



City of Blaine

City Council Workshop

July 8, 2024 | 5:30 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

AGENDA

NOTICE OF WORKSHOP MEETING

In accordance with the provisions of Section 3.01 of the Blaine City Charter, a Council Workshop meeting is scheduled for the following purpose:

- 1. Call to Order**
- 2. Roll Call**
- 3. New Business**
 - 3.1.** 2024-248 Ground Mounted Solar Discussion
Sponsors: Sheila Sellman, City Planner
 - 3.2.** 2024-249 105th Redevelopment District Updates/Project Discussion
Sponsors: Erik Thorvig, Community Development Director
 - 3.3.** 2024-290 2025 PMP Update
Sponsors: Daniel Schluender, Director of Engineering
 - 3.4.** 2024-268 Proposed Amendments to Tobacco Licenses Follow-Up
Sponsors: Cathy Sorensen, City Clerk
 - 3.5.** 2024-271 Adult-Use Cannabis Preliminary Zoning Discussion
Sponsors: Erik Thorvig, Community Development Director, Cathy Sorensen, City Clerk
- 4. Other Business**
- 5. Adjournment**



City of Blaine Staff Report

File Number: 2024-248

Agenda Date	Status
July 8, 2024	
In Control	File Type
City Council	Workshop Item

New Business - Erik Thorvig, Community Development Director

Agenda Item # 3.1

Ground Mounted Solar Discussion

Background

At the May 13, 2024, council workshop, council directed staff to research ground mounted solar and provide recommendations on findings. Currently, city code does not allow ground mounted solar in any residential districts. Ground mounted solar is allowed as an accessory use in all industrial zoning districts and in the Planned Business District (PBD) with approval of a conditional use permit.

Staff researched cities with similar lot sizes and populations as Blaine. These included Maple Grove, Woodbury, Rosemount, Burnsville and Lakeville. The following is a summary of what these cities allow.

Setbacks and Location in Residential Districts.

Maple Grove – Permitted accessory use in all residential districts.

Location: Rear yard only.

Setbacks: Must follow side and rear yard setbacks for the applicable zoning district.

Landscape screening consists of deciduous trees at least 5 feet in height and 2.5" caliper. Coniferous trees must be at least 5 feet in height. Hedge materials must be at least 3 feet in height.

Woodbury – Permitted accessory use in all zoning districts.

Location: Rear yard only.

Setbacks: 15 feet from all property lines and a minimum of 30 feet from all dwellings located on adjacent lots.

Woodbury requires screening, but does not enforce strict standards.

Lakeville – Ground-mounted solar systems follow accessory structure standards for setbacks, location, and height in all zoning districts.

Location: Rear yard only.

Setbacks: Must meet a minimum 5-foot setback from interior lot lines and a minimum 10-foot setback from rear property lines.

Screening required: All rooftop and ground mounted mechanical equipment shall be designed (including exterior color) and located to be aesthetically harmonious and compatible with the building. Screening of/and landscaping around the equipment may be required where the design, color, and location of the equipment are found to not effectively buffer noise or provide aesthetic harmony and compatibility. Screening shall be constructed of durable materials which are aesthetically compatible with the structure and which may be an integral part of the structure.

Burnsville - Permitted accessory use in all zoning districts

Location: Rear yard only

Setbacks: Must meet accessory structure setbacks and cannot be closer than 30-feet from adjacent dwellings

The area below ground mounted SES is to be kept neat, clear, uncluttered and be covered with landscape rock, mulch or other material approved by the DRC (Development Review Committee).

Rosemount – Ground mounted solar arrays must comply with the accessory structure setback standards for the applicable zoning district in which they are located.

Location: The R-1 standards don't require accessory structures to be in rear yard only.

Setbacks: Accessory structure standards for the R-1 (Low Density Residential): 30-foot front yard setback, 10-foot side yard setback, 5-foot rear yard setback for structures below 120 sf, 30-foot rear yard setback for structures larger than 120 sf. Maximum lot coverage of 30%.

Screening may be required to address glare and panels must be angled away from neighboring dwellings.

Lot Size Restrictions, Size Standards

Maple Grove

Standards for accessory buildings in R-1 (Single Family Residential) and R-2 (Single Family Residential) under one acre in size.

Only two accessory buildings per lot.

If there are two detached accessory buildings, one must be no larger than 200 sf.

Total area of attached garages and accessory buildings shall not exceed 1,254 square feet.

Total attached garage space shall be limited to 1,000 sf.

Woodbury

Minimum Lot Size: 8,000 square foot minimum lot size for ground-mounted solar systems in the R-4 (Urban Residential) zoning district.

Height: 15-feet maximum

Maximum Area: 200 sf maximum in R-4, other districts are subject to accessory structure limitations, or no more than 25% of the rear yard, whichever is less.

Lakeville

Minimum Lot Size: None

Height: 15 feet

Maximum Area: 10% of lot, 1,100 cumulative sf maximum (residential accessory building standards).

Burnsville

Minimum Lot Size: None

Height: 15 feet

Maximum Area: Limited to a maximum area of two hundred (200) square feet and may only be located in a rear yard.

