



ITEM REPORT
PLANNING AND ZONING COMMISSION

Agenda Date: 7/11/2023
Agenda Section: New Business

TO: Baxter Planning and Zoning Commission

FROM: Matthew Gindele, City Planner

REQUEST: **PUBLIC HEARING. Ordinance Text Amendment** to allow “medical cannabis dispensary” as a permitted use in the C-2, Regional Commercial district (city file 23-11)

APPLICANT: Leafline Labs, LLC d/b/a RISE DISPENSARY, 325 W Huron St., Chicago, IL 60654
N/A

ZONING:

1. Application Request

The applicant is requesting approval of a zoning ordinance amendment to allow “Medical Cannabis Dispensary” as a permitted use in the C-2, Regional Commercial district. Under the proposed amendment, a definition of “Medical Cannabis Dispensary” would also be added to the definitions chapter of the zoning ordinance.

2. Analysis of Ordinance Amendment Request

Minnesota State Legislature has licensed two manufactures/providers of medical cannabis in the state of Minnesota; the applicant (RISE) is one of those two companies. RISE operates eight dispensaries around the state and is seeking to move their Hibbing location to Baxter. Staff has reached out to each of the cities that currently allow medical cannabis dispensaries to determine the zoning process they required and to inquire about any negative impacts the proposed use has had on those communities. Through conversations with staff in the communities where medical cannabis is currently allowed, Baxter staff has learned that most of them have amended their ordinances to allow the proposed use as a permitted use, although some have allowed it as a conditional use and some have allowed it without any zoning amendment process. One city reported a complaint about the proposed use regarding retail sales of edibles.

The applicant has submitted an application to amend the definitions section of the zoning ordinance to define “medical cannabis dispensary” as follows: *A facility engaged in the sale of medical cannabis products as defined and regulated by Minnesota Statutes 152.22-152.37.*

Minnesota State Statute 152.22-152.37 can be viewed using the following link: [Ch. 152 MN Statutes](https://www.revisor.mn.gov/statutes/cite/152) or by visiting www.revisor.mn.gov/statutes/cite/152

Adult Use Cannabis

A new law was enacted by the State of Minnesota in 2023 to legalize adult use cannabis in Minnesota. The current guidance is that adult use cannabis will not be allowed until January 1, 2025. Staff notes that the subject request is not requesting adult use cannabis at this time. If the applicant requests adult use cannabis in the future, they will be subject to State and Local regulations for adult use cannabis. It is the City’s finding that medical cannabis dispensaries are a separate use from adult use cannabis. Therefore, there is no assumed future approval for the applicant to transition to an adult use cannabis retail store in 2025; that determination will be based on the State and Local regulations in place at that time.

3. Staff Recommendation

Staff recommends approval of the ordinance amendment, subject to the findings of fact resolution and the draft ordinance.

Attachments

1. Draft Ordinance Amendment (redlined)
2. Draft Findings of Fact Resolution
3. Applicant Narrative
4. Additional Information about Applicant