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Memorandum

To: Mayor Dale and Members of the Township Council
Township of West Milford

From: Fred Semrau

Date: April 30, 2021

Re: Cannabis Discussion

Dear Mayor Dale and Members of the Township Council:

In order to move forward with the discussion regarding Cannabis, as a follow-up to the Council's direction at the last meeting, we hereby enclose the following:

1. A draft Cannabis Ordinance which permits all classes of cannabis, cultivator, manufacturing, whole sale distribution and retail licenses.
2. We said that we would come back with some parameters. The parameters for this mapping, for now, are as follows:
 - A. 500 feet from any park and 1,000 feet from schools
 - B. Minimum lot size for cultivator, manufacturer, whole sale distribution one acre
 - C. Location of retail use, commercial or industrial zone
 - D. Set-back – 50 feet or the minimum zone standard, whichever is greater
 - E. Retailers would be permitted in all commercial and retail zones (lake commercial, neighborhood commercial, highway commercial, community commercial, village commercial and office transition)

Jessica has provided a series of maps which will show the eligible areas of the Township for cannabis development.

Remember, if you proceed with these ordinances, you are bound by them for the next five (5) years. In addition, at any time in this process or at a later date, you can amend the ordinances to expand cannabis opportunities

If you have any questions, please do not hesitate to contact me.

FCS:sdj

Cc: Bill Senande, Township Administrator
Jessica Caldwell, Township Planner

ORDINANCE NO 2021-__

**AN ORDINANCE OF THE TOWNSHIP OF WEST MILFORD, COUNTY OF PASSAIC,
STATE OF NEW JERSEY AMENDING THE TOWNSHIP CODE CHAPTER 500
ENTITLED "ZONING" OF THE REVISED GENERAL ORDINANCES OF THE
TOWNSHIP OF WEST MILFORD TO PERMIT THE CULTIVATION,
MANUFACTURING, WHOLESALE, DISTRIBUTION, RETAIL AND DELIVERY OF
CANNABIS WITH THE TOWNSHIP**

WHEREAS, in 2020 New Jersey voters approved Public Question No. 1, which amended the New Jersey Constitution to allow for the legalization of a controlled form of marijuana called "cannabis" for adults at least 21 years of age; and

WHEREAS, on February 22, 2021, Governor Murphy signed into law P.L. 2021, c. 16, known as the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act" (the "Act"), which legalizes the recreational use of marijuana by adults 21 years of age or older, and establishes a comprehensive regulatory and licensing scheme for commercial recreational (adult use) cannabis operations, use and possession; and

WHEREAS, the Act establishes six marketplace classes of licensed businesses, including:

- Class 1 Cannabis Cultivator license, for facilities involved in growing and cultivating cannabis;
- Class 2 Cannabis Manufacturer license, for facilities involved in the manufacturing, preparation, and packaging of cannabis items;
- Class 3 Cannabis Wholesaler license, for facilities involved in obtaining and selling cannabis items for later resale by other licensees;
- Class 4 Cannabis Distributer license, for businesses involved in transporting cannabis plants in bulk from on licensed cultivator to another licensed cultivator, or cannabis items in bulk from any type of licensed cannabis business to another;
- Class 5 Cannabis Retailer license for locations at which cannabis items and related supplies are sold to consumers; and
- Class 6 Cannabis Delivery license, for businesses providing courier services for consumer purchases that are fulfilled by a licensed cannabis retailer in order to make deliveries of the purchased items to a consumer, and which service would include the ability of a consumer to make a purchase directly through the cannabis delivery service which would be presented by the delivery service for fulfillment by a retailer and then delivered to a consumer.

