



AMENDED

**AGENDA – REGULAR MEETING
6:00 p.m., Nov. 18th, 2024**

Planning Commission

- 1. CALL TO ORDER**
- 2. ROLL CALL** (Quorum is 4)
- 3. APPROVAL OF AGENDA** (Unanimous additions required)
- 4. APPROVAL OF MINUTES**
 - A. Planning Commission Minutes 09-16-24
- 5. PUBLIC COMMENTS**
- 6. PUBLIC HEARINGS**
 - A. Approve Amendments to the Zoning Code relating to Cannabis and Hemp Business.
- 7. REPORTS OR COMMENTS: Staff, Chair, & Commission Members**
- 8. ANNOUNCEMENTS**
- 9. ADJOURNMENT**

***REMOVED ORIGINAL ITEM 3. ELECTION OF OFFICERS FROM AGENDA**

**OSSEO PLANNING COMMISSION MINUTES
REGULAR MEETING
September 16, 2024**

1. CALL TO ORDER

The regular meeting of the Osseo Planning Commission was called to order at 6:00 pm, Monday, September 16, 2024.

2. ROLL CALL

Present: Commission members Connie Aho, Dee Bonn, Chris Carrigan, James Hultgren, KC Robinson, and Kerstin Schulz

Absent: None

Others present: Interim City Administrator Shane Mikkelson, Assistant City Attorney Joseph Sathe

3. ELECTION OF OFFICERS

Mikkelson stated officers for the Planning Commission include the Chair, who runs the meetings, and the Vice Chair, who runs meetings when the chair is not in attendance. Both officers also have an opportunity to help set agendas for upcoming meetings. In 2024, the officers were:

Chair:	Vacant
Vice-Chair:	Kirsten Schulz

Staff recommends the Planning Commission elect officers for 2024. This can be done through a joint motion and vote covering both positions, or by an individual motion and vote on the officer for each position. Anyone may make the motion.

A motion was made by Bonn, seconded by Carrigan, to elect Kerstin Schulz Chair of the Planning Commission for 2024. The motion carried 6-0.

A motion was made by Bonn, seconded by Carrigan, to elect James Hultgren Vice Chair of the Planning Commission for 2024. The motion carried 6-0.

4. APPROVAL OF AGENDA

A motion was made by Hultgren, seconded by Robinson, to approve the Agenda as presented. The motion carried 6-0.

5. APPROVAL OF MINUTES

A. Approve August 21, 2023, Minutes

A motion was made by Bonn, seconded by Carrigan, to approve the August 21, 2023, minutes. The motion carried 6-0.

6. PUBLIC COMMENTS

Chair Schulz advised this is the time for public comments for items that are not on the agenda for tonight's meeting. There were no comments from the public.

7. PUBLIC HEARINGS

- a. Discuss Cannabis Dispensary Zoning

A motion was made by Hultgren, seconded by Aho, to open the Public Hearing at 6:05 p.m. The motion carried 6-0.

Kenny Nelson, 509 Third Avenue NE, stated there was no recommendation from staff on this item, rather this was a discussion item. He questioned what the City was thinking on this matter. He explained he didn't hear any comments addressed towards micro-dispensaries. He hoped this type of business would be included in the City's zoning code.

Mikkelson stated in September 2023, the City of Osseo adopted an ordinance which included a moratorium on Cannabis Businesses operating in Osseo. This moratorium is in effect until January 1, 2025. During the last year, the Office of Cannabis Management has outlined its licensing and operations procedure for a Cannabis Business in Minnesota. It was noted in late August, our City Attorney Mary Tietjen updated the Council and staff with a memo outlining the decisions needed by the city in relation to cannabis sales. Staff commented further on the proposed cannabis dispensary zoning regulations, reviewing a zoning buffer map and requested feedback from the Planning Commission on how to address the use.

Schulz asked if the City could limit the number of businesses that could come into Osseo. Assistant County Attorney Joseph Sathe reported a business will apply to the State for a license through the Office of Cannabis Management. If approved by the State, retail businesses would then have to register with the City and the City is able to limit the number of retail businesses. He explained Osseo could have one publicly owned and one privately owned retail shop per current State standards.

