

MINUTES OF A REGULAR MEETING OF
THE INDEPENDENCE CITY COUNCIL
TUESDAY, MARCH 4, 2025 – 6:30 P.M.
City Hall Chambers

1. CALL TO ORDER

Pursuant to due call and notice thereof, a regular meeting of the Independence City Council was called to order by Mayor Spencer at 6:30 p.m.

2. PLEDGE OF ALLEGIANCE.

Mayor Spencer led the group in the Pledge of Allegiance.

3. ROLL CALL

PRESENT: Spencer, Betts, McCoy

ABSENT: Grotting, Fisher

STAFF: City Administrator Kaltsas, Administrative Services Director Simon, Public Works Supervisor Ben Lehman

VISITORS: City Attorney Vose, Bill Stoddard, Bob Topp.

4. ****CONSENT AGENDA****

All items listed under Consent Agenda are considered to be routine by Council and will be acted on by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- a. Approval of City Council Minutes from the February 18, 2025, Regular City Council Meeting.
- b. Approval of Accounts Payable; (Batch #1 - Checks No. 23460-23465, Batch #2 - Checks No. 23466-23480, Batch #3 - Checks No. 23481-23494 and Batch #4 - Checks No. 23495-23505).).
- c. Approval of annual liquor/tobacco license renewals for the following establishments:
 - i. Ox Yoke Inn - Off Sale, On Sale and Sunday License
 - ii. Windsong Farm Golf Club LLC - Off Sale, On Sale, Sunday and Tobacco License
 - iii. Pioneer Creek Golf LLC - On Sale and Sunday License
- d. Approval of a Temporary Gambling Permit – Orono Baseball Association Event on May 4, 2025.

Motion by Betts, seconded by McCoy to approve the Consent Agenda. Ayes: Spencer, Betts, and McCoy. Nays: None. Absent: Grotting, Fisher. Abstain. None. MOTION DECLARED CARRIED. 3-0

5. Set Agenda – Anyone Not on the Agenda can be Placed Under Open/Misc.

6. Reports of Boards and Committees by Council and Staff.

Betts – None

McCoy – None

Spencer attended the following meetings:

- League of Minnesota Cities/LMC Experience Conference
- lunch with Marvin
- met with Joe Baker and a resident about wetland violation

Simon – None

Kaltsas – None

7. **PUBLIC HEARING:** City Council Consideration of the City’s Street Reconstruction Plan for the years 2025-2029 (the “Plan”) and the issuance of general obligation street reconstruction bonds in an estimated aggregate principal amount not to exceed \$2,000,000 (the “Bonds”).

Tammy – Northland Public Finance serving as an advisor. In order to issue general obligation bonds for the street reconstruction plan, you must have specific authority. When there are no assessments or when less than 20%, in order to issue street reconstruction bonds, you must hold Public Hearing (doing tonight), then a resolution, and must not to exceed \$2 million but no more than that without having another Public Hearing. This resolution is subject to reverse referendum and was published in the paper. Voters would have 30 days to file petition and would require 5% of previous municipal election to call it to a vote. Tonight is about taking action related to authority to issue bonds up to \$2 million. Later there will be another council meeting about the sale of bonds.

Kaltsas – We’re working on those plans trying to find the exact amount and figuring out what the bid looks like. We have made it known that we will be doing bids and reached out to a few. This is unique, not many cities go out for 50,000 tons of gravel road. Lots of cities do bituminous. We feel good about bidding environment to initiate that bid with an award at end of April/early May aiming for the \$1.8-2 million mark.

Public Hearing Opened

McCoy seconded by Betts to close Public Hearing. Ayes: Spencer, Betts, and McCoy. Nays: None. Absent: Grotting, Fisher. Abstain. None. MOTION DECLARED CARRIED. 3-0

- a. **RESOLUTION No. 25-0304-01** – Approving the City’s 2025-2029 Street Reconstruction Plan.

Motion by Spencer, seconded by McCoy to approve Resolution 25-0304-01 approving a street reconstruction plan and authorizing the issuance of general obligation street reconstruction bonds. Ayes: Spencer, Betts, and McCoy. Nays: None. Absent: Grotting, Fisher. Abstain. None. MOTION DECLARED CARRIED. 3-0

