

James McDonald, Mayor
Mary Konrad, Clerk
Stacy Michael, Treasurer

Trustees:
Allena Barbato
Jake Cramond
Karen Harms
Jeff Nielsen
Tom O'Reilly
Doug Savell

AGENDA

ZONING BOARD OF APPEALS

November 10, 2022 at 7:00 pm

65 Cedar Avenue, Lake Villa, Illinois

This meeting is being held, in person, at the Village located at 65 Cedar Avenue

The public may attend the meeting in person to provide public comments or may submit public comments by 5:00 p.m. on the day of the meeting by email to the Village Administrator, Michael Strong at mstrong@lake-villa.org.

Public Comment is only available for those in attendance at the Village Hall and is not available via remote audio means.

The public can view and listen to the public meeting through video or audio means:

Join Zoom meeting online:

<https://zoom.us/j/98685486643?pwd=M245RTVBUC3c5aVpSSEhPaJlN3ZMZZ09>

Join Zoom meeting by phone: 1-312-626-6799

Meeting ID: 986 8548 6643

Passcode: 1901

1. Call to Order & Roll Call
2. Pledge of Allegiance
3. Approval: Minutes of August 26, 2021 Zoning Board of Appeals Meeting
4. Public Hearing: Zoning Code Text Amendment Regarding "Adult Use Cannabis" Uses
5. Public Hearing: Zoning Code Text Amendment Regarding "Massage Establishment" Uses
6. Public Comment
7. Adjournment

VILLAGE OF LAKE VILLA
MINUTES OF THE MEETING OF THE ZONING BOARD OF APPEALS
August 26, 2021

A. CALL TO ORDER AND ROLL CALL

A Meeting of the Zoning Board of Appeals of the Village of Lake Villa was held on August 26, 2021, at the Village of Lake Villa Village Hall, 65 Cedar Avenue, and was called to order by Plan Commission Chair Kressner at 7:00 pm. relative to the Petition of Grace Community Bible Church for the property at 1001 E. Grand Avenue in Lake Villa.

Present:	Commissioners: Jerry Coia, Dan Lincoln, Mary Meyer, Doug Savell, and Steve Smart; and Chair Craig Kressner
Absent:	Commissioner Tracy Lucas
Also Present:	Village Administrator Karl Warwick, and Village Attorney James Bateman on behalf of the Village, and Pastor Michael Bryant and Asst. Pastor Megan Thomas on behalf of the Petitioner

B. PLEDGE OF ALLEGIENCE

C. PUBLIC HEARING

A public hearing was held to consider and receive public comment on the Petition of Grace Community Bible Church—Lake County, the contract purchaser of the Subject Property, for consideration of an application for a Conditional Use Permit for the property commonly known as 1001 E. Grand Avenue in Lake Villa (the “Subject Property”) to permit the establishment of a place of public assembly, i.e., a church, pursuant to Table 1 of Section 10-3B-2 of the Village of Lake Villa Zoning Regulations (the “Zoning Regulations”). Said application for a Conditional Use included a request for variations from certain provisions of the Zoning Regulations, including but not limited to variations: (a) to permit the repair and renovation of the existing four (4) story building on the Subject Property which has a height of approximately sixty feet (60’), notwithstanding the fact that Table 2 of Section 10-3C-2 of the Zoning Regulations otherwise restricts the height of a building and any addition thereto in the CB (Community Business) Zoning District to be not more than forty feet (40’) and not more than three (3) stories.

After presentation by the Petitioner and questions and discussion relative to the Petition by the members of the Zoning Board of Appeals, a motion was made by ZBA member Jerry Coia and seconded by ZBA Member Doug Saville that the Lake Villa Zoning Board of Appeals recommend to the Mayor and Board of Trustees of the Village of Lake Villa approval of the requested Conditional Use Permit, based upon the following findings of fact (which are part of this Motion).

FINDINGS OF FACT:

- (A) The owner of record of the Subject Property is reported to be the Lake Villa Public Library District, 1001 E. Grand Avenue, Lake Villa, IL, 60046. The Petitioner, Grace Community Bible Church—Lake County, is the contract purchaser for the property at 1001 E. Grand Avenue, Lake Villa, IL (“the Subject Property”) and the Petitioner who has requested approval for a Conditional Use Permit to permit the establishment of a place of public assembly, i.e., a church, on the Subject Property pursuant to Table 1 of Section 10-3B-2 of the Village of Lake Villa Zoning Regulations (the “Zoning Regulations”).

- (B) Said application for a Conditional Use includes a request for variations from certain provisions of the Zoning Regulations, including but not limited to variations to permit the repair and renovation of the existing four (4) story building on the Subject Property which has a height of approximately sixty feet (60'), notwithstanding the fact that Table 2 of Section 10-3C-2 of the Zoning Regulations otherwise restricts the height of a building and any addition thereto in the CB (Community Business) Zoning District to be not more than forty feet (40') and not more than three (3) stories.
- (C) The Subject Property is approximately 5.60 acres in size, is located in the CB Community Business Zoning District, and is improved with a four (4) story building which was previously used and occupied by the Lake Villa Library District.

CONDITIONAL USE STANDARDS:

- (1) The proposed Conditional Use for a church is listed and authorized in the Village's Zoning Regulations for the CB (Community Business) Zoning District. Therefore, this standard has been or will be met.
- (2) The proposed Conditional Use is consistent with the objectives of the Village's Zoning Ordinance: The aesthetics of the existing building when used as a Church will be consistent with the character of the buildings and uses in the vicinity thereof. Therefore, this standard has been or will be met.
- (3) The proposed Conditional Use is designed, constructed, operated, and maintained so as to be harmonious and appropriate in appearance with the existing or intended character of the general vicinity: The appearance of the Subject Property will be harmonious and appropriate in appearance with the existing character of the general vicinity. Therefore, this standard has been or will be met.
- (4) The proposed Conditional Use will not significantly diminish the safety, use and enjoyment of surrounding property: The safety, use or enjoyment of the Subject Property and of the surrounding properties will not be negatively affected. Therefore, this standard has been or will be met.
- (5) The proposed Conditional Use Permit is or will be adequately served by essential public facilities and services such as streets, police and fire service, drainage, refuse disposal, and schools: The Subject Property is adequately served by all essential public facilities. Therefore, this standard has been or will be met.
- (6) The proposed Conditional Use does not create any additional expense for public facilities and services and will not be detrimental to the economic welfare of the community: The proposed Church does not create an additional public expense related to public facilities or services and will not be detrimental to the economic welfare of the community. Therefore, this standard has been or will be met.
- (7) The proposed Conditional Use does not involve uses, activities, processes, materials, equipment and conditions of operation that will be detrimental to any persons, property, or the general welfare by reason of excessive production of traffic, noise, smoke, fumes, glare or odors: There are no proposed modifications to the overall site layout or site circulation. The proposed Church does not involve or include any modifications, uses or activities which

would be detrimental to any persons through the production of traffic, noise, smoke, fumes, glare or odors. Therefore, this standard has been or will be met.

- (8) The proposed Conditional Use will provide vehicular access to the Property designed so that such uses do not create any interference with traffic on surrounding public thoroughfares: The existing site access will remain unchanged. The proposed Church will be designed to serve the members of the Church and their invitees and will not create any additional traffic which is not already part of the existing operations of the site. Therefore, this standard has been or will be met.
- (9) The proposed Conditional Use does not result in the destruction, loss, or damage of a natural, scenic, or historic feature of major importance: There is no loss or destruction of any existing natural, scenic or historic features caused by the proposed Church and related site improvements. Therefore, this standard has been or will be met.
- (10) The proposed Conditional Use complies with all additional regulations in this Ordinance specific to the Conditional Use Permits requested: The Petitioner is requesting that the Village approve one (1) exception from the Zoning Ordinance which is for the height of the existing four-story building. Therefore, this standard has been or will be met.
- (11) The proposed Conditional Use will be consistent with the existing uses on and the existing zoning of nearby properties: The Subject Property is surrounded by a mix of commercial and multiple-family residential uses. Therefore, this standard has been or will be met.
- (12) Property values will not be diminished by the particular zoning restrictions at issue or by granting of the proposed Conditional Use: The proposed Church and related site improvements will enhance, not diminish, property values. The proposed zoning restrictions applicable to the Subject Property have been accepted by the Petitioner and will enhance the value of the Subject Property. Therefore, this standard has been or will be met.
- (13) The property values of the Subject Property will not be diminished by the requested Conditional Use and will promote the general health, safety, and welfare: Granting the requested Conditional Use will not have a negative effect on the value of the Subject Property but, instead, will promote the general health, safety, and welfare of Church members, its invitees, and the Village and its residents. Therefore, this standard has been or will be met.
- (14) There will be a gain to the public as a result of the Conditional Use, and there will be no hardship imposed upon the Petitioner: A hardship could result for the Petitioner if the requested Conditional Use is not approved by the Village. Therefore, this standard has been or will be met.
- (15) The Property is suitable for the establishment of the proposed Conditional Use: The Subject Property is currently zoned CB (Community Business) District . The Church will be a complementary use in the CB Community Business District. Therefore, this standard has been or will be met.
- (16) The Village has undertaken its planning and land use regulations with great care: The Village has taken great care in developing its land use plan. The use of the Subject Property as a church is compatible with the surrounding land uses. Therefore, this standard has been or will be met.

- (17) There is evidence of community need for the use which is the subject of the proposed Conditional Use: The Petitioner indicates that they have church members in the Lake Villa area and that the Subject Property is a convenient location for their mission. Therefore, this standard has been or will be met.

CONDITIONS OF APPROVAL:

This recommendation by the Village of Lake Villa Zoning Board of Appeals is subject to the following recommended conditions:

- (1) Both of the upper and lower parking lots on the Subject Property shall be repaved prior to the issuance of an occupancy permit for the Church.
- (2) The Church shall, as the Library did in the past, accept ownership and maintenance of the private sanitary sewer lift station which is located in Library Drive, which acceptance shall be evidenced in writing by the execution of the Acceptance page of the related Ordinance to be approved by the Lake Villa Village Board granting to the Church the requested Conditional Use permit.
- (3) The use of the building on the Subject Property shall be limited to use as a church and for uses which are accessory uses in relation to such church use.

The roll call vote on said Motion was as follows:

Ayes: Commissioners: Jerry Coia, Dan Lincoln, Mary Meyer, Doug Savell,
Steve Smart, and Tracy Lucas
Nays: None
Absent: None
Abstain: None

WHEREUPON, Chair Kressner decided that the Motion had carried.

There being no further business before the ZBA, the ZBA meeting was adjourned by a unanimous voice vote.

Minutes submitted by:

James Bateman
Village Attorney, Village of Lake Villa
Acting as Recording Secretary

NOTICE OF PUBLIC HEARING
BEFORE THE ZONING BOARD OF APPEALS
OF THE VILLAGE OF LAKE VILLA

NOTICE IS HEREBY GIVEN of a public hearing to be held by the Zoning Board of Appeals of the Village of Lake Villa relative to proposed amendments to the text of Title 10, “Zoning Regulations”, which is part of the Village of Lake Villa Village Code, as amended, as follows:

HEARING DATE AND TIME: Thursday, November 10, 2022 at 7:00 p.m. or as soon thereafter as the agenda permits.

PLACE OF HEARING: Village of Lake Villa Village Hall, 65 Cedar Avenue, Lake Villa, Illinois, 60046.

NATURE OF HEARING: To consider text amendments to Title 10, “Zoning Regulations”, which is part of the Village of Lake Villa Village Code, as amended, including but not limited to the following specific amendments:

- (1) Section 10-2-2, “Definitions and Abbreviations”: Amendment to add a definition for “Massage Establishments”;
- (2) Section 10-3B-2, Table 1: “Principal Uses Permitted in Zones”: Amendments to modify the entry for “Beauty Salon/Spa/Massage/Tanning” and to add a separate entry for “Massage Establishments” as a conditional use in certain zoning districts within the Village; and
- (3) Section 10-3B-2, Table 1: “Principal Uses Permitted in Zones”: Amendments to allow Adult Use Cannabis Dispensing Organizations if approved by a Conditional Use Ordinance in the CBD, CA, CB, SD, LI-1 and LI-2 Zoning Districts of the Village.

Copies of the proposed text amendments are available for inspection at the Village Hall, 65 Cedar Avenue, Lake Villa, Illinois, 60046, during the Village Hall’s regular business hours.

The Village of Lake Villa is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the Village’s facilities, are requested to contact the Village at (847) 356-6100 promptly to allow the Village to make reasonable accommodations for those persons.

All interested persons are invited to attend the public hearing and will be given an opportunity to be heard.

/s/ Craig Kressner
Chairman, Zoning Board of Appeals
Village of Lake Villa

DATE: November 1, 2022

TO: Chairman Craig Kressner and Members of the Zoning Board of Appeals

FROM: Michael Strong, Village Administrator

RE: **Zoning Code Text Amendment – Adult Use Cannabis Uses**

Applicant: Village of Lake Villa
65 Cedar Avenue
Lake Villa, IL 60046

Location: Village wide

Request: Amend the Zoning Code (Title 10 of the Lake Villa Municipal Code) to permit recreational cannabis businesses within the Village

Background

The Illinois Cannabis Regulation and Tax Act (the “Act”) took effect on January 1, 2020 and made adult recreational use cannabis legal in Illinois. The Act allows municipalities to regulate recreational cannabis businesses within its jurisdiction.

The Board of Trustees has had multiple policy discussions over the past few years concerning the Act and whether recreational cannabis uses (e.g. cultivation center, craft grower, dispensary, etc.) should be allowed or prohibited within the Village. These discussions, which began in June 2019, led to the adoption of Ordinances 11-02 and 11-03, establishing new zoning code definitions pertaining to seven (7) cannabis uses as outlined in the Act and amended the Village Code relative to possession and use of cannabis and drug paraphernalia. However, at that time the Village Board opted to approve a moratorium on all cannabis uses with the exception of medical cannabis facilities which the Act obligated the Village to allow.

Recently, during its October 3, 2022 regular meeting the Village Board revisited the moratorium and considered a policy to either permit or prohibit recreational cannabis, thereby concluding its position of a moratorium. After a lengthy discussion, the Village Board approved a motion directing the Zoning Board of Appeals to review amendments to the Zoning Code to permit the sale of Cannabis by a Licensed Dispensary as a conditional use.

Currently, the Village’s Zoning Code does not specifically allow or prohibit recreational cannabis businesses. When a land use is not specifically listed as either a permitted, special, temporary or conditional use, it is generally considered a prohibited use. The Village Attorney has recommended that the Village modify its Zoning Code to make it clear where recreational cannabis-related businesses should be allowed, and under what Village imposed conditions and restrictions would they be allowed.

Under the structure of our Code, the Zoning Board of Appeals is the body responsible for conducting public hearings and then making recommendations to the Village Board on potential amendments to the Zoning Code. The Village Board has final approval authority for all amendments to the Zoning Code.

