



# PLANNING & ZONING COMMISSION

**TO:** City of Peoria Planning & Zoning Commission  
**FROM:** Development Review Board (Prepared by Blake Eggleston)  
**DATE:** April 12, 2023  
**CASE NO:** PZ 1293-2023

**REQUEST:** Hold a Public Hearing and forward a recommendation to City Council on the request of City of Peoria to amend Appendix A, the Unified Development Code relating to Medical/Adult Use Cannabis Dispensaries, Cultivation Centers, Craft Growers, Infusers, and Processors

## **SUMMARY**

On March 21, 2023 City Council held a policy session to discuss zoning and licensing of cannabis uses. As a result, City Council requested the following changes to the Unified Development Code:

- 1) Replace the permitted use designation with a special use in the Industrial zoning districts.
- 2) Require the cannabis use to be active and in place within 6 months of the special use approval. A six-month extension may be granted by the City Manager. Currently, a special use has 24 months from approval to become active and in place.
- 3) Prohibit cannabis uses in all Form Districts.

The attached proposed ordinance reflects these changes.

Additionally, City Council recommended the following changes relating to licensing:

- 1) Set a minimum distance requirement of 1,500 feet for cannabis dispensaries.
- 2) Limit the number of cannabis dispensary licenses to six.
- 3) Reserve a minimum of three licenses for social equity applicants.

The meeting minutes of the City Council meeting are attached for reference.

## **DEVELOPMENT REVIEW BOARD RECOMMENDATION**

The Development Review Board recommends APPROVAL of the proposed text amendment.

## **ATTACHMENTS**

1. Proposed Ordinance
2. City Council Meeting Minutes for March 21, 2023

**AN ORDINANCE AMENDING APPENDIX A THE UNIFIED DEVELOPMENT CODE OF THE CITY OF PEORIA RELATING TO MEDICAL/ADULT USE CANNABIS DISPENSARIES, CULTIVATION CENTERS, CRAFT GROWERS, INFUSERS AND PROCESSORS**

**WHEREAS**, the City of Peoria is a home rule municipality pursuant to Article VII, Section 6, of the Illinois Constitution of 1970; and

**WHEREAS**, as a home rule municipality, the City may exercise any power and perform any function pertaining to its government and affairs including zoning regulations and uses; and

**WHEREAS**, the City of Peoria desires to amend Appendix A, the Unified Development Code; NOW, AND THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEORIA, ILLINOIS AS FOLLOWS:

Section 1: Appendix A of the Peoria City Code, being Ordinance No. 17,403 as adopted on October 11, 2016, is hereby amended by deleting the following stricken words and adding the following underlined words:

**5.0 PERMITTED LAND USES**

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**5.2 PERMITTED USE TABLE**

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**5.2.2 Permitted Use Table**

KEY:		Blank cell = Not Permitted																■ = Permitted			□ = Special Use			Use Performance Standard			
USE CATEGORY	SPECIFIC USE	A1	P1	RE	R1	R2	R3	R4	R5	R6	R7	R8	O1	O2	N1	CN	C1	CG	C2	B1	I1	I2	I3				
Retail Sales and Service (see 5.6.4.G)	All retail sales and service, except as listed below:															■	■	■	■	■	■	■	■		5.3.3.A		
	Medical/Adult Use Cannabis Dispensary																□	□	□	□	□	□	□	□		<u>5.3.3.O</u>	
***																											
Light Industrial (see 5.6.5.B)	All light industrial, except as listed below:																				□		■	■	■		
	Medical/Adult Use Cannabis Cultivation Center, Craft Grower up to 14,000 sq. ft. in size, Infuser or Processor	□																					■	■	■		<u>5.3.4.C</u>
	Cannabis Craft Grower 5,000 sq. ft. in size or less	□															□	□	□	□	□		■	■	■		<u>5.3.4.C</u>

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**5.3 USE AND PERFORMANCE STANDARDS**

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**5.3.3 Commercial Use Performance Standards**

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**O. Medical/Adult Use Cannabis Dispensary**

- 1. The Medical/Adult Use Cannabis Dispensary use must be in place and in active use within six (6) months from the date of the granted special use. A six (6) month extension may be granted upon written request to the City Manager.

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**5.3.4 Industrial Use Performance Standards**

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**C. Medical/Adult Use Cannabis Cultivation Center, Craft Grower, Infuser, or Processor**

- 1. The Medical/Adult Use Cannabis Cultivation Center, Craft Grower, Infuser, or Processor use must be in place and in active use within six (6) months from the date of the granted special use. A six (6) month extension may be granted upon written request to the City Manager.

