



# Chicago Cannabis Working Group Meeting 7.9.2021

Mayor's Office

**DRAFT / PREDECISIONAL / DELIBERATIVE**

# Executive Summary

1. The Illinois Cannabis Regulation and Tax Act (410 ILCS 705/) provided for 75 social equity licenses for recreational cannabis dispensaries in Illinois. As of today, no licenses have been issued due to process complications and ongoing litigation.
2. To ameliorate challenges related to the initial licensing round, [House Bill 1443](#) provides for an additional 110 social equity licenses in Illinois through a 2-round lottery. The bill has passed both houses and is awaiting signature by the Governor.
3. Given the delays associated with the recreational cannabis industry's growth, the City of Chicago has an opportunity to revisit a strategy that accounts for legislative changes, pandemic impacts, and projection of most favorable outcomes for the city and its residents.





# Agenda



## Overview of State Legislative Changes

Existing Zoning Law

Process Walkthrough

Discussion of Potential Zoning Changes

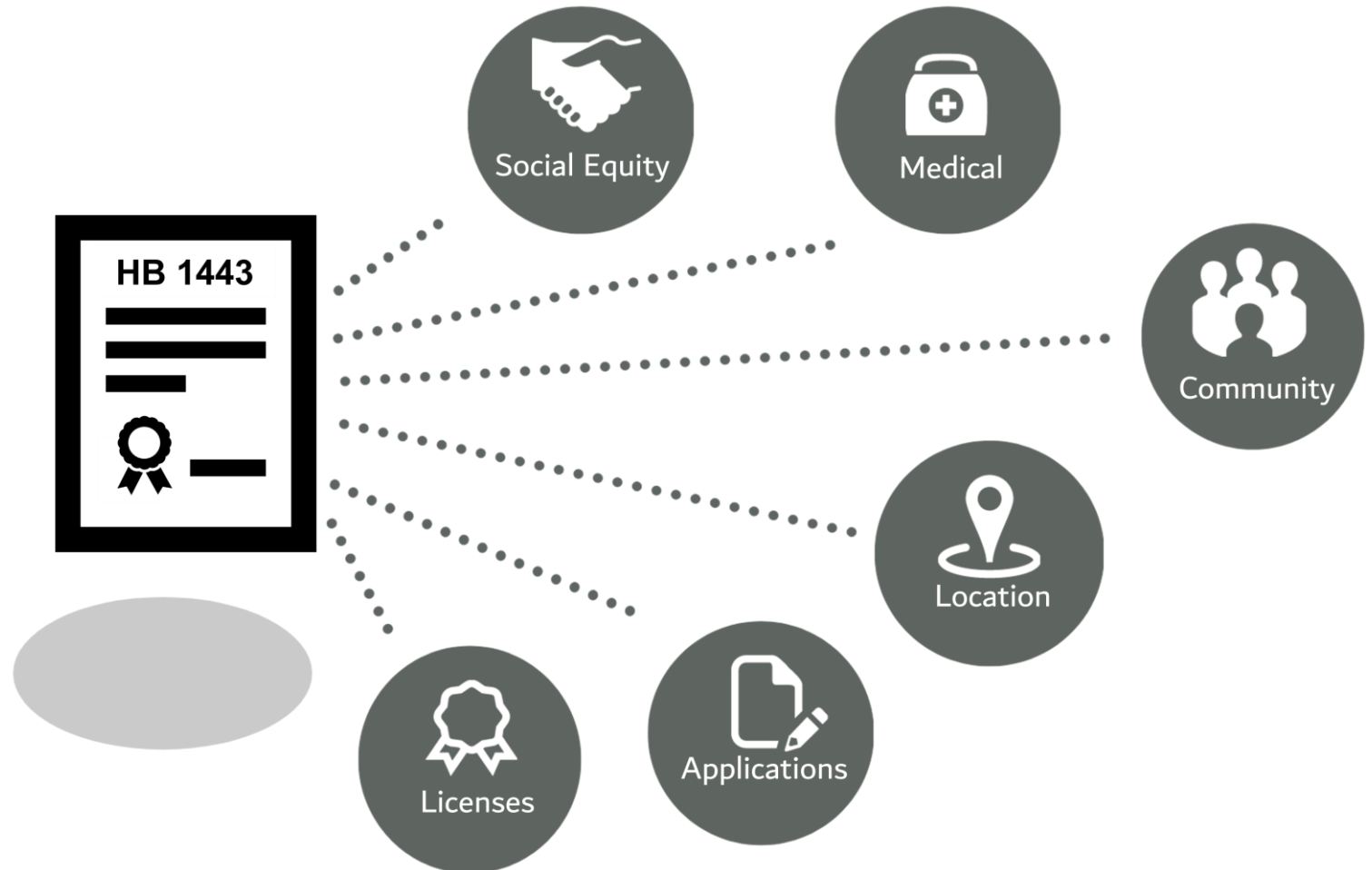
# Overview of State Legislative Changes


1.HB 1443



# ★ HB 1443

- House Bill 1443 builds upon the Cannabis Regulation Tax Act (CRTA) by establishing more comprehensive criteria to award 110 adult use cannabis dispensary licenses in 2021
- Represents the cooperative work of community, applicants, industry, and regulators to help Illinois obtain the goals set out in the CRTA





