



**AGENDA ITEM EXECUTIVE SUMMARY**

Agenda Item number: 4a

**Title:** Plan Commission recommendation to approve a General Amendment to Title 17 of the St. Charles Municipal Code (Zoning Ordinance) to add Recreational Cannabis Dispensing Organization as a Special Use in the M-2 District.

**Presenter:** Rita Tungare

Meeting: Planning & Development Committee

Date: May 18, 2020

Proposed Cost: N/A

Budgeted Amount: N/A

Not Budgeted:

**Executive Summary** *(if not budgeted please explain):*

Pursuant to direction at the April 6, 2020 City Council meeting, this item is being referred back to Planning & Development Committee for review.

**Background**

On March 9, 2020, the P&D Committee voted on motions to approve a 1) General Amendment to the Zoning Ordinance to add “Recreational Cannabis Dispensing Organization” as a Special Use in the M-2 Limited Manufacturing zoning district and 2) Special Use to establish a Recreational Cannabis Dispensing Organization, Zen Leaf, at 3714 Illinois Ave. in the M-2 zoning district. Both motions to approve failed by votes of 4-5.

At the April 6, 2020 City Council meeting, ordinances for denial of the General Amendment and Special Use applications were placed on the agenda for action. No final action was taken on the ordinances. Instead, the City Council granted a 90-day extension requested by Healthway Services of West Illinois, LLC to allow for additional review of both the General Amendment and Special Use applications.

**Letter from Applicant**

Schain Banks, the attorney for the applicant, has submitted a letter dated 5/13/20, described further in the Zen Leaf Special Use executive summary.

**Plan Commission Recommendation**

Plan Commission held a public hearing on 11/19/19 which was continued to 12/3/19. On 12/17/19, Plan Commission voted to recommend approval of the General Amendment by a vote of 5-4.

Discussion during the public hearing focused on whether the proposed use was appropriate for the M-2 District, based on existing uses permitted in M-2 and the recommendations of the Comprehensive Plan regarding Industrial/Business Park land uses.

**City Council Ordinances**

Ordinances for approval and denial of the General Amendment have been placed on the agenda for the City Council meeting immediately following the Committee meeting. Both options have been provided for the Council to consider.

**Attachments** *(please list):*

New Information: Schain Banks Letter dated 5/13/2020

Previously Provided Information: Plan Commission resolution, Staff Memo, Application

**Recommendation/Suggested Action** *(briefly explain):*

Pursuant to direction at the April 6, 2020 City Council meeting, this item is being referred back to Planning & Development Committee for review.

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**VIA E-MAIL**

May 13, 2020

Nicholas S. Peppers  
Storino, Ramello & Durkin  
9501 W. Devon Avenue  
Suite 800  
Rosemont, IL 60018

Re: *Healthway Services of West, Illinois ("Zen Leaf")*

Dear Mr. Peppers:

Zen Leaf would like to take this opportunity to address issues about its proposed text amendment and special use permit applications that have been discussed over the past few months.

Plan Commission Proposed Conditions

The Plan Commission recommended three potential conditions: adding lighting, security cameras, and signage on the exterior of Zen Leaf's unit and its adjacent parking lot.

Zen Leaf has no issue with complying with installing security cameras to monitor the exterior of its unit or its parking spaces. Zen Leaf is also able to install signs at its parking areas and inside its premises prohibiting any loitering or on-premises consumption. A copy of a sign that Zen Leaf already uses is enclosed.

Zen Leaf is concerned with the proposed condition on adding lighting. While it is willing to use its best efforts to add the requested lighting, Zen Leaf does not have a unilateral ability to comply with this recommended condition of the Plan Commission. Per the Plan Commission's proposed condition, the lighting would have to be installed in the common areas of the St. Charles Commons

Condominium Association (the “Association”) and need Condominium board approval. Currently, the only two unit owners who have objected to Zen Leaf’s use are now two out of three of the Association’s board members. Zen Leaf is concerned that the Association’s board will not authorize the lighting, albeit disingenuously. Prior to the Plan Commission hearing, Zen Leaf notified the Association that they would like to install additional lighting over its parking spaces and the Association was agreeable to this proposal. However, after the Plan Commission made recommended it as a condition, the Association reneged on its agreement, made demands of financial compensation, and has instructed Zen Leaf that it will not allow Zen Leaf to install the lighting absent its willingness to pay the demanded money.

To reiterate, Zen Leaf is willing to comply with the Plan Commission’s recommendation for additional exterior lighting over its parking spaces; however, any such condition should be limited to Zen Leaf using its “best efforts” and to the extent that the Association allows Zen Leaf to install the lighting. This is a fair compromise between its commitment and the fact that the Association (to whose benefit the condition inures) holds the keys to whether Zen Leaf can fulfill the condition. In short, if the Association does not want the lighting that was recommended for its benefit, then Zen Leaf cannot install the lighting.

Zen Leaf would further highlight that the only other unit owner that operates during night hours is the Beth Fowler Dance School, which wholeheartedly supports Zen Leaf’s applications. No other unit owner is affected by Zen Leaf’s night hours.

### General Text Amendment

As soon as it is allowed by the Illinois Department of Professional Regulation (“IDFPR”) Zen Leaf is committed to moving both its medical and recreational cannabis facility to a BC/BR District. At the time St. Charles amended its zoning ordinance, Zen Leaf was under the belief that existing medical cannabis facilities could relocate their medical cannabis facility within city limits and sell recreational cannabis at the new location. However, the IDFPR has since released its interpretation of the state statute after St. Charles amended its Zoning Ordinance to allow cannabis sales in a BC/BR District. Currently, Zen Leaf is prohibited from relocating its existing medical facility and selling recreational cannabis at the same location.

St. Charles amended its Zoning Ordinance with specific conditions that only allowed Zen Leaf to operate one of the cannabis facilities, so it was plainly amended with the intent that Zen Leaf would relocate its medical cannabis facility to a BC/BR District. Due to the IDFPR’s interpretation, Zen Leaf cannot operate under the existing Zoning Ordinance, as amended. One of the criteria for a text amendment is “whether the proposed amendment corrects an

error or omission, adds clarification to existing requirements, is more workable than the existing text, or reflects a change in policy.” 17.04.320(C)(3). Accordingly, a general text amendment is justified under the change of circumstance which nullified the driving force behind St. Charles’ amendment of its Zoning Ordinance in making Zen Leaf one of its recreational cannabis dispensaries.

While it is committed to relocating to a BC/BR District once the State Legislature passes the pending amendment to its cannabis statute, Zen Leaf cannot open a solely recreational cannabis facility in a BC/BR District. Zen Leaf is only allotted a limited amount of recreational cannabis licenses, one of which is tied to a colocation with an existing medical facility. Zen Leaf has already committed itself on its other recreational cannabis licenses, so the only license that could possibly be allocated to St. Charles is the license tied to its existing medical facility. To open a solely recreational cannabis facility in St. Charles would require Zen Leaf to breach its other commitments, tarnish its reputation, and subject itself to liability.

Moreover, Zen Leaf would be essentially forfeiting one of its recreational cannabis licenses if it does not operate an existing facility to sell both recreational and medical cannabis. Zen Leaf is confident that the State Legislature will amend its statute to allow Zen Leaf to relocate its cannabis facility to anywhere in St. Charles (and in Kane County). Since it firmly believes that the State will eventually allow it to relocate its medical facility anywhere in St. Charles and Kane County, Zen Leaf cannot simply forgo the substantial revenue that it expects from recreational cannabis sales. Not only is it a bad business decision resulting in substantial losses, but it would be a breach of fiduciary duty to its shareholders. Just like its commitment to St. Charles, Zen Leaf must uphold its commitment to its shareholders.

As found by the Plan Commission after multiple hearings on the evidence, a recreational cannabis dispensary is compatible with an M-2 District. While Zen Leaf’s customer basis will expand through recreational sales, its operations will not change, to wit, it will have the same store hours and sell the same product. The increased customer base will not have any adverse effect on the public, as the new customer base will generate substantial sales tax in excess of \$800,000 to benefit the public. Moreover, Zen Leaf has an abundance of available parking and protocols that will ensure that the increased customer base will not have an adverse impact on the neighborhood. The proposed retail sales from Zen Leaf’s operations are not unique to an M-2 District, which allows for other retail uses, too. For example, Heavy Retail, Hotel, Motor Rental, Outdoor Sales, Motor Vehicle Service, Adult Use, Car Wash, and Indoor Recreation and Amusement are businesses that can operate in an M-2 District and generate sales tax through primary or accessory retail uses.

## Special Use

Zen Leaf's hours of operation will be 8am-10pm Mon-Sat and 9am-6pm Sunday. The peak customer times will be after 6pm and weekends. The only other unit owner that has operations overlapping with the expected peak times is the Beth Fowler Dance School, which has given Zen Leaf its full support.

Zen Leaf has 17 parking spaces on-site, which far exceeds the parking requirements of the St. Charles Zoning Ordinance. Both Zen Leaf's traffic engineer and the City's retained traffic engineer found this parking availability more than sufficient to satisfy Zen Leaf's parking demand. Zen Leaf's neighbor at 3755 E. Main Street has further advised that it would be willing to lease Zen Leaf 55 parking spaces next door if the demand for parking exceeds the 17 parking spaces; however, the Association would need to cooperate in granting Zen Leaf access to the parking lot at 3755 E. Main Street.

To ensure orderly traffic and parking patterns, Zen Leaf has installed security cameras and is further prepared to install additional cameras throughout the parking lot. Further, Zen Leaf will have an on-site security guard during all open hours who will monitor the parking lot and be available to solve immediately any issues occurring in the parking and common areas of the Association. The security cameras and guard will be available to prevent any lines or congregations occurring outside its premises and in the Association's common areas.

Zen Leaf's security protocols exceed the State-mandated requirements and have been approved by the State. I have enclosed the State-approved security plan for the Zen Leaf site.

In the unlikely event that traffic and parking issues remain despite the security guard and cameras, Zen Leaf has several other options available to it. For example, if traffic becomes an issue, Zen Leaf has the capability to institute an on-line reservation system akin to open table, so that only customers with reservations may patronize its facility.

## The Association

The Association is comprised of eight unit owners (10 units in all but two unit owners have combined two units). Under the Association's declaration, voting is done according to percentage ownership. Until this year, the Association has operated informally without elected board members and without required meetings.

Only 20.76% or two unit owners have made an objection to Zen Leaf's proposed use. These two unit owners are two out of three of the Association's board and have historically controlled the information disseminated among the unit

owners. In contrast, **61.57% of the votes (four unit owners) support and/or do not have any objection to Zen Leaf's proposed use.** The remaining 17.67% of the vote have not responded to Zen Leaf's emails about meeting and determining their position on our proposed use. These two units are vacant and generally do not participate in the management or meetings of the Association. Zen Leaf only has email addresses for these two vacant units and has asked the two objecting unit owners for the telephone numbers of these two unit owners in order to reach them. But they have refused the request to date.

Below is a table of the unit owners' positions:

Unit	Address	Name	Business	Position	Percentage Ownership
Unit A	3710 Illinois Avenue	TAAG Chicago RE LLC	Corporate Graphics, Inc.	No Objection	16.03%
Unit B	3712 Illinois Avenue	Midwest Driveshaft Inc.	Midwest Driveshaft	Vacant / No Response	10.93%
Unit C	3714 Illinois Avenue	West Capital LLC	Zen Leaf	No Objection	10.05%
Unit D and E	3718 Illinois Avenue	Soeren Partnership Limited	Renfert USA	No Objection	20.98%
Unit F	3720 Illinois Avenue	Fowler Dance School	Beth Fowler School of Dance	No Objection	14.51%
Unit G	3722 Illinois Avenue	Pole Position Real Estate, LLC (Mary Beth De Bord)	Protential	Objection	8.82%
Unit H	3724 Illinois Avenue	Montclare Floor	Montclare Floor Coverings	Vacant / No Response	6.74%
Unit I and J	3728 Illinois Avenue	RMD, LLC (Linda Reilly Murphy)	Metalloy	Objection	11.94%

## 2-Year Sunset Clause

*Because Zen Leaf is committed to relocate to a BC/BR District when allowed by the State, Zen Leaf proposes a two-year limitation on its Special Use. According to the below proposed limitation, Zen Leaf will either have to close operations within two years or re-locate:*

*Healthway Services of West Illinois requests to add Recreational Cannabis Dispensing Organization as a Special-Use in the M2-Limited Manufacturing District. Furthermore, the Special Use granted in this Ordinance shall automatically expire twenty-four (24) months from the Effective Date of this Ordinance, without any further action of the City of St. Charles and Healthway Services of West Illinois, LLC, for itself, affiliates, successors and/or assigns, shall (i) thereupon immediately cease to operate the Recreational Cannabis Dispensing Organization, and (ii) hereby waives any and all rights to the continuation of the Special Use granted in this Ordinance, specifically, but without limitation, any right to a hearing.*

The proposed two-year condition on the special use will benefit all parties. First and foremost, it will allow Zen Leaf to commence operations immediately and thereby generate substantial sales tax for St. Charles. Second, it will allow Zen Leaf the time to locate a new BC/BR District site, obtain a special use, buildout the space, and relocate without business or sales tax interruption. Third, the two-year condition is like how St. Charles successfully introduced gaming to the City and is an appropriate precedent for the proposal.

## Indemnification

Zen Leaf further proposes the following indemnification undertakings, in addition to any other conditions to be attached to the Special Use permit as follows:

### A. Indemnification:

*West Capital, LLC, for itself, affiliates, successors and assigns (“Zen Leaf”), releases from and covenants and agrees that the City of St. Charles (“City”), its Mayor and Council governing body, officers, employees, agents, including independent contractors (collectively, the “Indemnified Parties”), shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss, damage, claims, demands, suits, costs, expenses (including reasonable attorneys’ fees), actions or other proceedings whatsoever by any person or entity whatsoever arising or purportedly arising from the actions, inactions or obligations of Zen Leaf and its officers, employees, agents and/or contractors (or if other persons acting on its behalf or under its direction or control) (“Indemnified Claims”), resulting from, are caused by or in any way related to*

- (a) *the failure of Zen Leaf to comply with any of the terms, covenants or conditions of the Special Use permit; or*
- (b) *any material misrepresentations or omissions of Zen Leaf relating to the Special Use permit which are the result of information supplied or omitted by Zen Leaf or by its agents, employees, contractors or persons acting under the control or at the request of Zen Leaf; or*
- (c) *any claim, cause of action and/or legal proceedings brought by a third party resulting from, caused by, arising out of or in any way related to the City granting the Special Use permit and for the operation of Zen Leaf at 3714 Illinois Avenue, Unit C, St. Charles, Illinois.*

*The provisions of this Section shall not apply to a loss which arises out of intentional misconduct on the part of the Indemnified Parties seeking indemnification, or a loss or portion thereof, or which arises, in whole or in part, out of gross negligence on the part of such Indemnified Parties, but only to the extent that such Indemnified Parties' misconduct or gross negligence contributed to the loss, or that the loss is attributable to such Indemnified Parties' misconduct or negligence.*

*B. Third Party Litigation:*

*In the event that any third party or parties institute any legal proceedings against Zen Leaf and/or the City which result from, are caused by or in any way relate to the City's granting of this Special Use permit, except, however, in the event of the City's intentional misconduct, or gross negligence, then, in that event, Zen Leaf, on notice from the City to Zen Leaf, the other party shall assume, fully and vigorously, the entire defense of such lawsuit and all expenses of whatever nature relating thereto; provided, however:*

- (a) *neither party shall make any settlement or compromise of the lawsuit, or fail to pursue any available avenue of appeal of any adverse judgment, which would impose any liability on the other party, without the prior approval of that party; and*
- (b) *if the City, in its sole discretion, determines there is, or may probably be, a conflict of interest between the City and Zen Leaf, on an issue of importance to the City having a potentially substantial adverse effect on the City, then the City shall have the option of being represented by its own legal counsel. In the event the City exercises such option, Zen Leaf shall reimburse the City from time to time on written demand from the City and notice of the amount due for any expenses, including but not limited to court costs, reasonable attorneys' fees and witnesses' fees,*

*and other expenses of litigation, incurred by the City in connection therewith.*

Should you have any questions or concerns, please contact me at your earliest convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tyler Manic', with a stylized flourish at the end.

Tyler Manic

# RESERVED PARKING FOR



zenLEAF<sup>TM</sup>

**- only -**

ON SITE CONSUMPTION  
STRICTLY PROHIBITED

**RESERVED  
PARKING  
FOR**



**MON-FRI 8AM-4PM  
- only -**

*THANK YOU!*

# CURBSIDE PICKUP PARKING



zenLEAF<sup>TM</sup>

- only -

# #1

ON SITE CONSUMPTION  
STRICTLY PROHIBITED

# CURBSIDE PICKUP PARKING



zenLEAF<sup>TM</sup>

- only -

# #2

ON SITE CONSUMPTION  
STRICTLY PROHIBITED

# CURBSIDE PICKUP PARKING



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- only -

# #3

ON SITE CONSUMPTION  
STRICTLY PROHIBITED



**Standard Operating Procedure:  
Dispensary Security Plan  
ZL-SOP-12**

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**ZL-SOP-12**

## Introduction

The Company's security mission is to deliver cannabis to qualified Cardholders and Purchasers in accordance with the highest standards for quality of products, services, and patient and public safety with the goal of alleviating symptoms of debilitating health conditions that warrant the administration of cannabis and also delivering recreational purchasers the same quality product. Every aspect of the company's operation will have a strong emphasis on security and preventing the diversion of cannabis.