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**6.0 FORM DISTRICTS**

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**6.2.B Sheridan Triangle – Neighborhood Center**

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**7. Permitted Uses**

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- b. Commerce uses shall be considered to encompass all of the Commercial use categories, except medical/adult use cannabis dispensaries, and all of the Civic use categories except passenger terminals, solar utility facilities, and social service institutions, as defined in Section 5.6.

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**6.3.B Prospect Road – Neighborhood Center**

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**7. Permitted Uses**

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- b. Commerce uses shall be considered to encompass all of the Commercial use categories, except medical/adult use cannabis dispensaries, and all of the Civic use categories except passenger terminals, solar utility facilities, and social service institutions, as defined in Section 5.6.

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**6.4.B West Main – Neighborhood Center**

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**7. Permitted Uses**

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- b. Commerce uses shall be considered to encompass all of the Commercial use categories, except medical/adult use cannabis dispensaries and all of the Civic use categories except passenger terminals, solar utility facilities, and social service institutions, as defined in Section 5.6.

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**6.4.D West Main – Local Commerce**

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**7. Permitted Uses**

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- c. Industrial uses shall be considered to encompass all of the Industrial use categories except the medical/adult use cannabis cultivation centers, craft growers, infusers, or processors, heavy industrial and waste-related services, as defined in Section 5.6.

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**6.5.B Warehouse District – General**

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**7. Permitted Uses**

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- b. Commerce uses shall be considered to encompass all of the Commercial use categories, except medical/adult use cannabis dispensaries, and all of the Civic use categories except passenger terminals, solar utility facilities, and social service institutions, as defined in Section 5.6.
- c. Industrial uses shall be considered to encompass all of the Industrial use categories except the medical/adult use cannabis cultivation centers, craft growers, infusers, or processors, heavy industrial and waste-related services, as defined in Section 5.6.

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**6.5.D Warehouse District – Local**

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**7. Permitted Uses**

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- b. Commerce uses shall be considered to encompass all of the Commercial use categories, except medical/adult use cannabis dispensaries, and all of the Civic use categories except passenger terminals, solar utility facilities, and social service institutions, as defined in Section 5.6.
- c. Industrial uses shall be considered to encompass all of the Industrial use categories except medical/adult use cannabis cultivation centers, craft growers, infusers, or processors, data center, waste-related services and animal processing, as defined in Section 5.6.

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Section 2. This Ordinance shall be in full force immediately and upon passage and approval according to law.

PASSED BY THE CITY COUNCIL OF THE CITY OF PEORIA, ILLINOIS, THIS  
\_\_\_\_\_ DAY OF \_\_\_\_\_, 2023

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:

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

EXAMINED AND APPROVED:

\_\_\_\_\_  
Corporation Counsel



**: OFFICIAL PROCEEDINGS :**

**: OF THE CITY OF PEORIA, ILLINOIS :**

A Special Meeting of the City Council of Peoria, Illinois, was held March 21, 2023, at 6:00 P.M. at City Hall, Council Chambers (Room 400), 419 Fulton Street, with Mayor Pro Tem Jensen presiding, and with proper notice having been posted.

**ROLL CALL**

Roll Call showed the following Council Members were present: Allen, Grayeb, Jackson, Kelly, Oyler, Riggerbach, Ruckriegel (electronic attendance), Velpula, Pro Tem Jensen – 9.  
Absent: Mayor Ali, Council Member Cyr.

**ELECTRONIC ATTENDANCE**

Mayor Pro Tem Jensen said a notice was received by Council Member Ruckriegel in accordance with rules established in Ordinance No. 16,142, and Council Member Ruckriegel would be deemed authorized to attend the meeting electronically unless a motion objecting to the electronic attendance was made, seconded, and approved by two-thirds of the members of the City Council physically present at the meeting. She said if no such motion was made and seconded, then the request by Council Member Ruckriegel to attend electronically shall be deemed approved by the City Council and the presiding officer, and Council Member Ruckriegel shall be declared present.

Hearing no objection, Mayor Pro Tem Jensen declared Council Member Ruckriegel present.

**INVOCATION & PLEDGE OF ALLEGIANCE**

Mayor Pro Tem Jensen requested a moment of silent prayer or reflection and then she led the pledge of allegiance.

