

Commissioners Fanella, Mulherin, Rodemann, Saeed and Vondruska and Chairperson Loch all stated they support this statement. Commissioner Hartweg did not support the statement. Chairperson Loch and Commissioners Hartweg and Mulherin are not in support of a referendum as of now.

Trustee’s Report

Trustee Enright thanked the staff and the Plan Commission for their work on the cannabis topic. Trustee Enright stated the Village Board is working on the 2020 Budget and still has a few more Workshops on this. Trustee Enright stated the Avere project is moving ahead and possibly could be completed in early 2021. Trustee Enright stated the Apex project is still in litigation.

Chairperson’s Report

Chairperson Loch asked about the McCheseny site. Community Development Director Springer stated there has been some changes, and this property is on the market for \$3 million.

Community Development Director Springer stated the staff has been entertaining a number of developers who want information on the site.

Staff Report

Village Planner Purvis stated there will be a discussion regarding Zoning Text Amendments for Tobacco and Vape shops at a future meeting, and there will probably not be a meeting on October 24, 2019. Village Planner Purvis stated the Streetscape Project is in the second phase of engineering, and the Public Works Department will be looking for feedback on samples of streetscape treatments that will be available for the public to see.

Commissioner Berry asked about the Comprehensive Plan. Village Planner Purvis stated this have been moving along slowly due to other pieces and explained the process.

Other Business

None

Adjournment

Plan Commissioner Fanella moved, seconded by Plan Commissioner Hartweg, to adjourn the meeting at 9:27 p.m. The motion carried unanimously by voice vote.

Respectfully Submitted,

Debbie Solomon
Recording Secretary



Glen Ellyn Village Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting: 10/28/19 07:00 PM
Department: Community Development
Department Head: Staci Springer
Category: Ordinance
Prepared By: Kelly Purvis

SCHEDULED

ORDINANCE 6729

DOC ID: 4196

Motion to approve an Ordinance amending the zoning code to address the sale of cannabis within the corporate limits of the Village of Glen Ellyn and adopt zoning text amendments regulating cannabis business establishments.

Background on the Cannabis Regulation and Tax Act (CRTA):

On June 25, 2019, Governor Pritzker signed the Cannabis Regulation and Tax Act (CRTA) which legalizes the sale, possession, and use of cannabis for recreational purposes in limited quantities by persons 21 years and older, beginning January 1, 2020. The State of Illinois put together a summary of the Act, which staff has attached to this memo along with definitions for cannabis related businesses for the Village Board to reference.

As with medical cannabis, the CRTA provides a limited number of licenses that the State will issue for cultivation centers and dispensaries. It is anticipated that the majority of the existing 55 medical cannabis facilities in the state will apply for “early approval” licenses to allow those dispensaries to serve both medical and recreational cannabis markets starting January 1, 2020. In State Police District 34 (DuPage County), there are currently three licensed medical dispensaries, one in Naperville and two in Addison. In addition to the one recreational license that will be available for existing medical cannabis distributors to have at their existing location, those business owners may also apply for a “secondary site” license which could be offsite elsewhere in the region. If allowed, one of these secondary sites may choose to locate in Glen Ellyn and could potentially start operation as early as January 1, 2020. After that, the State will issue licenses on a staggered basis through 2022. Note, the CRTA also establishes new types of licenses for processing, transporting, infusing and craft growing in addition to dispensing and cultivation licenses. Municipalities may regulate or ban cannabis businesses in their jurisdiction but have no control over the State licensing process and cannot ban possession or consumption of cannabis products.

The Village of Glen Ellyn may prohibit or significantly limit the location of recreational cannabis businesses by ordinance. The Recreational Cannabis Act itself prohibits a new cannabis dispensary from locating within 1,500 feet of another dispensary. If the Village chooses to permit recreational cannabis dispensaries within its borders, then it may designate the zoning districts within which cannabis businesses may be allowed as a permitted or special use and enact reasonable zoning regulations such as standards for off-street parking, signs, and separation from residential or other sensitive uses, among other things. In addition, the Act gives the Village the ability to decide if it wishes to allow other kinds of cannabis businesses (cultivation, distribution centers, etc.) and if the use of cannabis will be allowed on site at dispensaries (such as a smoking lounge).

The CRTA sets tax rates on both wholesale transactions by cultivators and retail sales by dispensaries. It also authorizes counties and municipalities to impose a local tax up to 3% on retail sales.

State Level Taxation:

State taxation of cannabis products will be dependent upon the levels of THC in the products (see attached FAQ). The Department of Revenue projects that the recreational cannabis industry will generate \$57 million in tax revenue and licensing fees in FY20. Government proceeds collected by the State associated with the sale of recreational cannabis are to be distributed as follows:

- 20% to State mental health service and substance abuse programs
- 10% to pay unpaid State bills
- 35% to the State General Fund
- 2% to public education and safety campaigns
- 8% to the Local Government Distributive Fund, for prevention and training for law enforcement
- 25% for identified social equity programs

State Licensing:

Licensing requirements depend on the kind of cannabis business, what kind of license they are applying for and the date by which they are applying (prior to January 1, 2021 or after January 1, 2021). Licenses for a secondary site of an existing dispensary facility (potentially impacting Glen Ellyn) require an application, fee, evidence of local zoning approval, a plot plan of the dispensary, written statement from the property owner giving approval, copy of the business plan, copy of the bylaws, a description of the services offered, description of the dispensing process, a copy of the security plan (outlining delivery methods, the process for monitoring and securing the facility and prevention of theft, and the process to ensure access to restricted areas will be secured), the proposed inventory control plan, and a commitment to completion of a social equity inclusion plan.

All cannabis businesses require a number of security measures including a security plan be submitted to the State. Dispensaries require, among other things, the maintenance of adequate lighting, a perimeter alarm on all entry points, shatter-proof windows, a duress alarm, and the placement of security cameras with unobstructed surveillance of enclosed dispensary areas, outside areas, the storefront and the parking lot.

Additionally, only cannabis products derived from licensed Illinois cultivators can be sold in Illinois dispensaries.

Community College Pilot Program:

Eight Community Colleges in the State will be granted the opportunity to participate in a four-year pilot program to incorporate plant handling in to their curriculum. The program will be jointly administered by the Illinois Community College Board and the Department of Agriculture. While the program will allow hands-on learning of cultivation and processing, all harvested products resulting from the program must be destroyed. Up to 8 licenses will be issued by September 1, 2020

so that instruction may begin in the 2021-2022 academic year. More information about this program will become available from the Department of Agriculture and the Illinois Community College Board when the application has been developed. The College of DuPage has indicated that they do not plan to apply for a license to participate in the pilot program at this time.

FAQ Page:

Staff has done extensive research and pulled together several sources of information for the Village Board to review. Attached to this memo is an FAQ sheet that answers many questions related to the new law and how it will affect Municipalities. The FAQ sheet has information about packaging requirements, who can purchase and grow cannabis, workplace drug policies, consumption on private property, consumption in public spaces, how recreational cannabis will be taxed, and much more.

Summary of Village Board Workshop Discussion:

On August 19, 2019, the Village Board met for a workshop on recreational cannabis. The Board heard a presentation by Assistant Village Manager, Bill Holmer, and then public comment from several members of the public before beginning discussion of the topic. The Board did not make any final determinations at the workshop and largely felt that more information was needed prior to determining how to regulate recreational cannabis businesses.

The Board discussed the need to examine the costs and impacts of allowing the sale of recreational cannabis compared to the potential tax revenue that could be gained. Some members of the Board encouraged additional public outreach on the topic. Several members of the Board felt that recreational cannabis should not be consumed on-site at dispensaries (cannabis lounges). Some members of the Board supported only allowing dispensaries in the zoning districts along Roosevelt Road, while others stated they would need more information before determining acceptable zoning districts. Staff has provided additional resources and information (both in and attached to this memo) as requested by the Village Board.

Public Comments:

In an effort to engage the public regarding the regulation of recreational cannabis businesses, prior to the Village Board workshop, Village staff launched an online public outreach process. A separate webpage was created on the Village's website dedicated to the topic of recreational cannabis including an FAQ section, relevant policy information, and a contact form for residents to voice their opinions. Information about this webpage has been widely promoted by the Village's Communications Coordinator on social media and in the Village eNews. Trustees can find this webpage on recreational cannabis on the bottom left corner of the Village's website homepage under "News & Updates" or at <http://www.glenellyn.org/CivicAlerts.aspx?AID=83>. A compilation of public comments submitted to the website has been sent to the Village Board for review. A summary of Village outreach efforts and their reach have also been attached. As of October 17, 2019, 153 people have submitted comments to the website, with 50% of those respondents in favor of the Village allowing recreational cannabis sales. Those that were in favor cited the tax revenue as the number one reason to allow it. Those that were opposed (49%), most commonly commented that it would have a negative impact on the character of the Village and that

it would increase access to children. Approximately 1% of the respondents were neither for nor against allowing recreational cannabis sales in the Village.

Staff Research:

No member of the Village staff has an extensive background in studying the effects of cannabis on public health, safety, or budgets. Staff has pulled information from many resources, interviewed a Cannabis Educator and attended a meeting at the College of DuPage on recreational cannabis. The meeting was led by the DuPage County Health Department and DuPage County Prevention Leadership Team (PLT). Staff has not independently verified the information, sources, or methodologies used by either of these groups. As with any controversial topic, staff recommends an abundance of sources be consulted when reading facts, figures, and statements from potentially biased sources. Staff did consult with legal counsel, Kurt Asprooth, an attorney with Ancel Glink that is well versed in the CRTA regarding this topic.

Cannabis Educator Interview:

After the Village Board Workshop, three people gave staff their contact information wishing to share additional information and resources. As requested by the Village Board, staff contacted all three people but only heard back from one. Staff met with this person who is a Glen Ellyn based Cannabis Educator, Medical Cannabis Advisor, and patient advocate. The educator outlined the benefits of medical cannabis for patients with certain kinds of ailments (a list has been attached). She stated that recreational dispensaries could remove barriers that exist for people that wish to try cannabis for medicinal purposes. She noted that hundreds of ailments can be treated with cannabis but that only 37 illnesses have received approval through the State for medical use. She also indicated that being approved for a medical card takes multiple doctors' visits and patients incur hundreds of dollars in expenses prior to even purchasing the medicinal cannabis. Recreational dispensaries would remove those up-front costs allowing patients to try products to see if there is any benefit. She noted that due to the limited location of medical dispensaries, traveling to get medical marijuana can be difficult and/or costly for patients or their caregivers. Recreational cannabis dispensaries could potentially make it easier for these medical users to access the products.

The Cannabis educator also stated that on-site consumption may be useful for medical patients who are looking for a safe place to test products and for patients/people that are not permitted to use marijuana products in their homes. She pointed out that medical facilities and spas might want to allow patients to sample products containing cannabis such as a tincture, balm or lotion for example. In order for this to be allowed, the establishment would need to have a State license to sell recreational cannabis and the municipality would need to permit on-site consumption.

She listed the many cannabis products that are available, most of which are not smoked and many of which may contain no THC or low amounts of THC. The products are used for many different reasons, with different effects. She also noted that timing of the effects can vary greatly depending upon the type of cannabis product ingested. Cannabis can be used through consumption of an edible, a tincture or a concentrate, it can be smoked, or applied topically as a balm or patch, and can also come in the form of a suppository.

The educator cautioned that education about cannabis and its affects would be very important for youth, the general public, law enforcement, paramedics, caregivers and first time users. She noted for example, that medical patients are sometimes on high doses of THC which they may have ingested in a way that does not create impairment. However, a blood test would indicate that the person is impaired. Depending upon the type of product used, the effect of the cannabis product may be delayed, prompting the user to take more or to feel comfortable leaving their location and become impaired while driving.

Finally, she recommended that dispensaries be located away from schools. She noted that vaping has become a concern for youth as have edibles in the form of candies and suggested additional regulation around these types of products. (Note, legal counsel has advised against restricting types of cannabis products that can be sold, as the Village does not have the authority to further restrict what the Act allows).

College of DuPage Meeting on Recreational Cannabis:

Staff also attended the September 10, 2019 meeting at the College of DuPage hosted by the DuPage County Health Department and the Prevention Leadership Team (PLT) which works to prevent youth substance abuse. At this meeting, presenters outlined the risks of cannabis use and potential negative impacts on communities. PLT shared reports from the federal anti-drug organization, the Rocky Mountain High Intensity Drug Trafficking Area that stated after recreational cannabis was legalized in Colorado, the state saw increased cannabis-related traffic deaths and increased cannabis related emergency room visits. The study also showed that 39% of cannabis users reported being high at work at least one day per week. PLT stated that cannabis legalization in Colorado had a negative impact on public sector revenues using data from the anti-cannabis legalization advocacy group Smart Approaches to Marijuana (SAM). They also quoted a Colorado Department of Transportation study which stated that 27% of cannabis users reported driving high almost daily.

PLT also spoke about the 2018 Illinois Youth Survey which said 19% of 8th graders, 34% of 10th graders and 41% of 12th graders saw little or no risk to smoking cannabis once or twice per week. In the same study 14% of 8th graders, 42% of 10th graders, and 61% of 12th graders said it would be sort of, or very easy to obtain cannabis.

PLT provided information from a 2017 article published in the National Academy of Pediatrics meant to educate parents stating that cannabis can harm the still developing teen brain; regular cannabis use in teens can lead to higher risk for addiction, depression, psychosis and other mental health problems including problems with memory and learning, difficulty thinking, impaired coordination and difficulty maintaining attention. The article also noted, being under the influence of cannabis can impair driving abilities, high-potency cannabis is linked to addiction, and inhaling cannabis can lead to lung damage. PLT reported that roughly 75% of municipalities in states with recreational cannabis opt-out. According to the CDC 1 in 6 teens who repeatedly use cannabis can become addicted. It was noted that frequent or long-term cannabis use is linked to school dropout and lower educational achievement. According to a paper titled *Unintentional Pediatric Exposures to*

Marijuana in Colorado, Colorado saw a 34% increase in regional poison control cases per year with most pediatric exposures involving an edible product.

Overall, the presenters at this meeting were strongly opposed to legalizing recreational cannabis. During the Q&A part of the meeting, staff asked if there were any studies or reports on how opting-in or opting-out of retail sales (in a state that has already legalized cannabis) affects municipalities. The presenters were not aware of any such studies. There is also no known costs to hospitals, EMS, police, or health care providers because there is no data collection method at this time.

Literature Review:

There are a wide range of studies, reports, and opinion pieces about cannabis. Staff collected studies and reports that State governments have published from areas that have legalized recreational cannabis. Staff notes that many of these studies are from the State, not local, level and that it may be difficult to draw conclusions on the data considering how recently recreational cannabis has been legalized. Washington and Colorado, the first states to legalize recreational sales, did not see those sales until 2014. Adding complications is the diversity of laws and the dates at which those laws were implemented. Maine voted to legalize recreational cannabis in 2016 and quickly allowed home growing and consumption but has yet to see any recreational dispensaries open (though this will likely occur in 2020). Other states such as Vermont have simply had very little time in-between legalization and today. While Vermont has published research on cannabis in 2016, 2017, and 2018 this information cannot judge the impact of their local recreational legalization which began in July of 2018. Overall, the states that have legalized cannabis have done so only recently with a diverse legal landscape on what is allowed, making it difficult to fully judge or compare impacts.

There are a number of non-governmental organizations that have published research on cannabis impacts with many opposing opinions and analysis. Staff recommends decision makers consult a wide range of sources including those attached, the resources listed in Chief Norton's memo, and additional resources from relevant trustworthy organizations. Please note that staff has not fact checked these resources and, as with any controversial topic, there may be bias in their findings or means of analysis.

The most comprehensive study that staff could find on the effects of recreational cannabis legalization was published in 2018 by Colorado's Department of Public Safety. This is a state level study on the impacts of legalization and may be reflective of the effects of legalization in the State of Illinois (although the laws vary). A direct comparison cannot be drawn for Glen Ellyn, however, as the study does not show what the impact was on a municipal level for communities that allowed recreational cannabis businesses. An executive summary of the study is attached to this memo. The full study is available on-line and is listed in the additional resources attached to this memo. Some of the key findings in the study include:

- The number of cannabis related arrests and court filings decreased.
- The total number of DUI's decreased, although the number of DUI's involving suspected marijuana use increased from 12% to 15% from 2015-2017.

- There was a substantial increase in the number of marijuana plants seized on public lands (up 73%) from 2012 to 2017.
- There was an overall increase in adult usage of marijuana, with male usage being higher than female usage. Men aged 18-25 showed the highest usage rates.
- Hospitalization rates with possible marijuana exposure increased substantially (235%). ER visits also increased by 23%, but it is not indicated if those visits were also due to possible marijuana exposure.
- The study showed no significant change in youth use rates, but noted that student usage of marijuana tends to increase by grade.
- Youth usage of cannabis in Colorado is higher than the national average.
- The number of youth arrests related to cannabis decreased.
- The number of drug related suspensions increased.

The study cautions that its data is preliminary and that the information should be interpreted with caution. Legalization may result in reports of increased use, which may be a function of the decreased stigma and legal consequences associated with use rather than actual changes in use behavior. Likewise, those reporting to poison control, emergency departments, or hospitals may feel more comfortable discussing their recent use or abuse of marijuana for purposes of treatment. It is also important to note that the State of Illinois has limited the number of recreational dispensary licenses to 500 total by 2022. If all 500 licenses are issued, there would be approximately one dispensary for every 25,000 residents - far less than Colorado's rate of one dispensary per 10,000 residents.

Community Survey:

Staff has completed a survey showing how 89 other Illinois communities are choosing to regulate recreational cannabis businesses. Please see the attached survey for more information. About 46% of the surveyed communities are taking action or leaning toward permitting some sort of cannabis business. Approximately 34% are taking action or leaning toward prohibiting cannabis related businesses. Still undecided are approximately 16% of communities and 3% are going to referendum.

Being that Lombard shares our boarder to the east, staff thought it would be relevant to share that their Village Board voted to allow recreational dispensaries by-right in their office and industrial districts and in their business district along Roosevelt Road. They will require a special use for recreational cannabis dispensaries in the neighborhood commercial, corridor commercial and downtown districts. Also sharing common boarders, Wheaton, Lisle and Downers Grove have decided to prohibit all cannabis businesses while Carol Stream and Glendale Heights remain undecided.

Map Studies:

Staff prepared several buffer maps to assist the Village Board in deciding which, if any, zoning districts would be appropriate for recreational cannabis businesses. Map 1 shows the current State/Village liquor license setback requirements, which are 100 feet from church, school, religious

and nursing home buildings. If allowed, staff would suggest that cannabis businesses be required, at a minimum, to meet the same distance buffers as liquor license holders.

Map 2 shows a buffer of 1,000 feet from all schools. This buffer requirement for cannabis businesses would effectively eliminate their placement in most of the Central Business District and the Stacy's Corners area, but would allow businesses to locate along Roosevelt Road. At the request of the Plan Commission a third map was created showing a 1,500 foot buffer from all schools. Similarly, this buffer would completely eliminate placement of cannabis businesses in any of the Commercial Districts that are not along Roosevelt Road. Staff is supportive of the more restrictive buffer requirement if cannabis sales are permitted in Glen Ellyn.

Map 4 shows a buffer of 1,000 feet from both school and daycare uses, while Map 5 shows the buffer proposed in the Illinois Municipal League draft ordinance which is 1,500 feet from school and daycare uses. Since daycares can change locations regularly, these buffers might prove difficult to enforce. Note, these buffer requirements would eliminate the Central Business District and Stacy's Corners commercial areas completely, and would significantly limit placement of cannabis businesses in the commercial areas along Roosevelt Road.

Map 6 shows where the Village currently allows medical cannabis facilities. Note, if recreational cannabis dispensary businesses are permitted in the Village, staff would recommend changing the zoning for medical cannabis dispensaries to mirror the zoning of recreational facilities.

Staff Feedback:

Public Safety

Public safety is commonly part of the discussion regarding this new legislation and whether municipalities will allow recreational sales in their jurisdictions. Chief Norton was asked to provide feedback on this topic from a law enforcement perspective, and he expresses opposition to recreational cannabis businesses within Glen Ellyn in his attached memorandum.

Community Development/Administration

Staff has considered the issues related to recreational cannabis and reviewed many of the responses from other communities, which have been divided between approval and denial. If the Village Board decision is to allow recreational sales in Glen Ellyn, staff is supportive of text amendments that would allow recreational cannabis dispensaries only in the C3 zoning district with the following restrictions:

- That cannabis dispensaries be allowed as a special use only in the C3 zoning district (which is along Roosevelt Road).
- That no consumption of cannabis on-site at dispensaries or smoking lounges be permitted.
- That dispensaries be located no closer than 1,500 feet from a school.
- That drive-through and window sales be prohibited.
- That parking requirements be the same as other retail uses (1 space per 250 gross sf).

- That a traffic impact study be required as part of the special use application.
- That all cannabis dispensaries be required to submit a site plan as part of the special use application and that the Village may impose additional setbacks, landscaping, screening and buffering requirements to mitigate impacts on surrounding properties.
- That cannabis dispensaries shall submit a plan for the control of cannabis odors from the subject property as part of the special use application.
- That the number of dispensaries be limited through the use of licenses, similar to liquor licenses.
- That no other type of cannabis related businesses, other than dispensaries, be allowed to locate within the Village at this time.

Staff has drafted Zoning Code Text Amendments in accordance with this recommendation for the Village Board's review and consideration (attached). Should the Village Board determine that cannabis businesses should not be permitted in the Village, staff has also prepared text amendments to prohibit all cannabis businesses within the Village limits.

Finance

Staff has prepared an attached memo which estimates potential revenues from recreational cannabis. If a facility locates within Glen Ellyn and the Village assesses the full 3% tax allowed, the annual revenue to the Village is estimated between \$100,000 to \$480,000.

Plan Commission Recommendation:

On October 10, 2019, the Plan Commission reviewed and discussed the proposed text amendments for recreational cannabis businesses. There were several members of the public in attendance of which 16 spoke; 7 spoke in favor of allowing recreational cannabis sales in the Village, 7 spoke against and 2 were neutral. No members of the public specifically commented on the proposed text amendments. By a vote of 6 yes and 2 no, the Plan Commission voted to support the proposed text amendments as presented by staff, should the Village Board determine that cannabis businesses should be allowed in Glen Ellyn. However, it was the consensus of the Plan Commission that more information is needed prior to allowing the operation of recreational cannabis businesses in the Village. The Commission was in favor of the Village waiting to see what the impact is on other communities to help increase the level of confidence in making the right decision for the community.

Village Board Action:

The Village Board is being asked to determine whether recreational cannabis businesses should be permitted in Glen Ellyn and if so, how those businesses should be regulated. Staff has prepared text amendments and corresponding Ordinances to both allow and to prohibit recreational cannabis businesses for the Village Board's consideration.

If the Village Board decides to allow recreational cannabis in the Village, the next steps will be to

consider if a local tax up to 3% should be adopted and if the businesses should be regulated in a similar manner to liquor licenses.

Attachments:

- Definitions from the Cannabis Regulation and Tax Act
- FAQ on Recreational Cannabis
- State of Illinois Summary of HB 1438 - The Cannabis Regulation and Tax Act.
- Impacts of Marijuana Legalization in Colorado - Executive Summary, State of Colorado 2018
- List of Additional Resources
- List of Qualifying Conditions - Medical Cannabis
- Minutes from August 19, 2019 Village Board Workshop
- Summary of Public Outreach & Responses
- Community Survey
- Mapping Studies (6 maps)
- Chief Norton Memo on Recreational Cannabis
- Draft Ordinance to Allow Recreational Cannabis Dispensaries in the Village
- Plan Commission Meeting Draft Minutes from October 10, 2019 - Exhibit "A" to the Ordinance
- Proposed Text Amendments (if allowing) - Exhibit "B" to the Ordinance (to allow)
- Ordinance to Prohibit Recreational Cannabis Businesses in the Village
- Proposed Text Amendments (if prohibiting) - Exhibit "B" to the Ordinance (to deny)
- Memo on Revenue Estimates for Cannabis

CC: Mark Franz, Village Manager
Greg Mathews, Village Attorney
Bill Holmer, Assistant Village Manager
Chief Norton, Police Chief
Kurt Asprooth, Village Counsel

X:\Plandev\Code and Text Amendments\Code Amendments - Zoning\By Subject\Cannabis and Medical Cannabis\Recreational\Village Board Meeting\VB Memo.docx



Village of Glen Ellyn

Ordinance No. 6729-VC

**An Ordinance Approving a Text Amendment
to the Glen Ellyn Zoning Code
to Allow Recreational Cannabis Dispensaries in the Village**

**Adopted by the
President and the Board of Trustees
Of the Village of Glen Ellyn
DuPage County, Illinois
This _____ Day of _____, 20__.**

Published in pamphlet form by the authority
of the President and Board of Trustees of the
Village of Glen Ellyn, DuPage County, Illinois,
this _____ day of _____, 20__.

PREPARED BY AND MAIL TO:
VILLAGE OF GLEN ELLYN
ATTN: VILLAGE CLERK
535 DUANE STREET
GLEN ELLYN, IL 60137

Ordinance No. 6729-VC**An Ordinance Approving a Text Amendment
to the Glen Ellyn Zoning Code
to Allow Recreational Cannabis Dispensaries in the Village**

Whereas, the State adopted the Illinois Cannabis Regulation and Tax Act, Public Act 101-0027, which provides that municipalities may allow or prohibit cannabis businesses within their corporate limits; and

Whereas, the Village Board adopted Resolution 19-12 on September 9, 2019, stating that the Village does not currently have regulations for cannabis businesses and that regulations for such businesses would be drafted and reviewed within 90 days of the resolution; and

Whereas, the Plan Commission is charged with periodically reviewing and making recommendations to the Village Board on text amendments to the Zoning Code; and

Whereas, in accordance with this responsibility, following due and proper publication of notice in the Daily Herald not less than fifteen (15) nor more than thirty (30) days prior thereto, the Glen Ellyn Plan Commission conducted a public hearing on October 10, 2019 to consider text amendments to the Glen Ellyn Zoning Code; and

Whereas, several members of the public were present at the public hearing, seven (7) of which spoke against allowing recreational cannabis businesses in the Village, seven (7) of which spoke in favor of allowing recreational cannabis businesses in the Village and two (2) of which were neither for nor against allowing recreational cannabis businesses in the Village. Zero (0) members of the public spoke for or against the proposed text amendments specifically; and

Whereas, based upon the evidence, testimony, and exhibits presented at the October 10, 2019 Plan Commission public hearing, by a vote of six (6) “yes” and two (2) “no”, the Glen Ellyn Plan Commission

recommended approval of the proposed text amendments to the Glen Ellyn Zoning Code as set forth in the minutes of the October 10, 2019 Plan Commission public hearing, a draft of which is attached hereto as Exhibit “A”; and

Whereas, the Plan Commission recommended approval of the proposed text amendments to regulate recreational cannabis businesses, should the Village Board determine that the use is appropriate for the Village, however the consensus of the Plan Commission was that more evidence is required before a decision is made on approving the sale of recreational cannabis in the Village of Glen Ellyn and that by waiting to see what the impact is on other communities the Village can increase the level of confidence in making the right decision for the community; and

Whereas, the President and Board of Trustees of the Village of Glen Ellyn have reviewed the minutes from the aforementioned Plan Commission public hearing and find that it is in the best interest of the Village to allow the sale of recreational cannabis in the Village, to accept the recommendation of the Plan Commission regarding regulations for recreational cannabis dispensaries, and to amend the text of the Glen Ellyn Zoning Code, as set forth in Exhibit “B” attached hereto.

Now, Therefore, Be It Ordained by the President and Board of Trustees of the Village of Glen Ellyn, DuPage County, Illinois, in the exercise of its home rule powers, as follows:

Section One: The minutes from the October 10, 2019 Plan Commission public hearing, a draft of which is attached hereto as Exhibit “A”, are hereby accepted by the Village President and Board of Trustees.

Section Two: The Glen Ellyn Zoning Code shall be and is hereby amended as set forth in Exhibit “B”, attached hereto.

Section Three: The Director of Community Development is hereby directed to cause the text of the Glen Ellyn Zoning Code to be amended as approved by this Ordinance and said amendment shall be inserted in proper order into the Zoning Code and shall be published and made available for inspection and purchase by the general public.

Section Four: This Ordinance shall be published in pamphlet form within thirty (30) days after its approval in the manner provided by law.

Section Five: The amendment approved herein shall become effective immediately.

Passed by the President and Board of Trustees of the Village of Glen Ellyn, Illinois, this ____ day of _____, 20____.

Passed by the President and Board of Trustees of the Village of Glen Ellyn, Illinois this ____ day of _____.