WHEREAS, section 31a of the Act authorizes municipalities by ordinance to adopt regulations governing the number of cannabis establishments (defined in section 3 of the Act as “a cannabis cultivator, a cannabis manufacturer, a cannabis wholesaler, or a cannabis retailer”), cannabis distributors or cannabis delivery services allowed to operate within their boundaries, as well as the location manner and times operation of such establishments, distributors or delivery services, and establishing civil penalties for the violation of any such regulations; and

WHEREAS, section 31b of the Act authorizes municipalities by ordinance to prohibit the operation of any one or more classes of cannabis establishments, distributors, or delivery services anywhere in the municipality; and

WHEREAS, section 31b of the Act also stipulates, however, that any municipal regulation or prohibition must be adopted within 180 days of the effective date of the Act (*i.e.*, by August 22, 2021); and

WHEREAS, pursuant to section 31b of the Act, the failure to do so shall mean that for a period of five years thereafter, the growing, cultivating, manufacturing, selling and reselling of cannabis and cannabis items shall be permitted uses in all industrial zones, and the retail selling of cannabis items to consumers shall be a conditional use in all commercial and retail zones; and

WHEREAS, at the conclusion of the initial and any subsequent five-year period following a failure to enact local regulations or prohibitions, the municipality shall again have 180 days to adopt an ordinance regulating or prohibiting cannabis businesses, but any such ordinance would be prospective only and would not apply to any cannabis business already operating within the municipality; and

WHEREAS, the Mayor and Township Council of the Township of West Milford find that Cannabis Cultivation is a viable and valuable commercial enterprise that should be promoted within the Township of West Milford; and

NOW THEREFORE BE IT ORDAINED D by the Mayor and Township Council of the Township of West Milford, County of Passaic, State of New Jersey as follows:

SECTION 1.

Article XVII Cannabis Cultivation, Manufacturing, Wholesale, Distribution, Retail and Delivery

§ 500-191 Definitions.

Cannabis

All parts of the plant *Cannabis sativa* L., whether growing or not, the seeds thereof, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds, except those containing resin extracted from the plant, which are cultivated and, when applicable, manufactured in accordance with P.L. 2016, c. 16 for use in cannabis products as set forth in this act, but shall not include the weight of any other ingredient

combined with cannabis to prepare topical or oral administrations, food, drink, or other product. "Cannabis" does not include: medical cannabis dispensed to registered qualifying patients pursuant to the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); marijuana as defined in N.J.S.2C:35-2 and applied to any offense set forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or marijuana as defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense set forth in the "New Jersey Controlled Dangerous Substances Act," P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product cultivated, handled, processed, transported, or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

Cannabis Cultivator

Any licensed person or entity that grows, cultivates, or produces cannabis in this State, and sells, and may transport, this cannabis to other cannabis cultivators, or usable cannabis to cannabis manufacturers, cannabis wholesalers, or cannabis retailers, but not to consumers.

Cannabis Delivery Service

Any licensed person or entity that provides courier services for consumer purchases of cannabis items and related supplies fulfilled by a cannabis retailer in order to make deliveries of the cannabis items and related supplies to that consumer, and which services include the ability of a consumer to purchase the cannabis items directly through the cannabis delivery service, which after presenting the purchase order to the cannabis retailer for fulfillment, is delivered to that consumer.

Cannabis Distributor

Any licensed person or entity that transports cannabis in bulk intrastate from one licensed cannabis cultivator to another licensed cannabis cultivator, or transports cannabis items in bulk intrastate from any one class of licensed cannabis establishment to another class of licensed cannabis establishment, and may engage in the temporary storage of cannabis or cannabis items as necessary to carry out transportation activities.

Cannabis Establishment

A cannabis cultivator, a cannabis manufacturer, a cannabis wholesaler, a cannabis retailer or a cannabis distributor.

Cannabis Manufacturer

Any licensed person or entity that processes cannabis items in this State by purchasing or otherwise obtaining usable cannabis, manufacturing, preparing, and packaging cannabis items, and selling, and optionally transporting, these items to other cannabis manufacturers, cannabis wholesalers, or cannabis retailers, but not to consumers.

Cannabis Retailer

Any licensed person or entity that purchases or otherwise obtains usable cannabis from cannabis cultivators and cannabis items from cannabis manufacturers or cannabis wholesalers, and sells these to consumers from a retail store, and may use a cannabis delivery service or a certified cannabis handler for the off-premises delivery of cannabis items and related supplies to consumers. A cannabis retailer shall also accept consumer

purchases to be fulfilled from its retail store that are presented by a cannabis delivery service which will be delivered by the cannabis delivery service to that consumer.