As an organization staffed by honest and compassionate professionals, the company is committed to its mission of working collaboratively with fellow dispensaries and the State of Illinois in creating and improving dispensary security systems. The Company will position itself as an industry security leader by working with the cannabis and security community to further improve security policies and procedures and will serve as a model for other cannabis businesses.

## Scope and Purpose

- A. This policy and procedure applies to all dispensary employees
- B. The primary purposes of the security plan are to:
  - 1. Provide a safe and secure environment for all Dispensary agents, caregivers, Cardholders, Purchasers, vendors, and visitors
  - 2. Safeguard the intake, storage, handling and distribution of cannabis.
  - 3. Ensure comprehensive audit procedures for the entire operation in connection with the handling and distribution of cannabis
- C. In order to protect the premises, Cardholders, Purchasers, personal caregivers, and Dispensary Agents, the Company operates in accordance with the following procedures:
  - 1. Permits only Cardholders, Purchasers, Personal Caregivers, and Dispensary Agents, representatives of the Department, emergency responders, and law enforcement access to the Dispensary
  - 2. Permits outside vendors, contractors, and visitor's access to the Dispensary only in accordance with the Visitor Access to Dispensary procedures
  - 3. Directs Dispensary Agents to pay close attention to the access points to the Dispensary. Any door that is intended to serve as a barrier between the public and private areas of the Dispensary must remain closed and locked always, except for the moment when an authorized individual is actually walking through it
  - 4. All Dispensary Agents will have training in accordance with the Personnel Policies and Procedures of the Company, such training to be conducted by experts in the respective areas
  - 5. All Dispensary Agents and management will receive loss prevention and safety training
  - 6. Each Dispensary Agent must wear a State-issued identification badge at all times while at the Dispensary
  - 7. The Dispensary will have security personnel from a licensed security firm on-site 24/7/365
  - 8. At least one other employee, other than the Dispensary Agent in Charge, will be on-site at all times during regular business hours to ensure that the Dispensary has at least two



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persons present for opening and closing and for the delivery of all cannabis related products.

### Abbreviations and Definitions

- A. Certifying Physician:** a doctor of medicine or doctor of osteopathy licensed under the Illinois Medical Practice Act of 1987 to practice medicine and who has a controlled substances license under Article III of the Illinois Controlled Substances Act. It does not include a licensed practitioner under any other Act including but not limited to the Illinois Dental Practice Act
- B. Company:** Zen Leaf™
- C. MIP:** Cannabis Infused Product
- D. Damaged:** Unusable, unused, expired, spoiled, contaminated, mislabeled undesired, excess, adulterated, misbranded, deteriorated or in containers or packaging that was tampered with or opened cannabis
- E. Department:** Illinois Department of Public Health
- F. Division:** Illinois Department of Financial and Professional Regulation – Cannabis Division
- G. Dispensary Agent:** Means a company board member, director, employee, executive, manager, or volunteer, who is at least 21 years of age. Consultants, contractors or agents who provide on-site services to the Company are considered employees for purposes of this definition
- H. ENVR:** Embedded Network Video Recorder for cameras
- I. HIPPA:** Health Insurance Portability and Accountability Act
- J. Hours of Operation:** The Dispensary will operate 8AM-10PM, seven days a week. This is subject to change based on municipal ordinance.
- K. ISP:** Illinois State Police
- L. Management Team:** Executive Team, Area Manager and Senior Manager
- M. MME:** Cannabis establishment that has received a certificate of registration from the Division
- N. Purchaser:** the terminology that will identify an adult use customer over the age of 21 who acquires cannabis for valuable consideration. All adult use customers that purchase product will be referred to as Purchasers. “Purchaser” does not include a cardholder under the Compassionate Use of Medical Cannabis Pilot Program Act.
- O. Cardholder:** a qualifying patient or a designated caregiver who has been issued and possesses a valid registry identification card by the Department of Public Health.
- P. Personal Caregiver:** A person, registered by the Department who is at least 21 years old, who has agreed to assist with a patient’s medical use of cannabis and is not the patient’s certifying physician
- Q. POS:** The Point of Sale. All records regarding cannabis products including acquisition, storage, location, sale, patient order history and identification and verification, all security data and all information about Dispensary Agents who access the system can immediately be retrieved and printed or viewed real time in the POS system
- R. Registration Card:** An identification card issued by the Division to a patient or personal caregiver
- S. Strain:** Cannabis in the form of dried and cured cannabis flowers, cannabis oil, and any cannabis-infused products. The Company limits the Dispensary’s inventory of useable cannabis to reflect the projected needs of its Cardholders and Purchasers

### Guidance and Policy

#### **A. Administrative Structure**

1. The Company will operate its business in a way that enables it to use resources effectively and efficiently to procure the necessary quality product, equipment and supplies. The Company has been structured to operate the day-to-day business in a way that provides the



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described services to Cardholders and Purchasers

2. The Company shall ensure that suitable staff and resources are available to provide high quality service to Cardholders and Purchasers in accordance with state and local laws and in conformance with the privacy and security rules of Health Insurance Portability and Accountability Act ("HIPAA") (45 CFR 164)
3. The Company will inform all Dispensary agents of the organizational structure and reporting chain of command. Each employee will be informed of their responsibilities and to whom they will report. This information will be provided in the job description for that staff position

**B. Annual Review of Security Policies and Procedures**

**1. Security Policy and Procedures**

- a. Security policies and procedures will be reviewed annually to ensure that they follow regulations and requirements for all applicable state agencies and that they adequately reflect the Company's business policies

**2. Security Revisions**

- a. Any recommended security policy revisions or updates will be presented to the Executive Team for approval and notices of updates will be filed in the Policy and Procedures Manual

**3. Security Audit**

- a. On an annual basis, the Company will undergo a security risk assessment audit by an outside security contractor. An audit report will be submitted to management no later than 30 calendar days after the review has been conducted. If the audit identifies concerns related to the Company's security procedures, the Company also will submit to management a plan to mitigate those concerns within 10 business days of the date of the audit

**C. Confidentiality and Security Information**

1. Information held by the Company about Cardholders and Purchasers is confidential and shall not be disclosed without the written consent of the individual to whom the information applies, provided, however, that such information will be made available to the Department, the Division and/or Law Enforcement Agencies as required by law
2. Although the Company is not a "covered entity" as defined by HIPAA, the Company will implement many of HIPAA's privacy and security policies in order to ensure that Cardholder and qualified patient health care information remains secure. All Cardholder and qualified patient information will be input into the Company's electronic POS/Inventory System. The POS software meets and exceeds security standards set for data transmission, encryption and storage requirements of HIPAA. All electronic information will be backed up on a regular basis. Access to patient information from the Company's electronic POS/Inventory System will be password protected and limited to the management team and those Dispensary Agents who have a need to access such information to fulfill their job functions, and all such individuals will have be given training concerning professional conduct, ethics and state and federal laws regarding patient confidentiality



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3. Any patient information maintained in paper format will be stored in a locked cabinet with access limited to those Dispensary Agents who have a need to access such information based on their job functions, and all such individuals will be given training on professional conduct, ethics and state and federal laws regarding patient confidentiality. Any hard-copy information not stored will be shredded and disposed of in a secure trash receptacle
4. Any Dispensary Agent who has access to patient information will receive on-going training to ensure maintenance of confidentiality of patient information. Dispensary Agents are required to report any suspicious or unauthorized use of information (including but not limited to personal information) collected and maintained by the Company
5. These confidentiality and information security requirements will also be addressed in the Company's policy and procedure manual

**D. Security Systems**

1. The Company is committed to ensuring a safe and secure environment for all employees, Cardholders, and Purchasers coming to the Dispensary. A critical component of such an environment is a robust security system. The security system to be deployed at the Dispensary is described below
2. **Security Equipment Storage**
  - a. All security system control and monitoring equipment will be stored in the restricted access area, access to which is controlled by an access keypad entry system
3. **Testing of Security System**
  - a. The Company will inspect and test all security equipment at regular intervals, not exceeding 30 days. The Company will promptly cause adequate repairs, or to the extent necessary, replacement of any equipment that is found to be not in good working order and condition

**E. Access Keypad Entry System**

1. Each employee will be given an access keypad card that will be printed at the Dispensary. Access keypad cards will contain a unique serial number associated with the employee. This card will grant access to specific areas the employee is authorized to enter. An electronic log of employees and their associated key card serial numbers will be kept on the ENVR. Employees must visibly wear their access keypad card on their person at all times while on Dispensary premises and will take the card home. Any lost or stolen key cards must be reported to the Senior Manager immediately
2. The touch keypad locks require an individual to punch in the correct number combination before the individual may have access to the entry point. Only dispensary agents will be given a unique PIN. All employees will also be given a "panic" pin code that they may enter into the keypad, which will signal to local law enforcement and the ISP of an emergency situation
3. The Dispensary's alarm system also works with employee key cards to promote accountability and tracking. Every time an employee uses their key card or pin number to enter an area, the Dispensary's alarm system will electronically record and maintain the



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employee's information, the time and date the employee entered the room, and how long the employee was in the room

4. The system will flag anytime a door is left open for longer than ten seconds. A log of all entries into Dispensary Vestibule, Receiving Vestibule, Vault, or Vault Room will be maintained with the rest of the Dispensary's security records
5. Each Dispensary Agent will sign a confidentiality agreement, the breach of which shall be cause for immediate termination, and such confidentiality agreement, among other things shall prohibit a Dispensary Agent from sharing the combination for the touch access keypad locks

**F. Alarm Equipment**

1. The Dispensary has a perimeter alarm with alarm contacts on all facility entry points, perimeter window and interior doors. The alarm system's hub is a programmable keypad that doubles as a panic button should a Dispensary agent input their emergency pin number. The alarm system works with motion detector sensors in the facility that will alert authorities of an attempted break in through the roof or walls. Remote panic buttons will be strategically and discreetly located around the facility that trigger a silent alarm and notify the public safety answering point for the law enforcement agency having primary jurisdiction. Panic buttons will be specifically located at every sales station, the security equipment room and vault. Panic buttons can be activated by pressing the button and, once activated, they cannot be deactivated
2. The alarm system also has a failure notification system that provides an audible, text, or visual notification of any system failure. In the event of a system failure an immediate alert will be provided via email and text message to the Senior Manager, shift managers, and security director
3. The Dispensary will also be equipped with a back-up alarm system having all the capabilities of the primary system. The company that provides the back-up alarm system will not be the same company supplying the primary security system

**G. Audio-Video Equipment**

1. The Dispensary will have a video and audio surveillance system with camera resolution of at least 2 megapixels and a recorded image frame rate between 12 and 30 frames per second during all recording. Some of these cameras will also be capable of audio recording. All cameras will be installed at a height that provides an optimal vantage point, and will cover all entrances and exits to the Dispensary from both indoor and outdoor points
2. The surveillance system's cameras are capable of identifying persons, license plates, vehicles, any activities occurring within any area of the Dispensary and within twenty feet of all entry and exit points to and from the premises. Motion activated lighting will be installed to enable proper surveillance during hours of darkness at all entry points and where all exterior cameras are located
3. The Dispensary's video cameras cover all vestibules, limited and restricted access areas, all points of ingress/egress through all interior and exterior doors and pathways, all exterior areas and fencing, the parking lot and receiving area and all point-of-sale (POS) terminals.



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Cameras in the main entrance vestibule will record individuals every time they enter the Dispensary and the Embedded Network Video Recorder (ENVR) will take photos from these recordings, so that up-to-date photos of Cardholders, Purchasers, and visitors are maintained. The cameras covering POS terminals will be capable of recording and identifying the Dispensary employee conducting the sale, the individual making the purchase, information on the computer monitor and the transaction as a whole

4. Security Cameras will record 24 hours per day, 7 days per week and all video recordings will clearly and accurately display the correct date and time. The Dispensary's security system will use an ENVR/Cloud Interface which functions as the security system's central hub. The ENVR will be remotely accessible at all times through a secure web portal by the Executive team, the ISP, local law enforcement and the Division. Remote accessibility will permit these individuals to view live footage, and review security logs from the Dispensary at any time. This will allow the Division, the ISP and local law enforcement to verify that the Dispensary is following all applicable security and procedural requirements at will
5. This surveillance system is Internet Protocol (IP) compatible and will record activities on the premises and around the perimeter of the premises at all times as described above. The Dispensary's ENVR allows the export of still images in industry-standard image formats, including .jpg, .bmp, and .gif. The ENVR will automatically archive exported surveillance footage in a proprietary format that ensures authentication of the video and guarantees that no alteration of the recorded image has taken place. The exported footage is archived in an industry-standard file format that can be viewed on a standard computer operating system. Even though the ENVR will automatically store all recordings and electronic security logs, this information is also backed up and stored on a cloud-based server
6. The security equipment will be installed in the security equipment room, where it is protected from tampering or theft. This security equipment room will house the following equipment: an ENVR, three 24" call-up monitors for security feeds, a computer (one call-up monitor will double as the computer monitor), a color printer, video playback equipment, a master intercom, a phone, a panic button and a lockable case for portable equipment. Access to the security equipment room will be limited to the Executive Team, Area Manager and Senior Manager. Access to the security equipment and computer will be password protected. Dispensary agents will be required to safeguard this password by keeping it confidential and not writing it down in an area that could be accessed by others. When appropriate, access to the security equipment room will also be granted to local law enforcement, security equipment service and installation personnel, the ISP and the Division. All security system equipment and recordings shall be maintained in good working order in the security equipment room to prevent theft, loss, destruction or alteration
7. A list of authorized Dispensary agents and service personnel with access to the security equipment room will be maintained and frequently updated and will be made available to local law enforcement, the ISP and the Division upon request
8. The Dispensary will display a 12" x 12" sign with lettering no smaller than one inch in height reading:
  - a. *ATTENTION: Visual Recording In Progress, Aviso: Grabación Visual En Proceso*



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**H. Dispensary Cash Revenues**

1. The Dispensary will have a vault room, in which valuable objects and the cash safe will be located. The Dispensary's cash revenues will be removed from the register daily and placed in the cash safe after the Dispensary has been closed. The Senior Manager and Agent in Charge will maintain two-person verification by supervising the daily deposit of revenues into the cash safe
2. Each employee handling cash of the Dispensary will be trained in efficient and safe cash management techniques
3. Each Dispensary agent engaged in actual sales to Cardholders and Purchasers will be assigned an individual cash drawer. A secure drop safe will be located under the counter at the service windows and dispensary agents will be required to make periodic cash drops into the drop safe each time the contents of their cash drawers exceed \$2500. Cash drawers may never be left open or unattended and Dispensary agents will not openly handle large amounts of cash in the presence of Cardholders and Purchasers
4. Dispensary agents will be held strictly responsible for balancing their drawers periodically during working hours and at the close of each day. If a Dispensary agent does not balance within one percent (1%) of perfect on three occasions, that employee may be terminated or removed from any position involving the handling of funds. All funds remaining in cash drawers and all funds in the drop safe will be deposited into the main safe at the close business each day as described above
5. Employees will be required to:
  - a. Never deal with large amounts of cash in front of Cardholders and Purchasers
  - b. Never leave cash drawers open or unattended
  - c. Once the cash in the drawer reaches \$2500 the excess must be placed in the drop safe under the register area.
  - d. Each employee handling cash will be assigned an individual cash drawer
  - e. Employees will be held strictly responsible for balancing their drawers periodically during working hours and at the close of each day. If an employee does not make his or her drawer balance within one percent of perfect on three occasions, then that employee may be terminated or removed from any company function that touches money
  - f. All cash in drawers and drop safe must be moved to the main safe every evening
6. **Counting Protocol**
  - a. All cash transactions and cash counting must be conducted within full view of a security camera. Dispensary staff will conduct no less than 2 counts each day.
  - b. These counts include:
    - i. Beginning of day starting cash
    - ii. End of day balancing of cash drawers
    - iii. Final counting, sorting, and stacking by a manager before the cash is deposited in the cash safe located in the vault room



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- iv. Periodic counts at a manager's discretion
- c. All counts of cash in drawers during the day are to be written down in a log and signed by the Dispensary agent who made the count. At the end of each business day, all cash must be counted by two Dispensary agents who must each log their final totals and sign their names in the log

**7. Periodic Spot Checks and Audit**

- a. From time to time managers will conduct unscheduled spot checks or audits of Dispensary agents who handle cash
- b. These actions may include, but are not limited to:
  - i. Intentionally overloading a Dispensary agent starting cash amount by a known amount, and ensuring that there is an equivalent overage when cash is counted later in the day
  - ii. Conducting surprise, unscheduled counts

**I. Cashiers**

- 1. Dispensary agents serving Cardholders and Purchasers may also act as a cashier to make the transaction a smooth and streamlined experience
- 2. The Dispensary agent will print a receipt for the product purchased and any related items to facilitate the delivery of product (such as a vaporizer, etc.) being purchased. The Cardholder or Purchaser will pay the full amount indicated on the invoice
- 3. Every transaction will be recorded by the POS inventory system
- 4. Upon completing a transaction, Cardholders and Purchasers will leave the Dispensary. The Security Officer (SO) on duty will monitor the Cardholder/Purchaser and ensure that the Cardholder/Purchaser leaves the parking lot of within 10 minutes after exiting the Dispensary. If a Cardholder/Purchaser feels uncomfortable exiting the Dispensary, a Security Officer (SO) will accompany the Cardholder/Purchaser to their vehicle. Under no circumstance may a Cardholder/Purchaser consume cannabis or MIPs on the Dispensary premises.