Schulz questioned if a buffer was in place would the buffer apply to all cannabis license types. Mr. Sathe reported this would not have to be the case, rather the City could decide how to treat each of the business types. He stated the one caveat for the City to consider is that tools could not be put in place to limit businesses.

Hultgren stated he liked the idea of a buffer being put in place and suggested a 500 foot buffer be considered. He indicated a 500 foot buffer would ensure a business could be located along Central Avenue. He commented further on how secure dispensaries were.

Carrigan explained he has reviewed several other model ordinances for retail cannabis and noted a 50 foot residential buffer was included in one of the ordinances. He stated this would be one way to keep retail stores away from residential homes.

Aho indicated she owned buildings on Central Avenue as well as in the Central Business District. She stated she supported the City having uses to draw people into the community, but she did not want a dispensary in the Central Business District. She feared parking would become a concern and that this use may hurt local businesses more than it would help. She suggested a 1,000 foot buffer be pursued in order to keep dispensaries out of the Central Business District.

Bonn stated she agreed with this recommendation. She recommended a 1,000 foot buffer be considered because it push dispensaries closer to the highway, which would provide better access for visitors.

Carrigan asked if a municipal dispensary would have to follow the buffer guidelines. Mr. Sathe reported he would have to follow up with the Commission on this matter. Mikkelson stated it was his understanding the City would have to follow the buffer guidelines.

Mr. Nelson recommended the City avoid any zoning for microbusinesses because these are going to be the smaller players that might want to start a small business.

Further discussion ensued regarding cannabis sales occurring out of residential homes.

Bonn asked what products were currently being sold in Osseo. Mikkelson stated this included hemp, CBD and low potency THC products.

Bonn commented she wanted to see the full potency retail sales occurring along the highway versus along Central Avenue. She questioned how the police would address open containers of bags of marijuana in cars. Mikkelson noted State law prohibits smoking marijuana in cars. In addition, the State had regulations in place regarding how much marijuana an individuals can possess. He discussed how the State still had to come up with further regulations for enforcement purposes. He reiterated the City can control zoning and buffer zones so long as the use is not zoned out.

Bonn questioned if sellers in Osseo had to grow their own products. Mikkelson indicated cultivators had to grow their products within the State of Minnesota, but this did not have to occur within the City of Osseo. He explained the State would be handing out a specific number of cultivator and dispensary licenses. He stated the City had to determine where it wanted these businesses located.

A motion was made by Bonn, seconded by Robinson, to close the public hearing at 6:50 p.m. The motion carried 6-0.

Aho reiterated that she was concerned with the amount of traffic that would be generated by a retail use and how this may negatively impact the Central Business District.

Further discussion ensued on how certain properties along Central Avenue would not have adequate parking to serve as a cannabis retailer.

Mikkelson reviewed the various types of cannabis businesses and asked how the City should address these uses and if they should be broken up. He commented on the car counts through the community noting County Road 81 had nearly 20,000 cars per day while Central Avenue was nowhere near this. He explained cannabis retail shops may be more

successful along the County Road 81 corridor than along Central Avenue due to the amount of traffic and ease of access.

Schulz commented on how the 1,000 foot buffer would limit business in Osseo. She suggested the City consider a 250 or 500 foot buffer, or that retail only be allowed in the City's retail zone.

Aho anticipated cannabis retailers would be looking for high traffic areas. She stated she wanted the City to protect its existing retail businesses along Central Avenue. She supported the City having a 1,000 buffer in place for cannabis retail.

Bonn explained she understood Commissioner Aho's point, but added she was uncertain the City of Osseo needed all of the other cannabis uses in the community beyond cannabis retail. She suggested the City only allow cannabis retail. She indicated she heard a rumor that the police department was interested in running cannabis sales. She recommended the sales not occur out of City Hall but supported the red building being used for municipal sales. She indicated she did not want other cannabis retail in the community. Mr. Sathe explained the City could have a municipal cannabis retail operation, but noted the City would also have to allow for one more user per State requirements.

Robinson supported the City relying on underlying zoning districts with buffer zones to keep cannabis retail away from schools, daycares and parks.

A motion was made by Robinson, seconded by Hultgren, to recommend the City allow cannabis retail, including low potency and medical products, in the underlying retail zoning district with a 250 to 500 foot buffer zone. The motion carried 4-2 (Aho and Bonn opposed).