Cannabis Wholesaler

Any licensed person or entity that purchases or otherwise obtains, stores, sells or otherwise transfers, and may transport, cannabis items for the purpose of resale or other transfer to either another cannabis wholesaler or to a cannabis retailer, but not to consumers.

Cannabis Licensed Marketplace

A license issued under relevant State law including a license that is designated as either a:

- A. Class 1 Cannabis [Grower] Cultivator license
- B. Class 2 Cannabis [Processor] Manufacturer license
- C. Class 3 Cannabis Wholesaler license
- D. Class 4 Cannabis Distributor license
- E. Class 5 Cannabis Retailer license
- F. Class 6 Cannabis Delivery license

The term includes a conditional license for a designated class, except when the context of the provisions of relevant State law otherwise intend to only apply for a license and not a conditional license.

Manufacture

The drying, processing, compounding, or conversion of usable cannabis into cannabis products or cannabis resins. "Manufacture" does not include packaging or labeling.

Microbusiness

A person or entity license by the Cannabis Regulatory Commission as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service that may only, with respect to its business operations, and capacity and quantity of product:

1. Employ no more than 10 employees;
2. Operate a cannabis establishment occupying an area of no more than 2,500 square feet, and in the case of a cannabis [grower] cultivator, grow cannabis on an area no more than 2,500 square feet measured on a horizontal plane and grow above that plane not higher than 24 feet;
3. Possess no more than 1,000 cannabis plants each month, except that a cannabis distributor's possession of cannabis plants for transportation shall not be subject to this limit;
4. Acquire and process each month, in the case of a cannabis [processor] manufacturer, no more than 1,000 pounds of usable cannabis [in dried form];

5. Acquire for resale each month, in the case of a cannabis wholesaler, no more than 1,000 pounds of usable cannabis [in dried form], or the equivalent amount in any [other] form of manufactured cannabis product or cannabis resin, or any combination thereof; and
6. Acquire for retail sale each month, in the case of a cannabis retailer, no more than 1,000 pounds of usable cannabis [in dried form], or the equivalent amount in any [other] form of manufactured cannabis product or cannabis resin, or any combination thereof.

Wholesale Trade

Shall mean establishments or places of business primarily engaged in selling merchandise to other businesses, including retailers, industrial, commercial, institutional, or professional business users, other wholesalers, or acting as agents or brokers and buying merchandise for, or selling merchandise to, such individuals or companies.

§ 500-191 Cannabis Cultivator, Manufacturer, Wholesaler and Distributor

A. Cannabis Cultivator, Manufacturer, Wholesaler and Distributors shall be a conditional use in all industrial zones (Office Research, Limited Manufacturing and Industrial and Special Economic District) and subject to the following:

- (1) Eligible Locations: Facilities shall be at least 500 feet from any parks and 1,000 feet from any schools.
- (2) Lot Area: The minimum lot area shall be one (1) acre.
- (3) Setback: The minimum front yard setback shall be 50 feet or the minimum zone standard, whichever is greater.
- (4) Buildings: All facilities shall be enclosed in heated/air-conditioned buildings, not in greenhouses, hoop houses or outdoors.
- (5) Odor Control: The facility shall provide an air treatment system with sufficient odor absorbing ventilation and exhaust systems such that and odor generated inside the facility is not detectable by a person of reasonable sensitivity at the property line of the subject property. Odor from the facility shall be monitored on an annual basis at the discretion of the Township by a licensed, qualified contractor chosen by the Township.
- (6) Signage: Signs shall be limited to the address, name of the company and emergency contact information located on one (1) ground sign not to exceed 24 square feet
- (7) State License: The facility must have a valid license to operate from the State of New Jersey.
- (8) Any cannabis facility is subject to compliance with all State laws, regulations and guidelines with respect to cannabis licenses issued by the State of NJ.