**J. Transporting and Depositing Cash**

- 1. The Company will contract with a bank or third-party security company that utilizes an armored vehicle, or comparable secured transportation, to transport cash deposits from the Dispensary to its bank. A member of the Management Team will order cash pickups at periodic, alternating intervals
- 2. Prior to cash pickups, Dispensary agents, under the supervision of a member of the Management Team, will:
  - a. Count and sign the safe log for all outgoing deposits
  - b. Utilize dual-pouch, tamper-resistant depository bags
  - c. Write the deposit information in the space provided on the outside of each depository bag
  - d. Record the number of bags and each bag unique number on a deposit ticket and retain a copy of the deposit ticket for Company's records



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- e. Seal all depository bags
- 3. During cash pickups, Dispensary agents, under the supervision of a member of the Management Team, will:
  - a. Verify the armored truck guard's identification badge
  - b. Record the package quantity being shipped
  - c. Ensure that all guards wear a name tag and are escorted by an employee at all times they are within the facility. All other rules regarding visitors to the facility will be followed at all times

**K. Record Keeping**

**1. All Records**

- a. All records will be maintained in either electronic or paper format. If in paper format, the records will remain in a locked cabinet with access to such records limited to Dispensary Agents who have a need to access or create such records in accordance with their job function. If in electronic format, access to such records will be protected by a password that will be available only to Dispensary Agents who have a need to access or create such records in accordance with their job function. All electronic records will be backed up on a server that is maintained off site
- b. The Company makes its records available for inspection by the Department upon request, as provided by law. In the event of the closure of the Dispensary, all records shall be maintained for at least five (5) years in a form and location acceptable to the Department

**2. Personnel Records**

- a. The Company maintains the following personnel records:
  - i. Job description for each employee and an organizational chart consistent with the job descriptions
  - ii. Personnel record for each Dispensary Agent. The Company shall maintain such records for at least 12 months after termination of an individual's affiliation with the Company
- b. Each Dispensary Agent's personnel records will include the following:
  - i. Full name, address and telephone numbers of each Dispensary Agent
  - ii. All materials submitted to the Department in connection with the Company's application for registration of the Dispensary Agent
  - iii. Documentation of verification of references
  - iv. The job description or employment (or independent contractor) contract that includes duties, authority, responsibilities, qualifications and supervision
  - v. Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement



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of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of all presenters

- vi. A copy of the application that the Company submitted to the Department on behalf of the prospective Dispensary Agent
- vii. Documentation of periodic performance evaluations
- viii. Record of any disciplinary action taken
- ix. Personnel policies and procedures, which are contained in the Company's Dispensary Agent Handbook
- x. All FBI and criminal background reports obtained in connection with the registration of each Dispensary Agent

**3. Quality Assurance Records**

- a. The Company will maintain all results from cannabis and MIP contaminant testing for five (5) years

**4. Patient Records**

- a. All records pertaining to Cardholders, and as applicable, to Purchasers as well, will be maintained by the Company for a period of five (5) years

**5. Business Records**

- a. The Company will maintain manual and/or computerized records of the following:
  - i. Assets and liabilities, for a period of five (5) years
  - ii. Monetary transactions, for a period of five (5) years
  - iii. Books of accounts, which include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers, for a period of five (5) years
  - iv. Sales records that indicate the name of the patient or personal caregiver to whom cannabis and MIPs have been dispensed, including quantity, form, and cost by transaction, for a period of five (5) years
  - v. Salary and wages paid to each employee, stipend paid to each board member, and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with the Company for a period of five (5) years
  - vi. Governing documents of the Company, as amended, including articles of organization, bylaws, and minutes of meetings of the Company, for as long as the Company is in existence

**6. Separate Sales Reports**

- a. The Company will report which cannabis and cannabis-infused products are purchased for sale to medical Cardholders under the Compassionate Use of Medical Cannabis Pilot Program Act, and which cannabis and cannabis-infused



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products are purchased for sale to adult use Purchasers under the Cannabis Regulation and Tax Act. Registered qualifying patients are allowed to purchase cannabis as a Purchaser under the Cannabis Regulation and Tax Act.

**7. Inventory Records**

- a. Inventory records, including seed-to-sale tracking records for all cannabis and MIPs, are created and maintained in accordance with the Company's inventory policies and procedures. Inventory records are maintained for a period of five (5) years. The term "seed-to-sale" is used by the Company to demonstrate its intent to continue tracking cannabis from the point a cultivation facility transfers the product to the Company to the point the Company dispenses the product to a Cardholder or Purchaser.

**8. Disposal of Records**

- a. When cannabis or MIPs are disposed of, they are disposed of in accordance with the Company's waste disposal policy and procedure and the Company will create and maintain a written record of the date, type and quantity of the product disposed of, the manner of disposal and the persons present during the disposal, with their signatures. Documentation will also include the name of the supplying patient or personal caregiver, if applicable. The Company will maintain such records for five (5) years

**9. Incident Records/Reports**

- a. The Company will maintain all documentation related to an incident that is reportable in accordance with the Company's security policies and procedures for at least one year, and the Company will make such documentation available to the Department and authorized law enforcement officials upon request

**10. Signage**

- a. The Company displays the following signage
  - i. A 12" x 12" sign stating: "Do Not Enter – Restricted Access Area – Access Restricted to Authorized Personnel Only" will be posted on the door leading from the Limited Access area to the restricted area
  - ii. *ATTENTION: Visual Recording In Progress, Aviso: Y Visual En Proceso*
- b. All required OSHA posters

**11. Posting of Certificate of Registration**

- a. The Company will maintain and post all up to date, Department-issued Certificates of Registration

**L. Sanitary Conditions**

1. The Dispensary will be cleaned by Dispensary Agents on a nightly basis. The exterior of the Dispensary will be cleaned of debris on a daily basis and the vegetation surrounding the Dispensary will be trimmed frequently. Floors, walls and ceilings constructed in such a manner that they may be adequately kept clean and in good repair. There will be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations. All contact surfaces, including utensils and equipment



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will be maintained in a clean and sanitary condition. Such surfaces will be cleaned and sanitized on a daily basis to protect against contamination, using a sanitizing agent registered by the U.S. Environmental Protection Agency, in accordance with labeled instructions. The Company will use equipment and utensils that are designed and constructed of such material and workmanship as to be adequately cleanable

**M. Dispensing**

1. The Company will not receive orders for cannabis in any manner other than from a Cardholder or Purchaser in-person in accordance with applicable law and the Company's policies and procedures. The Company does not acquire, possess, deliver, transfer, transport, supply or dispense cannabis for any purpose except to assist Cardholders and Purchasers, or for purposes of laboratory testing

**N. Cardholder and Purchaser Identification**

1. The Cardholder will provide:
  - a. A current, valid Registration Card that is supported with a qualified patient's valid certification in the Department-supported database.
  - b. Valid proof of identification which must contain name, photograph and date of birth, and must be one of the following:
    - i. Driver's license
    - ii. Government-issued identification card
    - iii. Military identification card
    - iv. Passport
2. The Purchaser will provide:
  - a. Valid proof of identification which must contain name, photograph and date of birth, and must be one of the following:
    - i. Driver's license
    - ii. Government-issued identification card
    - iii. Military identification card
    - iv. Passport

**O. Registration of Dispensary Agents**

1. Each Dispensary Agent must be registered with the Department. The Company applies for a Dispensary Agent registration for each of its Dispensary Agents.
2. For each individual who wishes to be a Dispensary Agent with the Company, the Company shall:
  - a. Require the individual to provide a copy of his or her driver's license, government-issued identification card, or other verifiable identity document acceptable to the Department
  - b. Confirm that the individual is at least 21 years old
  - c. Require the individual to complete and sign a Department-issued application for registration
  - d. Require the individual to sign an attestation whereby the individual certifies that



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he or she has never been convicted of a felony drug offense in Illinois, or a like violation of the laws of another state, the United States or a military, territorial, or Indian tribal authority

- e. Obtain an FBI report for the individual (which must be obtained within 30 calendar days prior to submission of the application for registration)
  - f. Verify and document the individual's references
  - g. Require the individual to provide all other information required by the Department
3. The Company shall notify the Department no more than one (1) business day after a Dispensary Agent ceases to be associated with the Company. The Company shall notify the Department as soon as possible, but in any event within three (3) business days, after any changes to the information that the Company was previously required to submit to the Department in connection with a Dispensary Agent registration, or after discovery that a registration card has been lost or stolen.

**P. Personnel Policies**

**1. Scope**

- a. These Personnel Policies and Procedures apply to each Dispensary Agent, as specified below. Additional Personnel Policies and Procedures are contained in the Dispensary Agent Handbook, a comprehensive manual that provides information to guide Dispensary Agents' behavior and relationship with the Company.

**2. Staffing Plan**

- a. The Company has adopted a comprehensive Staffing Plan to provide for appropriate staffing levels during business hours and promote safe employment conditions. The Staffing Plan is utilized to guide recruitment, hiring, training and managing the Company's staff.
- b. Highlights of the Plan feature:
  - i. Precise definition of responsibilities
  - ii. Clearly understood chains of authority
  - iii. High staff to Cardholder/Purchaser ratio to provide a consistent level of quality service in line with the Company's mission
  - iv. Professional recruiting practices
  - v. Thorough training of new hires
  - vi. Hire from within the county and community
- c. As Cardholder/Purchaser numbers increase, the Company will adjust staffing levels to maintain a high staff to Cardholder/Purchaser ratio

**3. Job Descriptions**

- a. The Company maintains a job description for each position at the Company. The job description outlines the essential duties and responsibilities of the position. When the duties and/or responsibilities of a position change, the



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Company revises the job description to reflect those changes

**Q. Employee Disciplinary Action**

1. The company strives to create a culture of honesty and has an open communication policy. It is the responsibility of all Employees to report dishonest behavior or theft-related issues to the owner or manager
2. The Company may immediately dismiss any Dispensary Agent who has:
  - a. Attempted misappropriation of cannabis or MIPs. The Company shall report any such incident to law enforcement officials and the Department
  - b. Engaged in unsafe practices with regard to Dispensary operations. The Company shall report any such incident to the Department
  - c. Violated any safety standard and/or any other rule, policy or procedure of the Company
  - d. Removed from Company premises or concealed monies, merchandise, or property belonging to the Company, other employees, Cardholders, Purchasers, or other individuals
  - e. Failed to report the dishonesty of another when the agent has reasonable knowledge of such dishonesty
  - f. Discounted merchandise without authorization
  - g. Failed to ring a sale, or properly account for or control funds
  - h. Violated a criminal statute
  - i. Made a false statement to a manager or engaged in a fraudulent act
  - j. Entered, or causing to be entered, information which the employee knows to be false, or reasonably should have known to be false, on any Company document, report, form or record
  - k. Violated of the Conflict of Interest Policy
  - l. Accepted gratuities from vendors, Patients and Purchasers, or subordinates
  - m. Has been insubordinate, refused to follow work-related directions from a manager or supervisor
  - n. Engaged in misconduct toward a Cardholder/Purchaser, manager, or coworker, including but not limited to:
    - i. Threatening
    - ii. Intimidation
    - iii. Coercing
    - iv. Fighting
    - v. Using foul or abusive language
    - vi. Engaging in any action that could result in injury or damage to persons or property
    - vii. Coercing a Cardholder/Purchaser to purchase from the agent rather than from a fellow employee



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- viii. Speaking negatively about a coworker to a Cardholder/Purchaser
- o. Violated the Alcohol and Drug Abuse Policy
- p. Transacted personal business during working hours
- q. Used Company property or assets for personal reasons without prior approval
- r. Destructed, damaged, or misused Company property or assets
- s. Engaged in disorderly or illegal conduct on Company premises, including gambling
- t. Harassed another person, made racist or sexually offensive remarks, physically touched or made inappropriate suggestions to any individual in the course of the Agent's employment or while on company premises
- u. Acted contrary to the Company's best interests such as, for example, diverted sales or divulged proprietary or business information
- v. Neglected or demonstrated incompetence in the performance of job responsibilities
- w. Violated Company policy or procedure
- x. Failed to follow Company policy which resulting in the loss of monies, merchandise, or other Company assets

**R. Theft, Loss, or Diversion**

1. In the event of otherwise discrepancy between the weight of cannabis received from the cultivation center and cannabis dispensed, stored, and/or accounted for, The Senior Manager will immediately perform an internal audit to determine the source of the discrepancy by viewing video tape, reviewing dispensary logs, and creating a missing inventory report. If it is determined the discrepancy is due to theft or diversion, the Dispensary will immediately notify the Division, the appropriate ISP District, and local law enforcement. The Senior Manager will then immediately advise the Executive Team
2. It is the responsibility of any Dispensary agent that witnesses or suspects criminal activity to report this information to the Senior Manager. The Manager will then either investigate, if the report is based on suspicion, or report to the Division and law enforcement, if the activity was witnessed
3. If an investigation concludes that a crime has been committed, a member of the management team will immediately notify the Division, the ISP and local law enforcement. Management will cooperate with any Division, ISP or local law enforcement investigations or directives. Management will cordon off any area of the facility that is critical to the investigation and preserve the area until investigators arrive. While investigators inspect the area, only the absolute minimum number of Dispensary agents necessary to conduct the investigation will be present and no Cardholders and Purchasers or visitors will be permitted to enter or allowed to remain on the Dispensary premises

**S. Anti-Harassment**

1. The Company affirms its commitment to provide a work environment free from intimidation and harassment. Abuse of the dignity of anyone through ethnic, racist or sexist slurs or through other derogatory or objectionable conduct will be regarded as offensive



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employee behavior. If an employee harasses another employee of the Company or applicant to the Company because of race, religion, creed, color, national origin, ancestry, physical or mental disability, medical condition, marital status, sex, age, or any other protected classification, in accordance with applicable federal, state, and local laws, the employee will be subject to disciplinary action, including termination

2. Sexual harassment is a form of sex discrimination, which includes gender-based harassment of a person of the same sex as the harasser. It is the express policy of the Company that sexual harassment of employees or an applicant by anyone connected with the Company is unacceptable and will not be tolerated. Unwelcome or unwanted sexual advances, requests for favors or other visual, verbal or physical conduct will be deemed sexual harassment when:
  - a. Submission to such conduct is explicitly or implicitly a condition of employment
  - b. Submission to or rejection of such conduct is used as the basis of employment decisions
  - c. Such behavior has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment
3. Whether a particular action or incident is a purely personal, social relationship without a discriminatory employment effect requires a factual determination. The Company further recognizes that allegations of this type of discrimination may have serious effects on innocent parties
4. Any employee who believes he or she has been the subject of sexual harassment should report the alleged act(s) promptly (within two working days) to management, giving details forming the basis of the complaint
5. Upon receipt of the complaint, Management shall take immediate and appropriate steps to investigate the complaint. Confidentiality will be maintained to the maximum extent possible
6. Following the investigation of the complaint, management shall weigh the facts and determine the validity of the charge. If the complaint is determined to be valid, the offender(s) shall face immediate and appropriate disciplinary action based upon the severity of the charge. Actions may include written warning, suspension, demotion and/or discharge

**T. Employee Parking**

1. Cardholders and Purchasers are the people who support our business, so we reserve the parking spaces closest to the entrances for their convenience. Employees may only park in the areas designated for employee parking
2. Employees may only be on the premises during scheduled shifts, regardless of whether the Dispensary is open for business. Otherwise, employees may only enter the Dispensary premises as a properly documented patient or caregiver. The Company will prevent individuals from remaining on the premises if they are not engaging in activity permitted by the regulations



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3. Individuals will not be permitted to loiter anywhere on the Dispensary's premises. Additionally, the Company will post warning signs inside and outside stating the premises is under video surveillance and all unauthorized activity will be reported to the local law enforcement agency

**U. Employee Identification Badge**

1. The Company will not allow new hires to begin working without first obtaining an agent identification card. Only the Senior Manager may apply to the Division for agent identification cards on behalf of the Company. Dispensary agents must also contact the Senior Director to renew their dispensary agent badge with the Division.
2. All employees of the Dispensary are required to have:
  - a. Properly displayed employee badge issued by the Division at all times while on the premises. Management will provide lanyards with the Dispensary's logo so that employees can wear their ID badges around their necks
  - b. The Company will not permit any of its agents to transfer, sell, trade, lend, or give up ownership of their Division-issued identification badge
  - c. In the event an employee loses their ID badge, they must immediately notify the Senior Manager who will then notify the Division and ISP.
  - d. Until a replacement badge is issued, the employee may not return to the Dispensary premises, unless as a properly documented patient or caregiver
3. If the Company terminates an agent's employment or an agent quits, the Senior Manager will immediately collect the agent's identification badge and promptly return the badge to the Division
4. The Company will cooperate with the Division should the Division choose to recall an agent identification badge

