



Planning Commission Agenda

Wednesday, September 4, 2024

6:30 PM

City Council Chambers

(Any times listed are approximate – please note that items may be earlier or later than listed on the agenda)

1. **Call to Order**
2. **Roll Call**
3. **Approval of Agenda**
4. **Review of Minutes**
 - a. Review August 7, 2024 Minutes
5. **Communications and Recognitions**
6. **Public Hearing**
 - a. Consider a request to subdivide a parcel from the west end of the Roseville Covenant Church property and re-guide and rezone it for low- to medium-density residential development (PF24-004)
7. **Business**
 - a. Receive presentation regarding local sales tax ballot referendum
 - b. Discuss cannabis regulatory decisions that will inform future draft ordinance
8. **Adjourn**


REQUEST FOR COMMISSION ACTION

Date: **9/4/2024**
Item No.: **4.a.**

Department Approval

Agenda Section
Review of Minutes

Item Description: Review August 7, 2024 Minutes

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Application Information

N/A

Background

N/A

Staff Recommendation

N/A

Requested Planning Commission Action

Review the August 7, 2024 minutes and make a motion to approve subject to requested corrections.

Alternative Actions

N/A

Prepared by:

Attachments: 1. August 7, 2024 Minutes



**Planning Commission Regular Meeting
City Council Chambers, 2660 Civic Center Drive
Draft Minutes – Wednesday, August 7, 2024 – 6:30 p.m.**

- 1 **1. Call to Order**
2 Chair Pribyl called to order the regular meeting of the Planning Commission meeting at
3 approximately 6:30 p.m. and reviewed the role and purpose of the Planning Commission.
4
- 5 **2. Roll Call**
6 At the request of Chair Pribyl, City Planner Thomas Paschke called the Roll.
7
- 8 **Members Present:** Chair Michelle Pribyl, Vice-Chair Karen Schaffhausen, and
9 Commissioners Michelle Kruzel, Tammy McGehee, Pamela
10 Aspnes, Matthew Bauer, and Erik Bjorum.
11
- 12 **Members Absent:** None
13
- 14 **Staff Present:** City Planner Thomas Paschke, and Community Development
15 Director Janice Gundlach
16
- 17 **3. Approve Agenda**
18
- 19 **MOTION**
20 **Member Schaffhausen moved, seconded by Member McGehee, to approve the**
21 **agenda as presented.**
22
- 23 **Ayes: 7**
24 **Nays: 0**
25 **Motion carried.**
26
- 27 **4. Review of Minutes**
28
- 29 **a. June 5, 2024 Planning Commission Regular Meeting**
30
- 31 **MOTION**
32 **Member Bjorum moved, seconded by Member McGehee, to approve the June 5,**
33 **2024 meeting minutes.**
34
- 35 **Ayes: 7**
36 **Nays: 0**
37 **Motion carried.**
38
- 39 **5. Communications and Recognitions:**
40
- 41 **a. Receive 2024 Community Survey Results**

42 Community Development Director Janice Gundlach explained the City Council
43 received the 2024 Community Survey results from Morris Leatherman Company at
44 the June 3, 2024, City Council meeting.

45
46 Ms. Gundlach reviewed the 2024 Community Survey results with the Planning
47 Commission.

48
49 Member McGehee hoped the Planning Commission would have this available for the
50 Comprehensive Planning coming up. She thought this was the kind of information
51 that was useful to them.

52
53 Member Bauer wondered if there was anything on the survey that stood out to staff or
54 surprised staff.

55
56 Ms. Gundlach indicated she was not necessarily surprised by anything but there was
57 some conflicting information in the survey and the answers to some of the questions,
58 especially around affordable housing. She noted that was not unusual to see in
59 communications throughout whole communities.

60
61 **6. Public Hearing**

62
63 **a. CONDITIONAL USE PERMIT**

64 Chair Pribyl opened the public hearing at approximately 6:45 p.m. and reported on
65 the purpose and process of a public hearing. She advised this item will be before the
66 City Council on August 19, 2024.

67
68 City Planner Paschke summarized the request as detailed in the staff report dated
69 August 7, 2024.

70
71 Mr. Gemechu Kojil, the applicant, addressed the Planning Commission.

72
73 **Public Comment**

74
75 No one came forward to speak for or against this request. Chair Pribyl closed the
76 public hearing at 6:54 p.m.

77
78 **Commission Deliberation**

79
80 None.

81
82 **MOTION**

83 **Member Bjorum moved, seconded by Member Schaffhausen, to recommend to**
84 **the City Council approval of a Conditional User for Roseville West located at**
85 **2277 Highway 36, allowing outdoor storage of fleet vehicles at designated areas**
86 **of the parking lot, based on the comments and findings of this RPCA dated June**
87 **5, 2024.**

88

89 **Ayes: 7**
90 **Nays: 0**
91 **Motion carried.**

92
93 **7. Other Business Heading Information**

94
95 **8. Commission Direction on Commission Member Initiated Agenda Items**

96
97 **9. Adjourn**

98
99 **MOTION**
100 **Member McGehee, seconded by Member Aspnes, to adjourn the meeting at 6:56**
101 **p.m.**

102
103 **Ayes: 7**
104 **Nays: 0**
105 **Motion carried.**

106
107

ROSEVILLE
REQUEST FOR COMMISSION ACTION

Date: **9/4/2024**
Item No.: **6.a.**

Department Approval

Janice Gundlach

Agenda Section
Public Hearing

Item Description: Consider a request to subdivide a parcel from the west end of the Roseville Covenant Church property and re-guide and rezone it for low- to medium-density residential development (PF24-004)

Application Information

Property owner and applicant: Roseville Covenant Church
Location: 2856 Hamline Avenue
Application considered complete: August 1, 2024
City action deadline: September 30, 2024

Land Use Context	Existing Land Use	Guiding	Zoning
Site	undeveloped	INST	INST
North	duplexes	LR	LMDR
West	duplexes	LR	LMDR
South	apartments	HR	HDR
East	church	INST	INST

Background

The subject of this application is the westernmost 120 feet of the Roseville Covenant Church parcel. If the current application is approved, the only effect on the church property itself would be to reduce its area by about 20,000 square feet, which would effectively increase the improvement area of the church property to nearly 60% of the overall lot. Because the resulting improvement area would remain under the Institutional (INST) zoning district's 75% limit, it is easy to confirm the proposal would not create any nonconforming conditions on the church property itself. With this confirmation, the rest of this RPCA will focus solely on the parcel of land subject to the subdivision and rezoning proposal. Roseville Covenant Church has no development plans for the western end of its property, but has submitted an application to create a separate parcel that can be developed by a potential future buyer.

Legislative Authority

22 When considering a request to change the comprehensive plan guidance of a property, or its zoning
23 designation, or both, the role of the City is **legislative**; to review a proposal for its merits in addition
24 to evaluating the potential impacts to the public health, safety, and general welfare of the
25 community. The City has broad discretion when acting in its legislative capacity, such that even if a
26 comprehensive plan change or rezoning request is found to be compatible with the Comprehensive
27 Plan and is otherwise a desirable proposal, the City may still deny the request if the proposal fails to
28 promote the public health, safety, and general welfare.

30 When considering a subdivision request, the role of the City is **quasi-judicial**; to determine the facts
31 associated with a particular proposal and apply those facts to the legal standards contained in the
32 ordinance and relevant state law. In general, if the facts indicate an application meets the relevant
33 legal standards and will not compromise the public health, safety, and general welfare, then the
34 applicant is likely to be entitled to the approval. The City is, however, able to add conditions to a
35 subdivision approval to ensure that potential impacts on parks, schools, roads, storm sewers, and
36 other public infrastructure on and around the subject property are adequately addressed.
37 Subdivisions may also be modified to provide for the orderly, economical, and safe development of
38 land, and to promote housing affordability for all levels.

40 Public Hearing

41 The purpose of a public hearing for such an application is to **consult** the public. It is an opportunity
42 for the public to learn the relevant facts about a proposal, ask clarifying questions, and provide input
43 pertaining to the relevant facts as well as to the analysis of the facts as presented by City staff.

45 **Comprehensive Plan Analysis**

46 Because the existing INST future land use designation in the comprehensive plan for this location is
47 essentially unsuitable for anything but additional improvements related to the church, a new future
48 land use designation must be selected to make the subject parcel suitable for any other development.
49 The future land use map in Roseville's comprehensive plan shows subject site to be abutting Low
50 Density Residential (LR) areas on the north and west sides and the INST church property to the east,
51 and to be across the street from High Density Residential (HR) areas to the south. Planning Division
52 staff has determined that, in this context, the only reasonable future land use designations would be
53 Medium Density Residential (MR) or Low Density Residential (LR). The MR designation would
54 allow for an intensity of new development that represents something of an average of the
55 surrounding land use categories but, given that the site's most intimate neighbors are the several
56 existing duplexes on the LR properties to the west and north, Planning Division staff believes the LR
57 designation is most appropriate for this site.

59 While the comprehensive plan did not identify this small area as the location of likely development
60 activity in the coming years, it does report that approximately 60 percent of respondents to an online
61 survey during the comprehensive planning process agreed or strongly agreed with the specific
62 statement, "Development on vacant or under-utilized land should be encouraged." In addition to
63 this, Chapter 5 (Housing) of the comprehensive plan identifies the following strategy to be used to
64 meet the goal that Roseville's housing meets community needs: *Explore opportunities to encourage*
65 *smaller housing units, "non-traditional" housing development (which could include*
66 *culturally-appropriate housing to reflect the population demographics of the City), and*
67 *opportunities to address the lack of housing in the "missing middle" styles.* The current proposal
68 doesn't specifically address the non-traditional or missing-middle aspects of this goal, but the two or
69 three dwellings likely to be developed on this site would contribute to Roseville's supply of missing-

70 middle housing choices. Therefore, because the comprehensive plan generally advocates for middle-
71 density residential development on underutilized land and LR is the most appropriate alternative
72 future land use designation for the subject parcel, Planning Division staff supports the application to
73 re-guide the area from INST to LR.

74
75 **Zoning Analysis**

76 The proposed LR future land use category corresponds to two zoning districts: the Low Density
77 Residential (LDR) district and the Low to Medium Density Residential (LMDR) district. In light of
78 the immediate proximity of this site to the abutting LMDR and INST zoning districts, as well as the
79 High Density Residential (HDR) district across the street, Planning Division staff suggests it would
80 be inappropriate to rezone this one parcel to become a lone LR-zoned property among the three other
81 more intensive zoning districts. Therefore, staff supports the application to rezone the property to the
82 same LMDR district as the residential development that surrounds it.

83
84 **Preliminary Plat Analysis**

85 Detailed plans supporting the proposed plat are included with this RPCA as Attachment 3.
86 Roseville's Development Review Committee (DRC) met several times to review the proposed
87 subdivision plans. Some of the comments and feedback based on the DRC's review of the
88 application are included in the analysis below, and the full comments offered in memos prepared by
89 DRC members are included in Attachment 4.

90
91 Proposed Lot

92 At 120 feet wide and slightly more than 165 feet deep, the proposed lot is a little less than half an
93 acre in area. Although specific development plans are not part of this application because the
94 applicant does not intend to be the developer, the proposed lot has enough width and area to
95 accommodate a variety of possible residential development types within the LMDR zoning district.
96 Because the LMDR district requires a minimum density of five dwellings per acre, the proposed lot
97 would need to include a minimum of two dwellings, presumably developed as a duplex or twin
98 home. Further, the combination of the LDR zoning district in the LR future land use designations
99 limits residential development to eight dwellings per acre, which would allow up to 3.6 dwellings on
100 the proposed lot. In light of these requirements, Planning Division staff presumes the proposed
101 parcel would likely be developed with two or three dwellings, depending on what the housing
102 market demands and what can be built to conform to the standard requirements of the LMDR zoning
103 district.

104
105 Utilities and Storm Water

106 The attached memo from the City Engineer indicates:

- 107
- Water and sanitary sewer services mains are available to the property.
 - The site must meet storm water standards, and any storm water management BMPs within
109 the site would be privately owned and require private maintenance.

110
111 Tree Preservation

112 The tree preservation and replacement requirements in §1011.04 of the City Code provide a way to
113 quantify the amount of tree material being removed for a given project and to calculate the resulting
114 tree replacement obligation. The preliminary calculation based on the proposed development would
115 elicit the obligation to plant about 113 replacement trees. Should the applicant be unable (or elect

not) to plant all required replacement trees, the ordinance offers an alternative, which is to make a cash-in-lieu payment of \$500 per tree (i.e., \$56,500) or an amount not to exceed 10% of the assessed value of the land (i.e., \$1,924,900 x 10% = \$192,490), whichever is less. But because this is a preliminary plan submitted by the subdivision applicant *who does not intend to be the developer of the subdivided lot*, a tree preservation plan reflecting the actual proposed future development will be required at such time as a potential future developer acquires the subdivided lot and applies for a building permit. At that time, tree removals might lead to a replacement obligation of closer to 200 trees (because the trees on the church property would no longer factor into the calculation as trees being preserved), but the not-to-exceed cap on the fee in lieu of tree replacement would likely be something closer to \$20,000.

Park Dedication

As indicated in the memo from the Parks and Recreation Director in Attachment 4, the Parks and Recreation Commission met to review the proposal on August 8 and recommended a dedication of cash in lieu of park land. Because the plans submitted with the applications show a single detached dwelling on one proposed lot, the Parks and Recreation Commission's recommendation indicates the \$4,250 fee that would be associated with a plat for a single new dwelling unit, based on the 2024 fee schedule, as well as additional fee increments to be paid in the future depending on the number of dwellings ultimately developed on the new lot. As noted above, however, at least two dwellings must be built to meet the minimum density required in the LMDR zoning district, so Planning Division staff recommends raising the initial fee to \$8,500 and requiring payment of the third increment at such time as a building permit might be issued to build a three-unit structure.

Public Comment

The required open house meeting pertaining to the proposed comprehensive plan and zoning map amendments was held on July 17, 2024, and the applicant's summarization of the conversation at the meeting is included with this RPCA in Attachment 4. While the summarization indicates questions on a variety of topics, there does not appear to have been any particular areas of great concern, nor has Planning Division staff received any communication from the public as of the time this report was published.

Staff Recommendation

Planning Division staff recommends three actions.

1. **By motion, recommend approval of the proposed amendment to the 2040 Comprehensive Plan Future Land Use Map** re-guiding the western 120 feet of the subject property from Institutional land uses to Low Density Residential land uses, based on the content of this RPCA, public input, and Planning Commission deliberation.
2. **By motion, recommend approval of the proposed amendment to the Zoning Map** rezoning the western 120 feet of the subject property from the Institutional district to the Low-to-Medium Density Residential district, based on the content of this RPCA, public input, and Planning Commission deliberation.
3. **By motion, recommend approval of the proposed Roseville Covenant Church 2nd Addition plat** creating Lot 1, Block 1 as a developable lot for future residential development and preserving the church and its associated improvements on Lot 2, Block 1, based on the content of this RPCA, public input, and Planning Commission deliberation, with the following conditions:

- 162 a. Pursuant to the memo from Public Works staff in Attachment 4 of this PRCA, the
- 163 applicant shall:
- 164 i. Dedicate easements as indicated in the preliminary plat; and
- 165 ii. Provide an Operations and Maintenance Plan, and record an Operations and
- 166 Maintenance Agreement in favor of the City, pertaining to the maintenance of
- 167 the private storm water management BMPs.
- 168 b. Pursuant to the memo from Parks and Recreation staff in Attachment 4 of this PRCA,
- 169 the applicant shall:
- 170 i. Dedicate cash in lieu of park land in the amount of \$8,500 prior to filing the
- 171 plat at Ramsey County; and
- 172 ii. Pay additional park dedication fee(s) for each dwelling unit beyond the first
- 173 two prior to the issuance of building permits. The amount of such additional
- 174 park dedication fee shall be determined by the amount per unit specified in the
- 175 City Fee Schedule in effect at the time of the building permit application.

176

177

178 **Requested Planning Commission Action**

- 179 1. **By motion, recommend approval of the proposed amendment to the 2040**
- 180 **Comprehensive Plan Future Land Use Map** re-guiding the western 120 feet of the subject
- 181 property from Institutional land uses to Low Density Residential land uses, based on the
- 182 content of this RPCA, public input, and Planning Commission deliberation.
- 183 2. **By motion, recommend approval of the proposed amendment to the Zoning Map**
- 184 rezoning the western 120 feet of the subject property from the Institutional district to the
- 185 Low-to-Medium Density Residential district, based on the content of this RPCA, public
- 186 input, and Planning Commission deliberation.
- 187 3. **By motion, recommend approval of the proposed Roseville Covenant Church 2nd**
- 188 **Addition plat** creating Lot 1, Block 1 as a developable lot for future residential development
- 189 and preserving the church and its associated improvements on Lot 2, Block 1, based on the
- 190 content of this RPCA, public input, and Planning Commission deliberation, with the
- 191 following conditions:
- 192 a. Pursuant to the memo from Public Works staff in Attachment 4 of this PRCA, the
- 193 applicant shall:
- 194 i. Dedicate easements as indicated in the preliminary plat; and
- 195 ii. Provide an Operations and Maintenance Plan, and record an Operations and
- 196 Maintenance Agreement in favor of the City, pertaining to the maintenance of
- 197 the private storm water management BMPs.
- 198 b. Pursuant to the memo from Parks and Recreation staff in Attachment 4 of this PRCA,
- 199 the applicant shall:
- 200 i. Dedicate cash in lieu of park land in the amount of \$8,500 prior to filing the
- 201 plat at Ramsey County; and
- 202 ii. Pay additional park dedication fee(s) for each dwelling unit beyond the first
- 203 two prior to the issuance of building permits. The amount of such additional
- 204 park dedication fee shall be determined by the amount per unit specified in the
- 205 City Fee Schedule in effect at the time of the building permit application.

