

**FINDINGS OF FACT  
AND RECOMMENDATION**

To: Village President and Board of Trustees

From: Wheeling Plan Commission/Sign Code Board of Appeal

Re: [Docket No. 2020-10](#)  
1480 S. Wolf Road  
Special Use to Permit a Cannabis Craft Grower and Infuser in the I-1  
(Light Industrial and Office District) and a Cultivation Center in the I-3  
(General Industrial District)

1837 Craft Grow, LLC, (contract purchaser), seeks a Special Use as required under Title 19, Zoning, of the Wheeling Municipal Code, Chapter 19-10.060 Nonresidential Use Regulations, and associated sections, to permit a cannabis craft grower and infuser in the I-1 (Light Industrial and Office District) and a cultivation center in the I-3 (General Industrial District), for the property located at 1480 S. Wolf Road.

Chairman Johnson called Docket No. 2020-10 on September 23, 2020. Present were Commissioners Blinova, Creech, Johnson, Kalis, Sprague, Thompson and Yedinak. Also present were Marcy Knysz, Village Planner and Mallory Milluzzi, Village Attorney.

Ms. Knysz explained the lot is in the split zoning corridor on Wolf Road where there is I-1 in the front and I-3 in the back. Most of the entire building is in the I-1 Zoning District. The request is for a cannabis craft grower and infuser facility which is permitted in the I-1 Zoning District, but is not permitted in the I-3 which in the future it maybe a potential text amendment. In order to cover the entire property for this type of use, the cultivation center was added to cover the I-3 portion of the property because a cultivation center is allowed in the I-3 Zoning District but not in the I-3. The building in general, is not going to be approved as a full-blown cultivation center, it is still just being proposed for approval as a craft grower and infuser. If it wasn't done this way, there would be an imaginary line in the property and they would not be able to use the back 10' of their building because it wouldn't be included in the zoning for the I-1 craft grower and infuser.

Commissioner Kalis read the following statement.

A Special Use, as defined in the Zoning Code, is a use of parcel of land that requires review and consideration before approval due to the potential for negative impacts on surrounding properties. In order to be considered for a special use the petitioner is required to demonstrate through testimony to the Plan Commission at a public hearing that their request meets the standards of the village code including, but not limited to, how the proposed use will not damage the enjoyment or use of the surrounding properties.

Prior to the public hearing the petitioner provides written statements meant to show that their request meets the standards for a special use as established in Title 19. The Commission

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Chairperson will typically direct that these statements be entered into the record without a full reading of them at the hearing. Based upon the testimony and supporting materials submitted, the Plan Commission will make findings in support of, or against, the petitioner's testimony and report those findings to the Village Board.

Mr. Nicholas Standiford, Attorney, Schain, Banks, Kenny & Schwartz, Mr. John Zitzman, SVP of Operations, 3170 North Sheridan Drive, Apt. 609, Chicago, Mr. John Cochran, CEO, 1311 23<sup>rd</sup> Street, Manhattan Beach, CA, Nosa Ehimwenman, Partner, 180 N. Stetson, Chicago, IL and Jeremy Olsen, Architect, Daylight Studio Architects, Oak Park were present and sworn in.

Mr. Standiford stated that 1837 Craft Grow, LLC was the contract purchaser of the property. They are hoping to do craft grow and infusion at the facility. They are seeking a Special Use permit and minor site plan and appearance approval. They concur with the proposed Special Use findings and thanked Staff for their help.

Mr. Olsen described the existing building. They do not intend to make any significant changes to the exterior of the building. They are adding a couple of personnel doors to the rear of the building to handle interior operations. The parking lot will remain the same size, but it has been reconfigured to comply with the zoning ordinance. They have also provided additional accessible spaces and requested a fire lane area at the front of the building as well as parking lot lighting. The primary entrance and exit of the building will be located on the north for employees. The grow facility is the big square and the office administrative is in the small office block at the front of the building. The office staff will not have routine access to the back portion of the building. Everything is highly secured to avoid any issue with employee theft. The primary entrance for the bulk of the workers will be located at the north end of the building. There is a security suite next to it with an airlock entrance. The center portion of the building includes all stages of plant growth. They have tried to provide a safe and secure, non-intrusive and relatively low-key facility in a new industry.

Mr. Standiford referred to the landscape plan. They have provided some diversity of plant life around the facility where it is lacking. They will submit the irrigation plan at the building permit stage. The trash enclosure will include cedar fencing and a black frame and will contain business trash. A sign will be placed on the enclosure, so people do not go through the garbage looking for cannabis. The cannabis will be mixed with a non-cannabis item and eliminated in a compost room. It will be removed from inside the facility by a third party.