Ayes		Diane McGinley		Steve Thompson		Mark Senak
		Craig Pryde		Bill Enright		Gary Fasules
		Kelli Christiansen				
Nayes		Diane McGinley		Steve Thompson		Mark Senak
		Craig Pryde		Bill Enright		Gary Fasules
		Kelli Christiansen				
Absent		Diane McGinley		Steve Thompson		Mark Senak
		Craig Pryde		Bill Enright		Gary Fasules
		Kelli Christiansen				

Approved by the Village President of the Village of Glen Ellyn, Illinois this ____ day of _____.

Village President

Attest:

Village Clerk

Ordinance 6729

Meeting of October 28, 2019

AFFIX VILLAGE SEAL

(Published in pamphlet form and posted on the _____ day of _____, 20____.)

ATTACHMENTS:

- Definitions Established by the CRTA (PDF)
- FAQ Page (PDF)
- State of Illinois Summary of HB 1438 - CRTA (PDF)
- Impacts of Marijuana Legalization, Colorado Summary, 2018 (PDF)
- List of Additional Resources (PDF)
- List of Qualifying Conditions - Medical Cannabis (PDF)
- Minutes - August 19, 2019 Village Board Workshop (PDF)
- Summary of Public Outreach & Responses 10 17 19 (PDF)
- Community Survey (PDF)
- Map 1 - Liquor License Requirements (PDF)
- Map 2 - 1,000 ft School Buffer (PDF)
- Map 3 - 1,500 ft School Buffer (PDF)
- Map 4 - 1,000 ft School & Daycare Buffer (PDF)
- Map 5 - 1,500 ft School & Daycare Buffer (PDF)
- Map 6 - Possible Medical Dispensary (Current Regulations) (PDF)
- Norton Memo to Village Board (PDF)
- Plan Commission Meeting Draft Minutes from 10.10.19 - Exhibit "A" to Ordinance (PDF)
- Proposed Text Amendments if Allowing - Exhibit "B" (PDF)
- Ordinance to Prohibit Recreational Cannabis Businesses in the Village (PDF)
- Proposed Text Amendments if Prohibiting - Exhibit "B" (PDF)
- Memo on Revenue Estimates for Cannabis (PDF)

Definitions as Established by the Cannabis Regulation and Tax Act

"Infuser organization" or "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 business establishment" means a cultivation center, craft grower, processing organization, dispensing organization, or transporting organization.

"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.

"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.

"Processing organization" or "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.

"Transporting organization" or "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.

"Advertise" means to engage in promotional activities including, but not limited to: newspaper, radio, Internet and electronic media, and television advertising; the distribution of fliers and circulars; and the display of window and interior signs.

FAQ on Recreational Cannabis and the Village of Glen Ellyn

1. When was cannabis made legal in Illinois?

On Tuesday 6/25/2019, Governor JB Pritzker signed Illinois House Bill 1438, better known as the Cannabis Regulation and Tax Act (CRTA), thus legalizing the consumption and possession of cannabis for adults 21 and older in Illinois starting January 1, 2020. Illinois is the 11th state in the country to legalize the recreational use and purchase of marijuana (after Alaska, California, Colorado, Maine, Massachusetts, Michigan, Nevada, Oregon, Vermont, and Washington).

2. How much cannabis may an individual possess?

Illinois residents may possess up to:

- 30 grams, or just over one ounce of “flower”
- 5 grams of cannabis concentrate
- 500 milligrams of THC - the chemical that makes users high – in a cannabis infused product such as gummies, candy, other consumable products (referred to as “edibles”), or tinctures, and lotions

Non-Illinois residents may legally possess up to ½ of these amounts.

3. What are the packaging requirements?

All cannabis sold by a dispensing organization to purchasers must have a warning label, be in a container or package with a label identifying, at a minimum, the name of the dispensing organization, the contents, and the weight of the raw cannabis in grams or, for cannabis products, the amount of THC in milligrams. Packaging for any product containing cannabis shall be child-resistant and light-resistant.

Packaging must not contain information that is false, promotes excessive consumption, depicts a person under 21 years of age consuming cannabis, the image of a cannabis leaf, any image designed or likely to appeal to minors (cartoons, toys, animals, etc.).

4. What is the process for a dispensing organization to sell recreational cannabis to a purchaser?

Before cannabis is dispensed:

- The age of the purchaser must be verified by checking a government-issued identification card by use of an electronic reader or electronic scanning device to scan the identification;
- The validity of the government – issued identification card must be verified;
- Any appropriate purchaser education or support materials shall be offered; and
- Information must be entered into the State’s cannabis electronic verification system, including the dispensing organizations’ agent identification number, the amount, type (including strain, if applicable) of cannabis or cannabis-infused product dispensed, and the date and time the cannabis was dispensed.

Dispensing organizations shall refuse to sell cannabis to anyone unless the person produces a valid identification showing that the person is 21 years of age or older.

5. Who can legally purchase and consume cannabis?

As a result of the new State legislation, the consumption of cannabis as of 1/1/2020, will be treated similarly to that of the consumption of alcohol with any Illinois resident, or non-resident, ages 21 or over, now being able to purchase and consume cannabis.

6. Who can legally grow and sell recreational cannabis?

Only licensed businesses will be able to legally grow and sell cannabis. Medical cannabis patients will be allowed to grow up to five plants each within their home. Recreational users will not be allowed to grow any plants.

7. Can the consumption/possession of cannabis be banned by a local municipality like Glen Ellyn?

No, municipalities cannot ban or override the CRTA. Furthermore, municipalities cannot ban residents from private cannabis consumption.

8. Will the Village have any regulatory abilities?

Yes, Section 55-25 of the Act outlines what municipalities are allowed to regulate. The Village may enact reasonable zoning regulations that do not conflict with the Act including buffers between sensitive uses. Furthermore, the Village can require Conditional/Special Use permits for cannabis businesses to impose limits on “time, place, manner, and number” of cannabis business operations. The Village is allowed to ban recreational cannabis businesses completely and may regulate or ban on premise consumption of cannabis at cannabis business establishments. The Village cannot limit hours of operation more strictly than the Act. The Village can limit the number of cannabis businesses by issuing a limited number of licenses (similar to liquor licenses). Please note, local governments are required to allow medical cannabis dispensaries subject only to local zoning provisions and cannot ban residents from using cannabis products on private property.

9. What regulatory abilities, if any, do business owners and landlords have?

Any person, business, public entity, may prohibit the use of cannabis on private property. Landlords may prohibit the smoking of cannabis on private property but cannot completely ban all use. Smoking cannabis is prohibited in any location where smoking is prohibited by the Smoke Free Illinois Act (410 ILCS 82), including hospitals, restaurants, retail stores, offices, commercial establishments, etc.

10. Will cannabis consumption be allowed in public spaces?

No, the consumption of cannabis in any public place is considered unlawful. A “public place” means any place where a person could reasonably be expected to be observed by others. This includes school grounds, correctional facilities, and unsecured possession in motor vehicles. Furthermore, it will be unlawful to knowingly consume cannabis in close physical proximity to someone under 21 who is not a registered medical cannabis patient.

11. Where will consumption be allowed?

The consumption of cannabis will be allowed on private property. Consumption may potentially be permitted at specifically designated establishments such as dispensaries or

smoking lounges if allowed by local ordinance. Smoking at dispensaries or smoking lounges would be dependent on the Village Board approving zoning for such a use.

12. Does the Act itself restrict the location of cannabis businesses or advertising?

The Recreational Cannabis Act itself prohibits a new cannabis dispensary from locating within 1,500 feet of another dispensary. Glen Ellyn may further restrict the location through reasonable zoning regulations. The Act authorizes up to 500 dispensary licenses in the state, allows dispensaries to operate from 6 a.m. to 10 p.m. and enables dispensaries, infusers and/or craft growers to share a facility if allowed by the local municipalities. The Act requires that cannabis advertising be at least 1,000 feet from school grounds, playgrounds, public recreational facilities, child care centers, public parks, public libraries, and gaming arcades (if that arcade is not limited to patrons 21+). The Act bans any sign that makes any health, medicinal, or therapeutic claims about cannabis or cannabis products, including the image of a cannabis leaf or bud, or advertises to minors (such as including cartoons, toys, or animals). Packaging will require a warning about cannabis consumption.

13. What is the Licensing Timeline?

The 55 current medical-cannabis dispensaries in the state get early approval for licenses to sell under the new Act. They may apply to dispense recreational cannabis at their current stores and for a license for a second location, meaning the state could have up to 110 recreational cannabis outlets by the time sales start January 1, 2020.

- October 15, 2019, applications for up to 75 dispensaries will be made available. These new businesses will serve in addition to (the up to 55) medical dispensaries that could get approval to serve adult recreational consumers during the transition.
- January 1, 2020, sales begin. January 7, 2020, applications for infusers, transporters, and a new category of cultivator called a craft grower will be published for business applicants.
- May 1, 2020, new state approved dispensary licenses will be issued, and the state will begin a disparity and market study of the cannabis industry.
- July 1, 2020, up to 40 craft grower and infuser licenses will be issued, along with an unlimited number of transporter licenses.

In addition to the early approval same site and secondary site licenses, the Act allows for up to 47 dispensary licenses to be awarded within the “Chicago-Naperville-Elgin” region (including Cook County, DeKalb County, DuPage County, Grundy County, Kane County, Kendall County, Lake County, McHenry County and Will County) by May 1, 2020. The applications for such licenses shall be available by October 1, 2019. 110 conditional dispensing licenses may be available in the State after January 1, 2021. Once disparity and market studies are complete, the state can issue additional licenses if needed. These licenses must take into account the findings of the disparity study.

14. What will the Village’s role be in the licensing process?

The Village would play no role in the licensing process as it is left up to the State Department of Financial and Professional Regulation (DFRP) to select and process applications for those individuals attempting to obtain a license. The 55 current medical-cannabis dispensaries are eligible for early approval of licenses to sell under the new Act.

15. Are there any changes to existing medical cannabis laws?

Yes, in August, 2019, Governor Pritzker signed SB 2023 making Illinois' medical cannabis program permanent (it was set to expire in 2020) and adding all of the medical conditions previously recommended by the Medical Cannabis Advisory Board. The governor also signed SB 455 ("Ashley's Law") increasing access for minors seeking cannabis treatment at school. After efforts led by Rep. Bob Morgan (Deerfield) to get the bills passed, the new debilitating medical conditions for Medical Cannabis Patient Program ("MCP") effective August 12, 2019 include: autism, chronic pain, irritable bowel syndrome, migraines, osteoarthritis, anorexia nervosa, Ehlers-Danlos Syndrome, Neuro-Bechet's autoimmune disease, neuropathy, polycystic kidney disease (PKD), superior canal dehiscence syndrome, and ulcerative colitis.

In addition to the added conditions, the new law also modified other parts of the MCP. For example, registered nurses and physician assistants will be able to certify a patient for the MCP and the Opioid Alternative Pilot Program ("OAPP"). The law also increased the medical cannabis minimum smoking age from 18 to 21. Persons under 21 are now prohibited from purchasing smokable medical cannabis including vaping products and associated paraphernalia.

Under the CRTA, MCP patients may grow up to five cannabis plants for personal medical consumption starting January 1, 2020, as long as the plants are out of public view and secured.

16. Is the sale of medical cannabis currently allowed in Glen Ellyn? If so, where?

Yes, by state and local ordinance, medical cannabis facilities have been allowed in Glen Ellyn since 2014. Medical cannabis dispensaries are allowed as a special use in C4 office zoning district and allowed by-right in the I1 light industrial zoning district. They are only permitted to operate between 8:00am and 6:00pm, must be at least 1,000 feet from other medical dispensaries, and cannot operate drive-throughs or perform window sales. Recreational cannabis businesses and medical cannabis businesses require separate licenses.

17. How will cannabis be taxed?

Sales will be taxed at 10% for cannabis with THC levels at or less than 35%; taxed at 25% for cannabis with THC levels above 35%; and taxed at 20% for cannabis infused products such as edibles. This is in addition to standard state and local sales taxes. Additionally, municipalities may add a special tax of up to 3% and counties may add a special tax up to 3.75% in unincorporated areas.

The municipal cannabis sales tax will be collected and enforced by the Illinois Department of Revenue (IDR), which is entitled to retain 1.5% of the amount distributed to each municipality as an administrative fee.

While the Act presently would allow for the tax to be effective not sooner than September 1, 2020, the Illinois Municipal League (IML) recommends that municipalities consider adopting the tax ordinance imposing the tax effective on January 1, 2020, and certify the ordinance to

the IDR by October 1, 2019, in anticipation of a legislative amendment to the Act that may authorize the local tax as of January 1, 2020.

Additional taxes will be collected by other government bodies including a cultivation privilege tax, cannabis purchaser excise tax, cannabis county retailers' occupation tax. State tax revenue will be placed in the Cannabis Regulation Fund. The Department of Revenue projects that this industry will generate over \$57 million in tax revenue and licensing fees in FY20.

18. How will the potential tax revenue generated be used?

Within the Act, distribution of government proceeds collected by the State associated with the sale of recreational cannabis was established as follows:

- 20% to State mental health services and substance abuse programs
- 10% to pay unpaid State bills
- 35% to the State General Revenue Fund
- 2% to public education and safety campaigns
- 8% to the Local Government Distributive Fund, for prevention and training for law enforcement
- 25% for identified social equity programs

19. How do federal laws affect Illinois' law?

Although cannabis remains illegal at the federal level, federal law enforcement has rarely interfered with individuals possessing the state regulated legal amount or businesses complying with state enforced programs.

20. How does the law effect workplace drug policies?

Nothing in the Act prohibits employers from adopting reasonable zero tolerance or drug free workplace policies, or employment policies concerning drug testing, smoking, consumption, storage, or use of cannabis in the workplace or while on call provided that the policy is applied in a nondiscriminatory manner. Nothing in the Act limits or prevents an employer from disciplining an employee or terminating employment of an employee for violating an employer's employment policies or workplace drug policy. The Act prohibits discrimination against employees for use of "lawful products" like cannabis during nonworking and non-call hours.

21. How does recreational cannabis affect criminal records?

Illinois Governor JB Pritzker has stated that he will pardon past convictions for possession of up to 30 grams, with the attorney general going to court to delete public records of a conviction or arrest for the now legal amount. Regarding possession of 30-500 grams, an individual or a state's attorney may petition the court to vacate or expunge the conviction. If the cannabis offense was connected to a violent crime it is ineligible for the *automatic* expungement processes but the individual (or State's Attorney) can still file a motion with the court to vacate conviction.

- Arrest records between January 1, 2013 and effective date must be expunged by January 1, 2021

- Arrest records between January 1, 2000, and January 1, 2013, must be expunged by January 1, 2023
- Arrest records prior to January 1, 2000, must be expunged prior to January 1, 2025.

Records will be expunged if one year or more has elapsed since the date of the arrest with no criminal charges filed or charges were subsequently dismissed, vacated, or the individual was acquitted. Many of the records will relate to municipal code violations, which will be required to be expunged according to the schedule described in the bill as outlined above.

22. How will DUI's be addressed under the new law?

- Driving under the influence of cannabis will continue to be illegal.
- The act allows for use of validated roadside chemical tests or standardized field sobriety tests approved by the national Highway Traffic Safety Administration when conducting investigation of a violation of Section 625 ILCS 5/11-501 of the Motor Vehicle Code or a similar local ordinance by drivers suspected of driving under the influence of cannabis.
- The results of validated roadside chemical test and standardized filed sobriety tests, under the Act, are admissible at a civil or criminal trial or proceeding for an arrest for a cannabis-related offense as defined in Section 11-501 of the Illinois Vehicle Code or a similar local ordinance.
- The Act creates a DUI Cannabis Task Force to examine best practices for enforcement of driving under the influence of cannabis and emerging technology in roadside testing.
- The Act created various statutory presumptions applicable to cannabis DUIs:
 - THC concentration of 5 nanograms or more in whole blood or 10 nanograms or more in another bodily substance creates a presumption that a person was under the influence of cannabis; and
 - THC concentration of less than 5 nanograms in whole blood or less than 10 nanograms in another bodily substance does not give rise to a presumption that the person was or was not under the influence of cannabis, but may be considered with other competent evidence in determining whether the person was under the influence of cannabis.
- The refusal to submit to a chemical test will result in the imposition of driver's license sanctions under Section 11-501.1 of the Illinois Motor Vehicle Code.
- The refusal to take a validated roadside chemical test or a standardized field sobriety test is admissible in any civil or criminal action or proceeding regarding impairment by use of cannabis.
- An authorized medical cannabis patient who drives is deemed to have given consent to (i) validated roadside chemical test or (ii) standardized field sobriety tests.
- Law enforcement officers must have an independent, cannabis-related factual basis giving reasonable suspicion that a person is driving, or in actual physical control of, a motor vehicle while impaired by the use of cannabis to conduct a validated roadside chemical test or standardized filed sobriety tests.

ADULT USE CANNABIS SUMMARY

The following summarizes the major elements HB 1438 – The Cannabis Regulation and Tax Act.

PERSONAL USE OF CANNABIS

Starting January 1, 2020, adults over 21 will be able to legally purchase cannabis for recreational use from licensed dispensaries across the state.

- Possession limit for Illinois residents:
 - 30 grams of cannabis flower;
 - 5 grams of cannabis concentrate; and
 - No more than 500 milligrams of THC contained in a cannabis-infused product; and
 - Registered patients in the medical cannabis pilot program may possess more than 30 grams of cannabis if it is grown and secured in their residence under certain conditions.
- Possession limit for non-Illinois residents:
 - 15 grams of cannabis flower;
 - 2.5 grams of cannabis; and
 - No more than 250 milligrams of THC contained in a cannabis-infused product.
- The possession limits are to be considered cumulative.

COMPASSIONATE USE OF MEDICAL CANNABIS PILOT PROGRAM

- The legalization of adult use cannabis does not alter the state’s medical cannabis pilot program.
- Cultivators and dispensaries will be required to reserve sufficient supply to ensure patient access to product is not interrupted.

PROMOTING EQUITY

- Creation of a \$30 million low-interest loan program
 - DCEO will administer a low-interest loan program to qualified “social equity applicants” to help defray the start-up costs associated with entering the licensed cannabis industry.
- Establishment of a “social equity applicant” status for licensing
 - A social equity applicant is an Illinois resident that meets one of the following criteria:
 - Applicant with at least 51 percent ownership and control by one or more individuals who have resided for at least 5 of the preceding 10 years in a disproportionately impacted area.

- Applicant with at least 51 percent ownership and control by one or more individuals who have been arrested for, convicted of, or adjudged to be a ward of the juvenile court for any offense that is eligible for expungement under this Act or member of an impacted family;
 - For applicants with a minimum of 10 full-time employees, an applicant with at least 51% of current employees who:
 - Currently reside in a disproportionately impacted area; or
 - Have been arrested for, convicted of, or adjudged to be a ward of the juvenile court for any offense that is eligible for expungement under this Act or member of an impacted family.
- Application for new entrants to the market
 - The Act contains the scoring criteria that the Illinois Department of Financial and Professional Regulation will utilize to score applications for new dispensing organizations.
 - 50 out of 250 points, or 20 percent of the total points available, are designated for applicants that qualify as “social equity applicants.”
 - The remainder of the points are designated for the following:
 - 65 points – security and record keeping
 - 65 points – business plan, financials, operating and floor plan
 - 30 points – knowledge and experience
 - 15 points – suitability of employee training plan
 - 5 points – labor and employment practices
 - 5 points – environmental plan
 - 5 points – Illinois owner (51 percent or more of ownership)
 - 5 points – status as a veteran (51 percent or more of ownership)
 - 5 points – diversity plan
 - IDFP may award up to 2 bonus points for a plan to engage with the community the applicant will be located in.
 - The Department of Agriculture will develop a similar application scoring system through the rulemaking process for cultivation centers, infusers, craft growers and transporting organizations.
 - The application for each license type will designate 20 percent of the total points for applicants that qualify as “social equity applicants.”
- Fee waivers
 - The Department of Financial and Professional Regulation and the Department of Agriculture will waive 50 percent of any non-refundable license application fees and any non-refundable fees associated with purchasing a license to operate a cannabis business establishment if social equity applicants meet certain conditions.

- Reducing up-front costs
 - Applicants who receive a conditional dispensing organization license will have 180 days from the date of the award to identify a physical location for the dispensing organization retail storefront when new entrants are allowed in the market. This will reduce the costs associated with entering the industry.
- Limitations on ownership
 - No person or entity shall hold any legal, equitable, or beneficial interest, directly or indirectly, of more than 3 cultivation centers.
 - No person or entity shall hold any legal, equitable, or beneficial interest, directly or indirectly, of more than 10 dispensing organizations.
 - No craft grower license shall be issued to a person who is licensed by any licensing authority as a cultivation center.
 - No person or entity shall hold any legal, equitable, ownership, or beneficial interest, directly or indirectly, of more than three craft grower licenses under this article.
- Identification of “disproportionately impacted areas”
 - DCEO will designate “disproportionately impacted areas” for social equity applicants
 - “Disproportionately impacted area” is defined as a geographic area that is economically disadvantaged and has been impacted by high rates of arrest, conviction, and incarceration for violations of the Cannabis Control Act.

ACHIEVING EQUITY THROUGH OWNERSHIP AND LICENSURE

The following process is designed to ensure the most equitable marketplace in the country.

- Early approval adult use license for current medical cannabis license holders
 - Timeline for licensing
 - Cultivation organizations:
 - Medical cannabis cultivators may apply for a license within 60 days of the effective date of the Act.
 - Licenses will be distributed to eligible applicants within 14 days if certain conditions are met.
 - Dispensing organizations:
 - Medical cannabis dispensaries may apply for a license within 60 days of the effective date of the Act.
 - Licenses will be distributed to eligible applicants within 14 days if certain conditions are met.
 - These entities may apply for a second license at a new location under the same parameters.

- Licensing costs for early approval adult use licenses
 - Cultivation organizations:
 - Non-refundable application fee: \$100,000
 - Cannabis business development fund fee: 5% of total sales between June 1, 2018 to June 1, 2019 or \$750,000, whichever is less, but not less than \$250,000.
 - Dispensing organizations:
 - License 1
 - Non-refundable application fee: \$30,000
 - Cannabis business development fund fee: 3% of total sales between June 1, 2018 to June 1, 2019 or \$100,000, whichever is less.
 - License 2
 - Non-refundable application fee: \$30,000
 - Cannabis business development fund fee: \$200,000
- New entrants to the adult use cannabis market
 - License types
 - Cultivation centers
 - Craft growers
 - Infusers
 - Transporting organizations
 - Dispensing organizations
 - Timeline
 - WAVE 1
 - Department of Financial and Professional Regulation
 - May 1, 2020: The agency awards licenses for up to 75 new dispensing organizations
 - Department of Agriculture
 - July 1, 2020: The agency awards up to 40 licenses for infusers, up to 40 licenses for craft growers, and licenses for transporting organizations.
 - WAVE 2
 - Department of Financial and Professional Regulation
 - December 21, 2021: The agency awards up to 110 licenses for new dispensing organizations
 - Department of Agriculture

- December 21, 2021: The agency awards up to 60 additional licenses for craft growers, up to 60 licenses for infusers, and licenses for transporting organizations.
- Licensing costs for new entrants to the market
 - Craft growers
 - Non-refundable application fee \$5,000
 - License fee \$40,000
 - Infusers
 - Non-refundable application fee \$5,000
 - License fee \$5,000
 - Transporting organizations
 - Non-refundable application fee \$5,000
 - License fee \$10,000
 - Dispensing organizations
 - Non-refundable application fee \$5,000
 - License fee \$60,000

INVESTING IN COMMUNITIES THAT SUFFERED THROUGH THE WAR ON DRUGS

- The proposal would establish a new grant program, the Restore, Reinvest, and Renew (R3) program, to address the impact of economic disinvestment, violence, and the historical overuse of the criminal justice system.
- R3 program overview
 - The Illinois Criminal Justice Information Authority (ICJIA), in coordination with the Justice, Equity, and Opportunity Initiative of the Lieutenant Governor's Office, will identify designate "R3 Areas."
 - The R3 Program Board will consist of over 22 members and be chaired by the Lieutenant Governor, or her designee.
 - The R3 Program Board will solicit applications from eligible R3 Areas, review applications and approve the distribution of resources, and monitor and evaluate R3 programs.
 - Grant funds will be awarded by ICJIA, in coordination with the R3 Program Board.
 - Grants shall be used to address economic development, violence prevention services, re-entry services, youth development, and civil legal aid.
 - The ROC Board will deliver an annual report to the Governor's Office about its progress.

PROVIDING RELIEF FOR MINOR VIOLATIONS OF THE CANNABIS CONTROL ACT

- Category 1: Local law enforcement and ISP will automatically expunge arrests not leading to a conviction for possession and manufacture or possession with intent to deliver for up to 30 grams.

- Eligible records = arrests for section 4 and section 5 of the Cannabis Control Act for amounts less than 30 grams. Must not be associated with a violent crime or a penalty enhancement for selling to a person under the age of 18 if the individual was over 18.
 - Local law enforcement will identify all eligible records and automatically expunge records that did not result in a conviction by the following deadlines:
 - Arrest records between January 1, 2013 and effective date must be expunged by January 1, 2021
 - Arrest records between January 1, 2000, and January 1, 2013, must be expunged by January 1, 2023
 - Arrest records prior to January 1, 2000, must be expunged prior to January 1, 2025.
 - Records will be expunged if one year or more has elapsed since the date of the arrest with no criminal charges filed or charges were subsequently dismissed, vacated, or the individual was acquitted.
- Category 2: Governor will grant pardons authorizing expungement for convictions for possession and manufacture or possession with intent to deliver for up to 30 grams.
 - Eligible records = convictions for Section 4 and Section 5 of the Cannabis Control Act for amounts less than 30 grams. Must not be associated with a violent crime or a penalty enhancement for selling to a person under the age of 18 if the individual was over 18.
 - ISP will identify all eligible convictions based on criminal history records and provide data to Prisoner Review Board (PRB) within 180 days of effective date.
 - PRB will review records for eligibility to ensure that they are the proper convictions and that conviction is not associated with excluded violent crime. PRB will provide notice to State's Attorney of any felony conviction eligible for clemency and provide State's Attorney 60 days to file a written objection on the basis that record is ineligible.
 - Governor will issue pardons authorizing expungement.
 - Attorney General, on behalf of Prisoner Review Board, will file a petition with circuit court to expunge records of convictions that were granted clemency. Courts have 90 days to enter an order that directs ISP, local arresting authority, and court to expunge relevant records.
- Category 3: Individuals and State's Attorneys may file motions with courts to vacate convictions for possession up to 500 grams.
 - Eligible records = convictions for possession and manufacture/delivery/possession with intent to deliver under Section 4 and Section 5 of the Cannabis Control Act, including possession up to 500 grams. No limitations on associated with violent crime.
 - Individual or State's Attorneys may file motions with the circuit court where the conviction was entered asking the court to vacate the conviction and expunge court, law enforcement and ISP records.

- State's Attorneys may file an objection.
 - Court will consider reasons to retain the records (if provided by law enforcement), the petitioner's current age and age at the time of conviction, time elapsed since conviction, and any adverse consequences to individual if denied.
 - Motions must be filed after completion of any sentence or condition imposed by the conviction.
 - State's Attorneys and civil legal aid organizations (on behalf of clients) may file motions to vacate that includes more than one individual at a time.
- Exclusions: Violent Crimes
 - If the cannabis offense was connected to a violent crime it is ineligible for the automatic expungement processes, but the individual (or State's Attorney) can still file motion with the court to vacate conviction. This list of violent crimes comes from the Rights of Crime Victims and Witnesses Act.
 - any felony in which force or threat of force was used against the victim;
 - any offense involving sexual exploitation, sexual conduct, or sexual penetration;
 - crimes related to child pornography, posting of pornographic material of a person under 17 years of age or non-consensual dissemination of private sexual images;
 - domestic battery or stalking;
 - violation of an order of protection, a civil no contact order, or a stalking no contact order;
 - any misdemeanor which results in death or great bodily harm to the victim; or
 - involuntary manslaughter and reckless homicide.

Below is a table of the current law and the category of expungement that each falls under; please note that the possession amounts were different pre-2016.

