

## Daniel Buchholtz

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**From:** John Thames <john.thames@carsoncs.net>  
**Sent:** Wednesday, July 10, 2024 4:57 PM  
**To:** Daniel Buchholtz; Barbara Goodboe-Bisschoff  
**Subject:** RE: Minnesota mandate

Barbara,

It is an interesting question, and Dan and I will definitely bear in mind your concerns over the next few weeks as we work on draft regulations. I think Dan's analysis is, as usual, very sound. I do not find statutory authority for a partnership model with an applicant outside the City which would allow us to exempt ourselves from any local permitting requirement. Further, a municipally owned cannabis store is permissible, but MN Stat. 342.14 subd 7 states that such a store "owned or operated by at city...must not be included in any limitation on the number of licensed cannabis retailers..." So, if the City takes an ownership interest, even as a silent partner, I think we will be unable to count that business as our mandated cannabis business.

I would add that, in addition to the authority Dan mentioned below (to limit registrations within the City to one active registration, based upon our City population) MN Stat 342.13 also provides us with an additional opportunity to decline to register applicants, if the rollout in both Ramsey and Anoka Counties occurs swiftly outside our City. If the Counties achieve a saturation level of one active registration for every 12,500 residents at the County level, before we receive an application, then we can decline to register applicants within the City. We can avail ourselves of that authority in the regulations we create, but won't have much control over whether our facts will allow us to use it.

But, if we get an application before then, our likely plan will be to limit this to the mandatory minimum of one active registration within our limits. We could also build in some language to indicate that if any application is brought at a time in which the Counties have reached that saturation level, the City will not issue the registration. That would allow us to refuse to register a replacement business in the event an applicant gets registered, folds, and a replacement entity applies after the saturation levels are reached.

Feel free to reach out with any additional questions.

Thanks,  
John