



## Law Department

**SUBJECT:** Retail Cannabis Moratorium and Referendum

**MEETING DATE:** June 23, 2020

**TO:** President and Village Board of Trustees

**FROM:** [Jeffrey M. Stein](#), Assistant Village Manager/Corporation Counsel  
[Alex Arteaga](#), Management Analyst

---

### **Background**

In October of 2019, the Village Board adopted Ordinance 2019-O-63 (“Ordinance”), which included a moratorium on the retail sale of cannabis within the Village that may otherwise now be lawful pursuant to the Illinois Cannabis Regulation and Tax Act (410 ILCS 705/1-1 et. seq.) (“Act”).

Pursuant to the direction given by the Village Board at that time, the Village staff was to present a resolution to adopt an advisory referendum regarding the sale of cannabis for the General Election to be held in November 2020. The deadline to place a referendum on the November ballot is August 2020.

Given this topic was last discussed several months ago, staff will make a brief presentation at the June 23, 2020 Village Board meeting including:

- The background of the current direction and policy,
- An update on any impacts that the sale of cannabis has had upon nearby communities, and
- The potential financial benefits those municipalities may receive.

In accordance with the previously adopted Ordinance, Staff intends to present suggested referendum language at the July 14 Village Board meeting for discussion and a resolution on the July 28 Village Board agenda which if adopted, would place a referendum on the November ballot.

### **Current Cannabis Regulations, Policies and Direction**

The Ordinance adopted in October 2019 provided for multiple provisions related to the Act. While the Ordinance adopted substantive amendments to the Village Code, which included the Miscellaneous Offense Chapter, Finance Chapter, and the Zoning Ordinance, those

specific amendments were intended to remain a part of the Village Code no matter what the Village's determination was about the sale of cannabis being allowed within the Village limits.

Accordingly, the outstanding item that the Village staff is seeking direction on relates to the allowance or restriction of the sale of cannabis within the Village limits. Currently, the Village has imposed a moratorium prohibiting the sale of cannabis at retail within its boundaries. The reason for this moratorium was for the Village to place upon the ballot at the next General Election an advisory referendum seeking the public's input about the sale of cannabis. The moratorium is set to expire (unless some intervening action altering this expiration date is taken by the Village Board) on June 30, 2021.

**Discussion**

Attached is a memorandum authored by then Village Manager Timothy Frenzer that provides information regarding the moratorium. The information includes the purpose of a referendum and past referenda presented for the sale of alcoholic beverages within the Village. The memorandum also discusses that Cook County already put out a referendum seeking an opinion about the sale of cannabis within the County, though the question was not specific to such sale in Wilmette.

Since 2019, numerous municipalities and counties have allowed for the retail sale of recreational cannabis. The Village staff has conducted a survey to obtain information about the impacts of retail sales and the financial impacts received by those municipalities. To date, data has been limited but below is what the staff has uncovered thus far.

The following Cook County and Lake County municipalities have allowed dispensary operations and currently have at least one dispensary open for business.

<b>Municipality</b>	<b>Current Status</b>	<b>Adverse Impacts</b>	<b>Projected Revenue</b>
Evanston	Dispensary operating	No adverse impacts reported	\$200,000 to \$250,000 projected
Niles	Dispensary operating	No adverse impacts reported	\$5,000 revenue <sup>1</sup>
Chicago	Dispensaries operating	No adverse impacts reported	No projected or actual revenue figures
Elmwood Park	Dispensary operating	No adverse impacts reported	No projected or actual revenue figures
Oak Park	Dispensary operating	No adverse impacts reported	No projected or actual revenue figures
Mundelein	Dispensary operating	No adverse impacts reported	No projected or actual revenue figures
Justice	Dispensary operating	No adverse impacts reported	No projected or actual revenue figures
Posen	Dispensary	No adverse impacts	No projected or actual revenue

<sup>1</sup> This revenue figure is as of 6/16/20. Please note that the dispensary opened in late May 2020.

	operating	reported	figures
Worth	Dispensary operating	No adverse impacts reported	No projected or actual revenue figures
Homewood	Dispensary operating	No adverse impacts reported	No projected or actual revenue figures

As the above data indicates, municipalities with retail cannabis dispensaries have not reported any adverse impacts. The only impacts that were noted were traffic and parking occurring during the early months that the facilities were open to the public.

There are two revenues associated with retail cannabis sales. The first revenue is distributed on a per capita basis to all municipalities regardless of local sale restrictions. It is estimated that Wilmette will receive \$22,750 annually (approximately \$0.84 per capita). The second revenue would be related to local use tax if local sales are allowed (up to 3% of retail sales). Currently, the State has not released any statistics of the sale amount or of the finances that will be distributed to each municipality with a dispensary. However, data for the sale of cannabis statewide is available. One current article stated that more than \$44 million of cannabis products were sold in April which exceeded the record set in January earlier this year.

The following Cook County and Lake County municipalities have not prohibited the operation of cannabis dispensaries but have yet to have any operating dispensary within their boundaries.

Municipality	Current Status	Referendum
Skokie	Allowed – Facility will be opening in near future	No Referendum
Northbrook	Allowed – Facility will be opening in near future	No Referendum
Deerfield	Allowed– Facility will be opening in near future	No Referendum
Buffalo Grove	Allowed – Facility will be opening in near future	No Referendum
Rosemont	Allowed	Referendum held at March election
Northlake	Allowed	Referendum held at March election
Westchester	Allowed	Referendum held at March election
Cicero	Allowed	Referendum held at March election

The following Cook County and Lake County municipalities have prohibited the operation of cannabis dispensaries.

<b>Municipality</b>	<b>Current Status</b>	<b>Referendum</b>
Northfield	Moratorium	Referendum to be held in November.
Morton Grove	Moratorium	Referendum to be held in November.
Park Ridge	Moratorium	Referendum to be held in November.
Lemont	Prohibited	Referendum held at March election.
Glenview	Prohibited	No referendum
Winnetka	Prohibited	No referendum
Kenilworth	Prohibited	No referendum
Lincolnwood	Prohibited	No referendum
Glencoe	Prohibited	No referendum
Highland Park	Prohibited	No referendum
Bannockburn	Prohibited	No referendum
Lincolnshire	Prohibited	No referendum
Lake Forest	Prohibited	No referendum
Lake Bluff	Prohibited	No referendum
Libertyville	Prohibited	No referendum

### **Timeline**

Unless the Village Board determines that a referendum is not the appropriate vehicle for determining whether cannabis dispensaries should be permitted in Wilmette, the following timeline will be followed:

- June 23 - Staff presentation and questions and answers
- July 14 - Presentation of suggested referendum language
- July 28 - Adoption of resolution placing a referendum on the November 2020 ballot

Regardless of the outcome of the referendum, additional actions will be required to either make the restrictions imposed by the moratorium permanent or determine the appropriate zoning districts for retail cannabis dispensaries.

### **Budget Impact**

There may be an increase in revenue should dispensaries be allowed and one or more dispensaries are operating within the Village limits.

### **Documents Attached**

1. August 22, 2019 Memorandum