Information and Resources for Zoning Board of Appeals Review and Consideration

Village staff previously provided the following information to the Village Board in advance of its recent meeting on October 3, 2022:

1. Staff memorandum summarizing discussion items related to recreational cannabis dispensaries dated September 28, 2022
2. Village Attorney memorandum dated June 6, 2019 relating to the adoption of the “Cannabis Regulation and Tax Act”
3. Village Attorney memorandum dated June 27, 2019 relating to Local Regulations of Cannabis Uses Under the Cannabis Regulation and Tax Act
4. Memorandum attachment issued by Mayor Jim McDonald outlining Cannabis Zoning Regulation
5. Results from Village of Lake Villa survey on Cannabis Facilities
6. Chief of Police memorandum issued September 28, 2022 related to public safety survey conducted on Recreational Cannabis Dispensaries
7. Copy of the 2021 Annual Report issued by the Illinois Department of Financial and Professional Regulation (Statewide Licensing Agent for adult use and medical use dispensaries)

Staff Recommendations

Due to the complex and sensitive considerations involved with the passage of the Act, and resulting allowable use of recreational cannabis Village staff is recommending that any amendments to the Zoning Code be made in a very narrow and highly controlled manner; and further recommends that the Zoning Board of Appeals consider such amendments based on the following questions:

1. What is the Zoning Board of Appeals position relative to the recreational cannabis uses defined within the Village’s Zoning Code, which include the following:
 - a. Cannabis Business Establishment
 - b. Craft Grower
 - c. Cultivation Center
 - d. Dispensing Organization
 - e. Infuser Organization or Infuser
 - f. Processing Organization or Processor
 - g. Transporting Organization or Transporter
2. Which specific uses should be allowed or prohibited within the Village;
3. If allowed, in which specific zoning district(s) should these uses be allowed; and
4. What, if any, additional conditions for allowable use should be met for these cannabis uses?

It is recommended that the Zoning Board of Appeals hold a public hearing and confer on these questions above to consider and draft a Zoning Code Text Amendment that would amend specific provisions of the Zoning Code to allow adult use cannabis establishments in the Village.

**Recreational Cannabis
(Supplemental Information)**



DATE: September 28, 2022

TO: Mayor James McDonald and Board of Trustees

FROM: Michael Strong, Village Administrator

RE: **Discussion Concerning Recreational Cannabis Dispensaries**

Purpose

The Village Board is scheduled to discuss and consider a recreational cannabis policy within Lake Villa during its regular meeting on Monday, October 3. The purpose of this memorandum is to summarize previous discussions the Village Board has had regarding this topic along with address questions that were brought up during the Village Board's previous discussion on February 7, 2022.

Background

In connection with the Agenda item, on June 11, 2019 the Village Board received a detailed memorandum from Corporation Counsel Jim Bateman, discussing the provisions of the Cannabis Regulation and Tax Act ("Act"), which took effect on January 1, 2020. The memorandum outlined the provisions of the Act and also explained the permitted scope of municipal regulation. While municipalities may not prohibit the lawful possession of recreational cannabis after January 1, 2020, they do retain authority to determine whether or not to permit the sale of recreational cannabis at retail, and if so, where and under what limitations as may be allowed under the Act. The Village's authority under the Act, while not identical, parallels local policy decisions concerning the sale of alcoholic beverages.

Consistent with Act, on November 15th, 2019, the Village Board adopted Ordinance 2019-11-02, adopting new zoning code definitions pertaining to seven cannabis uses as outlined in the Act, and further defined in the attached memorandum. In addition, the Village Board adopted Ordinance 2019-11-03, adopting amendments to the Village Code relative to possession and use of cannabis and drug paraphernalia and related subjects. At this time, the Village Board approved a one-year moratorium on all cannabis uses, with the exception of medical cannabis facilities.

On February 7, 2022 the Village Board revisited the moratorium to determine whether or not to expand allowable use to recreational cannabis dispensaries, and cultivation centers. The Village Board opted to table the discussion at that time and revisit in the future.

Since that meeting, Village Staff has compiled additional information requested by the Village Board, including the community survey data, and local law enforcement activity relative to dispensaries located within the region. Attached to this memorandum is a copy of the survey data, which received a total of 155 responses along with a report from the Police Chief concerning a phone survey that was conducted with area Chiefs of Police.

The Village Attorney also looked further into the State's current licensing limitations. Illinois can authorize up to 500 Adult Use Cannabis Dispensary Organization Licenses pursuant to the Act. However, this figure

could always be increased by subsequent legislation. Of those 500 maximum possible number of Adult Use Cannabis Dispensary Organization Licenses, the State of Illinois Department of Financial and Professional Regulation has authorized and issued the following licenses thus far:

- 110 Early Approval Adult Use Dispensing Organization licenses awarded to the 55 medical cannabis business establishments that were already licensed and operating prior to the Cannabis Regulation and Tax Act becoming law. Each of those 55 establishments received an Early Approval Adult Use Dispensing Organization license for the actual site of the medical cannabis facility as well as one additional Early Approval Adult Use Dispensing Organization license "secondary site" license for a different dispensary location from its existing registered medical dispensary location;
- 75 Conditional Use Adult Use Dispensing Organization licenses that have been awarded by lottery; and
- 110 Additional Conditional Use Dispensing Organization licenses, including 55 licenses awarded pursuant to the Social Equity Justice involved lottery.

Subsequent legislation has also authorized the Illinois Department of Financial and Professional Regulation to create and publish rules to authorize and issue additional Conditional Adult Use Dispensing Organization licenses (subject still to the 500 maximum Adult Use Dispensing Organization license cap) and the same legislation has mandated that the Illinois Department of Financial and Professional Regulation issue at least 50 of those authorized licenses by December 21, 2022. Attached for additional information is the Illinois Department of Financial and Professional Regulation's 2021 Cannabis Annual Report.

Regulatory Options to Consider

Village Staff is seeking direction from the Village Board on a preferred regulatory path regarding recreational cannabis in Lake Villa. The Village Board is asked to consider the following two options:

1. Permit the Sale of Cannabis by a Licensed Dispensary

The Village Board could elect to let the Act take effect, which would allow a dispensary properly licensed by the State of Illinois to conduct business in Lake Villa. This is the option that many local communities have adopted, including Fox Lake, Round Lake Beach, Mundelein, Northbrook, and others.

Although the Act has already taken effect, if the Village Board opts for this option, Village Staff would recommend that Village Board direct the Zoning Board of Appeals to review the Zoning Code and consider local amendments to identify the zoning district or districts in which such a business would be permitted to operate, whether it would be a permitted or special use, and any other guidelines such as density standards, maximum allowable licenses, or other limitations that may be important to the Village Board. A local municipal tax ordinance would also need to be adopted by the Village Board

OR

2. Prohibit the Sale of Recreational Cannabis

The Act allows a municipality to prohibit dispensaries within its jurisdiction. Prohibiting recreational cannabis dispensaries would require a local ordinance to that effect. Medical dispensaries cannot be prohibited, and have already been approved for conditional uses pursuant to the Village Board's adoption of Ordinance 2019-11-02.

However, if the Village Board elects to prohibit, Village Staff recommends that the Zoning Board of Appeals be directed to review the Zoning Code and consider a text amendment to define the appropriate zoning use, along with considering a zoning code text amendment that explicitly prohibits the use in all zoning districts.

Note, even if the Village Board wishes to prohibit this type of use, Village Staff still recommends that the Village Board adopt a local tax ordinance to guard against future preemption by the State of Illinois of local regulation or taxation.

Action(s) Requested

If determined appropriate by the Village Board, consideration of the following actions:

1. Motion to Direct the Village Attorney to prepare an Ordinance Amending the Village Code to Impose a Municipal Cannabis Retailers' Occupation Tax.

AND

2. A. Motion to Direct the Zoning Board of Appeals to review amendments to the Zoning Code necessitated by the Illinois Cannabis Regulation and Tax Act, to permit the sale of Cannabis by a Licensed Dispensary

OR

- B. Motion to Direct the Zoning Board of Appeals to review amendments to the Zoning Code necessitated by the Illinois Cannabis Regulation and Tax Act, to prohibit the sale of Cannabis by a Licensed Dispensary

Attachments

1. Memorandums dated June 6, 2019 and June 27, 2019 by Corporation Counsel
2. Background material included in February 7, 2022 Village Board agenda packet
3. Compiled Community survey result data
4. Memorandum from Police Chief Tisinai concerning Recreational Cannabis
5. FY2021 Annual Report from the Illinois Department of Financial and Professional Regulation

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MEMORANDUM

TO: All Municipal Clients
All Chiefs of Police and Deputy Chiefs of Police

FROM: Bateman Law Offices, Ltd.

DATE: June 6, 2019

RE: Adoption of "Cannabis Regulation and Tax Act"

On May 31, 2019, the Illinois General Assembly adopted the Cannabis Regulation and Tax Act (the "Act"), which Act would become effective January 1, 2020, and which is expected to be signed into law by Governor Pritzker.

In brief summary, the Act provides that Illinois residents over the age of 21 will be allowed to possess up to 30 grams of raw cannabis, 5 grams of cannabis concentrate or cannabis-infused products containing up to 500 milligrams of THC, and will be allowed to consume cannabis on private property. A person who is not a resident of Illinois will be allowed to possess half of each of the above quantities.

A permitted cannabis product must be purchased from a dispensary licensed by the State of Illinois. Existing licensed cannabis dispensaries will be allowed to apply to the State of Illinois for expedited approval of a license for a recreational cannabis dispensary as well as for a "secondary site" license. Each applicant will have to show that the proposed use complies with local zoning regulations. This process could result in up to 110 licensed recreational cannabis dispensaries in the State.

After January 1, 2020, the State of Illinois will also have the authority to issue approximately another new 450 dispensary licenses. The Act will establish new categories of licenses for cannabis transporters, infusers, processors and craft growers, i.e., small growers who would operate an on-site dispensary.

Prohibited by the Act are the following activities:

- (1) Possession and consumption by a minor under the age of 21 (other than for legal medical purposes)
- (2) Sale of cannabis to minors under the age of 21.
- (3) Consumption of cannabis in any "public place". A "public place" is defined as "any place where a person could reasonably be expected to be observed by others", but excludes private residences.

- (4) Consumption of cannabis on school grounds or in close physical proximity to persons under 21 years of age.
- (5) Consumption of cannabis in any location where smoking is prohibited by the Smoke-Free Illinois Act.
- (6) Home delivery of cannabis to a consumer by a cannabis business.
- (7) Possession of cannabis in a motor vehicle unless the cannabis is in a sealed, child-resistant, tamper-resistant container and not immediately accessible to the driver.
- (8) Driving under the influence of cannabis (DUI) remains prohibited.

While no local governments will be able to impose regulations that conflict with or are more restrictive than the Act, a municipality will, by ordinance, be able to prohibit or significantly limit recreational cannabis businesses within its corporate limits. Such restrictions may include prohibiting cannabis-related businesses or specific types of cannabis-related businesses from locating within the village or from locating in specific zoning districts within the village. A municipality may elect to allow the establishment of certain types of cannabis businesses while prohibiting the establishment of others.

Municipalities will be authorized by the Act to impose limits on the time, place, manner, and number of cannabis businesses by requiring the businesses to obtain zoning authority from the village in the form of a conditional use permit or a special use permit.

The Act permits dispensaries to operate only between the hours of 6:00 a.m. and 10:00 p.m. and prohibits dispensaries from locating within 1,500 of another dispensary. A municipality may permit the on-premises consumption of recreational cannabis in a licensed cannabis business as an accessory use to a dispensary, for which such municipality may require an on-premises consumption license which would also permit the municipality to inspect the licensed premises from time to time to ensure compliance with all of the applicable regulations of that village.

The Act makes the licensing of cannabis businesses the exclusive domain of the State. However, municipalities may still enforce generally applicable business registration requirements for cannabis businesses and conduct inspections of the premises to determine whether or not such premises is in compliance with a municipality’s building codes.

Municipalities will be authorized to impose a three percent (3%) retailer occupation tax on sales of cannabis and cannabis-related products to consumers. We also note that eight percent (8%) of the State revenue collected on cannabis sales will be deposited into the Local Government Distributive Fund for the purpose of funding crime prevention, police training, and similar programs.

The Act will continue the protections for employers which were established under the Compassionate Use of Medical Cannabis Pilot Program Act of 2013 (the “Medical Cannabis Act”), including “drug-free” or “zero tolerance” policies and to impose discipline or termination for a violation of any such policy.

The Act precludes employees from being impaired or under the influence of cannabis in the workplace, as well as when an employee is “on call”.

The Illinois State Police and other law enforcement agencies will be required to automatically expunge all criminal history records related to minor cannabis offenses. “Minor cannabis offenses” are defined as violations of the Cannabis Control Act concerning not more than 30 grams of any substance containing cannabis. It appears that at this time the automatic expungement mandate of the Act does not appear to include local ordinance violations.

Considering the impact that the Act may have on existing village code and zoning ordinance provisions and other policies of a municipality, municipalities will need to review current ordinance provisions and policies to determine what ordinance amendments will be appropriate or necessary relative to:

- (1) Whether a village should allow or prohibit the operation of cannabis businesses.
- (2) How to classify cannabis businesses, including new categories of like processors, infusers, and craft growers, under a village’s zoning ordinances.
- (3) What types of operating restrictions should be imposed on cannabis businesses through a village’s zoning regulations.
- (4) Whether or not to allow on-premises consumption of cannabis within a licensed dispensary.
- (5) Whether to impose a local tax of up to 3% on recreational cannabis sales.
- (6) Amending and updating a village’s municipal code provisions relative to the possession and use of cannabis to ensure that they are no more restrictive than the Act.
- (7) Whether a village’s personnel policies or employee handbook need to be updated to address issues relating to recreational cannabis.

Please do not hesitate to contact us if you have any questions.

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MEMORANDUM

TO: All Municipal Clients
DATE: June 27, 2019
FROM: Bateman Law Offices, Ltd
RE: Local Regulation of Cannabis Uses Under the Cannabis Regulation and Tax Act

As you know, on May 31, 2019, the Illinois General Assembly passed HB 1438, adopting the Cannabis Regulation and Tax Act. This bill was signed into law by Governor Pritzker on June 25, 2019 as Public Act 101-27 (hereinafter “P.A. 101-27” or the “Act”), which becomes effective January 1, 2020.

While local governments are not permitted to impose regulations that conflict with or are more restrictive than the Act, a municipality may regulate recreational cannabis business establishments through ordinances relating to zoning, business registration and on-site consumption licensing.

Specifically, Section 55-25 of the Act, which is entitled “Local Ordinances”, provides as follows with regard to local regulation of recreational cannabis:

“Unless otherwise provided under this Act or otherwise in accordance with State law:

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

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

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

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

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

Essentially, based on the above-language of Section 55-25 of the Act, a municipality may do the following:

1. Unlike was the case with regard to medical cannabis, prohibit altogether or significantly limit recreational cannabis business establishments from locating within the municipality or within specific zoning districts within the municipality;
2. Allow certain recreational cannabis business establishments but prohibit others;
3. Impose limits on the time, place, manner, distance between and number of cannabis business establishments by requiring the businesses to obtain zoning authorization from the municipality in the form of a conditional use or special use permit;
4. Implement business registration requirements; and
5. Permit or prohibit the on-site consumption of cannabis at certain cannabis business establishments through on-site consumption licenses.

As you consider what local ordinances to pass within your municipality with regard to the zoning, business registration and on-premises consumption licensing of recreational cannabis, it is important to take into account what specific cannabis uses and cannabis business establishments are set forth in and permitted by the Act.

The Act provides that a “‘Cannabis business establishment’ means a cultivation center, craft grower, processing organization, dispensing organization or transporting organization.” These types of cannabis business establishment uses, which are defined below, can all be regulated through local zoning ordinances or resolutions:

1. **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.”
2. **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.”

3. **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.”
4. **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.”
5. **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.”

In addition, the Act also references the following types of facilities and uses relating to recreational cannabis:

6. **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.”
7. **Cannabis Testing Facility:** “means an entity registered by the Department of Agriculture to test cannabis for potency and contaminants.”

However, because infuser organizations and cannabis testing facilities are not included within the definition of cannabis business establishments, these facilities are not facilities, which may be regulated through local zoning regulations.

Please do not hesitate to contact us should you have any questions.

