



CITY OF
GRAND RAPIDS
ITS IN MINNESOTA'S NATURE

Recommendation to Council

Zoning for Cannabis Cultivation, Processing/Extraction, Manufacturing, and Wholesale Distribution

Grand Rapids Planning Commission

October 2, 2025

Grand Rapids Planning Commission Meeting



Recommendation to Council

OVERVIEW

- **Cannabis Law – Minnesota Statutes Chapter 342: established a regulatory framework for the state's new cannabis industry under the Office of Cannabis Management (OCM).**
 - **Provides for the licensing, inspection, and regulation of cannabis businesses: a municipality may establish zoning for retail and production uses and limit number of retailers it allows based on population.**
 - **City Council established zoning for retail cannabis operations in October 2024. With OCM beginning to grant licenses for businesses involved in cannabis production (cultivation, processing/extraction, manufacturing, and wholesale activities) now is time to consider zoning for this use.**
- *A municipality may not limit the number of licensed producers.**



Recommendation to Council

CONSIDERATIONS

- **Characteristics of Cannabis Production Uses:** include high water and energy usage, volume of waste generated, odor, and the potential need for transportation to and from facilities.
- **Security Needs:** OCM requires security measures for cannabis businesses including alarm systems, video surveillance, lighting, locks, and response protocol.

*** OCM prohibits all licensed activities in a dwelling.**



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OCM Guidance:

OCM's *A Guide for Local Governments* aligns cannabis production uses with Industrial zoning.

Table 1: Cannabis and hemp business activities

Endorsed Activity	License Type Eligible to Do Endorsed Activity	Description of Activity	Comparable Districts	Municipal Considerations
Cultivation	<ul style="list-style-type: none">• Cultivator• Mezzobusiness• Microbusiness• Medical cannabis combination	"Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis plants, cannabis flower, hemp plants, or hemp plant parts.	Indoor: industrial, commercial, production Outdoor: agricultural	<ul style="list-style-type: none">• Odor• Potential need for transportation from facility• Waste, water, and energy usage• Security
Cannabis manufacturing, processing, extraction	<ul style="list-style-type: none">• Manufacturer• Mezzobusiness• Medical cannabis combination	This group of endorsed activities turn raw, dried cannabis and cannabis parts into other types of cannabis products, e.g. edibles or topicals.	Indoor: industrial, commercial, production	<ul style="list-style-type: none">• Odor• Potential need for transportation from facility• Waste, water, and energy usage• Security
Hemp manufacturing	<ul style="list-style-type: none">• LPHE manufacturer	These businesses convert hemp into LPHE products.	Indoor: industrial, commercial, production	<ul style="list-style-type: none">• Odor• Waste, water, and energy
Wholesale	<ul style="list-style-type: none">• Wholesale• Cultivator• Manufacturer• Mezzobusiness• Microbusiness• Medical cannabis combination• LPHE wholesaler	This activity and license type allows a business to purchase from a business growing or manufacturing cannabis or cannabis products and sell to a cannabis business engaged in retail.	Indoor: industrial, commercial, production	<ul style="list-style-type: none">• Need for transportation from facility• Security



Recommendation to Council

Comprehensive Plan: Goals & Objectives related to Land Use (Chapter 4 Land Use)

**Goal 2: Promote commercial development that
serves local and regional markets.**

**a. Recognize distinct classes of commercial
development that serve different markets are
compatible within different land use and
transportation contexts.**



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Text Amendment Recommendations

- 1. Amend 30-421 Definitions to include: Production licensed cannabis, means businesses licensed by the Office of Cannabis (OCM) for cultivation, processing / extraction, manufacturing, and wholesale activities.**
- 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.**
- 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.**



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Planning Commission Text Amendment Considerations:

PLANNING COMMISSION

Considerations

ZONING ORDINANCE AMENDMENT

1. Will the change affect the character of neighborhoods?

Why/Why not?

2. Would the change foster economic growth in the community?

Why/Why not?

3. Would the proposed change be in keeping with the spirit and intent of the ordinance?

Why/Why not?

4. Would the change be in the best interest of the general public?

Why/Why not?

5. Would the change be consistent with the Comprehensive Plan?

Why/Why not?



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Questions?