



CITY OF FAIRMONT – 100 Downtown Plaza – Fairmont, MN 56031
www.fairmont.org ♦ citygov@fairmont.org

Phone (507) 238-9461

Fax (507) 238-9469

To: Planning Commission
From: Peter Bode, Planner & Zoning Official
Subject: **Agenda – Special Meeting**
Tuesday, November 12, 2024 at 5:30 p.m.
City Council Chambers, City Hall, 100 Downtown Plaza

- 1) Approval of Agenda
- 2) Approval of Minutes – October 1, 2024

New Business

- 3) Public Hearing – Cannabis Zoning Regulations Ordinance

Old Business

None

- 4) Adjournment

MINUTES OF THE FAIRMONT PLANNING COMMISSION

Regular Meeting

October 1, 2024 at 5:30 p.m.

City Council Chambers, City Hall, 100 Downtown Plaza

Members present: Tyler Benschoter, Angie Grafstrom, Tom Mesich, Rin Porter, Council Liaison Britney Kawecki

Members absent: Doug Pederson

Staff present: Planner & Zoning Official Peter Bode

Chair Mesich called the meeting to order at 5:30 p.m.

Approval of Agenda: Motion by Porter and second by Benschoter to approve the agenda as presented. Motion carried.

Approval of Minutes: Motion by Grafstrom and second by Porter to approve the October 1, 2024 meeting minutes as presented. Motion carried.

Public Hearing – CUP Request – 211 Budd St: Chair Mesich opened the public hearing. Bode presented a Conditional Use Permit request by St. Paul's Lutheran Church at 211 Budd Street to operate a childcare center. Bode stated that staff's findings support approval of the CUP.

Elaine Lieder, representing St. Paul's Lutheran, spoke in favor of the request.

There were no further public comments.

Motion by Porter and second by Benschoter to close the public hearing. Motion carried.

Members discussed the proposal.

Motion by Porter and second by Benschoter to approve PC Resolution 2024-4 recommending approval of the request.

On roll call: Benschoter: yes, Grafstrom: yes, Mesich: yes, Porter: yes. Motion carried.

Old Business: *None*

Adjournment: There were no additional agenda items. Chair Mesich adjourned the meeting at 5:43 p.m.

*Respectfully submitted,
Peter Bode*

**CITY OF FAIRMONT
PLANNING COMMISSION
RESOLUTION 2024-5**

RECOMMENDING APPROVAL OF A ZONING ORDINANCE TO REGULATE CANNABIS AND HEMP BUSINESSES

Whereas, the State of Minnesota has established and updated Chapter 342 of State Statute legalizing the cultivation, manufacture, retail sale, and consumption of cannabis products across the state; and

Whereas, State Statute grants cities in Minnesota the ability to place reasonable restrictions on the time, place, and manner of cannabis businesses; and

Whereas, under State Statute the City must begin accepting applications for new cannabis businesses on January 1, 2025; and

Whereas, City staff have drafted and recommend approval of an ordinance to provide for regulation of cannabis businesses under the zoning code; and

Whereas, a public comment period was held from October 31, 2024 to November 7, 2024 during which the proposed ordinance was available for review and comment; and

Whereas, the Fairmont Planning Commission has reviewed the proposed ordinance and held a public hearing on the topic November 12, 2024.

Now therefore, be it resolved by the Fairmont Planning Commission that it finds the proposed ordinance to regulate cannabis and hemp businesses is in the best interest for physical development of the city.

Be it further resolved by the Fairmont Planning Commission that it recommends to the Fairmont City Council that the proposed ordinance to regulate cannabis and hemp businesses be approved.

Passed and adopted by the Planning Commission of the City of Fairmont on this 12th day of November, 2024.

Planning Commission Chair

Attest:

Planner



CITY OF FAIRMONT – 100 Downtown Plaza – Fairmont, MN 56031
www.fairmont.org

Phone (507) 238-9461

Fax (507) 238-9469

MEMORANDUM

TO: City Residents, Mayor, City Council, Planning Commission
FROM: Peter Bode, Planner & Zoning Official
DATE: October 31, 2024
RE: Background & Summary of Proposed Cannabis Zoning Regulations

In 2023 and 2024 the Minnesota State Legislature established and updated Chapter 342 of State Statute legalizing the cultivation, manufacture, retail sale, and consumption of cannabis products across the state. The new cannabis law allows cities to regulate the time, place, and manner of these activities within reason but does not allow cities to prohibit cannabis products outright. The Office of Cannabis Management (OCM) was established by the law and is responsible for issuing cannabis licenses on a state level and providing model ordinances for cities to use locally.

