

## **SPECIAL CITY COUNCIL SPECIAL JOINT MEETING**

2:00 P.M.

Monday, October 28, 2024

Present: Mayor Wade LeBlanc  
Shane Hoff  
Dustin Goutermont

Absent: Richard DeRosier  
Ben Bautch

Lana Fralich, City Administrator  
Tim Costley, City Attorney  
Rick Evans, Northshore Journal  
Beth Smuk  
Gary Thompson  
Steve VanHouse  
Marcia Oates  
Julie Jensen  
Gregory Lien

Mayor LeBlanc called the meeting to order at 2:02 p.m.

There was no quorum of the Planning and Zoning Commission so no meeting was called to order.  
There was no quorum of the EDA so no meeting was called to order.

The purpose of the meeting is to discuss cannabis retail operations within the City. Fralich provided information relating to a draft ordinance for Lake County, the entire State Statute 342 relating to Cannabis, Chapters 342.13 (Local Control) and Chapters 342.22 (Retailers Local Registration & Enforcement) of the State Statute, and the State of MN Office of Cannabis Management Guide for reference, advised the Council that they will need to make a determination on the issuance of licenses within the City, direct Planning and Zoning to determine proper zoning for cannabis retail operations, and determine the process for issuing a license if they move forward with issuing permits. Fralich stressed concern timing to train and prepare staffing for issuing licenses, uncertainties between State and Federal rules, the moratorium deadline to have items completed, and recommended Council consider Lake County to handle permitting on behalf of the City.

Smuk asked if the City could have a say in how many licenses the County would issue.

Costley advised the Council that one license for every 12,500 people has to be issued in Lake County, that the City of Two Harbors is issuing one retail license and reserving the right to have a municipal license in Two Harbors, that for each license issued can have up to five (5) retail locations, and that the Council needs to determine if the City wants to issue the license(s) or designate the licensing registration to Lake County. There was discussion on jurisdiction for where retail stores can be located and clarifying the authority of issuing license between the county and municipalities,

G. Lien stated a microbusiness can have a retail license for one location and not five locations. City Attorney addressed the difference in the statute.

Discussion continued on neighboring communities and blight surrounding these types of stores, scenarios for location and licensing, processes that would need to be developed in a short timeframe,

potential revenues generated, location of existing greenhouse to location of a public playground, potential odors, planning and zoning to review zoning requirements, difference types of cannabis businesses, clarification that in order to have a municipal license a private license also has to be issued, discussion on revenues with 20% going to the State General Fund, and concern for staffing.

Marcia Oates questioned if city would still be responsible for enforcement if Lake County issued the license.

Discussion further continued relating to restrictions on where you can smoke, timeframe for planning and zoning, keeping control of licensing by the City, and ability to amend at a future date.

Motion by Hoff, second by Goutermont to not issue cannabis business licenses in the City of Silver Bay based upon a license being designated for issuance in Lake County by the City of Two Harbors which meets the statutory requirement of one active registration for every 12,500 residents in Lake County under Minn. Stat. Sec. 342.13(j). Discussion on Planning and Zoning to determine proper zoning location for cannabis retail to prepare for the future. MOTION CARRIED.

Motion by Hoff, second Goutermont to adjourn at 2:42 p.m. MOTION CARRIED.

Minutes taken by Lana Fralich

Attest:

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Wade LeBlanc, Mayor

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Lana Fralich, City Administrator