Rosemount

Minimum Lot Size: None

Height: 15-feet maximum

Maximum Area: Regulated as an accessory structure, so it can't exceed the 30% maximum lot coverage.

Based on research, staff recommends the following for parameters: If council agrees, staff will put in formal language and bring forward an ordinance amendment.

- Limit to Residential Estate (RE) (small area in the NW corner of the city with large lots) and Farm Residential (FR) - regardless of lot size.
- Limit location to rear yard only.
- Side yard setback - 20 feet
- Rear yard setback - 30 feet
- The maximum height at full tilt is 15 feet
- The footprint of the solar panel unit(s) and any attached or detached accessory structures may not total more than 2,000 square feet in the RE district, and 3,000 square feet in the FR district. Any combination thereof exceeding 1,200 sf. would require a conditional use permit in the FR district.

Staff reached out to the gentleman who would like to install ground mounted solar on his property and the proposed requirements are consistent with his solar installation.

Staff Recommendation

Staff recommends council consider proposed ordinance language and provide feedback and direction.

Questions for Council

1. Do you want to limit the residential zoning districts where ground mounted solar is allowed?
2. Do you want to have a minimum lot size requirement?

Attachment List

None



City of Blaine Staff Report

File Number: 2024-249

Agenda Date	Status
July 8, 2024	
In Control	File Type
City Council	Workshop Item

New Business - Erik Thorvig, Community Development Director

Agenda Item # 3.2

105th Redevelopment District Updates/Project Discussion

Background

On May 20, 2024, the City Council adopted a preliminary funding resolution regarding financing for the event stadium that is part of the 105th Avenue redevelopment project. That resolution includes various contingencies and conditions that need to be met prior to formal approval of funding. Since the approval, the city and development team have been advancing work and discussions to accomplish the various requirements. One of the conditions requires that "agreements for both the construction of and financing of public infrastructure necessary for the project, which includes but not necessarily limited to public right-of-ways/streets, public utilities, public open space areas and demolition of existing structures and facilities" be negotiated and in place. The city and development team have been working diligently over the last six weeks to identify the cost of said improvements and what funding sources exist to finance the improvements. Among many challenges here as with any project is that development costs are incurred on the front end, whereas, the recapture of those costs occur after completion of the development through increased tax base, employment, use and enjoyment of the property, and similar positive impacts for the adjacent neighboring properties and community. Therefore, both the City and Developer have taken a conservative approach. For instance, the projected sources and uses have built into them conservative real estate values for abatement and increment projections and a contingency for project costs.

The developer has identified estimated costs related to the right-of-way construction, utilities, infrastructure, public space/landscaping, site work and demolition for the east and west portions of the district as follows:

West District - \$13,010,000
East District - \$12,220,000
TOTAL - \$25,230,000

The developer desires to begin construction of the West District infrastructure in 2024 in coordination

with beginning construction of the event stadium. Activity in the East District which may begin in 2024 include demolition, utilities, and site preparation, with a majority of the work occurring in 2025.

The most common financing mechanism for redevelopment areas such as this is tax increment financing (TIF). TIF utilizes property taxes generated by new development in the redevelopment district to fund various improvements within a district. Common uses of TIF include:

- Site acquisition
- Cleanup of hazardous substances, pollution or contaminants
- Site preparation such as building demolition and construction of utilities, roads and sidewalks.
- Parking facilities

Based on development projections in the East District where a new redevelopment TIF district could be created, it is estimated that approximately \$28,290,000 in TIF would be available to finance various qualifying activities listed above. Up to 25% of the TIF proceeds (\$7,070,000) can be spent outside the TIF district. The West District was included in the tax abatement area to finance the turf fields and cannot be included in a TIF district. Therefore, only 25% of the TIF proceeds can be utilized in the West District for infrastructure improvements. Based on this information, there is sufficient TIF revenue to fund activities in the East District, however a shortage in the West District.

Due to the shortfall of available TIF that can be utilized in the West District, alternative scenarios have been discussed. The city and development team are analyzing a scenario where the bond for the event stadium would be increased from \$34MM to approximately \$40MM to finance improvements to the event stadium and other infrastructure in the West District. Revenue sources to repay the bond would still include developer lease payments to repay the event stadium portion and then a combination of eligible TIF and/or excess abatement revenue that may be generated from the West District. In previous workshop discussions, it was noted that there is an expectation that additional tax abatement revenue will occur as a result of higher than projected development values in the West District. Excess abatement revenues can be utilized to pay debt service from higher bond issuance. If excess abatement revenue doesn't exist, TIF proceeds can be utilized to pay the higher debt service. Baker Tilly is analyzing what potential excess abatement revenue may be generated from the West District and would be available for debt service.

The EDA is actively negotiating with property owners to complete acquisition of the remaining three parcels. The EDA does not have enough existing cash-on-hand to complete purchases if they occur in 2024/early 2025. TIF proceeds are an eligible use of funds for site acquisition. An appraisal is being completed to determine the value of the land that will be sold by the EDA to the developer. A development agreement is being drafted that outlines the developer acquisition of EDA property.

