

ORDINANCE NO. 918

2<sup>ND</sup> SERIES

AN ORDINANCE OF THE CITY OF ALEXANDRIA AMENDING THE CITY CODE BY ADDING SECTION 3.25 TO REGULATE CANNABIS BUSINESSES

The City Council of the City of Alexandria hereby ordains:

**SECTION 1.** That Section 3.25 of the Alexandria City Code is hereby added by the addition of the following:

Section 3.25. Adult Use Cannabis

Subd. 1. **Administration**

A. Findings and Purpose

1. The City of Alexandria makes the following legislative findings:

a. The purpose of this ordinance is to implement the provisions of Minnesota Statutes, chapter 342, which authorizes Alexandria to protect the public health, safety, welfare of residents by regulating cannabis businesses within the legal boundaries of the City of Alexandria.

b. The City of Alexandria finds and concludes that the proposed provisions are appropriate and lawful land use regulations for Alexandria, that the proposed amendments will promote the community's interest in reasonable stability in zoning for now and in the future, and that the proposed provisions serve the public interest.

B. Authority & Jurisdiction

1. The City of Alexandria has the authority to adopt this ordinance pursuant to:

a. 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.

b. Minn. Stat. 342.22, regarding the local registration and enforcement requirements of state-licensed cannabis retail businesses and lower-potency hemp edible retail businesses.

c. Minn. Stat. 152.0263, Subd. 5, regarding the use of cannabis in public places.

d. Minn. Stat. 462.357, regarding the authority of a local authority to adopt zoning ordinances.

The Ordinance shall be applicable to the legal boundaries of the City of Alexandria.

C. Severability

If any section, clause, provision, or portion of this ordinance is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of this ordinance shall not be affected thereby.

D. Enforcement

The City is responsible for the administration and enforcement of this ordinance. Any violation of the provisions of this ordinance or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by law. Violations of this ordinance can occur regardless of whether or not a permit is required for a regulated activity listed in this ordinance.

E. Definitions

1. Unless otherwise noted in this section, words and phrases contained in Minn. Stat. 342.01 and the rules promulgated pursuant to any of these acts, shall have the same meanings in this ordinance.

2. 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 office.

3. 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, including lower-potency hemp edible retailers.

4. 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.

5. 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.

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

7. Office of Cannabis Management: Minnesota Office of Cannabis Management, referred to as "OCM" in this ordinance.

8. 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.

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

10. 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.

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

12. Retail Registration: An approved registration issued by the City of Alexandria to a state- licensed cannabis retail business.

13. School: A school as defined under Section 3.01, Subd. 23.5 of the Alexandria City Code.

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

Subd 2. **Registration of Cannabis Businesses**

A. Consent to registering of Cannabis Businesses

No individual or entity may operate a state-licensed cannabis retail business within the City of Alexandria without first registering with the City of Alexandria

Any state-licensed cannabis retail business that sells to a customer or patient without valid retail registration shall incur a civil penalty of \$2,000 for each violation.

Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in Indian country, as defined in United States Code, title 18, section 1151, of a Minnesota Tribal government without the consent of the Tribal government.

B. Compliance Checks Prior to Retail Registration

Prior to issuance of a cannabis retail business registration, the City shall conduct a preliminary compliance check to ensure compliance with local ordinances.

Pursuant to Minn. Stat. 342, within 30 days of receiving a copy of a state license application from OCM, the City shall certify on a form provided by OCM whether a proposed cannabis retail business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.

C. Registration & Application Procedure

1. Fees.

A registration fee, as established in the City's fee schedule, shall be charged to applicants depending on the type of retail business license applied for.

An initial retail registration fee shall be \$500 or half the amount of an initial state license fee under Minn. Stat. 342.11, whichever is less. The initial registration fee shall include the initial retail registration fee and the first annual renewal fee.

Any renewal retail registration fee imposed by the City shall be charged at the time of the second renewal and each subsequent renewal thereafter.

A renewal retail registration fee shall be \$1,000 or half the amount of a renewal state license fee under Minn. Stat. 342.11, whichever is less.

A medical combination business operating an adult-use retail location may only be charged a single registration fee, not to exceed the lesser of a single retail registration fee, defined under this section, of the adult-use retail business.

2. Application Submittal.

The City shall issue a retail registration to a state-licensed cannabis retail business that adheres to the requirements of Minn. Stat. 342.22.

a. An applicant for a retail registration shall fill out an application form, as provided by the City). Said form shall include, but is not limited to:

1) Full name of the property owner and applicant;

2) Address, email address, and telephone number of the applicant;

3) The address and parcel ID for the property which the retail registration is sought;

4) Certification that the applicant complies with the requirements of local ordinances established pursuant to Minn. Stat. 342.13.

5) Certificate of Insurance that specifically notes insurance is being provided for a cannabis retail business and that lists the City of Alexandria as an additional insured.

b. The applicant shall include with the form:

1) the registration fee as required in [Subd 2.C.1];

2) a copy of a valid state license or written notice of OCM license preapproval;

3) Provide a map showing that the retail store is 150 feet or more from a school, 300 feet or more from any addiction recovery/residential treatment facility and 1,000 feet from any other cannabis retail business.

c. Once an application is considered complete, the City shall inform the applicant as such, process the application fees, and forward the application to the City Council for approval or denial.

d. The application fee shall be non-refundable once processed.

