



CITY COUNCIL MEETING AGENDA
TUESDAY MARCH 4, 2025

CITY COUNCIL MEETING TIME: 6:30 PM

1. Call to Order

2. Pledge of Allegiance

3. Roll Call

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

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

6. **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").

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

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

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



- 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.
 - d. **SUMMARY ORDINANCE No. 2025-04** – Considering approval of a summary ordinance for publication.
8. Open/Misc.
9. Adjourn.

MINUTES OF A REGULAR MEETING OF
THE INDEPENDENCE CITY COUNCIL
TUESDAY, FEBRUARY 18, 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 Johnson led the group in the Pledge of Allegiance.

3. ROLL CALL

PRESENT:	Spencer, Grotting, Betts, McCoy, Fisher
ABSENT:	None
STAFF:	City Administrator Kaltsas, WHPS Chief Kroells
VISITORS:	See Sign-in sheet.

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 January 27, 2024, Special City Council Meeting and Workshop.
- b. Approval of City Council Minutes from the February 4, 2024, Regular City Council Meeting.
- c. Approval of Accounts Payable; (Batch #1 - Checks No. 23414-23444, Batch #2 - Checks No. 23445-23459).
- d. Large Assembly Permit for Tour de Tonka Bicycle Event – Saturday, August 2, 2025.

Betts asked about a negative amount on a check stub. Kaltsas explained that for that particular invoice, there was a credit on our account.

Motion by McCoy, seconded by Betts to approve the Consent Agenda. Ayes: Spencer, Grotting, Betts, McCoy and Fisher . Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED. 5-0

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

Fisher attended the following meetings:

- Chief Interviews
- Gravel Roads Open House

Betts attended the following meetings:

- Chief Interviews

McCoy attended the following meetings:

- Chief Interviews
- Gravel Roads Open House
- WHPS police commission (zoom)
- Loretto Fire

Grotting attended the following meetings:

- Chief Interviews

Spencer attended the following meetings:

- Chief of WS meeting with Kaltsas
- PSCWM
- Joint Council Chief Interviews
- Gravel Roads Open House
- WHPS police commission
- Meeting with Kaltsas on a project in Independence on variances
- NW League
- Met with Mayor Maas-Kuske
- WM Drug Task Force
- LMCC
- Chief Leuer and Kaltsas meeting

Motion by McCoy, seconded by Betts to accept Brad Spencer's resignation as City Councilman to be sworn in as Mayor. Ayes: Johnson, Spencer, Grotting, Betts, and McCoy. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED. 5-0

Marvin and McCoy thanked Spencer for his years of service to the residents as Councilmember.

6. West Hennepin Public Safety – Director Gary Kroells: Presentation of the January 2025 Activity Report.

Chief Kroells reported that there were 424 incident complaints in the month of January. Of those complaints, 253 were in Independence and 127 were in Maple Plain.

See full report.

7. 2025 Water System Feasibility Study: a. Authorization to Proceed with Preparation of Study.

Kaltsas explained that the property owners of Hilltop Farms approached the city about developing the South side of the property. There is roughly 150 acres and it is located between County Road 83 and County Road 90. The comp plan did identify that area as low density for that area. Utilities would need to be identified for this development. MetCouncil was willing to bring sewer to County Road 19 and we would have to expand from there. Maple Plain was not sure if they could provide water due to the capacity they are at now and with future development of their own. Maple Plain has agreed to

allow the city and developer to do a water system feasibility study on the Maple Plain water system as well as look into the costs of a stand-alone system for Independence. Independence has given the scope to Hilltop Farm and would anticipate an escrow agreement with the developer and the city to reimburse for those expenses. The total cost is \$58,500. It is a robust scope. There is a benefit to Independence knowing this information as well so the city would like to pay \$8,500 towards these costs. The council would need to authorize them to proceed subject to signing an escrow agreement.

Betts asked if an attorney has looked at this yet.

Kaltsas said an attorney has reviewed it and it came back without modifications. He also said that the city would wait until the developer has signed the agreement before proceeding with the study.

Grotting asked about a discussion from that past about making attempts to serve landowners otherwise neighboring cities could take the land.

Kaltsas said that was in relations if the city doesn't have the ability that a neighboring city could say that they would be able to serve it. In this situation, Maple Plain has said they cannot. Independence has to determine how we can serve it. This is common for a developer to pay and look into this.

Spencer said we have to decide how we can serve that property, but we need to know the costs first.

Grotting asked how Kaltsas decided on the amount of \$8,500.

Kaltsas said there is potential if the city would build this that it would have capacity to serve more properties. It would be beneficial to the city to pay this small piece to have that information.

Betts asked if this is for the higher density area.

Kaltsas said that the piece that is being studied is the higher density side of the property.

Spencer said it could possibly be expanded to the industrial district and that would help keep their insurance ratings down with the having fire hydrants. That would be a benefit. There could also be another fire station to serve that. A small contribution from the city for information we could benefit from is fair.

Motion by Grotting, seconded by McCoy to approve the city's contribution to the water feasible study of \$8,500. Ayes: Spencer, Grotting, Betts, Fisher and McCoy. Nays: None. Absent: None. Abstain: None. MOTION DECLARED CARRIED. 5-0

8. City Council Upcoming Meeting Schedule and Local Board of Appeals (LBAE) on April 15th , 2025.

Kaltsas said that no action is needed on this item, it is just information for the council and residents. It is a discussion on scheduling conflicts.

The LBAE meeting is scheduled for 6:00pm on April 15th. It was moved from April 1st due to Spring Break weeks and other scheduling issues. There is also a meeting scheduled on July 1st which is the week of the Fourth of July. Since there are 5 weeks in June, we can move the second meeting that month back a week to the 24th and cancel the July 1st meeting.

