



AGENDA
COMMITTEE OF THE WHOLE

**City Hall – Council Chambers
3600 Kirchoff Road
Rolling Meadows, IL 60008**

January 18, 2022 – 7:30 p.m.

- 1) Temporary Suspension of Water Shut-Off/City Services for Non-Payment**
- 2) Cannabis Dispensaries in Commercial Zoning Districts East of New Wilke**

Committee of the Whole – January 18, 2022

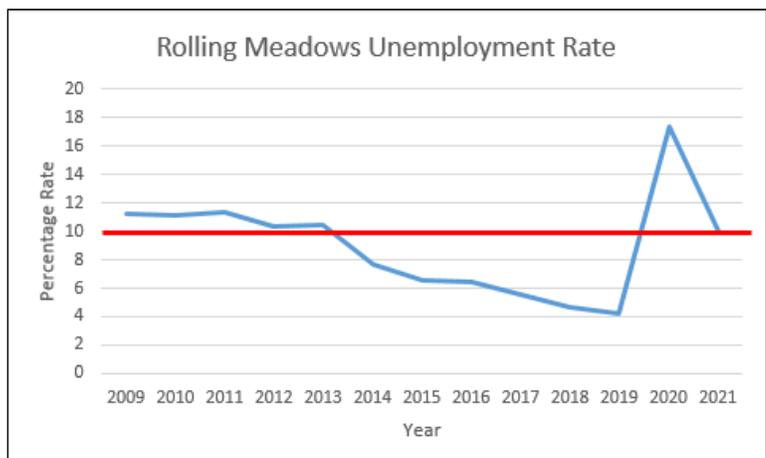
1) Topic: Temporary Suspension of Water Shut-off / City Services for Non-Payment

Overview: Since as early as March 24, 2020, the City of Rolling Meadows City Council made the policy decision to suspend water shut-offs for customer non-payment. Initially, this was adopted to reduce interaction between employees and the public. Shortly thereafter, as a result of the impacts of the pandemic, the policy was expanded to include elimination of the penalty fee for non-payments (or late payments) in response to the significant impact the pandemic had on the public at large. Specifically, the impact the pandemic had on the employment impacts to the public.

Staff research indicates that the City policy has resulted in lost revenue of approximately \$250,000 for all delinquencies related to non-payment for services covered as part of the initiative. Additionally, the City historically generates between \$75,000 and \$100,000 annually in revenue for penalty fees associated with these services. Conservatively, the City has not received revenues since the establishment of this temporary suspension of approximately \$650,000.

A recent survey of area communities, as well as the member communities of JAWA indicates that all the communities surveyed have discontinued their policies regarding water shut-offs for non-payment and have reinstated penalties for late payments. The communities surveyed include; Arlington Hts., Schaumburg, Palatine, Streamwood, Hanover Park, Hoffman Estates, Elk Grove Village, and Mount Prospect. While some communities reinstated these items as early as the fall of 2020, most communities surveyed reinstated their water shut-off and penalty policies by May of 2021. The latest community surveyed reinstated these policies by September of last year.

During previous meeting discussions, the Council expressed concerns regarding the City's unemployment rate. Below is data reported from homefacts.com¹, a website that provides unemployment data, by community. While the City is still not experiencing the lower rates consistent with those years immediately preceding the pandemic, the rate last year (2021) is consistent with or lower than rates from 2009 through 2013. City residents no doubt were affected by the recession that occurred between 2009 and 2011, but research was unable to identify similar local assistance policies established at that time. Unemployment data was given for June and December of each year. The chart to the right reflects the annual unemployment rate as of June of each year. Research indicated that, in general, the national unemployment rate trends between 1% and 3% lower than the City of Rolling Meadows, for each year over the last twenty (20) years. The red line is simply to show the baseline of 10% from 2009 to 2021.



While staff is cognizant of the benefits that this policy has made to community, there are measures that can be taken to assist residents, such as payment plans, that are less impactful to City revenues. Additionally, staff suspects that some customers may have grown accustomed to these policies, and may simply be taking advantage of the Council's good intentions.

