



Memorandum

To: Mayor Nelson and Members of the City Council

From: Daniel R. Buchholtz, MMC, Administrator, Clerk/Treasurer

Date: November 27, 2024

Subject: Draft Adult Use Cannabis Businesses Ordinance

Background

In May 2023, the Minnesota Legislature passed, and Governor Walz signed into law, legislation legalizing adult-use cannabis, effective August 1, 2023. This comprehensive law created a framework for regulating cannabis production, distribution, and sales through the newly established Minnesota Office of Cannabis Management (OCM).

Recognizing the need to evaluate the potential local impact of these businesses, the City Council enacted a temporary moratorium effective June 20, 2023, under Minn. Stat. § 462.355. This moratorium has provided the City with time to study zoning, public health, and safety considerations. The moratorium expires December 31, 2024.

Draft Ordinance Overview

To prepare for the end of the moratorium, staff developed a draft Cannabis Registration Ordinance, which amends SLPC Chapter 11 (Business Regulations) and Chapter 16 (Zoning). The ordinance was reviewed at the November 4, 2024 City Council work session and was reviewed by the Planning Commission after a public hearing held on Monday November 25, 2024.

The Planning Commission recommended approval of the original draft Cannabis Registration Ordinance with two amendments: 1) reduce the buffer from schools from 1,000 feet to 500 feet; and 2) amend the hours of operation from 10:00am to 9:00pm to 8:00am to 10:00pm. Both of these amendments were proposed to bring the sale of adult use cannabis in line with the City's off-sale liquor licensing requirements.

If the City Council would like to accept these recommendations, you would adopt the ordinance numbered Ordinance 499(A). If the City Council would like to keep the ordinance as originally proposed, you would adopt the ordinance numbered Ordinance 499.

If you have any questions, please do not hesitate to contact me at 763-784-6491.

Next Steps

The Planning Commission is tasked with conducting a public hearing on the proposed ordinance and reviewing zoning-related provisions, ensuring compatibility with existing district regulations, and recommending any necessary adjustments.

A copy of the draft ordinance is attached for your review. Also attached is a copy of the Local Government Guide published by the State of Minnesota Office of Cannabis Management.

Staff recommends approval of the draft ordinance. If you have any questions, please do not hesitate to contact me at 763-784-6491.