**PETITIONS, REMONSTRANCES & COMMUNICATIONS – CITY OF PEORIA**

**(23-087) Communication from the Mayor and Corporation Counsel with a Request to APPROVE the DECLARATION OF LOCAL STATE OF EMERGENCY.**

Council Member Velpula moved to approve the Declaration of Local State of Emergency; seconded by Council Member Allen.

Approved by roll call vote.

Yeas: Allen, Grayeb, Jackson, Kelly, Oyler, Riggerbach, Ruckriegel, Velpula,  
Pro Tem Jensen – 9;

Nays: None.

**(22-293) Communication from the City Manager and Corporation Counsel with a Request to ADOPT an ORDINANCE Amending ARTICLE 19 (Operation of a Cannabis Business) of CHAPTER 18 (Licenses and Miscellaneous Business Regulations) of the CODE of the City of Peoria.**

A copy of the presentation, an approved zoning locations in Peoria map, and cannabis license data for Illinois municipalities were distributed to all Council Members.

City Manager Urich said two main topics regarding the proposed Ordinance required direction from the Council: zoning regulations, and business license provisions.

Deputy Corporation Counsel Chrissie Kapustka began the presentation with a summary of the history of Council discussions on cannabis business regulations and citizen survey results. She said direction was needed from the Council to bring back an Ordinance finalizing changes in the Code. She reviewed current cannabis dispensaries in Peoria and in the BLS Region of Peoria, the number of State-issued cannabis licenses issued for the City of Peoria in 2022, and the status of each of those State-issued licenses. She reviewed the Special Use permits approved by Council for cannabis businesses in Peoria, noting all but one applicant was issued a cannabis business license by the State of Illinois. Deputy Corporation Counsel Kapustka compared the City of Peoria's current cannabis business regulations to other municipalities in Illinois as well as the proposed changes to zoning regulations in the Ordinance, noting those changes would need to go before the Planning and Zoning Commission before returning to the City Council for final approval. She presented the proposed changes in the draft Ordinance as it related to zoning, social equity applicants, distance between cannabis businesses, license transfers, on-site consumption, and license limitations.

**Zoning – Validity of Special Use Permits**

Mayor Pro Tem Jensen asked if the Council concurred with Staff's recommendation to reduce the time a Cannabis Business Special Use Permit was valid from two years to six months. Hearing no objection, Mayor Pro Tem Jensen said the Council concurred with reducing the timeframe for the Special Use permit from two years to six months.

**Zoning – Special Use Permit in All Zoning Districts**

Mayor Pro Tem Jensen asked if the Council concurred with Staff's recommendation to require a Special Use Permit for cannabis dispensaries. Assistant Community Development Director Leah Allison said cannabis dispensaries were currently a Permitted Use in Industrial Districts and a Special Use in Commercial Districts, noting the proposed change was to make them a Special Use in Industrial Districts for consistency.

In response to Council Member Grayeb and Mayor Pro Tem Jensen regarding Form Districts and Residential District regulations, Assistant Director Allison said there were four Form Districts in Peoria, and cannabis businesses were prohibited from Form Districts and Residential Districts.

At the conclusion of her comments, Mayor Pro Tem Jensen said the Council concurred with the requirement of a Special Use Permit for cannabis dispensaries, which would add the Industrial District.

**Social Equity Applicant**

Mayor Pro Tem Jensen said Staff proposed adding the definition of 'Social Equity' as provided in the Illinois State Statute. Hearing no objection, Mayor Pro Tem Jensen said the Council concurred with the using the same definition provided in State Statute for Social Equity

Applicant.

**Proof of Social Equity Status**

Mayor Pro Tem Jensen said Staff proposed adding a Cannabis Business License application requirement wherein the applicant had to provide proof of Social Equity status. Deputy Corporation Counsel Kapustka said it was the same proof documentation required by the State for their application.

Hearing no objection, Mayor Pro Tem Jensen said the Council concurred with the inclusion of proof of Social Equity Status.

**Distance Limitation Recreational Cannabis**

In response to Mayor Pro Tem Jensen about current minimum distance requirements, Deputy Corporation Counsel Kapustka said because the City's Code did not include distance requirements, State Statute would apply by default. She said Staff proposed implementing the same 1,500 feet minimum distance requirement for applicants without the Social Equity designation. Mayor Pro Tem Jensen said she preferred the 1,500 feet minimum distance requirement be applied to all applicants, including those with the Social Equity status. Council Members Riggerbach and Oyler said they concurred with implementing a 1,500 minimum distance requirement for all applicants. Council Member Allen said he disagreed with adding this limitation for Social Equity applicants. He said the purpose of Social Equity was to provide support and opportunities to those qualifying applicants who were already struggling to open a business. Council Member Velpula said it was important to maintain a unified strategy for cannabis business locations in the City, and he said he supported the 1,500 feet minimum distance requirement for all applicants.