**Recreational Cannabis
(Supplemental Information)**

DATE: September 28, 2022

TO: Village Board of Trustees

FROM: Jim McDonald
Mayor

RE: **Cannabis Zoning Regulations**

INTRODUCTION

On November 15th, 2019, the Village Board adopted Ordinance 2019-11-02, adopting a one-year moratorium on all cannabis uses, with the exception of medical cannabis facilities. Staff is asking the Village Board to review the updated information on cannabis uses and cannabis facilities in neighboring communities and possibly direct staff to draft an ordinance to either:

1. Further extend the moratorium and take no action to modify the Village Code (Public Hearing Not Required).
2. Prohibit all cannabis uses, in all zoning districts, with the exception of medical cannabis facilities (Public Hearing Required), which are permitted as a Conditional Use in the LI-2 Zoning District.
3. Permit certain types of cannabis uses in certain commercial or industrial zones. If the Village Board elects to select this action, the Village Board would need to further define the types of uses and the zoning districts that they would be permitted in (Public Hearing Required).

The list of these seven recreational cannabis uses are listed below.

TYPES OF RECREATIONAL CANNABIS USES

1. CANNABIS BUSINESS ESTABLISHMENT(S): A cultivation center, craft grower, processing organization, dispensing organization, and/or transporting organization as those terms are defined in the Cannabis Regulation and Tax Act as said Act may be amended from time to time, and which are or may be licensed and/or otherwise regulated pursuant to said Act.
2. CRAFT GROWER: A facility operated by an organization or business that is or may be licensed by the Illinois Department of Agriculture pursuant to the Cannabis Regulation and Tax Act 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.
3. CULTIVATION CENTER: A facility operated by an organization or business that is or may be licensed by the Illinois Department of Agriculture pursuant to the Cannabis Regulation and Tax Act to cultivate, process, transport (unless otherwise limited by the Cannabis Regulation and Tax Act), and perform other necessary activities to provide cannabis and cannabis-infused products to cannabis business establishments as defined in the Cannabis Regulation and Tax Act, as said Act may be amended from time to time.
4. DISPENSING ORGANIZATION: A facility operated by an organization or business that is or may be licensed by the Illinois Department of Financial and Professional Regulation pursuant to the Cannabis Regulation and Tax Act 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 as defined in the Cannabis Regulation and Tax Act, as said Act may be amended from time to time.
5. INFUSER ORGANIZATION OR INFUSER: A facility operated by an organization or business that is or may be licensed by the Illinois Department of Agriculture pursuant to the Cannabis Regulation and Tax Act to directly incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis-infused product.
6. PROCESSING ORGANIZATION OR PROCESSOR: A facility operated by an organization or business that is or may be licensed by the Illinois Department of Agriculture pursuant to the Cannabis Regulation and Tax Act 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.
7. TRANSPORTING ORGANIZATION OR TRANSPORTER: An organization or business that is or may be licensed by the Illinois Department of Agriculture pursuant to the Cannabis Regulation and Tax Act to transport cannabis on behalf of an adult use cannabis business establishment or a community college that is or may be licensed under the Community College Cannabis Vocational Training Pilot Program pursuant to said Act.

FACTS ABOUT CANNABIS LEGISLATION IN ILLINOIS

- On January 1, 2020 it became legal for adults 21 and older to purchase, possess, and consume cannabis for recreational purposes.
- Cannabis which is sold, purchased, possessed, and used in compliance with the Cannabis Regulation and Tax Act is termed Adult Use Cannabis.
- Cannabis can only be legally sold at licensed dispensaries and, like alcohol, it is illegal to sell to minors under 21.
- Possession of cannabis by persons under 21 remains a Class A misdemeanor and can be grounds for revoking a minor's driver's license.
- It is illegal to consume cannabis in any public place, including parks, sidewalks, restaurants, bars, and any other place where smoking is prohibited under the Smoke Free Illinois Act.
- Adults are allowed to consume cannabis in their own residences, although landlords and management companies are able to prohibit the smoking of cannabis in rental properties. Residents in a rental unit or within the common areas of a condominium or apartment complex should check with their management company or landlord on their rules.
- It is illegal to drive under the influence of cannabis.
- Cannabis may only be transported in a car if it is in a sealed package that is inaccessible to the driver. Violation of this law is a Class A misdemeanor.

CANNABIS TAX

State law allows for the imposition of a local municipal tax of up to 3% of the gross receipts of cannabis products and must be imposed in 0.25% increments. Lake County is authorized to impose a tax of up to 0.75% within incorporated areas such and 3.75% within incorporated areas. All local county and municipal taxes are collected by the State of Illinois and deposited into dedicated funds that are protected from any future General Assembly budgetary sweeps. These revenues are disbursed to local governments in the same manner as local sales tax revenues.

In addition to local tax revenues, the State will earmark 8% of State taxes collected on cannabis sales to the Local Government Distributive Fund (LGDF) for the purpose of funding crime prevention programs, law enforcement training, and drug interdiction efforts. Even if Lake Villa continues its existing prohibition on retail recreation cannabis businesses, the Village will still receive these additional funds via LGDF.

Based upon recent discussions with local officials in nearby municipalities that already have adult-use recreational dispensaries operating, Village Staff is estimating on the conservative side a potential local revenue enhancement in the range of \$200,000 - \$250,000 per year for the Village once remittance from the Illinois Department of Revenue begins and if the Village authorizes the full 3% local tax allowed by statutes.

Potential Sales Tax Revenue: Five northwest suburbs that already have recreational retail dispensaries have provided the following information, which all publicly available:

- Mundelein is putting **\$600,000** in its 2021 budget for sales tax revenue for its single recreational dispensary.
- Niles is estimating **\$400,000** in first year sales tax revenue for its single recreational dispensary.
- Arlington Heights is putting **\$500,000** in its 2021 budget for sales tax revenue for its single recreational dispensary.
- Evanston is estimating **\$500,000** in first year sales tax revenue for its single recreational dispensary.
- Rolling Meadows is putting **\$300,000** in its 2021 budget for sales tax revenue for its single recreation dispensary.

OTHER MUNICIPALITIES

Below are municipalities nearby and the actions they have taken on the issue of recreational cannabis dispensaries.

16 governmental bodies have permitted recreational cannabis in a business zoning district.

3 governmental bodies have not permitted recreational cannabis in any zoning district.

Lake County (Unincorporated)	On May 11, 2021, the Lake County Board approved an ordinance that permits adult-use cannabis businesses in unincorporated Lake County subject to certain zoning restrictions.
Fox Lake	Passed zoning regulations to allow recreational dispensaries. Limit of two.
Mundelein	Recreational Cannabis use is permitted. Recreational cannabis dispensary is located in this municipality.

Round Lake Beach	Passed zoning regulations to allow recreational dispensaries. One recreational dispensary approved, not open.
North Chicago	Passed zoning regulations to allow recreational dispensaries. Limit of one.
Northbrook	Passed zoning regulations to allow recreational dispensaries. A 10,000 square foot dispensary is operational at 755 Skokie Boulevard.
Lakemoor	Passed zoning regulations to allow recreational dispensaries.
Wheeling	Passed zoning regulations to allow recreational dispensaries.
Waukegan	Passed zoning regulations to allow recreational dispensaries.
Lindenhurst	Approved craft growers and infusers in business district. Approved one cannabis dispensary. Approved a 3% retailers occupation tax on the retail sale of cannabis.
Wauconda	Board allowed recreational cannabis sales in December 2019. Allowed in Retail Business and General Business zoning districts only. May not be located within 500 feet of the property line of any schools, parks, churches, child care facilities. May not be located within 1,500 feet of the property line of another cannabis dispensary.
Antioch	Board allowed recreational cannabis sales in December 2019. September 2019 public hearing at Plan Commission. Allowed within B-1 and B-3 districts only.
Lake Zurich	In December 2020, the Village Board voted to reverse the one-year moratorium it had placed on recreational cannabis businesses and adopted zoning regulations to allow cannabis establishments in non-residential zoning districts. Two establishments in the process of opening.
Grayslake	Banned recreational dispensaries in November 2019.
Buffalo Grove	Recreational Cannabis use is permitted. Recreational cannabis dispensary is located in this municipality.

Deerfield	Recreational Cannabis use is permitted. Recreational cannabis dispensary is located in this municipality. One (1) recreational cannabis Special Use Permit in a very limited area of the Village along Lake Cook Road is permitted.
Round Lake	Passed zoning regulations to allow recreational dispensaries.
Highland Park	Recreational Cannabis use is permitted. Recreational cannabis dispensary is located in this municipality.
Libertyville	Banned recreational dispensaries. Village Board is currently discussing the recreational cannabis zoning ordinance to determine if amendments should be made.
Vernon Hills	Banned recreational dispensaries.

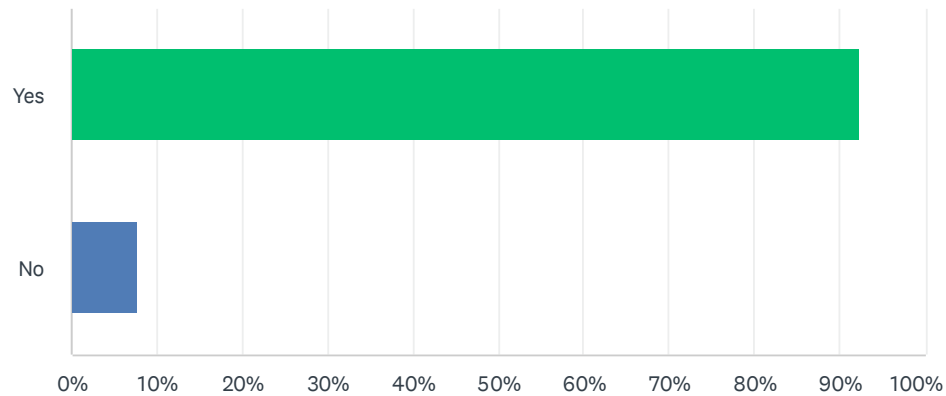
Recreational Dispensaries Nearby: There are seven recreational dispensaries in the region.

- Rise at 1325 Armour Blvd, Mundelein. This is the only recreational dispensary in Lake County. It has been selling recreational cannabis since January 1, 2020 and was previously a medical-only dispensary before 2020. Mundelein applies 3% local tax to sales.
- Rise at 9621 North Milwaukee Ave, Niles. Strictly recreational cannabis, no medical sales. Opened on May 30, 2020. Niles applies 3% local tax to sales.
- Med Men at 1804 Maple Ave, Evanston. Has been opened since November 2015, new owner took over December 2019. Sells recreational and medical cannabis. Evanston applies 3% local tax to sales.
- Verlife at 1816 South Arlington Heights Road, Arlington Heights. Has been opened since 2015-2016, with the Arlington Heights Village Board taking formal action in July 2020 to allow recreational sales. Arlington Heights applies 3% local tax to sales.
- Nature's Care at 975 Rohlwing Road, Rolling Meadows. Has been opened since 2015 as a medical cannabis dispensary, was allowed recreational use in December 2019. Rolling Meadows applies 3% local tax to sales.

- Zen Leaf at 3714 Illinois Ave, St. Charles. Has been opened since 2015 as a medical establishment but began selling recreational cannabis in May 2020. St. Charles applied 3% local tax to sales.
- Zen Leaf at 1434 N. Rand Road, Prospect Heights. Not open yet, but received Board approval in November 2019. Plans to open in September 2020. Prospect Heights applied 3% local tax to sales.
- Altius Dispensary. Not open yet, but received Board approval in 2021. Plans to open in the Spring of 2022.

Q1 Are you a Lake Villa resident?

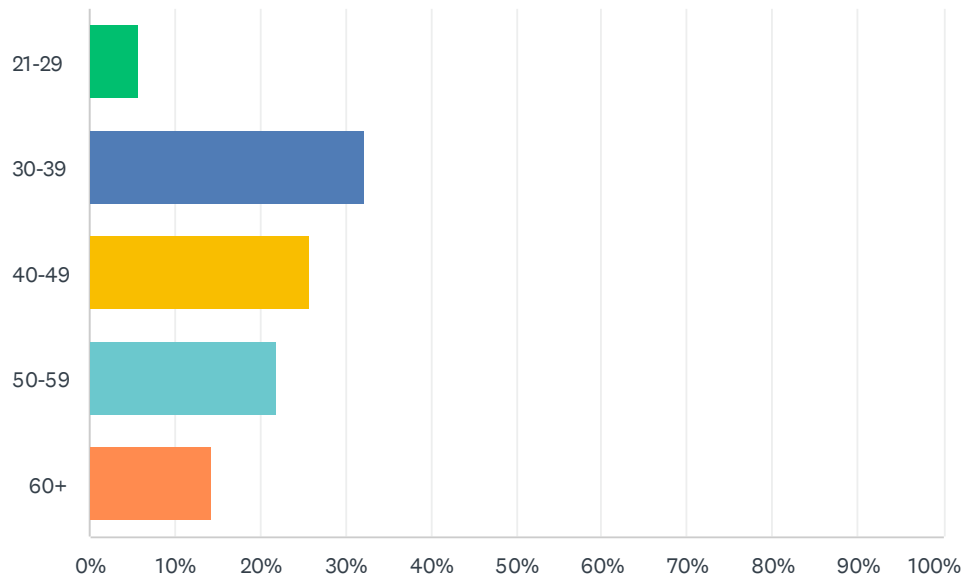
Answered: 155 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	92.26%	143
No	7.74%	12
TOTAL		155

Q2 How old are you?

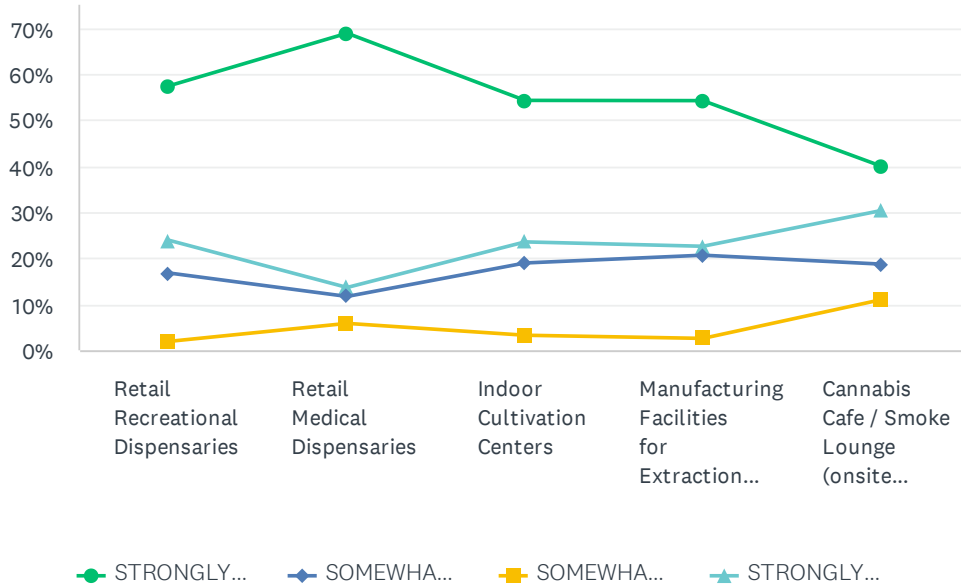
Answered: 155 Skipped: 0



ANSWER CHOICES	RESPONSES	
21-29	5.81%	9
30-39	32.26%	50
40-49	25.81%	40
50-59	21.94%	34
60+	14.19%	22
Total Respondents: 155		

Q3 To what extent do you support or oppose the following types of cannabis establishments in Lake Villa?

