



CITY OF
GRAND RAPIDS
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Text Amendment Public Hearing

Planning Commission Recommendation: Industrial Zoning for Production Licensed Cannabis

Grand Rapids City Council

October 27, 2025

Grand Rapids City Council



Text Amendment Public Hearing

OVERVIEW

- **Minnesota Cannabis Law (2023) – established the Office of Cannabis Management (OCM) to regulate and license a legal cannabis industry. A municipality may establish zoning.**
 - **City Council established zoning for retail cannabis operations and limited the number of retailers in October 2024.**
 - **OCM is beginning to grant licenses for cannabis production businesses (cultivation, processing/extraction, manufacturing, and wholesale activities) - now is time to determine zoning for this use.**
- *A municipality may not limit the number of licensed producers.**



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Business Characteristics:

- **Needs a large amount of space, high water and energy usage, and the potential need for transportation by commercial vehicles to and from facilities.**
 - **OCM requires security measures for cannabis businesses including alarm systems, video surveillance, lighting, locks, and response protocol.**
- * OCM prohibits all licensed cannabis / hemp activities in a dwelling.**



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OCM Guidance:

OCM's *A Guide for Local Governments* aligns licensed 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	- Cultivator - Mezobusiness - 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	- Odor - Potential need for transportation from facility - Waste, water, and energy usage - Security
Cannabis manufacturing, processing, extraction	- Manufacturer - Mezobusiness - 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	- Odor - Potential need for transportation from facility - Waste, water, and energy usage - Security
Hemp manufacturing	LPHE manufacturer	These businesses convert hemp into LPHE products.	Indoor: industrial, commercial, production	- Odor - Waste, water, and energy
Wholesale	- Wholesale - Cultivator - Manufacturer - Mezobusiness - 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	- Need for transportation from facility - Security



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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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Planning Commission Text Amendment Recommendations

- 1. Amend 30-421 Definitions to include: Production licensed cannabis, means businesses licensed by the Office of Cannabis Management (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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Planning Commission Findings:

- The amendments will not have an adverse effect on the character of neighborhoods. It will have a positive effect in that it will locate Production Licensed Cannabis with uses having similar characteristics in industrial zoning.
- The amendments will have a positive impact on economic growth in the community by providing clarity to the business community.
- That the amendment to Chapter 30 would be in keeping with the spirit and intent of the Zoning Ordinance by maintaining an updated Ordinance.
- That the amendments would be in the best interest of the public by locating Production Licensed Cannabis within Industrial zones.
- That the amendments would be consistent with the goals of the Comprehensive Plan, as the amendments will directly address allowed uses within specific municipal zones and promoting economic development.



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Questions?