Spencer asked if the planning commission meeting would be moved back as well.

Kaltsas said he would change that meeting too so they are on the same night.

Spencer asked if the 24th would be late enough to approve checks or if there would be a special meeting.

Kaltsas said we wouldn't need another meeting.

McCoy asked about the first August meeting being on Night to Unite.

Kaltsas said we usually just move the time of that meeting to earlier so council is done in time.

8. Open/Misc.

Spencer noted that Kaltsas and himself have been actively meeting with Chief Leuer about fire departments. He said they got the ISO report and looking into updating items around the fire station. He said they are going to bring WS firefighters through the MP fire station to get a feel for it. Some items seem to be coming together rather nicely. He said the council may have a workshop to discuss terms and other items.

Bill McMullen on County Line Road, located in Franklin Township spoke.

He stated his concerns with Delano attempting to turn County Line Road into a collector street with their plans to pave the road.

Spencer asked if Delano has confirmed that they are paving it.

McMullen said yes, a good portion of 90th Street is already a shared road.

Grotting asked if 90th is the road where the new development is located.

McMullen said yes.

McCoy asked if Delano has contacted Independence about this.

Kaltsas said the city admin did ask if Independence had an issue with them paving it and asked if we wanted to contribute to the cost of that. Our response was no. We asked for plans and we haven't seen anything. They have an agreement with Franklin Township but we don't have anything yet. He wanted to remind council about the commercial property coming and the future roundabout. There are improvements slated for 2028, but we haven't looked at this plan. Independence doesn't pay for maintenance on County Line Road even though we do have ownership. County Line past Sutton's is in our gravel road improvement plan for the gravel portion. He stated that we own half of the right of way so we would need an agreement with Delano for them to pave our portion.

McCoy stated he wanted to express sincere appreciation to our staff for the wonderful parties they put on for Marvin. He said it was phenomenal, and he has received lots of positive comments!

Kaltsas said there was a lot of work that was done to prepare!

Grotting said next time there is a 45-year retirement, we will do it again!

9. Adjourn.

Motion by Betts, second by McCoy to adjourn the meeting at 7:13pm. Ayes: Spencer, Grotting, Betts, Fisher and McCoy. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED. 5-0

Meeting adjourned at 7:13 pm.

Respectfully Submitted,
Amber Simon/ Recording Secretary

City of Independence

Liquor License Renewals

To: City Council
From: Amber Simon, Administrative Services Director
Meeting Date: March 4, 2025

Discussion:

The City annually reviews and considers renewal of on and off sale liquor licenses and tobacco licenses. The City has three (3) businesses which annually renew their respective liquor licenses. The following applications have been made to the Council:

Ox Yoke Inn:	Off Sale, On Sale and Sunday License
Windsong Golf Club:	Off Sale, On Sale and Sunday License and Tobacco License
Pioneer Creek Golf Club:	On Sale, Sunday License

Attachments: Liquor Applications

City of Independence

Street Reconstruction Plan and Bond Issuance Approval

To: City Council
From: Mark Kaltsas, City Administrator
Meeting Date: March 4, 2025

Discussion:

The City of Independence historically has supported street maintenance and reconstruction activities through a combination of allocations from its annual operating budget and, when determined necessary, the sale of General Obligation Bonds. Minnesota Statutes, Section 475.58, Subdivision 3b authorizes Minnesota cities to adopt a Street Reconstruction Plan. The Plan covers a five-year period and sets forth the streets to be reconstructed, estimated costs, and authorizes the issuance of the Bonds. This is a formality in the overall process and required in order for the city to consider issuance of bonds to fund the 2025 gravel reconstruction project.

The City has determined that it is proceeding with the bidding of plans for the reconstruction of over 18 miles of gravel roads. The following roads will be reconstructed:

Roadway Segments for Improvement:

- Copeland Road
- Lake Haughey Road
- Burr Oak Lane
- Lake Sarah Road
- Fogelman Road
- Pete Drive
- Hitsman Lane
- Valley Road
- County Line Road
- Nelson Road
- Dean Lane
- Pioneer Creek Road
- Turner Road
- South Kuntz Drive
- Game Farm Road North
- Ingerson Road
- Quaas Cutoff Road

The Act sets forth specific requirements for the issuance of the Bonds, which are as follows:

- The projects financed under this authority must be described in a street reconstruction plan, as described above.
- The City must publish notice of and hold a public hearing on the proposed plan and the related issuance of the Bonds. The notice must be published at least ten days but not more than 28 days prior to the hearing date.
- The issuance of the Bonds is subject to a reverse referendum.

The city is in the process of finalizing the bid documents for bidding. The 90% bid set is attached to this report for review. There are several final details that are being tweaked prior to bid issuance. Council will have the opportunity to review and consider approval of the documents prior to award of the contract following bid submittal.

Tammy Omdal with Northland Securities has prepared the Five-Year Reconstruction Plan and Kennedy & Graven has prepared the associated approval resolution. Council is asked to hold the public hearing and consider approval of RESOLUTION 25-0304-01 approving the Street Reconstruction Plan and Authorizing the Issuance of General Obligation Street Reconstruction Bonds.