**V. In the Event of an Incident**

1. The Company shall immediately notify the appropriate law enforcement authorities and the Department within 24 hours after discovering any of the following:
  - a. Discrepancies identified during inventory, diversion, theft, loss, and any apparent criminal activity involving the Dispensary or a Dispensary Agent
  - b. Any suspicious act involving the sale, distribution, processing, or production of cannabis or MIPs by any person on Dispensary premises
  - c. Unauthorized destruction of cannabis or MIPs by a Dispensary agent
  - d. Any loss or unauthorized alteration of Dispensary records related to cannabis, MIPs, Patients and Purchasers, Cardholders, or Dispensary Agents
  - e. An alarm activation or other event that requires response by local law enforcement agencies, ISP, or public safety personnel
  - f. The failure of the security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last longer than eight hours
  - g. Any other breach of security
2. The Company shall, within three (3) calendar days, provide written notice to the Division of



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any incident described above, by submitting an incident report in the form and manner determined by the Department detailing the facts surrounding the event, any corrective actions taken, and confirming that the appropriate law enforcement authorities were notified. The Company will maintain all documentation related to an incident that is reportable in accordance with the Company's policies and procedures for at least five (5) years and the Company shall make such documentation available to the Department and to law enforcement authorities acting within their lawful jurisdiction upon request

3. In the event of any such incident, the Company will conduct an assessment to determine whether additional safeguards are necessary to prevent a recurrence

**W. Entrances and Doors**

1. The Dispensary has three (3) entrances and exits:
  - a. A main entrance used by Cardholders, Purchasers, visitors, and employees
  - b. A receiving entrance restricted to pre-arranged, authorized deliveries
  - c. An emergency exit door at the back of the building, which will remain locked at all times
2. All facility doors, with the exception of the main entrance during operating hours and restrooms, will be kept closed and locked at all times

**X. Vestibules:**

1. The Dispensary has three (3) vestibules:
  - a. Between the receiving and the restricted access area
  - b. Between the restricted access area and the limited access area
  - c. Between the limited access area and the main entrance
2. The main entrance vestibule door to the outside will remain unlocked during operating hours
3. The exterior entrances and all vestibule doors are protected by category five security doors that are rated for 60-minutes forced entry resistance. All interior doors that protect limited and restricted access areas, with the exception of the vault and restrooms, will utilize similar doors that are rated for 45-minutes forced entry resistance. The vault will be protected by a vault door that uses 20 locking bolts on two sides of the vault door. Restrooms will use standard doors with doorknob locks. No Dispensary door will rely solely on electronic access so that doors can remain locked during a power outage. The walls surrounding the entrances are reinforced with  $\frac{3}{4}$ " plywood to reduce exposure to burglaries
4. Cardholders, Purchasers, and visitors must first come to the reception office before passing through the main entrance vestibule. The reception employee will remotely grant access to the waiting room after the Cardholder/Purchaser verification procedures have been completed. While in the waiting room, the Cardholders and Purchasers will have the opportunity to avail themselves of patient educational materials

**Y. Security Personnel**

1. The Company employs a number of procedural security measures to protect the Dispensary's premises. In order to avoid conflicts of interest compromising security, Security Officers (SO) will only report to the Senior Manager. This also means that security



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staff will never perform dispensary staff functions and vice versa. The Dispensary will utilize its dual employment hierarchy by having Security Officers supervise Dispensary agent actions and review changes and updates made to Dispensary logs to ensure compliance through two-person verification

2. The Senior Manager and Executive Team are responsible for hiring the security team which includes Security Officers. Security Officers will maintain order and deal with issues arising from non-compliant behavior. The Company will put an emphasis on hiring individuals with at least two-year military, law enforcement, corrections facility or private security experience. Security Officers will not be armed; however. If the need for armed security arises, the Company will look to outsource this work to licensed armed off-duty law enforcement officers
3. The Company's security personnel will be thoroughly trained on prevention, detection and diffusion of threatening situations. Security personnel will be trained to constantly scan the environment for anything that could disrupt the safety, security and general well-being of the Cardholder, Purchasers, employees, and assets of the Company
4. Security Officers will also walk the perimeter of the Dispensary premises on a regular basis during operational hours to discourage loitering by any party. Cardholders, Purchasers, and other persons authorized to be on Dispensary premises must leave the premises within ten (10) minutes of concluding their business unless staying in the dispensary with permission. Local law enforcement will be notified if there is loitering on the premises. Security Officers shall be equipped at all times with an emergency call button that will instantly contact the appropriate local law enforcement agency should the need arise
5. Access to the security equipment room is limited to persons that are essential to surveillance operations, the management team, law enforcement authorities acting within their lawful jurisdiction, security system service personnel and the Department. A current list of authorized employees and service personnel that have access to the security office will be by the Senior Manager. The security office will remain locked and will not be used for any other function
6. **Patrol During Business Hours**
  - a. During business hours of the Dispensary, a Security Officers (SO) will patrol the external premises of the Dispensary. The security guard will prevent Cardholders and Purchasers from consuming their cannabis or MIPs on premises, including in the parking lot. The Security Officers (SO) will ensure that each Cardholder, Purchaser, or anyone accompanying them, will leave the parking lot of the Dispensary within ten (10) minutes of exiting the Dispensary

**Z. Lighting, Trees, Bushes and Foliage**

1. After business hours, the Dispensary will be locked, and a Security Officers will turn off all non-essential lighting. The outside of the Dispensary will be sufficiently lit to facilitate surveillance. The lighting will be reviewed every night by security personnel
2. The Company will trim all trees, bushes and other foliage around the Dispensary to ensure that no one can conceal themselves from the security cameras or Security Officers



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**AA. Control of Inventory from Receipt through Sale**

1. The Senior Manager is responsible for managing the Dispensary's inventory and ensuring the security of that inventory
2. **New Inventory**
  - a. The Senior Manager and/or an Agent in Charge will ensure that newly delivered inventory is taken to the Dispensary's secure, monitored vault immediately after the inventory has been received
3. **Inventory Control and Product Tracking**
  - a. Dispensary agents who have been assigned inventory functions are responsible for the storing, tracking, counting, and safekeeping of all products and funds
  - b. Once a product delivery arrives to the dispensary, all products are counted and verified
  - c. Once counted and verified, the products are received within our inventory through Leaf Logix and the state tracking software BioTrack. The product will remain in the vault until it is sold
  - d. Once the product is sold, Leaf Logix and BioTrack will record the date, time and to whom the product was sold to
  - e. A patient's full product purchase history will always be accessible through Leaf Logix and Bio Track
4. **Inventory Control System**
  - a. The inventory system will be real time, web-based and accessible by the Dispensary's management, the Division and ISP 24 hours a day, seven days a week. Management shall conduct and document an audit of the dispensing organization's daily inventory according to generally accepted accounting principles once every 30 calendar days. The inventory system allows for a complete audit of the organization's inventory as often as desired and provides the information required by Section 1290.400(a), sub-section c of the Act
  - b. The inventory system allows complete inventory control:
    - i. Of each day's beginning inventory, deliveries, sales, disposal and ending inventory
    - ii. The system provides for input of delivered product including quantity, Strain and batch number; the identification number of the cultivation center from which it originates; identification number of the registered cultivation agent; the identification number of the registered dispensing agent who receives the delivery; and the date
    - iii. The inventory system records the description of all product being disposed of, the quantity, Strain, batch number and reason for disposal; method of disposal, the address and telephone number of the disposal company; and the date of the disposal
5. **Inventory Audit**



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- a. Monthly, the Company conducts an inventory of all products. In addition, the Company conducts a comprehensive annual inventory, such inventory being taken no later than the one-year anniversary of the date of the previous comprehensive inventory
- b. The Dispensary agents performing the inventory will directly input their findings into a device that interfaces with the POS/Inventory software. The inventory shall be maintained in electronic format and shall include the date of the inventory, a summary of the inventory findings, and the names, electronic signatures, and titles of the individuals who conducted the inventory
- c. Any changes made to the POS/Inventory System (e.g., product conversion vouchers, quantity adjustments, shake, by-product vouchers, physical inventory adjustments, item-edits, etc.) must be reviewed and approved by upper management

**6. Nightly Reconciliation**

- a. At the end of each business day, all products will be physically counted. Any variance of product will initiate procedures to identify and correct such variances. No product will be stored in the dispensing area when the Dispensary is closed for business

**7. Transportation Policy**

- a. Zen Leaf™ does not have plans to work with independent organizations to acquire cannabis at this time
- b. Zen Leaf™ will plan on transporting from licensed cultivators only at this time

**BB. Limited and Restricted Access Areas**

1. Security at the Dispensary is of paramount importance. The Dispensary is divided into limited and restricted access areas that only specific individuals and personnel may access
2. Before beginning a scheduled shift, each staff member will be required to clock-in. Key cards and agent cards must be in staff members immediate possession at all times. Only employees who are on duty and are wearing their employee identification badge will be permitted in limited access areas unless entering as a properly documented Cardholder or Purchaser. Employees will only be permitted to enter the various restricted access areas if they are authorized by the Company to do so. The Company will not permit employees to let others follow them through doors without using their own key card. Additionally, Dispensary staff members will not allow other staff members to use or borrow their key cards

**3. Limited Access Area**

- a. Access to the limited access areas is restricted to Dispensary agents, Cardholders, Purchasers, and authorized visitors
- b. The Limited Access Area includes:
  - i. Waiting room
  - ii. Conference/consultation room



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- iii. Dispensing Area
- iv. Cardholder/Purchaser Restroom
- c. The Limited Access Areas are entered through the main entrance vestibule. A Security Officer (SO) will be on duty in the reception office adjacent to the main entrance vestibule by a bulletproof glass window
- d. All Cardholders, Purchasers, and visitors must present a valid, government issued photo ID and their registry card (if applicable), to be admitted to the limited access area. The Intake Receptionist will enter any necessary information into the point of sale system. Once, the individual has been cleared, they will be granted remote access to the Waiting Room

**4. Authorized Visitors**

- a. Authorized visitors include:
  - i. Division or Illinois State Police (ISP) personnel
  - ii. Local law enforcement employees and representatives
  - iii. Outside vendors
  - iv. Maintenance and service professionals
  - v. Delivery personnel
  - vi. Contractors
  - vii. Other visitors who are on the Dispensary premises solely for legitimate business purposes

**5. Access Procedure**

- a. Authorized visitors must explain the reason for their visit.
- b. If the visitor's age and reason for entering are valid, then the visitor will be asked to sign in and briefly describe their reason on the Dispensary's visitor log before they may enter the Dispensary.
- c. Dispensary's visitor log will contain the following information:
  - i. Badge Number, if applicable
  - ii. First Name
  - iii. Last Name
  - iv. Company or Agency
  - v. Reason for Entering
  - vi. Time In
  - vii. Time Out
  - viii. Signature
- d. All visitors will be given a visitor badge. A visitor must visibly wear the badge at all times while in any area of the Dispensary
- e. An employee with authorized access to the area a visitor must enter will always escort visitors. Visitors will be asked to scan their visitor badge before entering any controlled access spaces. Scanning a visitor badge will not open any doors,



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but it will indicate if the visitor's badge is valid and will record the visitor's presence in the space on the Dispensary's electronic security logs.

- f. At the conclusion of the visit, visitors will return the Dispensary visitor badge and sign out on the visitor log
- g. The Dispensary's visitor log will be available for inspection by the Division at all times
- h. At the entrance to all limited access areas and at the entrance to the Dispensary, the Company will conspicuously post notices stating that access to the Dispensary's premises is limited to persons who are registered Cardholders, Purchasers, employees, or authorized visitors
- i. These notices will contain the following statement: "You must be a registered patient or registered caregiver, purchaser, an employee, or authorized visitor to enter these premises." Notices will be at least 12" x 12" in size and will contain lettering no smaller than one inch in height
- j. The Dispensary's security staff monitor and manage all access to the limited access areas

**6. Restricted Access Area**

- a. Access to restricted access areas is restricted to Dispensary agents and a very limited number of authorized visitors with a need to be in those areas and who have been given a visitor badge. Certain areas in the restricted access area will be even further restricted to Dispensary agents. The restricted access area includes all areas other than limited access areas and the parking lot
- b. The Dispensary will limit access to restricted access areas through the use of a valid access key card with the appropriate permissions. When entering and remaining in a restricted access area, agents must always wear their identification badges in a visible manner. Cardholders and Purchasers are not permitted in any restricted access area. Visitors must wear their visitor badge and be escorted at all times when they are in restricted access areas

**CC. Shipping/Transportation Security Measures**

**1. Receipt of Delivery Process**

- a. At least two employees and a Security Officer will be present during all deliveries
- b. All processes will be monitored using real time video surveillance
- c. The delivery agent of the cultivation center will be required to provide identification, which will be verified and recorded, prior to accessing the Dispensary
- d. No deliveries will be accepted without a valid manifest
- e. All products purchased by the dispensary will be from a duly licensed cultivation center and will be examined by the manager upon receipt to ensure that the identity, strength, quality, and purity listed on the label are identical to the findings of the testing laboratory



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- f. Dispensary staff will use the POS and inventory control system to record all deliveries. The POS system generates purchase orders which are then compared to the shipping manifests and actual inventory count at the time of delivery
      - g. Quantities and Strains received are immediately logged into the inventory system
      - h. Dispensary staff accepts pre-sealed finished products under conditions that will protect them against physical, chemical, and microbial contamination as well as against deterioration
      - i. Only the delivery of items stated on the purchase order, and which meet all requirements of the Act will be accepted or offered for sale. Non-conforming items will be rejected and returned
2. Should a discrepancy be discovered, it will be immediately investigated, and any necessary follow-up action will be promptly taken
3. A recording will be made in the Inventory Control System of each day's accepted marijuana and marijuana-infused product acquisitions including:
  - a. A description of the products including the quantity, strain, variety and batch number of each product received
  - b. The name and registry identification number of the permitted cultivation center providing the cannabis
  - c. The name and registry identification number of the permitted cultivation center agent delivering the cannabis
  - d. The name and registry identification number of the dispensing organization agent receiving the cannabis
  - e. The date of acquisition
4. All manifests will be scanned, electronically saved and associated with the correct inventory control system record and saved in its electronic and physical form for a period greater than 5 years. Any cannabis placed in the safe will be logged in with the date and time of storage noted. This inventory will be reconciled with a physical inventory of the drawer and the Inventory Control System at the end of each day. This reconciliation will be done at least two separate times, once by the Dispensary agent that used that drawer and once by a manager. If there is a discrepancy, the Senior Manager will be immediately notified. The Senior Manager will then take all appropriate steps, up to and including reporting any suspected criminal activity to the appropriate authorities

**DD. Storage of Cannabis and MIPs**

1. Zen Leaf™ has on its premises a reinforced, metal, vault-like secure storage room (the "VAULT"). Climate control for temperature, humidity and air ventilation system maintained in this room to prevent spoilage of product, remove odor to outside of building's roof while it is in storage. The Management Team will ensure that the contractors build the VAULT with adequate lighting and ventilation, in addition to ensuring the physical security of the room



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2. The VAULT will undergo cleaning and maintenance on a weekly basis. Only a dispensary employee who has authorized access to the VAULT will be charged with sweeping, dusting, and maintaining the VAULT in a neat, orderly condition to ensure, among other things, that any infused food products do not attract insects and other pests that would compromise the cleanliness of the Dispensary's storage area. Any cannabis products with packaging that has been damaged or tampered with in any way will be stored in a separate, locked container within the VAULT. Because it is not permitted to store damaged or tampered with products for more than a week, the employee responsible for cleaning the VAULT will also be responsible for disposing of these products and entering their disposition into the inventory tracking system on a weekly basis
3. The Company has put in place the following policies and procedures for the storage of Cannabis and MIPs:
  - a. Each storage area and its entrance and exit to a storage area is monitored by video surveillance
  - b. Inside the Dispensary, all cannabis and MIPs are kept in secure, locked storage areas which are inaccessible to any persons other than specifically authorized Dispensary agents
  - c. All requirements of the Act regarding the storage and handling of Cannabis and MIPs will be strictly adhered to

**EE. Quarantine and Destruction**

1. The Dispensary will utilize a quarantine bin in the VAULT. The purpose of the quarantine bin is to store any cannabis or cannabis products that are outdated, damaged, deteriorated, misbranded, adulterated, or whose containers or packaging have been opened or breached. The quarantined cannabis will remain in the quarantine bin, to avoid potential contamination, until that cannabis is destroyed. Only those employees who have access to the VAULT will have access to the quarantine bin, and these employees will maintain written documentation of the quarantined cannabis' disposition in the inventory tracking system, which will always be readily available to the Division and other authorized agencies. The disposition of quarantined cannabis will record date, quantity of, manner in which, and reason why any cannabis was destroyed. Dispositions of quarantined cannabis will be made on a weekly basis. Employees will be responsible for maintaining sanitation within the quarantine bin. Security Staff will be present for two-person verification. If the Dispensary's license is revoked or not renewed, the Dispensary will dispose of its entire stock of cannabis under conditions approved by the Division

**FF. Disposal**

**1. Destroying Damaged or Contaminated Products**

- a. The Company will destroy all outdated, damaged, deteriorated, mislabeled, or contaminated products, as well as all products whose containers or packaging have been opened or breached in accordance with the Company's waste removal policies and procedures. The Company will create and maintain written documentation of the disposition of all such products. At least two (2) company



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employees must witness and document the disposal and disposition of all Cannabis and MIP waste