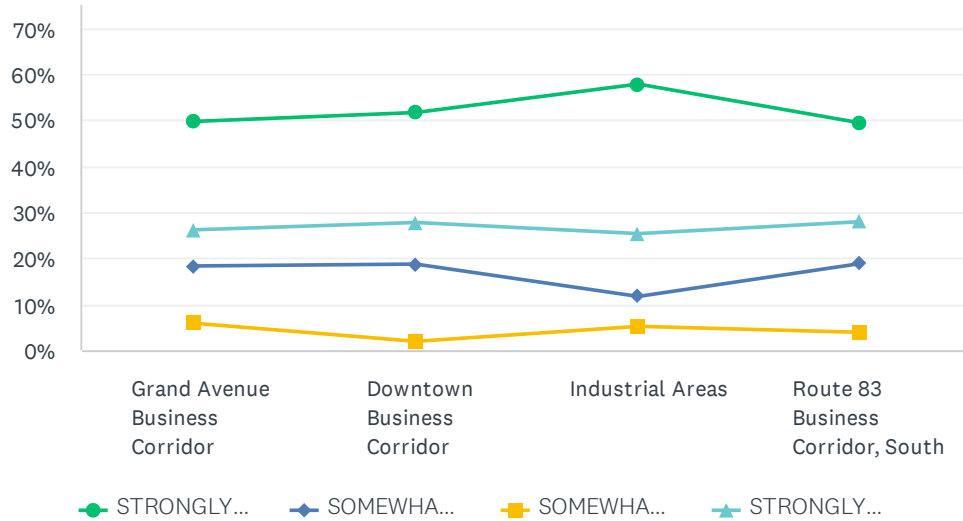
Answered: 155 Skipped: 0



	STRONGLY SUPPORT	SOMEWHAT SUPPORT	SOMEWHAT OPPOSE	STRONGLY OPPOSE	TOTAL
Retail Recreational Dispensaries	57.42% 89	16.77% 26	1.94% 3	23.87% 37	155
Retail Medical Dispensaries	68.83% 106	11.69% 18	5.84% 9	13.64% 21	154
Indoor Cultivation Centers	54.25% 83	18.95% 29	3.27% 5	23.53% 36	153
Manufacturing Facilities for Extraction / Infusion	54.19% 84	20.65% 32	2.58% 4	22.58% 35	155
Cannabis Cafe / Smoke Lounge (onsite consumption)	40.00% 62	18.71% 29	10.97% 17	30.32% 47	155

Q4 To what extent do you support or oppose each of the following locations for retail recreational cannabis dispensaries in Lake Villa?

Answered: 155 Skipped: 0



	STRONGLY SUPPORT	SOMEWHAT SUPPORT	SOMEWHAT OPPOSE	STRONGLY OPPOSE	TOTAL
Grand Avenue Business Corridor	49.67% 76	18.30% 28	5.88% 9	26.14% 40	153
Downtown Business Corridor	51.61% 80	18.71% 29	1.94% 3	27.74% 43	155
Industrial Areas	57.79% 89	11.69% 18	5.19% 8	25.32% 39	154
Route 83 Business Corridor, South	49.35% 76	18.83% 29	3.90% 6	27.92% 43	154

Q5 Please provide your comments on recreational cannabis facilities.

Answered: 85 Skipped: 70



LAKE VILLA POLICE DEPARTMENT

65 CEDAR AVENUE, LAKE VILLA, IL 60046

PHONE: (847) 356-6106 FAX: (847) 356-6103

ROCHELLE TISINAI
CHIEF OF POLICE



DATE: September 28, 2022

TO: Mayor James McDonald and Board of Trustees

CC: Michael Strong, Village Administrator

FROM: Rochelle Tisinai, Chief of Police

RE: **Recreational Cannabis Dispensaries Survey**

Since the Village Board is going to be discussing the topic of a cannabis dispensary, I decided to contact the police departments for the Village of Mundelein, Village of Buffalo Grove, and the City of Highland Park since they have dispensaries in their jurisdiction and are located in Lake County.

I asked them the following questions.

- 1-Have you noticed an increase in DUI or accidents related to the dispensary?
- 2-Has there been an increase in criminal activity or arrests related to the dispensary?
- 3-Has there been a negative effect on the community related to the dispensary?
- 4-Have there been any positive effects related to the dispensary?

The answers to questions 1-3 were no. The only feedback I received was to make sure there is plenty of parking.

The answer to question 4 was that revenue generated by the businesses is deposited into the Village's General Fund for public safety and other priorities that the village has. Another benefit mentioned was it can bring vehicular and pedestrian traffic to the community.

Considering the information, I do not feel that having a dispensary will increase the crime rate in our community.

If you need anything else, please let me know.

2021 ANNUAL REPORT

Illinois Department of Financial and Professional Regulation



Mario Treto, Jr., Acting Secretary of IDFPR



IDFPR
Illinois Department of
Financial and Professional Regulation

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SUMMARY

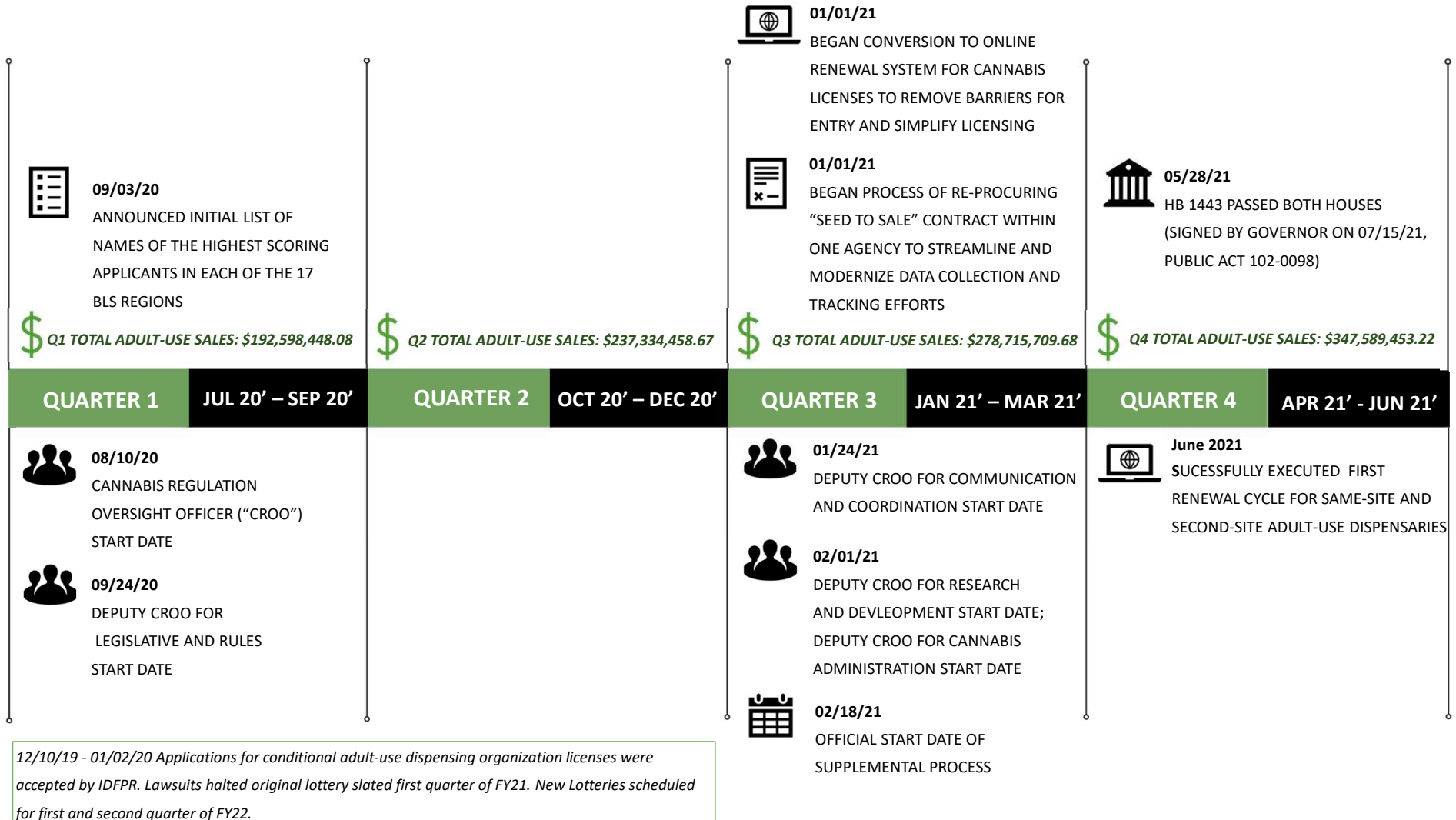
As the regulator of the dispensary-side of the cannabis regulatory framework, as created in the Cannabis Regulation and Tax Act, the Department is charged with implementing the adult-use cannabis license application process in a way that is fair, avoids any conflict of interest within the Department, and follows the statute during the scoring of applications, including social equity applications. No other state law contained the unique combination of requirements in the new act, including the limitations on the number of licenses that can be awarded, and the reduction of economic barriers. As a result, the Department received 2,588 applications and 4,418 licenses were sought. Of these 2,588 applications, 2,530 (or nearly 98%) were submitted as Social Equity Applicants. Of those Social Equity Applicants, nearly 83% applied under the Disproportionately Impacted Area; personal arrest, conviction or adjudication; or family member arrest, conviction or adjudication prongs. The third-party scorer conducted a substantive review of the 2,588 applications and scored nearly 44,000 exhibits.

In 2021, the Department undertook a supplemental review to provide all applicants more detailed information about how points are awarded for the application, and in some instances were given an opportunity to supplement their applications. As a result, the third-party scorer has conducted an additional review at the exhibit level, and then conducted an additional managerial-level quality control review for grading consistency across applications submitted by the same applicant.

During the pendency of the supplemental review, the General Assembly passed House Bill 1443, aimed at clarifying portions of the original Cannabis Act. As a result, the bill establishes a more comprehensive criteria to award 110 adult-use cannabis dispensary licenses. This bill created two new lotteries with increased applicant participation (85% cut score) and a narrower definition of social equity applicant to include only applicants who applied under the disproportionately impacted area or those that have personally been convicted or has a family member who have been convicted of a cannabis-related crime. The lottery dates for these additional, and the original, licenses took place in July and August of 2021.

We are reaching the end of this process and look forward to continuing our march forward in the implementation of the most equitable cannabis program in the country.

FY21 Accomplishments



FY22 Goals and Essential Projects

For FY22, the Department remains steadfast in our efforts to equitably distribute adult-use licenses. In addition, we aim to modernize and streamline application and renewal processes moving forward and align funds to avoid waste and ensure best fiscal and audit practices.

Goals to achieve:

- Finalize “Seed to Sale” Contract
- Initiate Fund Alignment
- Implement HB1443 to conduct lotteries and award equitable conditional licenses
- Initiate and complete online license renewal process
- Onboard necessary and essential personnel for expeditious implementation of Cannabis Regulation and Tax Act

Essential Projects



The initiation, construction and production of an online license renewal process to allow Department to review and approve renewals and new applicants to avoid transition delays and improve transparency.



Department efforts related to the modernization of “Seed to Sale” procurement contract to allow the cannabis-related agencies to remain nimble in the tracking of products from seed to point of sale. Additionally, by housing it in one area, we will moveably track and analyze data points relevant to implantation, health, education and other best practices.





Aligning internal cannabis fund structures within the Department with other funds, will allow the Department to more easily track use and obligations of the fund throughout all levels of the Department.

Key Data Points | Application Process

These key data points reflect no action in FY21 due to the ongoing supplemental scoring process in the last two quarters of the fiscal year alongside the passage of HB1443 during the 102nd General Assembly. The numbers congruent to these key data points are potentially subject to change in FY22 following the scheduled lotteries and awarding of adult-use licenses.

 **December 10, 2019 -
January 2, 2020**
Date Applications
Received

 **N/A**
Date Licenses
Available


 **N/A**
Number of
Deficiency Notice


 **55/55**
Number of Dispensaries
AU/MU (Secondary-
Site/Same-Site)

 **N/A**
Number of
Supplemental
Responses

 **N/A**
% of Sufficient
Responses

 **N/A**
Number of
Qualifying
Applications

 **N/A**
Number Selected
in Lottery

 **N/A**
% of Qualifying Applicants
Selected from
Qualifying/from Total

 **N/A**
Statewide Map of
Dispensaries

IDFPR should be able to provide additional data related to application process in the future with our new online licensing system

Key Data Points | Licenses Issued

As of the date of this report, only adult-use licenses for same-site and secondary-site applicants have been issued. These licenses were awarded per the Cannabis Regulation and Tax Act.



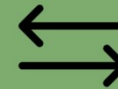
55

Same-Site
Applications



55

Secondary-Site
Applications



15

Number of
Licenses Transferred



55

Same-Site
Licenses Awarded



55

Secondary-Site
Licenses Awarded



4

Number of
Licenses Inactive

Data as of 06/30/2021. See slide 11 and 12 for up-to-date demographics ownership

Adult-Use Dispensing Organization Licenses – FY20 vs FY21 Regions by County Groups

Due to the limited number of dispensaries in FY20 in each county (other than Cook), the Department was not reporting revenue on a per-county basis. As the state adds additional licenses under the statute, the Department intends to provide data for smaller sets of individual counties. For FY20 the Department divided the state into five (5) county groups for the purpose of reporting revenues (only counties with dispensaries are listed):

1. **City of Chicago**
2. **Suburban Cook County**
3. **Non-Cook Suburban Counties:** DuPage, Grundy, Kane, Lake, Will
4. **Northern Counties:** Champaign, Fulton, Knox, LaSalle, McLean, Peoria, Rock Island, Tazewell, Vermillion, Winnebago
5. **Southern Counties:** Adams, Effingham, Jackson, Madison, Saline, Sangamon, St. Clair, Union, Williamson

For FY21, the Department further divided the state resulting in a total of eight (8) county groups. The new county groups, for the purpose of reporting revenues, are listed below (only counties with dispensaries are listed):

1. **Chicago**
2. **Suburban Cook**
3. **DuPage**
4. **Chicago BLS w/o Cook or DuPage:** Lake, McHenry, Kane, Grundy, Will, LaSalle
5. **Northern Non-Metropolitan:** Jo Daviess, Winnebago, Whiteside, Rock Island
6. **West Central:** Knox, McDonough, Fulton, Tazewell, Peoria, Adams, Sangamon
7. **East Central:** McLean, Champaign, Coles, Vermillion, Effingham
8. **Southern:** Montgomery, Madison, St. Clair, Saline, Jackson, Union, Williamson, Jefferson

Adult-Use Dispensing Organization Licenses by Region Overview

Region	# of Adult-Use Dispensaries
Chicago	20
Suburban Cook	23
DuPage	11
Chicago BLS w/o Cook or DuPage: Lake, McHenry, Kane, Grundy, Will, LaSalle	15
Northern Non-Metropolitan: Jo Daviess, Winnebago, Whiteside, Rock Island	8
West Central: Knox, McDonough, Fulton, Tazewell, Peoria, Adams, Sangamon	14
East Central: McLean, Champaign, Coles, Vermillion, Effingham	8
South: Montgomery, Madison, St. Clair, Saline, Jackson, Union, Williamson, Jefferson	11

TOTAL: 110

Adult-Use Dispensing Organization Licenses by County (except Cook)

Pursuant to Section 55-80 of the CRTA Act: The number of licenses issued to dispensing organizations by county, or, in counties with greater than 3,000,000 residents, by zip code.

County	# of Licenses	County	# of Licenses
Adams	3	McDonough	1
Champaign	3	McHenry	1
Coles	1	McLean	2
DuPage	11	Montgomery	1
Effingham	1	Peoria	2
Fulton	1	Rock Island	1
Grundy	1	Saline	1
Jackson	1	Sangamon	4
Jefferson	1	St. Clair	3
Jo Daviess	2	Tazewell	2
Kane	2	Union	1
Knox	1	Vermillion	1
Lake	6	Whiteside	1
LaSalle	1	Will	4
Madison	1	Williamson	1
Massac	1	Winnebago	4

TOTAL: 67

*No adult-use dispensing organization licenses were issued in counties not listed.