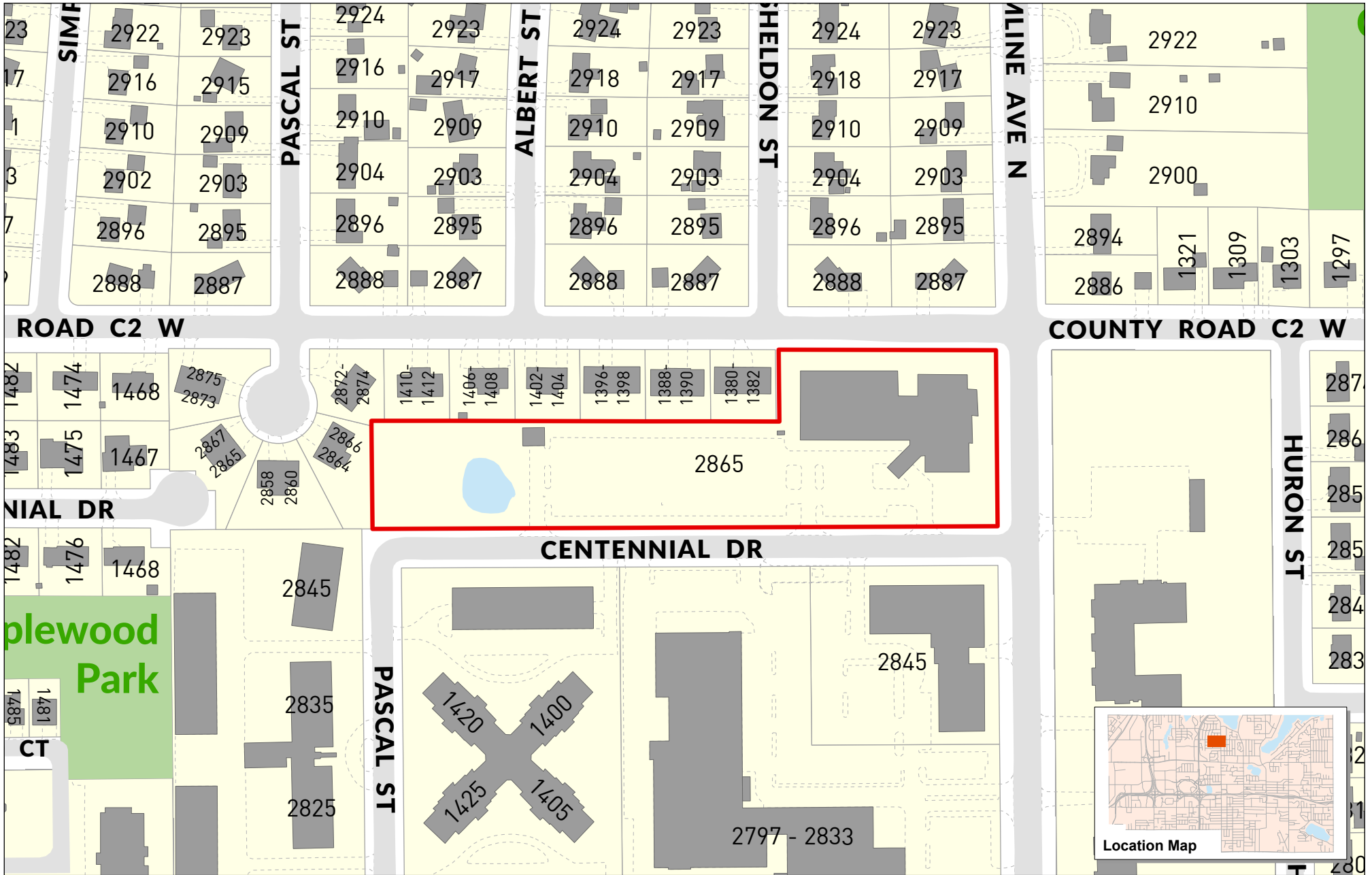
208 **Alternative Actions**

- 209 1. **Pass a motion to table the request for future action.** An action to table consideration the
210 request must be based on the need for additional information or further analysis to make a
211 recommendation. Tabling may require an extension of the action deadline mandated in
212 Minnesota Statute to avoid statutory approval.
- 213 2. **Pass a motion to recommend denial of the requested Comprehensive Plan Future Land**
214 **Use Map amendment, Zoning Map amendment, and/or Preliminary Plat.**
215 Recommendations of denial should be supported by specific findings of fact based on the
216 Planning Commission’s review of the application, applicable zoning or subdivision
217 regulations, and the public record. Denial of the comprehensive plan land use map
218 amendment necessitates the subsequent denial of the rezoning and preliminary plat, both of
219 which rely on the comprehensive plan change.

220
221 **Prepared by:** Bryan Lloyd, Senior Planner

- Attachments:**
1. Area Map
 2. Aerial Photo
 3. Proposed Plans
 4. Public Comment

Attachment 1: Planning File 24-004

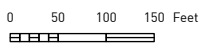


ROSEVILLE
 Prepared by:
 Community Development Department
 Printed: August 27, 2024


 Site Location

Data Sources
 * Ramsey County GIS Base Map [8/4/2024]
 For further information regarding the contents of this map contact:
 City of Roseville, Community Development Department,
 2660 Civic Center Drive, Roseville MN

Disclaimer
 This map is neither a legally recorded map nor a survey and is not intended to be used as one. This map is a compilation of records, information and data located in various city, county, state and federal offices and other sources regarding the area shown, and is to be used for reference purposes only. The City does not warrant that the Geographic Information System (GIS) Data used to prepare this map are error free, and the City does not represent that the GIS Data can be used for navigational, tracking or any other purpose requiring exacting measurement of distance or direction or precision in the depiction of geographic features. If errors or discrepancies are found please contact 651-792-7085. The preceding disclaimer is provided pursuant to Minnesota Statutes §466.03, Subd. 21 (2000), and the user of this map acknowledges that the City shall not be liable for any damages, and expressly waives all claims, and agrees to defend, indemnify, and hold harmless the City from any and all claims brought by User, its employees or agents, or third parties which arise out of the user's access or use of data provided.



Attachment 2: Planning File 24-004



LEGAL DESCRIPTION:
 Lot 1, Block 1, Roseville Covenant Church, Ramsey County, Minnesota.

PRELIMINARY PLAT: ROSEVILLE COVENANT CHURCH 2ND ADDITION

SCOPE OF WORK & LIMITATIONS:

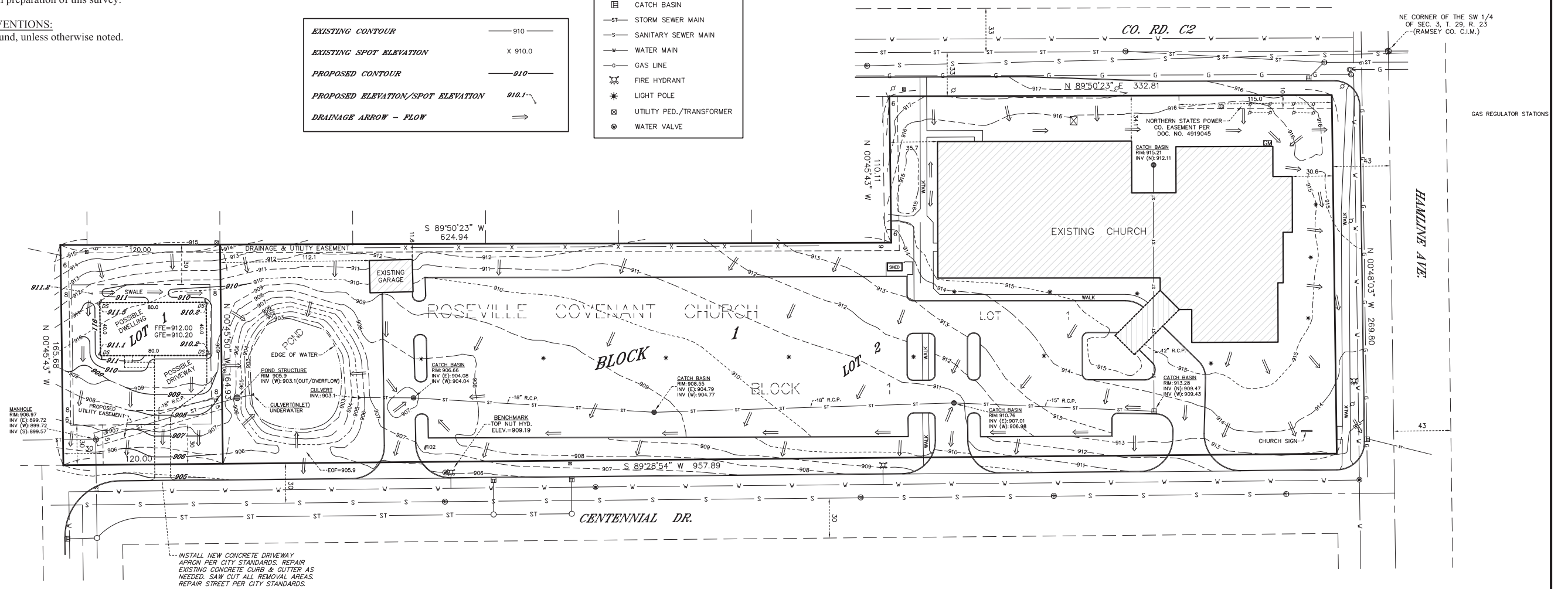
- Showing the length and direction of boundary lines of the legal description listed above. The scope of our services does not include determining what you own, which is a legal matter. Please check the legal description with your records or consult with competent legal counsel, if necessary, to make sure that it is correct and that any matters of record, such as easements, that you wish to be included on the survey have been shown.
- Showing the location of observed existing improvements we deem necessary for the survey.
- Setting survey markers or verifying existing survey markers to establish the corners of the property.
- Existing building dimensions and setbacks measured to outside of siding or stucco.
- Showing elevations on the site at selected locations to give some indication of the topography of the site. We have also provided a benchmark for your use in determining elevations for construction on this site. The elevations shown relate only to the benchmark provided on this survey. Use that benchmark and check at least one other feature shown on the survey when determining other elevations for use on this site or before beginning construction.
- Great North Title Commitment No. GNT-2023-1675, dated December 5, 2023, was used in preparation of this survey.

STANDARD SYMBOLS & CONVENTIONS:

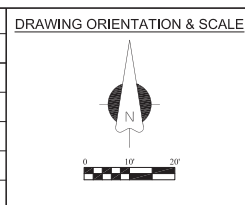
"●" Denotes iron survey marker, found, unless otherwise noted.

EXISTING CONTOUR	— 910 —
EXISTING SPOT ELEVATION	X 910.0
PROPOSED CONTOUR	- 910 -
PROPOSED ELEVATION/SPOT ELEVATION	910.1
DRAINAGE ARROW - FLOW	⇒

⊕	MANHOLE
⊞	CATCH BASIN
—ST—	STORM SEWER MAIN
—S—	SANITARY SEWER MAIN
—W—	WATER MAIN
—G—	GAS LINE
⊕	FIRE HYDRANT
*	LIGHT POLE
⊞	UTILITY PED./TRANSFORMER
⊕	WATER VALVE



DATE	REVISION DESCRIPTION
5/28/24	ADD STORMWATER INFO.



CLIENT/JOB ADDRESS
ROSEVILLE COVENANT CHURCH INC.
 1385 CENTENNIAL DR.
 ROSEVILLE, MN

Advance
 Surveying & Engineering, Co.
 17917 Highway No. 7
 Minnetonka, Minnesota 55345
 Phone (952) 474-7964
 Web: www.advsur.com

I HEREBY CERTIFY THAT THIS PLAN, SURVEY OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY REGISTERED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF MINNESOTA.
Wayne W. Preyhs
 Wayne W. Preyhs
 #43503
 LICENSE NO.
 DECEMBER 21, 2023
 DATE

SURVEYED DATE:
 DECEMBER 20, 2023
DRAFTED DATE:
 DECEMBER 21, 2023

SHEET TITLE
 PRELIMINARY PLAT
SHEET SIZE: 22 X 34
DRAWING NUMBER
 231726 WP

SHEET NO.
S1
 SHEET 1 OF 4

PRELIMINARY PLAT: ROSEVILLE COVENANT CHURCH 2ND ADDITION

LEGEND

EXISTING CONTOUR	---910---
EXISTING SPOT ELEVATION	x 910.5
PROPOSED CONTOUR	---910---
PROPOSED SPOT ELEVATION	910.1
DRAINAGE ARROW - FLOW	⇒
PROPOSED DRAINAGE AREA ID	P1
EXISTING MANHOLE	⊕
EXISTING CATCH BASIN	⊞
EXISTING STORM SEWER	---ST---
EXISTING SANITARY SEWER	---S---
EXISTING WATERMAIN	---W---
EXISTING GAS LINE	---G---

EXISTING STORMWATER POND - HIGH WATER ELEVATION

STORM EVENT	EXISTING (HWE)	PROPOSED (HWE)
100-YEAR	905.32	905.36

STORMWATER RUNOFF RATE SUMMARY (POND)

STORM EVENT	EXISTING DISCHARGE (CFS)	PROPOSED DISCHARGE (CFS)
2-YEAR	0.79	0.74
10-YEAR	3.64	3.60
100-YEAR	8.15	8.25

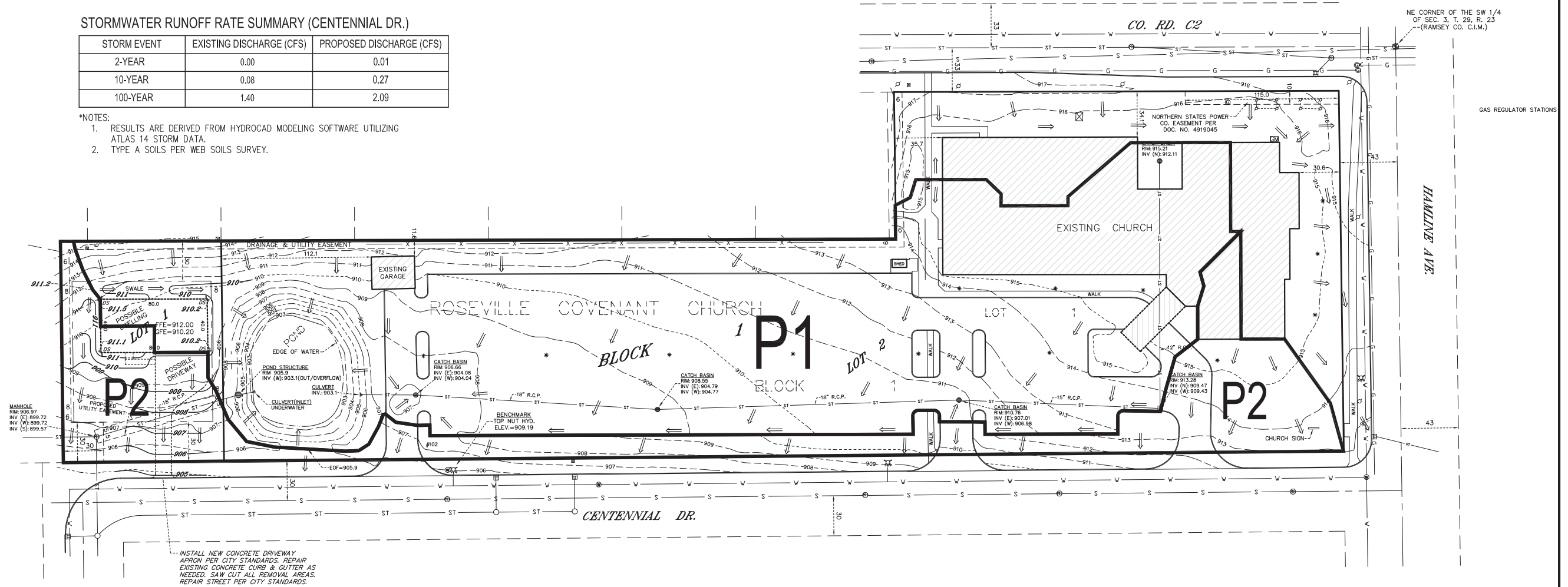
STORMWATER RUNOFF RATE SUMMARY (CENTENNIAL DR.)

STORM EVENT	EXISTING DISCHARGE (CFS)	PROPOSED DISCHARGE (CFS)
2-YEAR	0.00	0.01
10-YEAR	0.08	0.27
100-YEAR	1.40	2.09

- *NOTES:**
- RESULTS ARE DERIVED FROM HYDROCAD MODELING SOFTWARE UTILIZING ATLAS 14 STORM DATA.
 - TYPE A SOILS PER WEB SOILS SURVEY.

PROPOSED HARDCOVER ROUTING SUMMARY

- VOLUME CONTROL - ONSITE RETENTION OF MIDS 1.1-INCH STORM EVENT OVER PROPOSED IMPERVIOUS SURFACES.
- TOTAL PROPOSED IMPERVIOUS AREA = 5,228 SQUARE FEET
 PROPOSED IMPERVIOUS AREA ROUTED TO POND = 2,407 SQUARE FEET
 PROPOSED IMPERVIOUS AREA ROUTED TO STREET = 2,821 SQUARE FEET



DATE	REVISION DESCRIPTION	DRAWING ORIENTATION & SCALE	CLIENT/JOB ADDRESS	<p>Advance Surveying & Engineering, Co.</p> <p>17917 Highway No. 7 Minnetonka, Minnesota 55345 Phone (952) 474-7964 Web: www.advsur.com</p>	<p>I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.</p> <p><i>Joshua S. Finke</i> # 52716 MAY 28, 2024</p>	DATE SURVEYED: DEC. 20, 2023	SHEET TITLE	SHEET NO.
			<p>ROSEVILLE COVENANT CHURCH INC.</p> <p>1385 CENTENNIAL DR. ROSEVILLE, MN</p>			<p>SURVEYED BY: WAYNE W. PREUS, PLS. #43503 ADVANCE SURVEYING & ENG., CO.</p>	<p>PRELIMINARY PLAT: PROPOSED DRAINAGE PLAN</p>	
						DRAFTED DATE:	SHEET SIZE: 22 X 34	
						MAY 28, 2024	DRAWING NUMBER	
							231726 JR	

PRELIMINARY PLAT: ROSEVILLE COVENANT CHURCH 2ND ADDITION

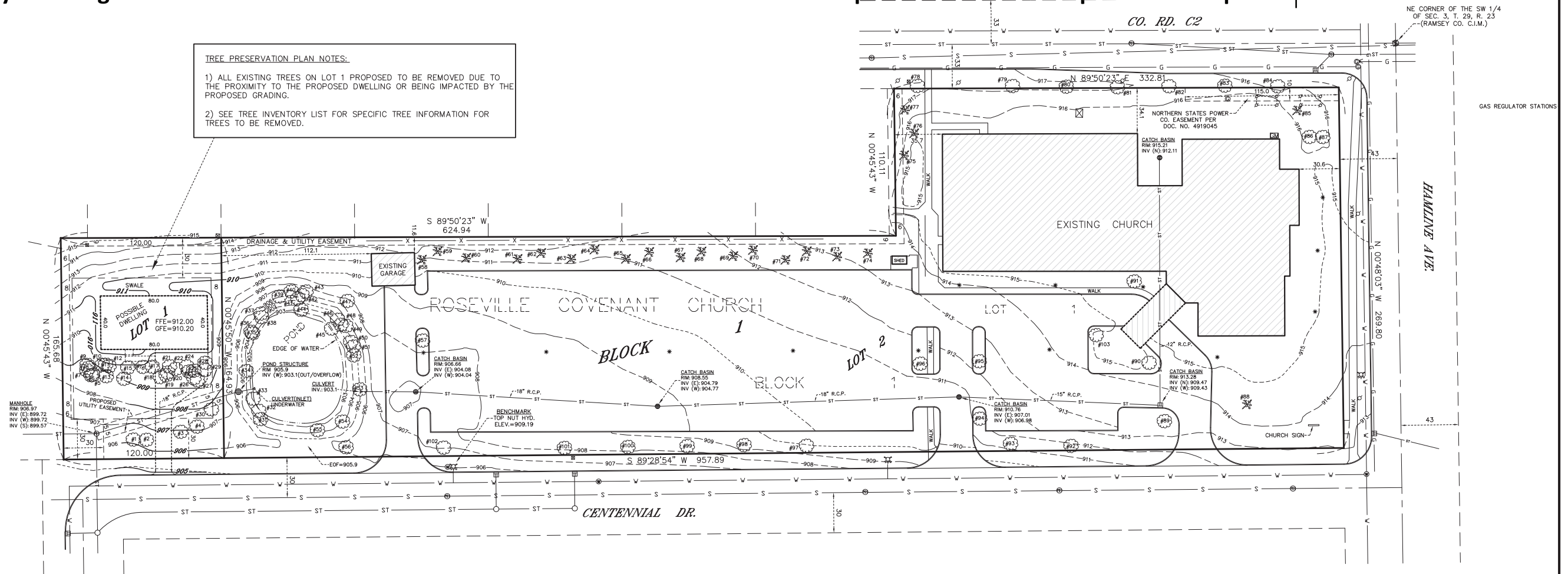
Class	Trees/Class		Total Mod DBH	Allowed Removal		Remove/Class		DBH Remove	Net Preserve	Incentive Multiplier	DBH Surplus
	Conif.	Decid.		Percent	DBH	Conif.	Decid.				
Heritage	0	11	339	15%	51	0	6	189	-138	2	-276
Significant	0	45	765	35%	268	0	20	376	-108	1	-108
Common	20	27	365	35%	128	0	4	38	90	0.5	45
Exempt	0	0	0	100%	0	0	0	0	0	0	0
Total	103		1469	n/a	447	30		603	-156	n/a	-339

Calculation by Planning Division staff.