Council Member Riggerbach moved to direct Staff to amend the Ordinance to include a minimum distance requirement of 1,500 feet for all cannabis dispensaries, without exception; seconded by Council Member Oyler.

Council Member Allen said if the City was trying to foster equity in this space, it needed to have the foresight to remove different barriers. He said everyone knew there would be challenges for minorities and women-owned businesses to open this type of business, noting they would have less access to capital and different funding mechanisms. Because of these reasons, he said he would be voting no on the distance requirement. He said he did not want to see several of these businesses concentrated in a single area; however, he said he did not see that happening without a distance restriction.

Motion to direct Staff to draft an Ordinance to include a minimum distance requirement of 1,500 feet for all cannabis dispensaries, without exception, was approved by roll call vote.

Yeas: Grayeb, Jackson, Kelly, Oyler, Riggerbach, Ruckriegel, Velpula,  
Pro Tem Jensen – 8;

Nays: Allen – 1.

**Form Districts – Warehouse District**

Council Member Grayeb asked Assistant Director Allison for clarification relating to cannabis dispensaries in the Warehouse District. Assistant Director Allison explained a portion of the Warehouse Form District currently allowed opportunity for cannabis dispensaries. Council Member Grayeb said because the Warehouse District was an area with increasing residential development, it was inappropriate for cannabis businesses.



At the conclusion of his comments, Council Member Grayeb moved to direct Staff to amend the Ordinance to prohibit cannabis dispensaries in the Warehouse District; seconded by Council Member Oyler.

Council Member Riggerbach said he supported the direction, and he said it was important to note stakeholders in the Warehouse District had an opportunity to provide input regarding the proposed changes at an upcoming Planning and Zoning Commission meeting.

Assistant Director Allison said the proposed zoning changes to the Ordinance would be presented to the Planning and Zoning Commission in May with a recommendation coming back to the Council afterwards. She discussed the Legal Notice requirements for items presented to the Planning and Zoning Commission and the timeline to get the item on the agenda.

Motion to direct Staff to amend the Ordinance to prohibit cannabis dispensaries in the Warehouse District was approved by roll call vote.

Yeas: Allen, Grayeb, Jackson, Kelly, Oyler, Riggerbach, Ruckriegel, Velpula,  
Pro Tem Jensen – 9;

Nays: None.

#### **Limitation on License Transfers**

In response to Council Member Grayeb on proposed limitations to cannabis dispensary license transfers, Deputy Corporation Counsel Kapustka explained existing limitations in the Code to transfer licenses, and she said additional language was needed to address issues identified in the cannabis business industry. She explained how the changes would impact social equity applicants, and the process requiring Council approval of new business licenses when business ownership changed.

Hearing no objection, Mayor Pro Tem Jensen said the Council concurred with including the limitation of license transfers.

#### **Prohibit On-Site Consumption**

Council Member Allen said there was some interest with on-site consumption, and he said he would like to see the Council revisit this issue in the future.

Hearing no objection, Mayor Pro Tem Jensen said the Council concurred with including the prohibition of on-site consumption.

#### **License Limitation of 11 Dispensaries**

Mayor Pro Tem Jensen said Staff proposed permitting no more than eleven cannabis dispensaries in Peoria. In response to Council Member Grayeb, Deputy Corporation Counsel Kapustka said eleven dispensaries would accommodate all nine social equity licenses issued in 2022, plus the two existing licenses for Trinity. City Manager Urich said permitting eight licenses would bring Peoria in line with the number of dispensaries per capita like Schaumburg.

Discussions were held regarding the Special Use permits issued in Peoria, including the expiration dates and how the proposed changes would affect them. Providing options to extend the 6-month Special Use Permit for cannabis businesses to address unanticipated delays, and when the existing Special Use permits were issued were also discussed.

Council Member Oyler moved to direct Staff to draft an Ordinance limiting the number of cannabis dispensaries to six within the City of Peoria; seconded by Council Member Kelly. Council Member Allen said he was a little reluctant to limit the number of dispensaries to six,

recommending seven would be more appropriate. He said adding a cap to the number of dispensaries would make it difficult to amend in the future. He said he would prefer to cap the number of dispensaries to seven with four reserved for social equity.

