

**BOARD OF TRUSTEES WORK SESSION**  
**1104 Carpenter Street, Mokena, Illinois 60448**  
**Monday, September 9, 2019**

**CALL TO ORDER**

Mayor Fleischer called the Board of Trustees work session to order at 7:43 p.m.

**ROLL CALL**

The following Trustees were present:

- Joseph E. Budzyn
- Jillian Hersted
- George Metanias
- Jim Richmond
- Debbie Engler

Absent: Joe Siwinski

Also present were: Deputy Clerk Judi Frieling; Village Administrator John Tomaso; Finance Director Barb Damron; Assistant Village Administrator Kirk Zoellner; Police Chief Steve Vaccaro; Public Works Director Lou Tiberi; Civil Engineer Brian Fei; Community/Economic Development Director Alan Zordan; and Village Attorneys Stephen White and Carl Buck.

**Brotherhood Brewing**

Community/Economic Development Director Alan Zordan presented this topic.

<p align="center"><b>Brotherhood Brewing</b>  <b>18781 S. 90<sup>th</sup> Ave,</b>  <b>Unit E</b></p> <p align="center">Special Use Permit Request          Village Board Work Session          September 9, 2019</p>	<p align="center"><b>Request</b></p> <ul style="list-style-type: none"> <li>▶ Special Use Permit to operate an alcohol production facility (brewery) with a tasting room at 18781 S. 90<sup>th</sup> Avenue, Unit E in Corporate Corridors North Business Park.</li> <li>▶ +/- 3,357 square foot brewery and tasting room</li> </ul>
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	<p align="center"><b>Village Board Conceptual Review</b></p> <ul style="list-style-type: none"> <li>▶ On July 15, 2019, the Village Board conceptually reviewed this request.</li> <li>▶ The Board generally favored the proposal and directed staff to forward the request to the Planning Commission for a public hearing.</li> </ul>
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<p align="center"><b>Planning Commission Recommendation</b></p> <ul style="list-style-type: none"> <li>▶ On August 15, 2019, the Planning Commission held a public hearing.</li> <li>▶ Denver Worker, representing Crafted Bottle Shop, spoke in favor of Brotherhood Brewing.</li> <li>▶ The Planning Commission unanimously recommended approving the Special Use Permit.</li> </ul>	
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- ### Discussion
- ▶ Brotherhood Brewery proposes to lease +/- 3,357 square feet for an alcohol production facility (brewery) and tasting room.
  - ▶ The Class G brewery license will allow Brotherhood Brewery's craft beer to be sold to the public as well as distributed.
  - ▶ Brotherhood Brewery will have a small merchandise area for the retail sale of growlers, shirts, and miscellaneous items related to the brewery.
  - ▶ This business will operate similar to Tribes Beer Company on Front Street.

- ### Discussion
- ▶ The tap room will be +/- 1,351 square feet and the remaining 2,006 square feet dedicated to the brewery.
  - ▶ Patrons will access the brewery through the front door located on the north side of the building.
  - ▶ There will be no outdoor beer garden.
  - ▶ All deliveries will through the back overhead door located on the south side of the building



## Parking

- ▶ Calculating the parking requirements for the entire +/- 40,000 square foot building is difficult because there are no other proposed tenants at this time.
- ▶ If this proposal is approved, Brothership Brewing will be the first tenants to open in the building.

Suite #	Business	Square Footage/Employees	Required Parking	Available Spaces
E	Brothership Brewery	1,300 sf tap room 5 employees for brewery	13 spaces for tap room and 4 for brewery	17 spaces
A-D and F-M	Vacant spaces	36,600 square feet and assumes up to 162 employees	Unknown	108 spaces
<b>TOTALS</b>		40,000 sf, 167 employees	17 spaces	125 spaces

## Hours of Operation and employment

- ▶ Sunday: 12:00 pm to 8:00 pm
- ▶ Monday - Tuesday: Closed to the public (Brew days)
- ▶ Wednesday - Thursday: 3:00 pm to 9:00 pm
- ▶ Friday: 3:00 pm to 10:00 pm
- ▶ Saturday: 12:00 pm to 10:00 pm
- ▶ Brothership Brewing consists of five owners. They anticipate operating the facility solely by themselves. If the Special Use Permit is approved, Brothership Brewing would like to open to the public this year.

## Draft Special Use Ordinance

- ▶ Owner agrees that neither it nor its respective purchasers, lessees, permitted successors or assigns shall designate an "order-acceptance point" other than the Village of Mokena, Will County, Illinois, for determining the municipal sales tax.
- ▶ Owner agrees that state sanctioned video gambling terminals will not be permitted.
- ▶ Owner agrees to comply with Village of Mokena Business Regulations, Building Code Regulations, Fire Code Regulations, and Liquor Control Code.