**2. Waste Disposal**

- a. The Company will properly remove and dispose of waste at the Dispensary to promote sanitary conditions and eliminate the potential for attracting and harboring pests
- b. The operating systems for waste disposal incorporate the following procedures:
  - i. Cannabis and MIP waste will be stored, secured, locked and managed in accordance with the Act
  - ii. Liquid waste containing cannabis or by-products of cannabis processing is disposed of in compliance with requirements set forth by the State of Illinois for discharge of liquid waste into surface water; groundwater and sewers, or disposed of in an industrial wastewater holding tank in compliance with the Illinois Environmental Protection Act
- c. Solid waste generated at the Dispensary will be disposed of as follows:
  - i. By incineration in a commercial or municipal waste combustor in Illinois holding a valid permit issued by the Department of Environmental Protection (DEP) after the cannabis waste has been ground and incorporated with paper, cardboard, plastic, soil, or other wastes approved by the Department
  - ii. By disposal in a landfill holding a valid permit issued by DEP or by the appropriate state agency in the state in which the facility is located after cannabis waste has been ground and incorporated with paper, cardboard, plastic, soil or other wastes approved by the Department
  - iii. By grinding and incorporating the cannabis waste with solid wastes such that the resulting mixture renders the cannabis waste unusable
  - iv. If the material mixed with the medical marijuana waste is organic material as defined by Illinois Law, the mixture may be composted at an operation that is in compliance with the requirements of the State of Illinois
- d. Disposal documentation will include product description, quantity, date, time, location and reason for disposal, and will be signed by two (2) Dispensary agents, one of which must be a member of the management team. All waste and unusable product will be weighed, recorded and entered into the Company's inventory system prior to disposal. Verification shall be performed by a supervisor and conducted in an area with video surveillance

**GG. Emergency Policies and Procedures**

1. The Company's emergency policies and procedures are designed to manage the potential consequences of natural disasters and other emergencies that may occur
2. **Emergency Preparedness Drills**



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- a. The Company will conduct four emergency preparedness drills per year
- 3. Person(s) in Charge**
- a. It is the responsibility of the management team to evaluate an emergency situation, see that appropriate action is taken, determine whether outside support is needed and summon that support, if necessary
- 4. Evacuation Procedures**
- a. Move Cardholders, Purchasers and other individuals who are closest to the danger to a safe area near or at an emergency exit
  - b. Direct all persons present to evacuate the building through the nearest safe emergency exit
  - c. Dispensary agents will assist Cardholders and Purchasers with mobility issues
  - d. All available Dispensary Agents will assist in the evacuation to ensure no one is left in the building
  - e. Dispensary Agents assigned a safety function should be the last to exit the building whenever possible
  - f. One Dispensary Agent will be assigned to take the Dispensary's First Aid Kit as they leave the building
  - g. Notify the Police and Fire Department by dialing 911
- 5. Fire Procedures**
- a. In the event of a fire that cannot be easily and safely extinguished by the Dispensary agent discovering it, immediately notify all persons present of the fire
  - b. Direct all persons present to evacuate the building using the nearest safe exit
  - c. If possible, turn off electrical equipment and close doors against the fire
  - d. The management team will implement the evacuation plan
  - e. Notify the Fire Department and Police by dialing 911
- 6. Bomb Threat Procedures**
- a. Bomb threats must be taken seriously
  - b. A Dispensary agent receiving a bomb threat should notify their supervisor and/or a member of the management team immediately
  - c. The management team will implement the Evacuation Plan
- 7. Power Outage**
- a. If there is a loss of power, remain where you are until your manager gives you instructions to allow you to move in the building. If you are with a Cardholder or a Purchaser, please keep them with you unless there is sufficient light to allow people to move in the building
- 8. Robbery**
- a. All employees will receive training concerning procedures that will be implemented in the event of an attempted robbery. The primary objectives of



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these procedures will be the protection of human life. The security officers will be primarily responsible for implementing these procedures and for taking charge of a situation requiring their implementation

**The following information was provided at the 3/9/20 P&D  
Committee Meeting**

**City of St. Charles, Illinois**  
**Plan Commission Resolution No. 25-2019**

**A Resolution Recommending Approval of a General Amendment to  
Ch. 17.16 “Office/Research, Manufacturing and Public Land Districts” to  
add Recreational Cannabis Dispensing Organization as a  
Special Use in the M-2 District.**

**Passed by Plan Commission on December 17, 2019**

WHEREAS, it is the responsibility of the St. Charles Plan Commission to hold public hearings and review requests for amendments to Title 17, “Zoning”; and

WHEREAS, the Plan Commission held a public hearing and has reviewed the petition for a General Amendment to 17.16 “Office/Research, Manufacturing and Public Land Districts” to add Recreational Cannabis Dispensing Organization as a Special Use in the M-2 District; and

WHEREAS, in accordance with Section 17.04.320.C, the Plan Commission has considered the following criteria for General Amendment:

**1. The Consistency of the proposed amendment with the City’s Comprehensive Plan.**

The proposed amendment to allow Recreational Cannabis Dispensing Organizations as a Special Use in M2 district supports the following objectives for Industrial Areas found in Chapter 3 of the Comprehensive Plan.

- a. Industrial Objectives #1 – “Industrial Areas Objective #1 - “Preserve the integrity of the industrial park by preventing the encroachment of businesses or land uses that could impact the long term viability of industrial areas. Parking needs, traffic issues, and potential impacts to existing or future industrial business operations should be considered when uses such as entertainment or recreational uses, community facilities, schools, places of worship, etc. locate in industrial areas.”
  - i. The City has approved Medical Cannabis Dispensing Organizations as a permitted use in the M2 district. Recreational Cannabis Dispensing Organizations are a comparable retail use in all material respects to Medical Cannabis Dispensing Organizations. Therefore, it has been determined that these retail uses do not encroach on businesses or land uses or the long-term viability of industrial areas. Parking needs will be met based on the standards for Recreational Cannabis Dispensing Organizations as approved by the City of St. Charles. Traffic issues and potential impacts to existing or future industrial business operations will be considered via the Special-use process.
- b. Industrial Areas Objective #2 - “Establish and maintain regular lines of communication with industrial property owners and businesses.”

- i. By approving the General Text Amendment to allow Recreational Cannabis Dispensing Organizations, subject to the Special-use process, the City is establishing lines of communication with industrial property owners and businesses as well as members of the general public. The public hearing process as a condition to granting a special use will allow comments from City officials, stakeholders, and all other member of the public, to speak in a public forum to support, object, or speak in any other manner regarding the proposed amendment.
- c. Industrial Areas Objective #8 – “Ensure that all uses are effectively screened from adjacent properties and public rights-of-way, through the use of landscaping and fencing.”
  - i. As a comparable retail use to Medical Cannabis Dispensing Organizations, permitted in the M2 district, the City has already established a level of landscaping and screening that it has deemed sufficient for Recreational Cannabis Dispensing Organizations. By approving the General Text Amendment to allow Recreational Cannabis Dispensing Organizations, subject to the Special-use process, the City can enforce design standards found in the City’s Ordinance Chapter 17.26 – Landscaping and Screening to ensure that all proposed Recreational Cannabis Dispensing Organizations are adequately screened from adjacent properties and public rights-of-way through the use of landscaping and other screening mechanisms.
- d. Economic Development Goal #2 – “Work with the City’s economic development partners to maintain and strengthen a diverse tax base through the attraction, retention, and expansion of businesses in the City.”
  - i. Based on its compatibility to Medical Cannabis Dispensing Organizations, an approved use in the M2 district, the applicant is seeking a General Text Amendment to add Recreational Cannabis Dispensing Organizations as a Special-use in the M2 district. The addition of Recreational Cannabis Dispensing Organizations as an approved use in the City, as a result of a state act, will further strengthen and diversify the city’s tax base by introducing a new use to an area where a comparable use is already permitted.

**2. The Consistency of the proposed amendment with the intent and general regulations of this Title.**

The proposed amendment supports the following purpose statements listed in Ch. 17.02 of the Zoning Ordinance.

- a. “Maintaining businesses and industrial areas that are attractive and economically viable.”

- i. Recreational Cannabis Dispensing Organizations provide opportunity for new economic activity within a newly established industry as a result of a state act. Based on its compatibility to Medical Cannabis Dispensing Organizations, approved as a permitted retail use in the M2 district, Recreational Cannabis Dispensing Organizations should be allowed to extend this opportunity to the M2 district subject to Special-use.
  - b. “Promoting the public health, safety, comfort, convenience and general welfare.”
    - i. The Special-use process ensures opportunity to address public health, safety, comfort, convenience, and general welfare concerns via the public hearing process. In addition, approval of Recreational Cannabis Dispensing Organizations in the M2 district require that the proposed use meet a minimum of 250 feet separation from a parcel containing a pre-existing Primary or Secondary School, Private Boarding School, Day Care Center, Day Care Home, or other residential zoning parcels and enforcement of strict rules banning on-site consumption.
  - c. “Implementing the goals and objectives of the St. Charles Comprehensive Plan.”
    - i. The proposed amendment promotes Industrial Areas Objective #1, Industrial Areas Objective #2, Industrial Areas Objective #8, and Economic Development Goal #2 as demonstrated in Findings of Fact –General Text Amendment #1, above.
- 3. Whether the proposed amendment corrects an error or omission, adds clarification to existing requirements, is more workable than the existing text, or reflects a change in policy.**
  - a. The proposed amendment aligns the Title with the State of Illinois Cannabis Regulation and Tax Act. It reflects a change in City policy to add Recreational Cannabis Dispensing Organization as a Special-use in M2 district based on its compatibility to the permitted retail use of Medical Cannabis Dispensing Organizations and in response to the State Act. The proposed amendment will also be subject to new use standards that were adopted by the City for Recreational Cannabis Dispensing Organizations.
  - b. After the City amended its Zoning Ordinance to allow Recreational Cannabis Dispensary Organizations to relocate to a BR or BC Zoning District, the State of Illinois promulgated rules that existing medical cannabis dispensaries could not relocate and offer recreational cannabis. This general text amendment corrects the error in the original Zoning Ordinance Amendment and reflects a change in policy of the State of Illinois governing Recreational Cannabis Dispensary Organizations. It would also allow St. Charles to limit the amount of dispensaries operating in the City to the intended two instead of three dispensaries (one medical and two recreational).

**4. The extent to which the proposed amendment would be in the public interest and would not serve solely the interest of the applicant.**

- a. Public Interest Statement #1 – The proposed amendment could allow for regional economic activity related to a newly established industry while limiting it in a way as to minimize potential impacts on the community.
  - i. Recreational Cannabis Dispensing Organizations was recently approved as a special use in the BC and BR Districts and was determined in the public interest as it provided regional economic activity to a newly established industry. The newly established industry of Recreational Cannabis Dispensing Organizations is comparable to Medical Cannabis Dispensing Organizations which are already allowed as a permitted use in the M2 district. Therefore, based on the compatibility between the proposed use and the existing use already permitted in the M2 district, it is reasonable to state that public benefits of allowing for regional economic activity related to a newly established industry would also apply to locations in the M2 district. In addition, the similar limiting factors such as a minimum separation requirement to “sensitive uses” and strict conformance banning on-site consumption are proposed to remain in place in order to minimize potential impacts on the community and preserve public interests.
- b. Public Interest Statement #2 – The special use review process will allow for public discussion of any Recreational Cannabis Dispensing Organization seeking to locate in St. Charles.
  - i. The special use review process is a benefit to public interest as it outlines a specific process and standards for the review and approval of proposed development. All special uses are subject to a public hearing where residents, land owners, and other City stakeholders are permitted to express their own concerns and interests in a public forum.
- c. Public Interest Statement #3 – The proposed ordinance would expand the sale of cannabis from solely medical patients to include adult-users thereby increasing the tax base for the public.
  - i. Medical Cannabis Dispensing Organization is a permitted use in the M2 district. Recreational Cannabis Dispensing Organization is a comparable retail use therefore should be allowed in the M2 district. Making a product available to a larger group of consumers will reasonably result in increased sales revenues which will in turn result in additional tax revenue to be paid to the City of St. Charles via funds that could be used to further public interests in the City.
- d. Public Interest Statement #4 – The amendment has been proposed in response to the State of Illinois Cannabis Regulation and Tax Act based on a comparable use which is already

permitted in the M2 district. Providing reasonable zoning regulations consistent with the law is in the public interest.

- e. Public Interest Statement #5 – The amendment would allow both Medical and Recreational Cannabis sales to occur at a single location, which would allow the City to consolidate its resources to address a single location. If this general text amendment is not passed, the St. Charles Zoning Ordinance currently allows for three dispensaries instead of the intended two dispensaries, which would result in the inefficient spread of public resources to accommodate three locations instead of two locations.

**5. The extent to which the proposed amendment creates nonconformities.**

Per Section 17.20.010 – General use standards of the Zoning Ordinance, “Within the lists of permitted and Special-uses for each zoning district, some uses are specifically named, while others fall within a generic use definition (see Chapter 17.30.) A use that is not specifically listed in a zoning district or overlay and that does not fall within a generic use definition of Chapter 17.30, is prohibited within that district or overlay.” The proposed text amendment would specifically enumerate the “Recreational Cannabis Dispensing Organization” as a Special-use in locations in the City of St. Charles in the M2 district based on the compatibility of the use to Medical Cannabis Dispensing Organizations, which is already a permitted retail use in the district and in response to the State of Illinois Cannabis Regulation and Tax Act. There are no existing Recreational Cannabis Dispensing Organizations in the City; therefore, the proposed amendment will not create any nonconformities.

**6. The implications of the proposed amendment on all similarly zoned property in the City.**

The proposed text amendment to allow Recreational Cannabis Dispensing Organization as a Special-use will apply to all properties in the M2 Limited Manufacturing District, subject to recently adopted use standards. Further, the general text amendment requires that any applicant satisfy the special use requirements to insure that there will not be adverse implications to similarly zoned property in the City. The proposed uses’ compatibility with existing permitted retail uses in the M2 district demonstrate the limited implications of the proposed text amendment on other similarly zoned property in the City.

NOW, THEREFORE, be it resolved by the St. Charles Plan Commission to recommend to City Council approval of a General Amendment to Ch. 17.16 “Office/Research, Manufacturing and Public Land Districts” to add Recreational Cannabis Dispensing Organization as a Special Use in the M-2 District.

**Roll call vote:**

**Ayes: Wallace, Vargulich, Melton, Kessler, Purdy**

**Nays: Becker, Funke, Pretz, Holderfield**

Resolution 25-2019  
Page 6

**Absent:**  
**Motion carried 5-4**

PASSED, this 17th day of December 2019.

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Chairman

Community & Economic Development  
Planning Division

Phone: (630) 377-4443

Fax: (630) 377-4062



## Staff Report

**TO:** Chairman Rita Payleitner  
And Members of the Planning & Development Committee

**FROM:** Ellen Johnson, Planner

**RE:** General Amendment to Title 17 (Zoning Ordinance) – Recreational Cannabis Dispensing Organizations in the M-2 District

**DATE:** January 7, 2020

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### I. APPLICATION INFORMATION:

**Project Name:** General Amendment – Recreational Cannabis Dispensing Organizations in M-2

**Applicant:** Healthway Services of West Illinois, LLC

**Purpose:** Add Recreational Cannabis Dispensing Organization as a Special Use in the M-2 District

### II. BACKGROUND

In October 2019, the City approved a General Amendment to the Zoning Ordinance regarding recreational cannabis business establishments under Ordinance 2019-Z-19. The following provisions are now part of the Zoning Ordinance:

- Recreational Cannabis Dispensing Organizations (recreational dispensaries) are permitted as a Special Use in the BC- Community Business and BR- Regional Business zoning districts.
- The parking requirement is 4 spaces per 1,000 sf of Gross Floor Area.
- Use Standards:
  - The number of recreational dispensaries is limited to two, one on each side of the Fox River.
    - One of the two dispensaries shall have operated as a Medical Cannabis Dispensing Organization within St. Charles for at least 1 year, and the other must have operated within Illinois for at least 1 year.
  - Recreational dispensaries may not be located within 250 ft. of a school, day care center, day care home, church, or single-family zoning.
  - Recreational dispensaries may not be located within 1,500 ft. of another cannabis dispensary (recreational or medical).
  - On-site consumption is prohibited.
  - Special Use approval is conditional upon receipt of an Adult Use Dispensing Organization License from the State of Illinois.

The approved ordinance is similar to the Plan Commission’s recommendation, however it had recommended limiting recreational dispensaries to the BR- Regional Business District. The Commission had also provided a comment for the P&D Committee to consider also allowing recreational dispensaries in the M-2 Limited Manufacturing District.

Medical Cannabis Dispensing Organization and Medical Cannabis Cultivation Center are permitted uses in the M-2 District.

### **III. PROPOSAL**

Healthway Services of West Illinois, LLC has submitted an application for General Amendment requesting to add Recreational Cannabis Dispensing Organizations as a Special Use in the M-2 Limited Manufacturing District.

The applicant is associated with Zen Leaf, an existing Medical Cannabis Dispensing Organization located at 3714 Illinois Ave., which is zoned M-2. Zen Leaf would like to operate as a Recreational Cannabis Dispensing Organization at their current location. To that end, they have also filed an application for Special Use for their current location. The General Amendment would need to be approved in order for the City to grant the Special Use. A separate Staff Report has been prepared for the Special Use application.