Discussions were held on the possibility of increasing the number of cannabis business licenses from six, reserving a certain number for social equity applicants, and the status of the Special Use permit approved at 4600 N. Brandywine Drive.

Council Member Riggerbach said he agreed with reserving a certain number of licenses for social equity applicants, such as reserving four licenses out of seven total.

Deputy Corporation Counsel Kapustka explained how implementing a limit on the total number of business licenses would not limit the number of Special Use permits that could be approved, and she said all recently issued state licenses were for social equity applicants. Council Member Velpula said it was important for the Council to provide feasible and acceptable options for the social equity applicants.

Mayor Pro Tem Jensen said the Council should limit the number of cannabis business licenses in Peoria to no more than five based on what other municipalities implemented, noting she was concerned for oversaturation. She said she was not opposed to reserving some licenses for social equity applicants, but she said they should not be the majority of total licenses.

Council Member Ruckriegel said he concurred with restricting the cannabis licenses to six, noting it could be increased in the future.

Discussions were held regarding where the social equity applicants were from in Illinois, and regulations for cannabis businesses implemented by other municipalities.

Council Member Allen encouraged the Council to designate at least half of the total licenses for social equity applicants to ensure those impacted negatively by cannabis in the past could benefit from the commerce of it, and he discussed issues faced by applicants.

Council Member Velpula said he did not approve of distinguishing the availability of licenses between social equity and non-social equity. He said he preferred capping the number of licenses without reserving a certain amount for social equity applicants.

Motion to direct Staff to amend the Ordinance to limit the number of cannabis dispensaries to six within the City of Peoria was approved by roll call vote.

Yeas: Grayeb, Jackson, Kelly, Oyler, Riggerbach, Ruckriegel, Velpula – 7;

Nays: Allen, Pro Tem Jensen – 2.

### **Number of Social Equity Licenses**

Corporation Counsel Hayes suggested clear direction from the Council regarding reserving licenses for social equity applicants.

Council Member Allen moved to direct Staff to amend the Ordinance to reserve a minimum of three cannabis dispensary licenses for social equity applications; seconded by Council Member Riggerbach.

Discussions were held regarding how long the minimum number of licenses would be reserved, noting it would be indefinitely. Council Member Grayeb said he would not vote to approve the motion.

After Council Member Jackson asked what flexibility the Council had to change the regulations, Corporation Counsel Hayes said the Council could vote to amend the Code at any time.

Motion to direct Staff to amend the Ordinance to reserve a minimum of three cannabis dispensary licenses for social equity applicants was approved by roll call vote.

Yeas: Allen, Jackson, Kelly, Riggerbach, Ruckriegel, Velpula, Pro Tem Jensen – 7;

Nays: Grayeb, Oyler – 2.

Discussions were held regarding the communication strategy to current Special Use permit holders regarding the proposed changes and to determine the status of opening the business.

*CLERK'S NOTE: This item is anticipated to be placed on the April 11, 2023, City Council Agenda for consideration.*

**CITIZENS' OPPORTUNITY TO ADDRESS THE CITY COUNCIL/TOWN BOARD**

Hearing no objection, Mayor Pro Tem Jensen granted privilege of the floor to those citizens wishing to address the City Council/Town Board as follows:

Eric Burns, a citizen of Peoria, said it was unclear what the Council decided regarding limiting the number of cannabis dispensary licenses in the City of Peoria on Item No. 22-293.

Mayor Pro Tem Jensen clarified the Council voted on Item No. 22-293 to direct Staff to amend the Ordinance to limit the number of cannabis dispensaries to six within the City of Peoria and to reserve a minimum of three cannabis dispensary licenses for social equity applicants.

**EXECUTIVE SESSION**

It was determined there was no need to enter into Executive Session at that time.

**ADJOURNMENT**

Council Member Allen moved to adjourn the Special City Council Meeting; seconded by Council Member Kelly.

Motion to adjourn the Special City Council Meeting was approved by roll call vote.

Yeas: Allen, Grayeb, Jackson, Kelly, Oyler, Riggerbach, Ruckriegel, Velpula,

Pro Tem Jensen – 9;

Nays: None.

The Special City Council Meeting was adjourned at 7:26 P.M.



Stefanie Tarr, RMC, CMC, City Clerk  
City of Peoria, Illinois