Section 4 (Possession)			
Unlawful for any person knowingly to possess cannabis in the following amounts			
(a) <10g	Civil law violation	Fees; May be given probation and charges dismissed §10(a)	Governor's Clemency Authority/Automatic Law Enforcement Expungement
(b) 10-30g	Class B Misdemeanor	<6 months; May be given probation and charges dismissed §10(a)	Governor's Clemency Authority/Automatic Law Enforcement Expungement

(c) 30-100g	Class A Misdemeanor	<1 year; May be given probation and charges dismissed §10(a)	Individual/State's Attorney Motions to Vacate
(d) 100- 500g	Class 4 Felony	1-3 years	Individual/State's Attorney Motions to Vacate
Section 5 (Manufacture, deliver or intent to deliver) Unlawful for any person knowingly to manufacture, deliver, or possess with intent to deliver or manufacture cannabis in the following amounts			
(a) <2.5g	Class B Misdemeanor	<6 months; May be given probation and charges dismissed §10(a)	Governor's Clemency Authority/Automatic Law Enforcement Expungement
(b) 2.5-10g	Class A Misdemeanor	<1 year; May be given probation and charges dismissed §10(a)	Governor's Clemency Authority/Automatic Law Enforcement Expungement
(c) 10-30g	Class 4 Felony	1-3 years; May be given probation and charges dismissed §10(a)	Governor's Clemency Authority/Automatic Law Enforcement Expungement

EMPLOYMENT

- Nothing in the Act prohibits employers from adopting reasonable zero tolerance or drug free workplace policies, or employment policies concerning drug testing, smoking, consumption, storage, or use of cannabis in the workplace or while on call provided that the policy is applied in a nondiscriminatory manner.
- Nothing in the Act limits or prevents an employer from disciplining an employee or terminating employment of an employee for violating an employer's employment policies or workplace drug policy.

ILLINOIS COMMUNITY COLLEGE CANNABIS VOCATIONAL PILOT PROGRAM

- The Department of Agriculture, in coordination with the Illinois Community College Board, will oversee the program.
- Up to 8 community colleges will be awarded a program license by September 1, 2020.
- Community colleges awarded the program license may initiate programs starting in the 2021-2022 academic year.
- Students must be at least 18 years old to enroll in this course of study.
- Students who complete the coursework will receive a 'career in cannabis certificate.'

TAXATION

- All tax revenue is deposited in the new Cannabis Regulation Fund

- Cultivation privilege tax
 - 7% of the gross receipts from the sale of cannabis by a cultivator or a craft grower to a dispensing organization
- Cannabis purchaser excise tax:
 - 10% of the purchase price – Cannabis with a THC level at or below 35%
 - 20% of the purchase price – All cannabis infused products
 - 25% of the purchase price – Cannabis with a THC level above 35%
 - This tax is not imposed on cannabis that is subject to tax under the Compassionate Use of Medical Cannabis Pilot Program Act
 - This tax shall be in addition to all other occupation, privilege, or excise taxes imposed by the State of Illinois or by any municipal corporation or political subdivision thereof.
- Municipal Cannabis Retailers' Occupation Tax
 - On and after January 1, 2020, the corporate authorities of a municipality may, by ordinance, impose a tax on all persons engaged in the business of selling cannabis at retail locations in the municipality on the gross receipts from these sales.
 - If imposed, the tax shall be imposed in 0.25% increments
 - The tax may not exceed 3% of the gross receipts from these sales
- Cannabis County Retailers' Occupation Tax
 - On and after January 1, 2020, the corporate authorities of a county may, by ordinance, impose a tax on all persons engaged in the business of selling cannabis at retail locations in the county on the gross receipts from these sales.
 - If imposed, the tax shall be imposed in 0.25% increments
 - The tax rate may not exceed:
 - 3.75% of the gross receipts of sales made in unincorporated areas of the county
 - 0.75% of the gross receipts of sales made in a municipality located in a non-home rule county
 - 3% of the gross sales receipts made in a municipality located in a home rule county.

ALLOCATION OF STATE REVENUE

- Tax revenue will be deposited in the new Cannabis Regulation Fund
- State agencies responsible for administering the adult use cannabis program will receive resources to cover administrative costs from the taxes collected by the program.
- All remaining revenue will be allocated as follows:
 - 35% will be transferred to the General Revenue Fund,
 - 25% will be transferred to the Criminal Justice Information Projects Fund to support the R3 program,
 - 20% will be transferred to the Department of Human Services Community Services Fund to address substance abuse and prevention and mental health concerns,

- 10% will be transferred to the Budget Stabilization Fund to pay the backlog of unpaid bills,
- 8% will be transferred to the Local Government Distributive Fund to support crime prevention programs, training, and interdiction efforts, including detection, enforcement, and prevention efforts, relating to the illegal cannabis market and driving under the influence of cannabis, and
- 2% will be transferred to the Drug Treatment Fund to fund public education campaign and to support data collection and analysis of the public health impacts of legalizing the recreational use of cannabis.

GOVERNANCE

- Governor's Office
 - The Governor will appoint a Cannabis Regulation Oversight Officer who will be stationed in IDFP. This person, and his or her team, will have the authority to make statutory and regulatory recommendations concerning the adult use program. This person will also coordinate efforts between state agencies involved in regulating and taxing the sale of cannabis in Illinois.
- Department of Revenue
 - Responsible for enforcing and collecting taxes associated with the sale of cannabis.
- Department of Agriculture
 - Responsible for licensure and oversight of cultivation centers, craft growers, infusers, and transporting organizations.
 - Responsible for authorizing laboratories that test cannabis
 - Responsible for establishing, in coordination with the Illinois Community College Board, the Community College Cannabis Vocational Training Pilot Program
- Department of Financial and Professional Regulation
 - Responsible for licensure and oversight of dispensing organizations.
- Illinois State Police
 - Responsible for conducting background checks on everyone involved in the licensed cannabis sector.
 - Responsible for reviewing security plans for all licensed entities.
 - Responsible for reviewing all criminal history record information and identifying all individuals with minor violations of the Cannabis Control Act that are eligible for expungement.
- Department of Public Health
 - Responsible for developing recommendations surrounding health warnings and facilitating the Adult Use Cannabis Public Health Advisory Committee.
- Department of Commerce and Economic Opportunity
 - Responsible for administering a low-interest loan program, a grant program, and technical assistance for social equity applicants.
 - Responsible for identifying 'disproportionately impacted areas'
- Department of Human Services

- Responsible for administering programs that address substance abuse and prevention and mental health
- Responsible for making recommendations to the Adult Use Cannabis Public Health Advisory Committee regarding drug treatment and prevention.
- Responsible administering a public education campaign and collecting data and conducting analysis of the public health impacts of legalizing the recreational use of cannabis.
- Illinois Criminal Justice Information Authority
 - Responsible for designating R3 areas across the state that may apply for funding from the R3 Program Board for community reinvestment.
- Illinois Community College Board
 - Responsible for establishing, in coordination with the Department of Agriculture, the Community College Cannabis Vocational Training Pilot Program

PUBLIC HEALTH AND SAFETY

- Twenty percent of the revenue generated by the sale of adult use cannabis will support efforts to address substance abuse and prevention and mental health.
- DUI Cannabis Task Force
 - The Task Force will be chaired by the director of the State Police, or his or her designee.
 - The Task Force will examine best practices in the area of driving under the influence of cannabis enforcement, including examining emerging technology in roadside testing.
 - The Task Force will present its report and recommendations on improvements to enforcement of driving under the influence of cannabis to the Governor and the General Assembly by July 1, 2020.
- Advertising
 - No cannabis business establishment nor any other person or entity shall engage in advertising that contains any statement or illustration that:
 - Is false or misleading;
 - Promotes overconsumption or cannabis or cannabis products;
 - Depicts the actual consumption of cannabis or cannabis products;
 - Depicts a person under 21 years of age consuming cannabis;
 - Makes any health, medicinal, or therapeutic claims about cannabis or cannabis products;
 - Includes the image of a cannabis leaf or bud; or
 - Includes any image designed or likely to appeal to minors, including cartoons, toys, animals, or children, or any other likeness to images, characters, or phrases that is designed in any manner to be appealing to or encourage consumption of persons under 21 years of age.

- No cannabis business establishment nor any other person or entity shall place or maintain, or cause to be placed or maintained, an advertisement of cannabis or a cannabis infused product in any form through any medium:
 - Within 1,000 feet of the perimeter of a school grounds, a playground, a recreation center or facility, a child care center, a public park or public library, or a game arcade to which admission is not restricted to persons 21 years of age or older;
 - On or in a public transit vehicle or public transit shelter;
 - On or in a publicly owned or public operated property; or
 - That contains information that:
 - Is false or misleading;
 - Promotes excessive consumption;
 - Depicts a person under 21 years of age consuming cannabis;
 - Includes the image of a cannabis leaf; or
 - Includes any image designed or likely to appeal to minors, including cartoons, toys, animals, or children, or any other likeness to images, characters, or phrases that are popularly used to advertise to children, or any imitation of candy packaging or labeling, or that promotes the consumption of cannabis.
 - These restrictions do not apply to an educational message
 - No cannabis business establishment nor any other person or entity may encourage the sale of cannabis or cannabis products by giving away cannabis or cannabis products, by conducting games or competitions related to the consumption of cannabis or cannabis products, or by providing promotional materials or activities of a manner or type that would be appealing to children.
- Packaging requirements
 - The following warnings shall apply to all cannabis products: “This product contains cannabis and is intended for use by adults 21 and over. Its use can impair cognition and may be habit forming. This product should not be used by pregnant or breastfeeding women. It is unlawful to sell or provide this item to any individual, and it may not be transported outside the state of Illinois. It is illegal to operate a motor vehicle while under the influence of cannabis. Possession or use of this product may carry significant legal penalties in some jurisdictions and under federal law.”
 - All harvested cannabis intended for distribution to a cannabis enterprise must be packaged in a sealed, labeled container.
 - Packaging of any product containing cannabis shall be child-resistant and light-resistant consistent with current standards, including the Consumer Product Safety Commission standards referenced by the Poison Prevention Act.

- The label of each cannabis product shall contain, among other things, a “use by” date on the label, the quantity of cannabis contained in the product, and a content list.
- All cannabis products must contain warning statements established for consumers, of a size to be legible and readily visible to a consumer inspecting a package, which may not be covered or obscured in any way.
- Packaging must not contain information that:
 - Is false or misleading;
 - Promotes excessive consumption;
 - Depicts a person under 21 years of age consuming cannabis;
 - Includes the image of a cannabis leaf;
 - Includes any image designed or likely to appeal to minors, including cartoons, toys, animals, or children, or any other likeness to images, characters, or phrases that are popularly used to advertise to children, or any packaging or labeling that bears resemblance to any product available for consumption as a commercially available candy, or that promotes consumption of cannabis;
 - Contains any seal, flag, crest, coat of arms, or other insignia likely to mislead the consumer to believe that the product has been endorsed, made or used by the State of Illinois.

LOCAL ORDINANCES

- A unit of 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.
- Voters in any precinct within a municipality that has a population greater than 500,000 residents may petition their alderman seeking an ordinance to establish the precinct as a ‘restricted cannabis zone.’ The ordinance may prohibit home cultivation, cannabis business establishments, or both.
- Municipalities may enact reasonable zoning restrictions pertaining to licensed cultivation centers, craft growers, processing organizations, and dispensaries.
- A unit of local government, including a home rule unit, or any non-home rule county 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.

HOME GROW

- Illinois residents who are 21 years or older and registered participants in the Compassionate Use of Medical Cannabis Pilot Program may cultivate cannabis plants.
 - The grower must live in a household that owns the residence or has permission from the owner.

- The grower is limited to growing no more than 5 plants that are five inches or taller.
- The grower shall take reasonable precautions to ensure that plants are secure from unauthorized access.
- If the grower violates the terms of the Act, that person is liable for penalties as provided by law as well as the loss of home cultivation privileges as established by rule.

PROJECTED REVENUE

- The Department of Revenue projects that this industry will generate over \$57 million in tax revenue and licensing fees in FY20.
 - This figure represents the combined revenue projections that Governor's Office received from the Department of Revenue concerning the taxation of cannabis as well as the application and licensing fees estimated by the Department of Agriculture and the Department of Financial and Professional Regulation.
 - Breakdown
 - DOR tax revenue: \$34 million (midpoint of the range projected by DOR: 10-58 million)
 - DOA estimate: \$12.7 million
 - IDFPR estimate: \$10.78 million
- The Department of Revenue estimates that the state will generate \$140.5 million in tax revenue in FY21.
 - This excludes agencies' application and licensing fees as the program continues to expand.
- The Department of Revenue projects significant revenue growth as the cannabis market matures in Illinois. The state could generate \$253.5 million in FY22, \$323.5 million in FY23, and \$375.5 million in FY24.

Marijuana Legalization in Colorado: Early Findings

A Report Pursuant to Senate Bill 13-283

March 2016



Colorado Department of Public Safety
Division of Criminal Justice
Office of Research and Statistics

700 Kipling St., Denver, Colorado 80215
<https://www.colorado.gov/pacific/dcj-ors>

EXECUTIVE SUMMARY

In 2013, following the passage of Amendment 64 which allows for the retail sale and possession of marijuana, the Colorado General Assembly enacted Senate Bill 13-283. This bill mandated the Division of Criminal Justice in the Department of Public Safety to conduct a study of the impacts of Amendment 64, particularly as these relate to law enforcement activities. This report seeks to establish and present the baseline measures for the metrics specified in S.B. 13-283, codified as C.R.S. 24-33.4-516.

The majority of the information presented here should be considered pre-commercialization, baseline data because much of the information is available only through 2014, and data sources vary considerably in terms of what exists historically. Consequently, it is too early to draw any conclusions about the potential effects of marijuana legalization or commercialization on public safety, public health, or youth outcomes, and this may always be difficult due to the lack of historical data. Furthermore, the information presented here should be interpreted with caution. The decreasing social stigma regarding marijuana use could lead individuals to be more likely to report use on surveys and to health workers in emergency departments and poison control centers, making marijuana use appear to increase when perhaps it has not. Finally, law enforcement officials and prosecuting attorneys continue to struggle with enforcement of the complex and sometimes conflicting marijuana laws that remain. Thus, the lack of pre-commercialization data, the decreasing social stigma, and challenges to law enforcement combine to make it difficult to translate these early findings into definitive statements of outcomes.

Recognizing the challenges involved in interpreting the data presented here, the following findings are summarized in this report:

Public Safety

- The total number of marijuana arrests decreased by 46% between 2012 and 2014, from 12,894 to 7,004 (Table 1). Marijuana possession arrests, which make up the majority of all marijuana arrests, were nearly cut in half (-47%). Marijuana sales arrests decreased by 24%, while arrests for marijuana production did not change appreciably (-2%). Marijuana arrests that were unspecified, meaning the specific reason for the arrest was not noted by law enforcement, went down by 42%.
- As a share of all arrests in Colorado, marijuana was responsible for 6% of all arrests in 2012 and 3% in 2014.
- The number of marijuana arrests decreased by 51% for Whites, 33% for Hispanics, and 25% for African-Americans. The marijuana arrest rate for African-Americans (348 per 100,000) was almost triple that of Whites (123 per 100,000) in 2014.
- Ten major Colorado counties (Adams, Arapahoe, Boulder, Broomfield, Douglas, El Paso, Jefferson, Larimer, Mesa, and Weld) showed a decrease in arrests, ranging between -30% (El Paso) and -63% (Adams). The average decrease across these 10 counties was -46%. Denver's

reported marijuana arrest data for 2012 and 2013 was incomplete due to separate jail arrest and citation systems. Cite and release data were not reported to the Colorado Bureau of Investigation until July 2013. Additionally, the 2014 arrest data reported by Denver include a non-criminal civil citation, which lead to an over-reporting of marijuana arrests for that year. See [Appendix L, Table 16](#) for internal marijuana arrest data from the Denver Police Department.

- In terms of court filings, the total number of marijuana-related filings declined 81% between 2012 and 2015, from 10,340 to 1,954. The number of felony filings declined 45% (1,023 to 566), misdemeanors declined 1% (586 to 409), and petty offenses dropped 89% (8,728 to 979) between 2012 and 2015. The charge of marijuana possession dropped 88% (9,130 to 1,068).
 - Filings fell 69% for juveniles 10 to 17 years old, 78% for young adults 18 to 20 years old, and 86% for adults 21 or older.
- In terms of organized crime, between 2012 and 2015 there were 88 filings under the Colorado Organized Crime Control Act (C.R.S.18-17.104) that were in conjunction with some marijuana charge, including distribution (56), conspiracy (16), manufacture (10), and possession with intent to sell (6).
- The most common marijuana industry-related crime in Denver is burglary, accounting for 63% of marijuana crime related to the industry in 2015.
- Traffic safety data is limited, but the Colorado State Patrol (CSP) found that the number of summons issued for Driving Under the Influence in which marijuana or marijuana-in-combination with other drugs decreased 1% between 2014 and 2015 (674 to 665).
 - The prevalence of marijuana or marijuana-in-combination identified by CSP as the impairing substance increased from 12% of all DUIs in 2014 to 15% in 2015.
 - The Denver Police Department found summons where marijuana or marijuana-in-combination was recorded increased from 33 to 73 between 2013 and 2015. Citations for marijuana or marijuana-in-combination account for about 3% of all DUIs in Denver. Toxicology results from Chematox Laboratory showed an increase in positive cannabinoid screens for drivers, from 57% in 2012 to 65% in 2014. Of those that tested positive on the initial screen, the percent testing positive for delta-9 Tetrahydrocannabinol (THC) at 2 nanograms/millileter rose from 52% in 2012 to 67% in 2014.
 - Fatalities with THC-only or THC-in-combination positive drivers increased 44%, from 55 in 2013 to 79 in 2014. Note that the detection of any THC in blood is not an indicator of impairment but only indicates presence in the system. Detection of delta-9 THC, one of the psychoactive properties of marijuana, may be an indicator of impairment.



- The percent of 18 to 25 year-old probationers testing positive for THC is stable, with 33% in 2012 and 32% in 2014. The percent of 26 or older probationers testing positive for THC is stable, with 21% in 2012 and 20% in 2014.
- Regarding illegal cultivation on public land, the number of seizures or plants seized on public lands shows no discernible trend.
- In terms of assessing the extent of diversion of marijuana to other states, the Colorado Information Analysis Center (CIAC) compiled data from a service called Black Asphalt, an online forum for law enforcement drug interdiction with more than 20,000 active members. From January 1, 2014 to August 30, 2015 there were 261 drug-related interdiction submissions in which Colorado was the initiating state. Of those 261 submissions, 169 (65%) were for marijuana/hashish.

Public Health

- According to the National Survey on Drug Use and Health, administered by the Substance Abuse and Mental Health Services Administration, the current prevalence rates for marijuana usage in the past 30 days have increased significantly for young adults (18 to 25 years old), from 21% in 2006 (pre-commercialization) to 31% in 2014 (post-commercialization). Reported current marijuana use by adults (26 years or older) increased significantly, from 5% in 2006 to 12% in 2014.
- The Colorado Behavioral Risk Factor Surveillance System (BRFSS) is a statewide telephone survey conducted by the Colorado Department of Public Health and Environment (CDPHE). In 2014 the BRFSS was expanded to include questions about marijuana use. Overall, in 2014, 14% of adults reported marijuana use in the past 30 days and 33% of current users reported using daily.
- The Colorado Department of Public Health and Environment analyzed data from the Colorado Hospital Administration and categorized visits according to determine if the visit indicated possible marijuana exposure or used a diagnosis/billing code indicating marijuana.
 - Hospitalizations with possible marijuana exposures, diagnoses, or billing codes per 100,000 hospitalizations increased from 803 per 100,000 before commercialization (2001-2009) to 2,413 per 100,000 after commercialization (2014-June 2015).
 - The period of retail commercialization showed a significant increase in emergency department visits, from 739 per 100,000 (2010–2013) to 956 per 100,000 ED visits (2014–June 2015).
- The number of calls to poison control mentioning human marijuana exposure has increased over the past 10 years. There were 44 calls in 2006 and 227 in 2015.

Youth Impacts

- Data on youth marijuana use is available from two sources, the Healthy Kids Colorado Survey, with 40,000 students responding in 2013 and the National Survey on Drug Use and Health, with fewer than 1,000 respondents.

- The HKCS results indicate a slight decline in “past 30 day use” of marijuana while the NSDUH shows a gradual increase over time. In 2013, the HKCS found that 80% of high school students *did not* use marijuana in the past 30 days. The HKCS shows that marijuana use increases by grade level, and the NSDUH shows that youth use of marijuana in Colorado is above the national average. The perception of health risk of using marijuana is declining among youth in Colorado, according to both surveys.
- The number of juvenile marijuana arrests increased 5%, from 3,234 in 2012 to 3,400 in 2014. The rate of juvenile marijuana arrests per 100,000 increased from 598 in 2012 to 611 in 2014 (+2%).
 - The number of White juvenile arrests decreased from 2,198 in 2012 to 2,016 in 2014 (-8%).
 - The number of Hispanic juvenile arrests increased from 778 in 2012 to 1,006 in 2014 (+29%).
 - The number of African-American juvenile arrests increased from 205 in 2012 to 324 in 2014 (+58%).
- Data on drug tests from the Division of Probation Services shows that the percent of 10- to 14-year-old group testing positive for THC one or two times increased from 19% in 2012 to 23% in 2014, while the percentage testing positive three or more times went from 18% to 25%. The percent of 15- to 17-year-olds testing positive one or two times went down slightly, from 26% in 2012 to 25% in 2014, while those testing positive three or more times increased from 23% to 25%.
- The Colorado Department of Education data shows that that drug suspension rates increased from 391 (per 100,000 registered students) in the 2008-09 school year to 506 in 2009-10. The drug suspension rate has fluctuated somewhat since then and was 509 in the 2014-15 school year. The drug expulsion rate was 65 (per 100,000 registered students) in the 2008-09 school year, increasing to 90 in 2009-10, and then decreasing to 50 by 2014-15.
 - In the 2014-15 school year, discipline for drugs accounted for 41% of all expulsions, 31% of all law enforcement referrals, and 6% of all suspensions in Colorado.
 - Note that Senate Bill 12-046 and House Bill 12-1345 targeted reform of “zero tolerance” policies in schools, and appear to have decreased expulsions, suspensions, and referrals to law enforcement.¹ To assess drug-endangered children, data from CDPHE’s Child Health Survey (targeting parents with children ages 1-14) was obtained. Of parents with children ages 1–14, 6.9% have some type of marijuana product around the house. When asked about where it is kept, 92% report storing it in a location the child cannot access

Additional Information

¹ See Rosa, J., Krueger, J., and Severson, A. (May 2015). *Moving from Zero Tolerance to Supportive School Discipline Practices*. Office of Dropout Prevention and Student Re-engagement, Colorado Department of Education.



- In December 2015, there were 2,538 licensed businesses in Colorado. Seventy percent of the licenses for marijuana businesses are concentrated in the counties of Denver (1,112), El Paso (308), Pueblo (202), and Boulder (169).
- Total revenue from taxes, licenses, and fees increased from \$76,152,468 in 2014 to \$135,100,465 in 2015 (+77%). Excise tax revenue dedicated to school capital construction assistance was \$35,060,590 in 2015.
- In November 2015 there were 109,922 individuals registered as medical marijuana cardholders. The most common conditions reported were severe pain (93%), muscle spasms (20%), and severe nausea (12%).
- Colorado's property crime rate decreased 3%, from 2,580 (per 100,000 population) in 2009 to 2,503 in 2014.
- Colorado's violent crime rate decreased 6%, from 327 (per 100,000 population) in 2009 to 306 in 2014.

It should be noted that the most fundamental challenge to interpreting data related to marijuana over time stems from unmeasured changes in human behavior concerning marijuana. Legalization may result in reports of increased use, when it may actually be a function of the decreased stigma and legal consequences regarding use rather than actual changes in use patterns. Likewise, those reporting to poison control, emergency departments, or hospitals may feel more comfortable discussing their recent use or abuse of marijuana for purposes of treatment. The impact from reduced stigma and legal consequences makes certain trends difficult to assess and will require additional time to measure post-legalization. Additionally, for example, the increase in law enforcement officers who are trained in recognizing drug use, from 32 in 2006 to 288 in 2015, can increase drug detection rates apart from any changes in driver behavior. For these reasons, these early, baseline findings should be carefully considered in light of the need to continue to collect and analyze relevant data.

Additional Resources

State Level Resources

Colorado

[Impacts of Marijuana Legalization in Colorado: A Report Pursuant to Senate Bill 13-283](#) – Colorado Division of Criminal Justice, October 2018

[Driving Under the Influence of Drugs and Alcohol: A Report Pursuant to House Bill 17-1315](#) - Colorado Division of Criminal Justice, June 2019

[Monitoring Health Concerns Related to Marijuana in Colorado: 2018 Summary](#) – Colorado Department of Health and Environment, 2018

[State of Colorado Marijuana Data & Report Page](#) (listing reports, resources, and data from the Colorado Department of Public Health and Environment, Colorado Department of Revenue, and Colorado Department of Public Safety. Also includes Marijuana Related Reports & Studies and additional resources).