### **IV. ANALYSIS**

The purpose of the M-2 District as provided in the Zoning Ordinance is as follows:

*“To accommodate a wide range of manufacturing, assembly, processing, warehousing and office/research activities, both as individual users and in a business park setting. New development and redevelopment in this District shall focus on providing sufficient setbacks, and adequate landscaping and buffering from adjacent nonindustrial uses and public rights-of-way. Outdoor storage and loading, and other outdoor activities, shall be adequately screened.”*

The M-2 District encompasses the east side industrial park located south of E. Main St. generally between S. Tyler Rd. and Kautz Rd. These areas are intended to accommodate light manufacturing, storage and distribution, more intensive commercial uses, and offices.

General retail sales are not permitted in the M-2 District. Certain specific retail uses are permitted: Heavy Retail & Service (such as lumber yards, building supply stores, garden centers, and contractor yards), Motor Vehicle Rental, and Medical Cannabis Dispensing Organization.

If the proposed General Amendment is approved, a Special Use would need to be granted prior to the establishment of a recreational dispensary in the M-2 District. Special Use applications require a public hearing before the Plan Commission and approval by City Council. Through the Special Use process the City would determine whether the proposed business meets the findings of fact for Special Use, as well as the Use Standards specific to recreational dispensaries. The Use Standards are listed in Section II on the previous page.

The attached map shows the location of the M-2 District and as well as the 250 ft. buffer required around the property lines of schools, daycares, churches, and residential zoning districts. A dispensary could locate on any M-2 parcel untouched by buffer area. The limitation of two total dispensaries, one on each side of town, would still apply. Should a Special Use be a granted for a dispensary in the M-2 district, that would count as the one recreational cannabis dispensary permitted on the east side.

#### A. COMPREHENSIVE PLAN

The Land Use Plan adopted as part of the Comprehensive Plan designates areas zoned M-2 as Industrial/Business Park. It describes this land use category as follows (p.39):

*Areas designated for industrial/business park are intended to accommodate a variety of uses ranging from light assembly, storage and distribution, low intensity fabrication operations, research and “tech” industry applications, intense commercial service uses, and more. These areas are also intended to provide for business park/office park uses, which could include “stand alone” office buildings and complexes or several buildings incorporated into a “campus like” setting.*

*Light industrial uses in St. Charles are concentrated in industrial parks, but they can also be found in commercial and office areas. As a distinct land use, these areas can provide significant employment opportunities, tax revenue generation, and, if developed correctly, can help establish a positive community image.*

*While these uses create significant jobs and tax revenue, care must be taken to ensure they don’t become a source of blight for surrounding uses. At times, their externalities are unpopular with community members, but heavy industrial uses are generally treated as assets as long as care is taken to eliminate their negative effects.*

Relevant Industrial/Business Park goal and objective (p. 25):

*Goal: Continue to support a diversified light industrial/business park/commercial service economic base that provides employment opportunities within the community.*

*Objective 1- Preserve the integrity of the industrial park by preventing the encroachment of businesses or land uses that could impact the long term viability of industrial areas. Parking needs, traffic issues, and potential impacts to existing or future industrial business operations should be considered when uses such as entertainment or recreational uses, community facilities, schools, places of worship, etc. locate in industrial areas.*

#### IV. **PLAN COMMISSION RECOMMENDATION**

Plan Commission held a public hearing on the General Amendment application on 11/19/19 and continued the hearing to 12/3/19. On 12/17/19, Plan Commission voted to recommend approval of the General Amendment by a vote of 5-4.

Discussion during the public hearing focused on whether the proposed use was appropriate for the M-2 District, based on existing uses permitted in M-2 and the recommendations of the Comprehensive Plan regarding Industrial/Business Park land uses.

#### V. **ATTACHMENTS**

- Table 17.16 Office/Research, Manufacturing & Public Lands Districts– Permitted & Special Uses
- M-2 Buffer Map (also shows BR & BC Districts)
- Application for General Amendment; received 9/16/19
- Supplemental Memos submitted by Applicant
- Ordinance 2019-Z-19

**OFFICE/RESEARCH, MANUFACTURING AND PUBLIC LAND DISTRICTS**

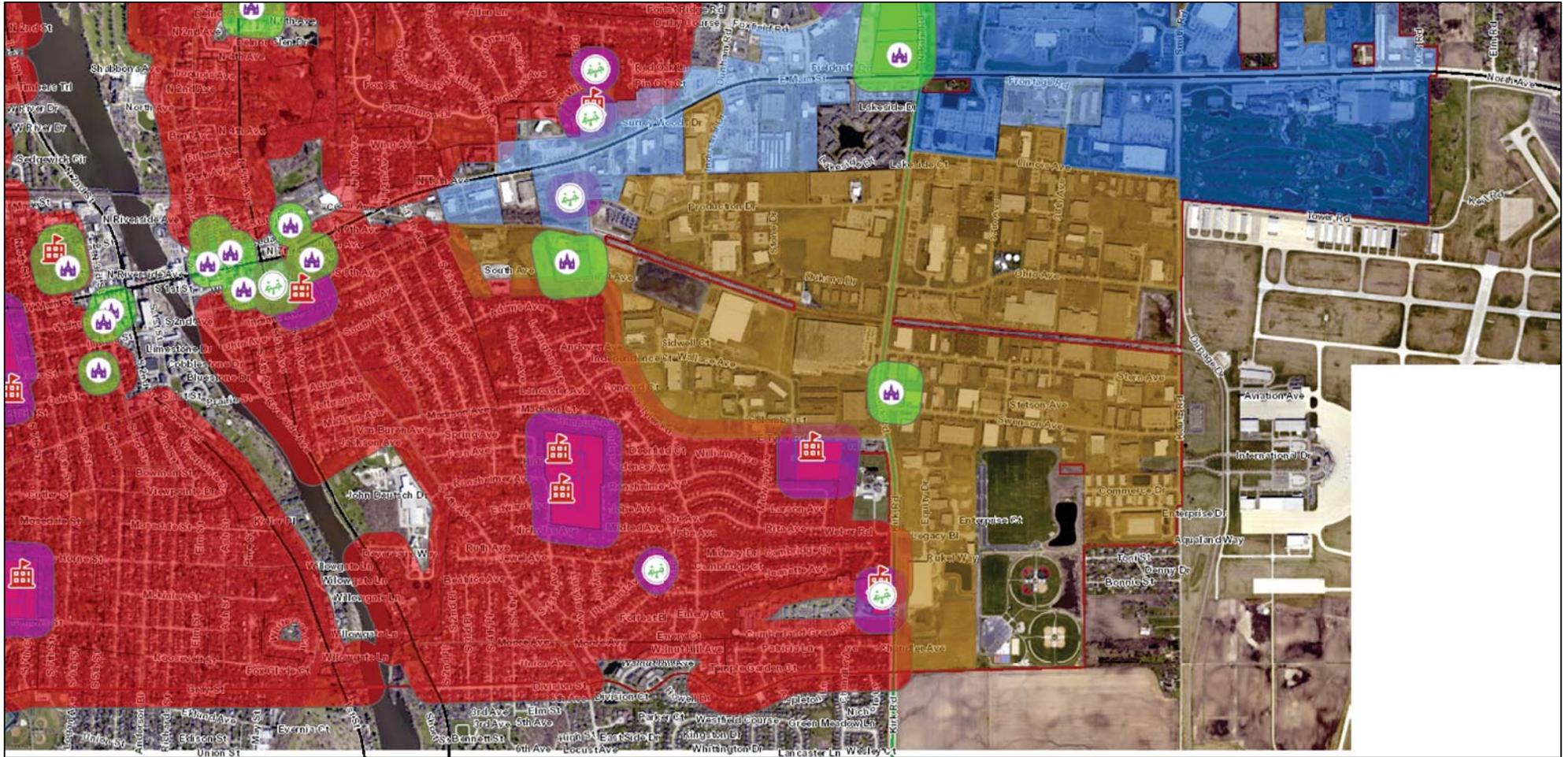
TABLE 17.16-1 OFFICE/RESEARCH, MANUFACTURING AND PUBLIC LANDS PERMITTED AND SPECIAL USES					
P=Permitted Use S=Special Use A=Permitted Accessory Use SA=Special Use, Accessory Only	ZONING DISTRICT				SPECIFIC USE STANDARDS
	O-R	M-1	M-2	PL	
<b>RESIDENTIAL USES</b>					
Artists Live/Work Space		S			Section 17.20.030
Assisted Living Facility	P				
<b>CULTURAL, RELIGIOUS, RECREATIONAL &amp; ENTERTAINMENT USES</b>					
Art Gallery/Studio	P	P			
Carnival (as temporary use)				P	Section 17.20.040, 050
Cultural Facility	P	P	P	P	
Golf Course				P	
Indoor Recreation & Amusement	P	S	P	P	
Model Airplane Facility				S	
Outdoor Amusement				S	
Outdoor Entertainment, Temporary				P	
Outdoor Recreation				P	
Park, Neighborhood				P	
Place of Worship	P	S	S		Section 17.20.030
Theater				P	
<b>RETAIL, OFFICE AND SERVICE USES</b>					
Adult Use			S		Section 17.20.030
Bank	P				
Car Wash			S		Section 17.24.100
Day Care Center	P	P	P	A	
Drive-In Facility	SA				Section 17.24.100
Emergency Medical Center	P				
Financial Institution	P				
Heavy Retail and Service		S	P		
Heliport			S		
Hotel/Motel	P	P	P		
Kennel			S		Section 17.20.030
Medical/Dental Clinic	P	P	P		
Medical Cannabis Dispensing Organization			P		
Motor Vehicle Service and Repair, Major			P		Section 17.20.030
Motor Vehicle Service and Repair, Minor		P	P		Section 17.20.030
Motor Vehicle Rental	P	P	P		
Office, Business or Professional	P	P	P		
Outdoor Sales, Permanent		SA	SA		Section 17.20.030
Outdoor Sales, Temporary		A	A	A	Section 17.20.040, 050
Personal Services, Limited	P				
Professional Training Center	P	P			
Veterinary Office/Animal Hospital	P	P	P		
<b>GOVERNMENTAL AND INSTITUTIONAL USES</b>					
Cemetery				P	
College/University	P			P	
Correctional Facility				S	
Fairground				P	
Hospice	P				
Hospital	P				
Nursing Home	P				
Office, Government	P	P		P	
Police Firearms Training Range				S	
Public Service Facility		P	P	P	
School, Primary or Secondary				P	

**OFFICE/RESEARCH, MANUFACTURING AND PUBLIC LAND DISTRICTS**

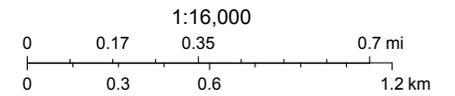
TABLE 17.16-1 OFFICE/RESEARCH, MANUFACTURING AND PUBLIC LANDS PERMITTED AND SPECIAL USES					
P=Permitted Use S=Special Use A=Permitted Accessory Use SA=Special Use, Accessory Only	ZONING DISTRICT				SPECIFIC USE STANDARDS
	O-R	M-1	M-2	PL	
School, Private Boarding				P	
School, Specialized Instruction	P	P	P		
<b>INDUSTRIAL/STORAGE USES</b>					
Junkyard			S		
Manufacturing, Heavy			S		
Manufacturing, Light		P	P		
Medical Cannabis Cultivation Center			P		
Mini-Warehouse		P	P		
Outdoor Storage		A	A	A	Section 17.20.030, 17.26.120
Permanent Motor Vehicle Storage		P	P		Section 17.20.030
Recycling Facility			S		
Research and Development Use	P	P	P		
Warehouse/Distribution		P	P		
<b>OTHER</b>					
Accessory Uses	A	A	A	A	
Agriculture				P	
Communication Antenna	P	P	P	P	Section 17.22.020
Communication Tower*	S	P	P	P	Section 17.22.020
Parking Garage/Structure	A	A	A	A	Chapter 17.24
Parking Lot, Private	A	A	A	A	Chapter 17.24
Planned Unit Development	S	S	S	S	Chapter 17.04, 17.06
Transportation Operations Facility		S	P	S	
Utility, Local	P	P	P	P	
Utility, Community/Regional	S	S	P	P	
Wind Turbine, Structure Mounted	A	A	A	A	Section 17.22.020.G
Wind Turbine, Tower Mounted	S	S	P	P	Section 17.22.020.H
* Communication Towers that are Wireless Support Structures supporting Small Wireless Facilities, as defined in Chapter 13. 24 " Small Cell Wireless Facilities", are permitted uses in any Right-of-Way within the City, and, in conformance with State law, are a permitted use, as opposed to a special use, in the O-R District when all other applicable zoning requirements and the requirements of Chapter 13. 24 are met.					

(Ord. 2018-Z-22 § 3; Ord. 2014-Z-8 § 2; Ord. 2013-Z-8 § 2; Ord. 2013-Z-6 § 2; Ord. 2011-Z-11 § 3; Ord. 2009-Z-7 § 2; Ord. 2008-Z- 24 § 7; Ord. 2006-Z-19 § 1; Ord. 2006-Z-9 § 1; Ord. 2004-Z-25 § 1; Ord. 2003-Z-1 § 1; Ord. 2001-Z-19 § 1; Ord. 1999-Z- 8 § 1; Ord. 1997-Z-28 § 1; Ord. 1996-Z-12 § 14; Ord. 1995-Z-14 § 2, 3; Ord. 1994-Z-17 § 1; Ord. 1994-Z-7 § 1-3; Ord. 1993-Z-19 § 5; Ord. 1993-Z-4 § 1 (E, F); Ord. 1993-Z-1; Ord. 1987-Z-16 § 1, 2; Ord. 1967-14 (part); Ord. 1966-33 § 2; Ord. 1960-16 § IX (B) (1, 2).)

# M-2, BR, BC Zoning w/ Required Buffers for Rec. Cannabis Dispensaries



November 15, 2019



# APPLICATION

## CITY OF ST. CHARLES

TWO EAST MAIN STREET  
ST. CHARLES, ILLINOIS 60174-1984

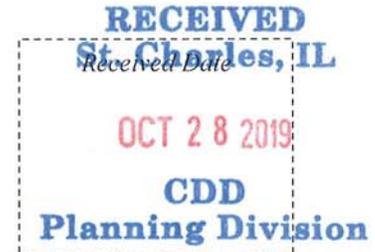


COMMUNITY DEVELOPMENT DIVISION

PHONE: (630) 377-4443 EMAIL: cd@stcharlesil.gov

### GENERAL AMENDMENT APPLICATION

<b>CITYVIEW</b>	
Project Name:	GA - Recreational Cannabis - M2
Project Number:	2019-PR-023
Cityview Project Number:	PLGA201900172



**Instructions:**

To request an amendment to the text of the St. Charles Zoning Ordinance (City Code Title 17), complete this application and submit it with all required attachments to the Planning Division.

City staff will review submittals for completeness and for compliance with applicable requirements prior to establishing a meeting or public hearing date for an application.

The information you provide must be complete and accurate. If you have a question please call the Planning Division and we will be happy to assist you.

<b>Applicant:</b>	Name	Phone
	Healthway Services of West Illinois, LLC	(312) 819-4859
	Address	Fax
	415 N. Dearborn St., 4th Floor, Chicago, IL 60654	Email
		Chris@verano.holdings

**Attachment Checklist**

If multiple zoning or subdivision applications are being submitted concurrently, do not submit duplicate checklist items or plans. Fee must be paid for each application.

- APPLICATION FEE:** Application fee in accordance with Appendix B of the Zoning Ordinance (\$500)
- REIMBURSEMENT OF FEES AGREEMENT:**  
An original, executed Reimbursement of Fees Agreement and deposit of funds in escrow with the City, as provided by Appendix B of the Zoning Ordinance.
- REIMBURSEMENT OF FEES INITIAL DEPOSIT:**  
Deposit of funds in escrow with the City. (For a General Amendment application only: \$1,000 deposit.)
- FINDINGS:** Fill out the attached form or submit responses on a separate sheet.

**□ WORDING OF THE REQUESTED TEXT AMENDMENT**

**What is the amendment regarding?**

The amendment is to add Recreational Cannabis Dispensing Organization

as a Special Use in the M-2 District.

**What sections are proposed for amendment?**

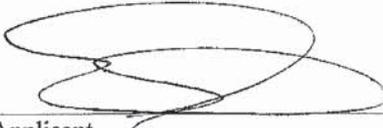
Chapters(s): Ch. 17.16 "Office/Research, Manufacturing and Public Land Districts";

Section(s): 17.16.020

**The wording of the proposed amendment: Insert below or attached wording on a separate page.**

See attached Exhibit A.

**I (we) certify that this application and the documents submitted with it are true and correct to the best of my (our) knowledge and belief.**

  
Applicant

10/25/19  
Date

## EXHIBIT A - PROPOSED AMENDMENT

### GA – Recreational Cannabis

Ch. 17.16 Office/Research, Manufacturing and Public Land Districts, Table 17.16-1 – Add Cannabis Dispensing Organization as a Special Use in the M-2 district.

	O-R	M-1	M-2	PL	Specific Use Standards
Recreational Cannabis Dispensing Organization			S		

# FINDINGS OF FACT - GENERAL AMENDMENT

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## From the Charles Zoning Ordinance, Section 17.04.320.C:

In making its recommendation to grant or deny an application for a Zoning Text Amendment, the Plan Commission shall consider:

(The below findings of fact were made in reliance on the professional opinions of Urban Planners from WBK Engineering. This includes Adam Rak, whose CV is attached hereto).