# HB 1443: Licenses

- Creates two new lotteries:
  - Qualifying lottery for 55 licenses
  - Social Equity Justice Involved lottery for 55 licenses
  - In addition to the current lottery for 75 licenses
- Establishes a social equity framework for distributing the 5 remaining medical licenses
  - Designated for social equity applicants
  - Allows the dispensary to hold an adult use license at the location of the medical dispensary
  - and allows an additional adult use dispensary at a second site, subject to the requirements for those licenses



# HB 1443: Applications


- Establishes an 85% cut score of the 250 available points to expand the lottery applicant pool for two new lotteries



# HB 1443: Social Equity



- 3 ways to qualify as a social equity applicant :
  - 51% owned and controlled by an individual who lives in a disproportionately impacted area for 5 of the last 10 years
  - Convicted of a cannabis offense eligible for expungement under the CRTA
  - A close family member has been convicted of a cannabis offense.
- Promise-To-Hire will not be a qualifier for Social Equity Justice Involved Lottery







# HB 1443: Medical

- Allows medical cannabis patients to purchase medicine at any medical cannabis dispensary instead of registering with a single dispensary



# HB1443: Community

- Expands diversity on the R3 Board by adding 8 additional community members
- Removes cap on the number of cannabis community college programs, currently a cap of 8 programs



# HB 1443: Location

- Removes requirement that IDFPR inspect location prior to receiving authorization to build out the location
- Allows for one Qualifying or Social Equity Justice Involved lottery winner to locate within 1,500 square feet of an Early Approval Adult Use site
- Allows for relocation of existing Early Approval Adult Use Dispensaries within the same medical district 90 days after the effective date of the Act and upon department approval



# HB 1443: Regulatory

- Allows cannabis business establishment employees to begin working while waiting for the required background check needed for obtaining a cannabis business ID card
- Matches FOIA requirements in Medical Cannabis Act with the CRTA to allow for more transparency on the ownership of license holders.
- Adds disclosure requirements to the sections governing each cannabis business license type.
- Clarifies that the Cannabis Regulation and Oversight Officer serves a coordinating role between the various cannabis regulatory agencies
- Adjusts the timing of the required disparity study until after the Current and Qualifying Applicant Lottery licenses are awarded



# Agenda



Overview of State Legislative Changes

**Existing Zoning Law**

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Discussion of Potential Zoning Changes