Replacement of 339 caliper inches required.

TREE PRESERVATION PLAN NOTES:

- 1) ALL EXISTING TREES ON LOT 1 PROPOSED TO BE REMOVED DUE TO THE PROXIMITY TO THE PROPOSED DWELLING OR BEING IMPACTED BY THE PROPOSED GRADING.
- 2) SEE TREE INVENTORY LIST FOR SPECIFIC TREE INFORMATION FOR TREES TO BE REMOVED.



DATE	REVISION DESCRIPTION	DRAWING ORIENTATION & SCALE	CLIENT/JOB ADDRESS	<p>Advance Surveying & Engineering, Co.</p> <p>17917 Highway No. 7 Minnetonka, Minnesota 55345 Phone (952) 474-7964 Web: www.advsur.com</p>	<p>I HEREBY CERTIFY THAT THIS PLAN, SURVEY OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY REGISTERED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF MINNESOTA.</p> <p><i>Wayne W. Preyts</i> Wayne W. Preyts #43503 LICENSE NO. DECEMBER 21, 2023 DATE</p>	SURVEYED DATE:	SHEET TITLE	SHEET NO.
5/28/24	ADD STORMWATER INFO.		<p>ROSEVILLE COVENANT CHURCH INC.</p> <p>1385 CENTENNIAL DR. ROSEVILLE, MN</p>			DECEMBER 20, 2023	TREE PRESERVATION	
8/1/24	TREE PRESERVATION PLAN			DRAFTED DATE:	DECEMBER 21, 2023	DRAWING NUMBER	231726 WP	

RCC open House Meeting Feedback 7/18/24

We held the meeting Thursday 7/18/24 in the RCC gym with cookies and water. We offered a blown up view of the proposed new plat map and the portion of our land to be designated residential. In attendance from Roseville Covenant Church were Matt Kennedy Lead Pastor, Jon Holter, Business Administrator and JohnKramer Lead Team Representative. See list of attendees attached. 4 people attended.

The most often asked question was what we were intending to build on the land. We shared multiple times that we are not building or developing the land, only that we are asking the city to allow us to rezone the parcel of land residential so we can sell it. We also shared that we have gone through all the necessary engineering, tree plan etc. steps the city requires to get to this stage.

These were the most common questions and comments:

- Meeting Questions and Comments
 - Could this stay commercial and a store be built there for local residents.
 - We do not want any apartments built.
 - Family home would be better than an apartment complex.
 - Now I understand, you just want to sell it, you're not developing it.
 - Why did the city say 2 to 4 units? It looks big enough only for a duplex.
 - Will there be enough space for parking?

- Calls Received Prior to Meeting 3
 - One person called to share a concern about salt from any potential driveway
 - One person called to share a concern about a potential home being built for section 8 or "poor" people and that the yard and house would be a mess. We shared that the church was not planning to develop the land but planned to sell it.
 - One person emailed to ask about the setbacks, drainage and trees. We informed him the church only wanted to reclassify the land to sell it and was not planning to develop the land and that we have gone through all the necessary steps to get to this stage with the city.

INTEROFFICE MEMORANDUM



Date: August 16, 2024

To: Bryan Lloyd, Senior Planner

From: Jennifer Lowry, Roseville Public Works

RE: 1385 Centennial Drive: Roseville Covenant Church lot split

The Public Works Department reviewed the proposed plans for the project noted above and offer the following comments with regard to the project's impact on City services and/or infrastructure:

1. Site Plan
 - Due to the minimal amount of lots created, the development did not meet the threshold per City policy to conduct a traffic study. A traffic study was not conducted but any increase to traffic on adjacent streets is expected will not create any significant issues.
2. Utilities
 - Water
 - Watermain is available for connections
 - Sanitary
 - Sanitary sewer main is available for connections.
 - Storm Sewer
 - The development has to meet city stormwater standards. These standards include water quality, rate, and volume requirements that will ensure the property will protect downstream surface waters and not add to any local drainage and flooding issues. Submittals from the developers consulting engineer can meet the requirements of the city. Engineering staff are confident the developer will be able to meet the stormwater requirements with minor plan revisions.
 - The storm sewer improvements within the site would be private.
 - Rice Creek Watershed District permit not required
 - NPDES Permit not required.
 - City Erosion Control, Grading and Storm Water Permit required.
 - An existing storm sewer crosses the proposed lot from the pond to the city storm sewer on the SW corner of the property. The crossing should be protected and exist within a new easement, or it should be rerouted to the storm sewer in the street.

Thank you for the opportunity to provide feedback and on this project at this time. As the project advances, Public Works Department staff will continue to review any forthcoming plans and provide additional reviews and feedback as necessary. Please contact me should there be questions or concerns regarding any of the information contained herein.

**INTEROFFICE MEMORANDUM**

Date: August 23, 2024
To: Bryan Lloyd, Senior Planner
From: Matthew Johnson, Parks and Recreation Director
RE: Roseville Covenant Church Subdivision

This proposed subdivision qualifies for Park Dedication. It was reviewed by the Parks and Recreation Commission on August 8, 2024 for the purposes of a dedication recommendation. The PRC recommended cash in lieu of land. The current proposal calls for one additional unit (\$4,250).

Due to the uncertain nature of this proposal (the current proposal is for one unit, but more could theoretically be added prior to development), it is recommended that if the subsequent development includes more than one additional unit, additional park dedication of \$4,250 per unit be assessed prior to issuance of construction permits.


REQUEST FOR COMMISSION ACTION

Date: **9/4/2024**
Item No.: **7.a.**

Department Approval

Agenda Section

Janice Gundlach

Business

Item Description: Receive presentation regarding local sales tax ballot referendum

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Application Information

Applicant: City of Roseville
Location: Not applicable; impact is City-wide
Application Submission: Not applicable; referendum will appear on the ballot on November 5, 2024
City Action Deadline: Not applicable
Zoning: Not applicable

Background

During the 2023 legislative session, state lawmakers authorized the City to present a 0.5% local sales tax to Roseville voters. A referendum will be on the ballot on November 5, 2024. The City Manager will provide a presentation informing the Commission of this initiative. The presentation is provided at Attachment 1.

Staff Recommendation

Receive presentation.

Requested Planning Commission Action

None. The presentation is for informational purposes only.

Alternative Actions

Not applicable

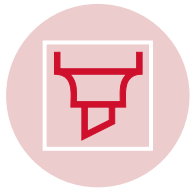
Prepared by: Janice Gundlach, Community Development Director

Attachments: 1. Presentation Slides

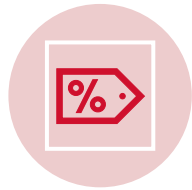


Presentation to Planning Commission
September 4, 2024

Agenda



Project
Background



Sales Tax
Referendum



Construction
Phasing Plan



Timeline



Questions



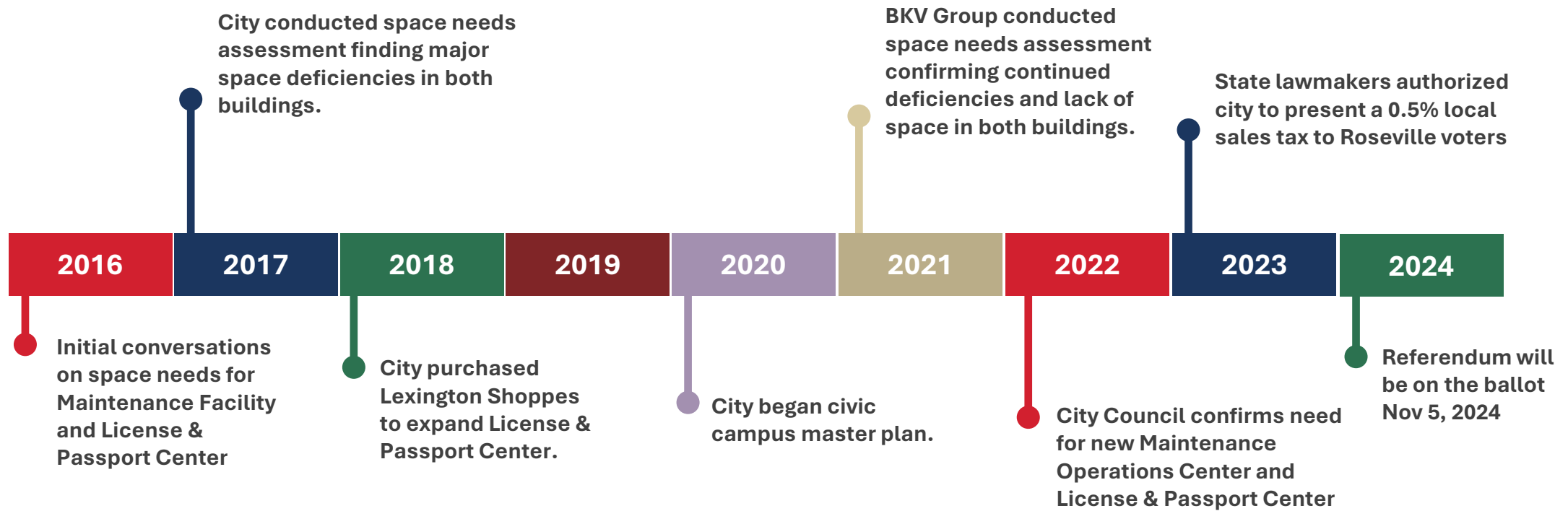
Supporting Roseville's Essential Public Services

- The city is committed to providing essential public services for all residents and the thousands who work, shop, and dine in our city.
- The city must sometimes make investments in heavily used facilities to continue providing the services residents expect and deserve.
- The city has outgrown its aging Public Works & Parks Maintenance Facility and License & Passport Center, straining essential operations and services.
- The city proposed a \$76.9 million investment plan to replace both facilities with new ones that will better support city services.
- This November, Roseville voters will consider a half-cent (0.5%) local sales tax to finance the “Invest in Roseville” plan over 20 years.



Developing the “Invest In Roseville” Plan

City leaders and staff worked with residents and experts to identify needs for the Maintenance Facility and License & Passport Center. Space-needs assessments and community input revealed that larger, more efficient buildings would enhance city services and cut costs.



Challenges at the Public Works & Parks Maintenance Facility

The Maintenance Facility is the operational hub for city equipment and vehicles, water and sewer systems, road work, snow removal, and critical maintenance of the city's 32 parks.

The facility has only one-third of the space it needs to operate efficiently.

- As a result, the city has been forced to lease storage offsite, causing delays when responding to service calls for repairs, snow removal, or maintenance.
- Vehicles stored in the facility must be tightly parked, forcing staff to play a constant game of “Tetris” to access important equipment.

With parts of the building dating to 1957, much of the facility is outdated.

- The drainage, fuel, and security systems need to be replaced.



Challenges at the License & Passport Center

As one of the busiest registrars in the state, the License & Passport Center completes 185,000 transactions for driver's licenses, vehicle tabs, vehicle titles, hunting and fishing licenses, and passports annually.

The facility has only half the space it needs to operate efficiently.

- Limited space creates workflow problems and noisy conditions, making it difficult for staff and customers to hear each other, especially when translation services are needed.
- The center lacks functionality for staff to have one-on-one conversations with customers or hold internal staff meetings.
- With nearby centers closing, demand at the Roseville center is expected to surge, but the building lacks sufficient space for more customers.



The “Invest In Roseville” Plan: Building Our Shared Future Together

If approved by voters, the “Invest in Roseville” plan would replace the aging License & Passport Center and Public Works & Parks Maintenance Facility with buildings better equipped to provide the essential city services our residents deserve.

New License & Passport Center: Designed for Future Growth

- The new center will have nearly two times the amount of space at the current facility.
- More efficient passport and licensing services for thousands of city residents and other Minnesotans.
- Second floor of building will be used for Park and Recreation programming (i.e. Dance Studio)

New Maintenance Operations Center: Streamlining Essential Operations

- Nearly three times the space at the current facility
- One-stop-shop for a variety of critical storage, service, and maintenance needs.

The Cost

- **The total construction cost of both buildings is \$76.9 million:**
 - New Maintenance Operations Center:
\$64.2 million
 - New License & Passport Center:
\$12.7 million
- **The half-cent local sales tax is expected to generate \$76.9 million, plus interest and bond issuance costs, over 20 years.**
- **The city chose this financing plan to ensure the projects meet our challenges, while trying to minimize the tax impact on residents.**



Why Local Sales Tax?



Cost is spread among residents and nonresidents who make purchases in the city and often benefit from city services.

If the projects were funded through a property tax, the cost burden would only fall on those who own property.

The local sales tax would be applied to the same goods and services as the state sales tax.

Essential goods, including groceries, clothing, medications, and baby products are exempt from the sales tax.

The University of Minnesota analyzed the economic effects of local sales taxes in several cities and found little evidence that sales growth for businesses would be impacted

Local Sales Tax Authority



Received legislative approval in 2023 to propose a referendum to voters to impose a 0.5% local sales tax within Roseville to pay for the construction of the new facilities



Two separate ballot questions, same sales tax



Referendum vote will be on November 5, 2024 ballot



If approved, sales tax would be in place for 20 years or until such time the projects are paid for, whichever is sooner

282.20 Sec. 45. CITY OF ROSEVILLE; TAXES AUTHORIZED.

282.21 Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,

282.22 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,

282.23 and if approved by the voters at an election as required under Minnesota Statutes, section

282.24 297A.99, subdivision 3, the city of Roseville may impose by ordinance a sales and use tax

282.25 of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise

282.26 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the

282.27 imposition, administration, collection, and enforcement of the tax authorized under this

282.28 subdivision. The tax imposed under this subdivision is in addition to any local sales and

282.29 use tax imposed under any other special law.

282.30 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized

282.31 under subdivision 1 must be used by the city of Roseville to pay the costs of collecting and

282.32 administering the tax and paying for the following projects in the city, including securing

282.33 and paying debt service on bonds issued to finance all or part of the following projects:

282.34 (1) \$64,200,000 for construction of a new maintenance facility; and

283.1 (2) \$12,700,000 for construction of a new license and passport center.

283.2 Subd. 3. Bonding authority. (a) The city of Roseville may issue bonds under Minnesota

283.3 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in

283.4 subdivision 2 and approved by the voters as required under Minnesota Statutes, section

283.5 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued

283.6 under this subdivision may not exceed:

283.7 (1) \$64,200,000 for the project listed in subdivision 2, clause (1), plus an amount to be

283.8 applied to the payment of the costs of issuing the bonds; and

283.9 (2) \$12,700,000 for the project listed in subdivision 2, clause (2), plus an amount to be

283.10 applied to the payment of the costs of issuing the bonds.

Local Sales Tax in Twin Cities Metro

Minnesota Sales Tax - 6.875%

Jurisdiction	Sales Tax Rate
Anoka County	8.125%
Carver County	8.375%
Dakota County	8.125%
West St. Paul	8.625%
Hennipen County	8.525%
Excelsior	9.025%
Minneapolis	9.025%
Rogers	8.775%
Edina	9.025%
Golden Valley	9.775%
Maple Grove	9.025%
Ramsey County	8.375%
St. Paul	9.875%
Roseville (Proposed)	8.875%
Scott County	8.375%
Washington County	8.375%
Oakdale	8.875%



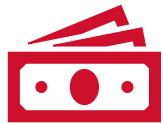
University of Minnesota – Sales Tax Study



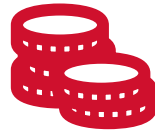
In 2021, total taxable sales were \$2.05 billion in Roseville, with about 55% of that in taxable sales



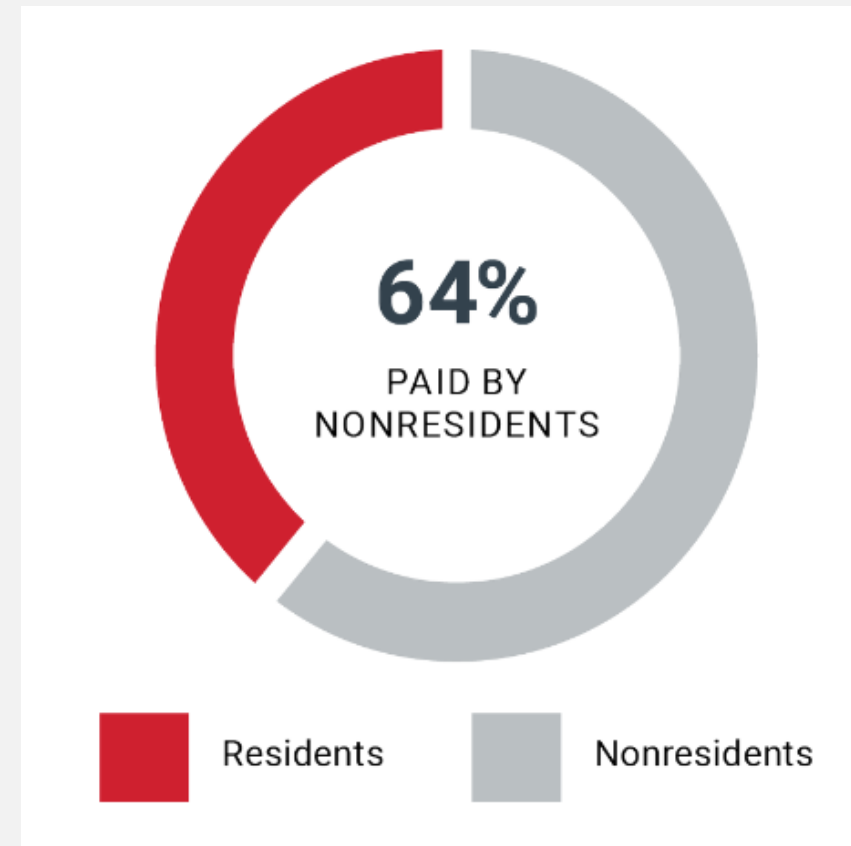
64% sales within Roseville to non-residents



A half cent sales tax will generate \$5.6 million annually in local sales tax revenue



5 cents for every \$10 spent



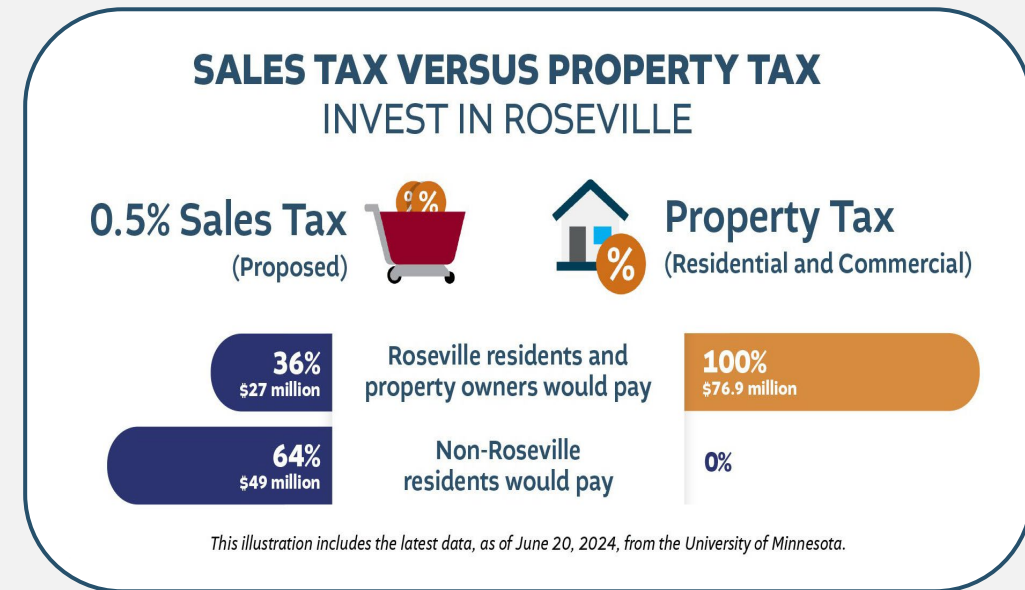
Roseville Local Sales Tax

Roughly 2/3 of the total construction cost would be paid by nonresidents

If the projects were funded through a property tax, the cost burden would only fall on those who own property

The average cost for each Roseville resident for the local sales tax is estimated to be roughly \$4.62 per month, or \$55.48 per year.

