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MEMORANDUM

TO: HONORABLE MAYOR AND CITY COUNCIL

CC: JOSHUA M. TETZLAFF, CITY ADMINISTRATOR

FROM: KEN ONDICH, PLANNING / COMMUNITY DEVELOPMENT DIRECTOR
TIM APPLIN, POLICE CHIEF

SUBJECT: INTRODUCTION OF ORDINANCES RELATING TO CANNABIS – ZONING
ORDINANCE AMENDMENT #354 AND CITY CODE AMENDMENT #355

DATE: NOVEMBER 14, 2024

As the Council is aware, in 2023 (and later amended in July of 2024) an interim ordinance (#338 and amended as #350), also known as a moratorium, was approved until January 1, 2025 (unless repealed earlier) so that the City can further study the effect of the state's new law regarding cannabis, specifically related to cannabis businesses regarding time/place/manner restrictions.

Staff has been working with Scott Riggs and Joe Sathe of Kennedy & Graven to draft amendments to the zoning ordinance and to the city code that would meet the requirements of Minnesota Statute Chapter 342.

The Zoning Ordinance amendment was reviewed with a public hearing being held at the October 23rd Planning Commission meeting. The Planning Commission recommended language be added to the Zoning Ordinance requiring a 250' buffer from schools to all cannabis business (not just retailers). The proposed ordinance reflects this recommendation which was forwarded on a 4-0 vote. Staff did amend the ordinance since the Planning Commission reviewed it by adding cannabis delivery businesses, cannabis event organizer and lower-potency hemp edible retailer as permitted uses along with retailer as they are essentially office or retail uses and would fit into the districts rather than only being allowed in the industrial zoning district as conditional uses (which staff believed was excessive upon further review).

The City Code amendment was also generally reviewed by the Planning Commission but they did not hold a public hearing for their review of that amendment as it is not their purview to do so for a non-zoning related ordinance amendment.

Notable provisions of the ordinances include:

- 250' buffer from schools to all cannabis businesses (not just retailers)
- Hours of operation for retailers to match liquor establishments
- One compliance check before operations (to verify hours of operation for example) and one annual compliance check (minimum) to assess age verification requirements by Police Department

- Limit of 2 retail registrations in the City (does not include lower-potency hemp edibles).
- Manufacturing related cannabis uses are limited to the I-1 Light Industrial Zoning District.

Recommendation

Staff would like the Council to conduct a first reading and introduce both proposed ordinances at tonight's meeting.

Attachments:

1. Proposed Zoning Ordinance Amendment #354
2. Proposed City Code Amendment #355