Attachments: RESOLUTION No. 25-0304-01
Five Year Reconstruction Plan
2025 Gravel Road Plans

DRAFT

**CITY OF INDEPENDENCE, MN
FIVE YEAR STREET RECONSTRUCTION PLAN
2025-2029**

Public Hearing: March 4, 2025

Prepared By
The City of Independence

&



City of Independence, MN
Five Year Street Reconstruction Plan
2025-2029

I. Introduction

The City of Independence (the “City”) historically has supported street maintenance and reconstruction activities through a combination of allocations from its annual operating budget and, when determined necessary, the sale of General Obligation Bonds. Maintenance and reconstruction has included seal coating, mill and overlay, complete reconstruction, and other such items incidental to the maintenance of city streets. The City finds that it does not currently have the resources, without bond proceeds, to undertake street reconstruction improvements to streets that have been identified as being in need of major repairs. Due to this fact, the City plans to finance street reconstruction activities through the issuance of General Obligation Street Reconstruction Bonds (the “Bonds”).

II. Statutory Authority and Requirements

Minnesota Statutes, Section 475.58, Subdivision 3b (the “Act”) authorizes Minnesota cities to adopt a Street Reconstruction Plan (the “Plan”). The Plan covers a five-year period and sets forth the streets to be reconstructed, estimated costs, and authorizes the issuance of the Bonds.

The Bonds can be used to finance the reconstruction and bituminous overlay of existing city streets. Eligible improvements may include turn lanes and other improvements having a substantial public safety function, realignments, other modifications to intersect with state and county roads, and the local share of state and county road projects. Except in the case of turn lanes, safety improvements, realignments, intersection modifications, and the local share of state and county road projects, street reconstruction does not include the portion of project cost allocable to widening a street or adding curbs and gutters where none previously existed. The Bonds are subject to a statutory debt limit.

The Act sets forth specific requirements for the issuance of the Bonds, which are as follows:

- The projects financed under this authority must be described in a street reconstruction plan, as described above.
- The City must publish notice of and hold a public hearing on the proposed plan and the related issuance of the Bonds. The notice must be published at least ten days but not more than 28 days prior to the hearing date.
- The issuance of the Bonds is subject to a reverse referendum. An election is required if voters equal to 5% of the votes cast in the last municipal general election file a petition with the city clerk within 30 days of the public hearing. If the City decides not to

undertake an election, it may not propose the issuance of the Bonds for the same purpose and in the same amount for a period of 365 days from the date of receipt of the petition. If the question of issuing the Bonds is submitted and not approved by the voters, the provisions of section 475.58, subdivision 1a, shall apply (no resubmission for same purpose/amount for 180 days).

III. History and Existing Street Reconstruction Bonds

The City currently has one outstanding Street Reconstruction Bond (issued under Chapter 475) as of the date of adoption of the Plan (a portion of the General Obligation Bonds, Series 2020).

IV. Net Debt Limits

Minnesota Statutes Section 475.53, Subd. 1 states that no municipality, except a school district or a city of the first class, shall incur or be subject to a net debt in excess of three percent of the market value of taxable property in the municipality.

The Bonds issued under the Plan are subject to the net debt limit restriction described above. The net debt capacity for the City at time of approval of the Plan is shown below.

Statutory Debt Limit¹

Minnesota Statutes, Section 475.53 states that a city or county may not incur or be subject to a net debt in excess of three percent (3%) of its estimated market value. Net debt is, with limited exceptions, debt paid solely from ad valorem taxes.

Computation of Legal Debt Margin as of February 2, 2025:

2024/2025 Proposed Estimated Market Value		\$1,195,035,900
Multiplied by 3%	x	<u>0.03</u>
Legal Debt Margin		35,851,077
Less outstanding debt applicable to debt limit:		
\$3,760,000 G.O. Bonds, Series 2020A		<u>\$3,615,000</u>
Net Legal debt margin		<u>\$ 32,236,077</u>

¹ Effective June 2, 1997 and pursuant to Minnesota Statutes 465.71, any lease revenue or public project revenue bond issues/agreements of \$1,000,000 or more are subject to the statutory debt limit. Lease revenue or public project revenue bond issues/agreements less than \$1,000,000 are not subject to the statutory debt limit.

The Plan provides for the issuance of a General Obligation Street Reconstruction Bonds in an amount not to exceed \$2,000,000. The maximum amount of Bonds to be issued includes estimated cost of issuance. The maximum amount of bonds to be issued is within the City's legal debt margin as of the date of adoption of the Plan.

V. Proposed Street Reconstruction and Cost Estimate

The Plan is detailed in the table below. The City reserves the right to adjust the amount of annual spending between years, as long as the grand total amount included in the Plan is not increased.

The City may use a combination of other city revenues and bond proceeds to finance the Plan. The total Bonds to be issued to finance project costs may be less than the amount in the Plan but shall not exceed the maximum authorized amount.

Table A

City of Independence, MN Five Year Street Reconstruction Plan For Years 2025-2029			
		<u>Project Amount</u>	<u>Bonding Amount*</u>
2025			
2025 Street Reconstruction Project		\$ 1,900,000	
	TOTAL 2024	\$ 1,900,000	\$ 2,000,000
2026			
	TOTAL 2025	\$ -	\$ -
2027			
	TOTAL 2026	\$ -	\$ -
2028			
	TOTAL 2027	\$ -	
2029			
	TOTAL 2028	\$ -	\$ -
GRAND TOTAL		\$ 1,900,000	\$ 2,000,000

** Includes estimated costs of issuance*

Note:

The Plan authorizes the issuance of General Obligation Street Reconstruction Bonds in the maximum amount of \$2,000,000 to pay project costs including the cost of issuance of the Bonds. The actual amount of Bonds issued may be less than this amount but shall not exceed the maximum.

**CITY OF INDEPENDENCE
HENNEPIN COUNTY, MINNESOTA**

RESOLUTION NO. 25-0304-01

**RESOLUTION APPROVING A STREET RECONSTRUCTION PLAN AND
AUTHORIZING THE ISSUANCE OF
GENERAL OBLIGATION STREET RECONSTRUCTION BONDS**

BE IT RESOLVED by the City Council (the “Council”) of the City of Independence, Hennepin County, Minnesota (the “City”), as follows:

Section 1. Background.