## Village Board Direction

- ▶ Provide comments regarding draft Special Use Ordinance.



**Discussion:** Applicant, Tom Soltis, introduced the members of his business team. The Board directed staff to prepare the final ordinance for adoption at the September 23, 2019 Board meeting.

## Illinois Cannabis Regulation and Tax Act

Village Administrator John Tomasoski introduced this topic.

# Illinois Cannabis Regulation and Tax Act

September 9, 2019

Greenhouse Group LLC  
Village Staff

## Medical Marijuana Dispensary

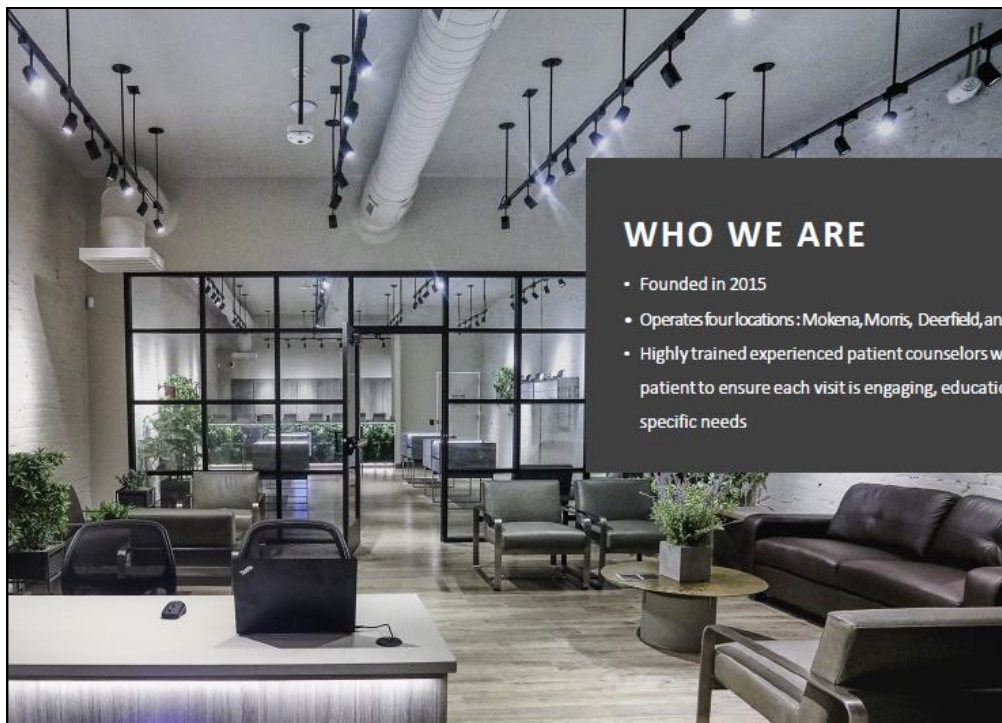
- Located at 9930 190<sup>th</sup> Street
- Special Use Permit
  - April 27, 2015
  - Condition
    - "Owner agrees that only medical marijuana will be sold/dispensed at this location and that under no circumstances, regardless of State Law, shall recreational marijuana be sold/dispensed without the specific approval of the Mokena Village Board."

Matt Darin provided a presentation on the history of the Greenhouse Group and the potential benefits of the cannabis regulation and tax act for the Village of Mokena.



Presentation to Village of Mokena Board  
September 9, 2019

Greenhouse is one of Illinois' most trusted dispensaries, proudly serving four communities (and counting). We provide patients from all walks of life with inclusive, helpful support, high quality medicinal cannabis products, and a community that helps them discover how cannabis can improve their lives.



## WHO WE ARE

- Founded in 2015
- Operates four locations: Mokena, Morris, Deerfield, and Litchfield
- Highly trained experienced patient counselors work one-on-one with each patient to ensure each visit is engaging, educational, and customized to their specific needs

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## History in Mokena

- Greenhouse opened its doors in Mokena on January 12, 2016
- Ranked #11 of 55 dispensaries in the state based on most recent patient count data provided by Illinois Department of Public Health
- Employ 20 people in Mokena currently with headcount additions planned.
- Actively involved in Mokena with many community and local medical organizations



## Medical Program Update

- Number of Licensed Medical Cannabis Dispensaries – 55
- 2019 Total Retail Sales by Licensed Medical Cannabis Dispensaries -- \$125,944,638.54
- Total Retail Sales since November 2015 by Licensed Medical Cannabis Dispensaries - \$386,038,548.78
- 2019 Total Wholesale Sales by Cultivation Centers -- \$68,375,288.92
- Total Wholesale Sales since November 2015 by Cultivation Centers -- \$213,782,732.29