Washington

[General Information about Marijuana](#), Washington State Liquor and Cannabis Board

[Learn about Marijuana: Science-Based Information for the Public](#), University of Washington & the Alcohol and Drug Abuse Institute

Massachusetts

[Marijuana Baseline Health Study: Final Report](#), Massachusetts Department of Public Health, July 2019

[A Baseline Review and Assessment of Cannabis Use and Public Safety](#), Commonwealth of Massachusetts Cannabis Control Commission, April 2019

Oregon

[Recreational Marijuana Supply and Demand: Legislative Report](#), Oregon Liquor Control Commission, 2019

California

[Environmental Reviews & Studies](#), State of California

[Bureau of Cannabis Control Resources](#), State of California

Alaska

[Data and Statistics: Marijuana Use in Alaska and the United States](#) – The Alaska Department of Health and Social Services – September 2018

Vermont

[Report on Existing Primary Research on Key Health and Safety Endpoints](#) – State of Vermont – Governor’s Marijuana Advisory Commission Education and Prevention Subcommittee – November 2017

[Marijuana Regulation in Vermont 2017 Literature Review Update](#) – Vermont Department of Health

[Health Impact Assessment: Marijuana Regulation in Vermont](#) – Vermont Department of Health – January 2016

[Marijuana Use in Vermont](#) – Data Brief – Vermont Department of Health – Updated October 2018

State Websites

- Colorado
 - <https://www.colorado.gov/pacific/marijuana>
 - <https://www.colorado.gov/pacific/marijuanahealthinfo>
 - <https://www.colorado.gov/pacific/dcj-ors/marijuana-public-safety>
- California
 - <https://cannabis.ca.gov>
- Massachusetts
 - <https://www.mass.gov/learn-about-marijuana>
- Alaska
 - <https://www.commerce.alaska.gov/web/amco/Home.aspx>
 - <http://dhss.alaska.gov/dph/Director/Pages/marijuana/law.aspx>
- Maine
 - https://legislature.maine.gov/lawlibrary/recreational_marijuana_in_maine/9419
 - https://legislature.maine.gov/lawlibrary/recreational_marijuana_in_maine/9419
- Nevada
 - <http://marijuana.nv.gov>
- Oregon
 - <https://www.oregon.gov/olcc/marijuana/pages/default.aspx>
- Michigan
 - <https://www.michigan.gov/marijuana/>
- Vermont
 - <https://www.healthvermont.gov/alcohol-drug-abuse/alcohol-drugs/marijuana>
- Washington
 - <https://lcb.wa.gov/mj-education/know-the-law>

Local Resources

[Cannabis Regulation and Tax Act](#), State of Illinois, 2019

[Illinois – Adult Use Cannabis Summary](#), from the State of Illinois, 2019

[Frequently Asked Questions – Cannabis Regulation and Tax Act](#), KLEIN, THORPE & JENKINS, LTD. Attorneys at Law – 2019

[The Financial Impact of Legalizing Marijuana in Illinois](#), Illinois Economic Policy Institute, 2018

[Local Government Leaders and Experts Discuss Marijuana Management](#), ICMA, 2014

[DuPage County Board September 10 Meeting on Recreational Cannabis](#), DuPage County (includes comments from State’s Attorney Robert Berlin, DuPage County Sheriff James Mendrick, DuPage County Coroner Dr. Richard Jorgensen, DuPage County Health Department Executive Director Karen Ayala, and DuPage County Chief of Financial and Administrative Officer Paul Rafac), 2019

Impact of Legalization – General

[Local Impacts of Commercial Cannabis](#), International City/County Management Association, 2018

[The Legalization of Marijuana in Colorado: The Impact Volume 5](#), Rocky Mountain High Intensity Drug Trafficking Area, 2018

[Pueblo County Cannabis Impact Study](#), Pueblo County Colorado, 2017

[Impacts of Marijuana Legalization in Colorado: A Report Pursuant to Senate Bill 13-283](#) – Colorado Division of Criminal Justice, October 2018

[Measuring Marijuana Impacts](#), City of Denver

[From Prohibition to Progress: A Status Report on Marijuana Legalization What We Know About Marijuana](#), Drug Policy Alliance, 2018

[Legalization in Eight States and Washington, D.C.](#) Drug Policy Alliance, 2018

Health

[Adverse Health Effects of Marijuana Use](#), United States Department of Health and Human Services, 2014

[AAN Position: The Use of Medical Marijuana for Neurological Disorders](#), American Academy of Neurology, 2018

[The Health Effects of Cannabis and Cannabinoids – Report Highlights](#), The National Academy of Science, Engineering, and Medicine, 2017

[Cannabis and Pain: A Clinical Review](#), Cannabis and Cannabinoid Research, 2017

[Association of Marijuana Laws with Teen Marijuana Use](#), American Medical Association (JAMA Pediatrics), 2019

[Is Cannabis Addictive? Cannabis Evidence Brief](#), Government of Canada, 2018

[Monitoring Health Concerns Related to Marijuana in Colorado: 2018 Summary](#) – Colorado Department of Health and Environment, 2018

[Report on Existing Primary Research on Key Health and Safety Endpoints](#) – State of Vermont – Governor’s Marijuana Advisory Commission Education and Prevention Subcommittee – November 2017

[Trends and Characteristics in Marijuana Use Among Public School Students — King County, Washington 2004–2016](#) - Center for Disease Control – October 2019

DUI & Public Safety

[Drivers’ Use of Marijuana in Washington State](#), United States Department of Transportation, 2016

[The Effect of Cannabis Compared with Alcohol on Driving](#), National Center for Biotechnology Information, 2010

[Cannabis in Homes with Children: Use and Storage Practices in a Legalized State](#), The BMJ, 2019

[Driving Under the Influence of Drugs and Alcohol: A Report Pursuant to House Bill 17-1315](#) - Colorado Division of Criminal Justice, June 2019

Illinois Qualifying Conditions (IQC) updated as of August 2019 (bold)

Additional Conditions, for which individuals may use cannabis (light), include but is not limited to:

	ADHD
	Addison's Disease
IQC	Agitation of Alzheimer's disease
IQC	AIDS/HIV
IQC	Amyotrophic lateral sclerosis (ALS)
IQC	Anorexia nervosa
	Anxiety / Panic Attacks
IQC	Arnold-Chiari malformation
	Asthma
	Atherosclerosis
IQC	Autism
	Autoimmune Disease
	Bacterial/Fungal Infection
	Blood Clot
IQC	Cancer
IQC	Cachexia/wasting syndrome
IQC	Causalgia
	Chronic Inflammation
IQC	Chronic inflammatory demyelinating polyneuropathy
IQC	Chronic pain
	Coronary Artery Disease
	Cramps
IQC	Crohn's disease
IQC	CRPS (complex regional pain syndrome Type II)
	Depression
	Dermatitis / Eczema / Psoriasis
	Diabetes / Hyperglycemia / Hypoglycemia
	Digestive Disorders
	Diverticulosis/Diverticulitis
IQC	Dystonia
IQC	Ehlers-Danlos syndrome
	Endometriosis
	Erysipelas
IQC	Fibromyalgia (only severe is qualifying)
IQC	Fibrous Dysplasia
	Gastrointestinal Disorder
IQC	Glaucoma
	Gerd / Acid Reflux

IQC	Hepatitis C
	Huntington's Disease
IQC	Hydrocephalus
IQC	Hydromyelia
	Insomnia
IQC	Interstitial cystitis
IQC	Irritable bowel syndrome (IBS)
	Ischemia
IQC	Lupus
IQC	Migraines
IQC	Multiple Sclerosis (MS)
	Muscle Spasms
IQC	Muscular Dystrophy
IQC	Myasthenia Gravis
IQC	Myoclonus
IQC	Nail-patella syndrome
	Nausea / Vomiting
IQC	Neuro-Bechet's autoimmune disease
IQC	Neurofibromatosis
IQC	Neuropathy
	Obsessive Compulsive Disorder (OCD)
IQC	Osteoarthritis
	Osteoporosis / Bone Damage
IQC	Parkinson's disease
	Periodontitis
IQC	Polycystic kidney disease (PKD)
	Polycystic Ovarian Syndrome (PCOS)
IQC	Post-Concussion Syndrome
IQC	Post-Traumatic Stress Disorder (PTSD)
IQC	Reflex sympathetic dystrophy
IQC	Residual limb pain
IQC	Rheumatoid arthritis
IQC	Seizures (including those characteristic of Epilepsy)
IQC	Sjogren's syndrome
IQC	Spinal cord disease (including, not limited to, arachnoiditis)
	Spinal cord injury is damage to the nervous tissue of the spinal cord with objective neurological indication of intractable spasticity
IQC	Spinocerebellar ataxia
IQC	Stroke
IQC	Superior canal dehiscence syndrome
IQC	Syringomyelia
IQC	Tarlov cysts

IQC	Tourette syndrome
IQC	Traumatic brain injury
	Tuberculosis
IQC	Ulcerative colitis



Minutes
Village of Glen Ellyn
Special Workshop Meeting
Monday, August 19, 2019
7:00 PM
Glen Ellyn Civic Center, Room 301

A. Call to Order

Attendee Name	Title	Status	Arrived
Diane McGinley	Village President	Present	
Bill Enright	Village Trustee	Present	
Gary Fasules	Village Trustee	Present	
Craig R. Pryde	Village Trustee	Present	
Kelli E. Christiansen	Village Trustee	Present	
Steve Thompson	Village Trustee	Present	
Mark Senak	Village Trustee	Present	
John Chereskin	Village Clerk	Present	
Mark Franz	Village Manager	Present	
Greg Mathews	Village Attorney	Present	
William Holmer	Assistant Village Manager	Present	
Christina Coyle	Finance Director	Present	
Julius Hansen	Public Works Director	Excused	
Staci Springer	Community Development Director	Present	
Phil Norton	Chief of Police	Present	
Cole Jackson	Associate Planner	Present	

B. Pledge of Allegiance

C. Roll Call

D. Audience Participation

1. Open:

None.

E. Recreational Cannabis (Presented by Assistant Village Manager Holmer) (Discussion Only)

1. Assistant Village Manager Holmer will facilitate a discussion about legislative changes related to Adult-Use Recreational Cannabis.

Assistant Village Manager Holmer provided background on this topic and stated on June 25, 2019, Governor Pritzker signed the Cannabis Regulation and Tax Act (CRTA) which legalizes the sale, possession and use of cannabis for recreational purposes in limited quantities by persons 21 years of age or older, beginning January 1, 2020. Assistant Village Manager Holmer stated the Village does have a dedicated page on the Village's website about this and has received comments, which are pretty evenly split. Assistant Village Manager Holmer stated the Village Board needs to decide how they would want

August 19, 2019

Page 2

to regulate cannabis businesses if these businesses are allowed in the Village as well as possible zoning, Special Use and possible retail sales.

President McGinley welcomed State Representative Terra Costa Howard and DuPage County Board Member Mary Ozog to the meeting.

Trustee Senak asked if the Village has looked at the other states that have done this and seen the revenue projections. Assistant Village Manager Holmer stated there is a lot of speculation, but not enough information to lay a path on this at the point. Trustee Christiansen stated they should look at the expense-revenue paradigm on this.

Thomas Turek, who resides at 357 Birchbrook Court, stated cannabis is not an easy thing to regulate, and he feels on-site consumption is a terrible idea. Mr. Turek stated there are going to be terrible long-term effects and costs associated with this. Mr. Turek stated if the Village does allow cannabis in some way, they should definitely tax this.

Pete Ladesic, who resides at 615 Scott Avenue, stated he is not against medical marijuana dispensaries, but he feels there will be a criminal element present if there are retail recreational dispensaries. Mr. Ladesic stated the testing in the field for marijuana is not as accurate. Mr. Ladesic stated the Village needs to learn from other's mistakes as Colorado and California have both seen increases in vehicle crashes and youth crime. Mr. Ladesic stated this could be a possible topic to go on the ballot. Mr. Ladesic stated he urges the Village Board to oppose the retail sale of cannabis.

Patrick Ryan, who resides at 539 Dawes Avenue, stated there are trying to teach their children values, but now drugs seem to be fine. Mr. Ryan stated this should be a concern for the children and the community and not revenues.

Angel Oakley, who resides at 641 Prairie Avenue, stated she has done extensive research on hemp oil and CBD and feels medical cannabis is the most compassionate thing you can give to someone with cancer. Ms. Oakley stated there is a difference between tinctures, topicals and edibles, and she is in favor of the cannabis issue. Ms. Oakley stated if the Village moves forward with this, she would be happy to help with information on this.

Larry Wadler, who resides at 963 Chapel Court South, stated there are dozens of establishments that serve alcohol on Roosevelt Road. Mr. Wadler stated the question is economics, and there is a revenue opportunity to gain. Mr. Wadler stated Glen Ellyn should get in front of the cannabis issue and help to shape this. Mr. Wadler stated no one is going to be able to stop people from using cannabis so Glen Ellyn can then dictate control instead of other communities' dictating to the Village.

David Hartsell, who resides at 714 Meredith Place, stated this is a matter of what is right and wrong and not economics. Mr. Hartsell stated they are talking about their children and what kind of image Glen Ellyn projects as a community. Mr. Hartsell stated there could be issues from this such as Glen Ellyn possibly not getting federal grants since cannabis is still illegal federally. Mr. Hartsell stated there is virtually no data on this, but lots of questions. Mr. Hartsell stated the Village Board should say no on this and then revisit in the future if circumstances change.

Jim Meyers stated there is not a lot of confirmed information yet as reports are just starting to come in from Colorado. Mr. Meyers stated Naperville has a medical dispensary, but has said no to retail recreational sales of cannabis. Mr. Meyers stated

August 19, 2019

Page 3

Glen Ellyn does not need this as a source of revenue.

Neal Henninger, who resides at 1815 Courtenay Drive, stated Glen Ellyn can be in the forefront on cannabis, and this is a good opportunity for Glen Ellyn.

President McGinley stated the Village Board needs to discuss being open to a recreational dispensary, allowing a lounge, additional taxing on cannabis, possible zoning and Special Use versus permitted use.

Trustee Enright asked about doing a referendum on this to which President McGinley stated it is possible.

Trustee Fasules stated they need to start an information-finding process on this. Trustee Senak stated with the lack of information, he thinks starting the process is a good idea to explore this and get more information. Trustee Enright stated he is not fine moving forward with the cannabis issue. Trustee Thompson stated he would like to support the resolution and collect more data on this. President McGinley stated Trustee Pryde also supports gathering more information before moving forward on the cannabis issue. President McGinley stated she is open to hearing more on this.

President McGinley stated the public has cautioned against a lounge. Trustees Enright, Senak and Thompson are opposed to a lounge, and Trustee Christiansen stated she is leaning toward this too. Trustee Fasules stated he is undecided on this at this time.

President McGinley asked if cannabis dispensaries should only be allowed on Roosevelt Road or in other areas. Trustees Enright and Senak agreed to Roosevelt Road. Trustee Thompson stated he is open to other areas. Trustees Christiansen and Fasules stated they would like to see more information on this first before figuring out locations.

President McGinley asked about possible retail and/or growers to which Trustee Enright stated no, and the other Trustees would like to see more data first.

President McGinley stated the resolution will be voted on at the next Village Board Meeting. President McGinley stated Glen Ellyn will not accept retail, and the Village Board would like the staff to continue to gather information on the cannabis topic.

Trustee Enright asked for a straw vote from the audience about doing retail cannabis sales in the Village, and many audience members raised their hands.

RESULT:	DISCUSSION ONLY
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F. Other Items

None

August 19, 2019

Page 4

G. Adjournment

RESULT:	APPROVED [6 TO 0]
MOVER:	Gary Fasules, Village Trustee
SECONDER:	Mark Senak, Village Trustee
AYES:	Enright, Fasules, Pryde, Christiansen, Thompson, Senak
PRESENT:	McGinley

Respectfully Submitted, Debbie Solomon Recording Secretary

Reviewed and Approved, John A. Chereskin Village Clerk



Recreational Cannabis Communications

In an effort to keep residents, business owners, community leaders and the media informed of the potential sales of recreational cannabis within the Village, Glen Ellyn is executing an ongoing and comprehensive communications plan containing the following:

- A dedicated webpage on the Village's website
- News item on the Village's website homepage
- Weekly E-newsletter articles
- Detailed FAQs
- Opportunity to submit comments via an online form
- Sign-up via the Notify Me Tool on the Village's website to receive updates on this topic
- Social media posts regarding the status of recreational cannabis discussions
- Village Board Workshop/Meeting dates displayed on the downtown electronic sign

Social media

August 14 Post (enews link)

- Facebook
 - Reach: 1,476; Likes/Comments/shares: 12; Post Clicks: 96
- Twitter
 - Reach/Impressions: 357; Total Engagements 12

August 15 Post (Workshop Information)

- Facebook Post
 - Reach: 1,562; Likes/Comments/shares: 18; Post Clicks: 167
- Twitter Post
 - Reach/impressions: 417; Engagements: 13
- Instagram: 6 likes

August 19 Post (Workshop Reminder)

- Facebook post
 - Reach: 844; Likes/Comments/shares: 9; Post Clicks: 60
- Twitter Post
 - Reach/Impressions: 273; Engagements: 7

August 22 Post (Feedback Request)

- Facebook post
 - Reach: 4,704; Likes/Comments/shares: 224; Post Clicks: 1,931

September 30 Post (Public Hearing Information)

- Facebook post
 - Reach: 3,067; Likes/Comments/shares: 178; Post Clicks: 843
- Twitter Post
 - Reach/Impressions: 499; Engagements: 16





October 10 Post (Plan Commission Public Hearing Reminder)

- Facebook post
 - Reach: 2,884; Likes/Comments/shares: 73; Post Clicks: 584
- Twitter Post
 - Reach/Impressions: 462; Engagements: 15

October 16 Post (enews link – Recap on Public Hearing)

- Facebook
 - Reach: 1,061; Likes/Comments/shares: 12; Post Clicks: 77
- Twitter
 - Reach/Impressions: 312; Total Engagements 13

Village E-Newsletter

- Sent: Wednesday, August 14 (Article on Board to Discuss at Upcoming Workshop)
 - Opens: 2,648
 - Open Rate: 50%
 - Clicks to Village's Recreational Cannabis Information Site: 35
 - Clicks to Recreational Cannabis Comment Form: 40
- Sent: Wednesday, August 21 (Article on Recap of Board Discussion)
 - Opens: 2,739
 - Open Rate: 51%
 - Clicks to Village's Recreational Cannabis Information Site: 38
 - Clicks to Recreational Cannabis Comment Form: 27
- Sent: Wednesday, September 25 (Article on Upcoming Public Hearing)
 - Opens: 2,725
 - Open Rate: 51.4%
 - Clicks to Village's Recreational Cannabis Information Site: 9
 - Clicks to Recreational Cannabis Comment Form: 14
- Sent: Wednesday, October 16 (Article on Recap of Public Hearing)
 - Opens: 1,316
 - Open Rate: 24.6%
 - Clicks to Village's Recreational Cannabis Information Site: 4
 - Clicks to Recreational Cannabis Comment Form: 11

Village Website

- Webpage: Launched Wednesday, August 14
 - <https://www.glenellyn.org/676/Recreational-Cannabis-Information>
 - Page Views: 909
 - Amount of time spent on the page on average: 1 minutes and 31 seconds
- News Flash Item on Home Page: Posted on website since August 14
 - Page Views: 219
 - Amount of time spent on the page on average: 50 seconds
- Notify Me (sign up to receive alerts via email or text on this topic)
 - Total amount signed-up to receive alerts: 53

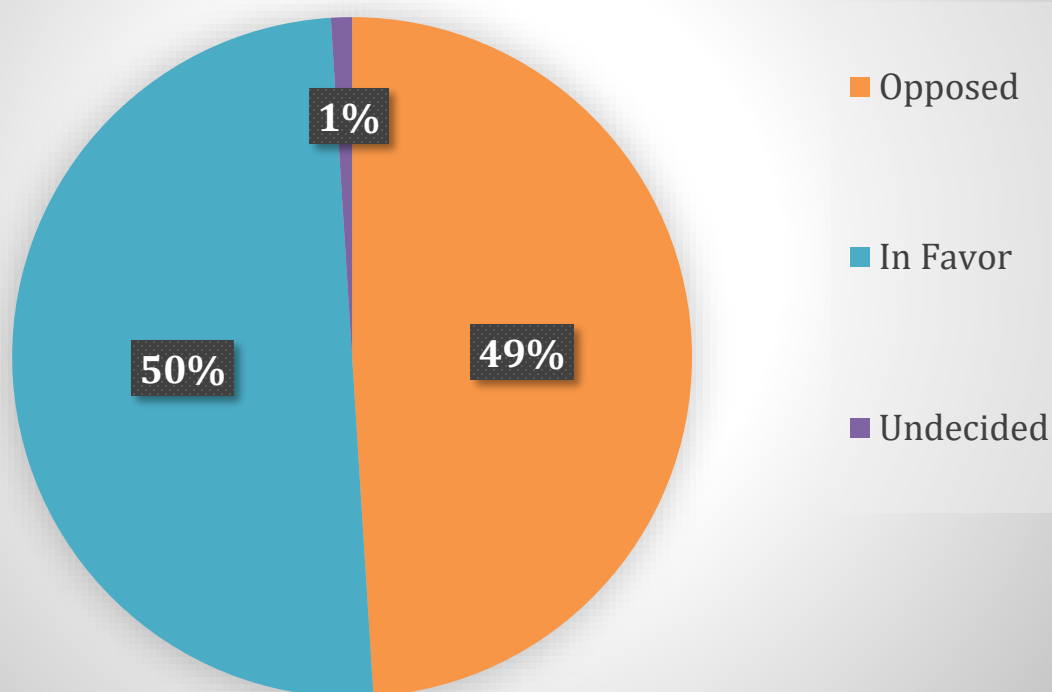


Comment Form

- Recreational Cannabis Comment Form: Launched Wednesday, August 14
 - Page Views: 570
 - Amount of time spent on the page on average: 2 minutes and 8 second
 - Total Submissions: 153

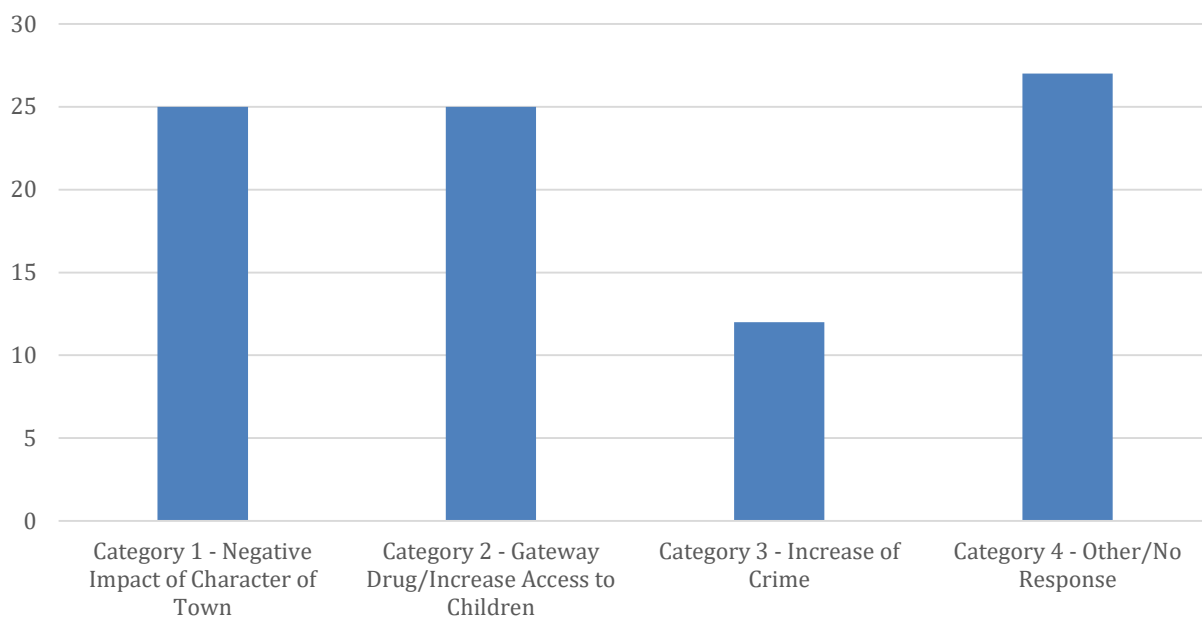
Recreational Cannabis Website Comment Results

Total Comments: 153 (as of 10/17/19)

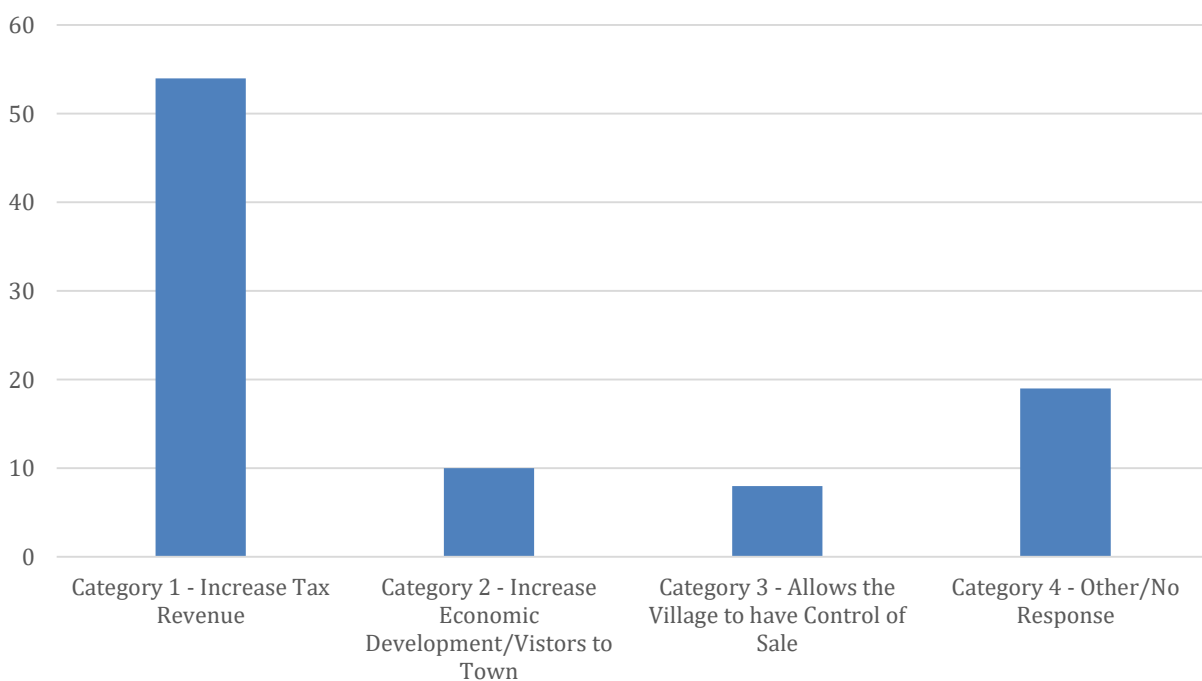




Opposed to Recreation Cannabis - Reason Breakdown



In Favor of Recreation Cannabis - Response Break Down



Community Survey – Municipalities Allowing or Prohibiting Cannabis Businesses

Updated 10/17/19

MUNICIPALITY	POSITION	Notes
Addison	Permit	
Anna	Permit	
Arlington Heights	Permit	
Aurora	Undecided	
Bannockburn	Prohibit	
Bartlett	Undecided	
Bloomington	Prohibit	
Bolingbrook	Prohibit	
Brookfield	Permit	
Buffalo Grove	Permit	Plan Commission recommendation to allow a maximum of two businesses to sell recreational marijuana within the village's industrial and business districts as a special use
Carbondale	Permit	
Carol Stream	Undecided	
Clarendon Hills	Prohibit	
Crystal lake	Permit	
Darien	Permit	Voted to allow cannabis businesses but still unclear on zoning
Decatur	Prohibit	
Deerfield	Permit	Allow a single special use permit for a recreational dispensary with conditions that include requiring two forms of ID and a ban on temporary outdoor advertising
DeKalb	Permit	Cannabis Business Establishment as a special use in the "LC" Light Commercial District and the "GC" General Commercial District
Des Plaines	Undecided	
Downers Grove	Prohibit	
East Dundee	Permit	
Elburn	Permit	Special use in B-1, B-2, and CM zones
Evanston	Permit	Will likely allow through a special use permit
Forest View	Prohibit	
Frankfort	Prohibit	
Freeport	Permit	
Glendale Heights	Undecided	
Geneva	Undecided	
Glen Ellyn	Undecided	
Glencoe	Permit	Zoning commission held a hearing Oct. 7 where it voted to recommend recreational cannabis businesses be classified special uses, at least within the commercial district adjacent to the Edens Expressway. The village board expressed preliminary interest in

		allowing cannabis businesses as special uses in the B2 and HF zoning districts
Glendale Heights	Undecided	
Glenview	Prohibit	
Grayslake	Prohibit	Banned for one year and may then reconsider
Hanover Park	Undecided	
Highland Park	Prohibit	
Highwood	Permit	
Hinsdale	Prohibit	
La Grange	Prohibit	
La Grange Park	Prohibit	
Lake Bluff	Prohibit	
Lake Barrington	Prohibit	
Lake Forest	Prohibit	
Lake in the Hills	Undecided	Board discussed allowing dispensaries and craft growing facilities while other cannabis businesses will be considered at a later time. They will determine if a conditional use permit should be required after reviewing the draft zoning. Will likely add a 2% occupational tax.
Lake Zurich	Prohibit	
Libertyville	Undecided	
Lincolnwood	Permit	
Lisle	Prohibit	
Lombard	Permit	Voted to allow by-right in office, industrial, and Roosevelt Road district and conditional-use in neighborhood commercial, corridor commercial, and downtown districts
Marion	Prohibit	
Mokena	Prohibit	
Morton	Prohibit	
Mount Vernon	Permit	
Murphysboro	Prohibit	
Mundelein	Permit	Likely to permit the sale of adult use cannabis and prohibit social consumption establishments
Naperville	Referendum	Prohibited, but will take it to referendum.
Niles	Permit	Potentially allowing cannabis dispensaries, growers, craft growers, processing organizations, and transportation organizations through different overlay districts. Not allowed within 1,000 feet of a school or 500 feet from a place of worship, park, or playground.
Northbrook	Permit	Village trustees have signaled general approval for allowing a cannabis dispensary in town, and plan commissioners are giving preliminary consideration to an application from the same company that operates Deerfield's medical dispensary to open a recreational location at the northeast corner of Dundee Road and Skokie Boulevard.
Oak Brook	Prohibit	
Oak Brook Terrace	Permit	

Oak Park	Permit	Permitted by-right in all business and commercial districts
Orland park	Prohibit	
Oswego	Undecided	
Park City	Permit	
Park Ridge	Prohibit	
Pingree Grove	Permit	
Plainfield	Prohibit	
Riverside	Permit	
Rolling Meadows	Permit	
Rosemont	Referendum	
Schaumburg	Permit	Allow up to 5 dispensaries in retail zones and at least 1,000 feet from schools and daycares
Skokie	Permit	
South Beloit	Permit	
South Elgin	Permit	
St. Charles	Permit	Likely to allow two cannabis dispensaries (one on each side of the river) by special use in commercial districts outside of the downtown zoning districts
Streamwood	Undecided	
Sugar Grove	Prohibit	
Urbana	Permit	
Vernon Hills	Prohibit	
Villa Park	Permit	Allows cannabis dispensaries as a special-use in its C-3 Service Business District
Warrenville	Permit	
Wauconda	Permit	
Waukegan	Permit	
Wheaton	Prohibit	
Wheeling	Permit	
Wilmette	Referendum	
Winnetka	Prohibit	
Winthrop Harbor	Permit	
Woodridge	Undecided	
Zion	Permit	

Count - 89

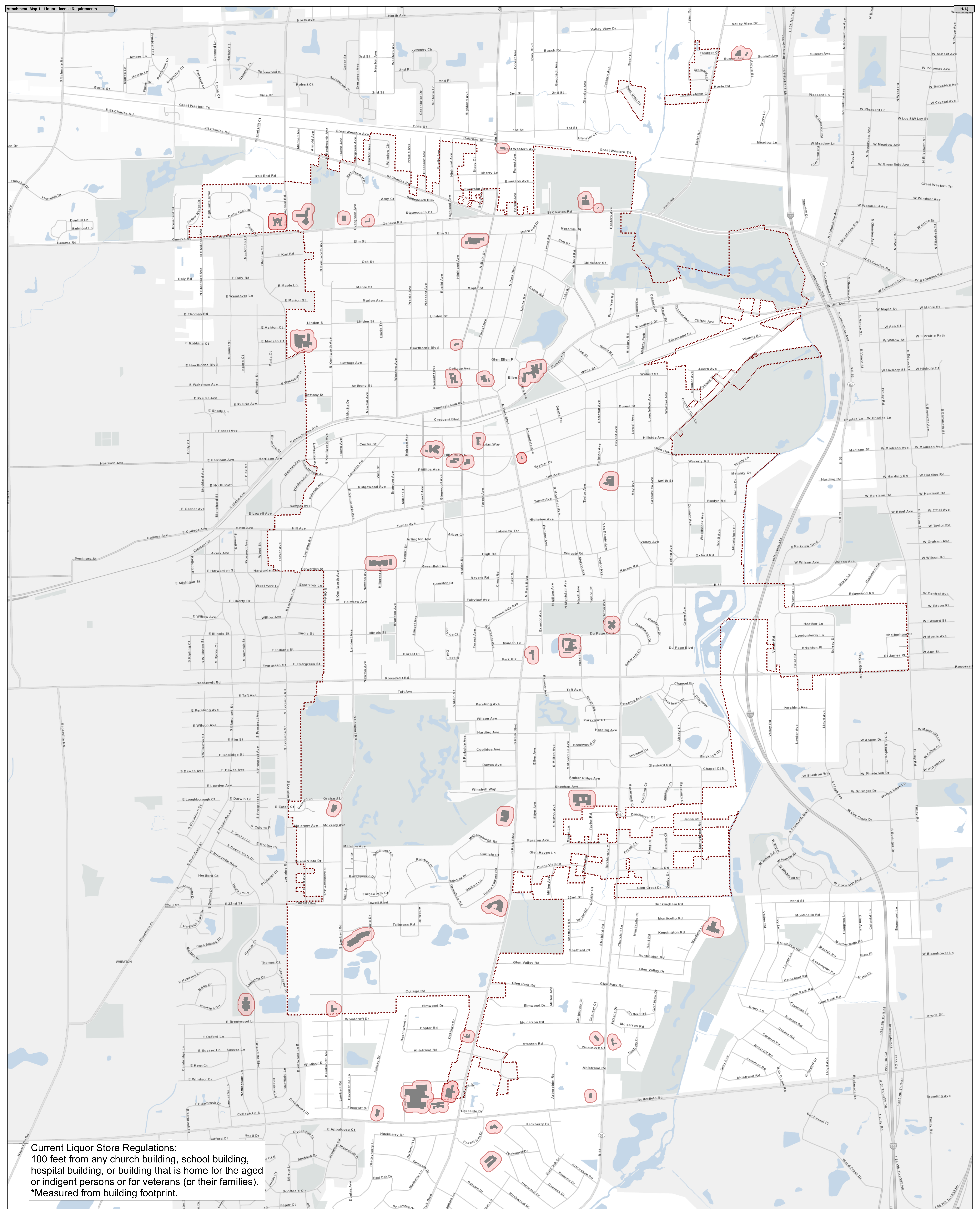
Permit – 41 or 46%

Prohibit – 31 or 34.8%

Undecided – 14 or 15.7%

Referendum – 3 or 3.3%

Updated from Illinois Association of Municipal Management Assistants (IAMMA) post from 10/17/19



Current Liquor Store Regulations:
100 feet from any church building, school building,
hospital building, or building that is home for the aged
or indigent persons or for veterans (or their families).
*Measured from building footprint.