§ 500-192 Cannabis Retailer

A. Cannabis Retailer shall be a conditional use in all commercial and retail zones (Lake Commercial, Neighborhood Commercial, Highway Commercial, Community Commercial, Village Commercial and Office Transition) and subject to the following:

- (1) Eligible Locations: Facilities shall be at least 500 feet from any parks and 1,000 feet from any schools.
- (2) Location: Cannabis Retailers shall be separate and distinct from growing operations.
- (3) Buildings: All Cannabis Retailers shall be enclosed in heated/air-conditioned permanent buildings, not trailers, outdoors, movable kiosks, etc.
- (4) Signage: Signs shall be limited to location identification/name of business. Signage shall not promote consumption of any cannabis products.
- (5) Site Plan Approval: When seeking site plan approval, the Applicant for Cannabis Retailers shall submit a safety and security plan and emergency services access plan.
- (6) Accessibility: Any Cannabis Retailer shall only have one primary public access point, which shall be directly adjacent to the right-of-way or parking area of the building. Access should not be through common entrances with other uses.
- (7) Hours of Operation: Hours of operation for Cannabis Retailers shall be limited generally to daytime and early evening hours.
- (8) Interior Security: Cannabis Retailers interiors shall provide a secure location for storage of products with minimum products in any customer service area.
- (9) Exterior Loitering and Security: People shall not be permitted to congregate outside of a Cannabis Retailer, loiter or wait in line to access the Cannabis Retailer. The facility shall have a plan in place if interior capacity is exceeded, i.e., numbers are given and customers wait in their vehicles until called.
- (10) Product Consumption. No products shall be permitted to be consumed on-site.
- (11) State License: The facility must have a valid license to operate from the State of New Jersey.
- (12) Any cannabis facility is subject to compliance with all State laws, regulations and guidelines with respect to cannabis licenses issued by the State of NJ.

§ 500-193 Cannabis Delivery

A. Cannabis Delivery shall be a conditional use in all commercial and retail zones (Lake Commercial, Neighborhood Commercial, Highway Commercial, Community Commercial, Village Commercial and Office Transition) and subject to the following:

- (1) Eligible Locations: Facilities shall be at least 500 feet from any parks and 1,000 feet from any schools.
- (2) Location: Cannabis Delivery shall be separate and distinct from growing operations.
- (3) Buildings: All Cannabis Delivery services shall be enclosed in heated/air-conditioned permanent buildings, not trailers, outdoors, movable kiosks, etc.

- (4) Signage: Signs shall be limited to location identification/name of business. Signage shall not promote consumption of any cannabis products.
- (5) Site Plan Approval: When seeking site plan approval, the Applicant for Cannabis Delivery services shall submit a safety and security plan and emergency services access plan.
- (6) Interior Security: Cannabis Delivery services interiors shall provide a secure location for storage of products.
- (7) Exterior Loitering and Security: Customers shall not be permitted to pick up products from a Cannabis Delivery service.
- (8) Product Consumption. No products shall be permitted to be consumed on-site.
- (9) State License: The facility must have a valid license to operate from the State of New Jersey.
- (10) Any cannabis facility is subject to compliance with all State laws, regulations and guidelines with respect to cannabis licenses issued by the State of NJ.

SECTION 2.

All Ordinances or parts of Ordinances inconsistent herewith are repealed as to such inconsistencies.

SECTION 3.

If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

SECTION 4.

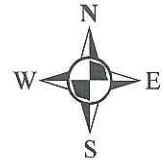
The Township Clerk is directed to give notice at least ten (10) days prior to the hearing on the adoption of this Ordinance to the County Planning Board and to all others entitled pursuant to the provisions of N.J.S.A. 40:55D-15. The Township Clerk is further directed to refer this Ordinance to the Township Planning Board, pursuant to N.J.S.A. 40:55D-64. Upon the adoption of this Ordinance, after public hearing, the Township Clerk is further directed to publish notice of the passage and to file a copy of this Ordinance, as finally adopted, with the Passaic County Planning Board, as required by N.J.S.A. 40:55D-16

SECTION 5.

This Ordinance shall take effect after publication and passage according to law.