### 1. The consistency of the proposed amendment with the City's Comprehensive Plan.

The proposed amendment to allow Recreational Cannabis Dispensing as a Special Use in locations in the City of St. Charles where existing Medical Cannabis Dispensing Organizations operate support the following Goals and Objectives found in Chapter 3 of the Comprehensive Plan.

- » Industrial Areas Objective #1 - "Preserve the integrity of the industrial park by preventing the encroachment of businesses or land uses that could impact the long term viability of industrial areas. Parking needs, traffic issues, and potential impacts to existing or future industrial business operations should be considered when uses such as entertainment or recreational uses, community facilities, schools, places of worship, etc. locate in industrial areas."
  - The City has previously approved one Medical Cannabis Dispensing Organization to operate in an industrial park, therefore it has been determined that the sale of cannabis to medically prescribed buyers does not encroach on businesses or land uses or the long-term viability of industrial areas. Parking needs will be met as required if the proposed amendment to allow the dispensing of recreational cannabis as a Special Use in locations in the City of St. Charles where existing Medical Cannabis Dispensing Organizations operate is adopted and existing facilities proceed to obtain a Special Use. The City's allowed sales to medically prescribed buyers in the existing Medical Cannabis Dispensing Organizations demonstrates that potential impacts to existing or future industrial businesses operations are negligible, if any.
- » Industrial Areas Objective #2 - "Establish and maintain regular lines of communication with industrial property owners and businesses."
  - The existing Medical Cannabis Dispensing Organization currently in operation in the industrial park has established and currently maintains regular lines of communication with industrial property owners and businesses. Should the City expand the text amendment to include existing Medical Cannabis Dispensing Organizations operating in the City of St. Charles and should the existing facility proceed to obtain a Special Use to allow the dispensing of recreational cannabis, those lines of communication will be maintained and increased as needed.
- » Industrial Areas Objective #8 - "Ensure that all uses are effectively screened from adjacent properties and public rights-of-way, through the use of landscaping and fencing."
  - The existing Medical Cannabis Dispensing Organization is adequately screened from adjacent properties and public rights-of-way, through the use of landscaping. Should the City expand the text amendment to include existing Medical Cannabis Dispensing Organizations and should the existing facility proceed to obtain a special use to allow the dispensing of recreational cannabis, the existing measures of screening from adjacent properties and public rights-of-way will be maintained.

## **2. The consistency of the proposed amendment with the intent and general regulations of this Title.**

The proposed amendment supports the following purpose statements listed in Ch. 17.02 of the Zoning Ordinance:

- » Maintaining businesses and industrial areas that are attractive and economically viable by providing opportunity for new economic activity within a newly established industry. (The City's finding applies to existing Medical Cannabis Dispensing Organizations locations)
- » Promoting the public health, safety, comfort, convenience and general welfare by limiting the use to locations where existing Medical Cannabis Dispensing Organizations operate, requiring Special Use approval for Recreational Cannabis Dispensing at existing Medical Cannabis Dispensing Organizations located in St. Charles, and prohibiting on premise consumption of cannabis.

## **3. Whether the proposed amendment corrects an error or omission, adds clarification to existing requirements, is more workable than the existing text, or reflects a change in policy.**

The proposed amendment aligns the Title with the State of Illinois Cannabis Regulation and Tax Act. It reflects a change in City policy to add Recreational Cannabis Dispensing Organization as a Special Use in locations in the City of St. Charles where existing Medical Cannabis Dispensing Organizations operate in response to the State Act.

## **4. The extent to which the proposed amendment would be in the public interest and would not serve solely the interest of the applicant.**

The proposed amendment could allow for regional economic activity related to a newly established industry while limiting the activity in such a way as to minimize potential impacts on the community. The Special Use review process will allow for public discussion of allowing any existing Medical Cannabis Dispensing Organization to begin dispensing recreational cannabis in St. Charles. The proposed ordinance would allow the existing medical dispensary to sell recreationally, thereby increasing the tax base for the public.

## **5. The extent to which the proposed amendment creates nonconformities.**

Per Section 17.20.010 – General use standards of the Zoning Ordinance, "Within the lists of permitted and special uses for each zoning district, some uses are specifically named, while others fall within a generic use definition (see Chapter 17.30.) A use that is not specifically listed in a zoning district or overlay and that does not fall within a generic use definition of Chapter 17.30, is prohibited within that district or overlay." The proposed text amendment would specifically enumerate the "Recreational Cannabis Dispensing Organization" as a Special Use in locations in the City of St. Charles where existing Medical Cannabis Dispensing Organizations operate in response to the State Act. Therefore, the proposed amendment will not create any nonconformities.

## **6. The implications of the proposed amendment on all similarly zoned property in the City.**

The proposed text amendment to allow Recreational Cannabis Dispensing Organization as a Special Use is limited to two locations, one of which already sells medical cannabis, and therefore won't impact other similarly zoned property in the city.

## MEMORANDUM

Date: November 26, 2019  
To: Russell Colby, Community Development Division Manager  
CC:  
From: Adam Rak, Senior Urban Planner (WBK Engineering)  
Subject: Zen Leaf St. Charles – Findings of Fact - GENERAL AMENDMENT from the St. Charles Zoning Ordinance, Section 17.04.320.C:

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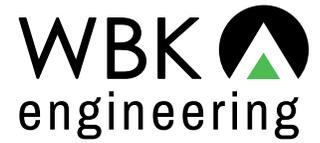
Dear Russell,

The enclosed document contains the initial and supplemental Findings of Fact for General Text Amendment submitted on behalf of Healthway Services of West Illinois and presented to the City of St. Charles Plan Commission on November 19, 2019. The Findings are supplemented to align with the wording in the application which requests a General Text Amendment to add Recreational Cannabis Dispensing Organization as a Special-use in the M2 district. In addition, the supplemental findings provide additional explanation and support for the original findings based on commentary from the City of St. Charles Plan Commission and commentary from the public during the hearing on November 19.

The Findings reflect our responses to reoccurring questions that were posed throughout the hearing and after, asking us to demonstrate how this use would be compatible with other uses in the M2 zoning district; specifically, are there similarities between this use and other service or commercial uses that are allowed in the M2 district?

The most comparable use for a Recreational Cannabis Dispensing Organization is a Medical Cannabis Dispensing Organization which is currently allowed as a permitted use in the M2 district. In Medical Cannabis Dispensing Organizations, cannabis is available to patients who furnish proper identification before being allowed to make a purchase. In Recreational Cannabis Dispensing Organizations, cannabis is available to adult-users who furnish proper identification before being allowed to make a purchase. In both instances, the consumer experience (i.e. arrival, proof of identity and authorization to purchase, product selection, exchange of payment, order fulfillment, and safe/secure departure) as well as standard operating procedures for receiving and processing inventory, the storage of product inventory in a secure warehouse/vault, the sale of product, and safe exchange and pickup of money are comparable. In both cases, a 250-foot minimum separation to “sensitive uses” and rules banning on-site consumption laws are strictly enforced.

In terms of facilities, Medical Cannabis Dispensing Organizations and Recreational Cannabis Dispensing Organizations operate in the same environment. The floor plans for both medical and recreational cannabis dispensaries include security check-in and waiting areas, retail showcase, product vault (warehouse), and order fulfillment rooms, and secured indoor parking/delivery space. Additionally, both uses require supplemental spaces within their respective facilities such as general storage, multi-purpose work areas (office and research areas) and other necessary mechanical space, data & IT space and common areas such as employee break rooms, and restroom facilities.



Based on the compatibility between Medical Cannabis Dispensing Organizations, as permitted in the M2 district, and Recreational Cannabis Dispensing Organizations, proposed subject to Special-use in the M2 district, and comments and feedback collected from the Plan Commission Hearing on November 19, 2019, we supplement the Findings of Fact submitted previously in the original application. The findings can be found as an exhibit in the attached document.

Sincerely,

Adam Rak  
Senior Urban Planner – WBK Engineering

Charles Hanlon  
Urban Planning Practice Lead – WBK Engineering

# SUPPLEMENT

## FINDINGS OF FACT - GENERAL AMENDMENT

From the Charles Zoning Ordinance, Section 17.04.320.C:

In making its recommendation to grant or deny an application for a Zoning Text Amendment, the Plan Commission shall consider:

(The below findings of fact were made in reliance on the professional opinions of Urban Planners from WBK Engineering. These include Adam Rak, whose CV is attached hereto).

### 1) **The consistency of the proposed amendment with the City's Comprehensive Plan.**

The proposed amendment to allow Recreational Cannabis Dispensing Organizations as a Special-use in M2 district supports the following objectives for Industrial Areas found in Chapter 3 of the Comprehensive Plan.

- a) Industrial Objectives #1 – “Industrial Areas Objective #1 - “Preserve the integrity of the industrial park by preventing the encroachment of businesses or land uses that could impact the long term viability of industrial areas. Parking needs, traffic issues, and potential impacts to existing or future industrial business operations should be considered when uses such as entertainment or recreational uses, community facilities, schools, places of worship, etc. locate in industrial areas.”
  - i) The City has approved Medical Cannabis Dispensing Organizations as a permitted use in the M2 district. Recreational Cannabis Dispensing Organizations are a comparable retail use in all material respects to Medical Cannabis Dispensing Organizations. Therefore, it has been determined that these retail uses do not encroach on businesses or land uses or the long-term viability of industrial areas. Parking needs will be met based on the standards for Recreational Cannabis Dispensing Organizations as approved by the City of St. Charles. Traffic issues and potential impacts to existing or future industrial business operations will be considered via the Special-use process.
- b) Industrial Areas Objective #2 - “Establish and maintain regular lines of communication with industrial property owners and businesses.”
  - i) By approving the General Text Amendment to allow Recreational Cannabis Dispensing Organizations, subject to the Special-use process, the City is establishing lines of communication with industrial property owners and businesses as well as members of the general public. The public hearing process as a condition to granting a special use will allow comments from City officials, stakeholders, and all other member of the public, to speak in a public forum to support, object, or speak in any other manner regarding the proposed amendment.
- c) Industrial Areas Objective #8 – “Ensure that all uses are effectively screened from adjacent properties and public rights-of-way, through the use of landscaping and fencing.”
  - i) As a comparable retail use to Medical Cannabis Dispensing Organizations, permitted in the M2 district, the City has already established a level of landscaping and screening that it has deemed sufficient for Recreational Cannabis Dispensing Organizations. By approving the General Text Amendment to allow Recreational Cannabis Dispensing Organizations, subject to the Special-use process, the City can enforce design standards found in the City's Ordinance Chapter 17.26 – Landscaping and Screening to ensure that

all proposed Recreational Cannabis Dispensing Organizations are adequately screened from adjacent properties and public rights-of-way through the use of landscaping and other screening mechanisms.

- d) Economic Development Goal #2 – “Work with the City’s economic development partners to maintain and strengthen a diverse tax base through the attraction, retention, and expansion of businesses in the City.”
    - i) Based on its compatibility to Medical Cannabis Dispensing Organizations, an approved use in the M2 district, the applicant is seeking a General Text Amendment to add Recreational Cannabis Dispensing Organizations as a Special-use in the M2 district. The addition of Recreational Cannabis Dispensing Organizations as an approved use in the City, as a result of a state act, will further strengthen and diversify the city’s tax base by introducing a new use to an area where a comparable use is already permitted.
- 2) **The consistency of the proposed amendment with the intent and general regulations of this Title.**
- The proposed amendment supports the following purpose statements listed in Ch. 17.02 of the Zoning Ordinance
- a) “Maintaining businesses and industrial areas that are attractive and economically viable.”
    - i) Recreational Cannabis Dispensing Organizations provide opportunity for new economic activity within a newly established industry as a result of a state act. Based on its compatibility to Medical Cannabis Dispensing Organizations, approved as a permitted retail use in the M2 district, Recreational Cannabis Dispensing Organizations should be allowed to extend this opportunity to the M2 district subject to Special-use.
  - b) “Promoting the public health, safety, comfort, convenience and general welfare.”
    - i) The Special-use process ensures opportunity to address public health, safety, comfort, convenience, and general welfare concerns via the public hearing process. In addition, approval of Recreational Cannabis Dispensing Organizations in the M2 district require that the proposed use meet a minimum of 250 feet separation from a parcel containing a pre-existing Primary or Secondary School, Private Boarding School, Day Care Center, Day Care Home, or other residential zoning parcels and enforcement of strict rules banning on-site consumption.
  - c) “Implementing the goals and objectives of the St. Charles Comprehensive Plan.”
    - i) The proposed amendment promotes Industrial Areas Objective #1, Industrial Areas Objective #2, Industrial Areas Objective #8, and Economic Development Goal #2 as demonstrated in Findings of Fact – General Text Amendment #1, above.
- 3) **Whether the proposed amendment corrects an error or omission, adds clarification to existing requirements, is more workable than the existing text, or reflects a change in policy.**
- a) The proposed amendment aligns the Title with the State of Illinois Cannabis Regulation and Tax Act. It reflects a change in City policy to add Recreational Cannabis Dispensing Organization as a Special-use in M2 district based on its compatibility to the permitted retail use of Medical Cannabis Dispensing Organizations and in response to the State Act. The proposed amendment will also be subject to new use standards that were adopted by the City for Recreational Cannabis Dispensing Organizations.
  - b) After the City amended its Zoning Ordinance to allow Recreational Cannabis Dispensary Organizations to relocate to a BR or BC Zoning District, the State of Illinois promulgated rules that existing medical cannabis dispensaries could not relocate and offer recreational cannabis. This general text amendment corrects the

error in the original Zoning Ordinance Amendment and reflects a change in policy of the State of Illinois governing Recreational Cannabis Dispensary Organizations. It would also allow St. Charles to limit the amount of dispensaries operating in the City to the intended two instead of three dispensaries (one medical and two recreational).

- 4) **The extent to which the proposed amendment would be in the public interest and would not serve solely the interest of the applicant.**
- a) Public Interest Statement #1 – The proposed amendment could allow for regional economic activity related to a newly established industry while limiting it in a way as to minimize potential impacts on the community.
    - i) Recreational Cannabis Dispensing Organizations was recently approved as a special use in the BC and BR Districts and was determined in the public interest as it provided regional economic activity to a newly established industry. The newly established industry of Recreational Cannabis Dispensing Organizations is comparable to Medical Cannabis Dispensing Organizations which are already allowed as a permitted use in the M2 district. Therefore, based on the compatibility between the proposed use and the existing use already permitted in the M2 district, it is reasonable to state that public benefits of allowing for regional economic activity related to a newly established industry would also apply to locations in the M2 district. In addition, the similar limiting factors such as a minimum separation requirement to “sensitive uses” and strict conformance banning on-site consumption are proposed to remain in place in order to minimize potential impacts on the community and preserve public interests.
  - b) Public Interest Statement #2 – The special use review process will allow for public discussion of any Recreational Cannabis Dispensing Organization seeking to locate in St. Charles.
    - i) The special use review process is a benefit to public interest as it outlines a specific process and standards for the review and approval of proposed development. All special uses are subject to a public hearing where residents, land owners, and other City stakeholders are permitted to express their own concerns and interests in a public forum.
  - c) Public Interest Statement #3 – The proposed ordinance would expand the sale of cannabis from solely medical patients to include adult-users thereby increasing the tax base for the public.
    - i) Medical Cannabis Dispensing Organization is a permitted use in the M2 district. Recreational Cannabis Dispensing Organization is a comparable retail use therefore should be allowed in the M2 district. Making a product available to a larger group of consumers will reasonably result in increased sales revenues which will in turn result in additional tax revenue to be paid to the City of St. Charles via funds that could be used to further public interests in the City.
  - d) Public Interest Statement #4 – The amendment has been proposed in response to the State of Illinois Cannabis Regulation and Tax Act based on a comparable use which is already permitted in the M2 district. Providing reasonable zoning regulations consistent with the law is in the public interest.
  - e) Public Interest Statement #5 – The amendment would allow both Medical and Recreational Cannabis sales to occur at a single location, which would allow the City to consolidate its resources to address a single location. If this general text amendment is not passed, the St. Charles Zoning Ordinance currently allows for three dispensaries instead of the intended two dispensaries, which would result in the inefficient spread of public resources to accommodate three locations instead of two locations.

5) **The extent to which the proposed amendment creates nonconformities.**

a) Per Section 17.20.010 – General use standards of the Zoning Ordinance, “Within the lists of permitted and Special-uses for each zoning district, some uses are specifically named, while others fall within a generic use definition (see Chapter 17.30.) A use that is not specifically listed in a zoning district or overlay and that does not fall within a generic use definition of Chapter 17.30, is prohibited within that district or overlay.” The proposed text amendment would specifically enumerate the “Recreational Cannabis Dispensing Organization” as a Special-use in locations in the City of St. Charles in the M2 district based on the compatibility of the use to Medical Cannabis Dispensing Organizations, which is already a permitted retail use in the district and in response to the State of Illinois Cannabis Regulation and Tax Act. There are no existing Recreational Cannabis Dispensing Organizations in the City; therefore, the proposed amendment will not create any nonconformities.