If the projects were funded through a property tax, the property tax bill for a median-value home would increase by approximately \$30 per month or \$360 per year



Roseville Local Sales Tax

Community survey conducted in Spring of 2024 shows awareness and support of imposing a local sales tax in Roseville

Awareness of Local Sales Tax Referendum

Yes: 56%
No: 43%
Unsure: 1%

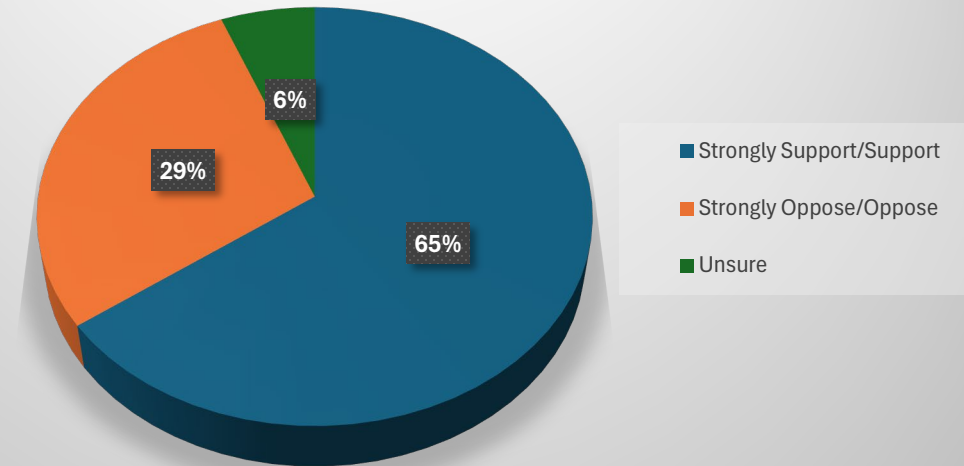
Support for Local Sales Tax for New Maintenance Operations Center

Strongly Support/Support: 69%
Strongly Oppose/Oppose: 24%
Unsure: 7%

Support for Local Sales Tax for License and Passport Center

Strongly Support/Support: 65%
Strongly Oppose/Oppose: 29%
Unsure: 6%

Support for Local Sales Tax for new License and Passport Center



A New Civic Campus Layout

- **The new Maintenance Operations Center (1) will be located at the Northwest corner of Lexington Ave. & Woodhill Drive.**
 - Expanded green space in the heart of our civic campus.
- **The new License & Passport (3) will be located near the Southwest corner of Lexington Ave and Woodhill Drive.**
- **The VFW (2) will be relocated to a new building next to the new License & Passport Center.**
 - This allows the VFW to maintain operations with dedicated parking and outdoor green space.



What will happen to Veterans Park?

Veteran's Park will be closed to make way for construction of the larger Maintenance Operations Center. To help compensate for this loss, the city is partnering with the Roseville School Board to explore options for developing existing, underutilized green space owned by the district; and reviewing options to develop underutilized space in the parks and recreation system.

Land Use

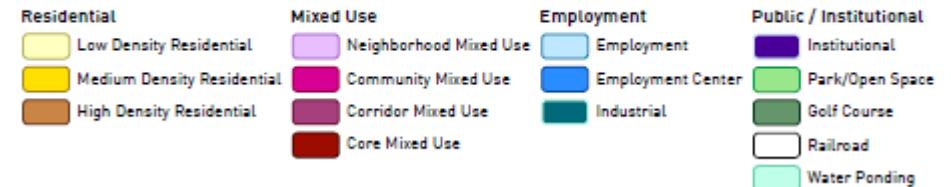
Construction of the new Maintenance Operations Center, License Center, and VFW will require property north of Woodhill to be re-guided and rezoned to Institutional.

Roseville's performance standards contained in Zoning Code will need to be met as part of the new construction.



Use Map

Future Land Use Designations

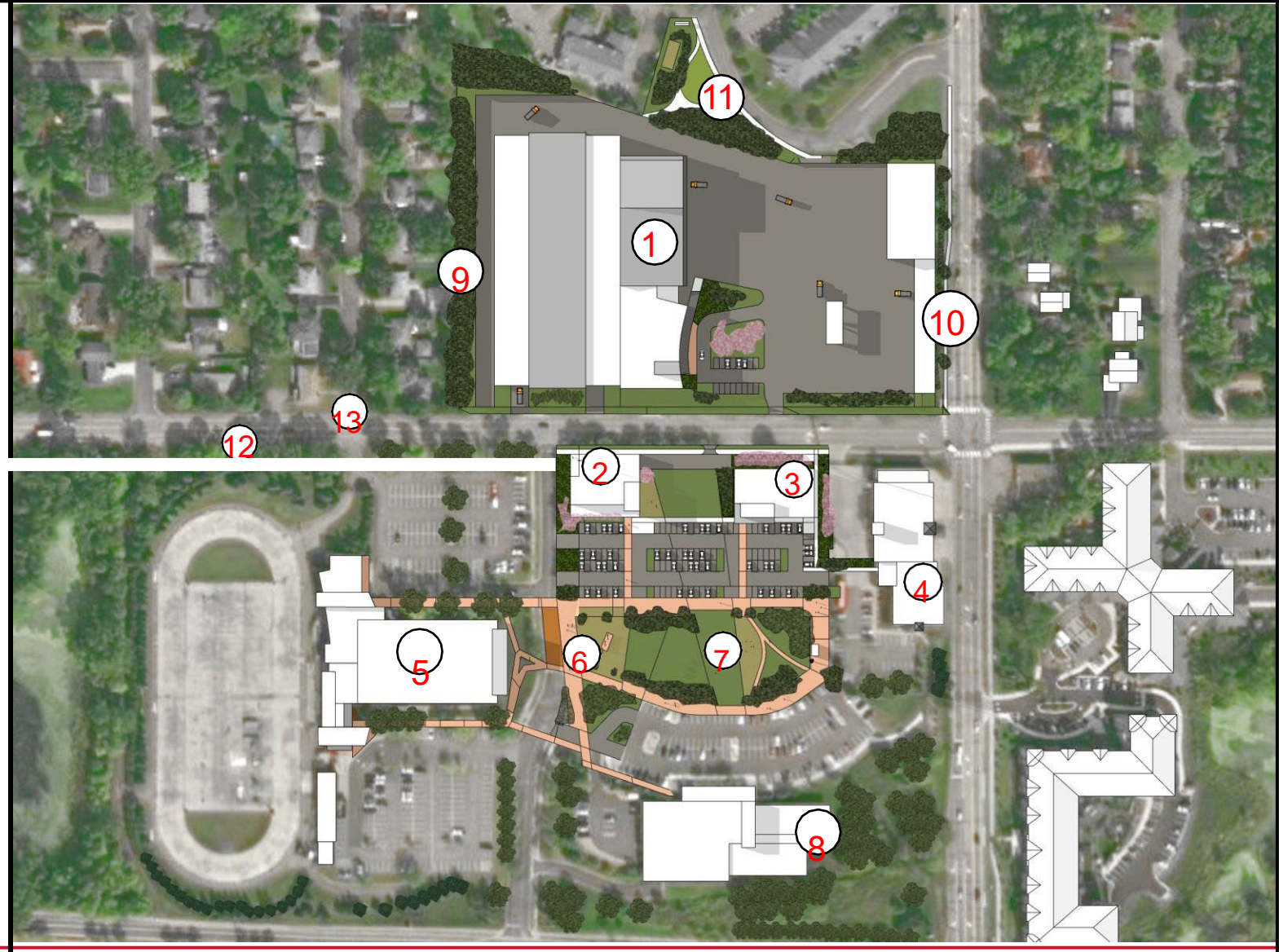


EXISTING SITE PLAN

- 1 - VFW
- 2 - License and Passport Center
- 3 - Oval Skate Park
- 4 - Maintenance Facility
- 5 - Fire Station #1
- 6 - Roseville City Hall



- 1 - New Maintenance Facility
- 2 - New VFW
- 3 - New License and Passport Center
- 4 - Existing Fire Station #1
- 5 - Existing Oval Skate Park
- 6 - New Veteran's Memorial
- 7 - New Green Space
- 8 - Existing Roseville City Hall
- 9 - Planted Berm
- 10 - Lexington Ave Landscape
- 11 - Relocated Children's Play Area
- 12 - Extended Sidewalk to Howard Johnson Park
- 13 - New Pedestrian Crossing at Griggs



PROJECT OVERVIEW – AERIAL FROM SOUTHEAST



10/10/22

Roseville Civic Campus Pre-Design

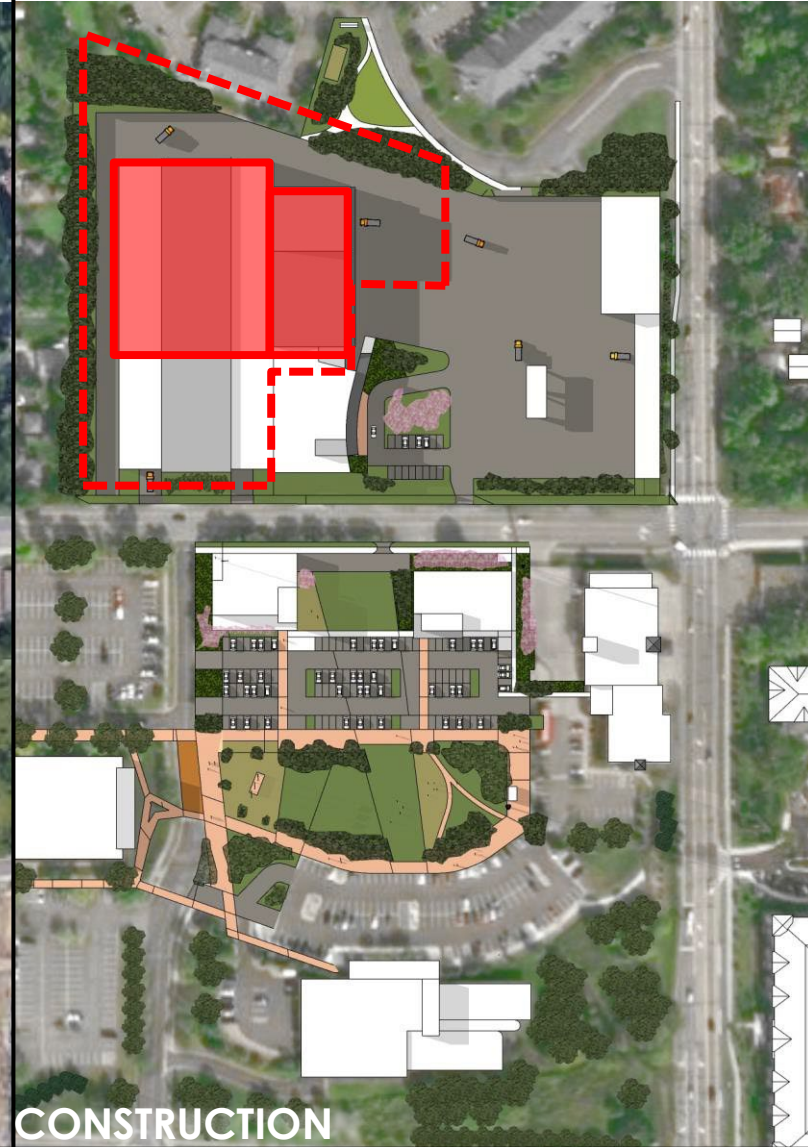


SITE PLAN – PHASE I: MAINTENANCE PART I

- Site Preparation including regrading.
- Place new berm/fence alongside Griggs St properties.
- Construct north half of Maintenance (part of Vehicle Storage and all of Vehicle Maintenance).

To Be Confirmed During Next Stage of Project:

- Refined extents of proposed Phase I construction, including perimeter fencing re: VFW interim operations.



Replacing Park Amenities

Parkview School



Anpétu Téča Education Center

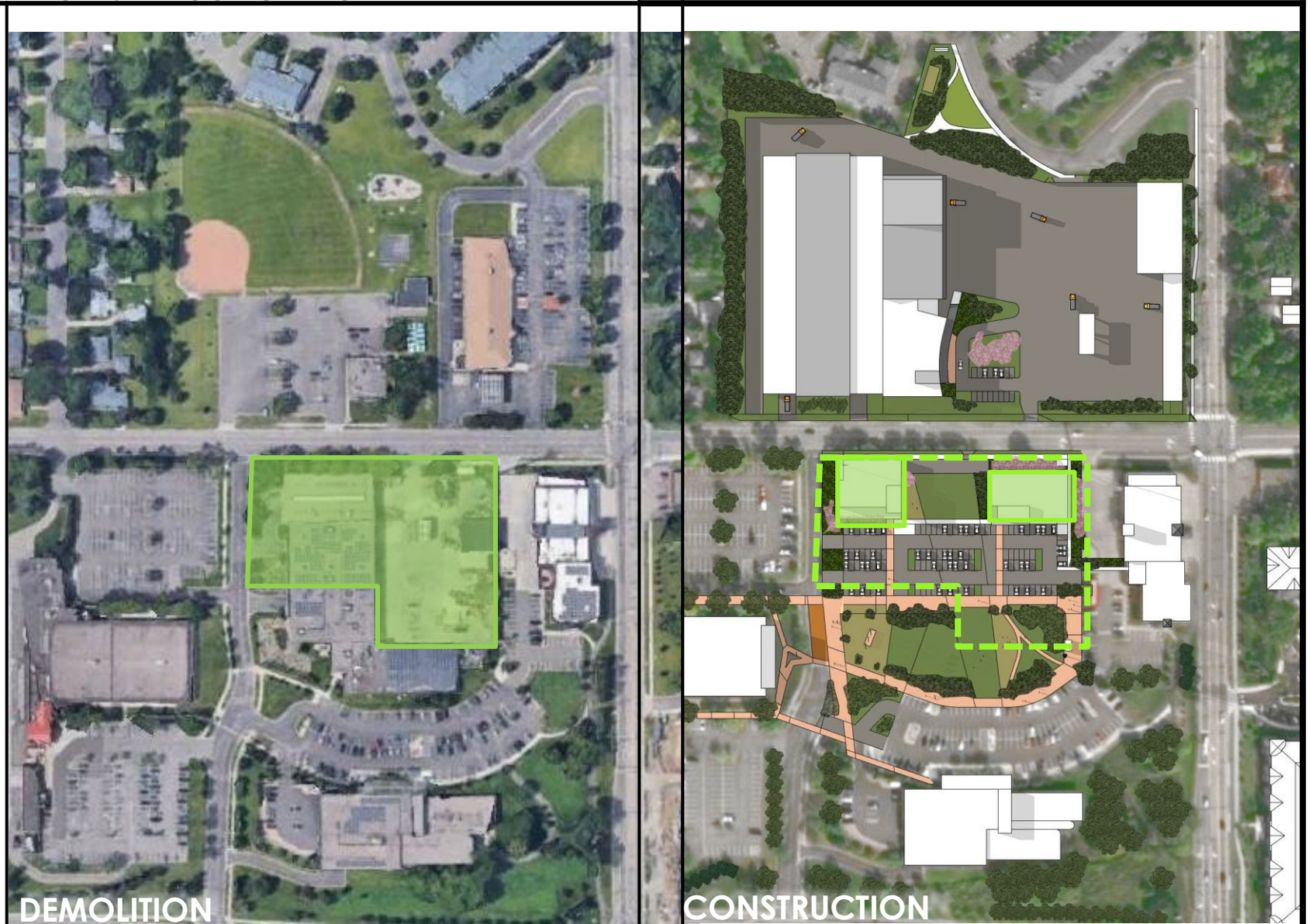


SITE PLAN – PHASE 2: LICENSE & PASSPORT CENTER + VFW

- Demolish portions of Maintenance Facility
- Prepare site for new work
- Construct VFW and License & Passport Center

To Be Confirmed During Next Stage of Project:

- Coordination of proposed project phasing on continuity of Maintenance operations.

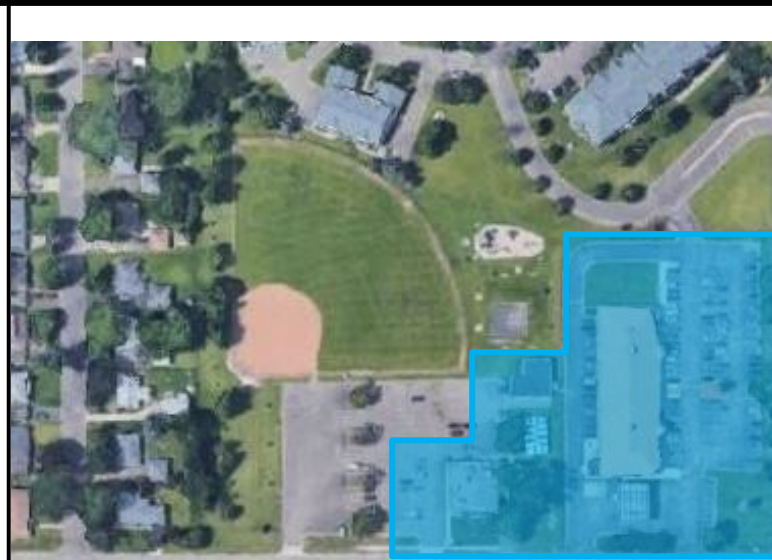


SITE PLAN – PHASE 3: REMAINDER OF MAINTENANCE + PUBLIC GREEN SPACE

- Complete site preparation for Maintenance yard and remaining buildings
- Scope includes new stormwater management elements
- Construct remaining Maintenance structures including Administrative Offices, Salt and Storage Sheds, and Fuel Island
- Construct Public Green Space and remaining site features

To Be Confirmed During Next Stage of Project:

- Affirm extents of site development where portions of this work connect with existing site features and infrastructure.



