



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Planning Division

m e m o r a n d u m

TO: The Urbana Plan Commission
FROM: Kevin Garcia, AICP, Planner II
DATE: October 4, 2019
SUBJECT: Plan Case 2385- T-19: An application by the Urbana Zoning Administrator to amend the Urbana Zoning Ordinance to add definitions and regulations for recreational cannabis.

Supplemental Memorandum

On September 19, 2019, the Plan Commission considered a text amendment to add non-medical cannabis businesses to the Urbana Zoning Ordinance. This is a supplemental memorandum to address questions related to the proposed text amendment that were raised at that meeting.

Discussion

At the Plan Commission meeting, commissioners raised a number of questions related to cannabis businesses and how they should be regulated. The major concerns dealt with where cannabis dispensaries and cultivation centers should be located.

The Plan Commission indicated that dispensaries should be set back some distance from schools serving students from kindergarten age through high school (K-12), but there were questions on how the distances should be determined and whether to allow dispensaries by right, with conditional use permits, or with some combination of the two. The Commission suggested that staff examine the City's requirements for liquor stores as a basis for establishing rules for dispensaries. In addition to distance considerations, there was also some confusion on the total number of dispensaries that would be allowed in the Champaign-Urbana region (see below). With respect to cultivation centers, the main concern was how close they may be to residential areas, since odors from cannabis cultivation could be a nuisance. Staff has explored these issues, with the findings summarized below.

Number of Dispensaries

Initially, the 55 existing medical cannabis dispensaries in Illinois may apply for a temporary license to open a non-medical dispensary; however, those licenses expire on March 31, 2022 (in the meantime, they can apply for a permanent license, once available). Permanent licenses will be granted in three stages: the first round allows up to 75 licenses and opens January 1, 2020; the second round allows up to 110 additional licenses and opens January 1, 2021; the final round opens January 1, 2022, and has no end date. The final round does not include a set number of licenses; however, the Cannabis Regulation and Tax Act ("the Act") states that the maximum number of dispensary licenses statewide will be capped at 500.

The number of permanent dispensary licenses will be based on the population in each “BLS Region.”ⁱⁱ The Champaign-Urbana BLS Region includes Champaign, Ford, and Piatt Counties. Based on the latest (2018) population estimates from the U.S. Census Bureau, the Champaign-Urbana BLS Region is home to just under 240,000 people, or 1.88% of the State of Illinois’ population. Based on these numbers, and assuming that all available licenses available will be granted, we estimate the following:

- Three total dispensaries in the region before 2021
- Five total dispensaries in the region before 2022
- Nine to ten total dispensaries in the region in 2022

Given the sparsely-populated nature of Ford and Piatt Counties, most of the dispensaries in the region will likely be in Champaign County.

Retail Alcohol Sales Rules

The State of Illinois prohibits retail sales of alcohol within 100 feet of churches, schools (non-higher education), hospitals, nursing homes, veterans homes, and military bases.ⁱⁱⁱ The City of Urbana does not impose additional distance requirements for retail alcohol sales beyond the State requirements. If the distance requirements for cannabis dispensaries are to closely reflect the requirements for liquor stores, then a 100-foot distance from K-12 schools would be appropriate. *(See Exhibit K for a map showing the proposed zoning districts for dispensaries, along with retail alcohol license holders, K-12 schools, and multiple distance buffers around each school.)*

Per Table V-1 (see below), liquor stores are permitted by right in the higher business zones and as a conditional use in the B-2, Neighborhood Business – Arterial. While cannabis dispensaries may be appropriate for some areas zoned B-2,ⁱⁱⁱ it may be prudent to require conditional use permits if they are allowed at all in that zone. Given the limited number of dispensaries allowed in the region, they may generate more traffic than would be acceptable in a neighborhood business zone.

Table V-1. Table of Uses

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

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

Cultivation Center Locations

There are currently 21 licensed medical cannabis cultivation centers in Illinois. The Act allows each cultivation center to apply for a license to grow non-medical cannabis. The Act further states that at most 30 cultivation centers will be allowed in Illinois, so it is likely that any new licensee will seek to maximize their operations by building as large of a facility as possible. Exhibit L shows zoning districts proposed for cultivation centers, and indicates whether it is likely that each parcel would be suitable for a cultivation center.^{iv} The map also shows all residentially-zoned parcels in Urbana, with multiple 100-foot buffers surrounding the parcels. The map highlights buffers at 300 feet, which is the distance that Aurora, Colorado requires for cultivation centers. Staff chose Aurora because it has been cited in *Planning* magazine as having high standards for cannabis businesses. In addition to the buffer requirements, Aurora requires cultivation centers to adhere to “best management practices” to mitigate negative effects on surrounding properties, which is something Urbana could consider.

Attachments: Exhibit K: Proposed Zones for Cannabis Dispensaries
Exhibit L: Proposed Zones for Cannabis Cultivation Centers

ⁱA BLS Region is a group of counties that the Bureau of Labor Statistics groups together for statistical purposes.