Mr. Olson reviewed the lighting plan. They have added new lights and plan to replace the heads of the existing masts in the front parking lot with new LED fixtures that are full cutoff. They have tried to meet the general goals to provide adequate light for safety and sense of security and to make sure there is no light intruding onto the adjacent properties. There are new parking lot light fixtures toward the northwest to light the parking lot.

Mr. Standiford stated there will be 20 employees on-site 24 hours a day growing the plant material so the exterior lighting is important to make sure it is safe. Pictures of the proposed lighting fixtures were provided.

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Mr. Standiford explained craft growers were smaller than a cultivation level which is a much larger scale. It is a special State license to grow cannabis in a smaller facility. The State has still not awarded licenses, but they are hopeful to be awarded one.

Mr. Cochran has been in the cannabis business for three years and prior experience in farming and consumer goods for 20 years. He has worked with cannabis in 12 states and has worked on medium and very large projects. The proposed is the smallest cannabis project he has worked on. He explained it is designed to be a craft grow similar to a craft brewery. The square footage of cannabis in this facility is only 5,000 square feet versus a 125,000 square foot facility in Maryland. In this case, the facility is perfectly sized for the initial phase and could grow to 14,000 square feet. The center of the floorplan is where the plants are located.

Mr. Cochran mentioned there were cameras everywhere for security. Employees enter in the center and the larger rectangular area to the east of the entrance is the nursery facility where the plants start off as seeds or cuttings. Once there are plants in the facility, they will not need to start with seeds. The process begins with a cutting until it roots (a couple of weeks), then it moves to a pre vegetative stage for 2-3 weeks and then gets moved out of the nursery into one of the eight grow rooms where it spends 14-16 weeks. During the last half, it goes from 12 hours of light and 12 hours of dark to 18 hours of light and 6 hours of dark which makes the plant flower and the flower is the product. They will harvest a room, clean it up and replant a room every week. It is on an 8-week cycle. After harvest, they take the plant material and dry the flower and cure and trim it into products that can be packaged and sold to dispensaries. They are not in the retail business. The product that is not good enough to turn into flower is grinded up and becomes the infusion part of the process. Two different processes are used which is turned into the same raw material for things like edibles, which will be made and packaged at the facility and delivered to customers.

Mr. Cochran explained they vault all the finished material and their salespeople go to the licensed stores and the orders would physically be delivered the next day. The northeast corner is where the trucks are loaded with the doors closed. The trucks go out in the morning and the cash comes back to the vault with a two-person receiving team. Once a week, the cash is taken to their bank accounts directly. Everything uses swipe cards and most people only have access to the areas they work in every day.

Mr. Zitzman stated they will employ between 20-30 employees. Four partners own 1837 Craft Grow, LLC and is majority owned by partner, Nosa Ehimwenman. They are planning to hold a Wheeling job fair to offer the jobs to Wheeling residents first. They chose Wheeling because they felt the building was the right size and they liked the location. They do not want a fence around the building to draw attention to the facility. They hope to start construction by the end of the year depending on when the license would be issued. The licenses have been delayed because of COVID.

Chairman Johnson opened the discussion to the public.

From the audience, Ms. Valerie Dolorian, Briarwood Terrace Apartments, 1501 South Wolf Road, Prospect Heights was present and sworn in.

Ms. Dolorian oversees the apartment complex across the street. She has over 450 families that live in the development. 57% of her clientele will not call the Police for any suspicious activity because their culture states to keep to themselves. Her concern is for vandalism to their location once the business use is known. She expressed concern with the type of crowd the business would attract. She asked about the security on-site, camera locations and the protection for people outside the building. She asked about the outdoor lighting since a lot of the apartment windows face Wolf Road.

Mr. Standiford confirmed the security guard would not be armed but he/she would contact Police for any occurrence. Mr. Cochran reconfirmed there would be no armed guards, but they would be present 24/7. Most times, there will be more than one person during the heavier operational hours. There will be about 150 interior and exterior cameras for security. He reiterated that the location did not sell products but only grew products inside the facility. There will be no signage to advertise selling of product. Ms. Dolorian questioned if their vehicles were marked. Mr. Cochran confirmed the delivery vehicles were either unmarked or marked with something else. Commissioner Kalis mentioned the Brink's security trucks that people would be seen.

Mr. Olsen referred to the lighting spillage onto the residential complex across the street. He confirmed the existing lighting is metal halide fixtures. The proposed lights are LED and will have a cutoff that will have a light level of .1 foot-candle as it crosses the property line. There are either 13 or 17 cameras on the outside of the building which will be constantly monitored and will probably have some spillover onto the public way. The video is also recorded.