DEMOLITION



CONSTRUCTION

Project Timeline (Tentative)



Nov. 5, 2024
Referendum



2024 – 2025
Final Design
Need to finalize design
Award contract construction



2025–2026
Phase I
Site preparation including regrading, buffer area towards residential properties
Construct north half of maintenance facility



2026–2028
Phase II
Demolish Maintenance Facility
Prepare site for new work, construct VFW and License and Passport Center



2028–2029
Phase III
Complete site preparation for maintenance yard and remaining buildings
Construct maintenance structures including admin offices, salt and storage sheds and fuel island.
New Veterans Park



Role as a City Commissioner

Information vs. Advocacy

- The City cannot use public resources to advocate for passage of sales tax referendum
- The City can use public resources to inform and engage residents with factual information about the upcoming referendum
- In your role as a City Commissioner, you should keep this in mind and only provide information about the project and/or direct people to www.investinroseville.org
- As a private citizen, you have the right to advocate for or oppose the project

Visit InvestInRoseville.org



INVEST IN ROSEVILLE
PUBLIC SERVICES BUILDING PLAN

THE CHALLENGES THE PLAN THE PROCESS
THE COST VOTE FAQ RESOURCES

CONNECT

Building our shared future together

The City of Roseville is committed to providing essential public services for all 36,000 residents and the tens of thousands of daily visitors who work, shop, and dine in our city.

The city has outgrown its aging and outdated Public Works and Parks Maintenance Facility and License and Passport Center, putting a strain on essential city operations in both buildings.



That is why the city has put forward a \$76.9 million investment plan, called "Invest in Roseville."

Select Language ▾

If approved by voters, the city will replace its **Public Works & Parks Maintenance Facility** and **License & Passport Center** with new buildings that will better support and maintain a wide range of essential services for our residents and businesses.

To learn more about:

- ✓ The challenges at the Public Works & Parks Maintenance Facility and License & Passport Center
- ✓ The proposed plan for the new Maintenance Operations Center, License & Passport Center, and civic campus layout
- ✓ The cost and tax impact
- ✓ Voting information
- ✓ Answers to frequently asked questions



REQUEST FOR COMMISSION ACTION

Date: **9/4/2024**

Item No.: **7.b.**

Department Approval

Agenda Section

Janice Gundlach

Business

Item Description: Discuss cannabis regulatory decisions that will inform future draft ordinance

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Application Information

Applicant: City-initiated request

Location: Not applicable

Application Submission: Not applicable

City Action Deadline: City must have an ordinance in place effective January 1, 2025

Zoning: Various depending on the type of cannabis business

Background

The State legislature established Chapter 342 of Minnesota state law, known as the "adult-use cannabis law", during the 2023 legislative session. These regulations were revised during the 2024 legislative session. Since that time, Minnesota's Office of Cannabis Management (OCM) has been established to oversee the implementation and regulation of adult-use cannabis. Included in OCM's duties was the creation of a model zoning ordinance, which cities can use to formulate local adult-use cannabis regulations. This was recently released in July and is provided within Attachment 1.

The City will need to draft an ordinance regulating adult-use cannabis and have it adopted by January 1, 2025, when the state law officially takes effect. Because the law is very prescriptive, limiting the City's role in regulation, staff wanted to provide an opportunity for the City Attorney to outline specific issues the City can control, which will aid in drafting the ordinance. The City Attorney has drafted a memo (Attachment 2) outlining broader cannabis regulatory decisions that need to be made in order to draft zoning and registration-related ordinances. While the Commission's role is limited to decisions related to zoning, the memo provides important background information that gives broader context surrounding the realm of local control. Many of these questions will need to be addressed by the City Council. The City Council is scheduled to discuss this topic on September 16th, which will allow staff to bring a draft ordinance to the Commission in October that includes initial Council direction.

At this time, staff seeks direction and/or feedback on the following:

- Feedback on the draft Licensed Activities table provided in Attachment 3, suggesting where various licensed cannabis activities should locate within the City. The suggestions offered by staff are informed by the City Attorney memo, guidance from the OCM, and where similar types of uses are already allowed in the City.
- Answers to the three questions outlined in the City Attorney memo dated July 26, 2024. Specifically, the three questions located within the paragraph titled "II. Zoning Decisions - Buffers".

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Staff and the City Attorney will be available to address any questions or concerns the Commission may have.

Staff Recommendation

Review and discuss the materials and provide feedback where directed.

Requested Planning Commission Action

Review and discuss the materials and provide feedback where directed.

Alternative Actions

None

Prepared by: Janice Gundlach, Community Development Director

- Attachments:**
- 1. A Guide for Local Minnesota Governments on Adult-Use Cannabis
 - 2. City Attorney Cannabis Decision Memo
 - 3. Licenses and Land Uses

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MINNESOTA

OFFICE OF CANNABIS MANAGEMENT

ATTACHMENT 1



A Guide for Local Governments on Adult-Use Cannabis

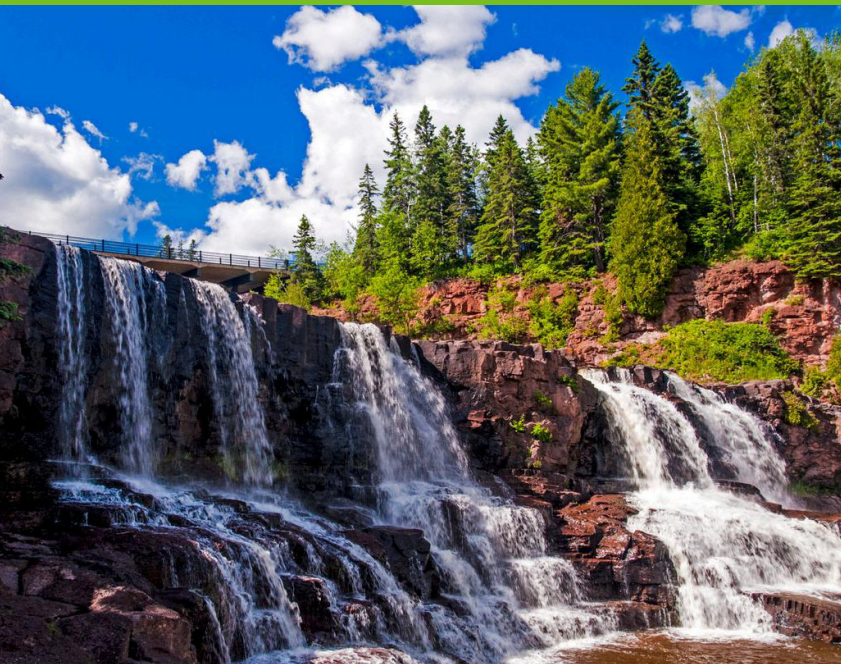


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Municipal Cannabis Stores 19

Creating Your Local Ordinance 20

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Introduction

This guide serves as a general overview of **Minnesota’s new adult-use cannabis law**, and how **local governments** can expect to be involved. The guide also provides important information about Minnesota’s new Office of Cannabis Management (OCM), and the office’s structure, roles, and responsibilities. While medical cannabis continues to play an important role in the state’s cannabis environment, this guide is primarily focused on the adult-use cannabis law and marketplace.

The following pages outline the variety of cannabis business licenses that will be issued, provide a broad summary of important aspects of the adult-use cannabis law, and cover a wide range of expectations and authorities that relate to local governments. This guide also provides best practices and important requirements for developing a local cannabis ordinance.

Chapter 342 of Minnesota law was established by the State Legislature in 2023 and was updated in 2024. Mentions of “adult-use cannabis law” or “the law” throughout this guide refer to Chapter 342 and the changes made to it.

As of this guide’s date of publication, state regulations governing the adult-use cannabis market have not yet been published—**this document will be updated** when such regulations become effective.



This guide is not a substitute for legal advice, nor does it seek to provide legal advice. Local governments and municipal officials seeking legal advice should consult an attorney.

About OCM

Minnesota's **Office of Cannabis Management** is the state regulatory office created to oversee the implementation and regulation of the adult-use cannabis market, the medical cannabis market, and the consumer hemp industry. Housed within OCM are the **Division of Medical Cannabis** (effective July 1, 2024), which operates the medical cannabis program, and the **Division of Social Equity**, which promotes development, stability, and safety in communities that have experienced a disproportionate, negative impact from cannabis prohibition and usage.



OCM, through Chapter 342, is tasked with establishing rules and policy and exercising its regulatory authority over the Minnesota cannabis industry. In its duties, OCM is mandated to:

- Promote public health and welfare.
- Protect public safety.
- Eliminate the illicit market for cannabis flower and cannabis products.
- Meet the market demand for cannabis flower and cannabis products.
- Promote a craft industry for cannabis flower and cannabis products.
- Prioritize growth and recovery in communities that have experienced a disproportionate, negative impact from cannabis prohibition.

OCM governs the application and licensing process for cannabis and hemp businesses, specific requirements for each type of license and their respective business activities, and conducts enforcement and inspection activities across the Minnesota cannabis and hemp industries.

License Types

Minnesota law allows for **13** different types of business licenses, each fulfilling a unique role in the cannabis and hemp supply chain. In addition to license types below, OCM will also issue endorsements to license holders to engage in specific activities, including producing, manufacturing, and sale of medical cannabis for patients.

Microbusiness

Microbusinesses may cultivate cannabis and manufacture cannabis products and hemp products, and package such products for sale to customers or another licensed cannabis business. Microbusiness may also operate a single retail location.

Mezzobusiness

Mezzobusinesses may cultivate cannabis and manufacture cannabis products and hemp products, and package such products for sale to customers or another licensed cannabis business. Mezzobusiness may also operate up to three retail locations.

Cultivator

Cultivators may cultivate cannabis and package such cannabis for sale to another licensed cannabis business.

Manufacturer

Manufacturers may manufacture cannabis products and hemp products, and package such products for sale to a licensed cannabis retailer.

Retailer

Retailers may sell immature cannabis plants and seedlings, cannabis, cannabis products, hemp products, and other products authorized by law to customers and patients.

Wholesaler

Wholesalers may purchase and/or sell immature cannabis plants and seedlings, cannabis, cannabis products, and hemp products from another licensed cannabis business. Wholesalers may also import hemp-derived consumer products and lower-potency hemp edibles.

License Types (continued)

Transporter

Transporters may transport immature cannabis plants and seedlings, cannabis, cannabis products, and hemp products to licensed cannabis businesses.

Testing Facility

Testing facilities may obtain and test immature cannabis plants and seedlings, cannabis, cannabis products, and hemp products from licensed cannabis businesses.

Event Organizer

Event organizers may organize a temporary cannabis event lasting no more than four days.

Delivery Service

Delivery services may purchase cannabis, cannabis products, and hemp products from retailers or cannabis business with retail endorsements for transport and delivery to customers.

Medical Cannabis Combination Business

Medical cannabis combination businesses may cultivate cannabis and manufacture cannabis and hemp products, and package such products for sale to customers, patients, or another licensed cannabis business. Medical cannabis combination businesses may operate up to one retail location in each congressional district.

Lower-Potency Hemp Edible Manufacturer

Lower-potency hemp edible manufacturers may manufacture and package lower-potency hemp edibles for consumer sale, and sell hemp concentrate and lower-potency hemp edibles to other cannabis and hemp businesses.

Lower-Potency Hemp Edible Retailer

Lower-potency hemp edible retailers may sell lower-potency hemp edibles to customers.

Each license is subject to further restrictions on allowable activities. Maximum cultivation area and manufacturing allowances vary by license type. Allowable product purchase, transfer, and sale between licensees are subject to restrictions in the law.

The Adult-Use Cannabis Law

Minnesota's new adult-use cannabis law permits the personal use, possession, and transportation of cannabis by those 21 years of age and older, and allows licensed businesses to conduct cultivation, manufacturing, transport, delivery, and sale of cannabis and cannabis products.

For Individuals

- **Possession limits:**
 - Flower - 2 oz. in public, 2 lbs. in private residence
 - Concentrate - 8 g
 - Edibles (including lower-potency hemp) - 800 mg THC
- **Consumption** only allowed on private property or at licensed businesses with on-site consumption endorsements. Consumption not allowed in public.
- **Gifting** cannabis to another individual over 21 years old is allowed, subject to possession limits.
- **Home cultivation** is limited to four mature and four immature plants (eight total) in a single residence. Plants must be in an enclosed and locked space.
- **Home extraction** using volatile substances (e.g., butane, ethanol) is not allowed.
- **Unlicensed sales** are not allowed.



For Businesses

- **Advertising:**
 - May not include or appeal to those under 21 years old.
 - Must include proper warning statements.
 - May not include misleading claims or false statements.
 - Billboards are not allowed.
- The flow of all products through the supply chain must be tracked by the state-authorized **tracking system**.
- All products sold to consumers and patients must be **tested for contaminants**.
- **Home delivery** is allowed by licensed businesses.



The Cannabis Licensing Process

An applicant will take the following steps to proceed from application to active licensure. As described, processes vary depending on social equity status and/or whether the type of license being sought is capped or uncapped in the general licensing process.

License Preapproval: Early Mover Process for Social Equity Applicants

The license preapproval process is a one-time application process available for verified social equity applicants. State law requires OCM to open the application window on July 24, 2024, and close the window on August 12, 2024. The preapproval process is available for the following license types, and all are capped in this process: microbusiness, mezzobusiness, cultivator, retailer, wholesaler, transporter, testing facility, and delivery service.

Preapproval steps:

1. Applicant's social equity applicant (SEA) status verified.
2. Complete application and submit application fees.
3. Application vetted for minimum requirements by OCM.
4. Application (if qualified) entered into lottery drawing.
5. If selected in lottery, OCM completes background check of selected applicant and issues license preapproval.
6. Applicant with license preapproval* submits business location and amends application accordingly.
7. OCM forwards completed application to local government.
8. Local government completes certification of zoning compliance.
9. OCM conducts site inspection.
10. When regulations are adopted, license becomes active, operations may commence.

*For social equity applicants with license preapproval for microbusiness, mezzobusiness, or a cultivator license, they may begin growing cannabis plants prior to the adoption of rules if OCM receives approval from local governments in a form and manner determined by the office. This is only applicable to cultivation and does not authorize retail sales or other endorsed activities of the licenses prior to the adoption of rules.

The Cannabis Licensing Process (cont.)

The general licensing process will align with the adoption of rules and OCM will share more information about the timing of general licensing process. The general licensing process includes social equity applicants and non-social equity applicants.

General Licensing: Cultivator, Manufacturer, Retailer, Mezzobusiness

1. Complete application and submit application fees.
2. Application vetted for minimum requirements by OCM.
3. Application (if qualified) entered into lottery drawing.
4. If selected in lottery, OCM completes background check of selected applicant and issues preliminary approval.
5. Applicant with preliminary approval submits business location and amends application accordingly.
6. OCM forwards completed application to local government.
7. Local government completes certification of zoning compliance.
8. OCM conducts site inspection.
9. License becomes active, operations may commence.*

General Licensing: Microbusiness, Wholesaler, Transporter, Testing Facility, Event Organizer

1. Complete application and submit application fees.
2. Application vetted for minimum requirements by OCM.
3. For qualified applicants, OCM completes background check of vetted applicant and issues preliminary approval.
4. Selected applicant submits business location and amends application accordingly.
5. OCM forwards completed application to local government.
6. Local government completes certification of zoning compliance.
7. OCM conducts site inspection.
8. License becomes active, operations may commence.*

*For businesses seeking a retail endorsement (microbusiness, mezzobusiness, and retailer), a valid local retail registration is required prior to the business commencing any retail sales. See Page 16 for information on the local retail registration process.

General Authorities

Local governments in Minnesota have various means of oversight over the cannabis market, as provided by the adult-use cannabis law. Local governments may not issue outright bans on cannabis business, or limit operations in a manner beyond what is provided by state law.

Cannabis Retail Restrictions (342.13)

Local governments may limit the number of retailers and microbusiness/mezzobusinesses with retail endorsements allowed within their locality, as long as there is **at least one retail location per 12,500 residents**. Local units of government are not obligated to seek out a business to register as cannabis business if they have not been approached by any potential applicants, but cannot prohibit the establishment of a business if this population requirement is not met. Local units of government may also issue more than the minimum number of registrations. Per statutory direction, a municipal cannabis store (Page 19) cannot be included in the minimum number of registrations required. For population counts, the state demographer estimates will likely be utilized.

Tribal Governments (342.13)

OCM is prohibited from and will not issue state licenses to businesses in Indian Country without consent from a tribal nation. Tribal nations hold the authority to license tribal cannabis businesses on tribal lands – this process is separate than OCM’s licensing process and authority. Subject to compacting, Tribal nations may operate cannabis businesses off tribal lands. There will be more information available once the compacting processes are complete.

Taxes (295.81; 295.82)

Retail sales of taxable cannabis products are subject to the state and local sales and use tax and a 10% gross receipts tax. Cannabis gross receipts tax proceeds are allocated as follows: 20% to the local government cannabis aid account and 80% to the state general fund. Local taxes imposed solely on sale of cannabis products are prohibited.

Cannabis retailers will be subject to the same real property tax classification as all other retail businesses. Real property used for raising, cultivating, processing, or storing cannabis plants, cannabis flower, or cannabis products for sale will be classified as commercial and industrial property.

General Authorities (cont.)

Retail Timing Restrictions (342.13)

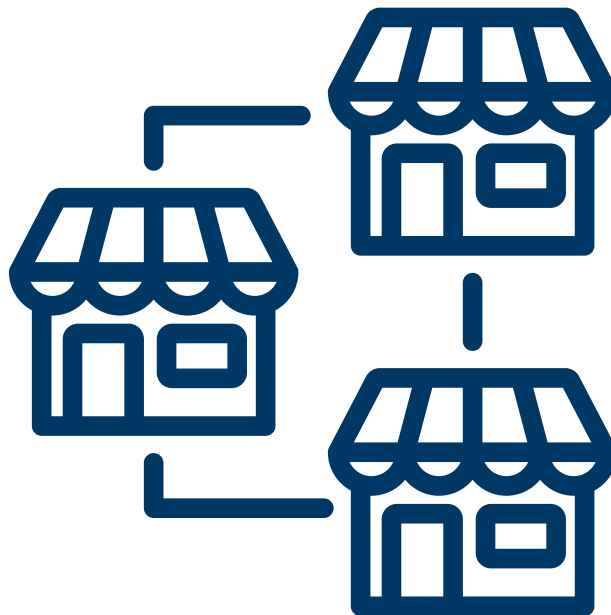
Local governments may prohibit retail sales of cannabis between the hours of 8 a.m. and 10 a.m. Monday-Saturday, and 9 p.m. and 2 a.m. the following day.

Operating Multiple Locations with One License

Certain cannabis licenses allow for multiple retail locations to be operated under a single license, with the following limitations:

- **Retailers:** up to five retail locations.
- **Mezzobusinesses:** up to three retail locations.
- **Microbusinesses:** up to one retail location.
- **Medical cannabis combination businesses:** one retail location per congressional district. Additionally, medical cannabis combination businesses may cultivate at more than one location within other limitations on cultivation.

For all other license types, one license permits the operation of one location. Each retail location requires local certification and/or registration.



Zoning and Land Use

Buffer Guidelines (342.13)

State law does not restrict how a local government conducts its zoning designations for cannabis businesses, except that they may prohibit the operation of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including playgrounds and athletic fields.

Zoning Guidelines

While each locality conducts its zoning differently, a few themes have emerged across the country. For example, cannabis manufacturing facilities are often placed in industrial zones, while cannabis retailers are typically found in commercial/retail zones. Cannabis retail facilities align with general retail establishments and are prohibited from allowing consumption or use onsite, and are also required to have plans to prevent the visibility of cannabis and hemp-derived products to individuals outside the retail location. Industrial hemp is an agricultural product, and should be zoned as such.