Religious, School, Nusing Home, or Senior Living Building

100 Foot Buffer

2019 Liquor Store Regulations Map

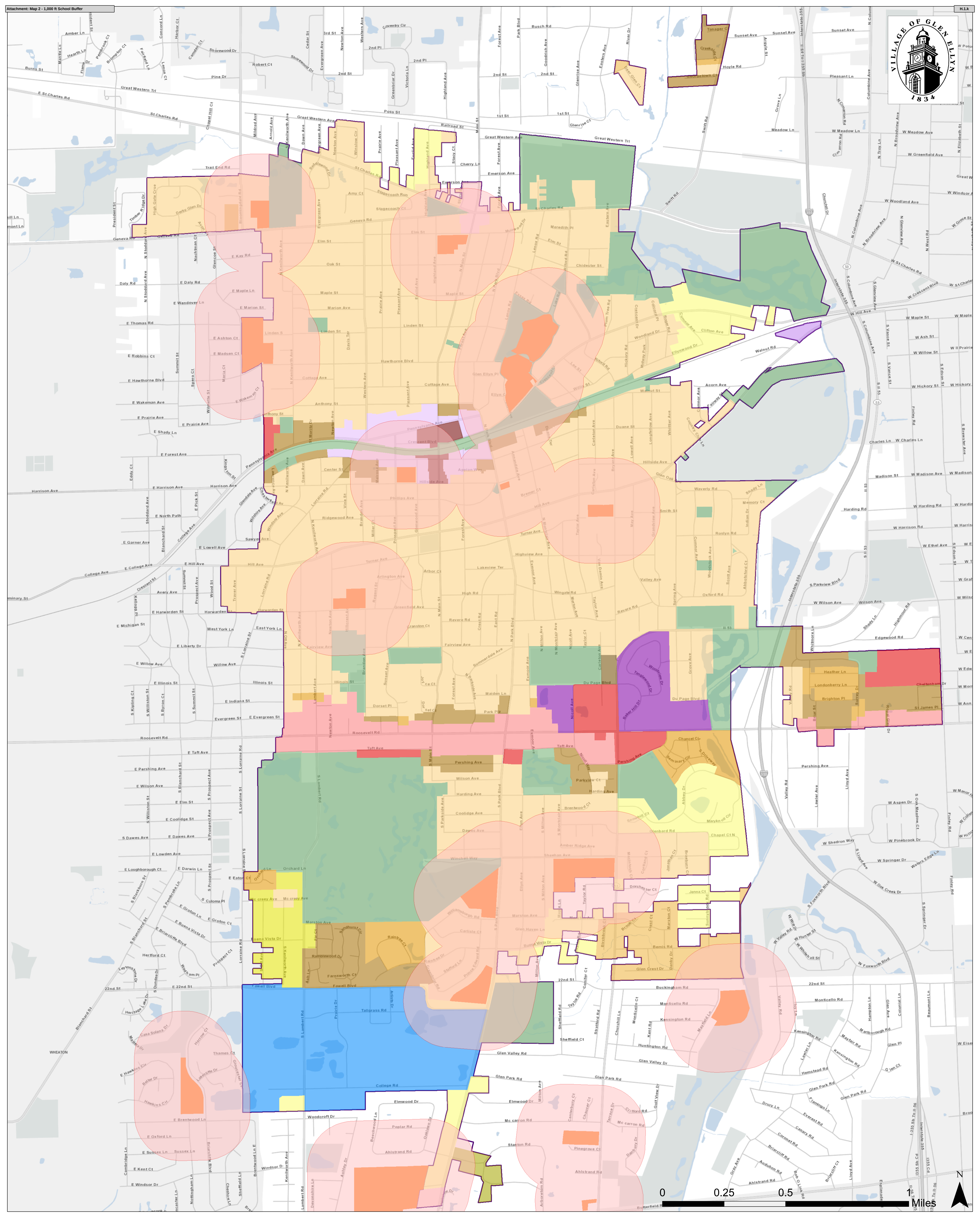
VILLAGE OF GLEN ELYN
1834

N

0 0.25 0.5 1 Miles

GIS consortium

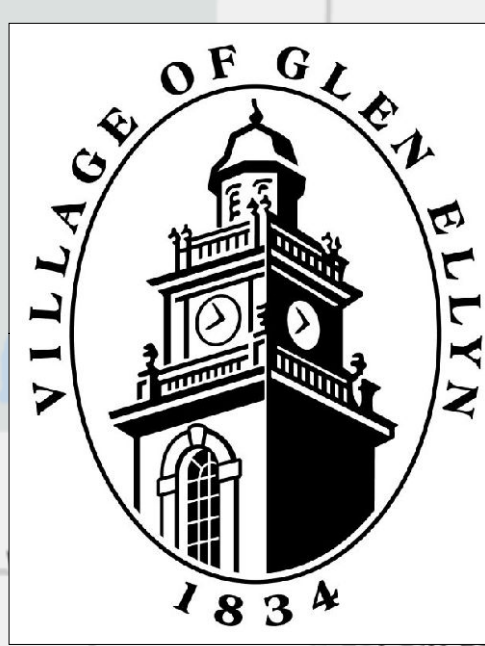
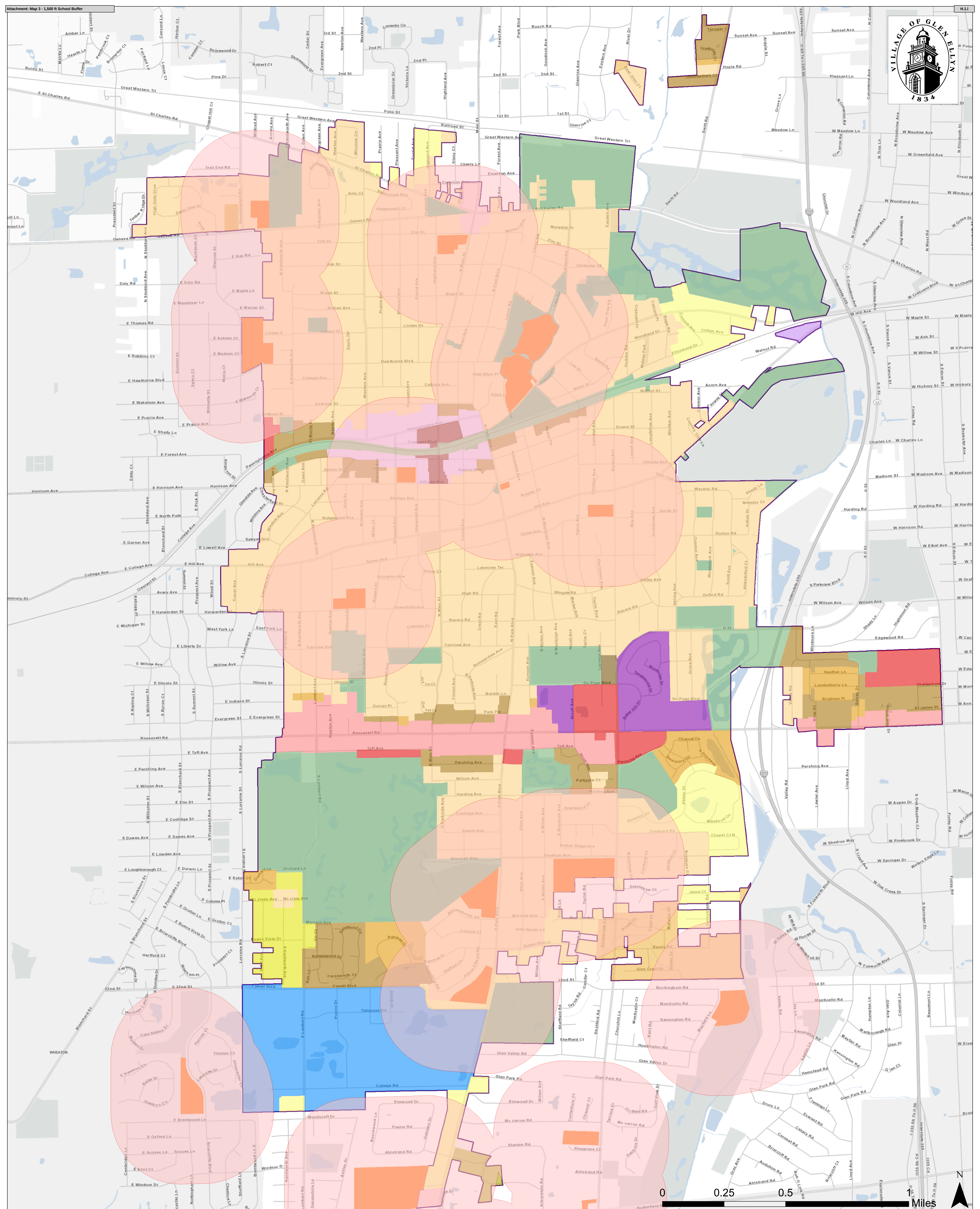
Date: 8/12/2019
Packet Pg. 240
Page 472 of 525



Zoning

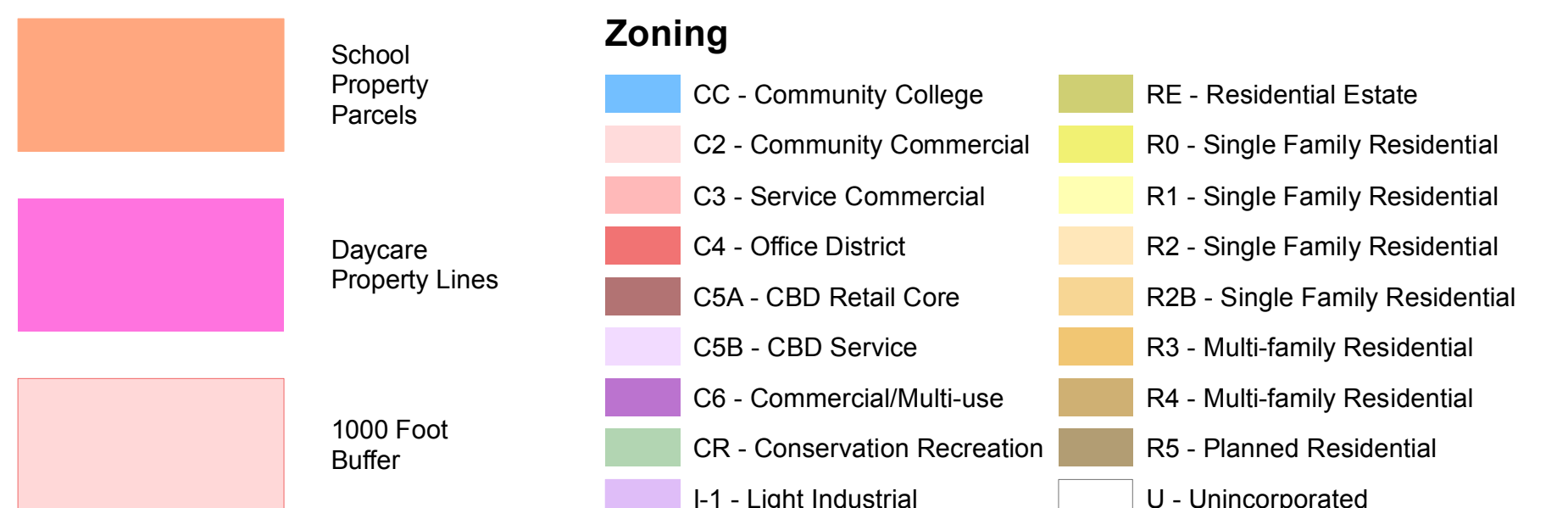
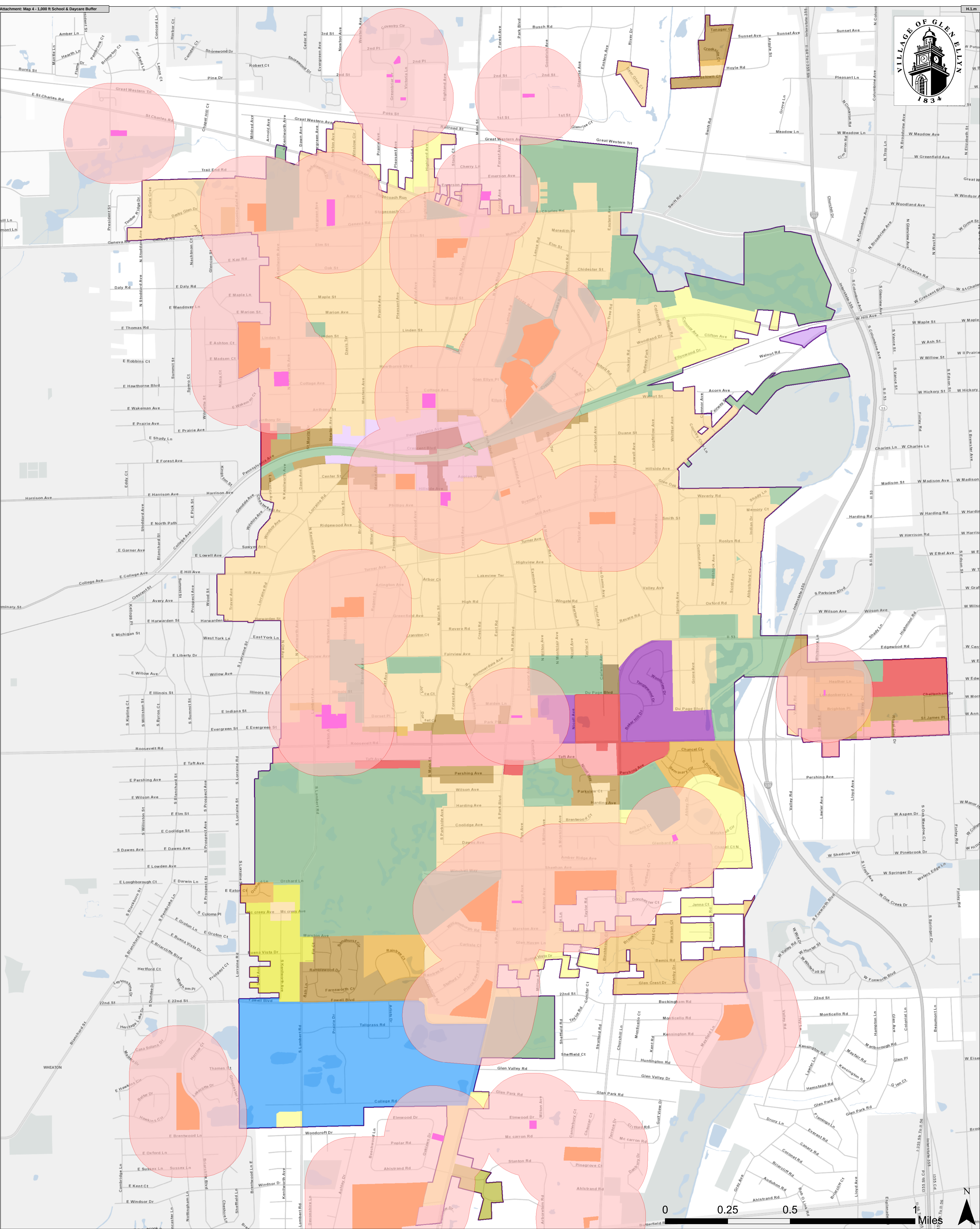
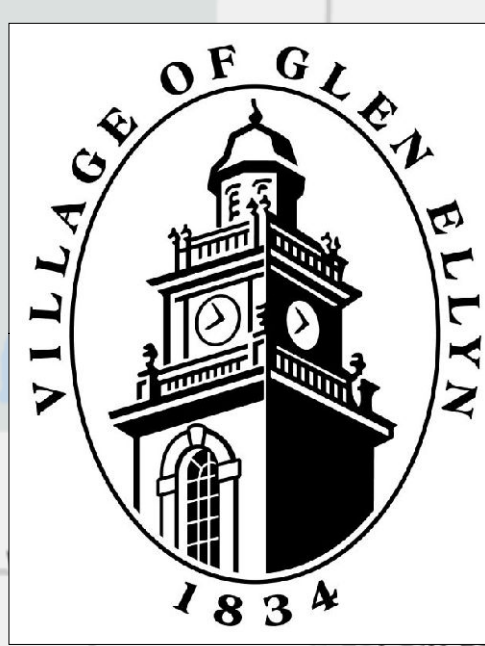
CC - Community College	RE - Residential Estate
C2 - Community Commercial	R0 - Single Family Residential
C3 - Service Commercial	R1 - Single Family Residential
C4 - Office District	R2 - Single Family Residential
CSA - CBD Retail Core	R2B - Single Family Residential
CSB - CBD Service	R3 - Multi-family Residential
C6 - Commercial/Multi-use	R4 - Multi-family Residential
CR - Conservation Recreation	R5 - Planned Residential
I-1 - Light Industrial	U - Unincorporated

2019 School Parcels 1,000 Foot Buffer Map

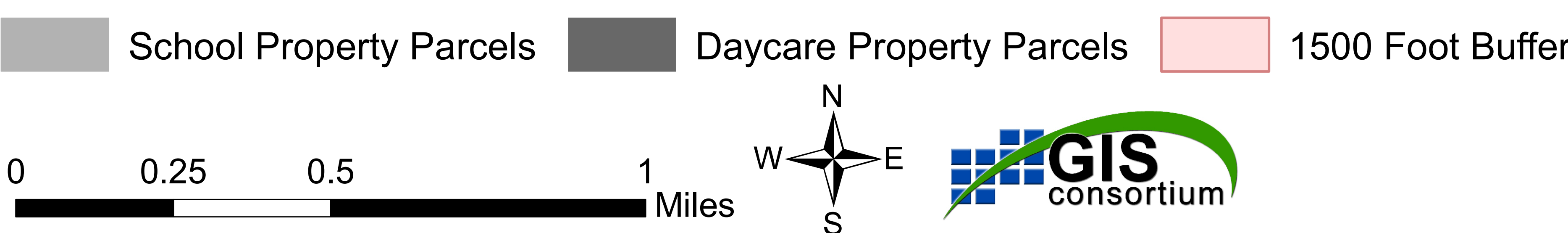
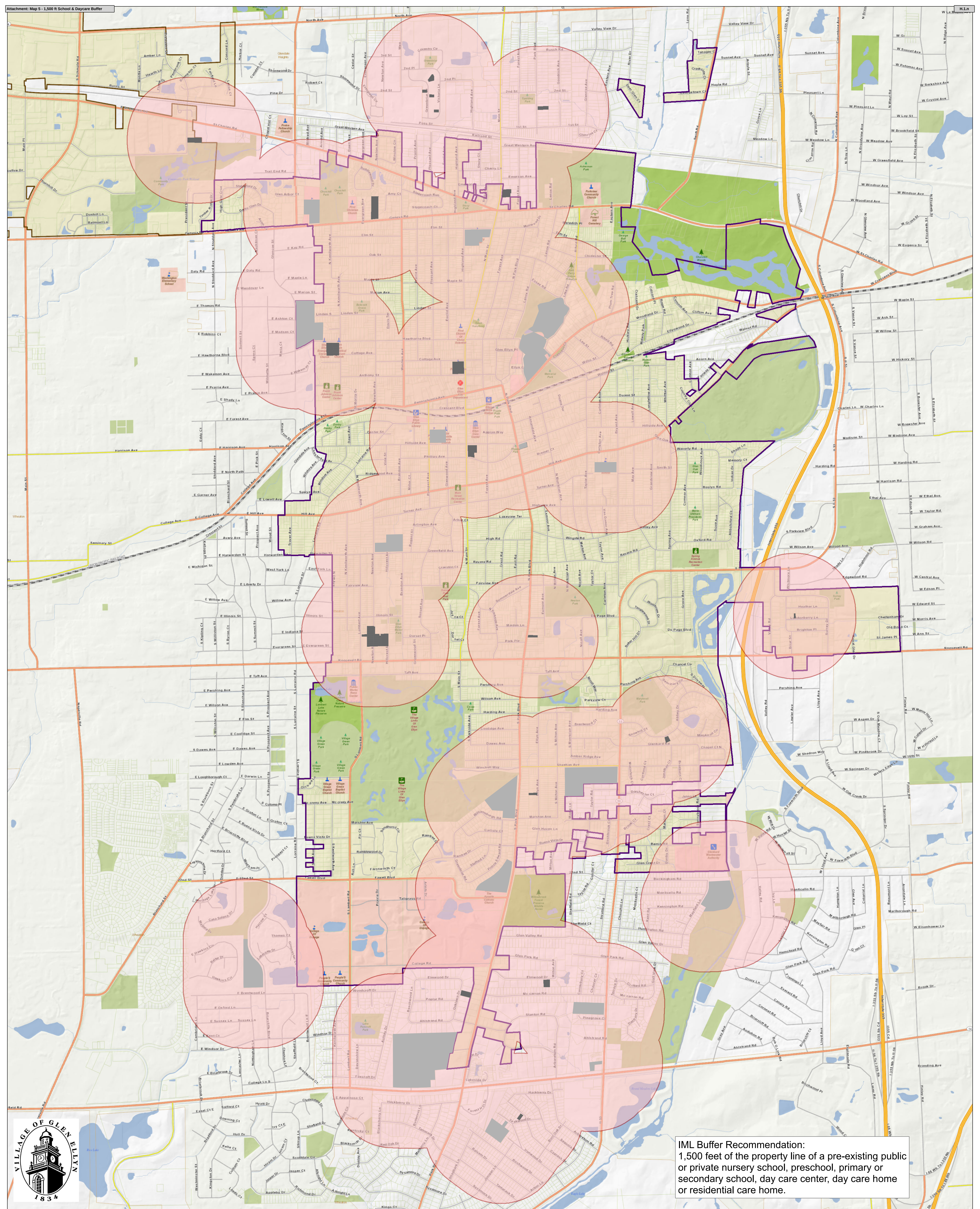


- Zoning**
- | | |
|------------------------------|---------------------------------|
| CC - Community College | RE - Residential Estate |
| C2 - Community Commercial | R0 - Single Family Residential |
| C3 - Service Commercial | R1 - Single Family Residential |
| C4 - Office District | R2 - Single Family Residential |
| CSA - CBD Retail Core | R2B - Single Family Residential |
| CSB - CBD Service | R3 - Multi-family Residential |
| C6 - Commercial/Multi-use | R4 - Multi-family Residential |
| CR - Conservation Recreation | R5 - Planned Residential |
| I-1 - Light Industrial | U - Unincorporated |
- School Property Parcels
- 1500 foot Buffer

2019 School Parcels 1,500 Foot Buffer Map

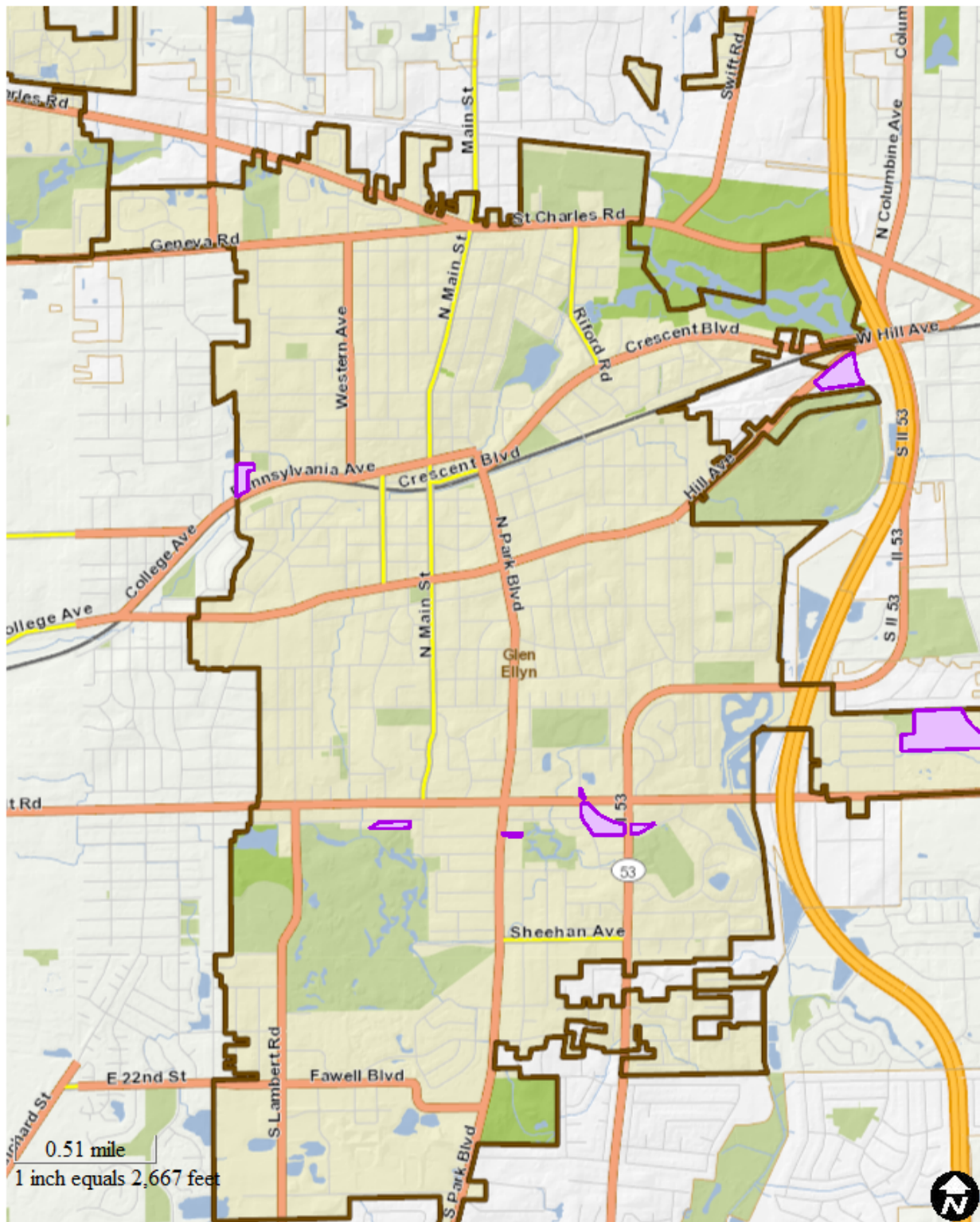


2019 School and Daycare Parcel 1,000 Foot Buffer Map





Medical Cannabis Allowed



Map created on August 13, 2019.

