BOROUGH OF PENNINGTON RESOLUTION 2025-2.16

RESOLUTION RENEWING LOCAL RETAIL CANNABIS LICENSE FOR JERSEY MEDS MANAGEMENT, LLC, PURSUANT TO THE NEW JERSEY CANNABIS REGULATORY, ENFORCEMENT ASSISTANCE, AND MARKETPLACE MODERNIZATION ACT, N.J.S.A. 24:61-31, ET SEQ., AND PENNINGTON ORDINANCE 2021-9

Regulatory Framework

WHEREAS, the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act, <u>N.J.S.A</u>. 24:6I-31, <u>et seq</u>. (the "Personal Use Act") legalizes the recreational use of marijuana by adults 21 years of age or older and establishes a comprehensive regulatory and licensing scheme for commercial production, distribution and sale of cannabis items;

WHEREAS, the Personal Use Act authorizes municipalities to adopt regulations by ordinance governing the number of cannabis establishments, distributors and delivery services allowed to operate within their borders, regulating the location, manner and times of operation of these establishments, distributors and delivery services, and establishing civil penalties for the violation of any such regulations, provided the time of operation of delivery services shall be subject only to regulation by the New Jersey Cannabis Regulatory Commission (N.J.S.A. 24:6I-45.a);

WHEREAS, by Ordinance 2021-9, entitled "Amended Ordinance Restricting the Number, Location and Operation of Cannabis Retailers, Medical Cannabis Dispensaries and Cannabis Delivery Services and Prohibiting All Other Cannabis Businesses and Operations in the Borough, Amending the Code of the Borough of Pennington" (hereafter "Ordinance" or "Ordinance 2021-9"), the Borough of Pennington has authorized as a conditional use the establishment of a single retail store for the sale of personal-use cannabis, subject to the following requirements: :

1. the store shall be licensed by the Cannabis Regulatory Commission ("CRC") as a Class 5 retailer under the Personal Use Act;

2. the store shall be located in either the B–H Highway Business zoning district or the OB-Office Business zoning district;

3. the store shall be regulated as a "conditional use," requiring the owner to satisfy as a condition of operation the restrictions on the number, location, manner and time of operation set forth in the Ordinance, as amended from time to time, including:

(a) the floor area of the licensed facility shall not exceed 2,500 square feet, as defined in Chapter 215 of the Borough Code;

(b) the operating hours of the dispensary shall be between 9 am and 8 pm daily;

(b) the store shall be accessible directly from a right-of-way through a separate entrance independent from any other retail ingress;

(c) no cannabis product shall be visible from a public sidewalk, public street or right-of-way or any other public place;

(e) all cannabis products shall be stored securely, indoors and onsite;

(f) consumption of cannabis products, by any means of ingestion, shall not be permitted in the licensed facility or adjacent grounds;

(g) the licensed facility shall implement odor control measures approved by the Board of Health;

(h) the licensed facility shall develop and implement security protocols subject to review and approval by the Pennington Borough Police Department;

(i) At a minimum, the following security measures must be undertaken:

[1] a video recording security system shall be employed covering all areas of the facility and the exterior of the building with a 24/7 recording system that records for a minimum 30-day archive;

[2] the facility and adjacent right-of-way shall be monitored by staff and kept free of loitering, litter and other debris, and the sidewalks shall be swept and cleaned on a regular basis;

4. the design of the building or structure required by the licensed facility shall conform to the general character of the area in which it is located;

5. the facility shall provide off-street parking and site access as required by Borough ordinances and applicable approvals of the Borough Planning Board;

6. the facility shall also comply with all applicable zoning, signage and site plan requirements and the specifications and standards of Sections 215-79 and 215-81 and other applicable provisions of Chapter 215 of the Borough Code, as may be amended from time to time;

WHEREAS, as authorized by the Personal Use Act, the Ordinance establishes a separate local licensing requirement as part of Borough restrictions on the number of cannabis retailers and their location, manner and times of operation, to the full extent permitted by law, and such license must be renewed annually;

WHEREAS, the issuance or renewal of a local license requires a resolution of Borough Council finding that the applicant complies with all applicable Borough restrictions on the number of cannabis businesses and the location, manner and times of their operation, including continued compliance with all zoning and land use approvals and related conditions and standards;

WHEREAS. Borough Council may deny or revoke a local license or take other adverse action based on failure of compliance with restrictions, conditions and standards which are the basis for licensure, and to the extent permitted by law, possession of a valid local license shall be a condition precedent to operation of a cannabis business in the Borough;

WHEREAS, Borough Council shall notify the CRC in every case that Council either approves or denies an application for local licensure;.