# Existing Zoning Law

1. Seven Cannabis Zone Districts & Exclusion Zone
2. Caps on Dispensaries per Zone
3. City Lottery for Zone Allotment



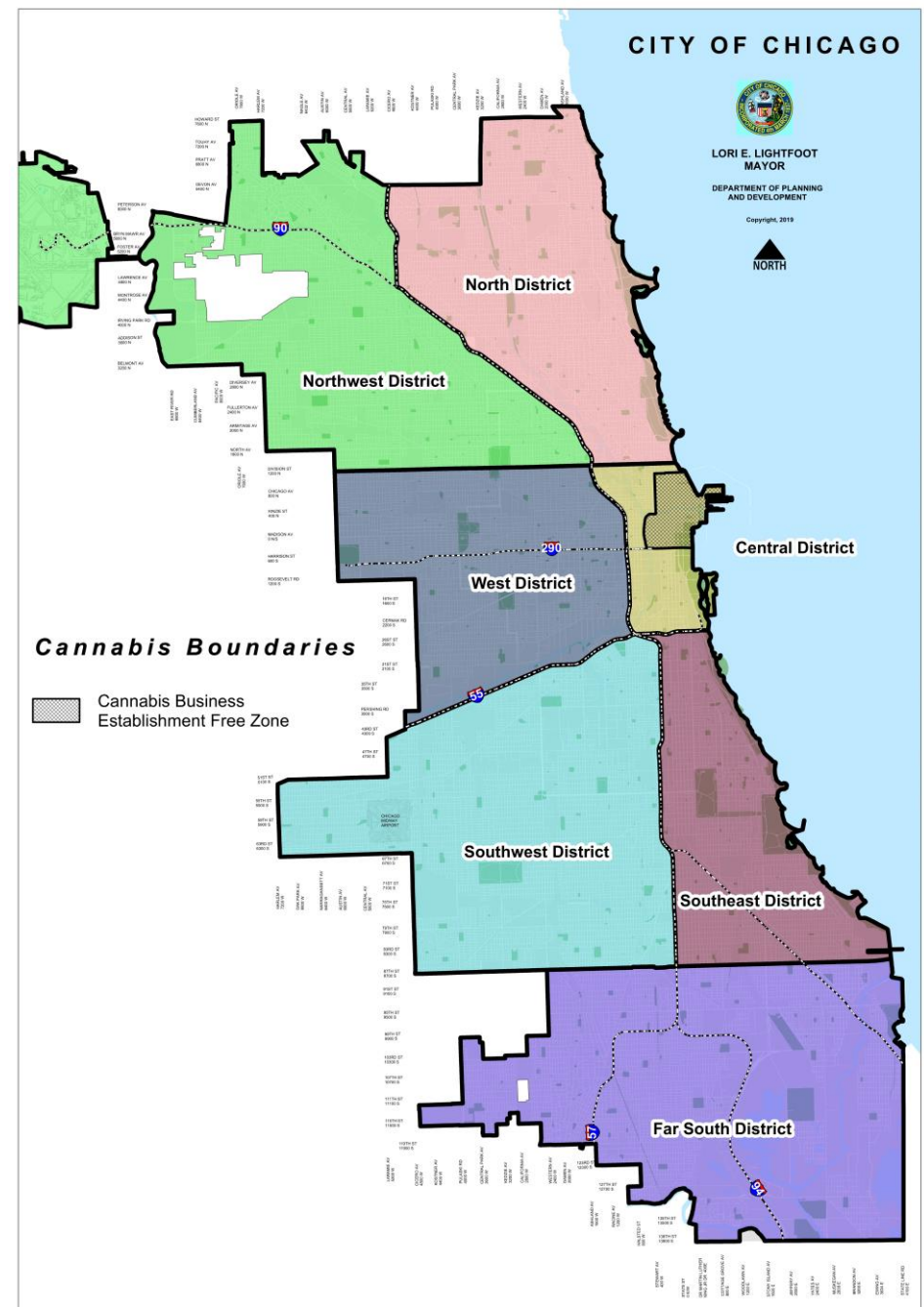


# Seven Cannabis Zones

- Current Cannabis Zoning Ordinance + Caps
  - Special Use
  - Caps by Zone:
    - max 7 dispensaries per zone; can be adjusted up to 14 without further action from council
    - Current opportunity to adjust
  - Distance from Sensitive Uses (Ex: School)
- Exclusion Zone
  - The Central Business District is an exclusion zone where no dispensaries may exist
- Lottery Process
  - Provide for even distribution of adult use cannabis dispensaries throughout the City

# ★ District Boundaries

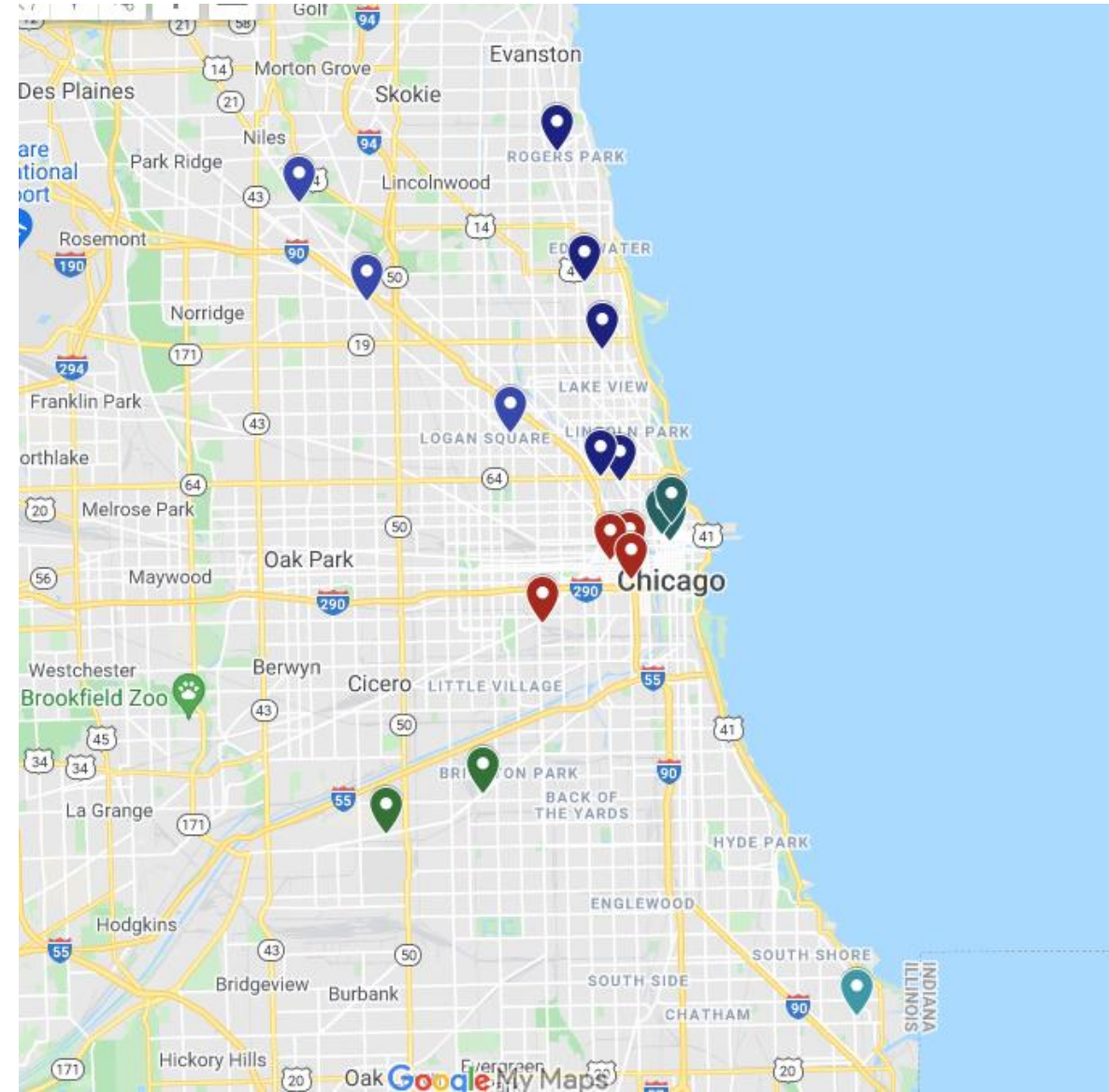
- **North District** is bounded by the city limits to the north, Lake Michigan to the east, Division Street to the south and Interstates 90/94 and 94 to the west.
- **Central District** is bounded by Division Street to the north, Lake Michigan to the east, Interstate 55 to the south (and extended east to Lake Michigan) and Interstates 90/94 to the west; provided, however, *adult use cannabis dispensaries* shall not be allowed within the area bounded by Oak Street to the north, Lake Michigan to the east, Ida B. Wells Drive to the south and the South Branch of the Chicago River to the west, except LaSalle Street to the west when north of the Main Branch of the Chicago River.
- **Southeast District** is bounded by Interstate 55 to the north (and extended east to Lake Michigan), Lake Michigan to the east, 87<sup>th</sup> Street to the south and Interstates 90/94 and 94 to the west.
- **Far South District** is bounded by 87<sup>th</sup> Street to the north, Lake Michigan to the east and the city limits to the south and west.
- **Southwest District** is bounded by Interstate 55 to the north, Interstates 90/94 and 94 to the east, 87<sup>th</sup> Street to the south and the city limits to the west.
- **West District** is bounded by Division Street to the north, Interstates 90/94 to the east, Interstate 55 to the south and the city limits to the west.
- **Northwest District** is bounded by the city limits to the north, Interstates 90/94 and 94 to the east, Division Street to the south and the city limits to the west.