### 3. Application Approval

a. A state-licensed cannabis retail business application shall not be approved or renewed if the applicant is unable to meet the requirements of this ordinance.

b. A state-licensed cannabis retail business application that meets the requirements of this ordinance shall be approved.

### 4. Annual Compliance Checks.

The City shall complete at minimum one compliance check per calendar year of every cannabis business to assess if the business meets age verification requirements, as required under [Minn. Stat. 342.22 Subd. 4(b) and Minn. Stat. 342.24] and City Code, as the same may be amended from time to time.

Age verification compliance checks shall involve persons at least 17 years of age but under the age of 21 who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

Any failures under this section must be reported to the Office of Cannabis Management.

#### 5. Location Change

A state-licensed cannabis retail business shall be required to submit a new application for registration under Section 2.3.2 if it seeks to move to a new location still within the legal boundaries of the City.

#### D. Renewal of Registration

The City shall renew an annual registration of a state-licensed cannabis retail business at the same time OCM renews the cannabis retail business' license.

A state-licensed cannabis retail business shall apply to renew registration on a form established by the City.

A cannabis retail registration issued under this ordinance shall not be transferred.

#### 1. Renewal Fees.

The City may charge a renewal fee for the registration starting at the second renewal, as established in the City's fee schedule.

#### 2. Renewal Application.

The application for renewal of a retail registration shall include:

- Items required under Subd. 2.C.2 of this Ordinance and any other information lawfully required by the City.

#### D. Suspension of Registration

#### 1. When Suspension is Warranted.

The City may suspend a cannabis retail business's registration if it violates the ordinance of the City or poses an immediate threat to the health or safety of the public. The City shall immediately notify the cannabis retail business in writing the grounds for the suspension.

#### 2. Notification to OCM.

The City shall immediately notify the OCM in writing the grounds for the suspension. OCM will provide the City and cannabis business retailer a response to the complaint within seven calendar days and perform any necessary inspections within 30 calendar days.

#### 3. Length of Suspension.

The suspension of a cannabis retail business registration may be for up to 30 calendar days, unless OCM suspends the license for a longer period. The business may not make sales to customers if their registration is suspended.

The City shall reinstate a registration if OCM determines that the

violation(s) have been resolved.

4. Civil Penalties.

Subject to Minn. Stat. 342.22, subd. 5(e) the City may impose a civil penalty, as specified in the City's Fee Schedule, of \$2,000.

**Subd. 3. Requirements for Cannabis Businesses**

A. Minimum Buffer Requirements

1. Except in the Central Business District, cannabis businesses with a retail license or a cannabis retail endorsement shall meet a buffer of 150 feet from any school, said buffer to be as defined in Section 3.01, Subdivision 3.5 of the Alexandria City Code. This buffer shall not apply to a Lower-Potency Hemp Edible Retailer.

2. A cannabis business with a retail license or a cannabis retail endorsement shall meet a buffer of 300 feet from an addiction recovery/residential treatment center, with said buffer to be as defined as the horizontal distance between the interior portion of a structure, said interior portion containing the cannabis retail use and the nearest interior portion of a structure, whether separated or not, said interior portion containing an addiction recovery/residential treatment center. This buffer shall not apply to a Lower-Potency Hemp Edible Retailer.

3. A cannabis business with a retail license or a cannabis retail endorsement shall meet a buffer of 1000 feet from any other cannabis business with a retail license or a cannabis retail endorsement, said buffer to be as defined as the horizontal distance between the interior portion of a structure, said interior portion containing the cannabis retail use and the nearest interior portion of a structure, whether separated or not, said interior portion containing another cannabis retail use. This buffer shall not apply to a Lower-Potency Hemp Edible Retailer.

4. Pursuant to Minn. Stat. 462.357 subd. 1e, nothing in Section 3.1 shall prohibit an active cannabis business or a cannabis business seeking registration from continuing operation at the same site if a school or addiction recovery center moves within the minimum buffer zone.

B. Zoning and Land Use

1. Cultivation. Cannabis businesses licensed or endorsed for cultivation are permitted as a permitted use in I-1 and A-O zoning districts

2. Cannabis Manufacturer. Cannabis businesses licensed or endorsed for cannabis manufacturer are permitted as a permitted use in I-1 zoning district and a conditional use in the B-1 zoning district

3. Hemp Manufacturer.

a. Businesses licensed or endorsed for low-potency hemp edible manufacturers permitted as a permitted use in the following zoning districts:

1) I-1, with any facility over 15,000 square feet a conditional use

b. Business licensed or endorsed for low-

potency hemp edible manufacturers permitted as a conditional use in the following zoning districts:

1) B-1, with a maximum facility size of 15,000 square feet.