Cannabis businesses should be zoned under existing zoning ordinances in accordance with the license type or endorsed activities held by the cannabis business. Note that certain types of licenses may be able to perform multiple activities which may have different zoning analogues. In the same way municipalities may zone a microbrewery that predominately sells directly to onsite consumers differently than a microbrewery that sells packaged beer to retailers and restaurants, so too might a municipality wish to zone two microbusinesses based on the actual activities that each business is undertaking. Table 1, included on Pages 13 and 14, explains the types of activities that cannabis businesses might undertake, as well as, some recommended existing zoning categories.

Zoning and Land Use (cont.)

Table 1: Cannabis and Hemp Business Activities

Endorsed Activity	License Type Eligible to Do Endorsed Activity	Description of Activity	Comparable Districts	Municipal Considerations
Cultivation	Cultivator Mezzobusiness Microbusiness Medical Cannabis Combination	"Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis plants, cannabis flower, hemp plants, or hemp plant parts.	Indoor: Industrial, Commercial, Production Outdoor: Agricultural	Odor Potential need for transportation from facility Waste, water, and energy usage Security
Cannabis Manufacturing, Processing, Extraction	Manufacturer Mezzobusiness Microbusiness Medical Cannabis Combination	This group of endorsed activities turn raw, dried cannabis and cannabis parts into other types of cannabis products, e.g. edibles or topicals.	Industrial, Commercial, Production	Odor Potential need for transportation from facility Waste, water, and energy usage Security
Hemp Manufacturing	Lower-Potency Hemp Edible (LPHE) Manufacturing	These business convert hemp into LPHE edible products.	Industrial, Commercial, Production	Odor Waste, water, and energy
Wholesale	Wholesale Cultivator Manufacturer Mezzobusiness Microbusiness Medical Cannabis Combination	This activity and license type allows a business to purchase from a business growing or manufacturing cannabis or cannabis products and sell to a cannabis business engaged in retail.	Industrial, Commercial, Production	Need for transportation from facility Security

Zoning and Land Use (cont.)

Table 1: Cannabis and Hemp Business Activities (continued)

Endorsed Activity	License Type Eligible to Do Endorsed Activity	Description of Activity	Comparable Districts	Municipal Considerations
Cannabis Retail	Retail Mezzobusiness Microbusiness Medical Cannabis Combination	This endorsed activity and license types allow a business to sell cannabis and cannabis products directly to consumers.	Retail, Neighborhood Shopping Districts, Light Industrial, Existing districts where off-sale liquor or tobacco sales are allowed.	Micros may offer onsite consumption, similar to breweries. Micros and Mezzos may include multiple activities: cultivation, manufacture, and/or retail.
Transportation	Cannabis Transporter	This license type allows a company to transport products from one license type to another.		Fleet based business that will own multiple vehicles, but not necessarily hold a substantial amount of cannabis or cannabis products.
Delivery	Cannabis Delivery	This license type allows for transportation to the end consumer.		Fleet based business that will own multiple vehicles, but not necessarily hold a substantial amount of cannabis or cannabis products.
Events	Event Organizer	This license entitles license holder to organizer a temporary event lasting no more than four days.	Anywhere that the city permits events to occur, subject to other restrictions related to cannabis use.	On site consumption. Retail sales by a licensed or endorsed retail business possible.

Local Approval Process

Local governments play a critical role in the licensing process, serving as a near-final approval check on cannabis businesses nearing the awarding of a state license for operations. Once an applicant has been vetted by OCM and is selected for proceeding in the verification process, they are then required to receive the local government's certification of zoning compliance and/or local retail registration before operations may commence.



Local Certification of Zoning Compliance (342.13; 342.14)

Following OCM's vetting process, local governments must **certify** that the applicant with preliminary approval has achieved **compliance with local zoning ordinances** prior to the licensee receiving final approval from OCM to commence operations.

During the application and licensing process for cannabis businesses, OCM will notify a local government when an applicant intends to operate within their jurisdiction and request a certification as to whether a proposed cannabis business complies with local zoning ordinances, and if applicable, whether the proposed business complies with state fire code and building code.

According to Minnesota's cannabis law, a local unit of government has 30 days to respond to this request for certification of compliance. If a local government does not respond to OCM's request for certification of compliance within the 30 days, the cannabis law allows OCM to issue a license. OCM may not issue the final approval for a license if the local government has indicated they are not in compliance.

OCM will work with local governments to access the licensing software system to complete this zoning certification process.

Local Approval Process (cont.)

Local Retail Registration Process (342.22)

Once the licensing process begins, local government registration applies to cannabis retailers or other cannabis/hemp businesses seeking a retail endorsement. Local governments must issue a retail registration after verifying that:

- The business has a valid license or license preapproval issued by OCM.
- The business has paid a registration fee or renewal fee to the local government;
 - Initial registration fees collected by a local government may be \$500 or half the amount of the applicable initial license fee, whichever is less, and renewal registration fees may be \$1,000 or half the amount of the applicable renewal license fee, whichever is less.
- The business is found to be in compliance with Chapter 342 and local ordinances.
- If applicable, the business is current on all property taxes and assessments for the proposed retail location.

Local registrations may also be issued by counties if the respective local government transfers such authorities to the county.

Determining a Process for Limiting Retail Registrations

If a local government wishes to place a limitation on the number of retailers and microbusiness/mezzobusinesses with retail endorsements allowed within their locality (as long as there is at least one retail location per 12,500 residents, see Page 10), state law does not define the process for a local government's selection if there are more applicants than registrations available. A few options for this process include the use of a lottery, a first-come/first-serve model, a rolling basis, and others. Local governments should work with an attorney to determine their specific process for selection if they wish to limit the number of licensed cannabis retailers per 342.13. Local governments are not required to limit the number of licensed cannabis retailers.

Local Approval Process (cont.)

Local governments are permitted specific authorities for registration refusal and registration suspension, in addition to—and not in conflict with—OCM authorities.

Registration and Renewal Refusals

Local governments may refuse the registration and/or certification of a license renewal if the license is associated with an individual who, within five years of the license application, has been convicted of a felony or willful violation of a federal or state law or local ordinance related to the manufacture, sale, distribution, or possession for sale or distribution of an alcoholic beverage.



Local Registration Suspension (342.22)

Local governments may suspend the local retail registration of a cannabis business or hemp business if the business is determined to not be operating in compliance with a local ordinance authorized by 342.13 or if the operation of the business poses an immediate threat to the health and safety of the public. The local government must immediately notify OCM of the suspension if it occurs. OCM will review the suspension and may reinstate the registration or take enforcement action.

Expedited Complaint Process (342.13)

Per state law, OCM will establish an expedited complaint process during the rulemaking process to receive, review, read, and respond to complaints made by a local unit of government about a cannabis business. Upon promulgation of rules, OCM will publish the complaint process.

At a minimum, the expedited complaint process shall require the office to provide an initial response to the complaint within seven days and perform any necessary inspections within 30 days. Within this process, if a local government notifies OCM that a cannabis business poses an immediate threat to the health or safety of the public, the office must respond within one business day.

Inspections & Compliance Checks

Local governments are permitted specific business inspection and compliance check authorities, in addition to—and not in conflict with—OCM authorities.

Inspections and Compliance Checks (342.22)

Local governments must conduct **compliance checks** for cannabis and hemp businesses holding retail registration **at least once per calendar year**. These compliance checks must verify compliance with age verification procedures and compliance with any applicable local ordinance established pursuant to 342.13. OCM maintains inspection authorities for all cannabis licenses to verify compliance with operation requirements, product limits, and other applicable requirements of Chapter 342.



Municipal Cannabis Stores

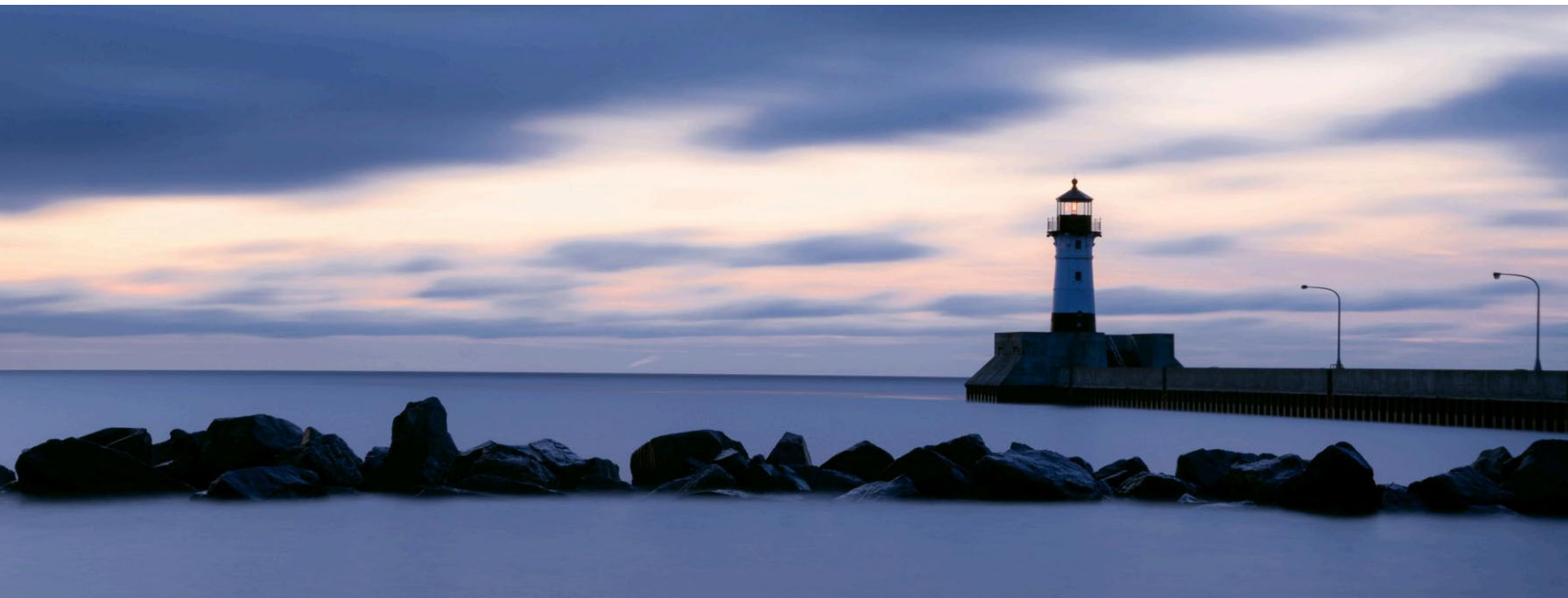
As authorized in Chapter 342.32, local governments are permitted to apply for a cannabis retail license to establish and operate a municipal cannabis store.

State law requires OCM issue a license to a city or county seeking to operate a single municipal cannabis store if the city or county:

- Submits required application information to OCM,
- Meets minimum requirements for licensure, and
- Pays applicable application and license fee.

A municipal cannabis store will not be included in the total count of retail licenses issued by the state under Chapter 342.

A municipal cannabis store cannot be counted as retail registration for purposes of determining whether a municipality's cap on retail registrations imposed by ordinance.



Creating Your Local Ordinance

As authorized in 342.13, a local government may adopt a local ordinance regarding cannabis businesses. Establishing local governments' ordinances on cannabis businesses in a timely manner is critical for the ability for local cities or towns to establish local control as described in the law, and is necessary for the success of the statewide industry and the ability of local governments to protect public health and safety. The cannabis market's potential to create jobs, generate revenue, and contribute to economic development at the local and state level is supported through local ordinance work. The issuance of local certifications and registrations to prospective cannabis businesses is also dependent on local ordinances.

- Local governments may not prohibit the possession, transportation, or use of cannabis, or the establishment or operation of a cannabis business licensed under state law.
- Local governments may adopt reasonable restrictions on the time, place, and manner of cannabis business operations (see Page 8).
- Local governments may adopt interim ordinances to protect public safety and welfare, as any studies and/or further considerations on local cannabis activities are being conducted, until January 1, 2025. A public hearing must be held prior to adoption of an interim ordinance.
- If your local government wishes to operate a municipal cannabis store, the establishment and operation of such a facility must be considered in a local ordinance.



Model Ordinance

For additional guidance regarding the creation of a cannabis related ordinance, please reference the addendum in this packet.

Additional Resources

OCM Toolkit for Local Partners

Please visit OCM webpage (mn.gov/ocm/local-governments/) for additional information, including a toolkit of resources developed specifically for local government partners. The webpage will be updated as additional information becomes available and as state regulations are adopted.

These resources are also included in the addendum of this packet.

Toolkit resources include:

- Appendix A: Model Ordinance
- Appendix B: Hemp Flower and Hemp-Derived Cannabinoid Product Checklist
- Appendix C: Enforcement Notice from the Office of Cannabis Management
- Appendix D: Notice to Unlawful Cannabis Sellers

Local Organizations

There are several organizations who also have developed resources to support local governments regarding the cannabis industry. Please feel free to contact the following for additional resources:

- League of Minnesota Cities
- Association of Minnesota Counties
- Minnesota Public Health Law Center

Appendix A: Model Ordinance

Cannabis Model Ordinance

The following model ordinance is meant to be used as a resource for cities, counties, and townships within Minnesota. The italicized text in red is meant to provide commentary and notes to jurisdictions considering using this ordinance and should be removed from any ordinance formally adopted by said jurisdiction. Certain items are not required to be included in the adopted ordinance: ‘OR’ and (optional) are placed throughout for areas where a jurisdiction may want to consider one or more choices on language.

Section 1	Administration
Section 2	Registration of Cannabis Business
Section 3	Requirements for a Cannabis Business (Time, Place, Manner)
Section 4	Temporary Cannabis Events
Section 5	Lower Potency Hemp Edibles
Section 6	Local Government as a Retailer
Section 7	Use of Cannabis in Public

AN ORDINANCE OF THE (CITY/COUNTY OF _____) TO REGULATE CANNABIS BUSINESSES

The (city council/town board/county board) of (city/town/county) hereby ordains:

Section 1. Administration

1.1 Findings and Purpose

(insert local authority) makes the following legislative findings:

The purpose of this ordinance is to implement the provisions of Minnesota Statutes, chapter 342, which authorizes (insert local authority) to protect the public health, safety, welfare of (insert local here) residents by regulating cannabis businesses within the legal boundaries of (insert local here).

(insert local authority) finds and concludes that the proposed provisions are appropriate and lawful land use regulations for (insert local here), that the proposed amendments will promote the community's interest in reasonable stability in zoning for now and in the future, and that the proposed provisions are in the public interest and for the public good.

1.2 Authority & Jurisdiction

A county can adopt an ordinance that applies to unincorporated areas and cities that have delegated authority to impose local zoning controls.

(insert local authority) has the authority to adopt this ordinance pursuant to:

- a) Minn. Stat. 342.13(c), regarding the authority of a local unit of government to adopt reasonable restrictions of the time, place, and manner of the operation of

a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses.

- b) Minn. Stat. 342.22, regarding the local registration and enforcement requirements of state-licensed cannabis retail businesses and lower-potency hemp edible retail businesses.
- c) Minn. Stat. 152.0263, Subd. 5, regarding the use of cannabis in public places.
- d) Minn. Stat. 462.357, regarding the authority of a local authority to adopt zoning ordinances.

Ordinance shall be applicable to the legal boundaries of (insert local here).

(Optional) (insert city here) has delegated cannabis retail registration authority to (insert county here). However, (insert city here) may adopt ordinances under Sections (2.6, 3 and 4) if (insert county here) has not adopted conflicting provisions.

1.3 Severability

If any section, clause, provision, or portion of this ordinance is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of this ordinance shall not be affected thereby.

1.4 Enforcement

The elected body of a jurisdiction can choose to designate an official to administer and enforce this ordinance.

The (insert name of local government or designated official) is responsible for the administration and enforcement of this ordinance. Any violation of the provisions of this ordinance or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by law. Violations of this ordinance can occur regardless of whether or not a permit is required for a regulated activity listed in this ordinance.

1.5 Definitions

- 1. Unless otherwise noted in this section, words and phrases contained in Minn. Stat. 342.01 and the rules promulgated pursuant to any of these acts, shall have the same meanings in this ordinance.
- 2. Cannabis Cultivation: A cannabis business licensed to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant. harvest cannabis flower from mature plant, package and label immature plants and seedlings and cannabis flower for sale to other cannabis businesses, transport cannabis flower to a cannabis manufacturer located on the same premises, and perform other actions approved by the office.
- 3. Cannabis Retail Businesses: A retail location and the retail location(s) of a mezzobusinesses with a retail operations endorsement, microbusinesses with a retail operations endorsement, medical combination businesses operating a retail location, (and/excluding) lower-potency hemp edible retailers.

4. Cannabis Retailer: Any person, partnership, firm, corporation, or association, foreign or domestic, selling cannabis product to a consumer and not for the purpose of resale in any form.
5. Daycare: A location licensed with the Minnesota Department of Human Services to provide the care of a child in a residence outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.
6. Lower-potency Hemp Edible: As defined under Minn. Stat. 342.01 subd. 50.
7. Office of Cannabis Management: Minnesota Office of Cannabis Management, referred to as "OCM" in this ordinance.
8. Place of Public Accommodation: A business, accommodation, refreshment, entertainment, recreation, or transportation facility of any kind, whether licensed or not, whose goods, services, facilities, privileges, advantages or accommodations are extended, offered, sold, or otherwise made available to the public.
9. Preliminary License Approval: OCM pre-approval for a cannabis business license for applicants who qualify under Minn. Stat. 342.17.
10. Public Place: A public park or trail, public street or sidewalk; any enclosed, indoor area used by the general public, including, but not limited to, restaurants; bars; any other food or liquor establishment; hospitals; nursing homes; auditoriums; arenas; gyms; meeting rooms; common areas of rental apartment buildings, and other places of public accommodation.
11. Residential Treatment Facility: As defined under Minn. Stat. 245.462 subd. 23.
12. Retail Registration: An approved registration issued by the (insert local here) to a state-licensed cannabis retail business.
13. School: A public school as defined under Minn. Stat. 120A.05 or a nonpublic school that must meet the reporting requirements under Minn. Stat. 120A.24.
14. State License: An approved license issued by the State of Minnesota's Office of Cannabis Management to a cannabis retail business.

Section 2. Registration of Cannabis Businesses

A city or town can delegate authority for registration to the County. A city or town can still adopt specific requirement regarding zoning, buffers, and use in public places, provided said requirements are not in conflict with an ordinance adopted under the delegated authority granted to the County.

2.1 Consent to registering of Cannabis Businesses

No individual or entity may operate a state-licensed cannabis retail business within (insert local here) without first registering with (insert local here).

Any state-licensed cannabis retail business that sells to a customer or patient without valid retail registration shall incur a civil penalty of (up to \$2,000) for each violation.

Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in Indian country, as defined in United States Code, title 18, section 1151, of a Minnesota Tribal government without the consent of the Tribal government.

2.2 Compliance Checks Prior to Retail Registration

A jurisdiction can choose to conduct a preliminary compliance check prior to issuance of retail registration.

Prior to issuance of a cannabis retail business registration, (insert local here) (shall/shall not) conduct a preliminary compliance check to ensure compliance with local ordinances.

Pursuant to Minn. Stat. 342, within 30 days of receiving a copy of a state license application from OCM, (insert local here) shall certify on a form provided by OCM whether a proposed cannabis retail business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.

2.3 Registration & Application Procedure

2.3.1 Fees.

(insert local here) shall not charge an application fee.