# ★ Current Dispensaries

Company	Address	Status	Type of Site	District	MSO
Sunnyside/Cresco	436 N. CLARK ST.	Open	Second Site	Central	Yes
MOCA/Ascend	214-32 W. OHIO ST.	Open	Second Site	Central	Yes
PharmaCann	60 W. SUPERIOR	Open	Second Site	Central	Yes
Windy City/Curaleaf	923 W. WEED ST.	Open	Second Site	North	Yes
Greengate Chicago/Verano	7305 N Rogers Ave	Open	Same Site	North	Yes
Dispensary 33	5001 N. Clark St.	Open	Same Site	North	No
Medmar/Cresco	3812 N. Clark St.	Open	Same Site	North	Yes
NuMed	1308 W. North Ave.	Open	Same Site	North	Yes
Zen Leaf/Verano	6428 N. Milwaukee Ave.	Open	Same Site	Northwest	Yes
Columbia Care	4758 N. Milwaukee Ave.	Open	Same Site	Northwest	Yes
Moca/Ascend	2847 W. Fullerton Ave.	Open	Same Site	Northwest	Yes
Mission/Ethos	8554 S. Commercial Ave.	Open	Same Site	Southeast	Yes
Midway Dispensary/Ascend	5648 S. Archer Ave.	Open	Same Site	Southwest	Yes
Maribis	4570 S. Archer Ave.	Open	Same Site	Southwest	No
Nature's Care/Acreage	810 W. RANDOLPH ST.	Open	Second Site	West	Yes
Dispensary 33	1152 W. RANDOLPH ST.	Open	Second Site	West	Yes
Herbal Care Center/Verano	222-24 S. HALSTED	Open	Second Site	West	Yes
Herbal Care Center/Verano	1301 S. Western Ave.	Open	Same Site	West	Yes





