

**Study Session Meeting – Council Chambers, Ely City Hall
October 29, 2024**

CALL TO ORDER

Mayor Omerza called the study session to order at 6:30pm.

Present: Council Members A.Forsman, Kess, Debeltz, Callen, Bisbee, and Mayor Omerza

Absent: Council Member Campbell

Others Present: Attorney Klun, Clerk Langowski, Clerk Velcheff, Planning & Zoning Members Emily Roose, Joe Pioreschi. and Jeanette Palcher, Planning and Zoning Admin Scott Kochendorfer, and Building Official Doug Whitney

ADDITIONS OR OMISSIONS: None

OLD BUSINESS: None

NEW BUSINESS:

City of Ely Fee Schedule

Langowski discussed that every year we approve the fee schedule in January. We are looking at doing some updates to the fee schedule and are looking for some input and direction tonight at the study session to incorporate the fees in January.

Langowski went through the general fees: adding a Reissue Check Fee for \$25, we went through the labor and equipment charges and updated those to the current rates. Under the utility fees taking off the televise sewer service, private businesses do that for residents now. To replace a water meter, it is a \$30 charge and the meter cost, we used to be able to fix the meters, but the new meters cannot be fixed they have to be replaced.

A.Forsman discussed the rental inspection fee and suggested changing the fee for subsequent units within same dwelling from \$20 to \$40.

A.Forsman asked why some of the Planning and Zoning Fees were raised so much. Kochendorfer explained that to publish the notices it is around \$90 per ad, then we have to send out the notice to residents within 350' and postage can be around \$25-\$50 depending on how many notices need to be sent, and for each application it can take admin time of at least 8-10 hours to research and put together the information for the meeting.

A.Forsman thanked Kochendorfer for his explanation.

Langowski indicated that for the Right of Way (ROW) Vacations the cost will be \$300 for the application and the legal fees.

A.Forsman asked what the EAW fee is? Langowski indicated that if the city is required to do an Environmental Assessment Worksheet (EAW) we could put a \$500 fee and actual costs and expenses for it.

Langowski indicated that we may have to update some ordinances to state to reference the current fee schedule rather than having the fees in the ordinance.

Langowski indicated that for public data requests we need to come up with a policy and fees for the requests. We have been getting more data requests and now a lot of them

ask for the information digitally so we need to come up with a cost for the time we put in to the requests.

A.Forsman asked if the city can take credit cards yet? Langowski stated not yet, but we are looking into it.

Chief Houde went through the updated Police Department fees. Houde would like the alcohol regulation fees to mimic the cannabinoid violations.

Discussion was had on the alcohol consumption in public to be \$100 and the alcohol on school grounds to be \$150.

Chief Houde indicated that he has been working with the Ely Veterinary Clinic on a new contract for boarding animals.

Discussion was had on the animal running at large offences. Suggestion was to have the 1st offense be \$50, 2nd offense be \$75, and 3rd offense be \$100. It was also discussed to have the Animal Impound fees to be the same as the running at large fees. 1st offense \$50 + boarding fee, 2nd offense \$75 + boarding fee, and 3rd offense \$100 + boarding fee.

Callen suggested changing the parking in fire lane/hydrant civil enforcement ticket be \$300. Bisbee indicated that he thinks it should be two separate fees. Chief Houde indicated that he just ordered civil enforcement tickets and we could look at this again next year.

Cannabis Ordinance

- Planning & Zoning Information on Cannabis
- Draft Ordinance 381 An Ordinance of the City of Ely, Minnesota, Adding to the Ely City Code, Chapter 6, Section 6.41, Entitled Regulating Cannabis Business
- Draft Ordinance 383 An Ordinance of the City of Ely, Minnesota, Amending the Ely City Code, Chapter 11, Section 11.50, Entitled Regulating Cannabis Business
- St Louis County Cannabis Ordinance (For Information Purposes)
- St Paul Adult Use Cannabis Zoning Amendments (For Information Purposes)

Langowski indicated that we currently have a moratorium in place and we need some movement on this by the end of the year. For zoning we need to decide where it will be allowed and what uses will be allowed. The county is also working on there ordinances and numerous other communities are also trying to figure this all out.

Bisbee suggested that the number of retail registration of cannabis businesses be increased to 2-3 to create a competitive environment.