Chairman Johnson opened the discussion to the Commission to address the Special Use.

Commissioner Blinova questioned if there would be an odor outside the facility. Mr. Cochran explained the inside grows were the easiest to control smell, but he did admit the plants were stinky. They will install the best they can find state-of-the art filtration system that will clean the air and exhaust out the top. He said the wind would go in the opposite direction so it would not head toward the apartments.

Commissioner Sprague disagreed about the direction of the wind. He explained most of the winds came from the west into the east which is in the direction of the apartments. Mr. Olsen explained the location of the louvers was in the northwest corner of the buildings and facing as far back on the building as possible. Commissioner Sprague questioned the amount of odors that would escape from the vents to the apartments across the street. He questioned if the neighbors would know when they were manufacturing. Mr. Cochran did not think so because it was far, and the systems were very effective.

Mr. Ehimwenman referred to the odor and explained they could also add some make up air units with air scrubbing if they identify that they were impacting the neighbors. He explained the proposed louvers should filter it, but they could add some air units and air filtration systems to clean the air before it leaves the louvers which decreases the amount of CFMs that came out.

Commissioner Kalis questioned the current use in the building. Chairman Johnson explained it

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was currently DGI Supply, a manufacturing company. The business is still operating.

Commissioner Kalis questioned if there had been an issue with security in the past when people find out that cannabis was being grown. Mr. Cochran confirmed he had not experienced it in any of his facilities. He had only experienced a security issue with a delivery vehicle on the road. His last job had 32 stores and that is where all the vandalism occurred. He had never experienced a loss of vehicle, goods or cash. Commissioner Kalis questioned the reason it was a cash business. Mr. Cochran explained it varied by state which means it will also change over time. He mentioned in California and Arizona you could pay by credit card, but in Illinois it is all cash.

Commissioner Kalis questioned if the business was intentionally a craft business or was it because of the size by issuing 20 or 21 cultivation licenses which was spread out in the state. Of the 21 licenses, 15 or 16 of them are operational today. The State came back but was not ready to issue more of the cultivation bigger licenses (without limitation on scale) so they issued 40 craft licenses. It is a way to define scale and the potential for scale. They are hoping to get a license out of the hundreds of people who had applied.

In response to Commissioner Kalis' question, Mr. Cochran explained the employees in the infusion area would work normal business hours. The cultivation team will have someone present 7 days a week. Generally, the work is lightest on Sundays and is just caretaking. There will be people working a second shift, but the crew will be less than half or a third of the size.

Commissioner Kalis questioned if there was a desire to do onsite retail in the future. Mr. Cochran confirmed there was no desire.

Commissioner Yedinak questioned the zoning. Ms. Knysz explained the State would ask the Village to sign off if the applicant had satisfied the zoning for the Village. The Village has made definitions of craft grower and infuser to be smaller in scale and the cultivation center to be larger. At the time the regulations were written, the Village took what was for medical marijuana that was allowed in I-2 and I-3 and made it what was allowable for a cultivation center. The new use category of craft grow and infuser ended up just being put in the I-1 and MXI Districts because it was supposed to be a smaller scale. There has been discussion at the Staff level of letting the infuser use be permitted in all three Zoning Districts, but it was meant to be a smaller scale. It will not allow a cultivation center in the entire building. The building is technically just limited to the craft grow size of 14,000 square feet. Commissioner Yedinak questioned if it was violating any of the Village's rules because the west end of the building is in I-3 for the infusion. Ms. Knysz explained it was just a small sliver. He questioned if the building should be rezoned so it made more sense. Ms. Knysz explained Staff discussed it a lot and Director Klicker felt it was the most appropriate way to deal with it. Staff was directed by the Village Board to look at the area and do a potential rezoning to all I-1 or I-3, but Staff has not yet looked at it. Commissioner Yedinak questioned if it gets approved as is and the infusion is on the west end of the building and it is in an I-3 and technically an infusion is not permitted in an I-3. Ms. Milluzzi believed that a cultivation center can do everything that a craft grower and infuser can do, but just at a larger scale. Being approved as a cultivation center for the tiny sliver, still means they can grow, cut and infuse it but the distinction is in how large. There

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would be no zoning issues as far as the use. It is the same use, but the craft grower cannot get larger than 14,000 square feet. Commissioner Yedinak referred to the fact sheet from Staff which states that the size limitation of a craft grower was 14,000 square feet but the building is 59,000 square feet. Mr. Cochran explained the square footage designation is the square footage of the canopy for the plants. It is really defined as the interior square footage of the eight rooms in the middle or any other rooms they would build for the plants in the 14-16 week veg to flower to harvest cycle and everything else doesn't count. Commissioner Yedinak questioned how the open area was managed going forward. Mr. Cochran believes the process allows for 5,000 square feet of canopy and then they could apply to go from 5,000 upwards to 14,000. Commissioner Yedinak questioned who regulated what happened inside the facility. Mr. Cochran confirmed the State regulates it with inspections. He explained the square footage was a guide for the volume of output. The volume of output will mostly be driven by the square footage. Every plant is tagged from shoot to harvest.