A registration fee, as established in (insert local here)'s fee schedule, shall be charged to applicants depending on the type of retail business license applied for.

An initial retail registration fee shall not exceed \$500 or half the amount of an initial state license fee under Minn. Stat. 342.11, whichever is less. The initial registration fee shall include the initial retail registration fee and the first annual renewal fee.

Any renewal retail registration fee imposed by (insert local here) shall be charged at the time of the second renewal and each subsequent renewal thereafter.

A renewal retail registration fee shall not exceed \$1,000 or half the amount of a renewal state license fee under Minn. Stat. 342.11, whichever is less.

A medical combination business operating an adult-use retail location may only be charged a single registration fee, not to exceed the lesser of a single retail registration fee, defined under this section, of the adult-use retail business.

2.3.2 Application Submittal.

The (insert local here) shall issue a retail registration to a state-licensed cannabis retail business that adheres to the requirements of Minn. Stat. 342.22.

(A) An applicant for a retail registration shall fill out an application form, as provided by the (insert local here). Said form shall include, but is not limited to:

- i. Full name of the property owner and applicant;
- ii. Address, email address, and telephone number of the applicant;
- iii. The address and parcel ID for the property which the retail registration is sought;
- iv. Certification that the applicant complies with the requirements of local ordinances established pursuant to Minn. Stat. 342.13.
- v. (Insert additional standards here)

(B) The applicant shall include with the form:

- i. the application fee as required in [Section 2.3.1];
 - ii. a copy of a valid state license or written notice of OCM license preapproval;
 - iii. (Insert additional standards here)
- (C) Once an application is considered complete, the (insert local government designee) shall inform the applicant as such, process the application fees, and forward the application to the (insert staff/department, or elected body that will approve or deny the request) for approval or denial.
- (D) The application fee shall be non-refundable once processed.

2.3.3 Application Approval

- (A) (Optional) A state-licensed cannabis retail business application shall not be approved if the cannabis retail business would exceed the maximum number of registered cannabis retail businesses permitted under Section 2.6.
- (B) A state-licensed cannabis retail business application shall not be approved or renewed if the applicant is unable to meet the requirements of this ordinance.
- (C) A state-licensed cannabis retail business application that meets the requirements of this ordinance shall be approved.

2.3.4 Annual Compliance Checks.

The (insert local here) shall complete at minimum one compliance check per calendar year of every cannabis business to assess if the business meets age verification requirements, as required under [Minn. Stat. 342.22 Subd. 4(b) and Minn. Stat. 342.24] and this/these [chapter/section/ordinances].

The (insert local here) shall conduct at minimum one unannounced age verification compliance check at least once per calendar year.

Age verification compliance checks shall involve persons at least 17 years of age but under the age of 21 who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

Any failures under this section must be reported to the Office of Cannabis Management.

2.3.5 Location Change

A jurisdiction may decide to treat location changes as a new registration, or alternatively treat a location change as allowable subject to compliance with the rest of the registration process.

A state-licensed cannabis retail business shall be required to submit a new application for registration under Section 2.3.2 if it seeks to move to a new location still within the legal boundaries of (insert local here).

or

If a state-licensed cannabis retail business seeks to move to a new location still within the legal boundaries of (insert local here), it shall notify (insert local here) of the proposed location change, and submit necessary information to meet all the criteria in this paragraph.

2.4 Renewal of Registration

The (insert local here) shall renew an annual registration of a state-licensed cannabis retail business at the same time OCM renews the cannabis retail business' license.

A state-licensed cannabis retail business shall apply to renew registration on a form established by (insert local here).

A cannabis retail registration issued under this ordinance shall not be transferred.

2.4.1 Renewal Fees.

The (insert local here) may charge a renewal fee for the registration starting at the second renewal, as established in (insert local here)'s fee schedule.

2.4.2 Renewal Application.

The application for renewal of a retail registration shall include, but is not limited to:

- Items required under Section 2.3.2 of this Ordinance.
- Insert additional items here

2.5 Suspension of Registration

2.5.1 When Suspension is Warranted.

The (insert local here) may suspend a cannabis retail business's registration if it violates the ordinance of (insert local here) or poses an immediate threat to the health or safety of the public. The (insert local here) shall immediately notify the cannabis retail business in writing the grounds for the suspension.

2.5.2 Notification to OCM.

The (insert local here) shall immediately notify the OCM in writing the grounds for the suspension. OCM will provide (insert local here) and cannabis business retailer a response to the complaint within seven calendar days and perform any necessary inspections within 30 calendar days.

2.5.3 Length of Suspension.

A jurisdiction can wait for a determination from the OCM before reinstating a registration.

The suspension of a cannabis retail business registration may be for up to 30 calendar days, unless OCM suspends the license for a longer period. The business may not make sales to customers if their registration is suspended.

The (insert local here) may reinstate a registration if it determines that the violations have been resolved.

The (insert local here) shall reinstate a registration if OCM determines that the violation(s) have been resolved.

2.5.4 Civil Penalties.

Subject to Minn. Stat. 342.22, subd. 5(e) the (insert local here) may impose a civil penalty, as specified in the (insert local here)'s Fee Schedule, for registration violations, not to exceed \$2,000.

2.6 Limiting of Registrations

A jurisdiction may choose to set a limit on the number of retail registrations within its boundaries. The jurisdiction may not however, limit the number of registrations to fewer than one per 12,500 residents.

(Optional) The (insert local here) shall limit the number of cannabis retail businesses to no fewer than one registration for every 12,500 residents within (insert local legal boundaries here).

(Optional) If (insert county here) has one active cannabis retail businesses registration for every 12,500 residents, the (insert local here) shall not be required to register additional state-licensed cannabis retail businesses.

(Optional) The (insert local here) shall limit the number of cannabis retail businesses to (insert number <= minimum required).

Section 3. Requirements for Cannabis Businesses

State Statutes note that jurisdictions may “adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business.” A jurisdiction considering other siting requirements (such as a buffer between cannabis businesses, or a buffer from churches) should consider whether there is a basis to adopt such restrictions.

3.1 Minimum Buffer Requirements

A jurisdiction can adopt buffer requirements that prohibit the operation of a cannabis business within a certain distance of schools, daycares, residential treatment facilities, or from an attraction within a public park that is regularly used by minors, including a playground or athletic field. Buffer requirements are optional. A jurisdiction cannot adopt larger buffer requirements than the requirements here in Section 3.1. A jurisdiction should use a measuring system consistent with the rest of its ordinances, e.g. from lot line or center point of lot.

(Optional) The (insert local here) shall prohibit the operation of a cannabis business within [0-1,000] feet of a school.

(Optional) The (insert local here) shall prohibit the operation of a cannabis business within [0-500] feet of a day care.

(Optional) The (insert local here) shall prohibit the operation of a cannabis business within [0-500] feet of a residential treatment facility.

(Optional) The (insert local here) shall prohibit the operation of a cannabis business within [0-500] feet of an attraction within a public park that is regularly used by minors, including a playground or athletic field.

(Optional) The (insert local here) shall prohibit the operation of a cannabis retail business within [X] feet of another cannabis retail business.

Pursuant to Minn. Stat. 462.367 subd. 14, nothing in Section 3.1 shall prohibit an active cannabis business or a cannabis business seeking registration from continuing operation at the same site if a (school/daycare/residential treatment facility/attraction within a public park that is regularly used by minors) moves within the minimum buffer zone.

3.2 Zoning and Land Use

For jurisdictions with zoning, said jurisdiction can limit what zone(s) Cannabis businesses can operate in. As with other uses in a Zoning Ordinance, a jurisdiction can also determine if such use requires a Conditional or Interim Use permit. A jurisdiction cannot outright prohibit a cannabis business. A jurisdiction should amend their Zoning Ordinance and list what zone(s) Cannabis businesses are permitted in, and whether they are permitted, conditional, or interim uses. While each locality conducts its zoning differently, a few themes have emerged across the country. For example, cannabis manufacturing facilities are often placed in industrial zones, while cannabis retailers are typically found in commercial/retail zones. Cannabis retail facilities align with general retail establishments and are prohibited from allowing consumption or use onsite and are also required to have plans to prevent the visibility of cannabis and hemp-derived products to individuals outside the retail location. Cannabis businesses should be zoned under existing zoning ordinances in accordance with the license type or endorsed activities held by the cannabis business.

3.2.1. Cultivation.

Cannabis businesses licensed or endorsed for cultivation are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Cannabis Manufacturer.

Cannabis businesses licensed or endorsed for cannabis manufacturer are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Hemp Manufacturer.

Businesses licensed or endorsed for low-potency hemp edible manufacturers permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Wholesale.

Cannabis businesses licensed or endorsed for wholesale are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Cannabis Retail.

Cannabis businesses licensed or endorsed for cannabis retail are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Cannabis Transportation.

Cannabis businesses licensed or endorsed for transportation are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Cannabis Delivery.

Cannabis businesses licensed or endorsed for delivery are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.3 Hours of Operation

A jurisdiction may adopt an ordinance limiting hours of operation between 10 a.m. and 9 p.m., seven days a week, and that State statute prohibits the sale of cannabis between 2 a.m. and 8 a.m., Monday through Saturday, and between 2 a.m. and 10 a.m. on Sundays.

(Optional) Cannabis businesses are limited to retail sale of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between the hours of (insert time here) and (insert time here).

3.4 (Optional) Advertising

Cannabis businesses are permitted to erect up to two fixed signs on the exterior of the building or property of the business, unless otherwise limited by (insert local here)'s sign ordinances.

Section 4. Temporary Cannabis Events

Any individual or business seeking to obtain a cannabis event license must provide OCM information about the time, location, layout, number of business participants, and hours of operation. A cannabis event organizer must receive local approval, including obtaining any necessary permits or licenses issued by a local unit of government before holding a cannabis event.

4.1 License or Permit Required for Temporary Cannabis Events

4.1.1 License Required.

A cannabis event organizer license entitles the license holder to organize a temporary cannabis event lasting no more than four days. A jurisdiction should determine what type of approval is consistent with their existing ordinances for events.

A license or permit is required to be issued and approved by (insert local here) prior to holding a Temporary Cannabis Event.

4.1.2 Registration & Application Procedure

A registration fee, as established in (insert local here)'s fee schedule, shall be charged to applicants for Temporary Cannabis Events.

4.1.3 Application Submittal & Review.

The (insert local here) shall require an application for Temporary Cannabis Events.

- (A) An applicant for a retail registration shall fill out an application form, as provided by the (insert local here). Said form shall include, but is not limited to:
 - i. Full name of the property owner and applicant;
 - ii. Address, email address, and telephone number of the applicant;
 - iii. (Insert additional standards here)
- (B) The applicant shall include with the form:
 - i. the application fee as required in (Section 4.1.2);
 - ii. a copy of the OCM cannabis event license application, submitted pursuant to 342.39 subd. 2.

The application shall be submitted to the (insert local authority), or other designee for review. If the designee determines that a submitted application is incomplete, they shall return the application to the applicant with the notice of deficiencies.

- (C) Once an application is considered complete, the designee shall inform the applicant as such, process the application fees, and forward the application to the (insert staff/department, or elected body that will approve or deny the request) for approval or denial.
- (D) The application fee shall be non-refundable once processed.
- (E) The application for a license for a Temporary Cannabis Event shall meet the following standards:

A jurisdiction may establish standards for Temporary cannabis events which the event organizer must meet, including restricting or prohibiting any on-site consumption. If there are public health, safety, or welfare concerns associated with a proposed cannabis event, a jurisdiction would presumably be authorized to deny approval of that event.

- Insert standards here

(G) A request for a Temporary Cannabis Event that meets the requirements of this Section shall be approved.

(H) A request for a Temporary Cannabis Event that does not meet the requirements of this Section shall be denied. The (insert city/town/county) shall notify the applicant of the standards not met and basis for denial.

(Optional) Temporary cannabis events shall only be held at (insert local place).

(Optional) Temporary cannabis events shall only be held between the hours of (insert start time) and (insert stop time).

Section 5. (Optional) Lower-Potency Hemp Edibles

A jurisdiction can establish different standards or requirements regarding Low-Potency Edibles. A jurisdiction can consider including the following section and subsections in their cannabis ordinance.

5.1 Sale of Low-Potency Hemp Edibles

The sale of Low-Potency Edibles is permitted, subject to the conditions within this Section.

5.2 Zoning Districts

If sales are permitted, a jurisdiction can limit what zone(s) the sales of Low-Potency Edibles can take place in. A jurisdiction can also determine if such activity requires a Conditional or Interim Use permit.

Low-Potency Edibles businesses are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

5.3 (Optional) Additional Standards

5.3.1 Sales within Municipal Liquor Store.

A jurisdiction that already operates a Municipal Liquor Store may sell Low-Potency Edibles within the same store.

The sale of Low-Potency Edibles is permitted in a Municipal Liquor Store.

5.3.2 Age Requirements.

A jurisdiction is able to restrict the sale of Low-Potency Edibles to locations such as bars.

The sale of Low-Potency Edibles is permitted only in places that admit persons 21 years of age or older.

5.3.3 Beverages.

The sale of Low-Potency Hemp Beverages is permitted in places that meet requirements of this Section.

5.3.4 Storage of Product.

A jurisdiction is able to set requirements on storage and sales of Low-Potency Edibles.

Low-Potency Edibles shall be sold behind a counter, and stored in a locked case.

Section 6. (Optional) Local Government as a Cannabis Retailer

(insert local here) may establish, own, and operate one municipal cannabis retail business subject to the restrictions in this chapter.

The municipal cannabis retail store shall not be included in any limitation of the number of registered cannabis retail businesses under Section 2.6.

(insert local here) shall be subject to all same rental license requirements and procedures applicable to all other applicants.

Section 7 Use in Public Places

No person shall use cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public place or a place of public accommodation unless the premises is an establishment or an event licensed to permit on-site consumption of adult-use.

Appendix B: Hemp Flower and Hemp-Derived Cannabinoid Product Checklist



Office of Cannabis Management
Department of Health

Hemp Flower and Hemp-Derived Cannabinoid Product Checklist

Minnesota Statute 18K.02, Definitions

Minnesota Statute 152.01, Subdivision 9

Minnesota Statute 151.72, Sale of Certain Cannabinoid Products

Minnesota Statute 152.0264, Cannabis Sale Crimes

Minnesota Statute 342.09, Personal Adult Use of Cannabis

Question	Yes	No	Comments	Additional Information
Business License and Registration Compliance				
Is the business registered with the Minnesota Department of Health?				All businesses selling hemp-derived cannabinoid products must be registered. See Hemp-Derived Cannabinoid Products (www.health.state.mn.us/people/cannabis/edibles/index.html)
If the business offers on-site consumption, do they have a liquor license?				Local authorities issue on-site consumption licenses. These are required for all businesses permitting on-site consumption of THC.
Product Compliance – All Products				
Does the business ensure that all sales are made to persons 21 years old or older?				Only persons 21 years of age or older may purchase hemp-derived cannabinoid products, with the exception of topicals. These products may be sold to anyone.
Does the business have all edible cannabinoid products, except beverages, behind the counter or in a locked cabinet?				Businesses must ensure all edible cannabinoid products are secure and inaccessible to customers.

Question	Yes	No	Comments	Additional Information
<p>Only delta-8 and delta-9 are allowed for human consumption. Does the business sell edibles or beverages with any other intoxicating cannabinoids?</p>				<p>MIDH has identified products containing many different intoxicating cannabinoids, such as HHC, THC-O, THC-P, PHC, delta-10, delta-11, delta-8p, delta-9p, etc. The product must contain only delta-8 and/or delta-9.</p>
<p>Does the business sell any edible products that are similar to a product marketed to or consumed by children?</p>				<p>Edible products that appear similar to candy or snacks marketed toward or consumed by children are not allowed.</p>
<p>Does the label on the edible or beverage state "Keep out of reach of children"?</p>				<p>All products must include the warning label "Keep out of reach of children."</p>
<p>Is the manufacturer's name, address, website, and contact phone number included on the label or provided through a QR code?</p>				<p>If not, the product is not in compliance.</p>
<p>Does the QR code on the product bring the user to a Certificate of Analysis on the website, which includes the name of the independent testing laboratory, cannabinoid profile, and product batch number?</p>				<p>All products must be tested by batch in an independent, accredited laboratory. The results must include the cannabinoid profile.</p>
<p>Does the label on the product indicate the cannabinoids by serving and in total?</p>				<p>The label must indicate the potency by individual serving as well as in total.</p>

Question	Yes	No	Comments	Additional Information
Does the label on the product make any claim the product offers any kind of health benefit?				Health claims are not permitted on hemp or cannabis products unless approved by the FDA. At this time, there is not an approved statement.
Does the label on the product state that the product does not claim to diagnose, treat, cure or prevent any disease?				The manufacturer cannot claim the product will provide any health benefit unless the product has been formally approved by the FDA.
Does the business sell CBD (or other forms of cannabidiol) in the form of a softgel, tablet, or tincture?				Non-intoxicating cannabinoids may only be sold in the form of an edible, beverage, or topical. Therefore, softgels and tablets cannot be sold. Tinctures must be labeled as either an edible or beverage and comply with the edible or beverage requirements.
Product Compliance – Edibles				
Does the edible product contain more than 5 mg delta-8 and/or delta-9 per serving?				Edibles may not exceed 5 mg delta-8 and/or delta-9 per serving.
Does the edible product package/container contain more than 50 mg total THC (delta-8 and/or delta-9)?				Edibles may not exceed 50 mg total delta-8 or delta-9 per package. The edible cannot contain any other form of THC or intoxicating cannabinoid.
Are all the edible product's servings clearly marked, wrapped, or scored on the product?				Edible product servings must be clearly distinguished on the product. Bulk products that require the consumer to measure are not allowed.

Question	Yes	No	Comments	Additional Information
Does the business sell any edible products in the shape of bears, worms, fruits, rings, ribbons?				Edibles in shapes that appeal to children are not allowed.
Is the edible product in a child-proof, tamper-evident, opaque container?				All edibles must be in a container that is child-resistant and tamper evident. If the container is clear, the business must place the edible into an opaque bag at the point of sale. Clear bags are not allowed.
Product Compliance - Beverages				
Does the beverage product contain more than 5 mg delta-8 or delta-9 per serving?				Beverages may not exceed 5 mg delta-8 and/or delta-9 per serving.
Does the beverage product contain more than 2 servings?				Beverages cannot exceed two servings, regardless of the THC potency.
Is the beverage product in an opaque container?				If the beverage is in a clear container, the business must place the beverage in an opaque bag at the point of sale.
Product Compliance – Smokables (non-flower)				
Does the business sell vapes, pre-rolls, dabs, or other smokable products which contain more than 0.3% THC?				<p>A product’s certificate of analysis will show the concentration of THC the product contains. The certificate typically is found through the QR code on the product package. In MDH’s experience, most vapes contain 50% - 90%+ THC.</p> <p>Pre-rolls may consist of raw hemp flower. These products are not regulated by 151.72. However, if a pre-roll is labeled as “infused” or “coated” have additional cannabinoids applied to the material, of which the product typically exceeds the 0.3% THC limit.</p>

Question	Yes	No	Comments	Additional Information
Does the business sell vapes, pre-rolls, dabs, or other smokeable products that contain other intoxicating cannabinoids, such as HHC?				MN Statutes do not allow any cannabinoid, other than delta-8 or delta-9, to be sold if the cannabinoid is intended to alter the structure or function of the body. HHC is a cannabinoid known to have potency greater than THC.
Does the business sell vapes, pre-rolls, dabs, or other smokeable products which contain CBD?				Non-intoxicating cannabinoids cannot be smoked, vaped, or inhaled.
Product Compliance – Flower				
Does the business sell raw hemp flower?				<p>Raw hemp flower must contain 0.3% or less of delta-9 on a dry weight basis. Products exceeding 0.3% delta-9 dry weight are marijuana, and are illegal for sale.</p> <p>THC-A is the non psychoactive precursor to delta-9. Once heated THC-A converts to delta-9. In that process some amount of THC-A is lost.</p> <p>To determine whether, once heated, the hemp flower will exceed the allowable 0.3% of delta-9, one can use a decarboxylation formula which takes into account the conversion of THC-A into delta-9.</p> <p>That formula is as follows: Total THC = (0.877 X THC-A) + d-9 THC</p> <p>Raw flower must include a certificate of analysis to show testing below 0.3% delta-9.</p> <ul style="list-style-type: none"> • A lack of a certificate of analysis would constitute an illegal sale.