Direction: Staff is seeking direction on whether or not the temporary suspension of water shut-offs for non-payment, delinquent payments, and suspension of penalty fees for non-payment or late payment should be reinstated per the City's standard procedures. Accordingly, staff seeks Council direction on the following questions:

1. Should the City reinstitute the City's original policies related to delinquent payments (*non-payment for City services*) and water shut-offs (*non-payment for water or sewer service*)?
2. Should the City reinstitute the City's original policies related to penalty fees for non-payment or late payments?
3. Was it the Council's intent when establishing these policies to "write off" the lost revenue?
 - a. If no,
 - i. Does the Council have a timeline in mind to provide residents and businesses to bring their accounts up to date?
 - ii. Staff proposes a two month grace period to notify customers and allow staff to assist residents who may still need assistance in setting up a payment plan. Is this timeline acceptable?
 - b. If yes, staff will adjust property records accordingly and no further direction is needed.

¹ <https://www.homefacts.com/unemployment/Illinois/Cook-County/Rolling-Meadows.html>

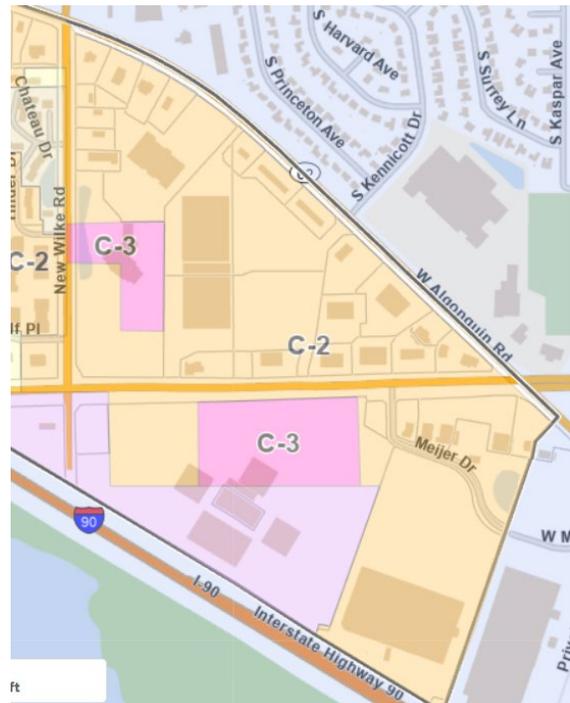
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2) Topic: Cannabis Dispensaries in Commercial Zoning Districts east of New Wilke

HISTORY/BACKGROUND:

When Medical Cannabis was authorized by the state in 2013, the City of Rolling Meadows amended its Zoning Code to allow Medical Cannabis Cultivation Centers and Dispensaries as special uses in the M-1 Zoning District. The City's only existing dispensary, Nature's Care on Rohlwing Road, was authorized under those provisions. It continues to operate today as an adult use (aka "recreational") facility pursuant to amendments adopted by the City in 2019, in response to the State's authorization that became effective January 1, 2020. With each set of codes and amendments, the City largely utilized model codes provided by the Illinois Municipal League that were based on State requirements at the time, and modified to address local concerns. Each amendment was brought forward in response to specific business inquiries, as it was thought regulations would be better written if the City could better understand the specific needs of this fast-changing business model, which continues to be heavily regulated by the State.

Over the past several months, staff has been fielding inquiries from cannabis dispensaries wishing to open in Commercially ("C") zoned properties, mostly in the commercial areas east of New Wilke Road with Algonquin or Golf Road addresses. As stated above, current regulations only allow dispensaries as special uses in Manufacturing ("M") zoned properties. Staff is seeking Council concurrence to process a city-initiated text amendment on commercially zoned properties east of New Wilke Road, as shown in the map to the right, to accommodate dispensary uses only. Key issues for Council's consideration are discussed in more detail below.



Location Considerations.

Permitted or Special Use. Traditional zoning identifies which zoning district or districts a particular use is appropriate in, and then determines whether the use should be a permitted use or a special use. Permitted uses are allowed pursuant to securing necessary business licenses and building permits. Special uses trigger public hearings and approval of an ordinance by the City Council before business licenses and building permits can be requested. Special uses consider whether the specifics of the case warrant the imposition of any special conditions of approval that might help mitigate negative impacts on surrounding properties. As mentioned above, all cannabis uses in Rolling Meadows are currently regulated as special uses in Manufacturing ("M") zoning districts. Because of the sensitive nature of this use, and the ever-changing state requirements that impact how a building and property must be equipped, staff continues to recommend these uses be authorized as special uses.