Adult-Use Dispensing Organization Licenses by Zip Code (Cook County)

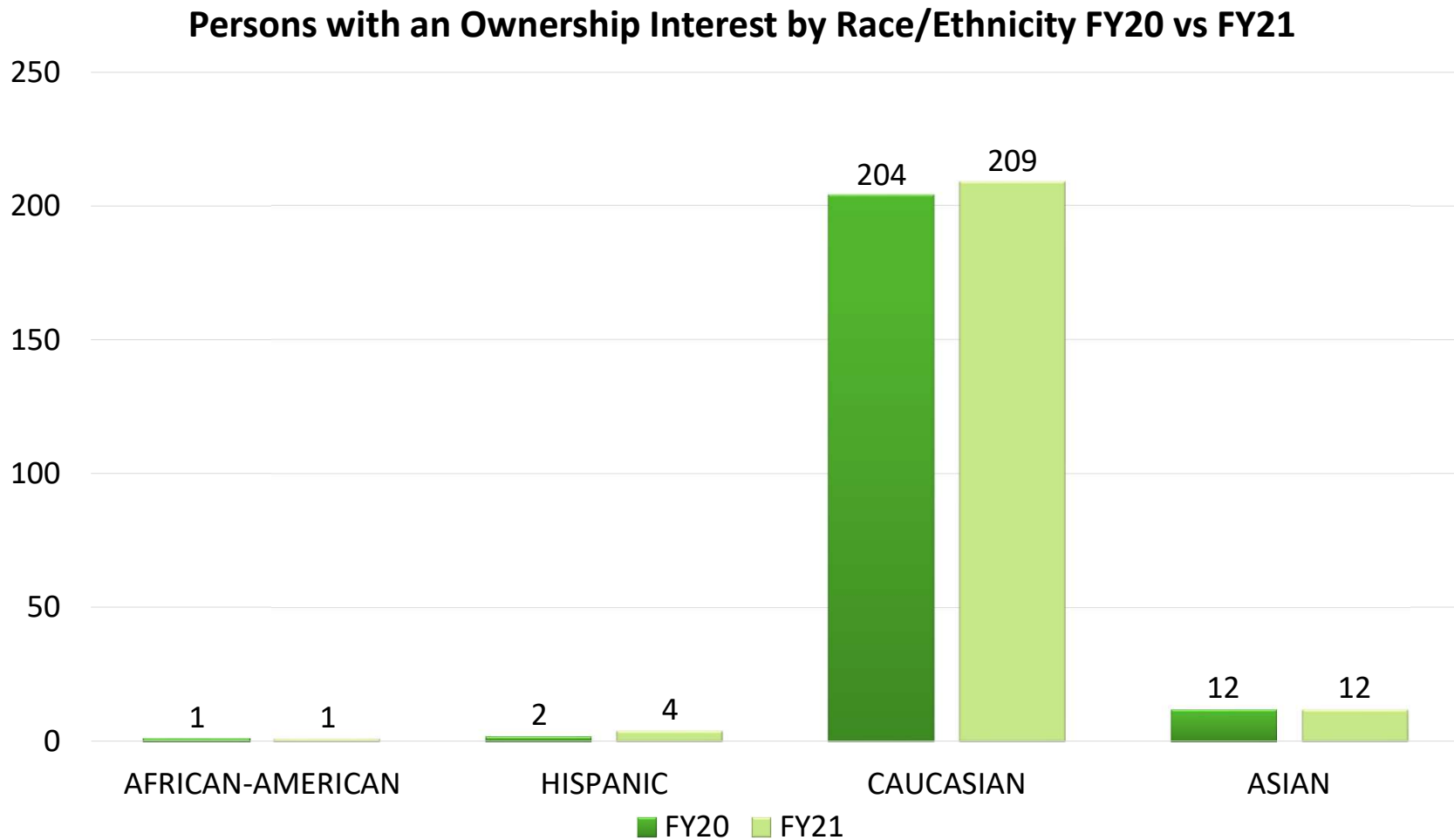
Pursuant to Section 55-80 of the CRTA Act: The number of licenses issued to dispensing organizations by county, or, in counties with greater than 3,000,000 residents, by zip code.

Zip Code	# of Licenses	Zip Code	# of Licenses
60005	1	60458	1
60008	1	60469	1
60015	1	60607	3
60018	2	60608	1
60053	1	60613	1
60056	1	60617	1
60077	1	60626	1
60089	1	60630	1
60154	1	60631	1
60160	1	60632	1
60173	2	60638	1
60194	1	60640	1
60201	1	60642	2
60301	1	60647	1
60409	1	60654	3
60415	1	60661	1
60425	1	60707	1
60430	1	60714	1

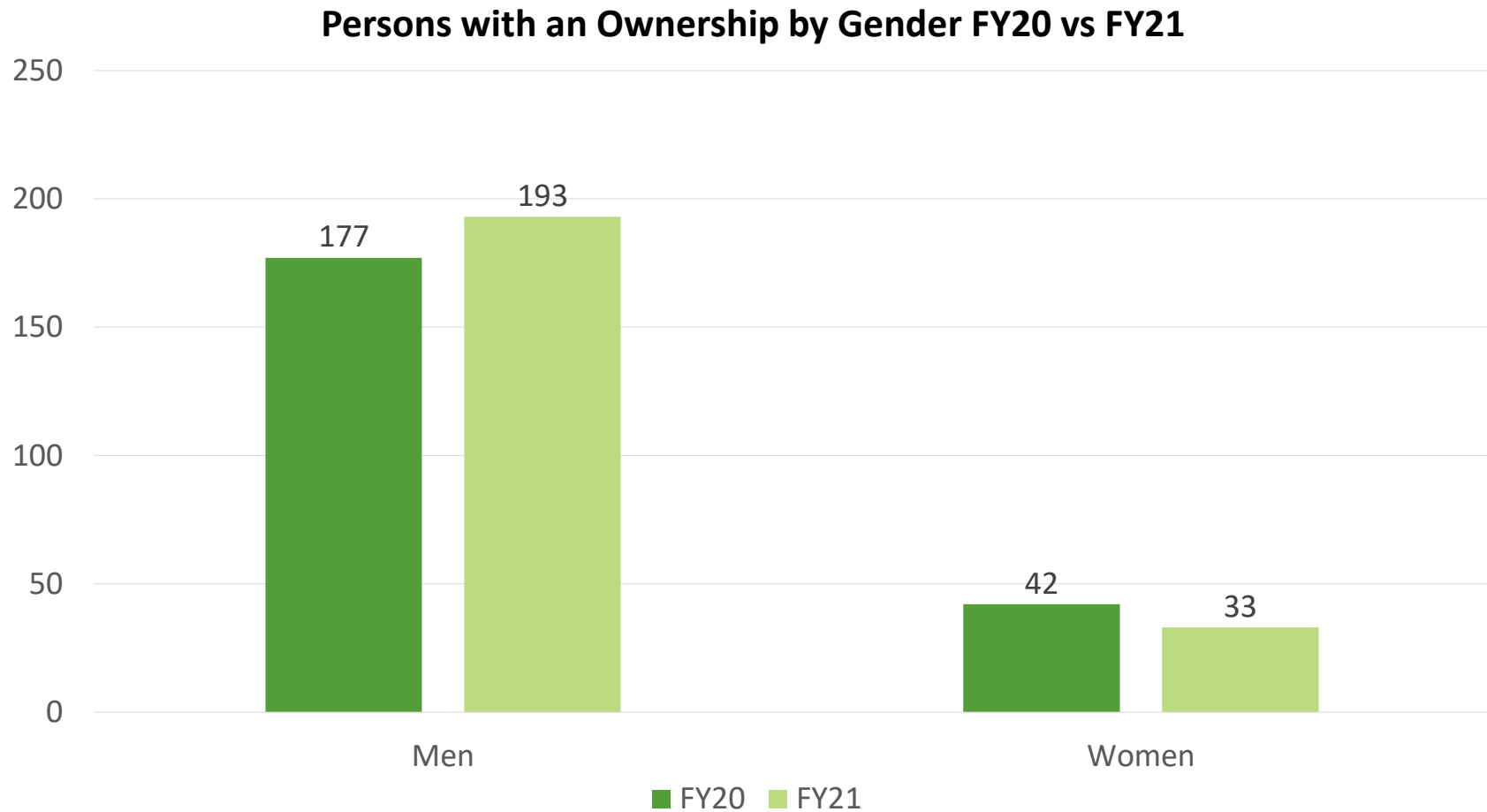
TOTAL: 43

*No adult-use dispensing organization licenses were issued in zip codes not listed.

Dispensing Organization Ownership Demographics

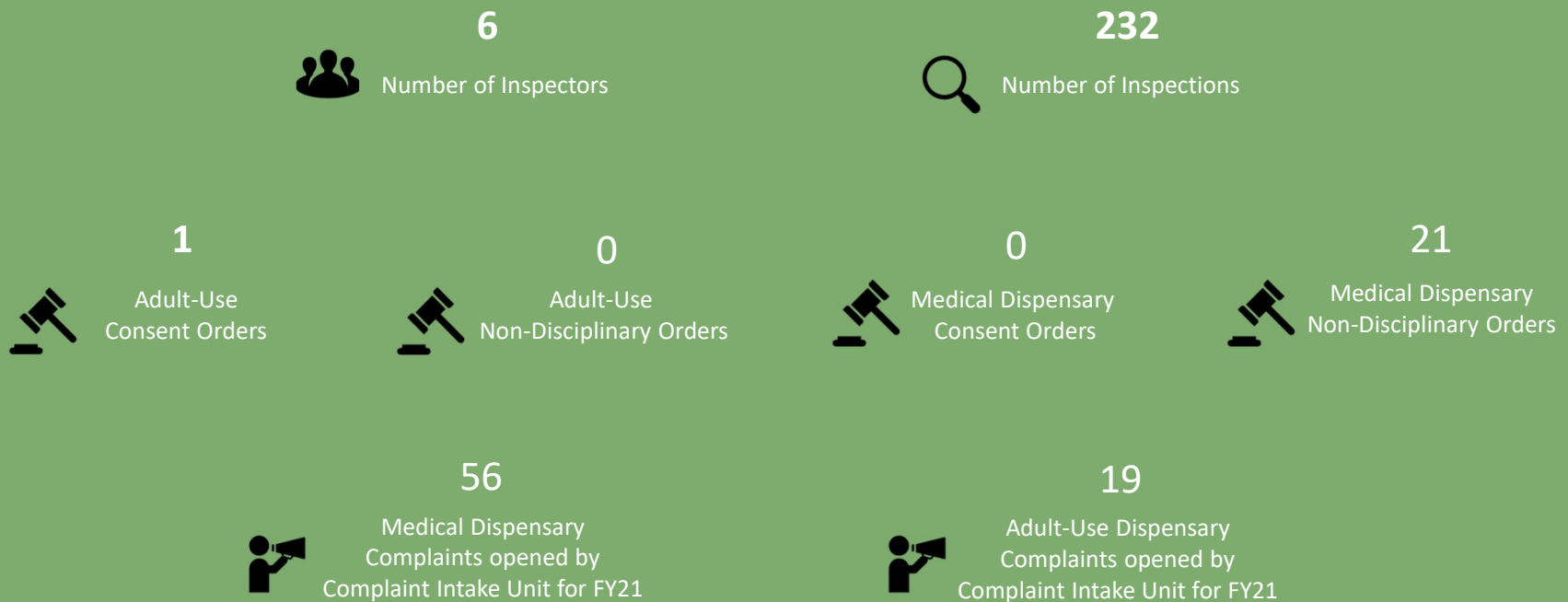


| Dispensing Organization Ownership Demographics



Key Data Points | Inspections

These numbers are subject to increase with the number of additional issued licenses following the results of the scheduled lotteries as contemplated in the original CRTA and HB1443. The Department also worked throughout FY21 to strategically post and hire investigators, licensing and testing employees and prosecutors to more fully regulate this burgeoning industry. The Department plans to provide additional data related to inspections in the future with the Department's new online licensing system.



Key Data Points | Sales Data

The data below reflects the preferences of adult-use consumers in their selection and use of cannabis and cannabis-related products.

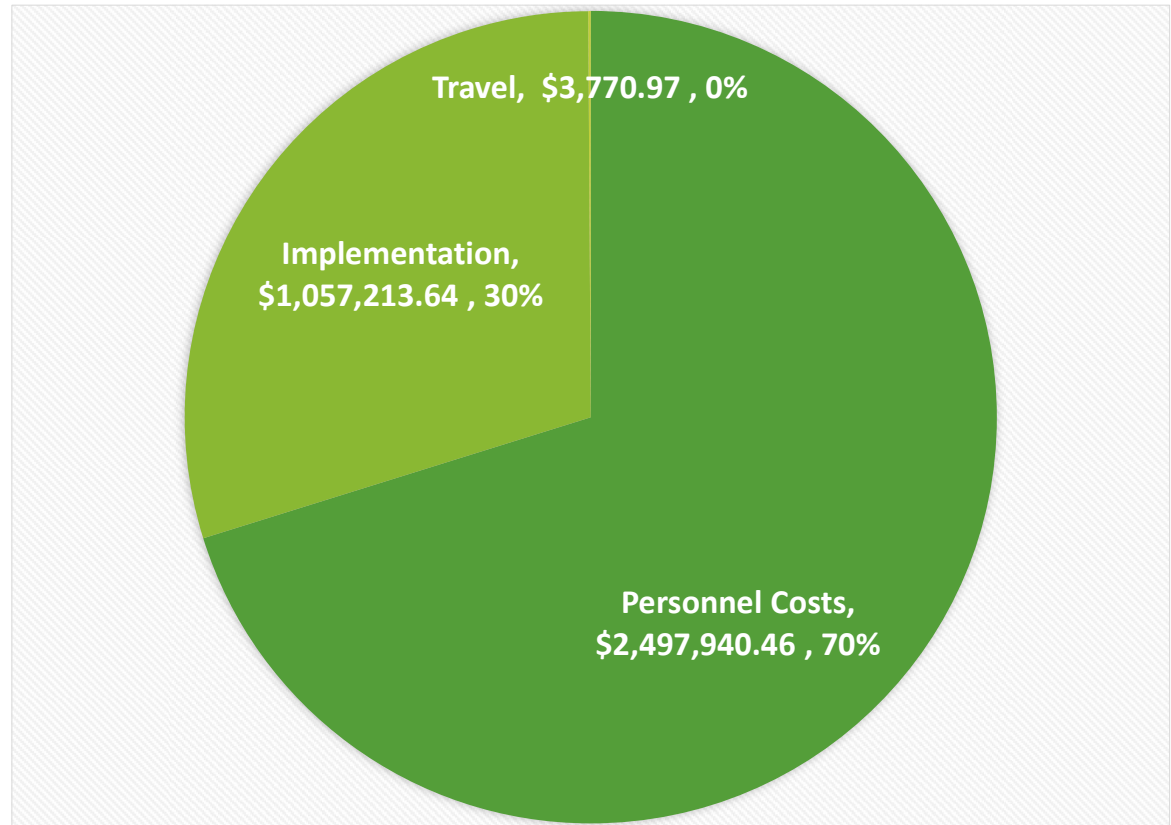
Product Type	Total FY21 Adult-Use Only Sales
Liquid Cannabis Infused Edible	\$12,495,608.71
Liquid Cannabis RSO	\$2,789,366.48
Cannabis Extract for Inhalation	\$354,122,605.22
Cannabis Infused Topicals	\$4,834,943.30
Cannabis Mix Infused	\$99,889.00
Cannabis Mix Packaged	\$5,938.02
Solid Cannabis Infused Edible	\$167,307,800.56
Usable Cannabis	\$514,581,437.13