The cannabis ordinance models given to us by OCM provide some flexibility for the City of Fairmont to fashion our own local ordinances around the needs of our community. On behalf of the Planning & Zoning Department, the Community Development Division, and City staff, I am excited to share a first draft of the zoning regulations we propose to keep the City in compliance with State Statute while also providing basic safeguards for our community. Under the law, the City will need to adopt our cannabis ordinances before January 1, 2025 – which is the day under the law the City must start accepting registrations for new cannabis businesses in our community.

I look forward to your comments on the first draft as we approach the Planning Commission and City Council approval process.

Summary

The first draft of the cannabis zoning ordinance would:

- Establish that the City recognizes its responsibility and authority to regulate cannabis uses under the law **(26-1000)**
- Provide buffer requirements, which are the required distances cannabis businesses must be located away from sensitive uses like schools, daycares, and the like **(26-1001)**
 - There is some flexibility in the buffer distances we can set. Proposed in this draft are generally 500 feet, which is about a city block and a half
- Provide an easy-to-reference table for business owners to determine which uses are permitted (requiring no Planning Commission or City Council approval, but still requiring zoning or building permits as needed) or conditional (requiring a Conditional Use Permit (CUP)) **(26-1002)**
 - Some uses have been identified as permitted because they fit closely to the noted zoning districts and should not need additional consideration or conditions
 - Uses which have been identified as conditional in their noted zoning districts have been because additional conditions should be considered to ensure compatibility with nearby uses
- Provide standards for CUPs to be granted in certain zoning districts including distance of outdoor cultivation from residences, control of odor, and adequate site security provisions **(26-1002.2)**
- Limit retail sales to the hours of 10:00 a.m. to 9:00 p.m. **(26-1003)**
- Prohibit the use or consumption of cannabis in public places or places of public accommodation **(26-1004)**

C I T Y O F L A K E S

AN ORDINANCE OF THE CITY OF FAIRMONT AMENDING CHAPTER 26 OF THE CITY CODE TO REGULATE CANNABIS ZONING

The City Council of the City of Fairmont hereby ordains:

Chapter 26, Article XII Cannabis Regulations

Sec. 26-1000 Administration

26-1000.1 Findings and Purpose

The City of Fairmont makes the following legislative findings:

The purpose of this ordinance is to implement the provisions of Minnesota Statutes, chapter 342, which authorizes The City of Fairmont to protect the public health, safety, welfare of Fairmont residents by regulating cannabis businesses within the legal boundaries of the City of Fairmont.

The City of Fairmont finds and concludes that the proposed provisions are appropriate and lawful land use regulations for the City of Fairmont, 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.

26-1000.2 Authority and Jurisdiction

The City of Fairmont 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
- B) a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses.
- C) Minn. Stat. 342.22, regarding the local registration and enforcement requirements of state-licensed cannabis retail businesses and lower-potency hemp edible retail businesses.
- D) Minn. Stat. 152.0263, Subd. 5, regarding the use of cannabis in public places.
- E) Minn. Stat. 462.357, regarding the authority of a local authority to adopt zoning ordinances.

Ordinance shall be applicable to the legal boundaries of the City of Fairmont.

26-1000.3 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.

26-1000.4 Enforcement

The City of Fairmont Zoning Official or their designee 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.

26-1000.5 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 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 City of Fairmont 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.

26-1001 Buffer Requirements

The following buffers are measured from the cannabis business’s property line.

The City of Fairmont shall prohibit the operation of a cannabis business within 500 feet of a school.

The City of Fairmont shall prohibit the operation of a cannabis business within 500 feet of a daycare.

The City of Fairmont shall prohibit the operation of a cannabis business within 500 feet of a residential treatment facility.

The City of Fairmont shall prohibit the operation of a cannabis business within 500 feet of an attraction within a public park that is regularly used by minors, including a playground or athletic field.

The City of Fairmont shall prohibit the operation of a cannabis business within 300 feet of another cannabis retail business.

Pursuant to Minn. Stat. 462.367 subd. 14, nothing in this section 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, or an attraction within a public park that is regularly used by minors moves within the minimum buffer zone.

26-1002 Permitted and Conditional Land Uses

Cannabis businesses are allowed as land uses in the following zoning districts, subject to the buffer requirements of 26-1001 and the applicable conditional standards of 26-1002.1:

Type of business	Districts permitted by right	Districts permitted as conditional
Cultivation		Agriculture-transition (A) Heavy Industrial (I-2) Light Industrial (I-1)
Cannabis Manufacture		Heavy Industrial (I-2) Light Industrial (I-1) General Business (B-3)
Hemp Manufacture		Heavy Industrial (I-2) Light Industrial (I-1) General Business (B-3)
Wholesale		Heavy Industrial (I-2) Light Industrial (I-1) General Business (B-3)
Cannabis Retail	General Business (B-3)	Light Industrial (I-1)
Cannabis Transportation	Heavy Industrial (I-2) Light Industrial (I-1) General Business (B-3)	

Cannabis Delivery	Heavy Industrial (I-2) Light Industrial (I-1) General Business (B-3)	
-------------------	--	--

26-1002.1 Conditional Use General Standards

Cannabis business types operating in districts where the use is permitted as conditional must follow the process contained within and meet the general standards of City Code Chapter 26 Article II Division 4 Conditional Use Permits.