8. A proposed text amendment to the City of Independence Ordinance as follows:

Kaltsas – This comes to Council after being considered by Planning Commission and recommended for approval to Council. There are two pieces of this. Rules were drafted last summer, provided parameters to regulations to businesses. Cities have authority with zoning regulations (where they’re allowed within the

city) and ordinances for registration of cannabis businesses. We have ability to adopt or leave the authority to the county (Hennepin). We are recommending authority be maintained by the City. The ordinance for zoning was discussed by Planning Commission but they did not review cannabis business registration as that authority is outside their role and is the City Council's. For Land use: We can't prohibit, however we can regulate which parts of the city by zoning they can go to. We can have buffers around certain land uses. The City looked at land uses that we have guided by the Comprehensive Plan, and Planning Commission reviewed all cannabis uses being regulated by Cannabis Management (listed in table and in the ordinance as Definitions). Types of uses are Retail, Non-retail Uses, Lower Potency Hemp Retailers, and Full Potency Hemp Retailers. Low Potency Hemp Retailers (no more than 5mg THC) would be seen as a tobacco shop, brewery with infused seltzer or beer, etc., & liquor store (infused/edible), these are more common. Low Potency, Full Potency Retail (medical retail, medical dispensary, cannabis retailer), and Mezzobusinesses & Microbusinesses (both cultivate, retail). Planning Commission suggested limiting all cannabis retail to the Urban Commercial/UC zoning district (the approximately 60 acres at the intersection of County Line Rd and Hwy 12 adjacent to Delano's business district). Planning Commission thought most appropriate given lack of retail uses anywhere else in the city. There was discussion about Commercial/Light Industrial (CLI) on City Hall area and Co Rd 90 and Hwy 12. They felt that was too close to parks, residential, and other areas community members drive through frequently. They recommended for Council that all cannabis businesses only located in Urban Commercial/UC. Other types (cannabis event organizer, manufacturer, testing facility, medical organizer, wholesaler, where they don't have direct retail sales) they felt could go Commercial Light Industrial/CLI or Urban Commercial/UC warehouse offices. They also discussed Agricultural/AG district (2/3 of Independence) and felt that there was no reason to open it up to this district as we don't yet know enough and how they produce. The cannabis type is becoming more technical. We're talking about inside growing, regulated. Planning Commission doesn't want AG to be included. Maybe in the future when we know more. Cities less than 12,500 population can limit Full Potency retail business to (1). Planning Commission has recommended we limit to (1). We can limit to (3) for Low Potency Hemp Edible Businesses. Other businesses like Testing, Wholesalers, those are not regulated for numbers, just locations. Planning Commission is recommending Conditional Use Permit/CUP uses, not permitted uses. The City can be more involved to see what it entails. We talked about a buffer and if it makes sense. Commercial Light Industrial/CLI does have some overlap with Pioneer Park. Based on Planning Commission recommending not utilizing Commercial Light Industrial/CLI. The buffer is not needed and would hurt any other retailers that want to lease the existing buildings. All retail is only Urban Commercial. Only Conditional Use Permit/CUP.

The 2nd piece is the Registration ordinance drafted as a model ordinance to say that cities have the ability to regulate through registration to a retail business that (1) has a valid license through Office of Cannabis Management/OCM; (2) has paid the registration fee or renewal fee (if applicable); (3) is found to be in compliance with the requirements of the Cannabis Act at any preliminary compliance check; and (4) if applicable, is current on all property taxes and assessments. This is similar to how we issue liquor licenses and tobacco licenses. We can't make lots of money on it, we're limited on that. We do the background checks and can do annual minor sales investigations. Maple Plain also adopted the same ordinance so West Hennepin Public Safety would appreciate the same rules across both cities. We are not making this up. We are taking model ordinances and learn what we can and can't do. I anticipate us talking about this again once everyone understands more.

Attorney Vose – Great overview and summarizing limitations which are pretty consistent across other cities. The registration piece is tied to your ability to impose the limits of (1) for cities with less than 12,500 population limit on retail establishments. We have to do Registration in order to impose limit.

Betts – I read something about a bunk house and sleeping quarters.

Kaltsas – I show definitions above the new definitions to show where it is in our ordinances. We still have a definition. We don't allow them as a use, we just define them in our ordinance. Bunkhouses are not permitted. Just because something is defined does not mean it is permitted. That's a very good question.

McCoy – I am very uncomfortable without buffers although we're limiting to that Urban Commercial/UC area out by Delano. There is a church on County Line Rd. Daycares, churches. If something falls in these categories, I would like it already in the ordinance if someone comes in for licensing. Secondly, if we have buffer in there, and we have a business and we have a daycare or treatment facility, etc., does that force them out or do they stay because they were there first?

Kaltsas – If we enact buffers and it's applicable (it's within 500 ft), so if we have a church or daycare coming to an area and they have the 500 ft buffer, if they're there, then the buffer would be applicable to any new business and couldn't come into that 500 ft. buffer. If the business was existing today prior to the enactment, it would be grandfathered in, and we couldn't push them out.

McCoy – The Methodist and Lutheran churches could fall into that buffer zone.

Spencer – Delano United is closer

Kaltsas – Delano United might be and would have to be a daycare.

McCoy- I feel strongly churches should be included in this because they often have more youth activities going on sometimes more than daycares or in parks.