1.01. The Council has found and determined that certain streets in the City are in need of reconstruction, repair and improvement.

1.02. The City is authorized under Minnesota Statutes, Section 475.58, subdivision 3b, as amended (the “Act”) to prepare a plan for street reconstruction in the City over the next 5 years that will be financed under the Act, including a description of the proposed work and estimated costs. Pursuant to the Act, the City may issue general obligation bonds over a five-year period to finance the cost of street reconstruction activities described in the plan.

1.03. Before the approval of the street reconstruction plan and the issuance of any bonds under the Act, the City is required to hold a public hearing on the plan and the issuance of bonds thereunder.

1.04. Pursuant to the Act, the City, in consultation with its City engineer, has caused the preparation of its 5-Year Street Reconstruction Plan (the “Plan”), which describes certain street reconstruction activities in the City for the years 2025 through 2029 (the “Street Improvements”).

1.05. The City has determined that it is in the best interests of the City to authorize the issuance and sale of one or more series of general obligation street reconstruction bonds, pursuant to the Act, in a maximum principal amount not to exceed \$2,000,000 (the “Bonds”), to finance certain Street Improvements as described in the Plan.

1.06. On the date hereof, the Council held a public hearing on the Plan and the issuance of the Bonds, after publication in the City’s official newspaper of a notice of public hearing at least 10 days but no more than 28 days before the date of the public hearing.

Section 2. Plan Approved; Bonds Authorized.

2.01. The Council finds that the Plan will improve the City’s system of public roads, which serves the interests of the City as a whole, and approves the Plan in the form presented at the public hearing and on file at City Hall.

2.02. Pursuant to Minnesota Statutes, Section 462.356, subd. 2, the Council, by at least a two-thirds vote of all of its members, finds that the Plan and the improvements to be financed with the Bonds do not impact and do not have a relationship to the City's comprehensive plan; the Plan and improvements are consistent with the City's comprehensive plan; therefore, the Council dispenses with the requirements of Minnesota Statutes, Section 462.356, subd. 2 relating to planning commission review of the Plan and the improvements.

2.03. The Council hereby authorizes the issuance of the Bonds in accordance with the Plan to finance street reconstruction activities described in the Plan and the costs of issuing the Bonds, subject to further details regarding the sale and award of the Bonds to be set forth in a resolution to be considered by the Council at a subsequent meeting. City staff and consultants are authorized to take all actions necessary to negotiate the sale of the Bonds, subject to the contingency described in Section 2.04 hereof.

2.04. If a petition requesting a vote on the issuance of the Bonds, signed by voters equal to 5% of the votes cast in the last municipal general election, is filed with the City Administrator within 30 days after the date of the public hearing, the City may issue the Bonds under Minnesota Statutes, Section 475.58, subdivision 3b, only after obtaining approval of a majority of voters voting on the question at an election. The authorization to issue the Bonds is subject to expiration of the 30-day period without the City's receipt of a qualified petition under the Act, or if a qualified petition is filed, upon the approving vote of a majority of the voters voting on the question of issuance of the Bonds.

2.05. City staff are authorized and directed to take all other actions necessary to carry out the intent of this resolution.

Approved this March 4th, 2025, by the City Council of the City of Independence, Minnesota.

Brad Spencer, Mayor

ATTEST:

Mark Kaltsas, City Administrator

City of Independence

Proposed Amendment to the City of Independence Ordinances Chapter 5: Section 510 and 530 Pertaining to Regulations Governing Cannabis Businesses

To: City Council
From: Mark Kaltsas, City Planner
Meeting Date: March 4, 2025

Consideration:

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

- a. 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.

Discussion:

On July 31, the Office of Cannabis Management issued the first draft of its administrative rules related to adult-use cannabis in Minnesota – the language can be found at the following [link](#). The section on local government control is sparse and only provides clarification related to the registration process.

Under the Cannabis Act, cities generally maintain their ability to enact zoning regulations with two primary limitations: (1) the City may not prohibit the establishment or operation of a cannabis or hemp business licensed by the OCM; and (2) the Legislature has established a maximum buffer from certain uses. Cities will retain the ability to enact zoning ordinances even if it consents to have the county issue registrations (City Council may consider a registration requirement).

The City can amend its zoning code to specifically allow each business type in a particular district or it can choose to simply allow cannabis businesses in zones with similar uses (e.g., retailers in commercial zones with other retail). Staff has reviewed the current zoning districts within the city and drafted an ordinance amendment that was considered by the Planning Commission. Attached to this report are the zoning and registration ordinances (registration ordinance for information only). The following summarizes the key elements of the proposed ordinance amendment:

- The city can determine which types of cannabis businesses can be in which zoning districts of the city. Staff has reviewed the various uses and recommends that all cannabis uses are considered as conditional uses within their respective zoning districts.