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West Milford Land Use Cannabis Ordinance Eligible Locations For Facilities Focus Areas

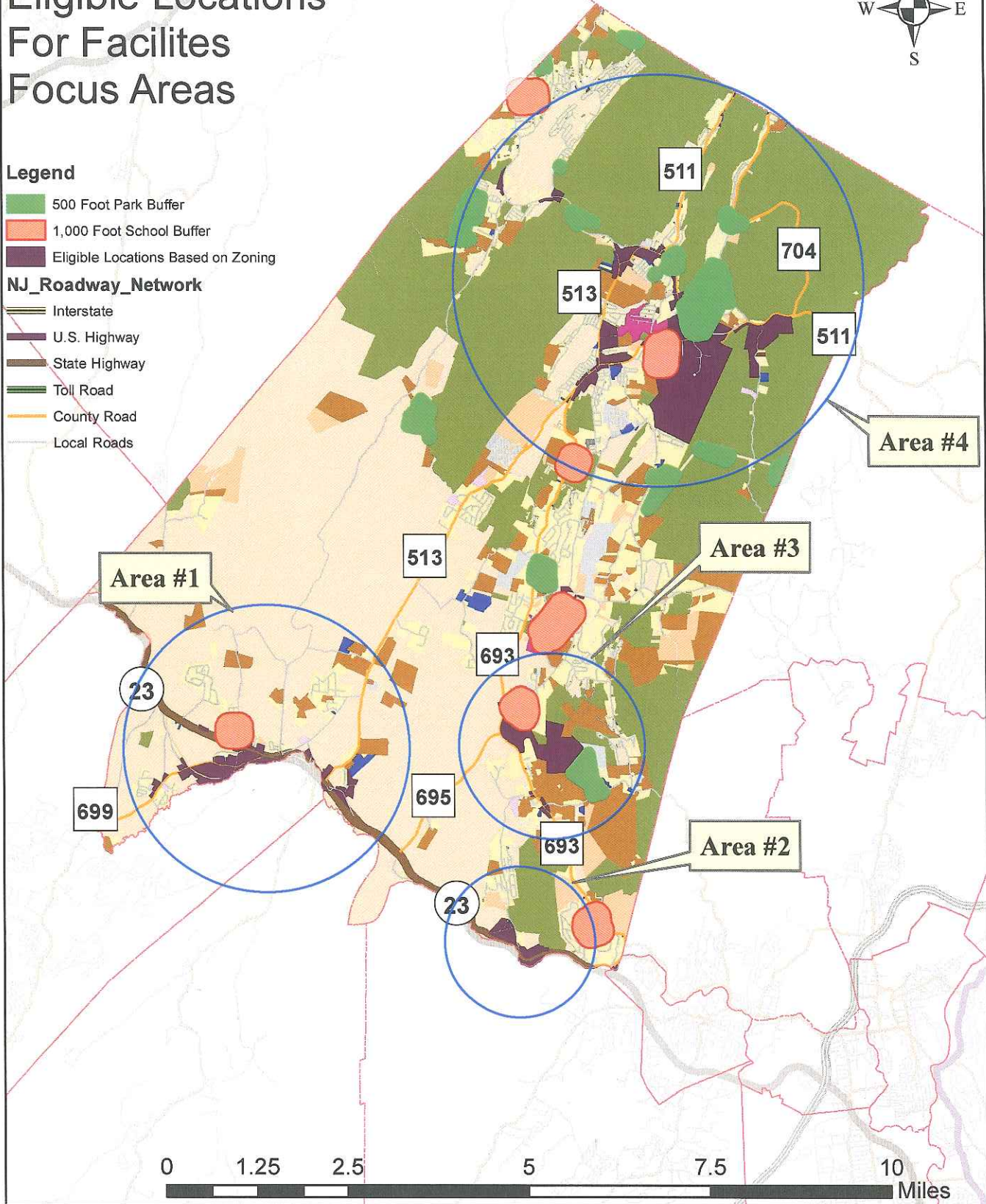


Legend

- 500 Foot Park Buffer
- 1,000 Foot School Buffer
- Eligible Locations Based on Zoning