Separations. Currently, the City Code highly restricts where in the “M” districts the various cannabis uses are allowed, mostly based on earlier requirements by the State. For example, early state regulations included separations between cannabis uses and certain sensitive uses like schools, daycares, churches, etc. Most of these State locational requirements were dropped when the newer adult use regulations were adopted in 2019, however many of the separation requirements remain in the City’s codes as follows:

1. The City’s code does not allow a dispensary within 1,000 feet of the property line of a pre-existing public or private nursery school, preschool, primary or secondary school, day care center, day care home or residential care home. Learning centers and vocational/trade centers shall not be classified as a public or private school for purposes of this Section.
2. Dispensaries may not be located within 1,000 feet of the property line of a vacant property zoned residential or a pre-existing use or structure on a property zoned and used for residential purposes.

The State no longer has these separation requirements, with the only remaining regulation requiring a separation of 1,500 feet between separate cannabis uses, although there are now exceptions to that rule.

Unlike many of the City’s commercially zoned areas that are relatively small, with residential neighborhoods immediately adjacent the commercial zones, the proposed locations east of New Wilke Road constitute a large area of commercial property, where the closest residential properties are not adjacent, but across a major road. Some commercial zoned properties in these areas would not qualify if the existing 1,500 foot separation would remain. For example, there are multi-family residential uses in the City on the west side of New Wilke across the street from commercially zoned properties that might qualify for dispensaries if the 1,500 foot separation requirement were removed.

Residential properties also exist on the north side of Algonquin in Arlington Heights that are within 1,500 of commercial properties located on the south side of Algonquin in the Market Place shopping center area. Staff is requesting Council’s feedback on removing or reducing the 1,500 foot separation requirement and believes the area east of New Wilke is suitable for these uses with minimal to no impact on residential uses. If there are concerns about the proximity of cannabis uses for multi-family properties on the west side of New Wilke road, the new code could authorize east of New Wilke, but with Golf or Algonquin addresses.

Single Use Property and Shared Parking.

Another City requirement that has carried through from the beginning is a requirement that dispensing facilities not be established in multi-tenant buildings or on properties that share parking with other uses. The result is that dispensaries must be located in stand-alone, single-use properties that have their own parking. Prospective dispensaries are providing the City with examples of dispensaries in neighboring communities and suburbs that are located in multi-tenant commercial areas with shared parking, such as the dispensary in Naperville shown to the right. Staff supports this modification given the commercial area being considered east of New Wilke Road would result in minimal impacts on residential and other sensitive uses.



Process.

Staff is preparing the annual Zoning Ordinance “clean up” for public hearing before the Planning and Zoning Commission at their February meeting. This annual process is designed to be a City initiated text amendment petition intended to “clean up” inconsistencies in the code identified throughout the year. This process can also be utilized for other amendments deemed appropriate. Staff has included a discussion of these dispensary amendments in the public notice for that meeting in anticipation of Council support to proceed. If Council is opposed to proceeding with the amendments or wishes to spend more time evaluating the amendment, they will be removed from the petition and planned February public hearing before the Planning and Zoning Commission.

STAFF SUMMARY AND RECOMMENDATION:

Recent inquiries from prospective cannabis dispensaries to locate on commercially zoned properties east of New Wilke Road cannot be accommodated without a text amendment to add them as special uses in Commercial zoning districts. The City’s current code only allows them in manufacturing zoning districts as special uses.

- Staff supports text amendments that allow for dispensaries in commercial zoned properties in the area east of New Wilke Road, because there would be little to no impact on nearby residential properties or other sensitive uses like churches and schools, which are common in the City’s Kirchoff Road and Plum Grove Road commercial corridors.
- Staff supports removing all separation restrictions for dispensaries for this newly designated area that are no longer required by the state.
- Staff supports allowing dispensaries in this area in multi-tenant buildings with shared parking.

With Council concurrence to proceed as recommended by staff above, the necessary text amendments will be processed as part of the Zoning Ordinance clean up currently scheduled for public hearing in February.

The decision matrix below is provided to assist the Council in providing direction:

1. Should the City process text amendments to allow dispensaries east of New Wilke Road on commercially zoned properties?

If yes:

- a. Is the entire area east of New Wilke Road to be eligible, or should properties with frontage on New Wilke (across from multi-family) be excluded?
- b. Should they be processed as special uses?
- c. Can the 1,000 foot separation requirements be removed?
- d. Can the uses be accommodated in multi-tenant shopping centers with shared parking in the new commercial areas defined to allow dispensaries?

2. Does Council have any other feedback or direction?