4. Wholesale. Cannabis businesses licensed or endorsed for wholesale are permitted as a permitted use in the I-1 zoning district

5. Cannabis Retail. Cannabis businesses licensed or endorsed for cannabis retail are permitted as a permitted use in the B-1 zoning district and must meet the following performance standards:

a. Cannabis retailers must operate and maintain a video surveillance system designed and operated in compliance with the provisions of proposed Minnesota Rules Relating To Adult Use Cannabis (Rule 9810 or successor rule) for cannabis business as may be promulgated or amended from time to time. Does not include Lower-Potency Hemp Edible Retailer.

b. A cannabis retail use is prohibited from sharing a common entrance or a premises with a business licensed as a tobacco products shop. This prohibition shall not apply to a Lower-Potency Hemp Edible Retailer.

c. No sales are allowed by means of a self-service display

d. No sales are allowed at a moveable place of business

e. No sales are allowed of products not contained in their original packaging

C. 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.

D. Advertising

Cannabis businesses are permitted to erect up to two fixed signs on the exterior of the building or property of the business, unless otherwise limited by the City's sign ordinances.

**Subd. 4. Temporary Cannabis Events**

A. License or Permit Required for Temporary Cannabis Events

1. License Required. A license is required to be issued by the City prior to holding a Temporary Cannabis Event.

2. Registration & Application Procedure. A registration fee, as established in the City's fee schedule, shall be charged to applicants for Temporary Cannabis Events.

3. Application Submittal & Review. The City shall require an application for Temporary Cannabis Events.

a. An applicant for a retail registration shall fill out an application form, as provided by the City. Said form shall include, but is not limited to:

1) Full name of the property owner and applicant;

2) Address, email address, and telephone number of the applicant;

3) Address of the proposed Temporary Cannabis Event, which must be located on private property

b. The applicant shall include with the form:

1) the application fee as required in (Subd. 4.A.2);

2) a copy of the OCM cannabis event license application, submitted pursuant to 342.39 subd. 2.

3) Certificate of insurance for specific to the Temporary Cannabis Event, listing the city as an additional insured.

The application shall be submitted to the City, or other designee for review. If the City or its designee determines that a submitted application is incomplete, they shall return the application to the applicant with the notice of deficiencies.

c. Once an application is considered complete, the designee shall inform the applicant as such, process the application fees, and forward the application to the City Council for approval or denial.

d. The application fee shall be non-refundable once processed.

e. The application for a license for a Temporary Cannabis Event shall meet the following standards:

1) No consumption or sales of adult-use cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products is allowed on the site of the temporary cannabis event.

2) Temporary cannabis events shall only be held between the hours of 10:00 a.m. and 9:00 p.m.

f. A request for a Temporary Cannabis Event that meets the requirements of this Section shall be approved.

g. A request for a Temporary Cannabis Event that does not meet the requirements of this Section shall be denied. The City shall notify the applicant of the standards not met and basis for denial.

#### **Subd. 5. Lower-Potency Hemp Edibles**

A. Sale of Lower-Potency Hemp Edibles. The sale of Lower-Potency Hep Edibles is permitted, subject to the conditions within this Section.

B. Zoning Districts. Lower-Potency Hemp Edibles businesses are permitted as a permitted use in the B-1 and B-2 zoning districts.

C. Additional Standards

1. Sales within Municipal Liquor Store. The sale of Lower-Potency Edibles is permitted in a Municipal Liquor Store authorized by Minn. Stat. 340A.601.

2. Age Requirements. Prior to initiating a sale, an employee of the lower-potency hemp edible retailer must verify that the customer is at least 21 years of age.

3. Beverages. The sale of Lower-Potency Hemp Beverages is permitted in places that meet requirements of this Section.

4. Storage of Product. Pursuant to Minnesota Statute 342.46, Subdivision 4, Lower-Potency Hemp Edibles, other than those intended to be consumed as a beverage, shall be displayed behind a checkout counter where the public is not permitted or in a locked case.

**Subd. 6. Local Government as a Cannabis Retailer**

The City of Alexandria may establish, own, and operate one municipal cannabis retail business subject to the restrictions in this chapter.

A municipal cannabis retail store shall not be included in any limitation of the number of registered cannabis retail businesses if at any time a limitation is enforced.

The City of Alexandria shall be subject to all same retail license requirements and procedures applicable to all other applicants.

**Subd. 7. Use in Public Places**

No person shall use or sample cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public place or a place of public accommodation unless the premises is an establishment licensed to permit on-site consumption of adult-use cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products.

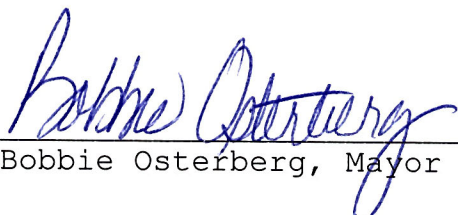
This Ordinance shall be in full force and effect from and after its passage and publication.

**ADOPTED** by the City Council of the City of Alexandria on this 10th day of February 2025, by the following vote:

YES: FRANZEN, THALMAN, ALLEN, MACE, KVALE

NO: NONE

ABSENT: NONE

  
Bobbie Osterberg, Mayor

ATTEST:   
Martin D. Schultz, City Administrator