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**Process Walkthrough**

Discussion of Potential Zoning Changes

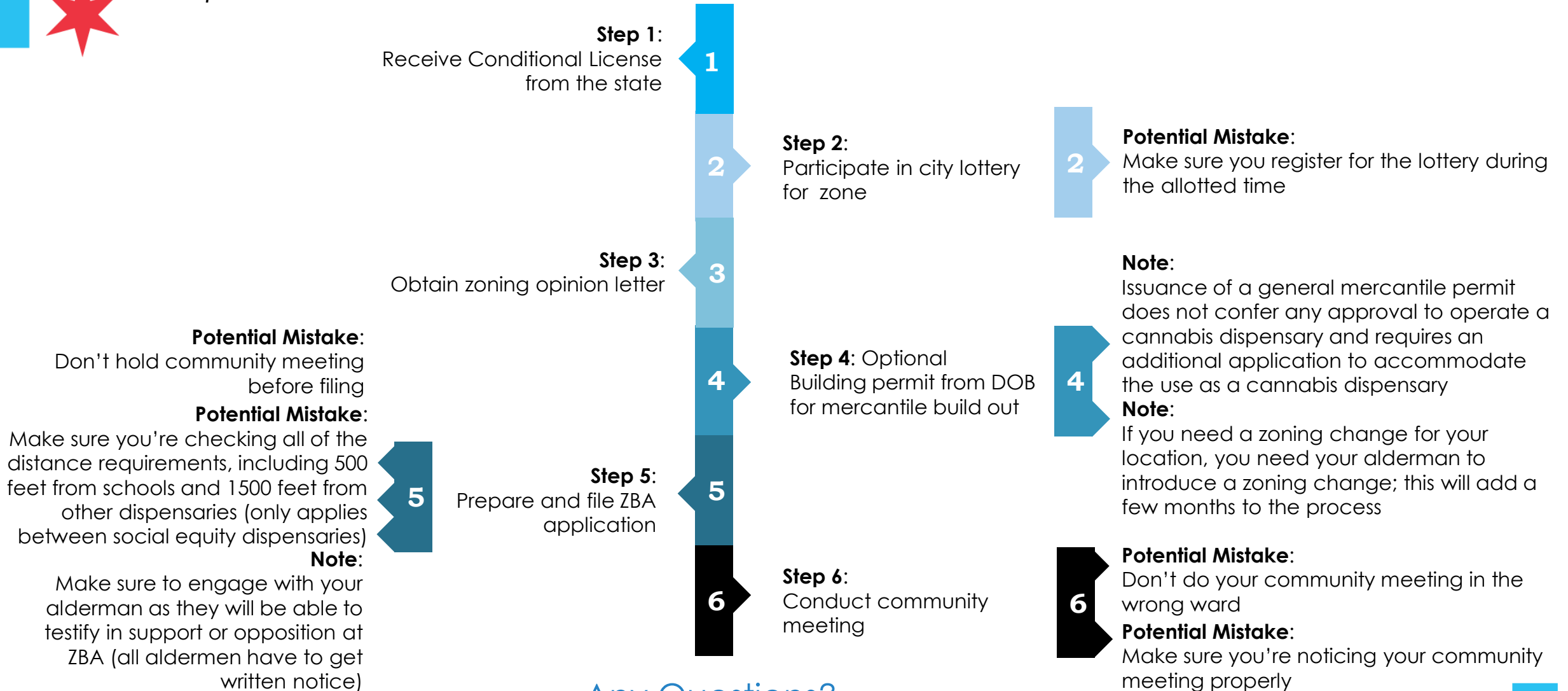
# Process Walkthrough

From receiving a state  
license through opening the  
business doors



# 15-Step Process Walkthrough

Current Process Before Any Updates or Changes Are Made  
*Steps Pre ZBA*



Any Questions?

# 15-Step Process Walkthrough

Current Process Before Any Updates or Changes Are Made  
ZBA Steps



**Potential Mistake:**  
Make sure your paperwork is all in order before the notice of the monthly meeting goes out

**Potential Mistake:**  
You can't submit multiple applications per lottery spot



**Step 7:**  
Get on ZBA agenda



**Step 8:**  
Secure ZBA approval or denial



**Note:**  
Be prepared to prove your case with your zoning attorney. You will need an appraiser or an urban planner, also potentially your security expert and architect to testify as expert witnesses

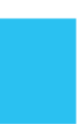


**Step 9:**  
ZBA resolution is issued via mail

Any Questions?

# 15-Step Process Walkthrough

Current Process Before Any Updates or Changes Are Made  
*Steps Post ZBA*



**Note:**

Always wait for the hard copy of the ZBA resolution

10

**Step 10:**  
Upload ZBA resolution to DOB permit application system

10

**Note:**

All new construction and renovation building permits require inspections

12

**Step 12:**  
Inspections required from DOB

11

**Step 11:**  
DPD Zoning Review signs off on the permit, DOB releases it

11

**Potential Mistake:**

Make sure your plans are the same as the ones you submitted at ZBA

**Note:**

No construction, renovation, or build-out can occur until a building permit is issued by the Department of Buildings.

**Note:**

No operations or sales, including on-line or window/door pick-up, can occur prior to passing all required inspections

12

**Step 13:**  
A Certificate of Occupancy from the DOB is required for new construction or a change in occupancy use

13

**Note:**

A prior restaurant or bar is not mercantile use and a Certificate of Occupancy is required for the new use as a cannabis dispensary

**Note:**

No operations or sales, including on-line or window/door pick-up, can occur prior to the issuance of a Certificate of Occupancy if required

13

**Potential Mistake:**

Make sure you have completed all of your ZBA requirements, otherwise the City of Chicago will not allow you to open

14

**Step 14:**  
Inspections required from state to receive final OK to open

14

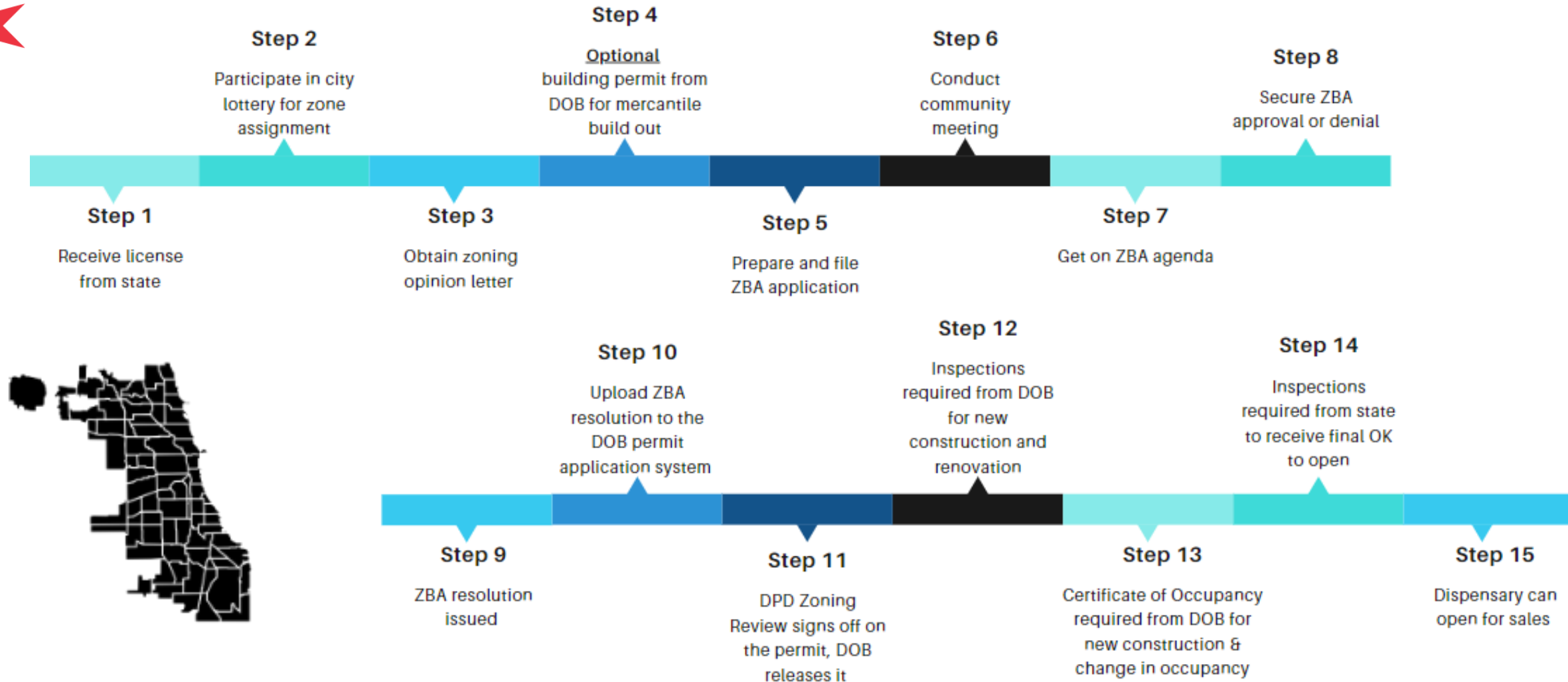
**Step 15:**  
Dispensary can open for sales