WHEREAS, the local licensing requirement shall be in addition to any land use approvals within the jurisdiction of the Borough Planning Board; .

WHEREAS, as authorized by the Personal Use Act and <u>N.J.S.A</u>. 40:48I-1.a (1), Ordinance 2021-9 imposes a transfer tax of up to two percent (2%) on the sale of cannabis or cannabis items by a cannabis retailer located in the Borough;

WHEREAS, municipalities imposing a transfer tax by ordinance are required by <u>N.J.S.A</u>. 40:48I-1.a (2) to include in the ordinance a user tax, equivalent to the transfer tax rate, payable by any concurrent license holder in the municipality operating more than one cannabis establishment and transferring cannabis or cannabis items to any of the license holder's other cannabis establishments, whether located in the same or other municipality, based on the value of each such transfer or use not otherwise subject to the transfer tax;

WHEREAS, any violation of the provisions of the Ordinance or the conditions of the

zoning permit granted, inclusive of any agreements or conditions imposed by the Planning Board, shall be punishable by a civil fine of no less than \$1,000.00 and no more than \$2,500.00, and all violations shall be reported to the CRC or other appropriate state authority;

Renewal of Local License for Jersey Meds Management, LLC

WHEREAS, pursuant to Borough Council Resolution 2023-6.6, which is incorporated herein by reference, Jersey Meds Management, LLC ("Jersey Meds") is the holder of a local license to locate and operate a retail cannabis store as lessee of Unit 5 in the Pennington Square Shopping Center, Block 206, Lot 3 on the Pennington Borough Tax Map, also known as 7 Route 31 North in the Borough of Pennington;

WHEREAS, Jersey Meds now seeks renewal of this local license for the new license year and in support thereof:

- 1. certifies its continued compliance with the terms, conditions and requirements for issuance of its local license as set forth in Borough Council Resolution 2023-6.6;
- 2. certifies its eligibility for continued State licensure by the CRC subject only to issuance of a renewed local license by Pennington Borough;
- 3. certifies that it has paid to Pennington Borough all cannabis transfer taxes and user taxes required by law;
- 4. has submitted the required annual renewal fee of \$5,000 payable to the Borough of Pennington;

WHEREAS, Borough Council finds and determines that:

1. Except as specifically noted below, Jersey Meds' proposed Class 5 retail store complies with all applicable Borough restrictions on the number of cannabis businesses in the Borough and the location, manner and times of their operation, including compliance with all zoning and land use approvals and related conditions and standards, as required by the Ordinance (Section 215-81(15) of the Borough Code).

2. The noted exception is CRC issuance of a renewed annual Class 5 retail license to Jersey Meds, which is pending and is subject to renewal of this local license;

NOW, THEREFORE, BE IT RESOLVED, by the Borough Council of the Borough of Pennington, as follows:

1. Borough Council adopts the recitals and findings set forth above.

2. Renewal of a local license to Jersey Meds for the operation of a Class 5 retail store at 7 Route 31 North in the Borough of Pennington is hereby approved subject to CRC issuance of a renewed annual license to Jersey Meds for this Pennington location, and subject further to the following continuing conditions:

- (a) Continued compliance with all applicable New Jersey State laws and regulations, including in particular the Personal Use Act, CRC Rules and Regulations, the requirements of Ordinance 2021-9 and the Code of the Borough of Pennington, all as may be amended from time to time.
- (b) Continued compliance with the conditions of Conditional Use approval by the Pennington Planning Board, as memorialized in the Planning Board Resolution including, <u>inter alia</u>, the required reporting of attempted use of fraudulent identification documents

presented in an effort to purchase cannabis products, as set forth in Condition F at page (6) of the Planning Board Resolution.

- (c) Payment of all required taxes and fees owed to the Borough in accordance with the Ordinance and Borough Code and agreement concerning the schedule for monthly payment of cannabis transfer taxes as stated in Resolution 2023-6.6, as may be amended from time to time.
- (d) The local license shall be prominently displayed in the Jersey Meds' store, visible to customers.

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COUNCILMAN	AYE	NAY	N.V.	A.B.	COUNCILMAN	AYE	NAY	N.V.	A.B.
Angarone					Rubinstein				
Chandler					Stern				
Marciante					Valenza				

Record of Council Vote on Passage

This is to certify that the foregoing is a true copy of a Resolution adopted by the Borough Council of the Borough of Pennington at a meeting on <u>February 3, 2025.</u>

Elizabeth Sterling, Borough Clerk