8. REPORTS OR COMMENTS: Staff, Chair & Commission Members

Hultgren commented on the events occurring at the VFW this fall and invited the public to attend. He stated the new pavement on County Road 81 looked great.

Carrigan reported the City's 150th Anniversary Celebration would occur in 2025 and the committee was looking for historic photos of the community.

Bonn stated the two final farmers market would be held on Tuesday, September 17 and Tuesday, September 24.

Mikkelson explained he would be getting the Planning Commission back on track. He reported the City hired a new City Clerk and another staff member would be hired to assist with planning items. He noted the Planning Commission currently had one open seat. He indicated there would be two openings on the Planning Commission at the end of 2024 and stated he would like to know if these individuals would be interested in continuing their service. If not, he stated the City would have to pursue volunteers for these open seats.

9. ANNOUNCEMENTS

None.

10. ADJOURNMENT

**A motion was made by Bonn, seconded by Carrigan, to adjourn the meeting at 7:23 pm.
The motion carried 6-0.**

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial

UNAPPROVED



City of Osseo Planning Commission Meeting Item

Agenda Item: Approve Amendments to the Osseo Zoning Code Relating to Cannabis and Hemp Business

Meeting Date: November 18th, 2024

Prepared by: Shane Mikkelson, City Administrator/Police Chief

Attachments: Copy of Ordinance Changes

Policy Consideration:

Approve the changes to our Zoning Code relating to the Cannabis and Hemp Business.

Background:

With the State of Minnesota legalizing cannabis and hemp sales, the City of Osseo had options to amend its zoning code in different ways. At the 09/16/24 Planning Commission meeting, questions were asked of the commission how to proceed with any zoning amendments. The Planning Commission gave staff their recommendations and the attached amendments have been written. Staff would like to get approval from the Planning Commission to send this draft ordinance to the Osseo City Council for reading and adoption.

Budget or Other Considerations:

This has no impact on the City Budget.

City Goals Met By This Action:

Update the City Code.

Options:

The Planning Commission may choose to:

1. Approve the amendments to the Osseo Zoning Code in relation to Cannabis and Hemp Business;
2. Approve the amendments to the Osseo Zoning Code in relation to Cannabis and Hemp Business with noted changes/as amended;
3. Deny the amendments to the Osseo Zoning Code in relation to Cannabis and Hemp Business
4. Table action on this item for more information.

Recommendation/Action Requested:

Staff recommends the Planning Commission choose option 1. Approve the amendments to the Osseo Zoning Code in relation to Cannabis and Hemp Business

Next Step:

Have the first reading of the amendments at the Osseo City Council meeting on November 25th.

ORDINANCE NO. 2024- _____

AN ORDINANCE AMENDING CERTAIN SECTIONS OF THE OSSEO ZONING CODE RELATING TO CANNABIS AND HEMP BUSINESSES

THE CITY COUNCIL OF THE CITY OF OSSEO HEREBY ORDAINS AS FOLLOWS:

Section 1. Section 153.009 (Definitions) of the Osseo City Code is amended as follows with the following definitions to be added in alphabetical order:

CANNABIS BUSINESS. Has the same meaning as “cannabis business” in Minnesota Statutes, section 342.01.

CANNABIS CULTIVATION BUSINESS. A business with a cannabis cultivator license, medical cannabis cultivator license, or cultivation endorsement from the State of Minnesota Office of Cannabis Management.

CANNABIS DELIVERY BUSINESS. A business with a cannabis delivery service license or delivery service endorsement from the State of Minnesota Office of Cannabis Management.

CANNABIS EVENT ORGANIZER. A business with a cannabis event organizer license or event organization endorsement from the State of Minnesota Office of Cannabis Management.

CANNABIS MANUFACTURING BUSINESS. A business with a cannabis manufacturer license, or manufacturing endorsement from the State of Minnesota Office of Cannabis Management.

CANNABIS RETAIL BUSINESS. A business with a cannabis retailer license, medical cannabis retailer license, lower-potency hemp edible retailer license, or retail endorsement from the State of Minnesota Office of Cannabis Management.

