CITY OF ONAMIA
MILLE LACS COUNTY
STATE OF MINNESOTA

ORDINANCE NO. 2024-02

AN ORDINANCE AMENDING THE CITY CODE RELATING TO CANNABIS BUSINESSES

The City Council of Onamia does ordain as follows:

SECTION 1: PURPOSE AND INTENT. The purpose and intent of this ordinance is to amend the Onamia City Code regarding requirements for cannabis related businesses to implement the provisions of Minnesota Statutes, chapter 342, which authorizes the City of Onamia to protect the public health, safety, welfare of City residents by regulating cannabis businesses within the legal boundaries of the City. The ordinance amendment will promote the community's interest in reasonable stability in zoning for now and in the future, and that the proposed provisions are in the public interest and for the public good.

SECTION 2: AMEND TO ADD SECTION 151.09. The Onamia City Code is hereby amended to add Section 151.09 to state as follows:

> **Section 151.09. Regulation of Cannabis Businesses.** The purpose of this Section is to implement the provisions of Minnesota Statutes, Chapter 342, which authorizes the City to protect the public health, safety, welfare of its residents by regulating cannabis businesses within the legal boundaries of the City.
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> The City of Onamia City Council finds and concludes that the provisions in this Section are appropriate and lawful land use regulations, that the Section will promote the community's interest in reasonable stability in zoning for now and in the future, and that the provisions are in the public interest and for the public good. The City has the authority to adopt this section pursuant to:
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> 1. Minn. Stat. § 342.13(c), regarding the authority of a local unit of government to adopt reasonable restrictions of the time, place, and manner of the operation of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses.
> 2. Minn. Stat. § 342.22, regarding the local registration and enforcement requirements of state-licensed cannabis retail businesses and lower-potency hemp edible retail businesses.
> 3. Minn. Stat. § 152.0263, Subd. 5, regarding the use of cannabis in public places.
> 4. Minn. Stat. § 462.357, regarding the authority of a local authority to adopt zoning ordinances.
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> The City of Onamia has delegated its registration and compliance check authority with respect to cannabis retail businesses to Mille Lacs County.

SECTION 3: AMENDMENTS TO SECTION 151.04. Section 151.04, Definition of Terms, of the Onamia City Code is hereby amended to add the following definitions:

Cannabis Cultivation: A cannabis business licensed to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant, harvest cannabis flower from mature plant, package and label immature plants and seedlings and cannabis flower for sale to other cannabis businesses, transport cannabis flower to a cannabis manufacturer located on the same premises, and perform other actions approved by the OCM.

Cannabis Delivery: A business with a cannabis delivery service license or delivery service endorsement from the OCM.

Cannabis Extraction: Means the process of extracting cannabis concentrate from cannabis plants or cannabis flower using heat, pressure, water, lipids, gases, solvents, or other chemicals or chemical processes, but does not include the process of extracting concentrate from hemp plants or hemp plant parts or the process of creating any artificially derived cannabinoid.

Cannabis Manufacturing: A business with a cannabis manufacturer license or manufacturing endorsement from the OCM.

Cannabis Processing: A business with a medical cannabis processor license or processing endorsement from the OCM.

Cannabis Retail Businesses: A retail location and the retail location(s) of a mezzobusinesses with a retail operations endorsement, microbusinesses with a retail operations endorsement, medical combination businesses operating a retail location, (and/excluding) lower-potency hemp edible retailers.

Cannabis Retailer: Any person, partnership, firm, corporation, or association, foreign or domestic, selling cannabis product to a consumer and not for the purpose of resale in any form.

Cannabis Testing: A business with a cannabis testing facility license or testing endorsement from OCM.

Cannabis Transportation: A business with a cannabis transporter license or transportation endorsement from the OCM.

Cannabis Wholesaling: A business with a cannabis wholesaler license or wholesaling endorsement from the OCM.

Daycare: A location licensed with the Minnesota Department of Human Services to provide the care of a child in a residence outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

Hemp Manufacturing: Converting raw hemp into a product for commercial purposes.

Lower-potency Hemp Edible: As defined under Minn. Stat. 342.01 subd. 50.

Lower-potency Hemp Edible Manufacturer: A business with a lower-potency hemp edible manufacturer license from the OCM.

Lower-potency Hemp Edible Retailer: A retail location with a lower-potency hemp edible retailer license from the OCM, including on-site consumption as allowed by the State of Minnesota regulations.

Office of Cannabis Management (OCM): the State of Minnesota Office of Cannabis Management.