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Disclaimer: This map is for general information purposes only. Although the information is believed to be generally accurate, errors may exist and the user should independently confirm for accuracy. The map does not constitute a regulatory determination and is not a base for engineering design. A Registered Land Surveyor should be consulted to determine precise location boundaries on the ground.

MEMORANDUM

To: Mark Franz, Village Manager
From: Philip J. Norton, Chief of Police
Date: August 14, 2019
Re: Recreational Cannabis Dispensaries



The Department has been asked to prepare a memo in regards to the impact of allowing recreational cannabis retail distribution within the corporate limits of Glen Ellyn. Attached is a memo from the Lombard Police Department that was provided as a template. Unfortunately, the majority of the Lombard memo speaks to issues related to medical dispensaries in area communities. The experience concerning medical cannabis dispensaries will arguably be different from recreational dispensaries. Moreover, the Lombard does not address the more important discussion of whether such an enterprise is appropriate for Glen Ellyn.

The opinion of the Glen Ellyn Police Department is that such a use is inappropriate and negatively impacts residents primarily the youth of our community and the area around which the dispensary is located. Families in Glen Ellyn already face enormous challenges in keeping illegal use of alcohol and drugs such as marijuana and heroin away from their children. Research shows adolescents are more likely to become addicted to marijuana use, and in addition to the problems cited in this memo, they are also more likely to become addicted to opioids. Our police officers are equipped with Narcan which is an anti-opioid treatment, that we have deployed dozens of times in the battle against drug use and addiction. We have worked closely with District 87 to create ordinances to keep school age children away from such negative influences. To reverse course, and permit such activity merely to increase revenue would be hypocritical.

Following is open source information concerning cannabis use:

- The Washington Post reported on June 16, 2019, "Though the legal purchase age is 21 in Colorado and Washington, parents, educators and physicians say youth are easily getting hold of edibles infused with tetrahydrocannabinol or THC, the psychoactive substance that is heated and then inhaled through a special device. Each poses serious risks to adolescents' physical and mental health.

With some marijuana products averaging 68 percent THC –exponentially greater than the pot baby boomers once smoked – calls to poison control centers and visits to emergency rooms have risen. In the Denver area, visits to Children's Hospital Colorado facilities for treatment of cyclic vomiting, paranoia, psychosis

and other acute cannabis-related symptoms jumped to 777 in 2015 from 161 in 2005.

'Horrible things are happening to kids,' said psychiatrist Libby Stuyt, who treats teens in southwestern Colorado and has studied the health impact of high potency marijuana. 'I see increased problems with psychosis, with addiction, with suicide, with depression and anxiety.'

The limited Scientific research to date shows that earlier and more frequent use of high-THC cannabis puts adolescents at greater jeopardy of substance use disorders, mental health issues and poor school performance."

- The Centers for Disease Control and Prevention state on their website on the "Marijuana and Public Health" page, under the "Marijuana: How Can it Affect Your Health" section, states:

"About 1 in 10 marijuana users will become addicted. For people who begin using before the age of 18, that number rises to 1 in 6." Additionally they state, "People who are addicted to marijuana may also be at a higher risk of other negative consequences of using the drug, such as problems with attention, memory, and learning." They also report, "Marijuana users are significantly more likely than nonusers to develop temporary psychosis (not knowing what is real, hallucinations and paranoia) and long-lasting mental disorders, including schizophrenia (a type of mental illness where people might see or hear things that aren't really there)."

- The International Association of Chiefs of Police stated in their publication, "Critical Issues Messaging : Marijuana legalization and Traffic Safety", the following: "The threat to public safety posed by marijuana-impaired driving on US roadways is quickly becoming a major concern, partially due to the legalization of marijuana or 'medical' marijuana in many states."

The paper further states: "Marijuana impairs a person's ability to operate a vehicle safely." And cites, "The frequency of drivers in fatal crashes in Washington State who tested positive for THC alone or in combination with alcohol or other drugs, skyrocketed 11 percent from the previous four-year average (2016 Society for study of Addiction)."

In answer to the question, "What do the above facts mean to your audience or stakeholders impacted by the news?" It lists the following bullet points:

- "Marijuana has significant psychological and physiological effects that can impair driving.
- Marijuana use by drivers puts everyone at risk on our nation's roadway.

- Research shows that marijuana is a major cause of impaired driving and serious and fatal injury crashes.”
- The IACP concludes their paper with the following points:
 - “A recent Washington State poll shows that half of the 18-25 year olds who were self-reported marijuana users admitted driving a vehicle within three hours of using marijuana (2015 CSHRB University of Washington Young Adult Health Survey).
 - One out of four drivers in Colorado and Washington State admit to driving within one hour of using marijuana (2016 AAA Foundation Report on Cannabis Use among Drivers Suspected of DUI or Involved in Collisions).
 - Many Marijuana users mistakenly believe that marijuana does not impair their ability to operate a vehicle (2016 AAA Foundation Report on Cannabis Use among Drivers Suspected of DUI or Involved in Collisions).

In a another publication by the Centers for Disease Control titled, “What you need to Know about Marijuana Use and Driving”, the CDC makes the following points

- “After alcohol, marijuana is the drug most often linked to drugged driving.
- Drugs and alcohol interfere with the brain’s ability to function properly. Tetrahydrocannabinol (THC), which is the main active ingredient in marijuana, affects areas of the brain that control your body’s movement, balance, coordination, memory and judgment.
- Marijuana can slow your reaction time and ability to make decisions.
- Marijuana use can impair coordination, distort perception, and lead to memory loss and difficulty in problem-solving.”

The American Medical Association Young Physicians Section issued a resolution which included the following information:

“Whereas, In Washington State, where recreational marijuana use was decriminalized, ‘between 2011 and 2013, there was an average of 155 marijuana related calls per year to the Poison Control Center; from 2014 to 2016 the average number of calls was 268, a 73% increase; and

Whereas the Rocky Mountain High Intensity Drug Trafficking Area has been tracking the impact of marijuana legalization in the state of Colorado, finding that:

- Marijuana-related traffic deaths increased 48% in the three-year average (2013-2015) since Colorado legalized recreational marijuana compared to the three-year average (2010-2012) prior to legalization:
 - During the same time traffic deaths increased by 11%
- Marijuana-related traffic deaths increased 62% from 71 to 115 persons after recreational marijuana was legalized in 2013.

- In 2009, Colorado marijuana-related traffic deaths involving operators testing positive for marijuana represented 10% of all traffic fatalities. By 2015, that number doubled to 21%.”
- Emergency department rates likely related to marijuana increased 49% in the two-year average (2013-2014) since Colorado legalized recreational marijuana compared to the two-year average prior to legalization (2011-2012).
- Hospital[ization] rates likely related to marijuana increased 32% in the three-year average (2013-2015) since Colorado legalized recreational marijuana compared to three –year average prior to legalization (2010-2012).

Lastly, in the Missouri State Medical Association publication, Missouri Medicine, 2013 Nov-Dec, titled “More Reasons States Should Not Legalize Marijuana: Medical and Recreational Marijuana: Commentary and Review of the Literature”, is the following information:

“Recreational Marijuana

The Question of recreational marijuana is a broader social policy consideration involving implications of the effects of legalization on international drug cartels, domestic criminal justice policy, and federal and state tax revenue in addition to public health. Yet physicians, with a responsibility for public health are experts with a vested interest in this issue. Recent legislation, reflecting changes in the public’s attitudes toward marijuana, has permitted the recreational use of marijuana in Colorado and Washington. Unfortunately, the negative health consequences of the drug are not prominent in the debate over legalizing marijuana for recreational use. In many cases, these negative effects are more pronounced in adolescents. A compelling argument, based on these negative health effects in both adolescents and adults, can be made to abort the direction society is moving with regards to the legalization of recreational marijuana.

Myth: Marijuana is Not Addictive

A growing myth among the public is that marijuana is not an addictive substance. Data clearly show that about 10% of those who use cannabis become addicted; this number is higher among adolescents. Users who seek treatment for marijuana addiction average 10 years of daily use. A withdrawal syndrome has been described, consisting of anxiety, restlessness, insomnia, depression, and changes in appetite and affects as many as 44% of frequent users, contributing to the addictive potential of the drug. This addictive potential may be less than that of opiates; but the belief, especially among adolescents, that the drug is not addictive is misguided.”

Risk Perception and Use in Adolescents

Marijuana use among adolescents has been increasing. Data that has tracked risk perception and use of marijuana among adolescents over decades clearly shows an inverse relationship; as adolescents risk perception wanes, marijuana use increases. As more states legalize medical and recreational marijuana, risk perception is expected to decrease, causing the prevalence of use among adolescents to continue to rise. This is among the most concerning of issues about the drug's legalization because so many of the negative effects of marijuana – including cognitive impairment and risk for short- and long-term psychosis – are heightened when used during adolescence.”

The paper also discusses other negative effects associated with marijuana use, including its consistent risk factor for schizophrenia and other psychotic disorders, its impact on cognitive decline, its negative impact on the respiratory system, and its increased presence as a factor in fatal vehicle crashes.

Conclusion

While the “Missouri Medicine” position is to not legalize marijuana which is now a moot point in Illinois, their findings, along with all the other facts presented here cannot be ignored in the argument to keep this out of our community. We must, to the best of our ability, acknowledge the ill effects this issue will have on us as a community. To suddenly decide to follow the State's footsteps when virtually everything being done at the State level is leading us into further decline, is a grand capitulation that ignores the data proving the negative impacts of recreational marijuana legalization.

While it may be true that nearby communities may reap some revenue benefit (although there is much debate on how much would actually be generated) from allowing this newly legalized vice, we believe we should stand with the growing number of those who have chosen not to do so. Just because someone else is doing something and it may be legal, does not make it a good idea. The old parental adage, “If Johnny wanted to jump off a building, would you do it too?” comes to mind. While people will be able to buy products in other areas and bring them legally back into our community, by not allowing such sales in Glen Ellyn, we would not be responsible for being a partner in the larger societal problem. There is something to be said for that.



LOMBARD POLICE DEPARTMENT

TO: Scott Niehaus
Village Manager

FROM: Roy Newton
Chief of Police

SUBJECT: Potential Impact of Cannabis Dispensaries
On Police Operations

DATE: June 26, 2019

At your request, we have compiled a brief report outlining the potential impact of legalized cannabis and cannabis dispensaries on our police operations. The intent of this information is to provide objective information that will assist Village of Lombard staff and elected officials in making decisions leading up to and after the legalization of recreational cannabis.

There are a number of communities, at or around the same size as Lombard, that currently house *medical* cannabis dispensaries (MCD). They are:

Naperville
Arlington Heights
Mount Prospect
Elmwood Park
Rolling Meadows
Deerfield
Evanston
Oak Park
North Aurora
Romeoville
Addison

We contacted the aforementioned communities in an effort to seek information on the impact to police service that an MCD would cause. Through our daily bulletin reports, statewide critical reach reports, and general media, I have found there are limited calls for police service at MCD locations. The following communities responded to our request for information concerning police activity at their medical dispensaries:

Addison: The Addison Police Department indicated that they have had no calls for service at the MCD. They also stated that they have no received crime or community complaints related to the facility.

North Aurora: They indicated that they have had five calls for service at their MCD since December of 2015. These calls were for three false burglar alarms, one counterfeit currency complaint, and one inquiry about a state ID card.

Elmwood Park: They indicated they have had no calls for service or any community complaints at the MCD located in their jurisdiction in the years they have been open.

Arlington Heights: Although a few calls for service are indicated since opening in June of 2018, the calls are the norm for generally any business within their community. The MCD has had little impact on their operations. Specifically, 10 false burglar alarms, a burglary to a storage container, one suspicious circumstances report, one customer dispute, one suspicious vehicle report, and one disorderly conduct incident.

Mount Prospect: They indicated that they have had no issues involving the MCD located in their jurisdiction.

Deerfield: They indicated that there has been five alarm calls since opening in mid-2014.

Naperville: They have experienced minimal calls for service and most calls are for false burglar alarms.

Romeoville: There have been no incidents with this business in the two years they have been open.

At this moment with legalization dispensaries being new, I cannot assume that the impact of MCD's will be similar to the impact of recreational cannabis dispensaries (RCD). Although there are many illicit users of cannabis currently, RCD's will be a vehicle for current users who will now be able to purchase legally. I do not see a sudden increase in the amount of users just because it is now legal. I would also note that with the extreme tax rate that has been imposed on any purchase, the "black market" will continue to flourish.

Certainly a concern of the police department will be on the impact of impaired driving and traffic crashes. Since 2013, the Lombard Police Department has made 56 impaired driving arrests in which drivers tested positive for THC (the component of cannabis that causes a "high"). Approximately 27% of those arrests involved a traffic crash. After medical cannabis became legal, there was a mild increase in the number of DUI cannabis arrests but that number has seemed too stabilized.

It is reasonable to assume that the legalization of cannabis can increase the demand for police services as well as the number of drug impaired drivers on our roadways. However, this will likely occur whether or not the Village of Lombard allows an RCD or not.

Respectfully,

Chief Newton

Exhibit "A"

DRAFT MINUTES
REGULAR PLAN COMMISSION MEETING
OCTOBER 10, 2019

Call to Order

The regular meeting of the Plan Commission was called to order by Chairperson Mary Loch at 7:00 p.m. Plan Commissioners Lloyd Berry, Angela Fanella, Phillip Hartweg, John Mulherin, David Rodemann, Mohammed Saeed and Jamie Vondruska were present. Commissioner Tracy Heming Littwin was excused. Also present were Community Development Director Staci Springer, Village Planner Kelly Purvis, Associate Planner Cole Jackson, Attorney Kurt Asprooth, Deputy Police Chief Kurt Vavra, Trustee Liaison Bill Enright and Recording Secretary Debbie Solomon.

Public Comment

No general comments on non-agenda items were made by the public at this Plan Commission meeting.

Approval of June 20, 2019 Special Plan Commission Minutes

Commissioner Hartweg moved, seconded by Commissioner Saeed, to approve the minutes of the June 20, 2019 Special Plan Commission minutes. The motion carried unanimously by voice vote.

Approval of June 27, 2019 Special Plan Commission Minutes

Commissioner Saeed moved, seconded by Commissioner Berry, to approve the minutes of the June 27, 2019 Plan Commission minutes. The motion carried unanimously by voice vote.

Chairperson Loch explained the procedures and role of the Plan Commission and the order of the process for the public hearing and after.

Public Hearing – Recreational Cannabis Businesses – Zoning Text Amendment

On the agenda was a public hearing to review proposed text amendments prepared by staff related to zoning, buffers, on-site use and parking requirements for cannabis dispensaries if the Village Board decides to allow recreational cannabis businesses in the Village.

PLAN COMMISSION

-2-

OCTOBER 10, 2019

PUBLIC HEARING – RECREATIONAL CANNABIS BUSINESSES – ZONING TEXT AMENDMENTS

PUBLIC HEARING WITH DISCUSSION, CONSIDERATION, AND RECOMMENDATION REGARDING PROPOSED TEXT AMENDMENTS PREPARED BY STAFF RELATED TO ZONING, BUFFERS, ON-SITE USE AND PARKING REQUIREMENTS FOR CANNABIS DISPENSARIES IF THE VILLAGE BOARD DECIDES TO ALLOW RECREATIONAL CANNABIS BUSINESSES IN THE VILLAGE.

Commissioner Fanella moved, seconded by Commissioner Hartweg, to open the public hearing at 7:04 p.m. The motion carried unanimously by voice vote.

Staff Introduction

Sworn in for the Village were Village Planner Purvis and Associate Planner Jackson.

Associate Village Planner Jackson provided an overview of the state-level legislation, Cannabis Regulation and Tax Act (CRTA) that was signed by Governor Pritzker in June 2019. Associate Village Planner Jackson stated this legislation created six kinds of cannabis businesses and the various licenses needed to operate these businesses which will be issued on a staggered basis through 2022. Associate Village Planner Jackson stated the CRTA authorizes counties and municipalities to impose local taxes on retail sales including an optional tax up to 3%. Associate Village Planner Jackson stated the CRTA also includes information regarding security protocols and the State Level Tax Distribution. Associate Village Planner Jackson stated there is more information in the Commissioners' packets and online.

Village Planner Purvis stated this topic came before the Village Board at a Workshop meeting in August, and the Village Board made no definitive determination, but did direct the staff to find more information on costs and benefits, hear more public feedback on this topic and have the Plan Commission look at possible zoning and text amendments needed. Village Planner Purvis stated that after the Workshop, the Village Board did pass a resolution which states that recreational cannabis is not currently addressed in the Village Code and is therefore not allowed within the Village at this time, and that the Plan Commission will hold a public hearing on text amendments to regulate recreational cannabis within 90 days.

Village Planner Purvis stated the Village created a webpage to receive comments from residents related to recreational cannabis, and she shared the data collected so far. Village Planner Purvis stated 113 residents did submit comments for and against the possible sale of cannabis in the Village, and a little over half of the respondents were in favor of the sale of recreational cannabis being permitted in the Village.

PLAN COMMISSION

-3-

OCTOBER 10, 2019

Village Planner Purvis stated the Village staff did extensive research and pulled information from many different sources, including an interview with a Cannabis Educator and a meeting on recreational cannabis at the College of DuPage (COD) and conferred with legal counsel Kurt Asprooth with Ancel Glink who is well-versed in CRTA regarding this topic. Village Planner Purvis stated the cannabis educator said that education would be a critical piece if the Village does allow the sale of recreational cannabis in the Village, and that any dispensaries should be located away from schools. Village Planner Purvis stated the staff did a literature review, and many of these pieces were either strongly for the sale of cannabis or against the sale of cannabis. Village Planner Purvis stated the most comprehensive study the staff could find on the effects of recreational legalization was published in 2018 by Colorado's Department of Public Safety, and Village Planner Purvis relayed the key findings in the study, including the number of cannabis related arrests and court filings decreased, an overall increase in the adult usage of marijuana, hospitalization rates with possible marijuana exposure increased substantially, and no significant change in youth use rates, but that the student usage of marijuana tends to increase by grade. Village Planner Purvis stated the study does caution that its data is preliminary, and that that the information should be interpreted with caution.

Village Planner Purvis stated the staff completed a survey showing how 64 other Illinois communities are choosing to regulate recreational cannabis businesses. Village Planner Purvis stated approximately 36% of these surveyed communities are taking action or leaning toward permitting some sort of cannabis business while approximately 31% are taking action or leaning toward prohibiting cannabis related businesses. Village Planner Purvis stated nearly one-third of the communities surveyed have not taken action to permit or ban cannabis related businesses. Village Planner Purvis stated the Village of Lombard did vote to allow recreational dispensaries by-right in their office and industrial districts and in their business district along Roosevelt Road.

Village Planner Purvis stated the staff did prepare several buffer maps, and staff does recommend cannabis businesses be required at a minimum to meet the same distance buffers as liquor license holders. Village Planner Purvis stated Police Chief Norton has expressed opposition to recreational cannabis businesses within Glen Ellyn.

Village Planner Purvis stated the Village Administration and Community Development Department have considered the issues related to recreational cannabis and if the Village Board decides to allow recreational cannabis businesses, staff drafted zoning text amendments that would allow recreational cannabis dispensaries only in the C3 zoning district with the following restrictions:

- That cannabis dispensaries be allowed as a special use only in the C3 zoning district (which is along Roosevelt Road).

PLAN COMMISSION

-4-

OCTOBER 10, 2019

- That no consumption of cannabis on-site at dispensaries or smoking lounges be permitted.
- That dispensaries be located no closer than 1,000 feet from a school.
- That drive-through and window sales be prohibited.
- That parking requirements be the same as other retail uses (1 space per 250 gross sf).
- That the number of dispensaries be limited through the use of licenses, similar to liquor licenses.
- That no other type of cannabis related businesses be allowed to locate within the Village at this time.

Village Planner Purvis stated the Plan Commission is being asked to provide a recommendation on the proposed text amendments proposed by staff related to zoning, buffers, on-site use and parking requirements for cannabis dispensaries, and depending upon whether the Village Board decides to allow recreational cannabis businesses within the Village, additional amendments to the Zoning Code may come forward for the Commission's consideration.

Questions from the Plan Commission

Commissioner Hartweg asked if there is the same age limitation as there is on alcohol to which Village Planner Purvis stated the legal age for cannabis consumption is 21. Commissioner Hartweg asked about the increased hospitalization rates in the Colorado report. Village Planner Purvis read from the literature and stated these are hospitalization rates with "possible" marijuana exposure and are not split out by ages.

Chairperson Loch asked about revenue projections. Village Planner Purvis stated the State has estimated \$57 million for licenses, fees and sales taxes, but nothing specifically for the Villages. Village Planner Purvis stated the Village can add a tax up to 3% on recreational sales.

Commissioner Vondruska asked if the medical dispensaries have first choice at licenses to have recreational dispensaries to which Village Planner Purvis stated they do. Attorney Asprooth explained the licenses which have to do with the entire Chicagoland region.

Commissioner Fanella stated Naperville has a medical dispensary but said no to a recreational dispensary. Attorney Asprooth stated Naperville wanted to go to a non-binding referendum before they move forward with possible recreational cannabis businesses.

Village Planner Purvis stated the State of Illinois will have far less dispensaries than Colorado as Illinois will have 1 dispensary for every 25,000 people, and Colorado has a dispensary for every 10,000 people.

PLAN COMMISSION

-5-

OCTOBER 10, 2019

Commissioner Vondruska asked if licenses would be issued on a case by case basis. Village Planner Purvis stated the Village would enact a license schedule, and as with alcohol licenses, if a Special Use is approved for a recreational cannabis business, the Village would increase the license number.

Commissioner Rodemann asked if the size of a recreational cannabis dispensary can be limited. Village Planner Purvis stated she is not aware of any limit on size. Attorney Asprooth stated there is not a limit on the size of a recreational cannabis dispensary, but there are many security protocols as a part of CRTA that could limit the size.

Commissioner Mulherin asked about Village regulation. Village Planner Purvis stated the Village cannot regulate the licensing process at all and only the State will do this. Attorney Asprooth stated the Village can do random inspections of any recreational cannabis business.

Commissioner Vondruska asked if this topic could come back in a year or two if the Plan Commission recommends denial to which Village Planner Purvis stated the issue can come back later, the Village always has the ability to amend its codes.

Commissioner Fanella asked if the selling hours would be along the lines of liquor-selling hours. Village Planner Purvis stated the Village cannot regulate the selling hours for cannabis and the state has said that dispensaries can operate from 6am to 10pm.

Village Planner Purvis showed images from different dispensaries.

Chairperson Loch asked if a landlord can ban cannabis. Attorney Asprooth stated a landlord cannot prevent a tenant from using edibles in their unit, but a landlord can prohibit the smoking of cannabis. Village Planner Purvis stated a medical patient who has a medical cannabis card can grow up to 5 marijuana plants in their home with a landlord's permission.

Public Comment

Carlos Guzman, who resides at 506 Taylor Avenue, Unit E, stated he feels like this is like Prohibition, and if you want cannabis, you are going to get cannabis. Mr. Guzman stated in the best interest of moving forward, the Village should allow the regulation of marijuana, and he would also like to see education about the use of marijuana, abuse of marijuana and potential repercussions. Mr. Guzman stated cannabis businesses should be regulated in the same way we regulate bars. Mr. Guzman stated the keys will be education, regulation and then allow people to enjoy cannabis however they enjoy it. Mr. Guzman stated he has seen many dispensaries,

PLAN COMMISSION

-6-

OCTOBER 10, 2019

and these dispensaries are in nice locations for the most part. Mr. Guzman stated he is former military, and depression and PTSD are real, and medical marijuana can help this.

David Hartsell, who resides at 714 Meredith Place, stated cannabis should be a hard no. Mr. Hartsell stated it is a sad day when the stated turns to drugs and gambling to balance the budget. Mr. Hartsell stated this is not who the Village is and not the image the Village wants to project. Mr. Hartsell stated we tell our kids not to drink or smoke or do drugs so the selling of cannabis would be hard to explain to children. Mr. Hartsell stated many towns have said no to cannabis already, and they can let Lombard be the pot capitol. Mr. Hartsell stated he has seen no revenue projections, and he feels it is naïve to believe the sale of cannabis could help with property taxes. Mr. Hartsell stated he was shocked to see the staff recommendations on this and feels this is way ahead.

Robert Pieper, who resides at 503 Ridgewood Avenue, stated he is shocked by this and thought he knew what this Village stood for. Mr. Pieper asked what benefits would come from this revenue, and he feels there are 50 downsides to this. Mr. Pieper asked what number would come from the 3% tax. Mr. Pieper stated they need to define who the Village is, what the Village stands for and what the Village's values are. Mr. Pieper stated the answer is not to add another possibly addictive drug in the Village.

Jane Pieper, who resides at 503 Ridgewood Avenue, stated she is a student at Glenbard West High School and is at the meeting on behalf of Reality Illinois who she read a statement on behalf of. Ms. Pieper stated she believes communities should opt out of marijuana businesses. Ms. Pieper stated the perception of youth that there is a lack of risk with cannabis will continue. Ms. Pieper stated there is already serious issues with vaping and shared statistics. Ms. Pieper asked why the Village would broaden the scope of THC products. Ms. Pieper stated the Village should readdress this issue in another year and take a step back for now to take the time to make an informed decision.

Tom Turek, who resides at 357 Birchbrook Court, stated he has lived in Glen Ellyn for 60 years, and Glen Ellyn is a safe community. Mr. Turek stated he is worried about adult-use cannabis. Mr. Turek stated he has seen many dispensaries in Denver, and he sees a lot of bums on the streets who are smoking marijuana all day. Mr. Turek stated he does not want to see this in Glen Ellyn. Mr. Turek stated Colorado has seen an increase in street crime, and he is not sure if this is a consequence of having dope, but this was not there before. Mr. Turek stated 13% of fatal crashes in Colorado test positive for cannabis. Mr. Turek stated he is not opposed to progress, but he does see revenue being generated from cannabis sales.

PLAN COMMISSION

-7-

OCTOBER 10, 2019

Commissioner Mulherin stated the Plan Commission's role tonight is to help determine what type of zoning and guidelines might be needed for recreational cannabis businesses.

Commissioner Mulherin asked the audience to remember this.

Chet Brett, who resides at 505 Taylor Avenue, thanked the Village for all the public outreach and available information on this topic. Mr. Brett stated if more opportunity for public outreach is needed, the Plan Commission will find this out by asking questions tonight. Mr. Brett stated he wants people to embrace a millennial community.

Patrick Ryan, who resides at 539 Dawes Avenue, stated this is a very serious issue, and the Village Board wants to make a decision after only 3 months. Mr. Ryan stated the State says there will be a lot of revenue from this, but he is not sure on this. Mr. Ryan stated there is no field test available for marijuana. Mr. Ryan stated they have taught their kids not to do drugs so he cannot understand why we would encourage this. Mr. Ryan asked what kinds of morals they would be teaching to their children.

Andrew Ho, who resides at 1N350 Blue Ridge Court in Wheaton, stated he has been in the cannabis industry for the past 5 years, owning and running a medical dispensary in Elmwood Park. Mr. Ho stated he is happy to offer himself as a resource. Mr. Ho stated the Elmwood Park dispensary has 700 medical patients, and this dispensary generates \$8 million in sales. Mr. Ho stated if a recreational dispensary was put in Glen Ellyn, he estimates it could approximately do \$12 million to \$15 million in sales the first year, and within 3 years, \$15 million to \$20 million in sales. Mr. Ho stated if the Village did do the 3% in tax, this could be real dollars to the village. Mr. Ho stated the Village would be empowered with how dispensaries will act.

Michelle Andringa, who resides at 708 Highview Avenue, thanked the staff and Plan Commission for their research. Ms. Andringa stated she is adamantly opposed to the sales of recreational cannabis as it runs counter to the culture in the community, increased access to recreational marijuana will increase marijuana use in the Village and the sale of marijuana will normalize its use and send the wrong message to the children. Ms. Andringa stated they need to put the health and safety of the Village first.

Rick Scheck, who resides at 678 Oak Street, thanked the Village for keeping the public up to date on this topic. Mr. Scheck stated he is in favor of a recreational dispensary like this. Mr. Scheck stated we teach our kids right from wrong, but they still may do these things when they reach the age. Mr. Scheck stated there will be safety and security restrictions like bars and restaurants that have liquor licenses too. Mr. Scheck stated this is the same as allowing the sale of alcohol to anyone 21 and over. Mr. Scheck stated education will be key. Mr. Scheck stated many towns in Illinois already have medical cannabis dispensaries, and he is not sure if these towns have safety issues.