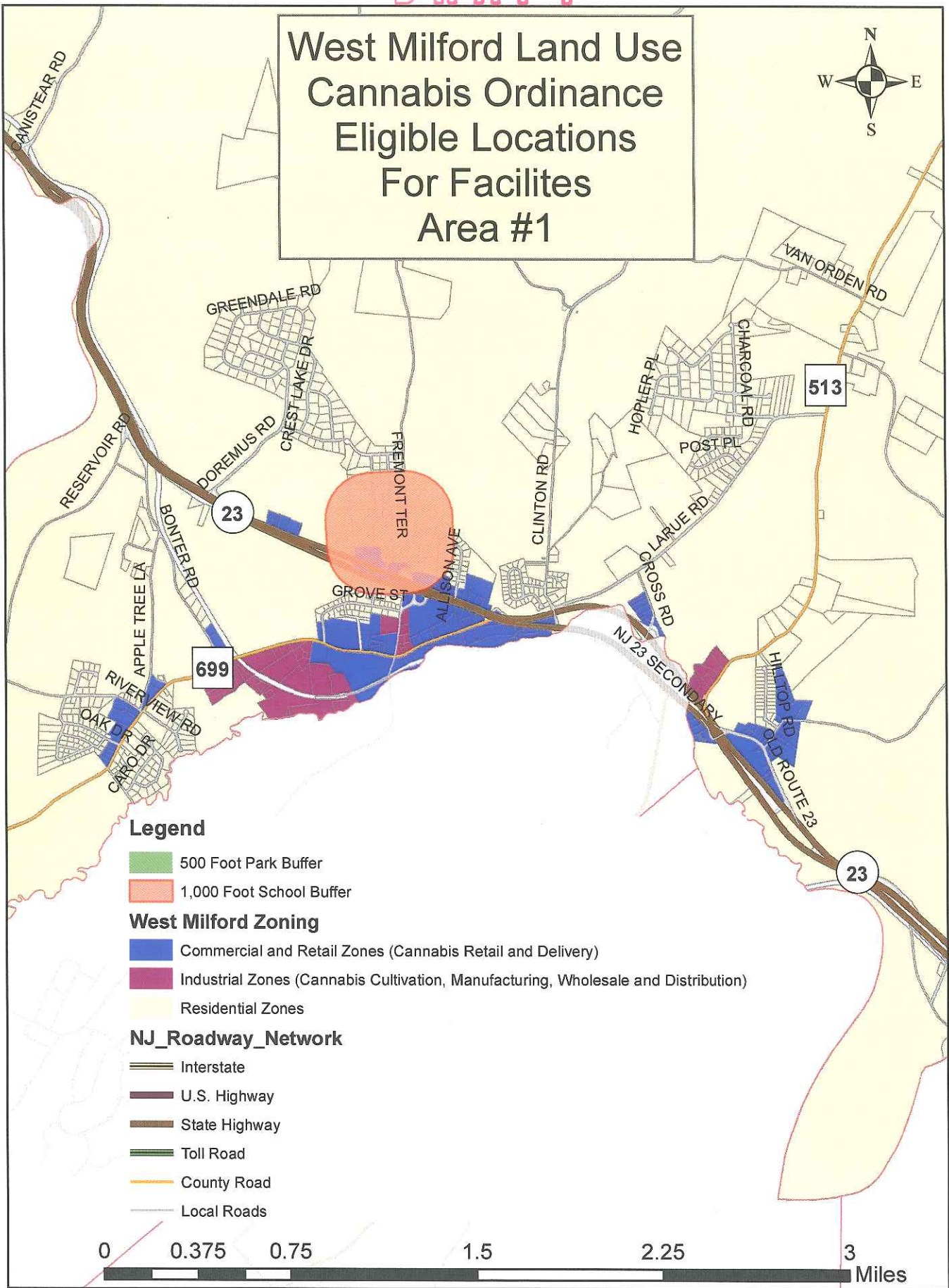
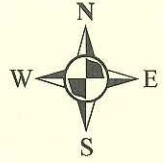
NJ_Roadway_Network

- Interstate
- U.S. Highway
- State Highway
- Toll Road
- County Road
- Local Roads