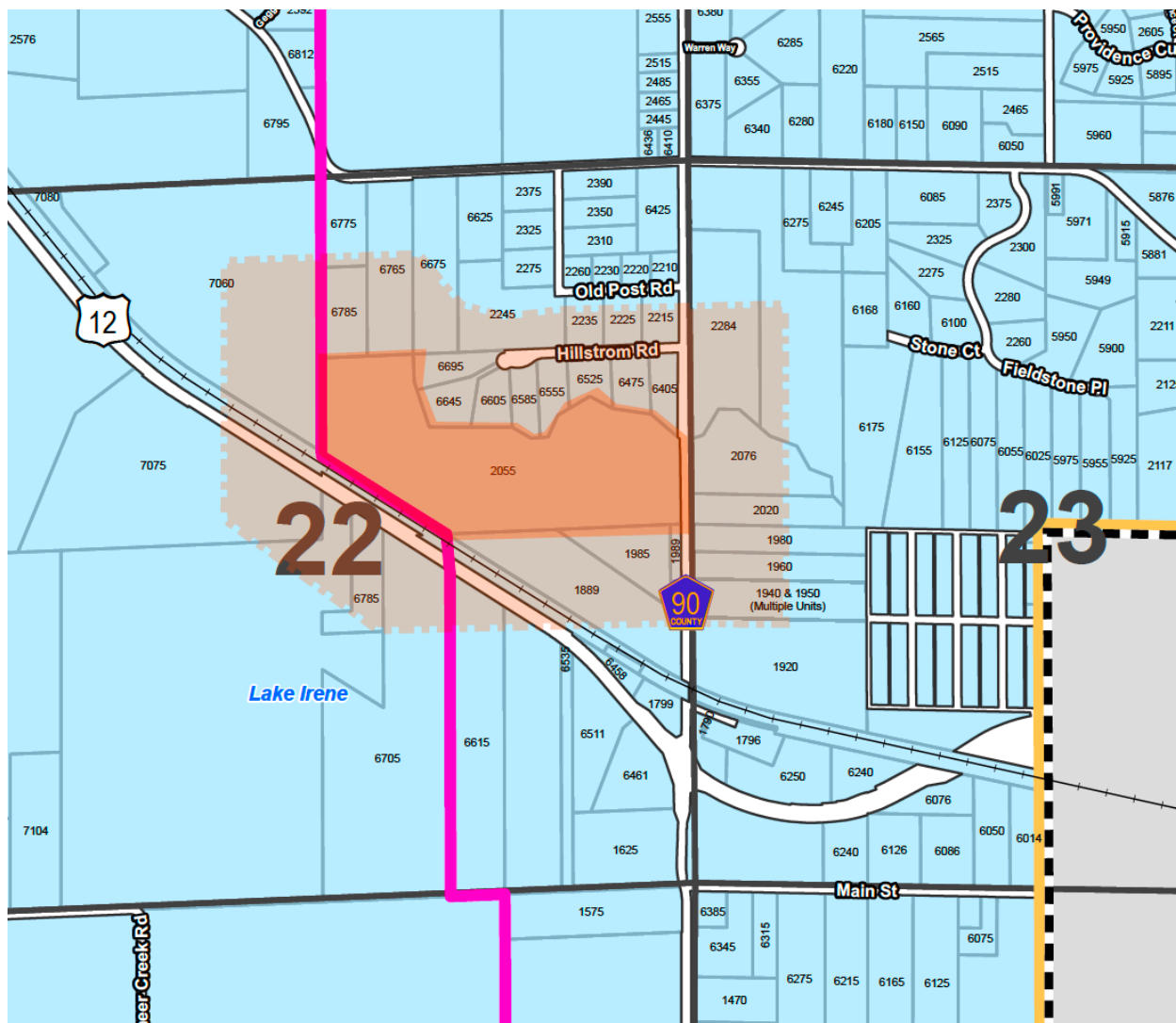
The following is a comprehensive table of the types of uses and their proposed allowable zoning district in the city. Staff prepared this for an initial discussion only and will be seeking Planning Commission feedback relating to the various uses and allowed zoning districts.

<u>License Type</u>	<u>Main Function</u>	<u>District</u>
<i>Cannabis Retailer</i>	Sales to the customers	Urban Commercial - UC
<i>Medical Cannabis Retailer</i>	Sales to registered patients	Urban Commercial - UC
<i>Cannabis Delivery Service</i>	Delivery of products directly to customers	Urban Commercial - UC and CLI – Commercial Light Industrial
<i>Lower Potency Hemp Retailer</i>	Sale of hemp products directly to customers	Urban Commercial - UC
<i>Cannabis Cultivator</i>	Growing and tending to cannabis and hemp plants	Urban Commercial - UC and CLI – Commercial Light Industrial
<i>Medical Cannabis Cultivator</i>	Growing cannabis plants	Urban Commercial - UC and CLI – Commercial Light Industrial
<i>Cannabis Event Organizer</i>	Coordinate cannabis events	Urban Commercial - UC and CLI – Commercial Light Industrial
<i>Cannabis Manufacturer</i>	Create cannabis products that are sold to retailers	Urban Commercial - UC and CLI – Commercial Light Industrial
<i>Medical Cannabis Manufacturer</i>	Creating cannabis products that are sold to medical retailers	Urban Commercial - UC and CLI – Commercial Light Industrial
<i>Lower-Potency Hemp Edible Manufacturer</i>	Creating lower-potency hemp products that are sold to retailers	Urban Commercial - UC and CLI – Commercial Light Industrial
<i>Cannabis Testing</i>	Testing cannabis and hemp products	Urban Commercial - UC and CLI – Commercial Light Industrial
<i>Cannabis Wholesaler</i>	Warehousing and Storage	Urban Commercial - UC and CLI – Commercial Light Industrial
<i>Cannabis Transporter</i>	Transport products from one license type to another.	Urban Commercial - UC and CLI – Commercial Light Industrial
<i>Medical Cannabis Combination Business</i>	Cultivation, Manufacturing, and Retail to both the public and medical patients.	Urban Commercial - UC
<i>Cannabis Mezzobusiness</i>	Cultivation, Manufacturing, and Retail	Urban Commercial - UC
<i>Cannabis Microbusiness</i>	Cultivation, Manufacturing, and Retail	Urban Commercial - UC