Funding Usage

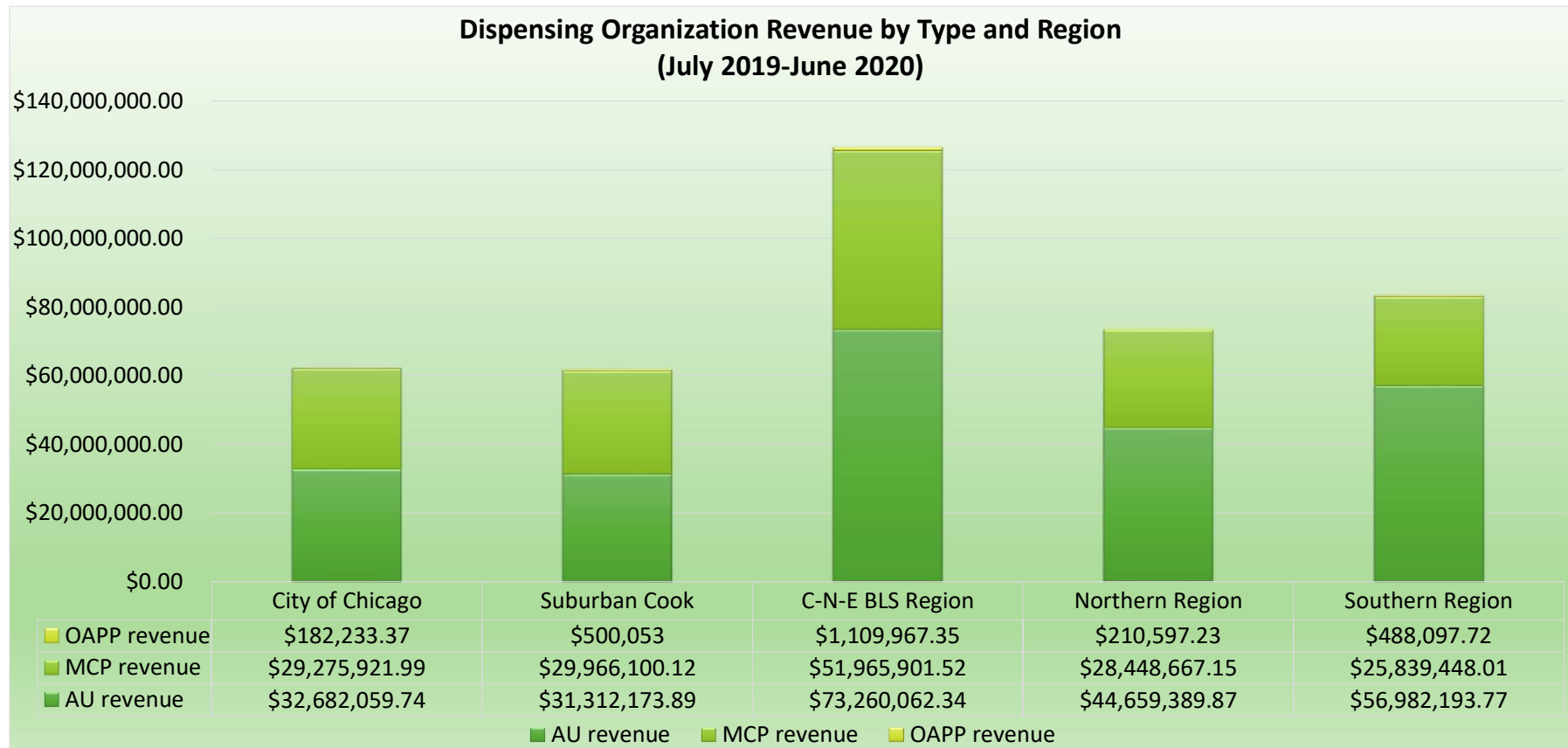
For Fiscal Year 2021 the Department was appropriated \$4,265,100 for staff and operational costs for the implementation of the Adult-Use Cannabis program. Spending to date is \$3,558,925.07. Of this amount, 70% was spent on salaries and related costs, 30% on contractual costs for implementation of the program and less than 1% on travel.

The 912 Cannabis Control Fund (shared)
closing balance per Illinois Comptroller's
SB05 as of June 30, 2021 =

\$22,063,037.17



Dispensing Organization Revenues FY20

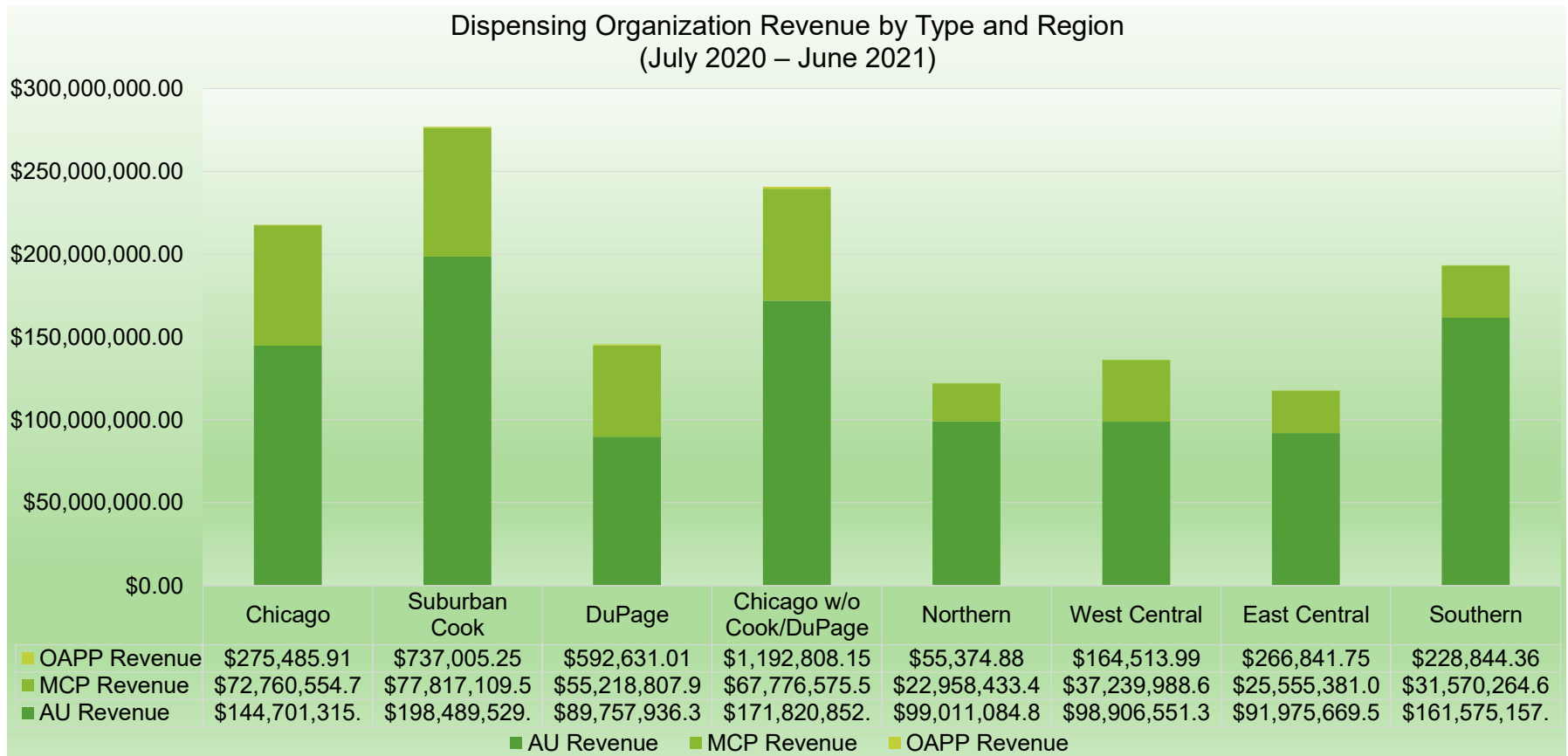


"AU" = Adult-Use

"MCP" = Medical Cannabis Program

"OAPP" = Opioid Alternative Patient Program

Dispensing Organization Revenues FY21



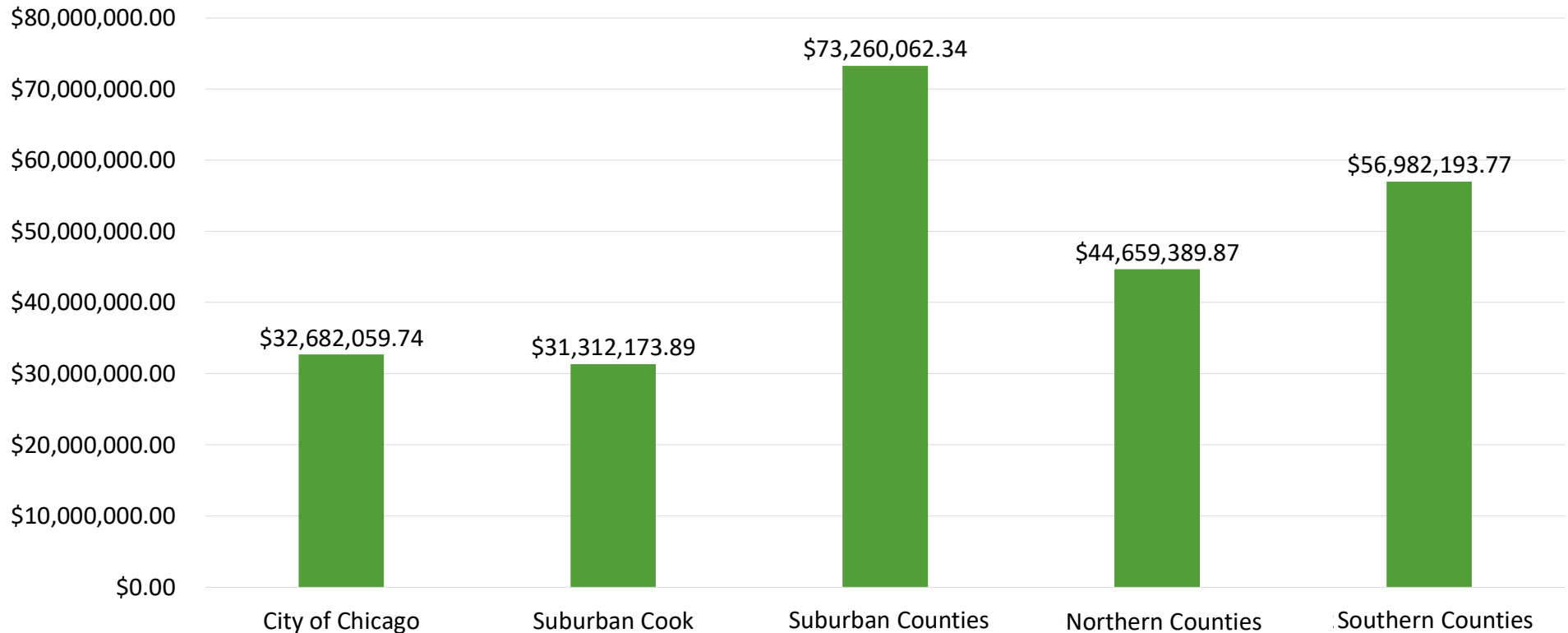
"AU" = Adult-Use

"MCP" = Medical Cannabis Program

"OAPP" = Opioid Alternative Patient Program

| Dispensing Organization Revenues FY20

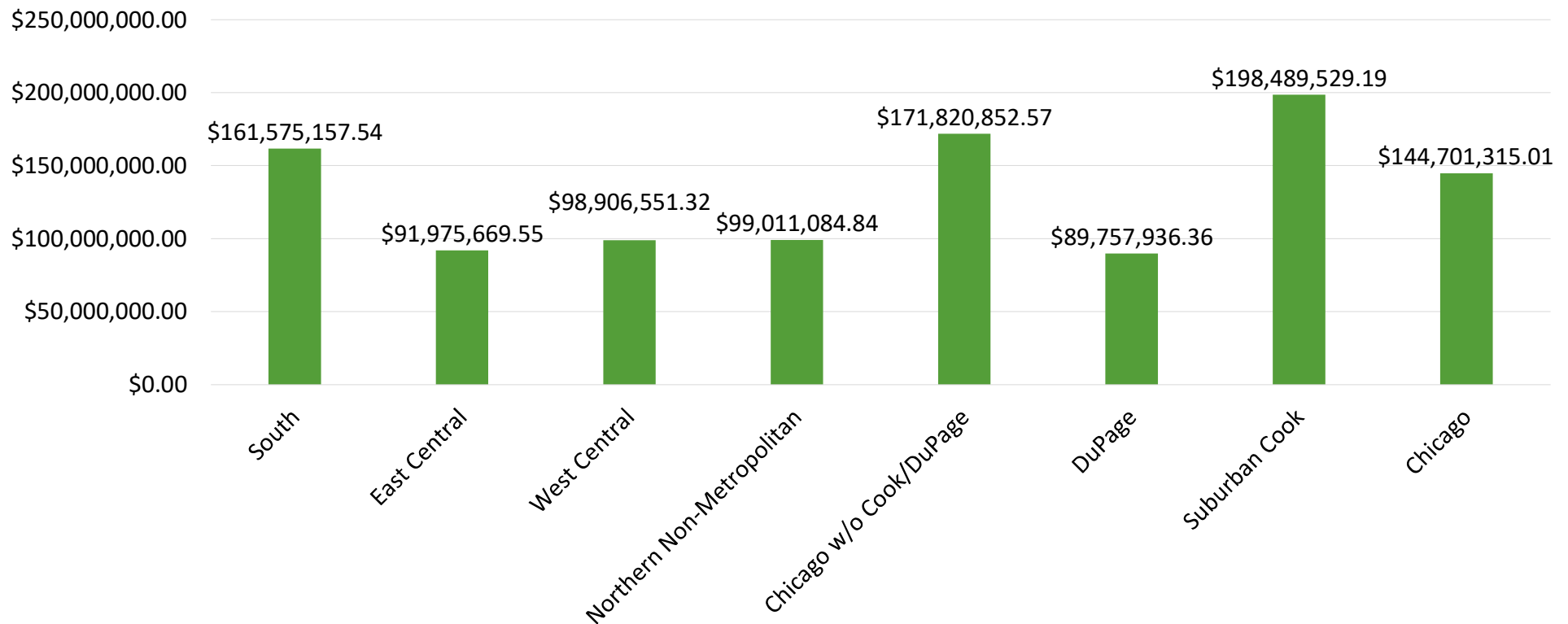
Adult-Use Cannabis Sales by County Groups
January 2020 – June 2020