Place of Public Accommodation: A business, accommodation, refreshment, entertainment, recreation, or transportation facility of any kind, whether licensed or not, whose goods, Services, facilities, privileges, advantages or accommodations are extended, offered, sold, or otherwise made available to the public.

Preliminary License Approval: OCM pre-approval for a cannabis business license for applicants who qualify under Minn. Stat. § 342.17.

Public Place: A public park or trail, public street or sidewalk; any enclosed, indoor area used by the general public, including, but not limited to, restaurants; bars; any other food or liquor establishment; hospitals; nursing homes; auditoriums; arenas; gyms; meeting rooms; common areas of rental apartment buildings, and other places of public accommodation.

Residential Treatment Facility: As defined under Minn. Stat. § 245.462 subd. 23.

Retail Registration: An approved registration issued by Mille Lacs County to a state licensed cannabis retail business.

School: A public school as defined under Minn. Stat. § 120A.05 or a nonpublic school that must meet the reporting requirements under Minn. Stat. § 120A.24.

State License: An approved license issued by the State of Minnesota's Office of Cannabis Management to a cannabis retail business.

SECTION 4: AMENDMENTS TO SECTION 151.25. Section 151.25, C-1 Central Business District, of the Onamia City Code is hereby amended to add the following:

(E) *Interim uses.* Within the C-1 District no structure or land shall be used for the following except by an interim use permit.

(1) Cannabis Delivery, Cannabis Manufacturing, Cannabis Processing, Cannabis Extraction, Cannabis Testing, Hemp Manufacturing, Cannabis Wholesaling, Cannabis Transportation, Cannabis Retail or Lower Potency Hemp Edible Retail Business shall be allowed as an interim use in the C-1 Commercial District provided that they are in conformance with the standards specificized in Section 151.10 of this Code.

SECTION 5: AMENDMENTS TO SECTION 151.26. Section 151.26, C-2 Commercial Business District, of the Onamia City Code is hereby amended to add the following:

(E) *Interim uses.* Within the C-2 District no structure or land shall be used for the following except by an interim use permit.

(1) Cannabis Delivery, Cannabis Manufacturing, Cannabis Processing, Cannabis Extraction, Cannabis Testing, Hemp Manufacturing, Cannabis Wholesaling, Cannabis Transportation, Cannabis Retail or Lower Potency Hemp Edible Retail Business shall be allowed as an interim use in the C-2 Commercial Business District provided that they are in conformance with the standards specificized in Section 151.10 of this Code.

SECTION 6: AMENDMENTS TO SECTION 151.27. Section 151.27, I Industrial District, of the Onamia City Code is hereby amended to add the following:

(E) *Interim uses.* Within the I District no structure or land shall be used for the following except by an interim use permit.

a. Cannabis Cultivation, Cannabis Delivery, Cannabis Manufacturing, Cannabis Processing, Cannabis Extraction, Cannabis Testing, Hemp Manufacturing, Cannabis Wholesaling, Cannabis Transportation, Cannabis Retail or Lower Potency Hemp Edible Retail Business shall be allowed as an interim use in the I Industrial District provided that they are in conformance with the standards specificized in Section 151.10 of this Code.

SECTION 7: AMENDMENTS TO SECTION 151.28. Section 151.28, Rural Residential and Agricultural District, of the Onamia City Code is hereby amended to add the following:

(E) *Interim uses.* Within the RR & AD District no structure or land shall be used for the following except by an interim use permit.

a. Cannabis Cultivation shall be allowed as an interim use in the Rural Residential and Agricultural District provided that they are in conformance with the standards specificized in Section 151.10 of this Code.

SECTION 8: AMEND TO ADD SECTION 151.10. The Onamia City Code is hereby amended to add Section 151.10 to state as follows:

Section 151.10. Cannabis Related Businesses Specific Performance Standards. No interim use permit shall be granted unless the City Council determines that all of the applicable specific standards contained in this Section will be met. The cannabis related businesses interim use permit performance standards for the C-1 Central Business District, C-2 Business District and I Industrial District and Rural Residential and Agricultural are as follows:

(A) General Requirements.

1. Shall have appropriate license or endorsement from the State of Minnesota Office of Cannabis Management for the activity(ies) proposed.

2. Compliance with State license requirements shall be maintained at all times.

(B) Minimum Buffer Requirements. The City shall prohibit the operations of a cannabis business within:

1. One thousand (1,000) feet to the nearest property line of a school, a church or place of worship, or another cannabis retail business.