PLAN COMMISSION

-8-

OCTOBER 10, 2019

Pete Ladesic, who resides at 615 Scott, asked about the chart of communities included in the packet. Village Planner Purvis stated this is a chart of changing information, and the staff is trying to keep it up to date as much as possible. Mr. Ladesic stated at the Village Board Workshop, those who supported cannabis did support medical marijuana. Mr. Ladesic stated he is opposed to recreational cannabis sales. Mr. Ladesic stated the Village needs economic development, but not at this cost, and this will not be an economic development driver. Mr. Ladesic stated there is no place in the community for this, and he urges the Plan Commission to not recommend any zoning districts.

Anne Gould, who resides at 609 Newton Avenue, stated it sounds like they are trying to normalize cannabis and compare this to alcohol, but she has never met a doctor who prescribed alcohol. Ms. Gould stated recreational cannabis is a separate issue from medical marijuana. Ms. Gould stated she suggests the Village add an over/under 21 identifier on the webpage where comments are being left for the Village. Ms. Gould stated there is no clear compelling reason for cannabis to be sold in Glen Ellyn, and it is not a risk the Village should be taking. Ms. Gould stated they need to take a step back, see the real implications and then make a more prudent approach.

Kurt Barry, who resides at 373 Forest Avenue, stated he and his wife are the owners of Mindful Medical Marijuana Dispensary in Addison. Mr. Barry stated these stores are for people ages 21 and over. Mr. Barry stated public consumption of cannabis is illegal. Mr. Barry stated when a cannabis store comes into a neighborhood, there is a lot of noise at first because of the fear of the unknown, but then it ends up being a non-event. Mr. Barry stated the operators in the industry are law-abiding and tax-paying, and the cannabis business industry is scrutinized closer than any other industry. Mr. Barry stated in the three years that the two medical dispensaries have been in Addison, the police have only been called once.

Commissioner Fanella asked about education being done. Mr. Barry stated they do educational at the store regularly, and dosing can be different for every person so they go slow to learn what each person's dose is.

David Scott, who resides at 895 Clifton Avenue, stated he and his family moved here from downstate a few years ago. Mr. Scott stated he remembers when the medical marijuana legislation came out as he was on the Planning Commission in his town then. Mr. Scott stated there has been an inability to stick to the subject at hand. Mr. Scott stated people seem to think this will sully and tarnish the culture and image in Glen Ellyn, but he cannot imagine this would happen. Mr. Scott stated he would like to see a more convenient place for people to buy pot. Mr. Scott stated the culture of the community is determined by the behavior of its residents.

PLAN COMMISSION

-9-

OCTOBER 10, 2019

Lorenzo Tassone, who resides at 671 Sheehan Avenue, stated he suffers from chronic pain, but he does not qualify for a medical marijuana card. Mr. Tassone stated he understand the fear, but the passage of this would not stop people from moving to the Village. Mr. Tassone stated if he chooses to use marijuana in his home, that is his choice, and marijuana may not be for you, but it is probably for someone else in the community. Mr. Tassone stated marijuana is already here, and you cannot fight the progress of time.

Anna Gluszak, who resides at 506 Taylor Avenue, stated if a teenager is going to get their hands on marijuana, they will get their hands on it so the Village should ensure marijuana is regulated. Ms. Gluszak stated they need to ensure this is implemented correctly so it is safe. Commissioner Mulherin moved, seconded by Commissioner Hartweg, to close the public hearing at 8:41 p.m. The motion carried unanimously by voice vote.

Chairperson Loch called for a 5-minute break at 8:41 p.m.

Chairperson Loch reconvened the meeting at 8:48 p.m. Chairperson Loch stated there is nothing in the Village's Code on cannabis so this issue does need to be discussed. Attorney Asprooth stated the Plan Commission needs to give the Village Board some kind of recommendation to act on. Commissioner Fanella asked for the slide about the Staff's recommendations for Text Amendments be put back on the screen.

Comments from the Plan Commission

Commissioner Rodemann stated he is against this, and he has concerns with the size of the business and possible traffic as he thinks this would be a high use facility. Commissioner Rodemann stated he is in favor of medical marijuana for the benefits for patients. Commissioner Rodemann stated he would want this limited to Roosevelt Road and maybe have higher parking ratios. Commissioner Rodemann stated he anticipates issues could come along.

Commissioner Berry asked what the suggested parking space is for retail. Village Planner Purvis stated it is the same for retail as for what is suggested for a cannabis business – 1 parking space per 250 square feet. Village Planner Purvis stated they can require a traffic study too as part of the Special Use application.

Chairperson Loch asked why the 1,500 feet from schools was not done as the Illinois Municipal League had suggested. Village Planner Purvis put up a buffer map and stated if they go with the 1,500 feet instead of 1,000 feet, it would take out much of the Village due to the distances to schools and daycares. However 1,500 feet from schools would likely allow sales on Roosevelt

PLAN COMMISSION

-10-

OCTOBER 10, 2019

Road. Community Development Director Springer explained the zoning along Roosevelt Road and how the staff came up with their recommendation.

Commissioner Vondruska thanked the staff for their research and stated as of January 1st, cannabis will be around. Commissioner Vondruska stated he feels there is no harm in waiting to see what the other municipalities around do on this issue. Commissioner Vondruska stated he is in support of the staff's recommendations for the Text Amendments, and he would not want to see cannabis businesses in the Central Business District or the north side of the Village by Five Corners. Commissioner Vondruska stated a cannabis business would require a Special Use and would have to be approved by the Village Board anyways.

Commissioner Berry stated the biggest unknown coming into the meeting was understanding what the Plan Commission needed to do. Commissioner Berry stated he supports the recommended Text Amendments.

Commissioner Mulherin stated he does endorse the Text Amendments if the Village Board does decide to allow recreational cannabis dispensaries in the Village. Commissioner Mulherin stated he is concerned about racing into this, and he would not mind seeing how this topic develops in other communities.

Chairperson Loch stated she is fine with recommending these text amendments.

Commissioner Fanella stated if the Village Board allows the sale of recreational cannabis, she would recommend the Text Amendments; however, she is not fine yet with cannabis being sold in the Village.

Commissioner Hartweg stated in the other public meetings on cannabis, it was 50/50 with the residents. Community Development Director Springer stated at tonight's public hearing, 6 spoke in favor of this, 7 spoke against this and 2 were neutral.

Motion

Commissioner Fanella moved, seconded by Commission Mulherin to recommend that if the Village Board would move forward to approve the allowance of recreational cannabis dispensaries in Glen Ellyn, the Plan Commission supports the Zoning Code Text Amendments as presented in the Plan Commission packet on Thursday, October 10, 2019. Commissioner Fanella stated those Text Amendments should include the following:

PLAN COMMISSION

-11-

OCTOBER 10, 2019

1. That cannabis dispensaries be allowed as a Special Use only in the C3 zoning district (which is along Roosevelt Road).
2. That no consumption of cannabis on-site at dispensaries or smoking lounges be permitted.
3. That dispensaries be located no closer than 1,000 feet from a school.
4. That drive-through and window sales be prohibited.
5. That parking requirements be the same as other retail uses (1 space per 250 gross sf).
6. That the number of dispensaries be limited through the use of licenses, similar to liquor licenses.
7. That no other type of cannabis related businesses be allowed to locate within the Village at this time.

The motion carried with six (6) yes votes and two (2) no votes as follows: Plan Commissioners Fanella, Mulherin, Berry, Hartweg and Vondruska and Chairperson Loch voted "yes." Commissioners Rodemann and Saeed voted "no." Motion carried.

Commissioner Berry stated the consensus of the Plan Commission of Glen Ellyn is that more evidence is required before a decision is made on approving or disproving the legality of recreational marijuana sales in the Village of Glen Ellyn, and this can be accomplished by waiting longer or through a referendum to help bring a level of confidence to making the right decision for the community.

Commissioners Fanella, Mulherin, Rodemann, Saeed and Vondruska and Chairperson Loch all stated they support this statement. Commissioner Hartweg did not support the statement. Chairperson Loch and Commissioners Hartweg and Mulherin are not in support of a referendum as of now.

Trustee's Report

Trustee Enright thanked the staff and the Plan Commission for their work on the cannabis topic. Trustee Enright stated the Village Board is working on the 2020 Budget and still has a few more Workshops on this. Trustee Enright stated the Avere project is moving ahead and possibly could be completed in early 2021. Trustee Enright stated the Apex project is still in litigation.

Chairperson's Report

Chairperson Loch asked about the McCheseny site. Community Development Director Springer stated there has been some changes, and this property is on the market for \$3 million.

PLAN COMMISSION

-12-

OCTOBER 10, 2019

Community Development Director Springer stated the staff has been entertaining a number of developers who want information on the site.

Staff Report

Village Planner Purvis stated there will be a discussion regarding Zoning Text Amendments for Tobacco and Vape shops at a future meeting, and there will probably not be a meeting on October 24, 2019. Village Planner Purvis stated the Streetscape Project is in the second phase of engineering, and the Public Works Department will be looking for feedback on samples of streetscape treatments that will be available for the public to see.

Commissioner Berry asked about the Comprehensive Plan. Village Planner Purvis stated this have been moving along slowly due to other pieces and explained the process.

Other Business

None

Adjournment

Plan Commissioner Fanella moved, seconded by Plan Commissioner Hartweg, to adjourn the meeting at 9:27 p.m. The motion carried unanimously by voice vote.

Respectfully Submitted,

Debbie Solomon
Recording Secretary

Exhibit “B”

ZONING CODE TEXT AMENDMENTS

October 18, 2019

Bold = New Text; ~~Strikethrough~~ = Deleted TextChapter 2
DEFINITIONS

1. Amend Section 10-2-2 (Terms defined) to add definitions for “Cannabis”, “Cannabis Business Establishment”, “Cannabis Craft Grower” “Cannabis Cultivation Center”, “Cannabis Dispensary, Medical”, “Cannabis Dispensary, Recreational”, “Cannabis Infuser”, “Cannabis, On-Site Consumption”, “Cannabis Processor”, and “Cannabis Transporter”, between the definitions of “Bulk” and “Cellar”:

...

CANNABIS shall have the same definition as “cannabis” set forth in Section 1-10 of the Cannabis Regulation and Tax Act, as amended.

CANNABIS BUSINESS ESTABLISHMENT means a “cannabis business establishment,” “infuser organization,” or “infuser”, as defined in Section 1-10 of the Cannabis Regulation and Tax Act, as amended, and such other cannabis business establishments authorized under the Act, as amended.

CANNABIS CRAFT GROWER means “craft grower” as defined in Section 1-10 of the Cannabis Regulation and Tax Act, as amended.

CANNABIS CULTIVATION CENTER means “cultivation center” as defined in Section 1-10 of the Cannabis Regulation and Tax Act, as amended.

CANNABIS DISPENSARY, MEDICAL: A business regulated and authorized by the State of Illinois to sell legal quantities of cannabis derived products, including marijuana, to patients who are also authorized by the State of Illinois to purchase cannabis.

CANNABIS DISPENSARY, RECREATIONAL: A facility operated by an organization or business that is licensed by the Illinois Department of Financial and Professional Regulation to acquire cannabis from licensed cannabis business establishments for the purpose of selling or dispensing cannabis, cannabis-infused products, cannabis seeds, paraphernalia or related supplies to purchasers or to qualified registered medical cannabis patients and caregivers, per the Cannabis Regulation and Tax Act, (P.A. 101-0027), as it may be amended from time-to-time, and regulations promulgated thereunder.

CANNABIS INFUSER means “infuser organization” or “infuser” as defined in Section 1-10 of the Cannabis Regulation and Tax Act, as amended.

CANNABIS, ON-PREMISES CONSUMPTION ESTABLISHMENT means a cannabis business establishment or other entity that is authorized or permitted to allow the on-premises consumption of cannabis.

Exhibit “B”

CANNABIS PROCESSER means “processing organization” or “processor” as defined in Section 1-10 of the Cannabis Regulation and Tax Act, as amended.

CANNABIS TRANSPORTER means “transporting organization” or “transporter” as defined in Section 1-10 of the Cannabis Regulation and Tax Act, as amended.

2. Amend Section 10-2-2 (Terms defined) to delete the definition for “Medical Cannabis Dispensary” between the definitions of “Maintenance and Storage Facilities” and “Micro Food and Beverage Manufacturing”:

~~MEDICAL CANNABIS DISPENSARY: A business regulated and authorized by the State of Illinois to sell legal quantities of cannabis derived products, including marijuana, to patients who are also authorized by the State of Illinois to purchase cannabis.~~

Chapter 4 DISTRICT REGULATIONS

1. Amend Section 10-4-15(B) (C3 Service Commercial District – Special uses) to add the following and renumber the remainder of the section accordingly:

4. **Cannabis Dispensary, Medical**
5. **Cannabis Dispensary, Recreational**

2. Amend Section 10-4-16(B) (C4 Office District – Special uses) to delete the following:

~~16. Medical cannabis dispensary (in accordance with 10-5-19 of this title).~~

3. Amend Section 10-4-19(A) (I1 Light Industrial District – Permitted uses) to delete the following and renumber the section accordingly:

~~17. Medical cannabis dispensary (in accordance with 10-5-19 of this title).~~

Chapter 5 SUPPLEMENTARY REGULATIONS

1. Amend Section 10-5-19 (Medical cannabis dispensaries) as follows:

10-5-19. ~~Medical cannabis dispensaries.~~ **Cannabis Businesses.**

~~Medical cannabis dispensaries shall be subject to the following regulations:~~

~~(A) Sales shall occur only between the hours of 8:00 a.m. and 6:00 p.m.~~

Exhibit “B”

~~(B) All medical cannabis dispensaries shall be at least 1,000 feet away from all other medical cannabis dispensaries, measured from the parcel boundaries.~~

~~(C) Drive-through and carryout lanes, as well as window sales, are prohibited.~~

(A) Cannabis Dispensary, Medical shall be subject to the following regulations:

1. All medical cannabis dispensaries shall be at least 1,000 feet away from all other medical cannabis dispensaries, measured from the property line.
2. Medical cannabis dispensaries shall follow all state requirements related to the sale of medical cannabis products.
3. All medical cannabis dispensaries shall also meet the regulations for recreational cannabis dispensaries listed below in Section 10-5-19(B) 2 through 12.

(B) Cannabis Dispensary, Recreational shall be subject to the following regulations:

Purpose and Applicability: It is the intent and purpose of this Section to provide regulations regarding the dispensing of adult-use cannabis occurring within the corporate limits of the Village of Glen Ellyn. Such facilities shall comply with all regulations provided in the Cannabis Regulation and Tax Act (P.A. 101-0027) (Act), as it may be amended from time-to-time, and regulations promulgated thereunder, and the regulations provided below. In the event that the Act is amended, the more restrictive of the state or local regulations shall apply.

1. Dispensaries shall not conduct any sales or distribution of cannabis other than as authorized by the Act.
2. Dispensaries shall be located no closer than 1,500 feet from a school.
3. All product storage, display, and sales must be conducted inside an enclosed building.
4. Drive-through and carryout lanes, as well as window sales, are prohibited.
5. Display of cannabis products or paraphernalia must not be visible from sidewalks, public or private rights-of-way, or from a lot other than the lot on which the dispensary is located.
6. Consumption of cannabis products is prohibited on dispensary premises.
7. For purposes of determining required parking, dispensaries shall provide one parking spaces for each 250 square feet of gross floor area.
8. Dispensaries must submit a traffic study showing the impact of the proposed business on traffic in the surrounding area as part of the special use application.
9. Dispensaries shall submit a site plan as part of the special use application and the Village may impose additional setbacks, landscaping, screening and buffering requirements to mitigate impacts on surrounding properties.
10. Dispensaries shall submit a plan for the control of cannabis odors from the subject property as part of the special use application.
11. Dispensaries shall submit a complete copy of their license application and all plans submitted to the State of Illinois, or any agency thereof, as part of their special use application. Before issuance of a certificate of occupancy or

Exhibit “B”

otherwise opening to the public, dispensaries must provide a copy of their license to operate as a cannabis dispensary from the appropriate state agency.

12. Special use permits are a privilege that cannot be transferred without approval of the Village Board of Trustees and shall not constitute a property right. The special use permit is for the use and benefit of the Trustees and the applicant and is non-transferrable to any subsequent owners of the property.
- (C) Cannabis Craft Growers, Cannabis Cultivation Centers, Cannabis Infusers, Cannabis Processers, Cannabis Transporters, and On-Premises Cannabis Consumption Establishments are prohibited.



Village of Glen Ellyn

Ordinance No. _____ - VC

**An Ordinance Amending the Zoning Code
of the Village of Glen Ellyn to
Prohibit Cannabis Business Establishments**

Adopted by the
President and the Board of Trustees of the
Village of Glen Ellyn
DuPage County, Illinois

This ____ Day of _____, 20____.

Published in pamphlet form by the authority of the
President and Board of Trustees of the Village of
Glen Ellyn, DuPage County, Illinois, this ____
day of _____, 20____.

Ordinance No. _____ - VC

**An Ordinance Amending the Zoning Code
of the Village of Glen Ellyn to
Prohibit Cannabis Business Establishments**

Whereas, the State adopted the Illinois Cannabis Regulation and Tax Act, Public Act 101-0027, which provides that municipalities may allow or prohibit cannabis businesses within their corporate limits; and

Whereas, the Village Board adopted Resolution 19-12 on September 9, 2019, stating that the Village does not currently have regulations for cannabis businesses and that regulations for such businesses would be drafted and reviewed within 90 days of the resolution; and

Whereas, the Plan Commission is charged with periodically reviewing and making a recommendation to the Village Board on text amendments to the Zoning Code; and

Whereas, in accordance with this responsibility following due and proper publication of notice in the Daily Herald not less than fifteen (15) nor more than thirty (30) days prior thereto, the Glen Ellyn Plan Commission conducted a public hearing on October 10, 2019 to consider text amendments to the Glen Ellyn Zoning Code; and

Whereas, several members of the public were present at the public hearing, seven (7) of which spoke against allowing recreational cannabis businesses in the Village, seven (7) of which spoke for allowing recreational cannabis businesses in the Village and two (2) of which were neither for nor against allowing recreational cannabis businesses in the Village. Zero (0) members of the public spoke for or against the proposed text amendments specifically; and

Whereas, based upon the evidence, testimony, and exhibits presented at the October 10, 2019 Plan Commission public hearing, by a vote of six (6) “yes” and two (2) “no”, the Glen Ellyn Plan Commission recommended approval of the proposed text amendments to the Glen Ellyn Zoning Code as set forth in the minutes of the October 10, 2019 Plan Commission public hearing, a draft of which is attached hereto as Exhibit “A”; and

Whereas, while the Plan Commission recommended approval of the proposed text amendments to regulate recreational cannabis businesses, should the Village Board determine that the use is appropriate for the Village, the consensus of the Plan Commission was that more evidence is required before a decision is made on approving the sale of recreational cannabis in the Village of Glen Ellyn and that by waiting to see what the impact is on other communities the Village can increase the level of confidence in making the right decision for the community; and

Whereas, the Village has the authority to adopt ordinances and to promulgate rules and regulations that pertain to its government and affairs and that protect the public health, safety and welfare of its citizens; and

Whereas, this Ordinance is adopted pursuant to the provisions of the Illinois Cannabis Regulation and Tax Act, Public Act 101-0027, which provides that the Village has the authority to prohibit adult-use cannabis business establishments; and

Whereas, the Village has determined that the operation of cannabis business establishments would present adverse impacts upon the health, safety and welfare of the residents, and additional costs, burdens and impacts upon law enforcement and regulatory operations of the Village; and

Now, Therefore, be it Ordained by the Board of Trustees of the Village of Glen Ellyn, DuPage County, Illinois, in exercise of its home rule powers as follows:

Section One: The minutes from the October 10, 2019 Plan Commission public hearing, a draft of which is attached hereto as Exhibit “A”, and the facts and statements contained in the preambles above are hereby accepted by the Village President and Board of Trustees.

Section Two: The Glen Ellyn Zoning Code shall be and is hereby amended as set forth in Exhibit “B”, attached hereto.

Section Three: the Director of Community Development is hereby directed to cause the text of the Glen Ellyn Zoning Code to be amended as approved by this Ordinance and said amendment shall be inserted in proper order into the Zoning Code and shall be published and made available for inspection and purchase by the general public.

Section 4: This Ordinance shall be published in pamphlet form within thirty (30) days after its approval in the manner provided by law.

Section 5: The amendment approved herein shall become effective immediately.

Passed by the President and Board of Trustees of the Village of Glen Ellyn, Illinois, this ____ day of _____, 20____.

Ayes		Diane McGinley		Pete Ladesic		Mark Senak
		Craig Pryde		Bill Enright		Gary Fasules
		John Kenwood				
Nayes		Diane McGinley		Pete Ladesic		Mark Senak
		Craig Pryde		Bill Enright		Gary Fasules
		John Kenwood				
Absent		Diane McGinley		Pete Ladesic		Mark Senak
		Craig Pryde		Bill Enright		Gary Fasules
		John Kenwood				

Approved by the Village President of the Village of Glen Ellyn, Illinois this ____ day of _____.

Village President

Attest:

Village Clerk

AFFIX VILLAGE SEAL

(Published in pamphlet form and posted on the ____ day of _____, 20____.)

X:\Plandev\Code and Text Amendments\Code Amendments - Zoning\By Subject\Cannabis and Medical Cannabis\Recreational\Village Board Meeting\Ordinances\Ordinance to Ban.docx

Exhibit “B”

ZONING CODE TEXT AMENDMENTS

October 18, 2019

Bold = New Text; ~~Strikethrough~~ = Deleted TextChapter 2
DEFINITIONS

1. Amend Section 10-2-2 (Terms defined) to add definitions for “Cannabis”, “Cannabis Business Establishment”, “Cannabis Craft Grower” “Cannabis Cultivation Center”, “Cannabis Dispensary, Medical”, “Cannabis Dispensary, Recreational”, “Cannabis Infuser”, “Cannabis, On-Site Consumption”, “Cannabis Processor”, and “Cannabis Transporter”, between the definitions of “Bulk” and “Cellar”:

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1. Amend Section 10-5-19 (Medical cannabis dispensaries) as follows:

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- ~~(A) Sales shall occur only between the hours of 8:00 a.m. and 6:00 p.m.~~
- ~~(B) All medical cannabis dispensaries shall be at least 1,000 feet away from all other medical cannabis dispensaries, measured from the parcel boundaries.~~
- ~~(C) Drive-through and carryout lanes, as well as window sales, are prohibited.~~

(A) Cannabis Dispensary, Medical shall be subject to the following regulations:

1. All medical cannabis dispensaries shall be at least 1,000 feet away from all other medical cannabis dispensaries, measured from the property line.
2. Drive-through and carryout lanes, as well as window sales, are prohibited.
3. Medical cannabis dispensaries shall follow all state requirements related to the sale of medical cannabis products.

(B) Cannabis Craft Growers, Cannabis Cultivation Centers, Cannabis Infusers, Cannabis Processors, Cannabis Transporters, On-Premises Cannabis Consumption Establishments, and Recreational Cannabis Dispensaries are prohibited.



Minutes
Village of Glen Ellyn
Regular Meeting
Monday, October 28, 2019
7:00 PM
Glen Ellyn Civic Center, Galligan Board Room

A. Call to Order

B. Pledge of Allegiance

C. Roll Call

Attendee Name	Title	Status	Arrived
Diane McGinley	Village President	Present	
Bill Enright	Village Trustee	Present	
Gary Fasules	Village Trustee	Present	
Craig R. Pryde	Village Trustee	Present	
Kelli E. Christiansen	Village Trustee	Present	
Steve Thompson	Village Trustee	Present	
Mark Senak	Village Trustee	Present	
John Chereskin	Village Clerk	Excused	
Mark Franz	Village Manager	Present	
Greg Mathews	Village Attorney	Excused	
William Holmer	Assistant Village Manager	Present	
Christina Coyle	Finance Director	Present	
Julius Hansen	Public Works Director	Excused	
Staci Springer	Director	Present	
Phil Norton	Chief of Police	Present	
Rich Daubert	Professional Engineer	Present	
Kelly Purvis	Planner	Present	
Cole Jackson	Associate Planner	Present	
AJ Goyal	Economic Development Coordinator	Present	
Kurt Asprooth	Attorney	Present	
Lindsey Kaminsky	Executive Assistant	Present	

D. Audience Participation

1. Open:

President McGinley welcomed students from the College of DuPage who are attending the meeting for course credit.

E. Presentation

1. Executive Director Dawn Bussey will give an update on the Glen Ellyn Public Library.

Glen Ellyn Library Executive Director Dawn Bussey presented an update on the Glen Ellyn Public Library. Ms. Bussey thanked the Village and Public Works for installing

lights on the Prairie Path by the Library. Ms. Bussey reviewed 2019 and talked about the Check the Library Campaign, the Short-Story Kiosk and the Gizmo Collection. Ms. Bussey stated the Library does serve over 80 book clubs in the community. Ms. Bussey stated in 2019, the Library has also done the Summer Reading Program, Goat Yoga and Summer Lunches. Ms. Bussey stated in 2020, the Library will go fine-free on the daily fines, and as of April, the hours of service on Friday and Sunday would be extended another hour. Ms. Bussey introduced Library Trustees Molly Hoerster, Karen Volk and Molly McGinnis Knapke who were attending the meeting as well.

- F. Consent Agenda - The following items are considered routine business by the Village Board and will be approved in a single vote in the form listed below:

President McGinley stated Item #8 is being struck from the agenda.

RESULT:	APPROVED [6 TO 0]
MOVER:	Craig R. Pryde, Village Trustee
SECONDER:	Kelli E. Christiansen, Village Trustee
AYES:	Enright, Fasules, Pryde, Christiansen, Thompson, Senak
PRESENT:	McGinley

Motion to approve the following items including Payroll and Vouchers totaling \$1,542,231.67 (Trustee Pryde):

1. Total Expenditures (Payroll and Vouchers) - \$1,542,231.67 - The vouchers have been reviewed by Manager Franz prior to this meeting, and are consistent with the Village's purchasing policy.
2. Glen Ellyn Village Board - Special Workshop Meeting - Oct 7, 2019 7:00 PM
3. Glen Ellyn Village Board - Special Workshop Meeting - Oct 10, 2019 7:00 PM
4. Glen Ellyn Village Board - Special Workshop Meeting - Oct 14, 2019 5:30 PM
5. Glen Ellyn Village Board - Regular Meeting - Oct 14, 2019 7:00 PM
6. Glen Ellyn Village Board - Special Workshop Meeting - Oct 21, 2019 7:00 PM
7. Receive the Police Pension Board's Municipal Compliance Report for the fiscal year ended December 31, 2018 (Finance Director Coyle)

Regarding Item #7, Trustee Senak asked what the total unfunded liability is. Finance Director Coyle stated she did not have the exact number with her, but as the Police Pension Fund is a bit over 50% funded, this is approximately \$24 million to \$25 million.

- G. **Glen Ellyn Metra Station Architectural Services and Phase I Engineering Agreement Change Order (Presented by Professional Engineer Daubert) (Trustee Thompson)**

Professional Engineer Daubert presented information on this change order and stated this change order is needed to authorize additional services to move the project forward with Section 106, coordination with the CBD Streetscape and Utilities project, type size and location drawings, expanded geotechnical and environmental work, additional project support, additional grant applications, external communications and project

management. Professional Engineer Daubert stated the amendment would result in an addition of up to 843 hours at a cost of \$154,175.

Trustee Senak asked for an update on the grant proposals. Professional Engineer Daubert stated the Village should receive notification this week about getting a grant from CMAP for approximately \$14 million. Professional Engineer Daubert stated the Village will be applying for a grant from the ICC as well which would be a reimbursement type. Professional Engineer Daubert stated the latest cost estimate on the overall project is a little over \$20 million.

Trustee Christiansen thanked Professional Engineer Daubert and team for their work on this project. Trustee Christiansen asked about the feedback from the State Preservation Officer. Professional Engineer Daubert stated in the end, they did look at saving the existing train station, but this was not looked at as feasible. Professional Engineer Daubert stated this will be continued to be look at concurrently with the design of the project. President McGinley stated she verified with the state that the Village Board has full authority over demolition of any building.

1. Motion to authorize the Village Manager to execute Amendment No. 2 to the Glen Ellyn Metra Station Architectural Services and Phase I Engineering Agreement with CDM Smith of Chicago, Illinois in the not-to-exceed amount of \$154,175 to be expensed to the Capital Projects Fund.

