

CITY OF MARSHALL
LEGISLATIVE AND ORDINANCE COMMITTEE
M I N U T E S
Tuesday, March 26, 2024

MEMBERS PRESENT: James Lozinski, See Moua-Leske and Steve Meister
MEMBERS ABSENT: None
STAFF PRESENT: Sharon Hanson, City Administrator; Pamela Whitmore, City Attorney (via Zoom); Jason Anderson, Director of Public Works/ City Engineer; Ilya Gutman, Plans Examiner; and Steven Anderson, City Clerk.
OTHERS PRESENT: Joseph Sathe, Attorney for Kennedy and Graven.

At 12:45 Chair Lozinski called the meeting to order.

Consider Approval of the Minutes

No changes or amendments were requested of the minutes.

Motion made by Meister, seconded by Moua-Leske to approve the minutes as presented. All voted in favor.

An Ordinance Establishing Licensing and Registration Requirements for Intoxicating Cannabinoid Products

Attorney Sathe explained the need to license and register intoxicating hemp products. Sathe modeled the proposed ordinance after the city's current tobacco ordinance, which was commonly being done throughout the state. It also allowed amendments to be more easily adopted until the Office of Cannabis Management takes over licensing. The proposed amendments were divided into off-sale licensing and registration and on-site consumption licensing and registration. Lozinski questioned the definition of "movable place of business". Some businesses in Marshall operate at locations that are not their physical location for events or contracts with other places of business. Whitmore cautioned that looking at only current business' when considering a movable place of business could later run into issues when new businesses come into town and find creative ways to take advantage of the phrasing. The group clarified that the intention would be for businesses that possess a caterer's license issued by the State of Minnesota. Moua-Leske asked if food trucks needed a catering license. Clerk Anderson said he would investigate the question. The group discussed if there should be a limit on the number of intoxicating hemp stores or would gas stations be allowed to sell low potency hemp products as well. There were also questions on how the city would determine if hemp products were more than 10% of gross revenue or 10% of a retail space for a business. Gutman wanted clarification on the distance requirements from parks and schools. Sathe clarified that retail stores would fall under the distance requirements but on-site consumption at restaurants that possess an on-sale intoxicating liquor license would be exempt. The committee members discussed incidental sales and possibly allowing them in retail stores. Gas stations and other incidental sales locations were not included to sell intoxicating hemp products under the draft that was proposed.

Gutman requested that the B-1 zoning district be removed as an allowed use. Under the comprehensive plan the B-1 zoning district would be converted into a mixed-use area. The committee decided to leave B-1 zoning as is under the draft ordinance until the changes to B-1 zoning come before the Legislative and Ordinance Committee for amendments. Sathe requested the committee to decide how to treat liquor license holders that were in non-business districts such as the golf course. The committee agreed that liquor license holders in non-business districts should be able to get an on-site consumption license for intoxicating hemp products. Meister inquired about the buffer zone provisions and whether they were needed. The group then discussed drug use in schools and how perception about having intoxicating hemp products sold in proximity to schools would look. Committee members agreed to leave the school buffer zones but to remove buffer zones from daycares and treatment facilities. Lozinski asked about the countywide license limit and how that would affect the city. Whitmore said that each local jurisdiction has control over the number of licenses they wish to issue unless they relinquish that control to the county. The license limit also only pertained to high level cannabis and lower potency did not have a limit on how many could be issued. Director Anderson sought clearness on sales at gas stations. Sathe stated he could add language for specific locations. The committee members further discussed gas stations and incidental sales and eventually decided to allow all retail to register and sell lower-level products but to limit higher level cannabis to three retail stores. The committee also requested to remove the 10% of gross revenue or 10% of retail space in the intoxicating

hemp product shop definition. Sathe wanted confirmation that the committee wished to remove the license process but keep registration for off-sale and on-sale. Director Anderson requested that the distance requirements start from the center of a primary building and be linked to the zoning map.

Committee members requested that staff take the suggestions presented today and bring back revisions later.

Ordinance Amendment to Section 86-162 Yard Modification

The last variance application staff had to process was a request for a reduced front yard for a garage addition. The house was located at the corner of a street and cul-de-sac, which effectively cut out a back corner out of the lot. This wasn't an uncommon situation as there were many similarly located lots throughout the city, so staff recommended denial based on the fact the lot was not sufficiently unique to meet one of the conditions for a "practical difficulty" test for granting a variance. However, during the Planning Commission meeting, one of the members questioned the applicability of the front yard requirement to similar situations. Following the meeting staff internally discussed other circles and concluded that reducing front yard for curved portions to 15 feet would not be detrimental to the neighborhoods. The reduction would only be pertinent to some corner lots at cul-de-sac entries, since other, pie shaped lots would not have a long enough frontage to utilize a reduced yard. Committee members discussed various setback distances and orientations of houses on circles. Whitmore explained the variance adjustment permit process in case law and how it applied to the discussion. Committee members asked whether the 15-foot setback was for the entire circle or just the corner lots on a cul-de-sac. Staff clarified that it was meant to be the entire curved portion of the cul-de-sac.

Motion made by Meister, seconded by Moua-Leske to recommend the amendments to Section 86-162 Yard Modification go to City Council. All voted in favor.

At 2:00 PM a motion was made by Meister, Seconded by Moua-Leske to adjourn the meeting. All voted in favor.

Respectfully Submitted,

Steven Anderson
City Clerk