



CITY COUNCIL AGENDA REPORT

TO: St. Francis City Council

FROM: Beth Richmond and Jason Zimmerman, Planners

SUBJECT: Cannabis Zoning Code Amendment – First Reading

DATE: January 6, 2025

OVERVIEW:

In 2023, the Minnesota Legislature approved a new law to expand the legalization of THC and certain types of cannabis products, as well as to permit different types of cannabis businesses. The new legislation is fairly comprehensive and established a new specialized statewide regulating authority for this matter – the Office of Cannabis Management (OCM). This office will assist cities with registration and the regulation of cannabis through zoning.

The state's cannabis legislation, which can be found in Chapter 342 of the State Statutes, provides local units of government certain authority to regulate cannabis businesses, including the authority to adopt reasonable restrictions on the time, place, and manner of such businesses, reviewing license requests, registering cannabis businesses, and adopting other regulations related to cannabis businesses. It also creates 16 cannabis and hemp license types. The OCM is responsible for issuing licenses for cannabis businesses, however, local governments will be asked to certify whether an application complies with local zoning ordinances before a license is issued. Cities will need to examine their zoning regulations and make amendments to the existing city code in order to accommodate these uses, possibly creating new definitions, standards, and interpretations.

The City Council held a worksession on this topic on October 28th and provided direction to Staff for the development of cannabis regulations. Based on this discussion and the model ordinance provided by OCM, Staff drafted ordinance language for amendments to the City Code and the Zoning Code. Staff is proposing to add language to the Zoning Code to define each cannabis use, establish how and where each use will be allowed in the City, and create standards for cannabis retail and lower potency hemp edible retail uses.

PLANNING COMMISSION RECOMMENDATION:

The Planning Commission reviewed the proposed Zoning Code amendments at their meeting on December 18, 2024 and held a public hearing. No members of the public spoke for or against the proposed amendments. Commissioners discussed the proposed buffers around cannabis retail uses and confirmed that the City is establishing the maximum buffer distance as allowed by State Statutes. Commissioners also discussed the taxing and revenue from potential future municipal cannabis sales and how the City may use that revenue. Following the public hearing and discussion, Commissioners unanimously recommended approval of the Zoning Code amendments as presented by Staff.

ACTION TO BE CONSIDERED:

Given the Planning Commission's recommendation for approval, a draft approval document has been prepared for your consideration.

Suggested Motion:

Move to approve the 1st reading of Ordinance 343 approving the Zoning Code amendments pertaining to cannabis and hemp businesses as presented by Staff.

ATTACHMENT:

1. Draft Cannabis Ordinance 343 – 1st Reading
2. Planning Commission Memo for December 18, 2024