- Any retail user (Low Potency Hemp Edible, Cannabis Microbusiness, Cannabis Mezzobusiness, Cannabis Retailer and Medical Cannabis Retailer) would be permitted only within the UC-Urban Commercial zoning district.
- limited in number to three (3) (see attached zoning map). The city could also consider limiting these uses to the UC-Urban Commercial zoning district near the County border. Staff will be seeking consideration and discussion relating to possible zoning districts.
- All other cannabis businesses would be permitted in both the UC-Urban Commercial zoning district and the CLI – Commercial Light Industrial zoning district. The city could also consider limiting these uses to the UC-Urban Commercial zoning district near the County border. Staff will be seeking consideration and discussion relating to possible zoning districts.
- Cannabis retailers, Cannabis Microbusinesses, Cannabis Mezzobusiness, and Medical Cannabis Retailer are limited to one (1) for the entire city (cities less than 12,500 can limit to 1).
- All cannabis business (including low potency hemp) are conditional uses.
 - The city can add additional conditions within the CUP portion of the ordinance if more restrictions are reasonable. Staff is seeking additional direction relating to the additional conditions from the Planning Commission.
- A local unit of government may prohibit the operation of a cannabis business within (maximum buffer distance allowed):
 - 1. 1,000 feet of a school; or
 - 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field.

The terms school, day care, residential treatment facility, and attraction within a public park that is regularly used by minors, including a playground or athletic field are not further defined in statute or administrative rule, so the city has some discretion in defining these terms. The OCM guide includes some definitions that were drafted for the OCM's model ordinance (which is different than the administrative rules).

The city has prepared a map showing only the 500' draft buffer boundary from the Pioneer Creek Community Park – this is the only park that would intersect with possible areas (CLI) zoned for cannabis businesses (see attached). Staff will seek Planning Commission direction relating to the prescribed buffers.



- As noted above, it is anticipated that the City Council will consider adding a registration requirement to all cannabis businesses as provided below. This ordinance amendment is outside of the subdivision and zoning regulations and is not part of the Planning Commissions review authority.
 - The OCM reviews, approves, and issues cannabis business licenses. However, each retail business must also register with the city in which it will operate, unless the city has consented to the county issuing registrations on its behalf. A registration fee can be imposed in addition to the state license fee.
 - The registration process involves issuing a registration to a retail business that: (1) has a valid license issued by the 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.

Summary:

Staff will be seeking feedback and direction from the Planning Commission relating to the materials presented within this report. Based on feedback and direction provided, the draft ordinance can be recommended to the City Council for consideration.

Attachments: Draft Ordinance Amendment
Zoning Map
Location Restriction Map

ORDINANCE NO. 2025-01

**CITY OF INDEPENDENCE
COUNTY OF HENNEPIN
STATE OF MINNESOTA**

**AN ORDINANCE AMENDING INDEPENDENCE CITY CODE REGARDING ZONING
RELATED TO CANNABIS BUSINESSES**

THE CITY COUNCIL OF THE CITY OF INDEPENDENCE DOES ORDAIN:

SECTION 1. AMENDMENT. The Independence City Code Chapter 510.05 and 530.13 are hereby amended as set forth below to add the underlined language as follows:

Section 510.05. - Definitions

Subd. 11. "Bunkhouse." A building accessory to a principal use that contains sleeping quarters for one or more persons who are employed in connection with the principal use of the premises.

Subd. 12. "Cannabis Business" is a business involved with cannabis.

Subd. 13. "Cannabis Business Retail Endorsement" is a cannabis business that may sell cannabis products directly to the public as regulated by state statute.

Subd. 14. "Cannabis Business Retail Limit" means that cannabis businesses with a retail endorsement, including cannabis retailers, cannabis mezzobusinesses, and cannabis microbusinesses, except lower-potency hemp edible retailer, shall be limited to one business per 12,500 residents within the city, excluding lower-potency hemp edible retailers.

Subd. 15. "Cannabis Cultivator" is a cannabis business as defined in state statute.

Subd. 16. "Cannabis Delivery Service" is a cannabis business as defined in state statute.

Subd. 17. "Cannabis Event Organizer" is a cannabis business as defined in state statute.

Subd. 18. "Cannabis Manufacturer" is a cannabis business as defined in state statute.

Subd. 19. "Cannabis Mezzobusiness" is a cannabis business as defined in state statute.

Subd. 20. “Cannabis Microbusiness” is a cannabis business as defined in state statute.

Subd. 21. “Cannabis Retailer” is a cannabis business as defined in state statute.

Subd. 22. “Cannabis Testing Facility” is a cannabis business as defined in state statute.

Subd. 23. “Cannabis Transporter” is a cannabis business as defined in state statute.

Subd. 24. “Cannabis Wholesaler” is a cannabis business as defined in state statute.

Subd. 70. “Lower-Potency Hemp Edible Manufacturer” is a cannabis business as defined in state statute.

Subd. 71. “Lower-Potency Hemp Edible Retailer” is a cannabis business as defined in state statute.

Subd. 72. “Lower-Potency Hemp Edible Retailer Limit” means that a lower-potency hemp edible retailer shall be limited to three businesses per 12,500 residents within the city.

Subd. 73. “Medical Cannabis Combination Business” is a cannabis business as defined in state statute.

Subd. 74. “Medical Cannabis Cultivator” is a cannabis business as defined in state statute.

Subd. 75. “Medical Cannabis Processor” is a cannabis business as defined in state statute.

Subd. 76. “Medical Cannabis Retailer” is a cannabis business as defined in state statute.

Subd. 77. “Micro-distillery” means a facility that produces ethyl alcohol, hydrated oxide of ethyl, spirits of wine, whiskey, rum, brandy, gin, or other distiller spirits, including all dilutions and mixtures thereof, for non-industrial use not to exceed 40,000 proof-gallons per calendar year.