6) **The implications of the proposed amendment on all similarly zoned property in the City.**

a) The proposed text amendment to allow Recreational Cannabis Dispensing Organization as a Special-use will apply to all properties in the M2 Limited Manufacturing District, subject to recently adopted use standards. Further, the general text amendment requires that any applicant satisfy the special use requirements to insure that there will not be adverse implications to similarly zoned property in the City. The proposed uses’ compatibility with existing permitted retail uses in the M2 district demonstrate the limited implications of the proposed text amendment on other similarly zoned property in the City.

**MEMORANDUM**

Date: November 26, 2019  
To: Russell Colby, Community Development Division Manager  
CC:  
From: Adam Rak, Senior Urban Planner (WBK Engineering)  
Subject: Zen Leaf St. Charles – Responses to commentary collected during the November 19, 2019 Plan Commission Hearing.

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Dear Russell,

During the City of St. Charles Plan Commission hearing on November 19, 2019, there were two reoccurring comments that were made by members of the Plan Commission, including Commission Chairman, as well as the public. I have restated those two comments and provided our responses in italics, below:

1. Demonstrate how this use would be compatible with other uses in the M2 zoning district (for example, are there similarities between this use and other service or commercial uses that are allowed in the M2 district)

*The most comparable use—if not identical use—for a Recreational Cannabis Dispensing Organization is a Medical Cannabis Dispensing Organization which is currently allowed as a permitted use in the M2 district. In Medical Cannabis Dispensing Organizations, cannabis is available to patients who furnish proper identification before being allowed to make a purchase. In Recreational Cannabis Dispensing Organizations, cannabis is available to adult-users who furnish proper identification before being allowed to make a purchase. For both uses, the consumer experience (i.e. arrival, proof of identity and authorization to purchase, product selection, exchange of payment, order fulfillment, and safe/secure departure) as well as standard operating procedures for receiving and processing inventory, the storage of product inventory in a secure warehouse/vault, the sale of product, and safe exchange and pickup of money are comparable. In both cases, the same 250-foot minimum separation to “sensitive uses” applies. Both recreational and medical cannabis dispensaries are subject to the same rules banning on-site consumption laws are strictly enforced.*

*In terms of facilities, Medical Cannabis Dispensing Organizations and Recreational Cannabis Dispensing Organizations operate in the same environment. The floor plans for both medical and recreational cannabis dispensaries include security check-in and waiting areas, retail showcase, product vault (warehouse), and order fulfillment rooms, and secured indoor parking/delivery space. Additionally, both uses require supplemental spaces within their respective facilities such as general storage, multi-purpose work areas (office and research areas) and other necessary mechanical space, data & IT space and common areas such as employee break rooms, and restroom facilities.*

*Furthermore, the sensitive uses subject to the distance restrictions for Recreational Cannabis Dispensing Organizations, such as Primary or Secondary Schools, Private Boarding Schools, and Residential Uses are not*



*permitted in the M2 Zoning District, making the M2 Zoning District particularly appropriate for Recreational Cannabis Dispensaries.*

2. How does this amendment serve the public interest (vs. serving only the interest of the applicant)?

***Public Interest Statement #1*** – *The proposed amendment could allow for regional economic activity related to a newly established industry while limiting it in a way as to minimize potential impacts on the community.*

*Recreational Cannabis Dispensing Organizations was recently approved as a special use in the BC and BR Districts and was determined in the public interest as it provided regional economic activity to a newly established industry. The newly established industry of Recreational Cannabis Dispensing Organizations is comparable to Medical Cannabis Dispensing Organizations which are already allowed as a permitted retail use in the M2 district. Therefore, based on the compatibility between the proposed use and the existing use already allowed in the M2 district, it is reasonable to state that public benefits of allowing for regional economic activity related to a newly established industry would also apply to locations in the M2. In addition, the similar limiting factors are proposed to remain in place in order to minimize any potential impacts on the community and preserve public interests.*

***Public Interest Statement #2*** – *The special use review process will allow for public discussion of any Recreational Cannabis Dispensing Organization seeking to locate in St. Charles.*

*The special use review process is a benefit to public interest as it outlines a specific process and standards for the review and approval of proposed development. All special uses are subject to a public hearing where residents, land owners, and other City stakeholders are permitted to express their own concerns and interests in a public forum.*

***Public Interest Statement #3*** – *The proposed ordinance would allow the existing Medical Cannabis Dispensing Organization to sell to adult-users as a Recreational Cannabis Dispensing Organization. The availability of the product to adult-use consumers will reasonably increase sales tax revenues to the City.*

*Medical Cannabis Dispensing Organization is a permitted retail use in the M2 district. Recreational Cannabis Dispensing Organization is a comparable retail use therefore should be allowed in the M2 district. Making a product available to a larger group of consumers will reasonably result in increased sales revenues which will in turn result in additional tax revenue to be paid to the City of St. Charles via funds that could be used to further public interests in the City.*

***Public Interest Statement #4***—*In amending its Zoning Ordinance to allow Recreational Cannabis Dispensing Organizations, the City intended to allow for two dispensaries (one on the east side and one on the west side of the City). However, because the State of Illinois prevents Zen Leaf St. Charles from relocating to a BC and BR Zoning District, there now is the unintended result of the St. Charles Zoning Ordinance allowing for three*

*dispensaries (the existing medical dispensary plus one recreational dispensary on each of the east and west sides of the City. The proposed amendment would allow the City to achieve its original goal of allowing for two dispensaries only in St. Charles.*

**Public Interest Statement #5**—*The proposed amendment allows the consolidation of the medical dispensary with one of the recreational dispensaries. This would allow the public/City to consolidate its resources to serve a single location instead of multiple locations, which would result in great public efficiency and cost savings.*

We respectfully submit, for the record, the above responses to commentary gathered in the City of St. Charles Plan Commission hearing on November, 19, 2019.

Sincerely,

Adam Rak  
Senior Urban Planner – WBK Engineering

Charles Hanlon  
Urban Planning Practice Lead – WBK Engineering

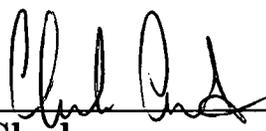
# City of St. Charles, Illinois

**Ordinance No.: 2019-Z-19**

**An Ordinance Amending Title 17 of the St. Charles Municipal Code Entitled “Zoning”, Ch. 17.14 “Business and Mixed Use Districts”, Ch. 17.20 “Use Standards”, Ch. 17.24 “Off-Street Parking, Loading & Access” and Ch. 17.30 “Definitions” (Recreational Cannabis Uses)**

**Adopted by the  
City Council  
of the  
City of St. Charles  
October 21, 2019**

Published in pamphlet form by  
authority of the City Council  
of the City of St. Charles,  
Kane and Du Page Counties,  
Illinois, **October 28, 2019**

  
\_\_\_\_\_  
City Clerk



**(SEAL)**

**City of St. Charles, IL**  
**Ordinance No. 2019-Z-19**

**An Ordinance Amending Title 17 of the St. Charles Municipal Code  
Entitled “Zoning”, Ch. 17.14 “Business and Mixed Use Districts”, Ch. 17.20  
“Use Standards”, Ch. 17.24 “Off-Street Parking, Loading & Access” and Ch.  
17.30 “Definitions” (Recreational Cannabis Uses)**

WHEREAS, the State of Illinois enacted the Cannabis Regulation and Tax Act (Act), which pertains to the possession, use, cultivation, transportation and dispensing of adult-use cannabis, which became effective June 25, 2019 and which will legalize the sale of adult-use cannabis as of January 1, 2020; and,

WHEREAS, pursuant to the Act, the City may enact reasonable zoning ordinances not in conflict with the Act, regulating cannabis business establishments, including rules adopted governing the time, place, manner and number of cannabis business establishments, and minimum distance limitations between cannabis business establishments and locations the City deems sensitive; and,

WHEREAS, on or about August 27, 2019, the City of St. Charles (“the Applicant”) filed an Application to amend Title 17 of the St. Charles Municipal Code, the Zoning Ordinance of the City of St. Charles regarding the regulation of recreational cannabis uses; and,

WHEREAS, Notice of Public Hearing on said Application was published on or about August 30, 2019, in a newspaper having general circulation within the City, to-wit, the Daily Herald newspaper, all as required by the statutes of the State of Illinois and the ordinances of the City; and,

WHEREAS, pursuant to said notice, the Plan Commission conducted a public hearing on or about September 17, 2019 and October 8, 2019 on said Application in accordance with the statutes of the State of Illinois and the ordinances of the City; and,

WHEREAS, at said Public Hearing, the Applicant presented testimony in support of said Application and all interested parties had an opportunity to be heard; and,

WHEREAS, the Plan Commission recommended approval of the Application on or about October 8, 2019; and,

WHEREAS, the Planning and Development Committee of the City Council recommended approval of the Application on or about October 14, 2019; and,

WHEREAS, the City Council of the City of St. Charles has received the recommendations of the Plan Commission and Planning and Development Committee and has considered the same:

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ST. CHARLES, KANE AND DUPAGE COUNTIES, ILLINOIS, as follows:

1. The preambles set forth hereinabove are incorporated herein as substantive provisions of this Ordinance as if fully set out in this Section One.

2. That Title 17, “Zoning”, Chapter 17.14 “Business and Mixed Use Districts”, Table 17.14-1 “Permitted and Special Uses” of the St. Charles Municipal Code is hereby amended by adding a new row for “Recreational Cannabis Dispensing Organization”, to be listed as a Special Use in the BC Community Business and BR Regional Business Districts, under the subcategory “Coffee or Tea Room”, as shown below:

TABLE 17.14-1 BUSINESS AND MIXED USE DISTRICTS PERMITTED AND SPECIAL USES								
P=Permitted Use S=Special Use A=Permitted Accessory Use SA=Special Use, Accessory Only	ZONING DISTRICT						SPECIFIC USE STANDARDS	
	BL	BC	BR	CBD-1	DOWNTOWN OVERLAY FIRST FLOOR		CBD-2	
					CBD-1	CBD-2		
<b>RETAIL AND SERVICE USES</b>								
Recreational Cannabis Dispensing Organization		S	S					Section 17.20.030

3. That Title 17, “Zoning”, Chapter 17.20 “Use Standards”, Section 17.20.030 “Standards for Specific Uses” of the St. Charles Municipal Code is hereby amended by adding a new subsection “AA” and renumber existing subsection “AA” as subsection “BB”. The new subsection “AA” shall be as follows:

“AA. Recreational Cannabis Uses

1. The number of Recreational Cannabis Dispensing Organizations shall be limited to no more than two (2). Only one (1) Recreational Cannabis Dispensing Organization shall operate on the east side of the Fox River and only one (1) Recreational Cannabis Dispensing Organization shall operate on the west side of the Fox River. No Recreational Cannabis Dispensing Organization shall operate without written authorization from the Director of Community and Economic Development.
2. One of the two Recreational Cannabis Dispensing Organizations shall have operated as a Medical Cannabis Dispensing Organization licensed by the State of Illinois within the St. Charles corporate limits for a minimum consecutive period of one (1) year. One of the two Recreational Cannabis Dispensing Organizations shall have operated as a Medical Cannabis Dispensing Organization licensed by the State of Illinois within the State of Illinois for a minimum consecutive period of one (1) year.

3. A Recreational Cannabis Dispensing Organization shall not be located on a parcel that is within 250 ft. of a parcel containing a pre-existing Primary or Secondary School, Private Boarding School, Day Care Center, Day Care Home, Church, or a parcel within a single-family residential zoning district, specifically the RE-1, RE-2, RS-1, RS-2, RS-3, RS-4, RT-1, RT-2, RT-3, and RT-4 districts.
4. A Recreational Cannabis Dispensing Organization shall not be located within 1,500 ft. of the property line of another Recreational Cannabis Dispensing Organization or Medical Cannabis Dispensing Organization.
5. City approval of a Special Use for Recreational Cannabis Dispensing Organization shall be conditional upon the applicant providing the City with documentation proving receipt of a valid Adult Use Dispensing Organization License, as defined in the Cannabis Regulation and Tax Act, granted from the State of Illinois Department of Financial and Professional Regulation.
6. Consumption of cannabis and cannabis-infused products on the premises of any cannabis business establishment as defined in the Cannabis Regulation and Tax Act shall be prohibited.
7. Recreational Cannabis Cultivation Center, Recreational Cannabis Craft Grower, Recreational Cannabis Infuser Organization or Infuser, Recreational Cannabis Processing Organization, and Recreational Cannabis Transporting Organization shall not be permitted in any zoning district.”

4. That Title 17, “Zoning”, Chapter 17.24 “Off-Street Parking, Loading and Access”, Section 17.24.140 “Required Off-Street Parking Spaces”, Table 17.24-3 “Required Off-Street Parking” of the St. Charles Municipal Code is hereby amended by adding a new row for “Recreational Cannabis Dispensing Organization” and indicating the parking requirement for said use is 4 spaces per 1,000 square feet of Gross Floor Area, to be listed after “Pet Care Facilities”, as shown below:

TABLE 17.24-3 REQUIRED OFF-STREET PARKING	
USE	PARKING REQUIREMENT
<b>RETAIL AND SERVICE USES</b>	
Recreational Cannabis Dispensing Organization	4 per 1,000sf of GFA

5. That Title 17, “Zoning”, Chapter 17.30 “Definitions”, Section 17.30.020 “Use Definitions” of the St. Charles Municipal Code is hereby amended by adding the following definitions:

**Recreational Cannabis Dispensing Organization.** A facility operated by an organization or business that is licensed by the Illinois Department of Financial and Professional Regulation to acquire cannabis from licensed cannabis business establishments for the purpose of selling or dispensing cannabis, cannabis-infused products, cannabis seeds, paraphernalia, or related supplies to purchasers or to qualified registered medical cannabis patients and caregivers, per the Cannabis Regulation and Tax Act. A facility that only acquires and dispenses medical

cannabis to registered medical cannabis patients shall be considered a Medical Cannabis Dispensing Organization, as defined herein.

**Recreational Cannabis Cultivation Center.** A facility operated by an organization or business that is licensed by the Illinois Department of Agriculture to cultivate, process, transport, and perform other necessary activities to provide cannabis and cannabis-infused products to licensed cannabis business establishments, per the Cannabis Regulation and Tax Act.

**Recreational Cannabis Craft Grower.** A facility operated by an organization or business that is licensed by the Illinois 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, per the Cannabis Regulation and Tax Act.

**Recreational Cannabis Infuser Organization or Infuser.** A facility operated by an organization or business that is licensed by the Illinois Department of Agriculture to directly incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis-infused product, per the Cannabis Regulation and Tax Act.

**Recreational Cannabis Processing Organization.** A facility operated by an organization or business that is licensed by the Illinois 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, per the Cannabis Regulation and Tax Act.

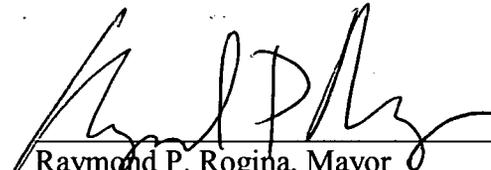
**Recreational Cannabis Transporting Organization.** An organization or business that is licensed by the Illinois Department of Agriculture to transport cannabis on behalf of a cannabis business establishment or a community college licensed under the Community College Cannabis Vocational Training Pilot Program, per the Cannabis Regulation and Tax Act.

6. That after the adoption and approval hereof this Ordinance shall be (i) printed or published in book or pamphlet form, published by the authority of the Council, or (ii) within thirty (30) days after the adoption and approval hereof, be published in a newspaper published in and with a general circulation within the City of St. Charles.

PRESENTED to the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois this 21<sup>st</sup> day of October, 2019.

PASSED by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois this 21<sup>st</sup> day of October, 2019.

APPROVED by the Mayor of the City of St. Charles, Kane and DuPage Counties,  
Illinois this 21<sup>st</sup> day of October, 2019.

  
\_\_\_\_\_  
Raymond P. Rogina, Mayor

Attest:  
  
\_\_\_\_\_  
Charles Amenta, City Clerk

COUNCIL VOTE:

Ayes: 6  
Nays: 3  
Absent: 1  
Abstain: 0

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

DATE: \_\_\_\_\_



State of Illinois )  
 ) ss.  
Counties of Kane and DuPage )

## Certificate

I, CHUCK AMENTA, certify that I am the duly elected and acting Municipal City Clerk of the City of St. Charles, Kane and DuPage Counties, Illinois.

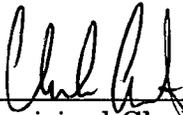
I further certify that on **October 21, 2019**, the Corporate Authorities of such municipality passed and approved Ordinance No. **2019-Z-19** entitled:

**An Ordinance Amending Title 17 of the St. Charles Municipal Code Entitled "Zoning", Ch. 17.14 "Business and Mixed Use Districts", Ch. 17.20 "Use Standards", Ch. 17.24 "Off-Street Parking, Loading & Access" and Ch. 17.30 "Definitions" (Recreational Cannabis Uses)**

which provided by its terms that it should be published in pamphlet form.

The pamphlet form of Ordinance No. **2019-Z-19**, including the Ordinance and a cover sheet thereof was prepared, and a copy of such Ordinance was posted in the municipal building, commencing on **October 28, 2019**, and continuing for at least ten days thereafter. Copies of such Ordinance were also available for public inspection upon request in the office of the municipal clerk.

**DATED** at St. Charles, Illinois, this **21st** day of **October 21, 2019**.

  
\_\_\_\_\_  
Municipal Clerk

(SEAL)