26-1002.2 Conditional Use Specific Standards

Cannabis business types operating in districts where the use is permitted as conditional are subject to the following standards:

26-1002.2.1 Cultivation

In an Agriculture-transition (A) district:

1. No outdoor cultivation may occur within 1,000 feet of a parcel zoned or used for residential purposes.
2. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
3. The use must be secured to the applicable standards of Minnesota Rules 9810.1500.

In a Heavy Industrial (I-2) district:

1. Outdoor cultivation is prohibited.
2. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
3. The use must be secured to the applicable standards of Minnesota Rules 9810.1500.

In a Light Industrial (I-1) district:

1. Outdoor cultivation is prohibited.
2. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
3. The use must be secured to the applicable standards of Minnesota Rules 9810.1500.

26-1002.2.2 Cannabis Manufacture

In a Heavy Industrial (I-2) district:

1. Odor emanating from the use must not be discernable from the property line of the permitted parcel.

2. The use must be secured to the applicable standards of Minnesota Rules 9810.1500.
3. The use must meet the off-street parking and off-street loading requirements of City Code Chapter 26 Article VIII.

In a Light Industrial (I-1) district:

1. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
2. The use must be secured to the applicable standards of Minnesota Rules 9810.1500.
3. The use must meet the off-street parking and off-street loading requirements of City Code Chapter 26 Article VIII.

In a General Business (B-3) district:

1. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
2. The use must be secured to the applicable standards of Minnesota Rules 9810.1500.
3. The use must meet the off-street parking and off-street loading requirements of City Code Chapter 26 Article VIII.

26-1002.2.3 Hemp Manufacture

In a Heavy Industrial (I-2) district:

1. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
2. The use must meet the off-street parking and off-street loading requirements of City Code Chapter 26 Article VIII.

In a Light Industrial (I-1) district:

1. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
2. The use must meet the off-street parking and off-street loading requirements of City Code Chapter 26 Article VIII.

In a General Business (B-3) district:

1. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
2. The use must meet the off-street parking and off-street loading requirements of City Code Chapter 26 Article VIII.

26-1002.2.4 Wholesale

In a Heavy Industrial (I-2) district:

1. The use must be secured to the applicable standards of Minnesota Rules 9810.1500.

In a Light Industrial (I-1) district:

1. The use must be secured to the applicable standards of Minnesota Rules 9810.1500.

In a General Business (B-3) district:

1. The use must be secured to the applicable standards of Minnesota Rules 9810.1500.

26-1002.2.5 Cannabis Retail

In a Light-Industrial (I-1) district:

1. The use must operate in a manner which is compatible with nearby light industrial uses and shall not be dissimilar in traffic generation, hours of operation, or service utility usage.

26-1003 Hours of Operation

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 10:00 a.m. and 9:00 p.m.

26-1004 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.

**CITY OF FAIRMONT
PLANNING COMMISSION
RESOLUTION 2024-5**

RECOMMENDING APPROVAL OF A ZONING ORDINANCE TO REGULATE CANNABIS AND HEMP BUSINESSES

Whereas, the State of Minnesota has established and updated Chapter 342 of State Statute legalizing the cultivation, manufacture, retail sale, and consumption of cannabis products across the state; and

Whereas, State Statute grants cities in Minnesota the ability to place reasonable restrictions on the time, place, and manner of cannabis businesses; and

Whereas, under State Statute the City must begin accepting applications for new cannabis businesses on January 1, 2025; and

Whereas, City staff have drafted and recommend approval of an ordinance to provide for regulation of cannabis businesses under the zoning code; and

Whereas, a public comment period was held from October 31, 2024 to November 7, 2024 during which the proposed ordinance was available for review and comment; and

Whereas, the Fairmont Planning Commission has reviewed the proposed ordinance and held a public hearing on the topic November 12, 2024.

Now therefore, be it resolved by the Fairmont Planning Commission that it finds the proposed ordinance to regulate cannabis and hemp businesses is in the best interest for physical development of the city.

Be it further resolved by the Fairmont Planning Commission that it recommends to the Fairmont City Council that the proposed ordinance to regulate cannabis and hemp businesses be approved.

Passed and adopted by the Planning Commission of the City of Fairmont on this 12th day of November, 2024.

Planning Commission Chair

Attest:

Planner