Data provided by Illinois Medical Cannabis Pilot Program as of 7/31/2019 | [https://www2.illinois.gov/sites/mcpp/Pages/update08072019\\_mcpp.aspx](https://www2.illinois.gov/sites/mcpp/Pages/update08072019_mcpp.aspx)



## WHAT WE BELIEVE IN

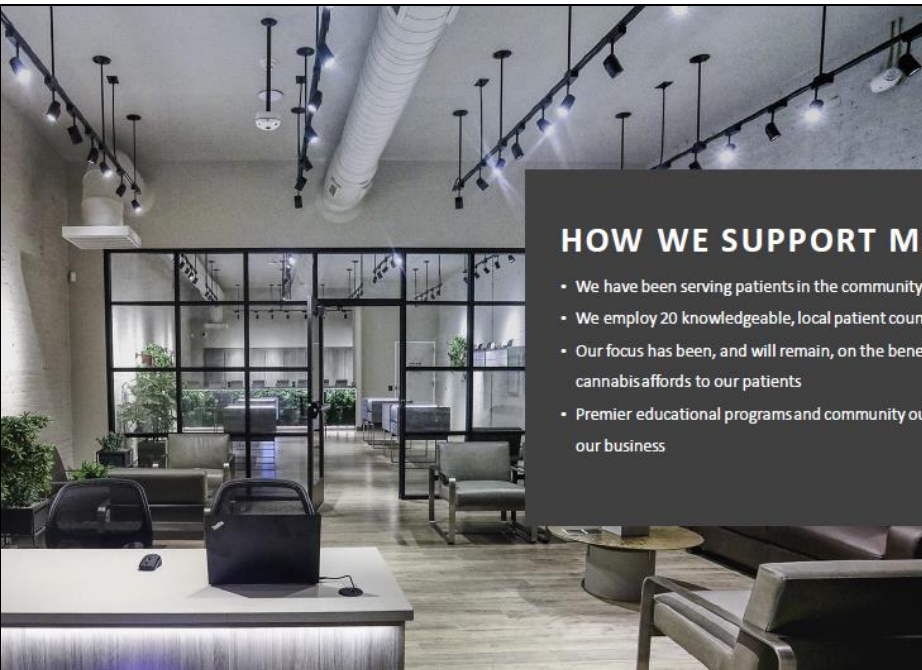


Diversity is paramount to us to better serve our patients and communities

- Full-time employment is encouraged whenever possible
- Hourly wages from \$15–\$25/hour plus benefits
- Employees sourced exclusively from the community through job fairs and outreach
- Significant opportunities for career growth, extensive training, and advancement

Health and wellness initiatives are our focus, including cannabis education seminars to ensure safe and responsible use

- Consistent contributions and support for local charitable organizations and non-profits
- Focus on supporting local first responders
- Operating community outreach cannabis patient programs, including Multiple Sclerosis, cancer, PTSD, veteran support groups



## HOW WE SUPPORT MOKENA

- We have been serving patients in the community since January 2016
- We employ 20 knowledgeable, local patient counselors
- Our focus has been, and will remain, on the benefits to health and wellness cannabis affords to our patients
- Premier educational programs and community outreach are vital to our business

## Cannabis Regulation and Tax Act



### Early Approval Adult Use Dispensary License

- Any licensed medical dispensary can apply to serve adult use purchasers at its existing location
- Must maintain adequate supply for medical patients
- Existing dispensaries can also apply to operate second dispensary in same BLS region (55 additional locations)

### New Licenses Coming

- IDFPR shall issue up to 75 dispensary licenses before May 1, 2020 and 110 additional licenses by Jan 1, 2021.
- Dept of Agriculture will issue 8 more cultivation licenses, up to 150 craft grower licenses, and 100 infuser licenses



## MUNICIPAL TAX BENEFITS

- Municipalities may enact up to a flat 3% tax on gross adult use sales receipts
- Counties will receive a local tax of 0.75% of gross sales
- A total of 3.75% local sales tax with 3% going to the city/township/village and .75% going to the county is available
- 8% of state taxes collected on cannabis sales to the Local Government Distributive Fund to fund crime prevention programs, law enforcement training, and drug interdiction efforts



## WHAT THIS LOOKS LIKE IN MOKENA

- Projected 2019 medical sales: \$6.5 – 7 million
- Projected 2020 medical + adult use sales: \$15 – 20 million
- Potential total tax revenue for Mokena: up to \$300,000 - \$600,000 in first year



