

TO: Mayor and Council
FROM: Kate Thunstrom, City Administrator
SUBJECT: CBD/THC Moratorium Discussion
DATE: September 3, 2024

OVERVIEW:

Over the past week residents in person and on social media have expressed concern about the location of a CBD shop directly across from a school building. This is a response to the city not having a mechanism in place to guide these types of shops.

The laws related to CBD and THC fall in two categories,

1. Low dose less – less than 0.3%
2. THC & Cannabis – higher than 0.3%

The state has created laws in regards to both categories putting local responsibility on the Cities. Although the higher dose products are not allowed to be sold yet, many low dose shops are setting up anticipating that they will be allowed to sell the higher dose products.

The City needs the ordinance in order to support the state licenses as they will reach out to us when they receive applications. The City has not adopted an ordinance as we have been waiting for the legislative session to end as several law changes were made. Staff will be looking for a work session in October to finalize questions on this ordinance.

One way to prevent shops from opening in locations that will likely not be permanent is to place a moratorium on any additional stores. It is a costly step for businesses to come in, build out a store and put up signage if they are anticipating more of a store than what will be allowed. A moratorium would provide the city a chance to adopt ordinances to provide interested parties the distance guidelines, business hours, total number of stores, etc. for anyone considering this type of use

ACTION TO BE CONSIDERED:

Council to provide staff direction on the following options:

1. Keep current situation as is
2. Create a moratorium for September 16th Council meeting on any expansion of CBD/THC retail uses until ordinance created

Schedule work session, dates to consider:

Tuesday, October 15th

Thursday, October 17th

Wednesday, October 23rd

Monday, October 28th