15

Any Questions?

# PROCESS WALKTHROUGH

From receiving a state license through opening the business doors



• Overview in Summary - Any Questions?

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# Agenda



Overview of State Legislative Changes

Existing Zoning Law

Process Walkthrough

**Discussion of Potential Zoning Changes**



# Discussion of Future Zoning Changes

1. Zoning Table
2. Lottery and Caps
3. Exclusion Zone



# Zoning Tables



17-3-0207 Use Table and Standards.

USE GROUP	Zoning Districts						Use Standard	Parking Standard
Use Category	B1	B2	B3	C1	C2	C3		
Specific Use Type								
P = permitted by right S = special use approval required PD = planned development approval required -- = not allowed								
(Omitted part of this table is unaffected by this ordinance)								
<b>OTHER</b>								
(Omitted part of this table is unaffected by this ordinance)								
<b>AAA. Medical-Cannabis Business Establishments</b>								
4. Cultivation Center	-	-	-	-	-	-		
1,2. Adult Use Cannabis Dispensary/Dispensing Organization	-	-	-	-	S	S	17-9-0129	17-10-0207-M
2. Medical Cannabis Dispensary	-	-	-	-	S	S	17-9-0129	17-10-0207-M
3. On-Site Cannabis Consumption	-	-	-	-	S	S	17-9-0129	17-10-0207-M
4. Cannabis Craft Grower	-	-	-	-	S	S	17-9-0129	17-10-0207-M
5. Cannabis Infuser	-	-	-	-	S	S	17-9-0129	17-10-0207-M
6. Cannabis Processor	-	-	-	-	S	S	17-9-0129	17-10-0207-M
(Omitted part of this table is unaffected by this ordinance)								

- Permitted Uses would be fastest way through zoning
- Additional Special Use
- Risk of significant loss of potential licenses per city ward from one zoning table version to another

17-4-0207 Use Table and Standards.

USE GROUP	Zoning Districts				Use Standard	Parking Standard
Use Category	DC	DX	DR	DS		
Specific Use Type						
P = permitted by right S = special use approval required PD = planned development approval required -- = not allowed						
(Omitted part of this table is unaffected by this ordinance)						
<b>OTHER</b>						
(Omitted part of this table is unaffected by this ordinance)						
<b>AAA. Medical-Cannabis Business Establishments</b>						
4. Cultivation Center	-	-	-	-		
1,2. Adult Use Cannabis Dispensary/Dispensing Organization	S	S	-	-	17-9-0129	17-10-0207-M
2. Medical Cannabis Dispensary	S	S	-	-	17-9-0129	17-10-0207-M
3. On-Site Cannabis Consumption	S	S	-	-	17-9-0129	17-10-0207-M
4. Cannabis Craft Grower	S	S	-	-	17-9-0129	17-10-0207-M
5. Cannabis Infuser	S	S	-	-	17-9-0129	17-10-0207-M
6. Cannabis Processor	S	S	-	-	17-9-0129	17-10-0207-M
(Omitted part of this table is unaffected by this ordinance)						

17-5-0207 Use Table and Standards.

USE GROUP	Zoning Districts			Use Standard	Parking Standard
Use Category	M1	M2	M3		
Specific Use Type					
P = permitted by right S = special use approval required PD = planned development approval required -- = not allowed					
(Omitted part of this table is unaffected by this ordinance)					
<b>OTHER</b>					
(Omitted part of this table is unaffected by this ordinance)					
<b>LL. Medical-Cannabis Business Establishments</b>					
1. Cannabis Cultivation Center	-	S	S	17-9-0129	17-10-0207-U
2. Dispensing Organization	-	-	-		
2. Cannabis Craft Grower	-	S	S	17-9-0129	17-10-0207-U
3. Cannabis Infuser	-	S	S	17-9-0129	17-10-0207-U
4. Cannabis Processor	-	S	S	17-9-0129	17-10-0207-U
(Omitted part of this table is unaffected by this ordinance)					

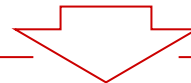
# ★ Consequences of zoning table options

## Accommodating vs Restrictive Zoning:

- **Accommodating Zoning:**  
inclusive of B3, C1, C2, C3 =  
**729** potential licenses
- **Restrictive Zoning:**  
inclusive of only C2, C3 =  
**225** potential licenses

