



## **City Council Agenda Report**

### **City of Long Lake**

450 Virginia Avenue, PO Box 606

Long Lake, MN 55356

**MEETING DATE / December 17, 2024**

**SUBJECT:** Adoption of Ordinances Amending the City Code and Zoning Code Related to Cannabis and Cannabis Businesses

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**Report Date:** 12/11/2024

### **Recommended City Council Action**

At their December 10, 2024 regular meeting, the Planning Commission reviewed Ordinances No. 2024-02 and No. 2024-03 and held a public hearing. The Planning Commission voted unanimously to recommend approval of both ordinances. The Planning Commission also recommended that the City Council direct staff to include the disc golf targets at Nelson Lakeside Park as an “attraction within a park that is regularly used by minors” when verifying an appropriate location for a future cannabis business with the OCM.

Motion to adopt Ordinance No. 2024-02, An Ordinance Amending the City Code of Ordinances, Chapter 10 – Businesses and Product Regulation, Article VIII. Cannabis, Edible Cannabinoids and Drug Paraphernalia.

Motion to adopt Ordinance No. 2024-03, An Ordinance Amending the Long Lake Zoning Ordinance Related to Cannabis and Lower Potency Hemp Edible Businesses.

Motion to include the disc golf targets as a buffered park attraction.

### **CANNABIS OVERVIEW**

The State of Minnesota has passed a law allowing adult-use cannabis. This law also allows cannabis businesses to operate within Minnesota. This law also governs lower potency hemp edibles. The state established the Office of Cannabis Management (OCM) that is tasked with overseeing the rollout of cannabis in MN, and also licensing businesses. The state has given cities the ability to place reasonable restrictions on cannabis related to time, place and manner.

Outside of registration authority, the City may adopt reasonable regulations for cannabis businesses within the Zoning Ordinance. If a license holder would like to open a cannabis businesses within a city, the OCM will send a request for zoning compliance to that city. The city has 30 days to respond to the request, informing the OCM whether the proposed business location is in an acceptable zoning district.

### **BUFFER MAP**

The State has specified features that cities may buffer cannabis businesses from, and the maximum width that each buffer may be. The attached buffer map illustrates the maximum allowable buffers from relevant uses in and near Long Lake.

The Planning Commission requested that the disc golf targets at Nelson Lakeside Park be added to the buffer, because the course is utilized by children. The original map included only the play equipment at Nelson Lakeside Park. Including the disc golf targets in the buffer causes the buffer to encroach into the B-2 District – the former

BP parcel and the front part of the Creek Ridge Shopping Center would become ineligible for a cannabis business.

Staff notes that the City Council is not adopting the buffer map as part of the Ordinance; it is simply a visualization tool for this process. If the City Council agrees with the Planning Commission that the disc golf should be considered an “attraction within a park that is regularly used by minors”, staff will note that and be sure to review that as part of a future zoning check associated with a cannabis business.

The Planning Commission also suggested that a buffer zone should not cross Highway 12, as Highway 12 itself acts as a buffer. This is relevant for the buffer around the amenities within Holbrook Park; the buffer extends north across Highway 12, and into several industrial parcels on the south side of Daniels St. The Planning Commission felt that subjecting the parcels off Daniels St. to the buffer serves no purpose, since a person would have to cross Highway 12 to get from the park to the cannabis business, and that is not possible. The City Attorney drafted language, which has been added to both ordinances, to reflect this buffer exemption.

1000-foot school buffer:

- Minnesota Preparation Academy TRIP School - 2465 Wayzata Blvd. W

500-foot park feature buffer:

- Holbrook Park - 310 Harrington Dr. - playground, ball field, skating rinks, basketball court
- Nelson Lakeside Park - 1860 Symes St. - playground
  - **PC Recommendation: Add disc golf targets as a buffered item**
- Dexter Park - 585 Dexter Dr. - playground, basketball court
- Hardin Park - 141 Glenmoor Ln. - tennis courts, basketball court, playground

500-foot daycare buffer:

- Children’s Workshop Montessori - 2190 Wayzata Blvd. (Orono)
- Little Acorns Learning Center & Childcare – 2060 Wayzata Blvd. (Orono)