Total Dispensary Sales: \$238,895,879.61

Dispensing Organization Revenues FY21

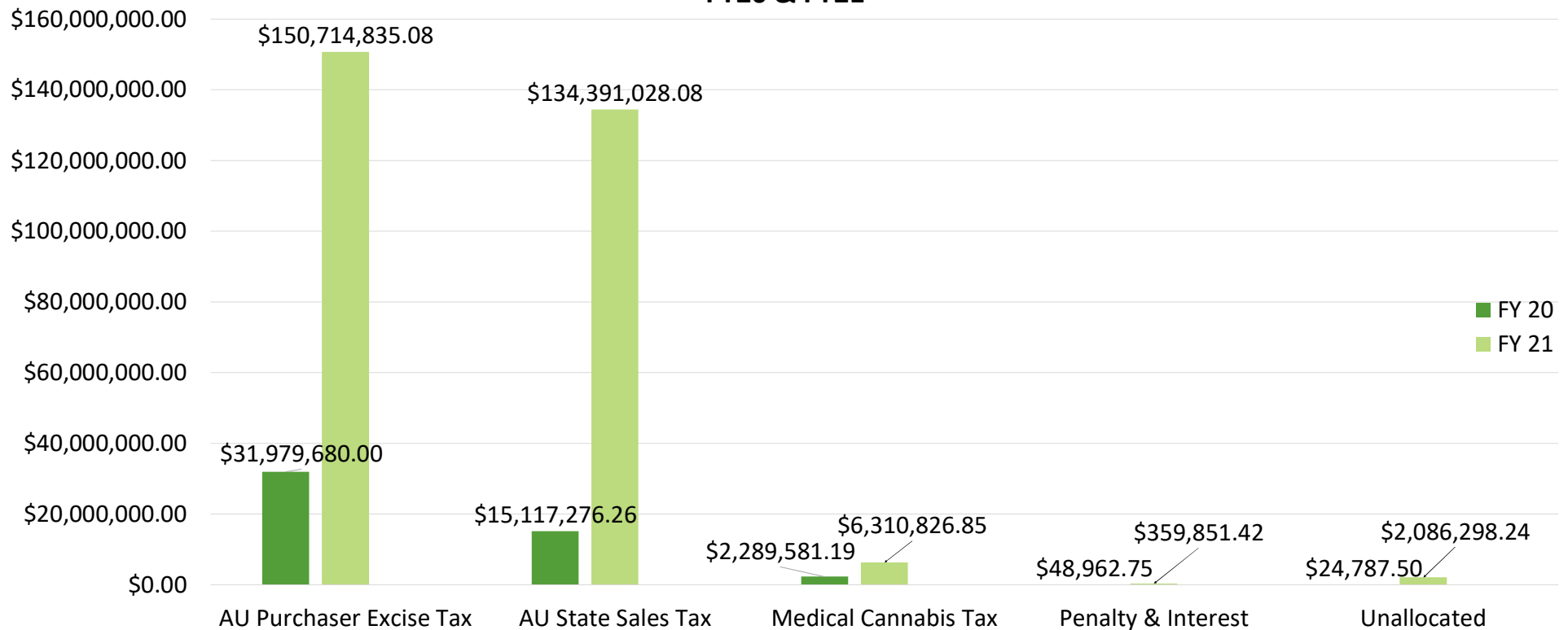
Adult-Use Cannabis Sales by County Groups
July 2020 – June 2021



Total Dispensary Sales: \$1,056,238,096.38

Dispensing Organization Revenues

State Cannabis Tax Revenues by Source
FY20 & FY21



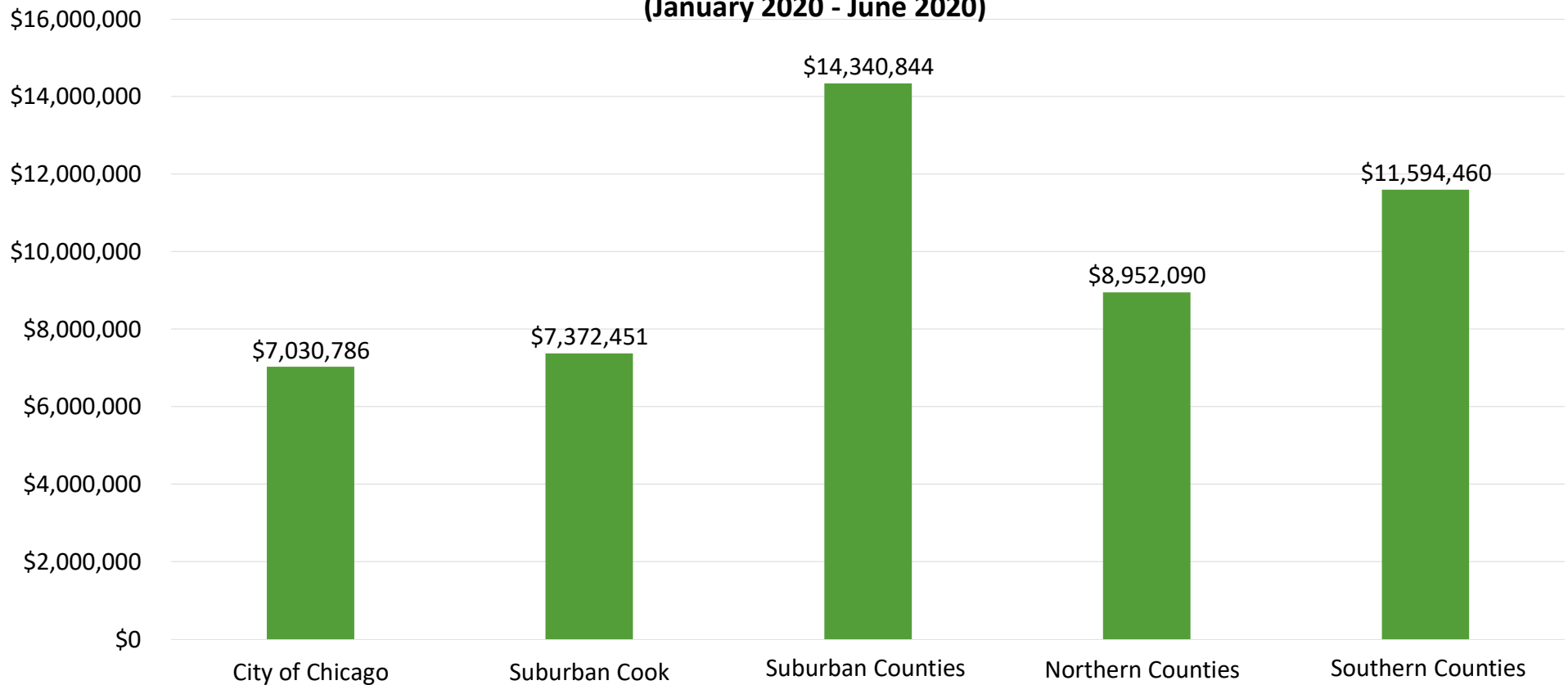
FY20 Total Dispensary State Tax Revenues: \$49,460,287.70*

FY21 Total Dispensary State Tax Revenues: \$293,862,839.67*

Unallocated amounts include overpayments or credits not allocated to another type of tax liability

| Dispensing Organization Revenues FY20

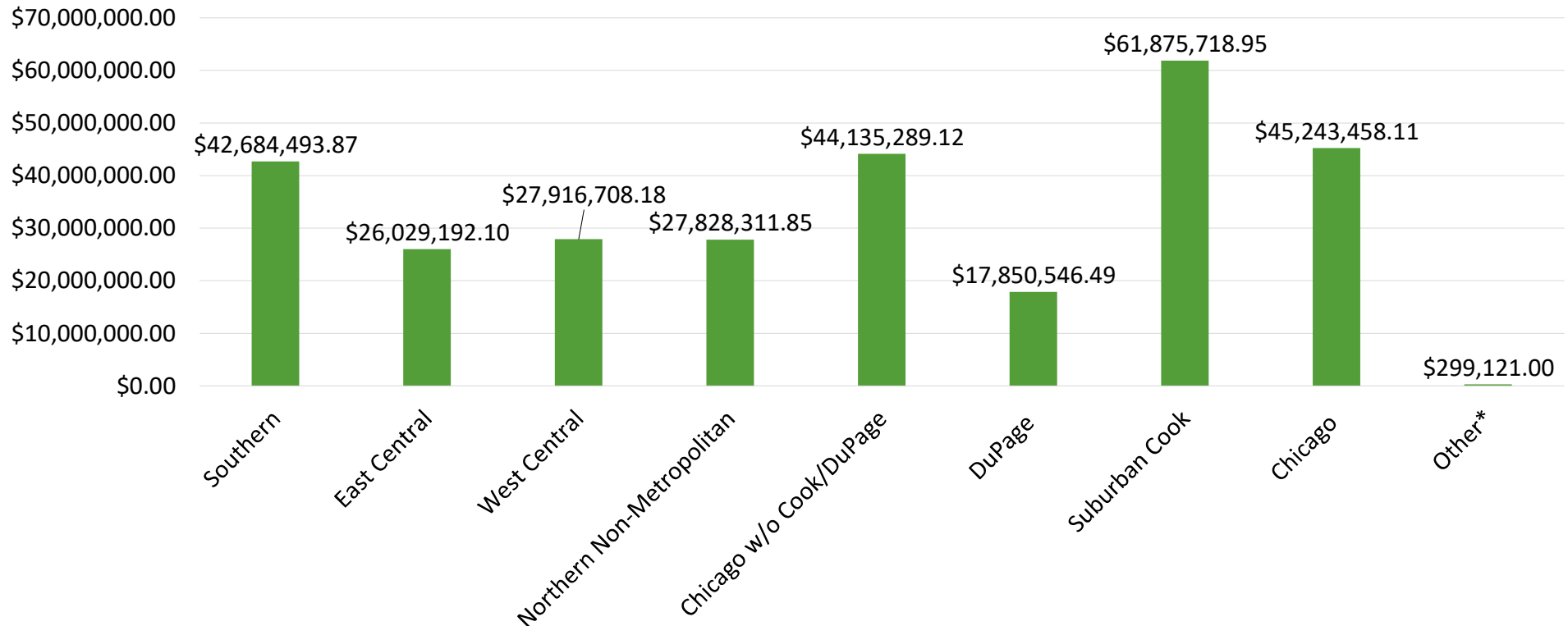
**Cannabis State Tax Revenue Collected by County Groups
(January 2020 - June 2020)**



As of June 30, 2020, no dispensaries shared premises or majority ownership with a craft grower or infuser. As such, there is no revenue from such dispensaries.

Dispensing Organization Revenues FY21

Cannabis State Tax Revenue Collected by County Groups
(July 2020 – June 2021)



As of June 30, 2021, no dispensaries shared premises or majority ownership with a craft grower or infuser. As such, there is no revenue from such dispensaries.

*Other includes tax revenues not allocable elsewhere

Cannabis Regulation Fund/ Cannabis Business Development Fund

The Cannabis Regulation Fund (the “Fund”) was created by Public Act 101-0027. Revenue sources for the fund include: (1) license application fees, (2) licensing fees, (3) penalty fees and fines, and (4) state-levied excise taxes on wholesale and retail transactions. Both the Department of Agriculture and the Department of Financial and Professional Regulation contribute to the Fund. The revenues reported in this section reflect revenue raised by dispensing organization sales, licensing fees, and penalties, and exclude any revenue sources associated with cultivation centers, craft growers, infusers, or transporting organizations.

License Application Fees

Application fees for new dispensing organization licenses were paid between December 10, 2019 and January 2, 2020. Application fees were \$2,500 for qualifying Social Equity Applicants and \$5,000 for non-qualifying Social Equity Applicants and any non-Social Equity Applicant applicants. Social Equity Applicants did not qualify for the reduced fee if they made \$750,000 or more in revenues in the previous year or already held two or more cannabis business establishment licenses in Illinois.

Licensing Fees

Early Approval Adult-Use Dispensing Organization Licenses require a licensing fee of \$30,000 and expired on March 31, 2021. Licensing fees were also received from persons obtaining agent identification cards to serve as principal officers, agents-in-charge, and agents of dispensing organizations. Each of these fees is \$100. The Cannabis Regulation and Tax Act allows medical cannabis agents to use their medical cannabis agent cards to serve adult-use purchasers at adult-use facilities owned by the same entity that owns the medical cannabis facility. Most agents continued to use their medical cannabis dispensing organization agent cards rather than use the adult-use cards, so the Department received negligible revenue from adult-use agent cards in FY2020.

Penalty Fees and Fines

The Department may assess non-disciplinary fees or disciplinary fines on licensees. Non-disciplinary fees that have been assessed are not made public on an individual licensee basis.

State-Levied Excise Taxes

The Cannabis Regulation and Tax Act included a tiered taxing structure on the retail sales of cannabis. Illinois was the first state to do so. This taxing structure is similar to the taxing structure for alcohol, which taxes beer, wine, and liquor at varying rates depending on the alcohol by volume and fermenting process. The tiers are structured to assess a 10% excise tax on cannabis testing under 35% adjusted THC, a 20% excise tax on all cannabis-infused products, and a 25% excise tax on cannabis testing 35% or more adjusted THC. The numbers included in this section do not include taxes raised from ordinary sales tax or local cannabis excise or sales taxes.

Cannabis Regulation Fund/ Cannabis Business Development Fund

Cannabis Business Development Fund

The Cannabis Business Development Fund (the “CBD Fund”) was also created by Public Act 101-0027. The CBD Fund is funded by legacy medical cannabis cultivation center and dispensing organization registrants. Dispensing organizations were required to make a contribution to the CBD Fund of up to \$200,000 before obtaining an Early Approval Adult-Use Dispensing Organization License.

Application Fees for Conditional Adult-Use Dispensing Organization Licenses:	\$0
License Fees for Early Approval Adult-Use Dispensing Organization Licenses:	\$1,590,000.00
Fees Raised from Early Approval Adult-Use Dispensing Organization Licensees for the Cannabis Business Development Fund:	\$7,413,363.85
License fees for Adult-Use Dispensing Organization Principal Officers, Agents-in-Charge, and Agents:	\$56,500.00*
Other Fees:	\$0
Adult-Use Cannabis Cultivator Privilege and Purchaser Excise Taxes:	\$176,865,328.60
Total:	\$185,925,192.45

*Agents can use their medical cannabis dispensing organization identification cards at the Early Approval Dispensing Organizations. As such, the only agents that have obtained an adult-use agent identification card are those that did so as part of the Department’s testing of the new online application process.

Recommendations Related to Tax Rates

While the Cannabis Regulation and Tax Act directs the Department to provide recommendations related to the tax rates that have been applied, the Department has determined it is too early in the Adult-Use Cannabis Program to make any such recommendations. Further, six-months of data is insufficient for any meaningful analysis.

Relevant Legislation, Updates, and Initiatives

HB1443 (sponsored by Representative Ford and Senator Lightford of the 102nd GA) passed both houses on May 28, 2021, now Public Act 102-0098, was signed by Governor Pritzker July 15, 2021.

The bill was trailer legislation to modify the Cannabis Regulation and Tax Act.

P.A. 102-0098 made the following changes:

- Created two new lotteries, in addition to the original lottery for 75 applicants with perfect scores.
 - Qualifying Applicant Lottery
 - Social Equity Justice Involved Lottery
- Expanded access to potential licenses for social equity applicants by reducing the required applicant score from 100% to 85% to qualify for the two new lotteries.
- Narrows definition of Social Equity Applicant.

VILLAGE OF LAKE VILLA

ORDINANCE NO. 2022-__-__

AN ORDINANCE AMENDING TITLE 10, "ZONING REGULATIONS",
OF THE VILLAGE OF LAKE VILLA VILLAGE CODE

(RE: Amendments to
Section 10-3B-2, "Permitted, Conditional, Temporary, and Prohibited Uses",
of Chapter 3, "Zones and Zone Regulations")

ADOPTED BY THE
CORPORATE AUTHORITIES
OF THE
VILLAGE OF LAKE VILLA, ILLINOIS
THIS ____ DAY OF _____, 2022.

Published in pamphlet form by authority of the Corporate Authorities of the Village of Lake Villa,
Lake County, Illinois, this ____ day of _____, 2022.