CANNABIS TESTING BUSINESS. A business with a cannabis testing facility license or testing endorsement from the State of Minnesota Office of Cannabis Management.

CANNABIS TRANSPORTATION BUSINESS. A business with a cannabis transporter license or transportation endorsement from the State of Minnesota Office of Cannabis Management.

CANNABIS WHOLESALING BUSINESS. A business with a cannabis wholesaler license or wholesaling endorsement from the State of Minnesota Office of Cannabis Management.

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

HEMP BUSINESS. Has the same meaning as “hemp business” in Minnesota Statutes, section 342.01.

LOWER-POTENCY HEMP EDIBLE RETAILER. A business with a lower-potency hemp edible retailer license from the State of Minnesota Office of Cannabis Management.

LOWER-POTENCY HEMP EDIBLE MANUFACTURER. A business with a lower-potency hemp edible manufacturer license from the State of Minnesota Office of Cannabis Management.

RESIDENTIAL TREATMENT FACILITY. "Residential treatment" means a 24-hour-a-day program under the treatment supervision of a mental health professional, in a community residential setting other than an acute care hospital or regional treatment center inpatient unit, that must be licensed as a residential treatment program for adults with mental illness under chapter 245I, Minnesota Rules, parts 9520.0500 to 9520.0670, or other rules adopted by the Minnesota state commissioner of human services.

SCHOOL. A public school as defined in Minnesota Statutes, section 120A.05 or a nonpublic school that must meet the reporting requirements under Minnesota Statutes, section 120A.24. “School” does not include a home school.

Section 2. The following definition in Section 153.009 (Definitions) of the Osseo City Code is amended to read:

MANUFACTURING, ARTISAN. The production of goods by the use of hand tools, light mechanical equipment, or similar means, occurring solely within an enclosed building. A building containing an artisan manufacturing use must have negligible negative impact on the urban fabric, surrounding properties, water resources, air quality, and/or public health. Such uses include, but are not limited to: production of alcohol including certain breweries and microdistilleries as allowed by city code and state law; woodworking and cabinet shops; ceramic studios; jewelry manufacturing; welding and metal fabricators; upholsterers; food processing; and arts and crafts. Artisan manufacturing does not include a cannabis manufacturing business or a lower-potency hemp edible manufacturer.

Section 3. Section 153.037 of the Osseo City Code is amended as follows:

§ 153.037 CENTRAL BUSINESS DISTRICT, CBD.

(A) *Intent.* The intent of this district is to accommodate central business type uses that include joint-use parking areas and business uses primarily oriented to the walking public.

(B) *Permitted uses.*

(1) Commercial establishments. In order to illustrate the types of establishments which this division is designed to cover, the following examples are set forth. These examples are not meant to illustrate the only establishments intended to be covered:

- (a) Retail establishments such as grocery, hardware, drug, clothing, appliances, furniture stores, and restaurants, cannabis retail business, cannabis delivery business, lower-potency hemp edible retailer;
 - (b) Personal services such as laundry, barber, shoe repair, beauty salon, and photography studio;
 - (c) Professional services such as medical clinics, dental clinics, law offices, and accounting offices and cannabis event organizer;
 - (d) Finance, insurance, and real estate services;
 - (e) General commercial office space; and
 - (f) Repair services such as jewelry, radio, and television repair shops (not auto repair).
- (2) Public and semi-public facilities serving all or portions of the city, such as municipal offices, library, and post office;
 - (3) Apartments, if located above the street level in non-residential structures;
 - (4) Essential service structures and uses; and
 - (5) Any other uses determined by the city to be the same or similar type uses.

(C) *Conditional uses.* Commercial establishments. In order to illustrate the types of establishments which this division is designed to cover, the following examples are set forth. These examples are not meant to illustrate the only establishments intended to be covered:

- (1) Essential service structures and uses;
- (2) Entertainment and amusement services such as arcades, billiards, bowling alleys, lounges, clubs, and lodges;
- (3) Private institutions (e.g., convalescent housing, infirmaries, nurseries, and schools);
- (4) Dry cleaning;
- (5) Blueprint and photocopying establishments;
- (6) Pet shops;
- (7) Seasonal businesses;
- (8) Commercial businesses such as on- or off-sale liquor establishments (taverns, pubs) and restaurants intending to sell or serve liquor as part of regular business;
- (9) Artisan manufacturing businesses; and
- (10) Any other uses determined by the city to be the same or similar type uses.