Question	Yes	No	Comments	Additional Information
				<ul style="list-style-type: none"> A certificate of analysis showing that under the decarboxylation formula that delta-9 would exceed the 0.3% threshold would also indicate the flower is cannabis and not hemp and therefore being sold illegally.
Product Compliance – On-Site Consumption				
If the business offers on-site consumption, do they serve the edible or beverage in its original packaging?				The business may not pour out or remove an edible from its original packaging.
If the business offers on-site consumption, do they mix a cannabis-infused beverage with alcohol?				The business may not mix cannabis-infused products with alcohol.
If the business offers on-site consumption, do they permit customers to remove from the premises products which have been removed from their original packaging?				Products which have been removed from their original packaging cannot be removed from the premises by the customer.

NOTE: If a person suspects that a hemp-derived cannabinoid product is being sold in violation of Minnesota law, they can use the complaint form at [Submitting Hemp-Derived Cannabinoid Product Complaints \(www.health.state.mn.us/people/cannabis/edibles/complaints.html\)](http://www.health.state.mn.us/people/cannabis/edibles/complaints.html).

Appendix C: Enforcement Notice from the Office of Cannabis Management



Enforcement Notice from the Office of Cannabis Management

Dear Registered Hemp Derived Cannabinoid Business:

The Office of Cannabis Management (OCM), established in 2023, is charged with developing and implementing the operational and regulatory systems to oversee the cannabis industry in Minnesota as provided in Minnesota Statutes Chapter 342.

When Minnesota legalized the sale of adult-use of cannabis flower, cannabis products, and lower-potency hemp edibles/ hemp-derived consumer products, the Minnesota Legislature included statutory provisions, [Minnesota Statutes, chapter 152.0264](#), making the sale of cannabis illegal until a business is licensed by OCM. The Office of Cannabis Management has not yet issued licenses for the cultivation, manufacture, wholesale, transportation or retail sale of cannabis, therefore any retail sales of cannabis products, including cannabis flower, are illegal.

The Office of Cannabis Management has received complaints of retailers selling cannabis flower under the label of hemp flower. Under an agreement between The Minnesota Department of Health (MDH) and OCM, inspectors from MDH will begin to examine any flower products being sold during their regular inspections to determine whether they are indeed hemp flower or cannabis flower.

In distinguishing between hemp and cannabis flower, OCM, consistent with federal rules and regulations related to hemp under 7 CFR 990.1, will consider the total concentration of THC post- decarboxylation, which is the process by which THC-A is converted into Delta-9 to produce an intoxicating effect. The examination of raw flower products will include reviewing the certificate of analysis for compliance in several areas, including:

Compliance with the requirement that raw flower listed for sale includes a Certificate of Analysis (COA). Products for sale without a COA will constitute an illegal sale.

A COA that affirms concentrations of 0.3% or less of Delta-9 on a dry weight basis. Products exceeding 0.3% Delta-9 dry weight are considered marijuana and are therefore illegal to sell.

A COA that confirms that the total levels of Delta-9 and THC-A after the decarboxylation process do not exceed 0.3%. A COA that indicates the raw flower will exceed 0.3 percent Delta-9 post-decarboxylation, or a subsequent test conducted by an independent laboratory utilized by OCM that confirms Delta-9 in excess of 0.3 percent will be considered illegal.

[Minnesota Statutes, Chapter 342](#) governs Minnesota’s cannabis market, and empowers OCM to ensure regulatory compliance. [Minnesota Statutes, chapter 342.09, subdivision 4](#) prohibits the retail sale of cannabis flower and cannabis products “without a license issued under this chapter that authorizes the sale.”

ATTACHMENT 1

To date, the Office of Cannabis Management has not issued any cannabis licenses, applications for licenses are expected to be available in the first half of 2025. As such, selling cannabis is a clear violation of law. Be aware that under [Minnesota Statutes, 342.09, subdivision 6](#), OCM may assess fines in excess of a \$1 million for violations of this law. Likewise, under [Minnesota Statutes, chapter 342.19](#), OCM is empowered to embargo any product that it has “probable cause to believe . . . is being distributed in violation of this chapter or rules adopted under this chapter[.]” Furthermore, violations of law may be considered in future licensing decisions made by OCM.

As inspectors enter the field, we encourage you to review the products you are currently selling to ensure they fall within the thresholds outlined above. If you have any questions related to the products you are selling, please send an email to cannabis.info@state.mn.us.

Thank you for your attention to this matter.

A handwritten signature in black ink, appearing to read "Charlene Briner", with a long horizontal flourish extending to the right.

Charlene Briner
Interim Director
Office of Cannabis Management

Appendix D: Notice to Unlawful Cannabis Sellers

Notice to Unlawful Cannabis Sellers

This notice is to inform you that your current course of action may run afoul of Minnesota law, and continuing this course of action may result in civil actions and potential criminal prosecution. To avoid such outcomes, you should immediately cease and desist any plans to engage in the unlicensed sale of cannabis and cannabis products.

[Minnesota Statutes, Chapter 342 \(www.revisor.mn.gov/statutes/cite/342\)](http://www.revisor.mn.gov/statutes/cite/342) governs Minnesota's cannabis market, and empowers OCM to ensure regulatory compliance. [Minnesota Statutes, chapter 342.09, subdivision 4 \(www.revisor.mn.gov/statutes/cite/342.09#stat.342.09.4\)](http://www.revisor.mn.gov/statutes/cite/342.09#stat.342.09.4) prohibits the retail sale of cannabis flower and cannabis products “without a license issued under this chapter that authorizes the sale.” To date the Office of Cannabis Management has not issued any retail, or other, cannabis licenses. As such, your plan to sell cannabis in a retail setting at this date would be in flagrant violation of the law. Be aware that under [Minnesota Statutes, 342.09, subdivision 6 \(www.revisor.mn.gov/statutes/cite/342.09#stat.342.09.6\)](http://www.revisor.mn.gov/statutes/cite/342.09#stat.342.09.6), OCM may assess fines in excess of a \$1,000,000 for violations of this law.

Likewise, under [Minnesota Statutes, chapter 342.19 \(www.revisor.mn.gov/statutes/cite/342.19\)](http://www.revisor.mn.gov/statutes/cite/342.19), OCM is empowered to embargo any product that it has “probable cause to believe . . . is being distributed in violation of this chapter or rules adopted under this chapter[.]” It is believed that products attempted to be sold at your retail location might be distributed in violation of the law, and would therefore be subject to embargo by OCM. Under [Minnesota Statutes, chapter 342.19, subd. 2 \(www.revisor.mn.gov/statutes/cite/342.19#stat.342.19.2\)](http://www.revisor.mn.gov/statutes/cite/342.19#stat.342.19.2), once embargoed OCM “shall release the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product when this chapter and rules adopted under this chapter have been complied with or the item is found not to be in violation of this chapter or rules adopted under this chapter.”

While Minnesota has legalized the sale of adult-use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, the legislature did add new statutory provisions, [Minnesota Statutes, chapter 152.0264 \(www.revisor.mn.gov/statutes/cite/152.0264\)](http://www.revisor.mn.gov/statutes/cite/152.0264), making illegal the unlawful sale of cannabis. As there are not yet any licenses issued by OCM for the cultivation, manufacture, wholesale, transportation, or retail of cannabis, any sales of cannabis products in excess of the limits in 152.0264 is illegal.

If you are only planning to sell cannabinoid products that are derived from hemp, you should ensure that the sale of those products is consistent with [Minnesota Statutes, chapter 151.72 \(www.revisor.mn.gov/statutes/cite/151.72\)](http://www.revisor.mn.gov/statutes/cite/151.72), including but not limited to the requirement that your business be registered with the Commissioner of Health, and that all products are in compliance with the relevant statutes.

Finally, in addition to the state laws outlined above, please be aware that any retail location must be in compliance with local government ordinances and zoning requirements.

OCM takes seriously its charge to enforce Minnesota Statutes, Chapter 342, and its responsibility to ensure a safe and legal cannabis market. In order to avoid the above-described actions, all attempts to open a cannabis retail dispensary in Minnesota without the appropriate license should be ceased.



Joseph L. Sathe
Fifth Street Towers
150 South Fifth Street, Suite 700
Minneapolis, MN 55402

(612) 337-9255 direct
email: jsathe@kennedy-graven.com

MEMORANDUM

TO: Janice Gundlach

FROM: Rachel Tierney, City Attorney
Joseph L. Sathe, Attorney

DATE: July 26, 2024

RE: **Initial Cannabis Regulatory Decisions**

The purpose of this memo is to provide a high-level overview of the options cities will have regarding adult-use cannabis and to obtain preliminary input on some questions that will be used to draft the draft ordinance needed.

This memo is based on the information available at this time which does not include the administrative rules that the Office of Cannabis Management (“OCM”) has released a draft of its administrative rules. These draft rules are subject to change over the next few months.

I. ZONING DECISIONS – DESIGNATING ZONING DISTRICTS

The City can amend its zoning code to specifically allow each business type in a particular district or it can choose to simply allow cannabis businesses in zones with similar uses (e.g., retailers in commercial zones with other retail). The following table includes each licensed business and very high-level information on the businesses operations.

Question: Does the City want to designate zoning districts where cannabis businesses can be located or rely on each businesses underlying use?

<u>License Type</u>	<u>Main Function</u>	<u>Use Type(s)</u>
<i>Cannabis Retailer</i>	Sales to the customers	Commercial
<i>Medical Cannabis Retailer</i>	Sales to registered patients	Commercial
<i>Cannabis Delivery Service</i>	Deliver products directly to customers	Commercial
<i>Lower Potency Hemp Retailer</i>	Sale of hemp products directly to customers	Commercial
<i>Cannabis Cultivator</i>	Growing and tending to cannabis and hemp plants	Indoor: Industrial, Commercial, Production Outdoor: Agricultural
<i>Medical Cannabis Cultivator</i>	Growing cannabis plants	Industrial/Agricultural/ Commercial
<i>Cannabis Event Organizer</i>	Coordinate cannabis events	Office/Commercial
<i>Cannabis Manufacturer</i>	Creating cannabis products that are sold to retailers	Industrial
<i>Medical Cannabis Manufacturer</i>	Creating cannabis products that are sold to medical retailers	Industrial
<i>Lower-Potency Hemp Edible Manufacturer</i>	Creating lower-potency hemp products that are sold to retailers	Industrial
<i>Cannabis Testing</i>	Testing cannabis and hemp products	Industrial
<i>Cannabis Wholesaler</i>	Warehousing and Storage	Industrial
<i>Cannabis Transporter</i>	Transport products from one license type to another.	Industrial/Commercial
<i>Medical Cannabis Combination Business</i>	Cultivation, Manufacturing, and Retail to both the general public and medical patients.	Cultivation, Manufacturing, and limited Retail
<i>Cannabis Mezzobusiness</i>	Cultivation, Manufacturing, and Retail	Cultivation, Manufacturing, and Retail
<i>Cannabis Microbusiness</i>	Cultivation, Manufacturing, and Retail	Cultivation, Manufacturing, and Retail

II. ZONING DECISIONS – BUFFERS

The City’s authority to enact zoning regulations is limited in two primary ways: 1) the City may not prohibit the establishment or operation of a cannabis or hemp business licensed by the OCM; and 2) the Legislature has established a maximum buffer from certain uses.

A. Cannabis Business Buffers from Certain Uses

A local unit of government may prohibit the operation of a cannabis business within:

- 1) 1,000 feet of a school; or
- 2) 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field.

Question: Is the City interested in adopting buffers for cannabis businesses?

The City can also impose distance requirements for hemp businesses. State law does not impose the same limits on buffers for hemp businesses.

Question: Is the City interested in adopting buffers for hemp businesses?

B. Buffers from Other Cannabis Businesses

While not explicitly listed in statute, the OCM proposes that cities could adopt requirements that cannabis businesses must be located a certain distance from each other.

Question: Is the City interested in adopting buffers between cannabis businesses?

III. REGISTRATION AND COMPLIANCE CHECKS

The OCM reviews, approves, and issues the business licenses. However, each retail business must also register with the city in which it will operate, unless the city has consented to the county issuing registrations on its behalf. A registration fee can be imposed in addition to the state license fee.

A. Registrations

The registration process involves issuing a registration to a retail business that: (1) has a valid license issued by the OCM; (2) has paid the registration fee or renewal fee (if applicable); (3) is found to be in compliance with the requirements of the Cannabis Act at any preliminary compliance check; and (4) if applicable, is current on all property taxes and assessments.

Question: Does the City wish to issue registrations or ask the county to do it?

B. Registration Fee

Registration Fees by Business Type		
<p><i>The following shows the maximum amount the city could charge for an initial registration fee and renewal registration fee for retail businesses and includes the amount the state charges for a license, for reference.</i></p> <p><i>The city's initial registration cannot exceed \$500 or half of the license fee (whichever is less) and the renewal registration fee cannot exceed \$1,000 or half of the license fee (whichever is less)</i></p> <p><i>The initial registration fee shall include the fee for initial registration and the first annual renewal. Any renewal fee imposed by the local unit of government shall be charged at the time of the second renewal and each subsequent annual renewal thereafter.</i></p>		
Business	Initial	Renewal
Cannabis Retailer	City (Optional) - \$500; State - \$2,500	City (Optional) - \$1,000; State - \$5,000
Lower Potency Hemp Retailer	City (Optional) - \$125; State - \$250	City (Optional) - \$125; State - \$250
Medical Cannabis Combination Business	City (Optional) - \$500; State - \$20,000	City (Optional) - \$1,000; State - \$70,000
Cannabis Mezzobusiness	City (Optional) - \$500; State - \$5,000	City (Optional) - \$1,000; State - \$10,000
Cannabis Microbusiness	City (Optional) - \$0; State - \$0	City (Optional) - \$500; State - \$1000

Question: Does the City want to impose a registration fee?

It should be noted that the City cannot charge any fee unless it is the registering authority.

C. Compliance Checks

Once the registration is issued, the entity issuing the registration is responsible for annual compliance checks that include assessing compliance with age verification requirements (using underage purchasers), the applicable operational requirements, and the applicable limits on the types of products being sold.

D. Limiting Number of Retailers

The specific language in the Cannabis Act allowing a limitation on the number of retailers in the City says that “[a] local unit of government that issues cannabis retailer registration...may, by ordinance, limit the number of licensed cannabis retailers, cannabis mezzo businesses with retail endorsements, and cannabis mezzo businesses with retail endorsements to no fewer than one registration for every 12,500 residents.”

Consenting to have the county issue registrations could mean that the county then has the ability to limit retailers, not cities. Hopefully, the OCM will address this issue in the administrative rules.

Question: Does the City wish to limit the number of retailers to up to 3?

Note: Cities will receive a portion of the taxes imposed by the state as part of “local government cannabis aid”. This aid will be distributed to cities based on the number of retailers in the City. The City will be entitled to the sales tax aid regardless of whether it registers businesses.

E. Limiting Hours of Operation

Under statute, retail cannabis businesses may operate from 8:00 am-2:00 am Monday-Saturday and 10:00 am-2:00 am on Sunday.

The City can limiting the hours of operation between 10:00 am-9:00 pm. seven days a week.

Question: Does the City want to impose additional hours of operation limits?

F. Cannabis Events

A temporary cannabis event is a gathering organized by a licensed cannabis event organizer that may last for no more than four days.

The process for these event should generally follow the normal process for handling similar events, but the City could choose to require additional standards for temporary cannabis events, such as prohibiting on-site consumption, limiting the hours or the events, etc.

Question: Does the City want to consider additional standards for temporary cannabis events?

IV. NEXT STEPS

Any input provided will be used to draft the ordinances related to cannabis and hemp businesses. Zoning changes must go through the zoning amendment process, while the registration and operational ordinances will follow the general ordinance amendment process. Once the OCM publishes a draft of the administrative rules, we will update the City with any additional considerations and decision points.

License Type	Main Function	Licensed Activities	Use Type(s)	Zoning Districts							
				MU-1	MU-2A	MU-2B	MU-3	MU-4	E-1	E-2	I
Cannabis Retailer	Sales to the customers		Commercial	P	P	P	P	P	P (limited)	P (limited)	NP
Medical Cannabis Retailer	Sales to registered patients		Commercial	P	P	P	P	P	P (limited)	P (limited)	NP
Cannabis Delivery Service	Deliver products directly to customers		Commercial	NP	NP	NP	P	P	C	C	P
Lower Potency Hemp Retailer	Sale of hemp products directly to customers		Commercial	P	P	P	P	P	P (limited)	P (limited)	NP
Cannabis Cultivator	Growing and tending to cannabis and hemp plants		Indoor: Industrial, Commercial, Production	NP	NP	NP	NP	NP	NP	NP	P
Medical Cannabis Cultivator	Growing cannabis plants		Indoor: Industrial, Commercial	NP	NP	NP	NP	NP	NP	NP	P
Cannabis Event Organizer	Coordinate cannabis events		Office, Commercial	P	P	P	P	P	P	P	P
Cannabis Manufacturer	Creating cannabis products that are sold to retailers		Industrial	NP	C (limited)	P (limited)	P (limited)	P (limited)	P (limited)	P (limited)	P
Medical Cannabis Manufacturer	Creating cannabis products that are sold to medical retailers		Industrial	NP	C (limited)	P (limited)	P (limited)	P (limited)	P (limited)	P (limited)	P
Lower-Potency Hemp Edible Manufacturer	Creating lower-potency hemp products that are sold to retailers		Industrial	NP	C (limited)	P (limited)	P (limited)	P (limited)	P (limited)	P (limited)	P
Cannabis Testing	Testing cannabis and hemp products		Industrial	NP	C	P	P	P	P	P	P
Cannabis Wholesaler	Warehousing and Storage		Industrial	NP	C (limited)	C (limited)	C (limited)	C (limited)	P	P	P
Cannabis Transporter	Transport products from one license type to another		Industrial, Commercial	NP	NP	NP	P	P	C	C	P
Medical Cannabis Combination Business	Cultivation, Manufacturing, and Retail to both the general public and medical patients.		Cultivation, Manufacturing, and limited Retail	NP	C (limited)	P (limited)	P (limited)	P (limited)	P (limited)	P (limited)	P
Cannabis Mezzobusiness	Cultivation, Manufacturing, and Retail		Cultivation, Manufacturing, and Retail	NP	C (limited)	C (limited)	C (limited)	P	P (limited)	P (limited)	P
Cannabis Microbusiness	Cultivation, Manufacturing, and Retail		Cultivation, Manufacturing, and Retail	NP	C (limited)	C (limited)	C (limited)	P	P (limited)	P (limited)	P