AN ORDINANCE AMENDING TITLE 10, “ZONING REGULATIONS”,
OF THE VILLAGE OF LAKE VILLA VILLAGE CODE

(RE: Amendments to
Section 10-3B-2, “Permitted, Conditional, Temporary, and Prohibited Uses”,
of Chapter 3, “Zones and Zone Regulations”)

WHEREAS, the Corporate Authorities of the Village of Lake Villa, Lake County, Illinois (“Barrington”) have heretofore exercised the power conferred on them pursuant to Chapter 65 ILCS 5/11-13 et seq. by adopting Zoning Regulations, i.e., Title 10 of the Lake Villa Village Code; and

WHEREAS, in response to Public Act 101-027, the “Cannabis Regulation and Tax Act” (“the Act”), which was adopted on June 25, 2019 and became effective January 1, 2020, the Mayor and Board of Trustees of the Village of Lake Villa (the “Village”) have determined that in order to comply with certain provisions of the Act, amendments to the Title 10, “Zoning Regulations”, of the Lake Villa Village Code are required and are in the best interests of the Village and its residents in order to protect the public health, safety and welfare; and

WHEREAS, paragraph 5 of Section 55-25 of the Cannabis Regulation and Tax Act authorizes units of local government to “enact ordinances to prohibit or significantly limit a cannabis business establishment’s location;” and

WHEREAS, the question of further amending Title 10, “Zoning Regulations”, of the Village of Lake Villa Village Code, as Amended, was referred by the Corporate Authorities to the Zoning Board of Appeals of this Village for the required public hearing; and

WHEREAS, the Zoning Board of Appeals heretofore held a public hearing on _____, 2022 pursuant to notice duly published in the Daily Herald, said publication occurring not more than thirty (30) days nor less than fifteen (15) days prior to the public hearing; and

WHEREAS, the Zoning Board of Appeals has issued its report and recommendation thereon to the Village Board; and

WHEREAS, the Corporate Authorities of the Village have determined it is in the best interest of the Village, its residents, and the public health, safety, and welfare to provide for the amendments to Title 10, “Zoning Regulations”, of the Village of Lake Villa Village Code as herein described:

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Board of Trustees of the Village of Lake Villa, Lake County, Illinois, as follows:

SECTION 1: The Mayor and Board of Trustees hereby find that the recitals hereinabove set forth are true and correct and are incorporated into the text of this Ordinance as its findings to the same extent as if each such recital had been set forth herein in its entirety and further find as follows:

- A. The proposed text amendments correct errors, clarify ambiguous language, and/or meet the challenge of changing conditions in the area and the zones affected; and
- B. The proposed amendments are consistent with the intent of the Zoning Ordinance and with its various provisions and also are consistent with the Village’s Official Comprehensive Plan and Land Use Map; and
- C. The proposed amendments will not be detrimental to the development of the Village.

SECTION 2: The report and recommendation of the Zoning Board of Appeals is accepted and approved.

SECTION 3: Section 10-3B-2, “Permitted, Conditional, Temporary, and Prohibited Uses”, of Chapter 3, “Zones and Zone Regulations”, of Title 10, “Zoning Regulations”, of the Village of Lake Villa Village Code is hereby amended by amending the listed uses in Table 1, “Principal Uses Permitted in Zones”, of said Section to add the following uses, but to indicate that all such uses are prohibited in all Zoning Districts of the Village (i.e., no “X”, “S”, “C”, or “T” shall be shown), as follows (words that are interlined shall be stricken and words that are underlined shall be added):

USE	AG	NC	SR	UR1	UR2	UR3	UR3A	UR4	CR	CBD	CA	CB	SB	LI	LI -2	RD ¹
* * * *																
<u>Adult Use Cannabis Business Establishment(s)</u>																
<u>Adult Use Craft Grower</u>																
<u>Adult Use Cultivation Center</u>																
<u>Adult Use Dispensing Center</u>										<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	
<u>Adult Use Infuser Organization or Infuser</u>																
<u>Adult Use Processing Organization or Processor</u>																
<u>Adult Use Transporting Organization or Transporter</u>																
* * * *																

(The following is not part of the aforesaid amendment to Title 10 but is included in this Ordinance for informational purposes only)
X = Permitted by right
S = Permitted by right as a special use (See Section 10-4-3 of this Title)
C = Permitted with conditional use permit (See Section 10-4-4 of this Title)
T = Permitted with temporary use permit

SECTION 4: The Corporate Authorities of the Village intend that this Ordinance will be made part of the Village Code and that sections of this Ordinance can be renumbered or relettered and the word “Ordinance” can be changed to “Section”, “Article”, “Chapter”, or some other appropriate word or phrase to accomplish codification, and regardless of whether this Ordinance is ever codified, the Ordinance can be renumbered or relettered and typographical errors can be corrected with the authorization of the Village Attorney, or his or her designee.

SECTION 5: All parts of the Village of Lake Villa Village Code in conflict with the terms or provisions of this Ordinance shall be and the same are hereby amended or repealed to the extent of such conflict, and said Village Code and all other existing ordinances shall otherwise remain in full force and effect.

SECTION 6: This Ordinance shall not affect any punishment, discipline, infraction, or penalty or any action based on any other Ordinance of this Village incurred before the effective date of this Ordinance, nor any suit, prosecution or proceeding pending at the time of the effective date of this Ordinance, for an offense or violation committed or cause of action arising before this Ordinance, and said other ordinances as heretofore existing shall continue in full force and effect for said limited purpose.

SECTION 7: If any section, subsection, paragraph, sentence, clause or phrase of this Ordinance or any part thereof is, for any reason, held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance, or any part thereof. The Corporate Authorities hereby declare that they would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentence, clauses or phrases be declared unconstitutional, invalid or ineffective.

SECTION 8: This Ordinance shall be in full force and effect ten (10) days from and after its passage, approval, and publication, as provided by law.

SECTION 9: The Village Clerk is hereby directed to publish this ordinance in pamphlet form.

Passed by the Corporate Authorities on _____, 2022, on a roll call vote as follows:

AYES: Trustees

NAYS:

ABSENT:

ABSTAIN:

Approved by the Mayor on _____, 2022.

James McDonald, Mayor
Village of Lake Villa

ATTEST:

Mary Konrad, Village Clerk

Published in pamphlet form this ____ day of _____, 2022.

DATE: November 1, 2022

TO: Chairman Craig Kressner and Members of the Zoning Board of Appeals

FROM: Michael Strong, Village Administrator

RE: **Zoning Code Text Amendment – Massage Establishments**

Applicant: Village of Lake Villa
65 Cedar Avenue
Lake Villa, IL 60046

Location: Village wide

Request: Amend the Zoning Code (Title 10 of the Lake Villa Municipal Code) to define “massage establishment” and allow the use within the Village in CBD (Central Business District), CA (Cedar Avenue), CB (Community Business), SB (Suburban Business), LI (Limited Industrial), and LI-2 (Limited Industrial 2) zoning districts, subject to a conditional use permit, and prohibit massage establishments in all other zoning districts.

Background

The Village Code requires massage establishments to be licensed pursuant to Chapter 7 of Title 3 of the Municipal Code. These regulations outline the process and requirements for massage establishment businesses to obtain a business license so they may operate within the Village limits. The Village’s Zoning Code currently allows massage establishments to operate in zoning districts under the use category of “beauty salon/spa/massage/tanning” which are currently allowed, by right, in the CBD, CA, CB, SB, and RD (Railroad District) zoning districts. Once businesses have completed the business licensing process, they may operate on a property that is designated with one of these zoning classifications.

Over the past few years, the Village has dealt with various public nuisance issues related to massage establishments and is seeking a zoning code text amendment that would give the Village the ability to regulate these uses through both business licensing and land use regulations. During their regular meeting on September 19, 2022 the Village Board approved a motion to direct the Zoning Board of Appeals to review amendments to the Zoning Code pertaining to massage establishments.

A public hearing is scheduled for November 10, 2022 to review and consider the enclosed zoning code text amendments. Consistent with state-mandated noticing requirements, notice of this public hearing was published in the Daily Herald at least 15 days prior to public hearing date.

Overview of Zoning Code Text Amendment

As stated, the Village does not currently regulate the business of massage through the land use requirements in its Zoning Code. If adopted, the proposed Zoning Code Amendment will amend certain provisions in the Zoning Code to:

1. Create a new specific use definition for Massage Establishments;
2. Allow massage establishments in the CBD (Central Business District), CA (Cedar Avenue), CB (Community Business), SB (Suburban Business), LI (Limited Industrial), and LI-2 (Limited Industrial 2) zoning districts, subject to a conditional use permit; and
3. Prohibit massage establishments in all other zoning districts.

A draft ordinance outlining the zoning code text amendments is attached to this memorandum which further outlines these proposed changes.

The Village currently has two (2) massage establishments in its jurisdiction. If the Zoning Code Text Amendment is adopted, those massage establishments that are operating lawfully will be subject to the Village's regulations for nonconforming uses. However, new establishments or change in ownership applications that are made for existing businesses would be subject to the provisions set forth above and would require them to receive a conditional use permit prior to business license issuance.

Recommendation

It is recommended that the Zoning Board of Appeals recommend Village Board approval of the Zoning Code Text Amendment to amend specific provisions of the Zoning Code to allow massage establishments in the CBD (Central Business District), CA (Cedar Avenue), CB (Community Business), SB (Suburban Business), LI (Limited Industrial), and LI-2 (Limited Industrial 2) zoning districts, subject to a conditional use permit, and prohibit massage establishments in all other zoning districts.

Attachments

1. Draft Ordinance Amending the Zoning Code

VILLAGE OF LAKE VILLA

ORDINANCE NO. 2022-__-__

AN ORDINANCE AMENDING TITLE 10, "ZONING REGULATIONS",
OF THE VILLAGE OF LAKE VILLA VILLAGE CODE

(RE: Amendments to Chapter 2, "Definitions",
Section 10-2-2, "Definitions and Abbreviations", and
to Chapter 3, "Zones and Zone Regulations".
Section 10-3B-2, "Permitted, Conditional, Temporary, and Prohibited Uses")

ADOPTED BY THE
CORPORATE AUTHORITIES
OF THE
VILLAGE OF LAKE VILLA, ILLINOIS
THIS ____ DAY OF _____, 2022.

Published in pamphlet form by authority of the Corporate Authorities of the Village of Lake Villa,
Lake County, Illinois, this ____ day of _____, 2022.

AN ORDINANCE AMENDING TITLE 10, "ZONING REGULATIONS",
OF THE VILLAGE OF LAKE VILLA VILLAGE CODE

(RE: Amendments to Chapter 2, "Definitions",
Section 10-2-2, "Definitions and Abbreviations", and
to Chapter 3, "Zones and Zone Regulations".
Section 10-3B-2, "Permitted, Conditional, Temporary, and Prohibited Uses")

WHEREAS, the question of further amending Chapter 2, "Definitions", of Title 10, "Zoning Regulations", and amending Table 1, "Principal Uses Permitted in Zones", of Section 10-3B-2, "Permitted, Conditional, Temporary and Prohibited Uses" of Chapter 3, "Zone and Zone Regulations", of Title 10, "Zoning Regulations", of the Village of Lake Villa Village Code, as Amended, was referred by the Corporate Authorities to the Zoning Board of Appeals of this Village for the required public hearing; and

WHEREAS, the Zoning Board of Appeals heretofore held a public hearing on _____, 20__ pursuant to notice duly published in the Daily Herald, said publication occurring not more than thirty (30) days nor less than fifteen (15) days prior to the public hearing; and

WHEREAS, the Zoning Board of Appeals has issued its report and recommendation thereon to the Village Board; and

WHEREAS, the Corporate Authorities of the Village have determined it is in the best interests of the Village, its residents, and the public health, safety, and welfare to provide for the amendments to Title 10, "Zoning Regulations", of the Village of Lake Villa Village Code as herein described:

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Board of Trustees of the Village of Lake Villa, Lake County, Illinois, as follows:

SECTION 1: The Mayor and Board of Trustees hereby find that the recitals hereinabove set forth are true and correct and are incorporated into the text of this Ordinance as its findings to the same extent as if each such recital had been set forth herein in its entirety and further find as follows

- A. The proposed text amendments correct errors, clarify ambiguous language, and/or meet the challenge of changing conditions in the area and the zones affected.
- B. The proposed amendments are consistent with the intent of the Zoning Ordinance and with its various provisions and also are consistent with the Village's Official Comprehensive Plan and Land Use Map.
- C. The proposed amendments will not be detrimental to the development of the Village.

SECTION 2: The report and recommendation of the Zoning Board of Appeals is accepted and approved.

SECTION 3: Section 10-2-2, "Definitions and Abbreviations", of Chapter 2, "Definitions", of Title 10, "Zoning Regulations", of the Village of Lake Villa Village Code is hereby amended to add the following definition in alphabetical order, which definition shall read as follows:

MESSAGE

ESTABLISHMENT: For the purposes of these Zoning Regulations, the respective definition of "massage establishment", "massage", "licensed massage therapist", and other related terms shall be as set forth in Section 3-7-1, "Definitions", of Chapter 7, "Massage Establishments; Services", of Title 3 of the Lake Villa Village Code; and the exemptions from the provisions of Chapter 7, "Massage Establishments; Services", of Title 3, as set forth in Section 3-7-2, "Exemptions", shall likewise be the exemptions to these Zoning Regulations.

SECTION 4: That Table 1, "Principal Uses Permitted in Zones", in Subparagraph G of Section 10-3B-2, "Permitted, Conditional, Temporary, and Prohibited Uses", of Chapter 3, "Zones and Zone Regulations", of Title 10, "Zoning Regulations", of the Village of Lake Villa Village Code is hereby amended by modifying the line labeled "Beauty Salon/Spa/Massage/Tanning" and by adding in alphabetical order as a listed use "Massage Establishment", and said use shall be specified as a conditional use ("C"), but only within the CA, CB, CBD, SB, LI and LI-2 Zoning Districts, as follows (words that are interlined shall be stricken and words that are underlined shall be added):

USE	AG	NC	SR	UR1	UR2	UR3	UR3A	UR4	CR	CBD	CA	CB	SB	LI	LI -2	RD ¹
* * * *																
Beauty Salon/ Spa / Massage / Tanning Salon										X	X	X	X			X
* * * *																
<u>Massage Establishment, (only if currently licensed pursuant to Chapter 7 of Title 3 of the Lake Villa Village Code</u>										<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	
* * * *																

(The following is not part of the aforesaid amendment to Title 10 but is included in this Ordinance for informational purposes only)
x = Permitted by right
s = Permitted by right as a special use (See Section 10-4-3 of this Title)
c = Permitted with conditional use permit (See Section 10-4-4 of this Title)
t = Permitted with temporary use permit

SECTION 5: The Corporate Authorities of the Village intend that this Ordinance will be made part of the Village Code and that sections of this Ordinance can be renumbered or relettered and the word “Ordinance” can be changed to “Section”, “Article”, “Chapter”, or some other appropriate word or phrase to accomplish codification, and regardless of whether this Ordinance is ever codified, the Ordinance can be renumbered or relettered and typographical errors can be corrected with the authorization of the Village Attorney, or his or her designee.

SECTION 6: All parts of the Village of Lake Villa Village Code in conflict with the terms or provisions of this Ordinance shall be and the same are hereby amended or repealed to the extent of such conflict, and said Village Code and all other existing ordinances shall otherwise remain in full force and effect.

SECTION 7: This Ordinance shall not affect any punishment, discipline, infraction, or penalty or any action based on any other Ordinance of this Village incurred before the effective date of this Ordinance, nor any suit, prosecution or proceeding pending at the time of the effective date of this Ordinance, for an offense or violation committed or cause of action arising before this Ordinance, and

said other ordinances as heretofore existing shall continue in full force and effect for said limited purpose.

SECTION 8: If any section, subsection, paragraph, sentence, clause or phrase of this Ordinance or any part thereof is, for any reason, held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance, or any part thereof. The Corporate Authorities hereby declare that they would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentence, clauses or phrases be declared unconstitutional, invalid or ineffective.

SECTION 9: This Ordinance shall be in full force and effect ten (10) days from and after its passage, approval, and publication, as provided by law.

SECTION 10: The Village Clerk is hereby directed to publish this ordinance in pamphlet form.

Passed by the Corporate Authorities on _____, 2022, on a roll call vote as follows:

AYES: Trustees

NAYS:

ABSENT:

ABSTAIN:

Approved by the Mayor on _____, 2022.

James McDonald, Mayor
Village of Lake Villa

ATTEST:

Mary Konrad, Village Clerk

Published in pamphlet form this ____ day of _____, 2022.