(D) *Lot requirements and standards.* Refer to Appendix A of this chapter.

Section 4. Section 153.038 of the Osseo City Code is amended as follows:

§ 153.038 HIGHWAY COMMERCIAL DISTRICT, C-2.

(A) *Highway Commercial District, C-2 North.*

(1) *Intent.* The intent of this district is to accommodate service type business uses primarily oriented to the driving public with needed parking facilities provided on site by the owner.

(2) *Permitted uses.* Commercial establishments. In order to illustrate the types of establishments which this division is designed to cover, the following examples are set forth. These examples are not meant to illustrate the only establishments intended to be covered:

- (a) Uses permitted within the central business district;
- (b) Auto accessory stores; ~~and~~
- (c) Cannabis transportation business; cannabis wholesaling business; and
- ~~(e)~~(d) Any other uses determined by the city to be the same or similar type uses.

(3) *Conditional uses.* Commercial establishments. In order to illustrate the types of establishments which this division is designed to cover, the following examples are set forth. These examples are not meant to illustrate the only establishments intended to be covered:

- (a) Conditional uses permitted in the CBD;
- (b) Major auto service stations that include facilities for chassis and gear lubricating, and car washing;
- (c) Garages for the storage and repair of vehicles including body repair and painting, but not including vehicle wrecking yards;
- (d) Live bait stores;
- (e) Outdoor motor vehicle sales, recreational vehicle sales, truck sales, and motorcycle sales, which meet all of the following requirements:
 - 1. Minimum lot size of one acre;
 - 2. Minimum building size must be at least 10% of lot size;
 - 3. Business must have own building and property;
 - 4. Area used for sales must be separate and in addition to off-street parking area; and
 - 5. All vehicle repair and maintenance must take place within a completely enclosed building. Repaired vehicles or vehicles waiting to be repaired shall be considered storage and must be within a screened or enclosed area.
- (f) Indoor motor vehicle, recreational vehicle, truck and motorcycle sales;
- (g) Mortuaries;
- (h) Drive in businesses, auto repair and service, which meet the following requirement:
 - 1. Minimum lot size of .5 acre;
- (i) Automobile detailing and/or washing; and
- (j) Any other uses determined by the city to be the same or similar type uses.

(4) *Lot requirements and standards.* Refer to Appendix A of this chapter.

(B) *Highway Commercial District, C-2 South.*

(1) *Intent.* The intent of this district is to accommodate service type business uses primarily oriented to the driving public with needed parking facilities provided on site by the owner.

(2) *Permitted uses.* Commercial establishments. In order to illustrate the types of establishments which this division is designed to cover, the following examples are set forth. These examples are not meant to illustrate the only establishments intended to be covered:

- (a) Uses permitted within the central business district;
- (b) Auto accessory stores; ~~and~~

- (c) Cannabis transportation business; cannabis wholesaling business; and
- ~~(e)~~(d) Any other uses determined by the city to be the same or similar type uses.

(3) *Conditional uses.* Commercial establishments. In order to illustrate the types of establishments which this division is designed to cover, the following examples are set forth. These examples are not meant to illustrate the only establishments intended to be covered:

- (a) Conditional uses permitted in the CBD;
- (b) Major auto service stations that include facilities for chassis and gear lubricating, and car washing;
- (c) Garages for the storage and repair of vehicles including body repair and painting, but not including vehicle wrecking yards;
- (d) Live bait stores;
- (e) Outdoor motor vehicle sales, recreational vehicle sales, truck sales, and motorcycle sales, which meet all of the following requirements:
 1. Minimum lot size of one acre;
 2. Minimum building size must be at least 10% of lot size;
 3. Business must have own building and property;
 4. Area used for sales must be separate and in addition to off-street parking area; and
 5. All vehicle repair and maintenance must take place within a completely enclosed building. Repaired vehicles or vehicles waiting to be repaired shall be considered storage and must be within a screened or enclosed area.
- (f) Indoor motor vehicle, recreational vehicle, truck, and motorcycle sales;
- (g) Mortuaries;
- (h) Drive in businesses, auto repair and service, which meet the following requirement:
 1. Minimum lot size of .5 acre;
- (i) Automobile detailing and/or washing;
- (j) Warehousing and shipping of warehoused goods; and
- (k) Any other uses determined by the city to be the same or similar type uses.