RESULT:	APPROVED [6 TO 0]
MOVER:	Steve Thompson, Village Trustee
SECONDER:	Kelli E. Christiansen, Village Trustee
AYES:	Enright, Fasules, Pryde, Christiansen, Thompson, Senak
PRESENT:	McGinley

H. Zoning Text Amendments for Cannabis Business Establishments (Presented by Community Development Director Springer) (Trustee Enright)

President McGinley introduced this topic and explained the process.

Community Development Director Springer stated there are pages of additional resources in the Trustees' packet on this. Community Development Director Springer introduced Attorney Kurt Asprooth who is extremely knowledgeable about the cannabis act. Community Development Director Springer thanked Village Planner Purvis and Associate Village Planner Jackson for their work on this project.

Community Development Director Springer stated in June 2019, Governor Pritzker signed the Cannabis Regulation and Tax Act (CRTA) which legalizes the sale, possession and use of cannabis for recreational purposes in limited quantities by persons 21 years or older, beginning January 1, 2020. Community Development Director Springer stated municipalities may regulate or ban recreational cannabis in their jurisdictions, but municipalities cannot direct the licensing process which will be handled by the State. Community Development Director Springer stated the Village approved a medical cannabis text amendment in 2014; however, there are no medical cannabis dispensaries in the Village currently.

Community Development Director Springer reviewed the timeline of the discussions on possible recreational cannabis in the Village from the Village Board Workshop in August, to the Resolution passed by the Village Board in September to direct the Plan Commission to review and recommend to the Plan Commission public hearing on October 10th. Community Development Director Springer stated at the Plan Commission public hearing, the Plan Commission voted with six (6) yes votes and two (2) no votes to support the proposed text amendments as presented by the staff at this meeting; however,

it was the consensus of the Plan Commission that more information is needed prior to allowing the operation of recreational cannabis businesses in the Village. Community Development Director Springer stated the Plan Commission was in favor of the Village waiting to see what the impact is on other communities to help increase the level of confidence in making the right decision for the community.

Community Development Director Springer stated feedback and comments from the community were welcomed on the Village's website, and as to date, 58% of respondents were opposed to recreational cannabis businesses in the Village, 40% are in favor and 2% are undecided.

Community Development Director Springer reviewed the staff's research on recreational cannabis and stated the staff talked with a Cannabis Educator, did a literature review, attended a meeting at the College of DuPage, did a survey of other communities and did map studies as well. Community Development Director Springer stated there is not a lot of conclusive data from states that have legalized recreational cannabis, and a summary of the State of Colorado report was included in the Trustees' packets. Community Development Director Springer stated the staff did survey other communities and found that 45% of communities were taking action to allow recreational cannabis, 36% were taking action to ban recreational cannabis, 15% are undecided and 3% were going to put the topic on referendum.

Community Development Director Springer stated if the Village Board's decision is to allow recreational cannabis sales in Glen Ellyn, staff is supportive of text amendments that would allow recreational cannabis dispensaries only in the C3 zoning district with the following restrictions:

- *That cannabis dispensaries be allowed as a special use only in the C3 zoning district (which is along Roosevelt Road).*
- *That no consumption of cannabis on-site at dispensaries or smoking lounges be permitted.*
- *That dispensaries be located no closer than 1,500 feet from a school.*
- *That drive-through and window sales be prohibited.*
- *That parking requirements be the same as other retail uses (1 space per 250 gross square feet).*
- *That a traffic impact study be required as part of the special use application.*
- *That all cannabis dispensaries be required to submit a site plan as part of the special use application and that the Village may impose additional setbacks, landscaping, screening and buffering requirements to mitigate impacts on surrounding properties.*
- *That cannabis dispensaries shall submit a plan for the control of cannabis odors from the subject property as part of the special use application.*
- *That the number of dispensaries be limited through the use of licenses, similar to liquor licenses.*
- *That no other type of cannabis related businesses, other than dispensaries, be allowed to locate within the Village at this time.*

Trustee Enright asked if there has been any interest on dispensaries coming to Glen Ellyn. Village Manager Franz stated the staff has had some conversations from some potential business owners.

Trustee Fasules asked if anyone can come to the Village and file for a text amendment to allow a special use to which Community Development Director Springer stated they can. President McGinley stated this would be a multi-month process. Attorney Asprooth stated there could be a concern with the Village Board not making a decision so to avoid ambiguity, he would recommend the Village Board makes a decision one way or another. President McGinley asked if the Village Board can control where cannabis businesses can be in the Village with zoning regulations to which Attorney Asprooth stated they can.

Trustee Enright asked about the financial and tax estimates. Finance Director Coyle stated in her estimation, the best estimate in tax revenue from recreational cannabis sales with the full 3% sales tax could be in the range of \$100,000 to \$400,000 to the Village. Trustee Senak asked if the Village can prohibit the sale of edibles if the edibles resemble candy, cookies or other things. Attorney Asprooth stated the Village cannot regulate what a dispensary can sell as the State regulates this.

Public Comment

Michelle Andringa, who resides at 708 Highview Avenue, stated she is strongly opposed to the sale of recreational cannabis in the Village as this will drive up crime and this industry is hard to police. Ms. Andringa stated allowing recreational cannabis would be irresponsible and dangerous as there is a difference between creating rules and enforcing rules. Ms. Andringa stated the Glen Ellyn Police Department is opposed to recreational cannabis in the Village. Ms. Andringa stated this will invite the black market to town. Ms. Andringa stated this would send the wrong message to the kids in the Village.

Gilda Ross, who resides at 80 Sunset, thanked the Village Board for their service. Ms. Ross stated she is attending the meeting on behalf of Dr. David Larson, Superintendent of District 87. Ms. Ross stated there could be numerous, long-term issues for marijuana users, and this could help with taxes in the Village, but will not help in the long-term. Ms. Ross stated the Village Board should consider a wait and see approach. Ms. Ross read a statement from the Glenbard West High School Principal.

JB Bledsas, who resides at 557 Glendale Avenue, stated he is representing Reality Illinois. Mr. Bledsas stated Glen Ellyn should opt out of recreational cannabis. Mr. Bledsas provided data and stated many teens have said that there is no issue with using marijuana one to two times a week. Mr. Bledsas stated with this low perception, there will be high risk.

Anne Gould, who resides at 609 Newton, asked why the Village would allow cannabis businesses to make a profit in the Village and why the Village would go against the Glen Ellyn Police Department and local educators who are against recreational cannabis. Ms. Gould asked what the Village's compelling reasons are to allow recreational cannabis in the Village. Ms. Gould stated Illinois was the first state to allow cannabis without bringing the issue to the voters. Ms. Gould stated it would be irresponsible to allow cannabis sales in the Village.

Steve Coffey, who resides at 206 East Road, stated it would be a bad idea to allow the sale of cannabis in the Village. Mr. Coffey stated Colorado is already showing bad long-term effects from cannabis. Mr. Coffey stated the Village Board should vote against this now and in the future.

Richard Schmitt, who resides at 672 Highview, asked the Village Board to vote no on this. Mr. Schmitt stated he is the father of a teenager and leads boys in the Boy Scouts. Mr. Schmitt stated there is already a crisis going on with vaping. Mr. Schmitt stated the Village Board should not give in to money.

Jason Fues, who resides at 620 Prairie, stated there are so many people in so many towns, standing up to say no to this. Mr. Fues stated the number 1 offense in Colorado schools is marijuana use, and the revenue targets in Colorado are supposedly not as good as the projections. Mr. Fues stated he thinks this would be a bad idea because if you look at the trends and indicators, these do not look good. Mr. Fues stated the Village should side with Naperville, Downers Grove, Lisle and Wheaton and say no on this.

Tim Meinhart, who resides at 167 Derby Glen Drive, stated the Village should opt out of this. Mr. Meinhart stated he has a family member in law enforcement in Colorado, and the family member says it is not great. Mr. Meinhart stated he does not see the point in allowing recreational cannabis sales, and no amount of tax revenue can make this right.

Carol Orosz, who resides at 460 Hill Avenue, stated she moved to Glen Ellyn because it is a safe town with low crime rates and is a wholesome community. Ms. Orosz stated

there might be some revenue from the sales, but the hospitals and police department will do extra work. Ms. Orosz stated the Village Board should consider all the risks and vote no.

Patrick Ryan, who resides at 539 Dawes Avenue, stated there is no much unknown on this issue, and there has been only a few months to consider this major item. Mr. Ryan stated there is no field test for marijuana. Mr. Ryan stated DuPage County will do a tax too. Mr. Ryan stated the Village Board should vote no.

Molly Hoerster, who resides at 345 Ridgewood, stated she is representing herself and not as a Trustee for the Library. Ms. Hoerster stated she is vehemently opposed to this. Ms. Hoerster stated she tries to deliver the right messages to her kids, and this is a moral issue. Ms. Hoerster stated there is already an alcohol issue in the community, and they should not introduce another element like this. Ms. Hoerster stated there is overwhelming evidence of various problems with marijuana use, and it would be highly irresponsible to allow this in the Village.

Pete Ladesic, who resides at 615 Scott Avenue, asked if Glen Ellyn need or want retail marijuana businesses in the community. Mr. Ladesic stated they would not even be having this discussion if it was not for money. Mr. Ladesic stated it is unfortunate that the downstate legislators put this in the Village's hands. Mr. Ladesic stated at the Village Board Workshop, those who were in favor were in favor of medical marijuana facilities, but that is not what this discussion is. Mr. Ladesic stated many across Illinois have opposed this, and this is not an economic development driver. Mr. Ladesic stated there is no rush to take action on this.

Amy Crowley, who resides at 580 Hillside Avenue, stated they should ban recreational cannabis sales in the Village. Ms. Crowley stated the struggle with vaping is real, and marijuana consumption would increase more risk. Ms. Crowley stated Glen Ellyn is a family-friendly Village, and this would be negated if the Village Board allowed cannabis. Gavin Schilling, who resides at 655 Duane Street, stated he is with Reality Illinois. Mr. Schilling provided data on vaping and stated people who do vaping have also reported a history of use of THC products.

Justine Rozenich, who resides at 67 Joyce Court, stated she is with Reality Illinois. Ms. Rozenich stated the Village Board should adopt a moratorium and address this issue in another year. Ms. Rozenich stated the Village Board should take a step back and look at possible issues in other communities from recreational cannabis.

Zack Wilson, who resides at 1N109 Wheatberry in Carol Stream, Illinois, presented information he found online and in article about a study done. Mr. Wilson stated the data shows a reduction in crime near dispensaries. Mr. Wilson provided data.

Dirk Andringa, who resides at 708 Highview, stated Glen Ellyn is a safe town, and he does not want to see the family atmosphere in Glen Ellyn destroyed. Mr. Andringa stated this will send the wrong message. Mr. Andringa stated in California, the profits have gone down because the black market cuts prices.

Kane Tran stated the Village should ban this if they feel they have enough monies to finance the schools and the community. Mr. Tran stated you need to look at both sides and see which could be more beneficial to the community. Mr. Tran stated violence occurs when there is drinking involved or other drugs. Mr. Tran stated he feels they should do a bit more research.

Megan Clifford, who resides at 793 Forest Avenue, stated she is in support of Police Chief Norton and the Glen Ellyn Police Department. Ms. Clifford stated there was a letter from the Glen Ellyn Police Department that laid out their concerns about allowing recreational cannabis in the Village. Ms. Clifford stated she agrees with the consensus statement from the Plan Commission, and the time, research and evidence are not there yet to make a decision on this.

Rudy Fan stated there are too many unknowns. Mr. Fan stated Glen Ellyn has a good reputation. Mr. Fan stated this is a cash-based business, and there are too many risks

involved. Mr. Fan stated the Village should wait and see how other communities handle this.

Tom Anderson, who resides at 554 Whittier Avenue, stated he can understand why Lombard allowed this, but he cannot understand why Glen Ellyn is. Mr. Anderson stated it does make any sense to talk about this, and he is disappointed that they are even talking about this.

President McGinley thanked the public for speaking at tonight's meeting. President McGinley stated she did want residents to know that the Village Board will be talking about a retail shop, and the Board did not talk discuss revenue first. President McGinley stated she wanted to get the pulse of the Village Board before going forward with a motion.

Trustee Fasules stated the Village Board cannot make a rash decision on this, and he feels they should table this ordinance for a length of time to properly study recreational cannabis sales so the Board can see the pros and cons.

Trustee Pryde stated he does not see a need to rush to make a judgment at this point. Trustee Pryde stated he is more against this than for this at this point. Trustee Pryde stated the Village Board should study this.

Attorney Asprooth stated the Village Board can set a moratorium with a specific time frame that would go through a Zoning Text Amendment.

Trustee Senak stated he thinks this was a bad law at the state level, but he also does not see that eliminating recreational cannabis sales will prohibit bad effects if this is legal at the State level. Trustee Senak stated he is fine with studying this, but he does support this as the revenue from the sales tax could go toward the Police Pension Liability and fully staffing the Glen Ellyn Police Department.

Trustee Enright stated based on resident outcry and feedback, he is opposed to this currently; however, he is fine with a moratorium for now.

Trustee Thompson stated he is conflicted in making this decision, and he received a lot of input. Trustee Thompson stated the Village Board does not have enough information to understand the effects on public health and safety. Trustee Thompson stated the tax revenue could possibly go into social programs. Trustee Thompson stated he is not ready to support this at this time, but he does support a wait and see approach as well as a Village-wide referendum on this. Trustee Thompson stated if this does pass, they should limit the license to only one recreational cannabis dispensary in the Village.

Trustee Christiansen thanked the staff, Police Chief Norton and the Plan Commission for their work on this already. Trustee Christiansen stated she is struggling with this as many people are suffering from things that are not covered by medical marijuana, and this would give these people access for those who do not qualify for a medical marijuana card. Trustee Christiansen stated for every statistic, there is an equal statistic to the contrary. Trustee Christiansen stated the Village could possibly lose substantial tax revenue and a possible access to marijuana for friends and neighbors that might need this. Trustee Christiansen stated she is leaning toward yes on this, but she is not opposed to further research.

President McGinley stated the consensus of the Village Board is to put a moratorium on this and do more research on recreational cannabis sales.

1. Motion to Put a Moratorium on the Sale of Cannabis within the Corporate Limits of the Village Glen Ellyn until October 26, 2020

RESULT:	APPROVED [5 TO 1]
MOVER:	Bill Enright, Village Trustee
SECONDER:	Mark Senak, Village Trustee
AYES:	Enright, Fasules, Pryde, Thompson, Senak
NAYS:	Christiansen
PRESENT:	McGinley

President McGinley called for a break at 9:11 p.m.

President McGinley reconvened the meeting at 9:19 p.m.

I. Public Hearing and First Reading of the Proposed Annual Budget for the Village of Glen Ellyn in the Net Amount of \$77,387,244 for the Fiscal Year Beginning January 1, 2020 (Presented by Finance Director Coyle) (Trustee Fasules)

1. Motion to open Public Hearing to receive comment on the proposed annual budget for the Village of Glen Ellyn in the net amount of \$77,387,244 for the fiscal year beginning January 1, 2020 and ending December 31, 2020.

A motion was made by Trustee Fasules and seconded by Trustee Enright to open a Public Hearing at 9:20 p.m. to receive comment on the proposed annual budget for the Village of Glen Ellyn in the net amount of \$77,387,244 for the fiscal year beginning January 1, 2020 and ending December 31, 2020.

Upon roll call, Trustees Christiansen, Enright, Fasules, Pryde, Senak and Thompson voted "aye."

Finance Director Coyle was sworn in and stated the draft budget is available on the Village's website, and hard copies of the draft budget are available at the Civic Center as well. Finance Director Coyle reviewed the timeline for the budget and stated this is the First Reading with the Second Reading being done at the November 12, 2019 Village Board Meeting. Finance Director Coyle stated the 2020 Budget covers the 17 Funds of the Village. Finance Director Coyle stated the additional cost to the average resident of the Village will be \$9.56 in 2020 for the 2020 Budget. Finance Director Coyle stated the General Fund is balanced for 2020.

Trustee Senak asked about the merit pool for Village employees. Finance Director Coyle stated this is a 2.75% merit pool, and staff directors are given the option to give a base salary adjustment to their employees or a 1-time stipend. There was a discussion on how 2.75% was figured for the merit pool. Trustee Senak asked they would need to lower the budget by approximately \$100,000 in order to zero the levy to which Finance Director Coyle stated yes.

2. Motion to close the Public Hearing to receive comment on the proposed annual budget for the Village of Glen Ellyn in the net amount of \$77,387,244 for the fiscal year beginning January 1, 2020 and ending December 31, 2020.

A motion was made by Trustee Fasules and seconded by Trustee Enright to close a Public Hearing at 9:32 p.m. to receive comment on the proposed annual budget for the Village of Glen Ellyn in the net amount of \$77,387,244 for the fiscal year beginning January 1, 2020 and ending December 31, 2020.

Upon roll call, Trustees Christiansen, Enright, Fasules, Pryde, Senak and Thompson voted "aye."

3. Motion to approve on the first reading of an Ordinance adopting the annual Village of Glen Ellyn expenditure budget in the net amount of \$77,387,244, including the compensation plan, for the fiscal year beginning January 1, 2020 and ending December 31, 2020

RESULT:	FIRST READING [5 TO 1]	Next: 11/12/2019 7:00 PM
MOVER:	Gary Fasules, Village Trustee	
SECONDER:	Craig R. Pryde, Village Trustee	
AYES:	Enright, Fasules, Pryde, Christiansen, Thompson	
NAYS:	Senak	
PRESENT:	McGinley	

J. Public Hearing and First Reading of the Proposed 2019 Property Tax Levy for the Village of Glen Ellyn and the Glen Ellyn Public Library (Presented by Finance Director Coyle) (Trustee Fasules)

1. Motion to open public hearing to receive comment on the proposed 2019 property tax levy for the Village of Glen Ellyn and the Glen Ellyn Public Library.

A motion was made by Trustee Fasules and seconded by Trustee Enright to open a Public Hearing at 9:35 p.m. to receive comment on the proposed 2019 property tax levy for the Village of Glen Ellyn and the Glen Ellyn Public Library.

Upon roll call, Trustees Christiansen, Enright, Fasules, Pryde, Senak and Thompson voted "aye."

Finance Director Coyle was sworn in. Finance Director Coyle stated the Village of Glen Ellyn levy will include a 1.9% increase in CPI and a 0.9% increase in new growth. Finance Director Coyle stated 6.7% of the property tax levy goes to the Village and 34.3% of the levy goes to the Library so \$0.07 of every dollar goes to the Village with \$0.04 of every dollar going to the Library. Finance Director Coyle stated any abatements will be considered and voted on by the Village Board in January 2020.

Pete Ladesic, who resides at 615 Scott, was sworn in. Mr. Ladesic stated he encourages the Village Board to be flat on the property tax levy.

2. Motion to close a public hearing to receive comment on the proposed 2019 property tax levy for the Village of Glen Ellyn and the Glen Ellyn Public Library.

A motion was made by Trustee Fasules and seconded by Trustee Pryde to close a Public Hearing at 9:40 p.m. to receive comment on the proposed 2019 property tax levy for the Village of Glen Ellyn and the Glen Ellyn Public Library.

3. Motion to approve the first reading of an Ordinance for the levy and assessment of taxes in the amount of \$14,504,066 for the fiscal year beginning January 1, 2020 and ending December 31, 2020, of the Village of Glen Ellyn and the Glen Ellyn Public Library

Trustee Senak stated he feels they can zero the levy if they can find approximately \$100,000 in cuts. Trustee Senak stated he circulated a document regarding possibly \$150,000 in budget cuts to the Trustees that he would like entered into the record. Trustee Senak stated he does not oppose the Library levy, only the Village levy.

RESULT:	FIRST READING [5 TO 1]	Next: 11/12/2019 7:00 PM
MOVER:	Gary Fasules, Village Trustee	
SECONDER:	Kelli E. Christiansen, Village Trustee	
AYES:	Enright, Fasules, Pryde, Christiansen, Thompson	
NAYS:	Senak	
PRESENT:	McGinley	

K. Reminders

1. A Special Village Board Workshop is scheduled for Tuesday, November 5, 2019 at 6:00 PM at the College of DuPage
2. A Glenbard Wastewater Joint Board Meeting is scheduled for Tuesday, November 12, 2019 at 6:30 PM at the Glen Ellyn Civic Center
3. A Village Board Meeting is scheduled for Tuesday, November 12, 2019 at 7:00 PM in the Galligan Board Room at the Glen Ellyn Civic Center
4. A Special Village Board Workshop is scheduled for Monday, November 18, 2019 at 7:00 PM at the College of DuPage

L. Other Business

None.

M. Adjournment

RESULT:	APPROVED [6 TO 0]
MOVER:	Steve Thompson, Village Trustee
SECONDER:	Craig R. Pryde, Village Trustee
AYES:	Enright, Fasules, Pryde, Christiansen, Thompson, Senak
PRESENT:	McGinley

Respectfully Submitted, Debbie Solomon Recording Secretary

Reviewed and Approved, Mark Franz Village Manager

ZONING CODE TEXT AMENDMENTS
December, 2020

Bold = New Text; ~~Strikethrough~~ = Deleted Text

Chapter 2
DEFINITIONS

1. Amend Section 10-2-2 (Terms defined) to add definitions for “Cannabis”, “Cannabis Business Establishment”, “Cannabis Craft Grower” “Cannabis Cultivation Center”, “Cannabis Dispensary, Medical”, “Cannabis Dispensary, Recreational”, “Cannabis Infuser”, “Cannabis, On-Site Consumption”, “Cannabis Processor”, and “Cannabis Transporter”, between the definitions of “Bulk” and “Cellar”:

...

CANNABIS shall have the same definition as “cannabis” set forth in Section 1-10 of the Cannabis Regulation and Tax Act, as amended.

CANNABIS BUSINESS ESTABLISHMENT means a “cannabis business establishment,” “infuser organization,” or “infuser”, as defined in Section 1-10 of the Cannabis Regulation and Tax Act, as amended, and such other cannabis business establishments authorized under the Act, as amended.

CANNABIS CRAFT GROWER means “craft grower” as defined in Section 1-10 of the Cannabis Regulation and Tax Act, as amended.

CANNABIS CULTIVATION CENTER means “cultivation center” as defined in Section 1-10 of the Cannabis Regulation and Tax Act, as amended.

CANNABIS DISPENSARY, MEDICAL: A business regulated and authorized by the State of Illinois to sell legal quantities of cannabis derived products, including marijuana, to patients who are also authorized by the State of Illinois to purchase cannabis.

CANNABIS DISPENSARY, RECREATIONAL: A facility operated by an organization or business that is licensed by the Illinois Department of Financial and Professional Regulation to acquire cannabis from licensed cannabis business establishments for the purpose of selling or dispensing cannabis, cannabis-infused products, cannabis seeds, paraphernalia or related supplies to purchasers or to qualified registered medical cannabis patients and caregivers, per the Cannabis Regulation and Tax Act, (P.A. 101-0027), as it may be amended from time-to-time, and regulations promulgated thereunder.

CANNABIS INFUSER means “infuser organization” or “infuser” as defined in Section 1-10 of the Cannabis Regulation and Tax Act, as amended.

CANNABIS, ON-PREMISES CONSUMPTION ESTABLISHMENT means a cannabis business establishment or other entity that is authorized or permitted to allow the on-premises consumption of cannabis.

CANNABIS PROCESSER means “processing organization” or “processor” as defined in Section 1-10 of the Cannabis Regulation and Tax Act, as amended.

CANNABIS TRANSPORTER means “transporting organization” or “transporter” as defined in Section 1-10 of the Cannabis Regulation and Tax Act, as amended.

-
2. Amend Section 10-2-2 (Terms defined) to delete the definition for “Medical Cannabis Dispensary” between the definitions of “Maintenance and Storage Facilities” and “Micro Food and Beverage Manufacturing”:

~~MEDICAL CANNABIS DISPENSARY: A business regulated and authorized by the State of Illinois to sell legal quantities of cannabis derived products, including marijuana, to patients who are also authorized by the State of Illinois to purchase cannabis.~~

Chapter 4 DISTRICT REGULATIONS

1. Amend Section 10-4-15(B) (C3 Service Commercial District – Special uses) to add the following and renumber the remainder of the section accordingly:

- 4. Cannabis Dispensary, Medical**
- 5. Cannabis Dispensary, Recreational**

2. Amend Section 10-4-16(B) (C4 Office District – Special uses) to delete the following:

~~16. Medical cannabis dispensary (in accordance with 10-5-19 of this title).~~

3. Amend Section 10-4-19(A) (I1 Light Industrial District – Permitted uses) to delete the following and renumber the section accordingly:

~~17. Medical cannabis dispensary (in accordance with 10-5-19 of this title).~~

Chapter 5 SUPPLEMENTARY REGULATIONS

1. Amend Section 10-5-19 (Medical cannabis dispensaries) as follows:

~~10-5-19. Medical cannabis dispensaries.~~ **Cannabis Businesses.**

~~Medical cannabis dispensaries shall be subject to the following regulations:~~

~~(A) Sales shall occur only between the hours of 8:00 a.m. and 6:00 p.m.~~

~~(B) All medical cannabis dispensaries shall be at least 1,000 feet away from all other medical cannabis dispensaries, measured from the parcel boundaries.~~

~~(C) Drive-through and carryout lanes, as well as window sales, are prohibited.~~

(A) Cannabis Dispensary, Medical shall be subject to the following regulations:

1. All medical cannabis dispensaries shall be at least 1,000 feet away from all other medical cannabis dispensaries, measured from the property line.
2. Medical cannabis dispensaries shall follow all state requirements related to the sale of medical cannabis products.
3. All medical cannabis dispensaries shall also meet the regulations for recreational cannabis dispensaries listed below in Section 10-5-19(B) 2 through 12.

(B) Cannabis Dispensary, Recreational shall be subject to the following regulations:

Purpose and Applicability: It is the intent and purpose of this Section to provide regulations regarding the dispensing of adult-use cannabis occurring within the corporate limits of the Village of Glen Ellyn. Such facilities shall comply with all regulations provided in the Cannabis Regulation and Tax Act (P.A. 101-0027) (Act), as it may be amended from time-to-time, and regulations promulgated thereunder, and the regulations provided below. In the event that the Act is amended, the more restrictive of the state or local regulations shall apply.

1. Dispensaries shall not conduct any sales or distribution of cannabis other than as authorized by the Act.
2. Dispensaries shall be located no closer than 1,500 feet from a school.
3. All product storage, display, and sales must be conducted inside an enclosed building.
4. Drive-through and carryout lanes, as well as window sales, are prohibited.
5. Display of cannabis products or paraphernalia must not be visible from sidewalks, public or private rights-of-way, or from a lot other than the lot on which the dispensary is located.
6. Consumption of cannabis products is prohibited on dispensary premises.
7. For purposes of determining required parking, dispensaries shall provide one parking spaces for each 250 square feet of gross floor area.
8. Dispensaries must submit a traffic study showing the impact of the proposed business on traffic in the surrounding area as part of the special use application.
9. Dispensaries shall submit a site plan as part of the special use application and the Village may impose additional setbacks, landscaping, screening and buffering requirements to mitigate impacts on surrounding properties.
10. Dispensaries shall submit a plan for the control of cannabis odors from the subject property as part of the special use application.
11. Dispensaries shall submit a complete copy of their license application and all plans submitted to the State of Illinois, or any agency thereof, as part of their special use application. Before issuance of a certificate of occupancy or

otherwise opening to the public, dispensaries must provide a copy of their license to operate as a cannabis dispensary from the appropriate state agency.

12. Special use permits are a privilege that cannot be transferred without approval of the Village Board of Trustees and shall not constitute a property right. The special use permit is for the use and benefit of the Trustees and the applicant and is non-transferrable to any subsequent owners of the property.
- (C) Cannabis Craft Growers, Cannabis Cultivation Centers, Cannabis Infusers, Cannabis Processers, Cannabis Transporters, and On-Premises Cannabis Consumption Establishments are prohibited.

ZONING CODE TEXT AMENDMENTS
December, 2020

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- ~~(B) All medical cannabis dispensaries shall be at least 1,000 feet away from all other medical cannabis dispensaries, measured from the parcel boundaries.~~
- ~~(C) Drive through and carryout lanes, as well as window sales, are prohibited.~~

(A) Cannabis Dispensary, Medical shall be subject to the following regulations:

1. All medical cannabis dispensaries shall be at least 1,000 feet away from all other medical cannabis dispensaries, measured from the property line.
2. Drive-through and carryout lanes, as well as window sales, are prohibited.
3. Medical cannabis dispensaries shall follow all state requirements related to the sale of medical cannabis products.

(B) Cannabis Craft Growers, Cannabis Cultivation Centers, Cannabis Infusers, Cannabis Processers, Cannabis Transporters, On-Premises Cannabis Consumption Establishments, and Recreational Cannabis Dispensaries are prohibited.