In reply to Commissioner Yedinak's question, Mr. Cochran confirmed just the flowering rooms in the center were included in the square footage. The infusion rooms are not included in the square footage.

Commissioner Yedinak questioned the qualifications for jobs. Mr. Cochran explained at least half of the jobs were for people interested in working with plants and had good attention to detail and a good work ethic. The jobs in infusion are for chemists. The cultivation leads are people who know cannabis and are agriculture people. They will also offer a lot of training.

Commissioner Thompson expressed concern about the odor for the neighboring apartments, townhomes and single-family homes. She is a former resident of Colorado and knows the smell can easily carry for ½ mile. She asked if carbon filters were being used. Mr. Cochran agreed carbon filters were one of the best approaches, he has also used natural oils as masking agents that were very effective. He explained it is so much better than in the past. Their commitment is to have no odor or next to nothing. Commissioner Thompson questioned if there was anything within the State that monitors the odor pollution. Mr. Cochran was unsure what the State has planned for monitoring. He explained this is the easiest to handle and most effective. Commissioner Thompson asked what they were using for filtering System. Mr. Cochran stated they will use carbon filters and whatever is the best thing they could get at the time. He had experience with a much larger facility in Maryland with 100,000 square feet of indoor and the facility was in a very residential area and close to a high school and they never had a problem. Commissioner Thompson asked if there was an odor when standing outside of the facility. Mr. Cochran confirmed you should not be able to tell it was a grow facility, only on an occasion.

Commissioner Creech had no questions.

Chairman Johnson was confused about the zoning and thought they should be asking for a variation on the zoning that would make it simpler. Ms. Milluzzi explained a variation could not be requested since it is the underlying zoning of the property and usually a variation is asking for exceptions. To allow a use that is not permitted in the Code would require a text amendment and not a variation. Chairman Johnson thought that was being done for this proposal. Ms. Milluzzi explained that approval for two uses was being requested. The property is split zoned

but the 95% of the building in the I-1 Zone and the use that is allowed in the I-1 Zone is the craft grower. The remainder of the property is in the I-3 Zone and craft growers are not allowed in the I-3 Zone, but cultivation centers are, so they are asking for a Special Use for a cultivation center. They are essentially the same use but a difference in size. This is one way rather than having to do a full text amendment that would impact all of I-1 or all of I-3. This just addresses the unique situation of this lot.

Chairman Johnson questioned if the current occupant was leaving. Mr. Zitzman explained the property was on the market when they found it. The current occupants plan on relocating.

Chairman Johnson questioned the reason for not installing a fence around the property. Mr. Zitzman explained they do not want to draw attention as a highly secure facility. They want it to be innocuous for anyone driving by. He spent time at the 100,000 square foot facility in Bedford Heights and there was no odor outside so no one could tell it was a cannabis business. There are no markings on the building and it just looks like a standard building. The facility is not fenced.

Commissioner Creech moved, seconded by Commissioner Yedinak to recommend approval of Docket No. 2020-10, granting Special Use, as required under Title 19, Zoning, of the Wheeling Municipal Code, Chapter 19-07 Industrial District, Chapter 19-10 Use Regulations, and associated sections, in order to permit a cannabis craft grower, infuser, and cultivation center located at 1480 S. Wolf Road, in accordance with the Petitioner's Project Description Letter, prepared by Schain Banks, dated 9/11/2020, Site Plan prepared by Daylight Studio, dated 4/26/2020 (last revised 9/10/2020), and Floor Plan prepared by Daylight Studio, dated 4/26/2020.

On the roll call, the vote was as follows:

AYES:	Commissioners Blinova, Creech, Johnson, Kalis, Sprague, Thompson, Yedinak
NAYS:	None
ABSENT:	None
PRESENT:	None
ABSTAIN:	None

There being seven affirmative votes, the motion was approved.

Commissioner Sprague moved, seconded by Commissioner Creech to close Docket No. 2020-10. The motion was approved by a voice vote.