## Average loss for the 50 wards:

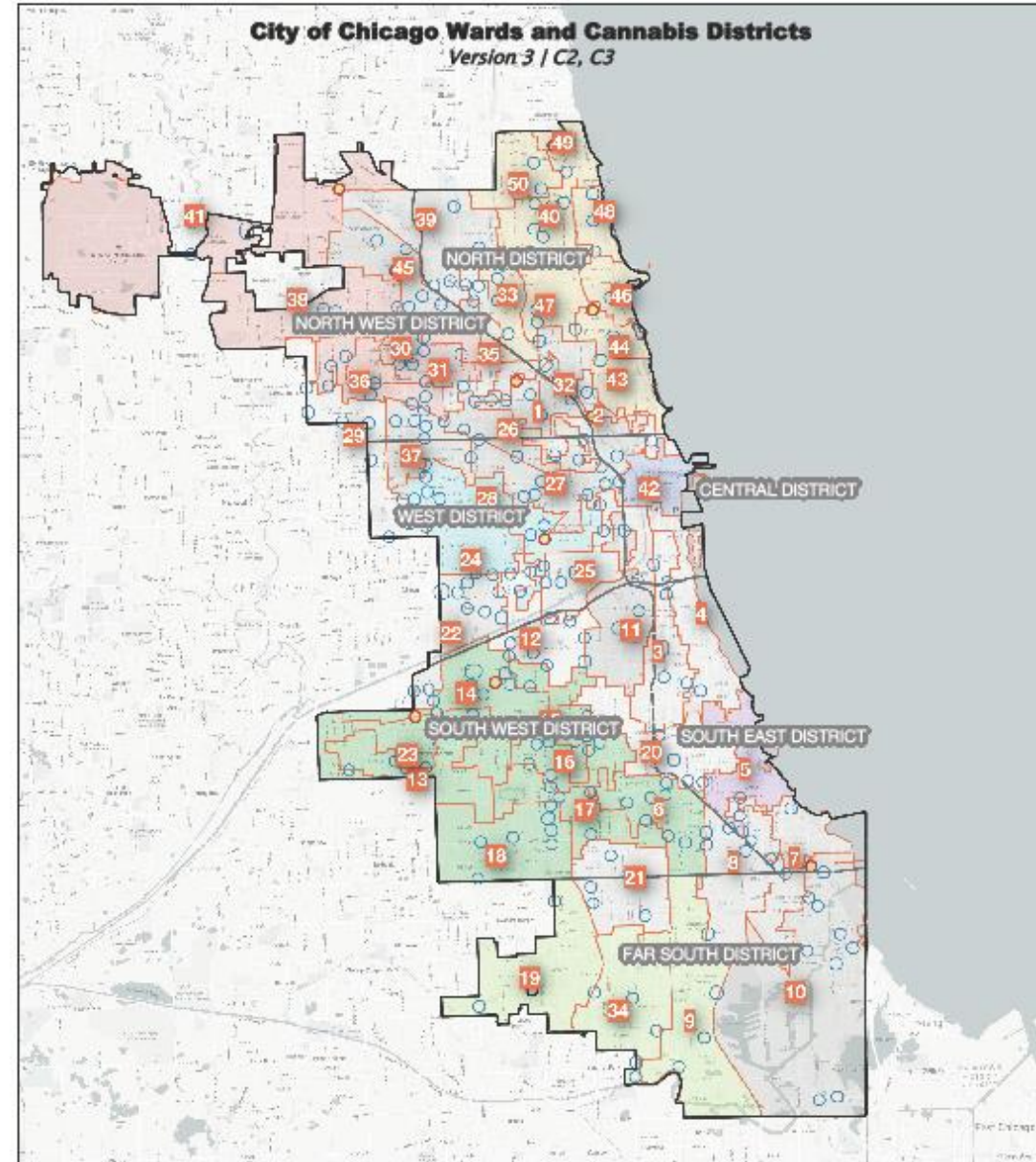
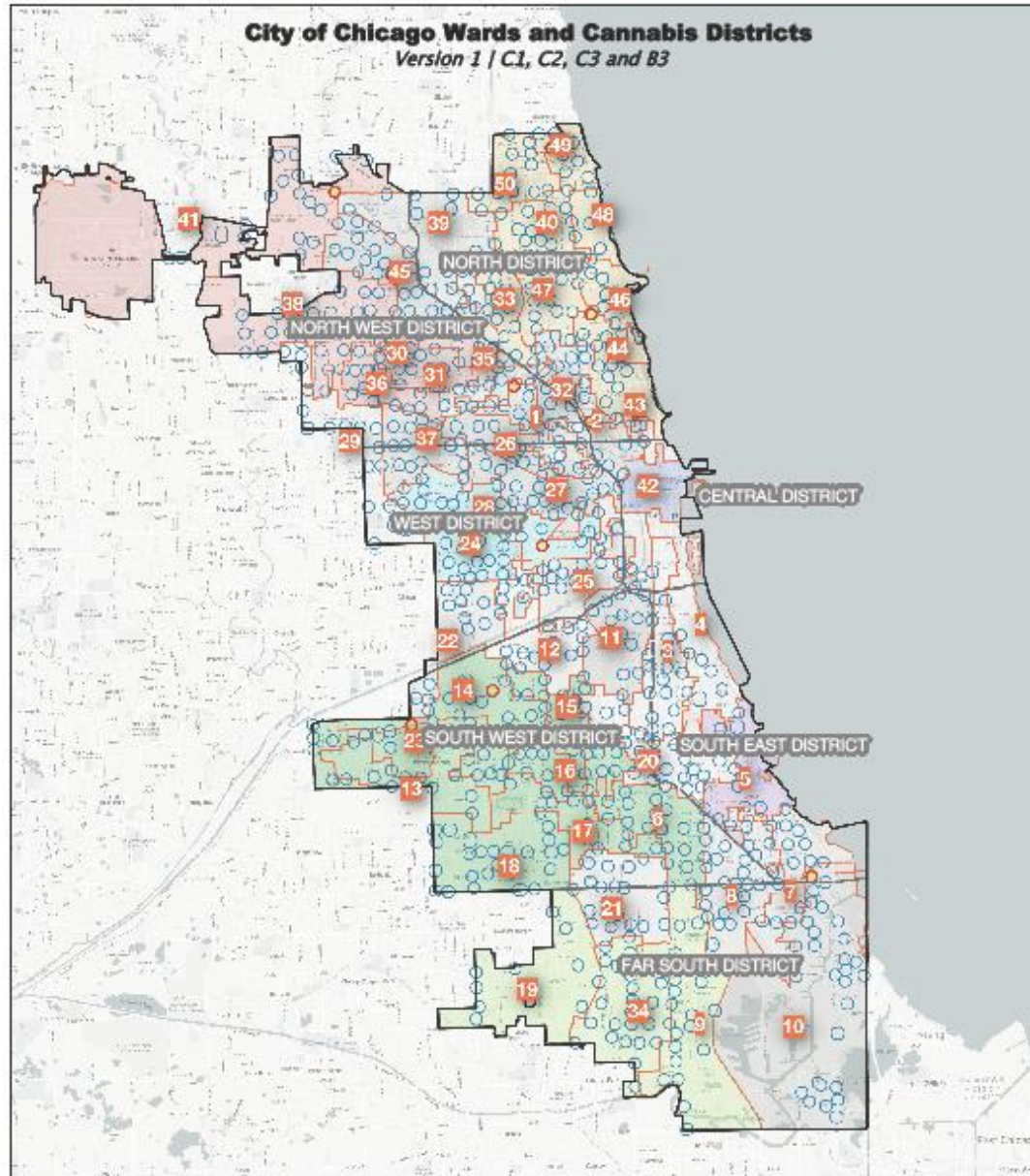
- **From Accommodating to Restrictive: 69% Average Loss**
- Some wards with up to 90% losses of potential licenses