Section 530.13. – Commercial - Light Industrial District Established

Subd. 4. *Conditional uses.* The following conditional uses may be permitted by action of the city council pursuant to subsections 520.09, 520.11 and 520.13:

(3) Cannabis business, except lower-potency hemp edible retailer, cannabis retailers, cannabis microbusinesses, cannabis mezzobusiness, and medical cannabis retailer.

- 1) Must be licensed by the state.
- 2) Must not exceed the cannabis business retail limit.

Section 530.19. – Urban Commercial - District Established

Subd. 3. *Conditional uses.* The following conditional uses may be permitted by action of the city council pursuant to subsections 520.09, 520.11 and 520.13:

(b) Lower-potency hemp edible retailer, cannabis retailers, cannabis microbusinesses, cannabis mezzobusiness, and medical cannabis retailer.

- 1) Must be licensed by the state.
- 2) Must be registered under city ordinance.
- 3) Must meet the cannabis business buffer.
- 4) Must not exceed the lower-potency hemp edible retailer limit.
- 5) Must not exceed the cannabis business retail limit.

(f) Cannabis business, except lower-potency hemp edible retailer, cannabis retailers, cannabis microbusinesses, cannabis mezzobusiness, and medical cannabis retailer.

- 3) Must be licensed by the state.

SECTION 2. EFFECTIVE DATE. This Ordinance shall be in full force and effect from and after its passage and publications as required by law.

Adopted by the City Council of the City of Independence this 4th day of March 2025.

Brad Spencer, Mayor

ATTEST:

Mark Kaltsas, City Administrator

ORDINANCE NO. 2025-02

**CITY OF INDEPENDENCE
COUNTY OF HENNEPIN
STATE OF MINNESOTA**

**AN ORDINANCE AMENDING INDEPENDENCE CITY CODE
REGARDING CANNABIS BUSINESS**

THE CITY COUNCIL OF THE CITY OF INDEPENDENCE DOES ORDAIN:

NOTICE IS HEREBY GIVEN that on March 4, 2025, Ordinance No. 2025-01, was adopted by the City Council of the City of Independence, Minnesota.

NOTICE IS FURTHER GIVEN that, because of the lengthy nature of Ordinance No. 2025-01, the following summary of the ordinance has been prepared for publication.

NOTICE IS FURTHER GIVEN that the ordinance adopted by the City Council amends City Code Chapter 5, of the Independence Zoning Ordinance, by specifically defining and subsequently specifying approved zoning districts for cannabis business based on type of business within the city. The ordinance further stipulates the number of businesses that are permitted within the city based on type of business. The city has also determined that all cannabis businesses defined in the ordinance shall be a conditional use requiring a conditional use permit.

A printed copy of the entire ordinance is available for inspection by any person during the City's regular office hours at the City of Independence City Hall.

APPROVED for publication by the City Council of the City of Independence, Minnesota on this 4th day of January 2025.

Adopted by the City Council of the City of Independence this 4th day of March 2025.

Brad Spencer, Mayor

ATTEST:

Mark Kaltsas, City Administrator

Published in the _____ on _____, 2025.

ORDINANCE NO. 2025-03

**CITY OF INDEPENDENCE
COUNTY OF HENNEPIN
STATE OF MINNESOTA**

**AN ORDINANCE AMENDING INDEPENDENCE CITY CODE REGARDING
CANNABIS RETAIL BUSINESS REGISTRATION**

THE CITY COUNCIL OF THE CITY OF INDEPENDENCE DOES ORDAIN:

SECTION 1. AMENDMENT. The Independence City Code Chapter XI is hereby amended by adding the following Section 1101 as set forth below:

SECTION 1101. CANNABIS PRODUCTS

Sec. 1101.01 – Definitions.

In addition to the definitions contained in Minn. Stats. §342.01, as it may be amended from time to time, the following words, terms, and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context indicates a different meaning:

“Cannabis retail business” is any place of business where any cannabis products subject to licensing and registration are available for sale to the general public. Cannabis retail businesses include, but are not limited to, cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, medical cannabis retailer.

“Cannabis business retail limit” means that cannabis retail businesses licensed by the state shall be limited to one registration for every 12,500 residents within the city, except lower-potency hemp edible retailers shall be limited to three registrations for every 12,500 residents within the city.

“Compliance check” is the system used by the city to investigate and ensure that those authorized to sell products subject to licensing and registration are following and complying with the requirements of this article and state law. Compliance checks involve the use of persons under the age of 21 who purchase or attempt to purchase such products. The city may also conduct operations to determine compliance with this article and state law for purposes of education, research, and training purposes.

“License” is an approved license by OCM to a cannabis retail business allowing the sale of adult-use cannabis products.

“Lower-Potency Hemp Edible Retailer” is a cannabis retail business as defined in state statute.

“OCM” is the Minnesota Office of Cannabis Management.

“Sale” means any transfer of goods for money, trade, barter, or other consideration.

Section 1101.03 – Prohibited Acts.

- Subd. 1. *License and Registration Required.* No person shall sell or offer to sell any cannabis product within the city without first having obtained a license from the state and retail registration by the city.
- Subd. 2. *Minimum Legal Age.* No person shall sell any cannabis product to any person under the age of 21. Registrants shall verify by means of government issued photographic identification that a purchaser is at least 21 years of age. Registrants shall post signage advising of the minimum legal age for purchases that is clearly visible to anyone who is making or considering a purchase of any cannabinoid product.
- Subd. 3. *Compliance.* No person shall sell or offer to sell any cannabis product in violation any provision of this article or other applicable statute or code provision.