Attorney Klun went through the draft Ordinance 381. The ordinance goes through the different licenses including the Low potency hemp edible (what is currently allowed in the City of Ely) the limit is 20 in the proposed ordinance. The fine structures for the low potency are different than the current ordinance, but these are what Attorney Klun has seen in her research statewide. The next license the ordinance goes through is the retail registration of cannabis businesses, this is not where businesses are selling the low potency hemp, this is the new products that are coming into legalization. For the retail registration of cannabis, the business will have to go through all the state mandates and licensing and then obtain a local license. The last section of the

ordinance discusses Temporary Cannabis Events. Klun went through Ordinance 383 regarding the zoning of Cannabis Businesses.

A.Forsman indicated that with the liquor licenses we do not have a limit on the number of licensees so he does not think a limit is appropriate for the retail cannabis businesses. We will have limits on the locations with zoning.

Kess was in favor, the market will eventually limit the number of places people will sell. Attorney Klun indicated that the city should put a number on this, at least to begin with. Bisbee discussed Ely being a destination for people to get their product, and that we should have more than one retail store.

Chief Houde indicated that we do not want that many here or to be a destination. We don't want to be known as a destination for that, it is much better to be known as the destination for the Boundary Waters, mining, logging, or tourism. We don't have the man power to deal with the increased volume that it would cause. There needs to be a limit on the amount of retail stores that Ely allows.

Discussion was had on grounds for denying a license. Attorney Klun indicated that the businesses would have to be licensed by the state first, then they would come to the City of Ely to apply for a license. Klun indicated that in the past the council has not usually denied an applicant as long as they are a good faith applicant.

A.Forsman indicated with the free market and allowing multiple businesses, he doesn't want to see outsiders come in and take up the limited number of licenses that we have. Then these outside businesses maybe don't care about our community and then no one else can move into that type of business that is a responsible business owner, that does care about the community and will keep their money local. Forsman stated that he does not want to only see one business.

Langowski stated that Richard Stuart gave an update to the Town of Morse Board a couple weeks ago and referenced that there were over 500 applications for the social equity licensing with the state and about half of them were applicants from outside of the state.

Building Official Whitney asked if we can set the number allowed by resolution rather than in the ordinance.

Attorney Klun indicated that she will put 5 into the draft ordinance the council meeting then we can further discuss the number allowed at the council meeting. In section (d)(12) there is a statement that a "New applicant who has purchased a business location holding a valid city registration will be entitled to first priority, provided the new applicant meets all other application requirements in accordance with this ordinance," Attorney Klun indicated that there is some locality written in the ordinance.

Attorney Klun asked for input on the fines for both lower potency and the higher potency cannabis. Discussion was had to keep the lower potency the same as what they are

currently in the ordinance to coincide with the alcohol regulations of 1st Violation \$300 with a 3-day suspension, 2nd Violation \$500 with a 6-day suspension, 3rd Violation \$1000 with a 12-day suspension and a 4th Violation \$2000 fine and revocation of license. For the higher potency retail businesses, the fines will be 1st Violation \$750 with a 7-day suspension, 2nd Violation \$1500 with a 15-day suspension, 3rd Violation \$2000 with a 30-day suspension and a 4th Violation revocation of license.

Attorney Klun discussed the zoning. Agreeance to allow the low potency in C-1. Klun discussed the cannabis microbusinesses and mezzo businesses indicating that these are partly retail and partly production.

P&Z Admin Kochendorfer asked if the distances from a school, daycare, parks, etc would be factored into the zoning ordinance. The state has a maximum for the distances, but each jurisdiction could lower the distances. Kochendorfer also mentioned that conditional use permits could be put on some of these licenses then certain conditions would have to be met for those types of businesses.

Kess stated that he is uncomfortable allowing cultivation in a C-1/C-2 district, even if it is a combo type of business.

Mayor Omerza indicated that she has no desire to lower the distances from the state maximums.

Attorney Klun asked Planning and Zoning to give a recommendation to the council at the next meeting regarding the zoning portion. P&Z Admin Kochendorfer stated that planning and zoning had approved a zoning recommendation regarding cannabis businesses, he will get the information to Attorney Klun. The recommendation from Planning and Zoning goes into each type of business, the recommended zoning and whether the type should have a conditional use permit or not.

Discussion was had on timing of the ordinance procedure to have something in place by the end of the year deadline for the moratorium.

ADJOURN

Mayor Omerza adjourned the meeting at 8:11pm

Casey Velcheff
Deputy Clerk