



**CITY OF SAINT PAUL**  
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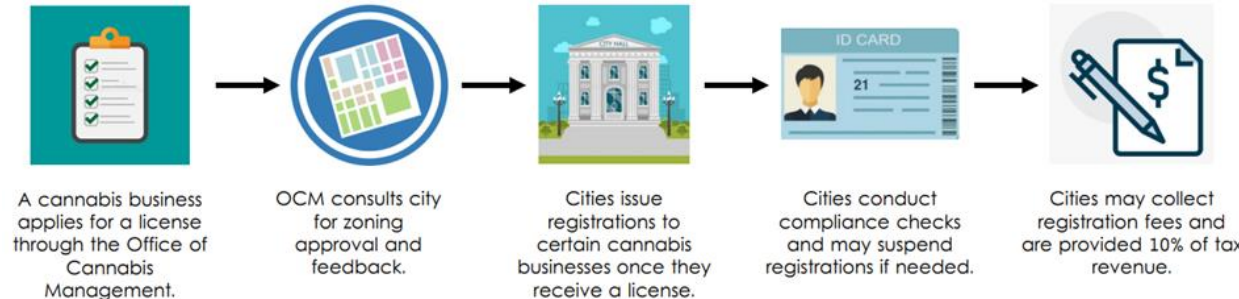
December 5, 2023

**TO:** Saint Paul City Council  
**FROM:** Nellie Jerome, City Planner; and Tony Johnson, Senior City Planner  
**SUBJECT:** Adult-Use Cannabis Zoning Study and Ordinance Amendment

**BACKGROUND**

A new Minnesota law enacted at the end of the 2023 legislative session, Session Law Chapter 63, legalizes adult-use cannabis in the state and establishes a regulatory framework over the cannabis industry. Specifically, the new law legalizes the possession, use, manufacturing, and sale of certain cannabis products within the state; establishes the Office of Cannabis Management (OCM) which will enforce a licensing system throughout the state (expected to start in early 2025); and establishes expungement procedures for certain individuals previously convicted of a crime related to cannabis. Local governments may not require additional licensing from cannabis businesses but may register cannabis businesses and enforce certain zoning regulations that limit the locations within their jurisdiction. Cities may collect registration fees and are provided 10% of tax revenue from the sale of cannabis products within their jurisdiction. This zoning study would consider potential zoning ordinance amendments related to permitted cannabis business locations, zoning code definitions and standards, and distance requirements. The following diagram illustrates the role of cities in regulating cannabis businesses:

## City Role in Regulation



*Above graphic taken from League of Minnesota Cities.*

## **PROPOSED ZONING STUDY**

### **Proposed Scope**

The proposed zoning study will consider options for zoning text amendments related to land use definitions and standards and the zoning districts where various cannabis businesses will be permitted or conditional uses. Using mapping tools, staff will consider applying distance requirements from sensitive institutions and vulnerable populations, like schools, parks, daycares or areas for economic development opportunities. The study will include, but is not limited to, amendments to:

- Zoning Code Chapter 65, Land Use Definitions and Development Standards,
- Zoning Code Chapter 66, Zoning District Uses, Density and Dimensional Standards, and
- Zoning Code Chapter 63, Regulations of General Applicability.

There are 16 cannabis license types as defined by the state legislation, and the study will either amend existing land use definitions to reflect that a cannabis business fits within that existing land use definition or will create new land use definitions and standards for cannabis licenses that do not fit within an existing land use definition.

### **Staff Review Team**

An interdepartmental team with staff from the Mayor's Office, DSI, and PED has been organized to work through the legislation and develop registration and zoning regulations for the city. The team has been meeting since late summer of 2023 and will continue through the drafting, review, and approval processes.

### **Zoning and Registration Considerations**

Session Law Chapter 63, the Minnesota law legalizing adult-use cannabis, establishes the OCM and permits cities to impose certain registration and zoning code requirements. The zoning study will evaluate and consider the following options defined by the legislation:

- Limit the number of licensed cannabis businesses to no fewer than one registration for every 12,500 residents. (This would be a minimum of roughly 29 businesses in Saint Paul. There is no maximum number of cannabis businesses that may be permitted).
- Adopt reasonable restrictions on time, place, and manner of cannabis business operations (may not prohibit the establishment or operation of cannabis businesses).
- The State requires that, within 30 days, a local unit of government shall certify whether a proposed cannabis business complies with local zoning ordinances and, if applicable, with state fire code and building code. This may influence how proposed zoning approval processes are designed (i.e. whether a conditional use permit is required for certain uses).
- Cities may prohibit the operations 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 a playground or athletic field. Adopting these distance requirements in a local zoning ordinance is not required by state law.
- Impose an initial retail fee of \$500, or up to half the amount charged by the OCM, whichever is less.
- Impose a renewal retail registration fee of \$1,000, or up to half the amount charged by the OCM, whichever is less.
- Deny a liquor license or suspend/revoke a tobacco license if a business is illegally selling cannabis products.
- Set standards for cannabis events, but not prohibit such events. Cities may also permit on-site consumption for events but are not required to do so.

**Comprehensive plan guidance:**

The 2040 comprehensive plan does not include policies that are specific to cannabis businesses, however there are policies that pertain to business development generally, and the generalized land use map provides guidance as to where new businesses should be created generally. Policy LU-6 of the Saint Paul Comprehensive plan calls for fostering equitable and sustainable economic growth by:

1. Facilitating business creation, attraction, retention and expansion.
2. Growing Saint Paul’s tax base to maintain and expand City services, amenities, and infrastructure.
3. Proactively directing new development to high-priority geographies, such as Neighborhood Nodes, ACP50 Areas and Opportunity Sites

**Outreach**

Outreach for the study will include public hearings at Planning Commission and City Council meetings.

**Anticipated Timeline**

The chart below is an anticipated timeline for the study. Zoning code amendments need to be adopted prior to the office of cannabis management beginning their operations on January 1, 2025. The timeline that staff has developed will propose zoning amendments well in advance of the office of cannabis management being operational in consideration of the potential cannabis entrepreneurs to secure real-estate for their cannabis business prior to applying for a license from the office of cannabis management. These dates are subject to change, but represent a general timeline of key dates for this zoning study:

<b>Meetings/milestones</b>	<b>Date</b>
City Council - study initiation	December 6
Planning Commission review	Q1 2024
Planning Commission public hearing	April 2024
Planning Commission Approval	May 2024
Zoning Code Amendments to City Council	June 2024

**RECOMMENDATION**

Staff recommends that the City Council initiate a Zoning Study to consider possible amendments to Zoning Code regarding adult-use cannabis and the Planning Commission make recommendations back to City Council by June 2024.