Spencer – If we put a buffer around that (Delano United), it would exclude most of the area.

Kaltsas – It would exclude the Northern part but not the SE corner. 500 ft from Delano gets us to Hwy 12. It would exclude the entirety of the northern piece of our Urban Commercial/UC district meaning that we're limiting it to just the SE corner of County Line & Hwy 12.

Spencer - Is it legal to limit it to that small of an area for opportunity?

Vose – Honestly, I don't know. That will be one of the many things tested. Legislature has said you have the authority to establish these buffers and the consequence of that are to very much limit and know your position will be that we've been authorized to do that. The fact that you are going to require a Conditional Use Permit/CUP for all these gives you a stronger argument.

Kaltsas – It leaves about 40 acres if placing buffer. The buffer issue would be an issue on community park. There's no daycare now at the Delano Community Church. Planning Commission said we don't want to restrict like Sam's new business from non-retail users because they could be a viable business for them.

McCoy – I'm mostly concerned with retail. I don't know if it crosses city boundaries. There could be a daycare across from County Line Rd. I'm uncomfortable with it without buffers.

Vose – This isn't a race yet. We are getting closer, but you can make a revision and bring it back.

Spencer – I kind of agree. I was going to bring up Delano United Methodist. I don't think they are doing anything now, so it's currently just their Sunday School and childcare during their services. But Light of Christ does HeadStart. If they were to move to Methodist, it would be in the buffer. I would like to see that in there. We may be overly restrictive but at least we have a place holder in there.

McCoy – If they come in there for Conditional Use Permit/CUP, at least it's in our ordinance.

Spencer – Can we add the buffer around places of worship that offers childcare or other than just during their Sunday services, I'd like to see that, too.

Kaltsas – Yes, we can add that and bring it back. We wouldn't add the park language but would add 500 ft buffer from churches and childcare. Could we adopt the Registration ordinance?

Vose – The first to occur is parties seeking registration. Move forward with that.

McCoy – I wish we could charge the same as on-sale liquor.

Kaltsas – Because it is regulated by the state, it's 50% of state fees or less. \$2,500 for Full and \$1,500 for Low Potency which are pretty nominal fees.

Spencer – So we’re going to Table Ordinance No. 2025-01 and Ordinance No. 2025-02. What’s the purpose of the 2nd part of each one?

Kaltsas – So we publish a single page summary saving cost.

Spencer - We adopt the ordinance but publish the summary.

Vose – We technically to prove a summary publish change to resolution summary.

Would we change the number to 2025- adopt as a resolution 25-0304-02 (Ordinance 2025-03 stays the same).

- a. **ORDINANCE No. 2025-01** – Considering a text amendment to Chapter V, Sections 510 and 530 of the city’s zoning ordinance relating to regulations governing cannabis businesses. The ordinance amendment will consider establishment of regulations pertaining to the definitions associated with a cannabis business and the permitted zoning district and associated standards.

TABLED

- b. **SUMMARY ORDINANCE No. 2025-02** – Considering approval of a summary ordinance for publication.

TABLED

- c. **ORDINANCE No. 2025-03** – Considering a text amendment to Chapter XI, Establishing Section 1101 of the city’s zoning ordinance relating to regulations governing cannabis retail business registration. The ordinance amendment will consider establishment of regulations pertaining to the licensing and registration of cannabis businesses.

Ordinances No. 2025-01 and 2025-02 were both tabled tonight, so the number for this was correctly changed.

Motion by Betts, seconded by McCoy to approve Ordinance No. 2025-01 amending Independence City Code regarding Cannabis Retail Business Registration. Ayes: Spencer, Betts, McCoy. Nays: None. Absent: Grotting, Fisher. Abstain. None. MOTION DECLARED CARRIED. 3-0

- d. **SUMMARY ORDINANCE No. 2025-04** – Considering approval of a summary ordinance for publication.

Council and Attorney discussed this must be changed from Summary Ordinance No. 2025-04 to Summary Resolution No. 25-0304-02.

Motion by McCoy, seconded by Betts to approve Summary Resolution No 25-0304-02 approving publication of a summary of the cannabis retail business registration ordinance. Ayes: Spencer, Betts, and McCoy. Nays: None. Absent: Grotting, Fisher. Abstain. None. MOTION DECLARED CARRIED. 3-0

The others will be brought back for a needed 4:5 vote.

9. Open/Misc.

10. Adjourn.

Motion by McCoy, seconded by Betts to adjourn the meeting at 7:13 pm. Ayes: Spencer, Betts, McCoy. Nays: None. Absent: Grotting, Fisher. Abstain. None. MOTION DECLARED CARRIED. 3-0

Meeting adjourned at 7:13 pm.

Respectfully Submitted,
Linda Johnson/ Recording Secretary