2. Five hundred (500) feet to the nearest property line of a day care, a residential treatment facility, an attraction within a public park that is regularly used by minors, including a playground or athletic field, or a single-family or multi-family residence.

(C) Pursuant to Minn. Stat. 462.367 subd. 14, shall prohibit an active cannabis business or a cannabis business seeking registration from continuing operation at the same site if a school, daycare, residential treatment facility, or attraction within a public park that is regularly used by minors moves within the minimum buffer zone.

(D) Hours of Operation. Cannabis businesses are limited to retail sale of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between the hours of 10:00 a.m. and 9:00 p.m. Hours of operation for non-retail cannabis businesses shall be established in the interim use permit.

(E) Security and Lighting.

1. Indoor and outdoor cultivator businesses are subject to the security, fencing, lighting, and any other requirements established by state administrative rules.

2. A cannabis retail business shall maintain compliance with security requirements established by the state, including but not limited to requirements for maintaining video surveillance records, using specific locking mechanisms, establishing secure entries, and the number of employees working at all times.

3. A cannabis retail business must keep all lighting outside and inside the dispensary in good working order and of sufficient wattage for security cameras.

4. All fencing shall comply with Title XV, Chapter 151, Sections 151.45 through 151.46 Fencing Standards of the City Code, unless state administrative rules are more restrictive.

5. All exterior lighting shall comply with Title XV, Chapter 151, Sections 151.30 Exterior Lighting Standards of the City Code, unless state administrative rules are more restrictive.

(F) Wastewater Management.

1. An applicant for a cultivator and manufacturer license must submit to the state: an operating plan demonstrating the proposed size and layout of the cultivation facility; plans for wastewater and waste disposal for the cultivation facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the cultivation facility.

2. An applicant for a cannabis mezzobusiness or microbusiness license must submit to the state an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for any cultivation or manufacturing activities; plans for providing electricity, water, and other utilities necessary for the normal operation of any cultivation or manufacturing activities.

(G) Ventilation and Filtration. A cannabis business must maintain a ventilation and filtration system sufficient to meet the requirements for odor control established by state administrative rules.

(H) Utilities.

1. Energy Use. Indoor cannabis cultivation facilities use significant energy in operating lights, HVAC and irrigation systems. The average indoor cultivation facility is typically 10,000 – 20,000 and will likely consume a range of 1MW to 2.5MW. An indoor cannabis cultivation application shall consult with the local utility provider on any electrical grid concerns or grid infrastructure limitations.

2. Water Use. Indoor cultivation of commercial cannabis may only be permitted if sufficient evidence submitted to the County demonstrates: (1) there is adequate water supply to serve the cultivation site; and (2) all required state permits have been obtained.

(I) Solid Waste Management. A cultivator business must prepare, maintain, and execute a solid waste disposal plan in compliance with state administrative rules.

(J) Advertising. Sign requirements for Cannabis businesses shall follow Section 151 of the City Code.

(K) Building Type and Construction. All buildings shall comply with Building Performance Standards of the City Code. Further, the site and building plans shall be designed in a way to best reduce or mitigate odors. This shall include floor plan layout, ventilation plans, and window and door locations. The City may require improvements to be installed to reduce the impact on neighboring properties or tenant spaces.

(L) Certain Outdoor Uses Prohibited. All cultivation, manufacturing, processing, testing, and storage shall occur inside a structure.

(M) Screening and Landscaping: All site development for cannabis uses shall comply with Section 151.31 Landscaping Standards of the City Code.

(N) Nuisances: All cannabis business uses shall comply with the Nuisance Standards of the City Code.

SECTION 9: EFFECTIVE DATE. The City Clerk shall cause the provisions of this Ordinance Amendment to be incorporated into the City of Onamia's City Code.

SECTION 10: EFFECTIVE DATE. This Ordinance becomes effective on the date of its publication or upon the publication of a summary of the ordinance as provided by Minn. Stat. § 412.191, subd. 4, as it may be amended from time to time, which meets the requirements of Minn. Stat. § 331A.01, subd. 10, as it may be amended from time to time.

SECTION 11: REPEALER. All prior ordinances to the extent that they are inconsistent with the terms and provisions of this Ordinance, shall be deemed repealed after the effective date of this Ordinance with regard to those inconsistent terms and provisions.

Passed by the City Council of Onamia this _____ day of _____, 2024.

Approved:

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Marge Agnew, Mayor

Attested:

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Michelle Peterson, City Clerk