



# Planning Commission Staff Report

Agenda Item #	Community Development Department	Date: 10/02/25
<b>Statement of Issue:</b>	Consider a recommendation to the City Council regarding amendments to Chapters 14 and 30 of the Municipal Code establishing a definition, permitted use listing, and zoning for production licensed cannabis businesses.	
<b>Background:</b>	<p>On 10-28-2024, City Council amended Chapter 14 of the City Code to regulate cannabis businesses. Chapter 14 Section 187 <b><i>Requirements for Cannabis Businesses</i></b> specifies retail licensed cannabis businesses shall be located in Central Business District, General Business, or Shoreland General Business zoning districts. The Office of Cannabis Management (OCM) is beginning to grant licenses for production cannabis / hemp businesses - subject to city zoning approval – making now the time to consider zoning requirements for those businesses.</p> <p>The City Council decides where to permit cannabis / hemp production and related activities within the city. State law does not restrict local government zoning designations for cannabis businesses, except that they may not prohibit the establishment or operation of a cannabis / hemp business.</p> <p>Considerations for cannabis / hemp production zoning include odor, amount of waste generated, water and energy usage, and potential need for transportation to and from the facility. Another key consideration is OCM security requirements. These business attributes support zoning cannabis / hemp production and related activities within Industrial zoning districts. This is consistent with Office of Cannabis Management guidance and how other municipalities are zoning cannabis production related activities.</p> <p>Staff recommendation:</p> <ol style="list-style-type: none"><li>1. Amend 30-421 Definitions to include: <i>Production licensed cannabis</i>, means businesses licensed by the Office of Cannabis (OCM) for cultivation, processing / extraction, manufacturing, and wholesale activities.</li><li>2. Amend 30-512 Table 1 Permitted Uses to include production licensed cannabis as a permitted use in I-1, SI-1, I-2, and SI-2 zones.</li><li>3. Amend 14-187(a) to include: Production licensed cannabis businesses shall be located in Industrial Business Park, Shoreland Industrial Business Park, General Industrial Park, or Shoreland General Industrial Park zoning districts as defined in the City of Grand Rapids Zoning ordinance.</li></ol>	

<b>Considerations:</b>	<p>The Planning Commission should make specific findings of fact regarding the proposed amendments to the ordinance:</p> <ol style="list-style-type: none"> <li>1. Will the change affect the character of the neighborhood?</li> <li>2. Will the change foster economic growth in the community?</li> <li>3. Would the proposed change be in keeping with the spirit and intent of the Zoning Ordinance?</li> <li>4. Would the change be in the best interest of the general public?</li> <li>5. Would the change be consistent with the Comprehensive Plan?</li> </ol>
<b>Recommendation:</b>	Based on the above findings the Commission should consider a recommendation to the City Council regarding these draft changes.
<b>Required Action:</b>	<p>Pass a motion, based on the findings of fact, to forward either a favorable recommendation, either with or without changes to the draft amendments, to the City Council, or pass a motion, based on the findings of fact, forwarding an unfavorable recommendation to the City Council regarding and amendment to Chapter 30 of the Zoning Ordinance.</p> <p><u>Example Motion:</u></p> <p>Motion by _____, second by _____ that, based on the findings of fact presented here today, and in the public's best interest, the Planning Commission does hereby forward a <b>(favorable)(unfavorable)</b> recommendation to the City Council regarding draft amendments to 30-421 Definitions, 30-512 Table 1 Permitted Uses, and 14-187(a) Zoning and Land Use.</p>
<b>Attachments:</b>	<ul style="list-style-type: none"> <li>• Draft Text Amendments:</li> <li>• Text Amendment Considerations</li> <li>• Minnesota Office of Cannabis Management A Guide for Local Governments on Adult-Use Cannabis and Lower-Potency Hemp Edible Licenses</li> <li>• Minnesota Administrative Rules - Cannabis</li> </ul>