Significant loss of potential licenses per city ward when adjusting zoning table

# Zoning Table Cut Versions

Loss V1 to V3: 68.6%



# ★ Lottery and Caps

Option 1: Elimination

- Eliminate city lottery and eliminate all caps
- 

Option 2: Modification

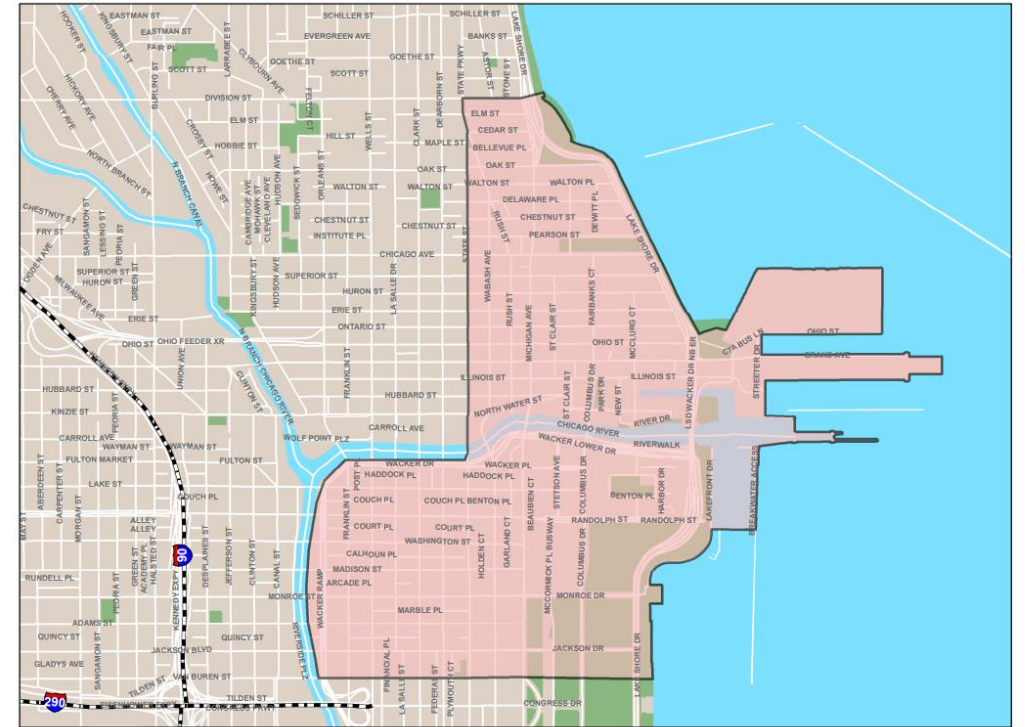
- Increase caps to 20 and eliminate lottery

# ★ Exclusion Zone

- Current exclusion zone boundaries:
  - North: Division Street
  - East: Lake Michigan
  - West: State Street; South Branch of the Chicago River
  - South: Van Buren
- The future of the exclusion zone

## Central Business District Exclusion Zone

Chicago Cannabis Zone Exclusion Area





# Consumption

- State Law severely limits consumption licensing locations
- Have been unsanctioned events in the City
- New license to be created if City wants to license