(4) *Lot requirements and standards.* Refer to Appendix A of this chapter.

Section 5. Section 153.039 of the Osseo City Code is amended as follows:

§ 153.039 MANUFACTURING AND INDUSTRIAL DISTRICT, M.

(A) *Intent.* The intent of this district is to provide land in proximity to major thoroughfares for the development of certain manufacturing and industrial activities that will strengthen the local employment opportunity and tax base in the city.

(B) *Permitted uses.* Manufacturing and industrial establishments. In order to illustrate the types of establishments which this division is designed to cover, the following examples are set forth. These examples are not meant to illustrate the only establishments intended to be covered:

- (1) Uses permitted within the C-2, highway commercial district;

(2) Fabricating, manufacturing, production, processing, and storage of material goods and products, subject to the performance standards set forth in § 153.050 of this code and as set forth in the rules and regulations of the Minnesota Pollution Control Agency;

(3) Motor freight terminals;

(4) Research, electrical and metallurgical, but not chemical;

(5) Public uses and public utility facilities; and

(6) Any other uses determined by the city to be the same or similar type uses.

(C) *Conditional uses.*

(1) Conditional uses permitted within the C-2, highway commercial district, with the exception of § 153.038 (C)(5) motor vehicle, recreational vehicle, truck, and motorcycle sales;

(2) Manufacturing and sale of concrete products;

(3) Manufacturing of miscellaneous building materials (such as, prefabricated housing, wallboard, partitions, and panels);

(4) Metal fabrication;

(5) Storage of the following:

(a) Coal and gas; or

(b) Auto wrecking, junk, and salvage.

(6) Sexually oriented businesses;

(7) cannabis cultivation business, cannabis testing business, cannabis manufacturing business, and lower-potency hemp edible manufacturer, subject to the following: performance standards set forth in section 153.050 of this code; all applicable rules and regulations of the Minnesota Pollution Control Agency; all applicable State of Minnesota administrative rules pertaining to cannabis; chapter 93 of this code (health and safety/nuisances); and other reasonable conditions imposed by the City;

~~(7)~~ (8) Uses not specifically set forth herein which in the opinion of the City Council would be compatible with the area in which located and which would not constitute a public nuisance, and which would not materially affect sewer capacity.

(D) *Lot requirements and standards.* Refer to Appendix A of this chapter.

Section 6. Section 153.050 (Special Regulations; Performance Standards) is amended as follows:

Every use permitted and conditional use under by this chapter shall be so established and maintained as to comply with the provisions of the following performance standards.

Section 7. Section 153.060 of the Osseo City Code is amended as follows to add an additional standard prohibiting cannabis and hemp businesses as home occupations:

§ 153.060 HOME OCCUPATIONS.

All home occupations permitted by this chapter shall be so established and maintained as to comply with the provisions of the following standards:

(A) Conduct of the home occupation does not result in any alterations to the exterior of the residence;

[paragraphs intentionally omitted]

(M) Cannabis and hemp businesses shall not be permitted as home occupations.

Section 8. The Osseo City Code is amended to add the following new Section 153.043 relating to Cannabis and Hemp uses:

§ 152.043 LOCATION OF CANNABIS AND HEMP BUSINESSES.

Location restrictions. Cannabis Retail Businesses must be located:

- (A) At least 500 feet from any School;
- (B) At least 250 feet from any Residential Treatment Facility; and
- (C) At least 250 feet from an attraction within a public park that is regularly used by minors. *(Note: Planning Commission/Council should make a determination about which parks this includes so that staff are not making that determination on a case-by-case basis.)*
- (D) At least 250 feet from any Daycare.

Section 9. Effective Date. This ordinance shall be effective on January 1, 2025.

ADOPTED by the City Council of the City of Osseo, Minnesota, this ____th day of _____ 2024.

ATTEST:

Mayor

City Clerk

First reading: _____, 2024

Second reading and adoption: _____, 2024

Published: _____, 2024, *Osseo-Maple Grove Press*