

**CITY OF MARSHALL
AGENDA ITEM REPORT
COUNCIL 9/23/25**

Presenter:	Ilya Gutman
Meeting Date:	Tuesday, September 23, 2025
Category:	CONSENT AGENDA
Type:	ACTION
Subject:	Adoption of Ordinance Amending Sections 86-103 B-2 Central Business District, 86-104 B-3 General Business District, 86-106 I-1 Limited Industrial District, and 86-107 I-2 General Industrial District
Background Information:	<p>The City of Marshall has a cap on the number of cannabis retail registrations (2), but there was still a concern about where these registered locations could occur.</p> <p><i>Under Minnesota Statute §342.13 (c) a local unit of government may adopt reasonable restrictions on the time, place and manner of the operation of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses. A local unit of government may prohibit the operation of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or <u>an attraction within a public park that is regularly used by minors, including a playground or athletic field.</u></i></p> <p>The City of Marshall under Ordinance 24-012 required that a cannabis business cannot be placed within 500 feet from a school when measured from the center of the primary building.</p> <p>Based on the city zoning map, public parks, except Memorial Park, that had attractions regularly used by minors, would not be anywhere near zoning districts where cannabis businesses are permitted. Therefore, at the time of adoption, the Legislative and Ordinance Committee felt that it was unnecessary to place additional restrictions. With The Splash aquatic center construction well underway, there is now a concern about the B-3 General Business District immediately across the street from the new pool site and the public perception of potentially having a cannabis dispensary next to a highly popular area that will be regularly used by minors, including unaccompanied ones.</p> <p>During the August 6, 2025, L&O meeting the committee directed the city clerk to look at other cities and their zoning buffer restrictions that were placed, so a table of cities that vary in size and location throughout the state was created for the August 19, 2025, L&O meeting. At that meeting, L&O members suggested a two hundred feet buffer from the aquatic center.</p> <p>Additionally, during the last state legislative session, a new cannabis related license type was created. Without an ordinance change, under our current ordinance, it would not be allowed anywhere because it is not specifically listed. Consequently, the lower potency hemp edible wholesaler business was added to the same zoning districts as the cannabis wholesaler business for consistency.</p> <p>At its August 19, 2025, meeting, the Legislation and Ordinance committee reviewed this change and recommended approval.</p> <p>The Planning Commission conducted a public hearing on September 10, 2024, and the motion passed by a vote of 4:3</p> <p>The Ordinance amending Sections 86-103 B-2 Central Business District, 86-104 B-3 General Business District, 86-106 I-1 Limited Industrial District, and 86-107 I-2 General Industrial District was introduced at the September 9, 2025, Council meeting.</p>
Fiscal Impact:	None
Alternative/Variations:	None recommended.
Recommendations:	Planning Commission and staff recommend that the Council adopt the Ordinance 25-012, which is the ordinance amending Sections 86-103 B-2 Central Business District, 86-104 B-3 General Business District, 86-106 I-1 Limited Industrial District, and 86-107 I-2 General Industrial District.