**Request:**

Approve adult use sales at existing Greenhouse medical dispensary location

Matt Darin

Founder / Chief Operating Officer

[mdarin@greenhouseil.com](mailto:mdarin@greenhouseil.com)

Village Administrator Tomasoski provided details on what local governments are allowed under the Cannabis Regulation and Tax Act

## Background

- Cannabis Regulation and Tax Act legalizes recreational use of marijuana
  - IL residents 21+ can:
    - possess up to 30 grams
    - 500 mg of tetrahydrocannabinol (THC) content of edible products
    - Marijuana can be used in most private residences and cannabis lounges
  - Allows for expungement of many prior convictions of marijuana possession
- Medical marijuana dispensaries and new retail stores will be licensed to sell
- Medical cannabis patients will be allowed to grow up to 5 plants each
- Recreational Consumption prohibited in any public place

## External Considerations

- The use of marijuana remains federally illegal, but federal law enforcement has not prosecuted businesses complying with state programs
- Considerations for allowing recreational cannabis businesses include:
  - potential tax revenue
  - short-term/long-term jobs
- Considerations for prohibiting recreational cannabis include:
  - No adequate locations considering permitted regulations (i.e. location and zoning)
  - Potential impact on public safety resources



## Effect on Employers

- Act permits employers to adopt zero tolerance policies for use, possession, and distribution in the workplace.

Employers  
Can

- Discipline employees who are under the influence or have marijuana with them.

Employers  
Cannot

- Discipline employees for using marijuana or other lawful products outside of work (exceptions include CDL drivers)

## Commercial Sales

- The Act regulates cannabis in the same manner as alcohol (i.e. proof of age, driving under the influence)
- Cannabis sold in stores will be tested, labeled, and subject to additional regulation to ensure purchasers are informed and protected
- Purchasers will be informed of any known health risks
- Sales will be taxed at 10% for THC levels 35% or less, 20% for cannabis infused products (edibles), and 25% for THC concentrations more than 35%
- Municipalities may add special taxes of up to 3% by Ordinance

## Local Government



Ban cannabis businesses within their boundaries



Ban individual possession

- Any private person, business, or landlord may prohibit use on private property

## Municipal Regulations

CAN

Enact ordinances governing time, place, manner, number and distance between cannabis business establishment operations

Establish civil penalties for violations

Regulate on-premises consumption of a cannabis business establishment

Enact ordinances to prohibit a cannabis establishment

CANNOT

Prohibit home use or cultivation authorized by the Act.



## Discussion



- Does the Village wish to permit recreational dispensaries within Village boundaries?
  - If NO, then an ordinance will need to be approved prohibiting such sales
  - If YES, then the Village will need to decide:
    - in what type of zoning district
    - whether to grant special licenses for on-site consumption



Trustee Metanias spoke about the condition in the special use permit that did not allow recreational marijuana to be sold and that he is not in favor of allowing recreational sales. He would also urge the surrounding municipalities not to approve recreational sales.

Trustee Richmond thanked Matt Darin for his presentation. He feels medical marijuana is a good tool for patients suffering certain health issues. He pointed out that the state will receive the bulk of the revenue generated from sales of recreation marijuana leaving local governments to deal with problems that may arise. He is not in favor of approving recreational sales.

Trustee Engler and Mr. Darin discussed the limits that are placed on sales. Mr. Darin clarified that medical purchases are tracked and there are very stringent controls in place. Medical marijuana users are registered at a particular location and cannot make purchases from other vendors. She was not in favor of approving recreational sales.

Attorney Carl Buck clarified that recreational marijuana will not be tracked like medical marijuana.

Trustee Hersted agrees with the rest of the Board. It doesn't make sense for the Village to take on the cost of potential problems while the state receives the bulk of the tax and no responsibility.

Trustee Budzyn can't support the proposal. All he foresees are problems.

Matt Darin stated that Mokena will have to deal with public safety either way. Without approval, the Village will have to assume the cost with no tax benefit.

Mayor Fleischer spoke about the current vaping issue. He stated he would rather err on the side of safety. He spoke highly of Greenhouse Group and how medical marijuana has been a benefit for many patients.

Mr. Darin inquired why the Board doesn't question the proposed brewery as thoroughly as they questioned him.

Mayor Fleischer stated that the purpose of his product to get high. People can patronize a brewery without becoming impaired.

### **Staff Reports**

Mayor Fleischer and Administrator Tomasoski informed the Board that the next proposed development project will not be ready for the September 16<sup>th</sup> work session, which leaves two items for the agenda. The Board concurred to cancel the work session and place all of these items on the September 23<sup>rd</sup> work session

There being no further business to bring before the Mayor and Board of Trustees, Mayor Fleischer adjourned the work session at 8:33 p.m.