

MINUTES OF A MEETING OF THE
INDEPENDENCE PLANNING COMMISSION
TUESDAY, FEBRUARY 18, 2025, AT 7:30 PM

1. CALL TO ORDER

Pursuant to due call and notice thereof, a work session of the Independence Planning Commission was called to order by Chair Gardner at 7:30 p.m.

2. ROLL CALL:

PRESENT: Commissioners Gardner (Chair), Thompson, Volkenant, Dumas, & Alternate Usset (vote counted in Tearse' absence).
ABSENT: Tearse and Alternate Story.
STAFF: City Administrator Kaltsas, Administrative Services Director Simon
VISITORS: See Sign-In Sheet

3. Approval of Minutes:

- a. January 21, 2025, Planning Commission Meeting Minutes.
- b. February 4, 2025, City Council Meeting Minutes (For Information Only).

Motion by Thompson, seconded by Volkenant to approve the minutes. Ayes: Gardner, Thompson, Volkenant, Dumas, and Usset. Nays: None. Absent: Tearse and Story. Abstain: None. Motion Approved. 5-0

4. PUBLIC HEARING: 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 for further consideration by the Planning Commission. Attached to this report are the draft zoning and registration ordinances (registration ordinance for information only). The following summarizes the key elements of the proposed draft 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.
- Low Potency Hemp edible retailers (i.e., tobacco or smoke shops, liquor stores selling infused drinks) would be permitted only within the CLI – Commercial Light Industrial zone and 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 are permitted only within the MU-BRLI, Subzone C zoning district (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.
- 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):
 - 1,000 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.

Kaltsas - Because we can't prohibit, we have to include Cannabis as a definition and prescribe where they are allowed to go. We can't say we don't allow them at all. Office of Cannabis Management/OCM doesn't have their process finalized, so a lot of cities have been waiting. We need to adopt, but we can change or amend. We need to do something to be compliant. Independence is somewhat different. We have limited commercial areas and huge land areas.

We took the different types of businesses that have been identified by the State relating to cannabis use, and those are listed in the table that's in the staff report. Those are Cannabis Retailer, Medical Cannabis Retailer, Cannabis Delivery Service, Low Potency Hemp Retailer, Cannabis Cultivator, Medical Cannabis Cultivator, Cannabis Event Organizer, Cannabis Manufacturer Medical Cannabis Manufacturer, Low-Potency Hemp Edible Manufacturer, Cannabis Testing, Cannabis Wholesaler, Cannabis Transporter, Medical Combination Business, Cannabis Mezzobusiness, and Cannabis Microbusiness. We took the state definitions. We are suggesting that we adopt those definitions for each of those various businesses within the ordinance.

We can limit the number of certain types of businesses like Low Potency Hemp. Due to our city's population being less than 12,500, we can limit the number of users to a minimum of (3), and for businesses that are either a Cannabis Retailer, Cannabis Microbusiness, Cannabis, Mezzobusiness, or a Medical Cannabis Retailer (our full potency retail businesses), we can limit it to (1).

Lastly, we can establish buffer zones similar to ones we've established for Predatory Offenders. You can establish buffer zones that are 1,000 ft from schools or 500 ft from daycares, residential treatment facility, or an attraction within a public park that is regularly used by minors, including playgrounds or athletic fields. Recommending Cannabis Business only be permitted in zoning districts and are done as Conditional Use Permits/ CUPs. We may not need that in the future, but we don't yet know what these will look like or their impacts. One use out of all of this with likelihood is the Lower Potency Hemp Retailer, like liquor stores or tobacco shops. We do get calls about tobacco shops near County Rd 90 and Hwy 12. Some of the high potency businesses, the State does them by lottery and require getting a license. You can't just open one. The buffer from the park – 500ft.

Dumas – (looking at the map) Regarding lot lines – Is the rule you can't be in the gray but if in the blue you would be ok?

Kaltsas – Technically it's 500ft from the building to the edge of the property.

Volkenant – Buffer has to be 500ft from residential property? That's a huge chunk.

Kaltsas – We have carved it out. In Maple Plain they thought would be in a Mixed Used Gateway District where the old Food Mart is behind the bank is a park. "500ft from all parks with exception of south line of Meadow Park." If we wanted to do something similar, we could craft it to be 500ft from NW and SW lines of the park and not whatever else.

Thompson – Why not Commercial/Light Industrial/CLI and Urban Commercial/UC?

Kaltsas – Urban Commercial/UC may be a good spot too. We did approve a retail space out there.

Developer is planning on building that now.

Thompson – Agricultural/AG district isn't appropriate.

Kaltsas – We aren't talking field crop. We do have a lot of AG buildings. If we allowed it in AG district, we have to be very careful because you could get someone to buy farm and grow in large buildings. It's indoor production.

Thompson - Not all AG is created equal.

Dumas – If you put it in Commercial, it won't be very much. Are there any Tax ramifications? Is there a tax revenue for us at all?

