

City of North Saint Paul
November 19, 2024
Approved City Council Workshop Meeting Minutes

I. CALL TO ORDER

Mayor Monge called the meeting to order at 5:15 p.m.

II. ROLL CALL

Present: Council Member Schweer
Council Member Nordby
Council Member Cole
Council Member Wong absent
Mayor Monge

Staff: City Manager Brian Frandle, Finance Director Dan Winek, Community Development Director Riley Grams

III. ADOPT AGENDA

On motion by Council Member Schweer, seconded by Council Member Cole, with all present voting aye (4-0), motion carried to approve the agenda as submitted.

IV. TOPICS

A. Discuss Cannabis Ordinance

Community Development Director Riley Grams presented this item. City Attorney Jack Brooksbank drafted a document that provides different options for City Council to discuss the new cannabis ordinance. He stated the ordinance will go out for a public hearing with final approval by December 2024.

Mr. Grams stated cities cannot ban cannabis, hemp products, or business licenses but can enact reasonable restrictions through local zoning controls. He explained the zoning process and presented allowable locations in the MU2 and MU3 zoning districts and added prohibiting cannabis locations in the MU1 district.

City Attorney Brooksbank provided legal clarification on restrictions. He clarified the conditional use permit process and recommended against it due to the increase in staff's workload and confusion regarding the language of the conditional use permit. He also noted there are still a lot of unknowns and the rules and regulations have not been clearly defined.

Council Member Cole expressed his concern about the MU3 district containing more residential use than mixed use. Mr. Grams clarified there are further restrictions that could be put in place such as distance from schools, parks, daycares, treatment facilities, and attractions within a public park. Staff recommended imposing a 750-foot minimum distance from schools and

keeping the recommended 500-foot distance from daycares, residential treatment facilities, and public parks.

Mr. Grams discussed potential hours of operation and number of registrations and outlined what each business is permitted to sell or dispense.

Council Member Cole inquired about future amendments to ordinances regarding cannabis, if desired.

Mr. Grams stated the number of registrations could be restricted or capped to one business per 1,250 residents but the decision is up to the City. North St. Paul's population allows two business dispensaries. These do not include lower-potency edibles or seltzers.

Council Member Schweer inquired about selling lower-potency cannabis products inside smoke shops. Mr. Brooksbank stated it would depend on the type of license the smoke shop has on file. He explained the license for selling high-potency cannabis products would not allow for sales of tobacco products in the same shop.

Mr. Grams discussed zoning controls in residential areas for home-grown cannabis. He also added requiring 500 feet between two cannabis operations and prohibiting outdoor seating and smoking areas in those cannabis businesses.

Council Member Nordby inquired if these recommendations have been discussed with the Chief of Police. Mr. Grams stated yes.

Mr. Grams reiterated the following recommendations regarding the cannabis ordinance:

- Allow zoning in MU2 and MU3 but prohibit in MU1 noting MU1 is the historic corridor.
- Requirements of conditional use permits
- Cap allowable dispensaries at two
- Minimum distance of 750 feet from any school
- Hours of operation
- Specific definitions regarding home-grown cannabis

Council Member Schweer suggested imposing tighter restrictions with the potential to loosen, if needed.

Council Member Nordby requested a detailed memo to the Planning Commission regarding guidelines for when a new cannabis location comes before the Commission. Mr. Grams stated he will get that out to the Planning Commission.

The City Council agreed to cap the number of cannabis dispensaries at two, keep City Staff's proposed hours of operation, and maintain a minimum distance from schools at 750 feet.

Mr. Brooksbank explained the State has not mandated any definitions regarding home-grown cannabis but he recommended language stating it has to be in a locked and enclosed space out of view.

Council Member Nordby suggested deleting the option of keeping two cannabis dispensaries 500 feet apart.

After a short discussion, the City Council agreed to delete that option from the ordinance.

Mr. Grams stated he will reach out to neighboring cities and give the City Council an idea of what they are doing for consideration.

B. Discuss Revenue Options

Finance Director Dan Winek presented this item and detailed the revenue options for the City and how it might impact the City's budget and tax levy. The revenue options are as follows:

- Central Business District ("CBD") Sidewalk Snow Removal Fee
- Sales Tax
- Municipal Liquor Store
- Special Assessments
- Municipal Cannabis Store
- Other Fees

Mr. Winek explained how the snow removal fee would be applied to businesses and if not paid upfront, the fee could be collected via property taxes if businesses chose not to pay upfront.

Mayor Monge inquired about the beginning and ending location of the snow removal fee. Public Works Director Ron Ritchie stated it would be snow removal from 1st Street to Charles Street.

Council Member Nordby expressed his opposition to the sidewalk snow removal fee. He feared it would detract from potential future businesses in the downtown area. He suggested getting feedback from the EDA on how it will affect future businesses. Mr. Winek stated he will gather more information on this and bring it to the EDA for discussion.

Mr. Winek explained the options for sales tax can only be used for "regionally significant" capital projects. The statutory requirements limit the authority to regional projects and a maximum sales tax of .5%. Mr. Winek provided some sample sales tax potential revenue and noted he will reach out to the University of Minnesota for a potential analysis to allow for more information.

Mr. Winek discussed the municipal liquor store option. He stated there is legislative action to increase the population threshold from 10,000 to 15,000 residents.

Council Member Nordby suggested sending a letter to all cities in Ramsey County that are between 10,000-15,000 residents to suggest joining a coalition on this option.

Mr. Winek explained the requirements of reimplementing special assessments. The special assessment tax at 10% over the course of the 10-year capital improvement plan would save the City approximately \$3.6 million.

Council Member Cole suggested lowering the percentage to 5% and City Council agreed to explore this option further.

Mr. Winek stated the possibility of a municipal cannabis store is a continual work in progress. The City Council agreed to look into this option.

Mr. Winek also provided information on potential fees for rental units, fire certificate of compliance, and repeat nuisance calls. The City Council agreed to look into the fee for rental units.

V. ADJOURNMENT

On motion by Council Member Schweer, seconded by Council Member Nordby, with all present voting aye (4-0), meeting is adjourned at 6:26 p.m.

/s/ John Monge, Mayor

Attest:

/s/ Brian Frandle, City Manager / Clerk