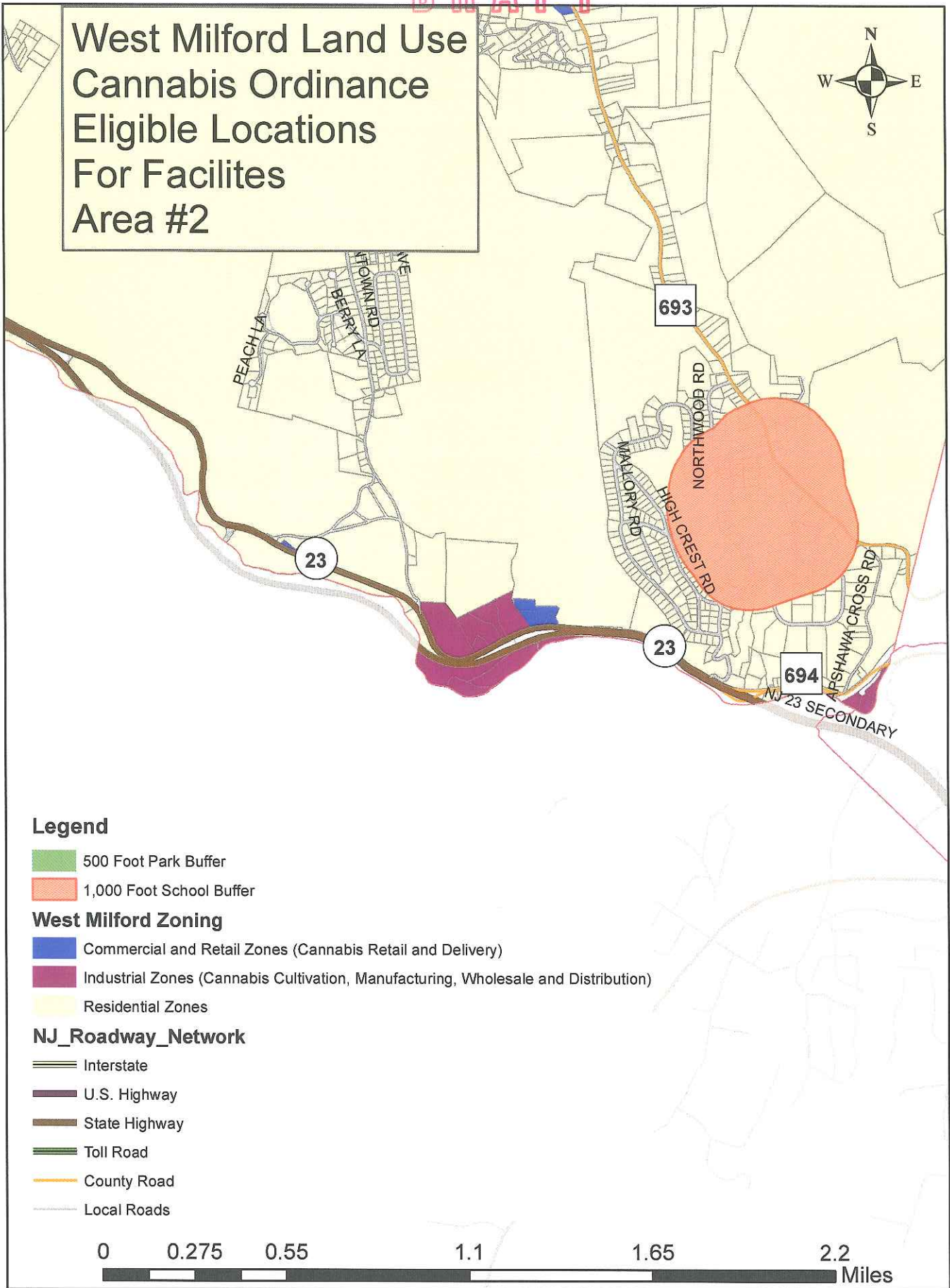
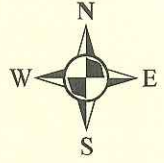
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West Milford Land Use Cannabis Ordinance Eligible Locations For Facilities Area #1