Kaltsas – That's a whole other subject. Nominal licenses. No one knows how we are getting revenue from this yet. A lot of it is cash business and revenue hasn't happened yet. Cities don't get local sales tax. All regulated by the state. Licenses of \$500 is all we can charge.

Thompson – Language matters – I would call out the list – City Attorney to look into this to not have 1 of each type. The language in here regulated used by minors. What counts to establish those boundaries?

Kaltsas – public park is broad.

Thompson – It says a foreign item in park but not park itself.

Kaltsas – The interpretation now says public park. I can have the City Attorney weigh in.

Thompson – Baker Park that is huge, but the playground and campsite are small for that 500 ft buffer.

Regarding Districts – AG would be crazy. Why not both UC and CLI districts? The smallest district and furthest away is Urban Commercial/UC.

Dumas – Are we interested in tracking these or not?

Gardner – Not for \$500.

Usset – CLI. I have small children. There's nothing to say that it can't go in eventually.

Gardner - There's no retail in Independence.

Kaltsas – Tobacco isn't expressly permitted. We don't have to allow that to be a use, but we do have to for Cannabis. If you think about land use regulation, we can regulate anything, but we can't get away from allowing this.

Thompson – Do you think there is heat taken if we go back and say there is a little district on the edge of the city that nothing is in it?

Kaltsas – Every city did that initially. Urban Commercial/UC is 60 or 75 acres of land you can buy, build, open. You could separate them. Maple Plain put Low Potency Hemp Edible on the highway and then others in commercial areas. Do you want a tobacco shop?

Thompson – No retail shop right by the park. Why does there need to be a buffer?

Kaltsas – We can include the recommendation to not include the max buffer.

Volkenant – What if you have people that want to produce in an AG area and use the horse complex to convert it to production?

Thompson – You can if we don't say it's an CUP. If our unit of measure is zoning district, you are either turning AG on or off. You are proposing turning AG on.

Dumas – I don't see a benefit to the city growing this all over the city.

Kaltsas – Cannabis is regulated. We can allow Hemp under crop, and we don't have a regulation against that right now. We are talking about hemp with a THC potency. Those are not being grown in fields, but hemp is being grown for sure. No, THC is not regulated under this.

Thompson – If someone in AG is growing hemp, can he do that? Would it be CUP, amendment?

Kaltsas – It is permitted because our AG list is other things like AG. It can be used for ropes, sweaters, etc.

Thompson – Just not Potent Cannabis.

Volkenant – There are so many restrictions. Taking an indoor arena and turned it into a growing facility and you would never know. It's not impossible.

Thompson – Do we add AG to the list of non-retail? I don't see a reason to do that.

Kaltsas – We do allow retail sales of AG grown on the premises.

Dumas – I'd be ok to start small and expand later

Volkenant – Allowing a CUP for business, isn't that setting a precedence?

Kaltsas – CUP within the CLI & UC like Auto repair and auto sales is a CUP. CUP would be the way to do it because we don't know what it all looks like- employees, security, parking, etc.

Thompson – You'd mentioned Iron Exchange. What about Ox Yoke and Windsong?

Kaltsas- They fall into the Retail. If they sold it today, they'd be grandfathered but not into the number of licenses though. These are Off-Sale liquor licenses which differ from On-Sale ones.

Thompson – Are we all aligned on the limited Low Potency to 3 and larger Retail to 1 based on our population?

Kaltsas – Changes to increase the number of licenses can happen later if the City decides that.

Motion by Thompson, seconded by Usset recommending amendment changes to Sections 510 and 530 pertaining to regulations to governing cannabis business allowing Planning Commission feedback for Retail types as designated to be Urban Commercial/UC only and the balance of the license types to be both Commercial Light Industrial/CLI and Urban Commercial/UC limiting Low Potency Hemp to (3) locations with the City- Retailers, Micro and Mezzo businesses as well as Medical Retailer limited to (1), and elimination of the buffer zone around Pioneer Park as no retail is present, and have the City Attorney to review the language. Ayes: Gardner, Thompson, Volkenant, Dumas, & Alternate Usset. Nays: None. Absent: Tearse & Story. Abstain: None. Motion Approved. 5-0

6. Open/Misc.

City Council authorized our City Engineer to do a study for water for Hilltop property SW of Maple Plain. We approved CompPlan with that being Low Density and MetCouncil will extend pipe to help. Maple Plain discussed water, and their Engineer said we may not have enough for both our plans and selling it to others- how much we could sell. So, there's a little setback. The Developer is going to pay for a water feasibility study. 2 things: We are going to review with Maple Plain permission, their system

to expanded, improved, enhanced, and secondly, what it would look like to develop our own system?

Dumas- Would we have to put in a treatment plant?

Kaltsas – We would have to have something. If Independence has their own, it could just be storage and chemical treatment but not full water treatment. What does it look like for well and tower system and what does it cost for both?

7. Adjourn.

Motion by Thompson, seconded Volkenant by to adjourn.

Meeting adjourned at 8:21 p.m.

Respectfully Submitted,
Linda Johnson/ Recording Secretary