Section 1101.05. –Registration for Cannabis Retail Businesses.

- Subd. 1. *Application.* An application for a license to sell any cannabis product shall be obtained by the State of Minnesota.
- Subd. 2. *Retail Registration.* The OCM shall forward cannabis license applications to the city to certify whether the proposed business complies with local zoning ordinance and applicable state fire and building code as required by state law. The city shall provide input to the OCM within 30 days. The OCM shall issue a license to those cannabis businesses that comply with local zoning and land use laws as required by state law.
- Subd. 3. *Cannabis Business Retail Limit.* Registration by the city is limited by the cannabis business retail limit.
- Subd. 4. *Transfer.* Retail registrations may not be transferred.
- Subd. 5. *Location Change.* A cannabis retail business shall be required to submit a new application for registration if it seeks to move to a new location still within the legal boundaries of the city.
- Subd. 6. *Display.* License issued by the OCM shall be displayed in plain view of the public in the licensed premises.

Section 1101.07. – Registration Fee.

No registration shall be issued under this article until the appropriate fee has been paid in full. The fee for the registration under this article shall be established by the City Council and adopted in the city's fee schedule as may be amended from time to time.

Section 1101.09. – Ineligibility

The city may deny retail registration for a license on the grounds of any of the following:

- (a) Noncompliance with local zoning ordinance.
- (b) Noncompliance with state fire and building code.
- (c) The cannabis business retail limit has been reached.

Section 1101.11. – Responsibility.

All licenses are responsible for the actions of their employees in regard to the sale, offer to sell, and furnishing of cannabis products on the licensed premises. The sale, offer to sell, or furnishing of any licensed product by an employee shall be considered an act of the licensee. Nothing in this section shall be construed as prohibiting the City from also subjecting the employee to any civil penalties that the City deems to be appropriate under this article, state or federal law, or other applicable law or regulation.

Section 1101.13.– Compliance Checks.

All premises registered under this article shall be open to inspection by the city for compliance with all aspects of this section during regular business hours. From time to time and no less than once per calendar year, the city shall conduct compliance checks during which an underage individual will attempt to purchase cannabis products. Persons engaged in compliance checks shall not use false identification misrepresenting their age and shall respond honestly regarding their age and produce valid identification when asked. Persons engaged in compliance checks shall be over the age of 18 but under the age of 21 and will be supervised by law enforcement or other designated personnel.

Section 1101.15. – Registration Suspension or Revocation; Penalties.

Subd. 1. *Registration Suspension or Revocation.* The council shall suspend or revoke a registration upon a finding that the registrant has failed to comply with any provision of this article or other applicable statute or code provision. For a first such violation within any three-year period, the council shall impose a suspension of the registration of not less than 2 consecutive days. For a second such violation within any three-year period, the council shall impose a suspension of not less than 5 consecutive days. For a third such violation within any three-year period, the council shall revoke the registration.

Subd. 2. *Other Penalties.* The council may elect to impose a civil penalty not to exceed \$ 2,000 in addition to or in lieu of suspension or revocation of the registration.

- Subd. 3. *Opportunity for Hearing.* No penalty imposed under this article shall take effect until the registrant has been provided notice of the opportunity for a hearing pursuant to the Administrative Procedures Act, Minn. Stats. §§ 14.57 to 14.70, as may be amended from time to time. If a hearing is not requested within the time afforded as stated in the notice, the entitlement to a hearing is waived and penalty may be imposed by resolution.
- Subd. 4. *Criminal Prosecution.* Nothing in this section shall be construed to prohibit the city from seeking prosecution for any alleged violation of this article.
- Subd. 5. *Notification.* The City will immediately notify OCM in writing the grounds for the suspension. OCM will provide the city and cannabis retail business a response to the complaint within seven calendar days and perform any necessary inspections within 30 calendar days.

Section 1101.17. – Hours of Operation.

Cannabis retail businesses are limited to the retail sale of cannabis products between the hours of 10 a.m. and 9 p.m.

SECTION 3. EFFECTIVE DATE. This Ordinance shall be in full force and effect from and after its passage and publications as required by law.

Adopted by the City Council of the City of Independence this 4th day of March 2025.

Brad Spencer, Mayor

ATTEST:

Mark Kaltsas, City Administrator

Published in the _____ on _____, 2025.

ORDINANCE NO. 2025-04

**CITY OF INDEPENDENCE
COUNTY OF HENNEPIN
STATE OF MINNESOTA**

**AN ORDINANCE AMENDING INDEPENDENCE CITY CODE REGARDING
CANNABIS RETAIL BUSINESS REGISTRATION**

THE CITY COUNCIL OF THE CITY OF INDEPENDENCE DOES ORDAIN:

NOTICE IS HEREBY GIVEN that on March 4, 2025, Ordinance No. 2025-02, was adopted by the City Council of the City of Independence, Minnesota.

NOTICE IS FURTHER GIVEN that, because of the lengthy nature of Ordinance No. 2025-02, the following summary of the ordinance has been prepared for publication.

NOTICE IS FURTHER GIVEN that the ordinance adopted by the City Council amends City Code Chapter XI, of the Independence Zoning Ordinance, by establishing a registration process as provided by the Office of Cannabis Management and Minnesota State Statute.

A printed copy of the entire ordinance is available for inspection by any person during the City's regular office hours at the City of Independence City Hall.

APPROVED for publication by the City Council of the City of Independence, Minnesota on this 4th day of January 2025.

Adopted by the City Council of the City of Independence this 4th day of March 2025.

Brad Spencer, Mayor

ATTEST:

Mark Kaltsas, City Administrator

Published in the _____ on _____, 2025.