**DRAFT ORDINANCE - CANNABIS AND CANNABIS BUSINESS REGULATIONS**

*Overview of Draft Ordinance:*

- Cannabis related definitions
- Limit the number of retail businesses to the lowest number of registrations required by the state – currently one registration
- Limit lower potency hemp edible (LPHE) retailers to five (LPHE may be sold at a cannabis retail location, not included in the total number of LPHE retailers)
- Impose maximum buffers allowed by the state
- Limit cannabis retail to between 10:00 AM and 9:00 PM
- Requirements for Temporary Cannabis Events
  - Event license required
  - Subject to buffers & cannabis retail zoning
  - Requirement for security, medical professionals, hours of operation, on-site consumption prohibited, etc.
- Prohibit public use of cannabis and LPHE

**DRAFT ORDINANCE – ZONING ORDINANCE AMENDMENTS RELATED TO CANNABIS BUSINESSES**

*Lower Potency Hemp Edibles*

Text amendments related to lower potency hemp edibles would include:

- Adding “Lower-Potency Hemp Edible Retailers, compliant with Long Lake Code §10-603, G” as a permitted principal use in the B-1, B-2, B-2A and VC-1 Districts

- Adding “Sales of lower-potency hemp edibles, compliant with Long Lake Code §10-603, G, accessory to a legal restaurant business” as an accessory use in the B-3 Lakeshore Business District.

### *Cannabis Retail Businesses*

The City must designate at least one zoning district where cannabis retail businesses may locate. Staff recommends allowing cannabis retail as a permitted use in the B-2 General Business District. This location is desirable because there are two existing strip malls (Long Lake Town Center and Creek Ridge Shopping Center) located within the B-2 District. This district is the most appropriate location for a retail business.

Text amendments related to cannabis retail would include:

- Adding “Cannabis, retail compliant with Long Lake Code §10-603-604” as a permitted use to Section 14: Regulations for “B-2” General Business District
- Adding relevant regulations related to cannabis retail to “Subd. 26 Cannabis Businesses” in Section 19: General Building and Performance Requirements.
- Adding “Temporary cannabis events, compliant with Long Lake Code §10-603-604” as a permitted use to Section 14: Regulations for “B-2” General Business District

### *Non-Retail Cannabis Businesses*

Non-retail cannabis businesses would include operations such as cultivation, manufacturing, processing, warehousing, wholesale, and transportation. These items are all industrial in nature. The City must designate at least one zoning district where these businesses can operate. Staff recommends both the I-1 and I-2 Industrial Districts. Long Lake’s two industrial districts are nearly identical in allowable uses. The area functions as one industrial district, thus the recommendation to allow non-retail cannabis businesses in both districts.

Text amendments related to non-retail cannabis businesses would include:

- Adding “Cannabis, state licensed businesses with no retail component” as a permitted use to Sections 16 & 16A: Regulations for I-1 & I-2 Industrial Zoning District, respectively.
- Adding standards for non-retail cannabis businesses in Sections 16 & 16A. Standards would place requirements on things such as waste container storage, odor/vapor control, security etc.

### *General Performance Standards for Cannabis and Hemp Business Activities*

- Limit hours of operation for cannabis retail establishments to the hours of 10:00 AM to 9:00 PM.
- Require establishments to implement comprehensive security measures
- Require adequate ventilation systems to ensure no odor is detectible outside or from adjacent property
- Prohibit the operation of a cannabis business within 1,000 feet of a school or within 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.
- Require signage to be consistent with the sign ordinance, and may not depict cannabis leaves, slang terms for cannabis, or appeal to minors (State rule)
- Require a cannabis business to be conducted entirely within a principal structure and all outdoor storage is prohibited.

### *Standards for Cannabis Businesses in the I-1 & I-2 Industrial Districts:*

- Require business to be conducted entirely within a principal structure
- Require waste containers to be stored within a principal or accessory building
- Require sufficient measures and means of preventing any gas, vapors, odors, smoke, debris, dust, fluids or other substances from exiting a cannabis business
- Stipulate that cannabis cultivation shall not be perceptible from the exterior of the building in which cultivation occurs

- Require site, ventilation and security plans to be compliant with applicable state regulations
- Provide minimum security requirements

#### **SUPPORTING INFORMATION**

- Buffer Map, as edited by the Planning Commission
- Exhibit showing measurements from the disc golf target nearest the B-2 District
- Ordinance No. 2024-02, An Ordinance Amending the City Code of Ordinances, Chapter 10 – Businesses and Product Regulation, Article VIII. Cannabis, Edible Cannabinoids and Drug Paraphernalia
- Ordinance No. 2024-03, An Ordinance Amending the Long Lake Zoning Ordinance Related to Cannabis and Lower Potency Hemp Edible Businesses