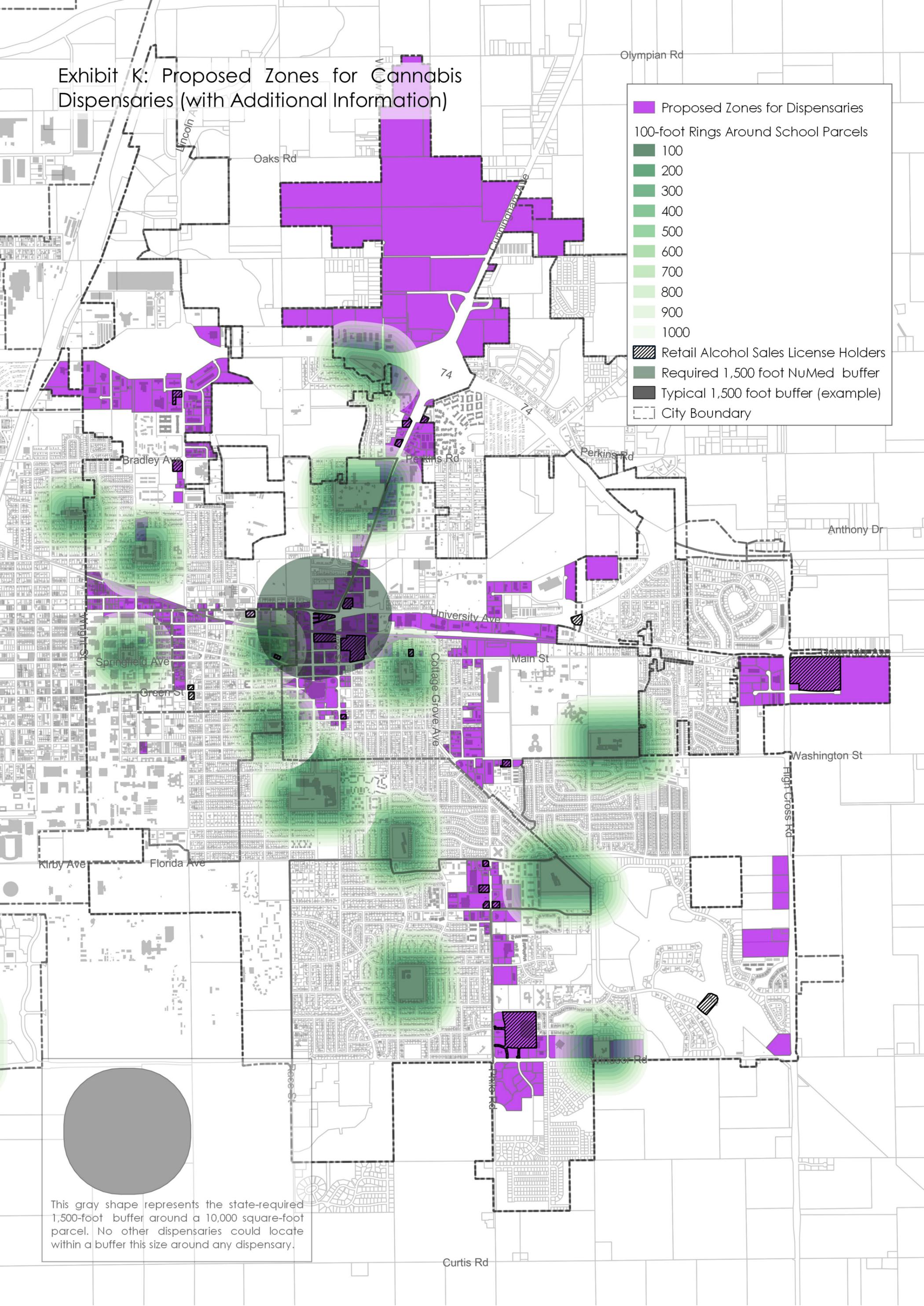
ⁱⁱ 235 ILCS 5/6-11

ⁱⁱⁱ The highest concentrations of B-2 zoning are on the north side of East Main Street, between Webber Street and Cottage Grove Avenue, and on Springfield Avenue between Cedar Street and Busey Avenue.

^{iv} Government-owned parcels and fully built-out parcels were deemed unsuitable, as were parcels less than 210,000 square feet, which is the maximum allowable square footage of cannabis in the flowering stage a cultivation center may have. (This is a conservative estimate as cultivation centers would likely have multiple crops in different stages of development at any given time.)

Exhibit K: Proposed Zones for Cannabis Dispensaries (with Additional Information)

- Proposed Zones for Dispensaries
- 100-foot Rings Around School Parcels
- 100
- 200
- 300
- 400
- 500
- 600
- 700
- 800
- 900
- 1000
- Retail Alcohol Sales License Holders
- Required 1,500 foot NuMed buffer
- Typical 1,500 foot buffer (example)
- City Boundary



This gray shape represents the state-required 1,500-foot buffer around a 10,000 square-foot parcel. No other dispensaries could locate within a buffer this size around any dispensary.

Exhibit L: Proposed Zones for Cannabis Cultivation Centers (with Residential)

Proposed Zones for Cultivation Centers

- Suitable for Cultivation
- Unlikely to be Suitable

Buffers Around Residential Zones

- 300 feet or Less
- More than 300 feet

City Boundary