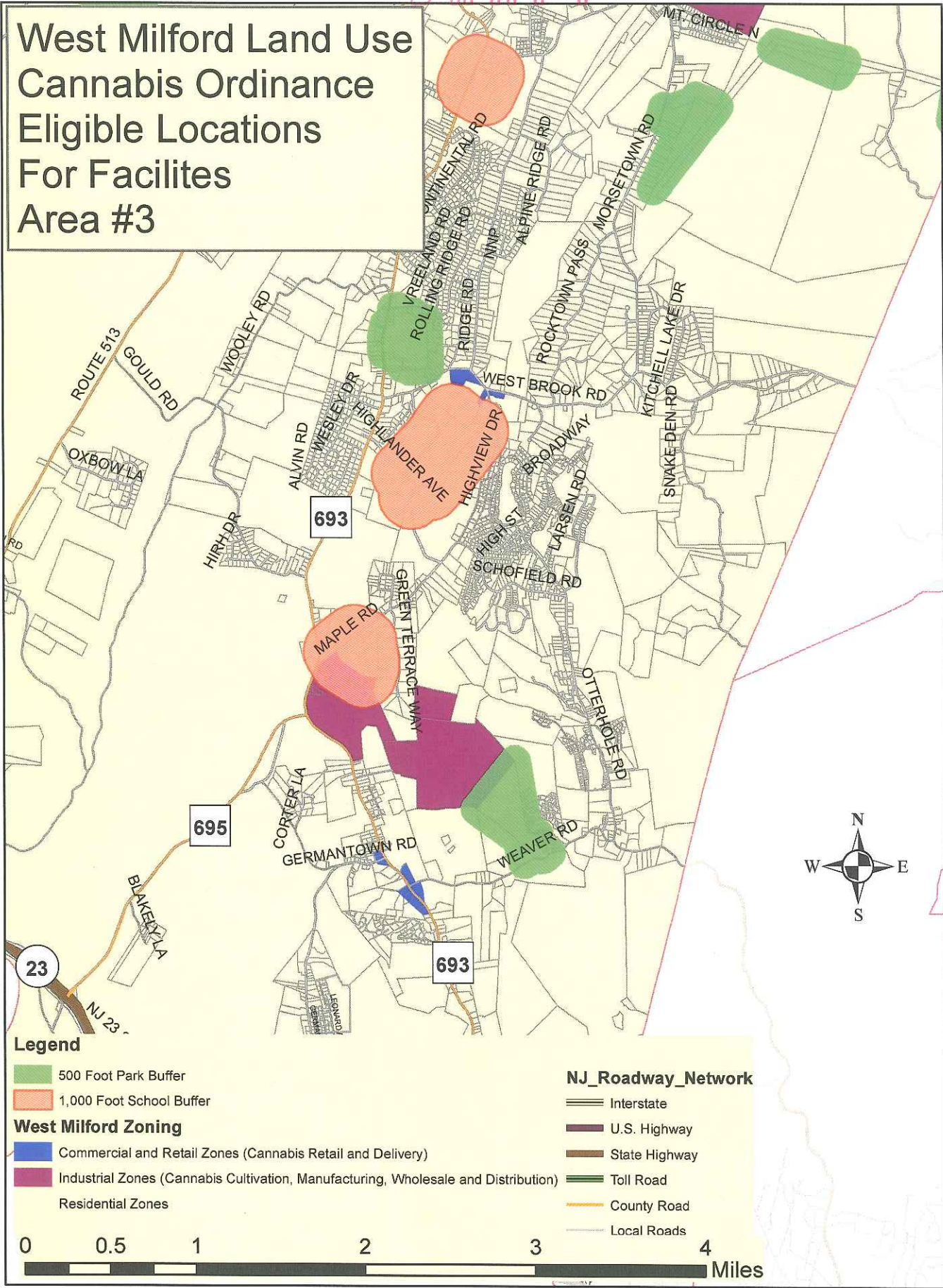
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West Milford Land Use Cannabis Ordinance Eligible Locations For Facilities Area #2



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West Milford Land Use Cannabis Ordinance Eligible Locations For Facilities Area #3



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West Milford Land Use Cannabis Ordinance Eligible Locations For Facilities Area #4