The development is anticipated to generate approximately \$2,000,000 in park dedication fees. Because the project includes various public spaces, park dedication can be used to fund certain improvements within the district. Staff is analyzing existing park dedication fund balances to determine what funds may be available to fund public open space improvements in 2024/2025, which will be replenished as the development pays park dedication fees.

The City will be applying for a grant from the Minnesota Department of Employment and Economic

Development (DEED) to assist in building demolition. This grant application is due on August 1. The grant can fund up to 50% of the demolition costs, which are estimated to be approximately \$800,000. TIF proceeds can be utilized for the remaining cost.

There has been discussion about utilizing Minnesota State Aid (MSA) funds to assist in paying for the new round-about on 105th Avenue. Further analysis will need to occur to determine what, if any MSA funds are available and how using dollars would impact other street projects in the City.

The developer has identified the need of approximately \$15,000,000 in TIF for private parking structures associated with the vertical development. The poor, substandard soil/geotechnical conditions in the development area result in increased vertical development costs. Typically, when TIF is requested for project specific costs, an analysis is completed by Baker Tilly to determine the amount of TIF that is reasonable to provide a project based on a variety of factors including extraordinary project costs, equity return, etc. This will be completed at a later date when these projects come forward. However, for the purposes of analysis, a placeholder in the amount of \$15,000,000 is included as a use of funds.

The following is a summary of the source and uses of funds based on the information provided above.

Uses:

West District Infrastructure - \$13,010,000
East District Infrastructure- \$12,220,000
Property Acquisition - \$7,000,000
Private Parking Structures - \$15,000,000
TIF and Private Financing Costs - \$7,490,000
TOTAL - \$54,720,000

Sources:

TIF Proceeds - \$28,290,000
Park Dedication - \$2,000,000
Equity by Developer - \$11,440,000
Excess Abatement Revenue - TBD
DEED Grant - \$400,000
TOTAL - \$42,130,000

Based on the sources and uses identified above, there is an approximately \$12MM gap. This gap can be reduced by potential excess abatement revenue which is being analyzed. The city and development team are analyzing other ways to leverage developer payments after the bond for the event stadium is paid off.

Based on the work that is desired to start in 2024/2025, there could be two separate bond issuances to finance the work:

- \$40MM abatement bond for the stadium and west infrastructure work.
- \$19.2MM TIF bond for east infrastructure work and property acquisitions.

These funding sources would provide significant advancement in the early phases of the development

including the event stadium, all project infrastructure (roads, utilities, etc.), public spaces, demolition, final property acquisitions and replenishment of certain EDA expenses that have occurred for the project including property acquisition and reimbursable costs for design. If the City Council provides the requested project financing consensus, then the timing of the bond issuance approval(s) are anticipated to be presented to the City Council within the next few months, subject to coordinating the approvals with commencement of the stadium/west infrastructure and east infrastructure work and property acquisition.

Other funding sources including park dedication, grants and MSA funds will continue to be analyzed to determine how/if/when they can be utilized for the project. There is sufficient TIF revenue based on projections to cover the debt service for the bond issuances listed above. The \$12MM gap becomes problematic when the developer begins vertical construction of the east district. Because this is several years out, there is some time to determine how to solve the gap.

Staff Recommendation

Discuss the information above and provided necessary concerns/comments regarding the financing mechanisms.

Questions for Council

Staff seeks the Council's general consensus supporting the proposed projected sources and uses of financing.

Attachment List

None



City of Blaine Staff Report

File Number: 2024-290

Agenda Date	Status
July 8, 2024	
In Control	File Type
City Council	Workshop Item

New Business - Daniel Schluender, Director of Engineering

Agenda Item # 3.3

2025 PMP Update

Background

Engineering staff has reviewed the 5-year transportation CIP and reevaluated the condition and rehabilitation types of the streets and are proposing the following streets for the 2025 transportation projects. Lakes Parkway from Radisson Road to the east end, 99th Lane from Baltimore Street to Davenport Street, and Baltimore Street from 93rd Avenue to 99th Avenue will all be a Mill and Overlay rehabilitation. Zest Street/ Lakes Parkway at Lexington Avenue and Austin Street at Pheasant Ridge Drive will be new street extensions. The final area is the neighborhood, generally at 87th Lane and Van Buren Street, and will be a full reconstruction with the addition of curb and gutter. The final phase of 89th Avenue will also be finished next year as the construction is scheduled over a two-year period. The preliminary engineer's estimate has these 2025 transportation projects costing approximately \$10,600,000.

The 2025 transportation projects will be brought forward for council consideration to initiate and order the preparation of feasibility reports at the July 15th City council meeting for action. The reports, if ordered, will identify the funding sources for these projects but will contain, at a minimum, a combination of assessments, utility funds, and Municipal State Aid Funds.

Please note, as the 2025 budget process moves forward, staff will bring the updated 5-year transportation CIP and budget for review and comment.

Staff Recommendation

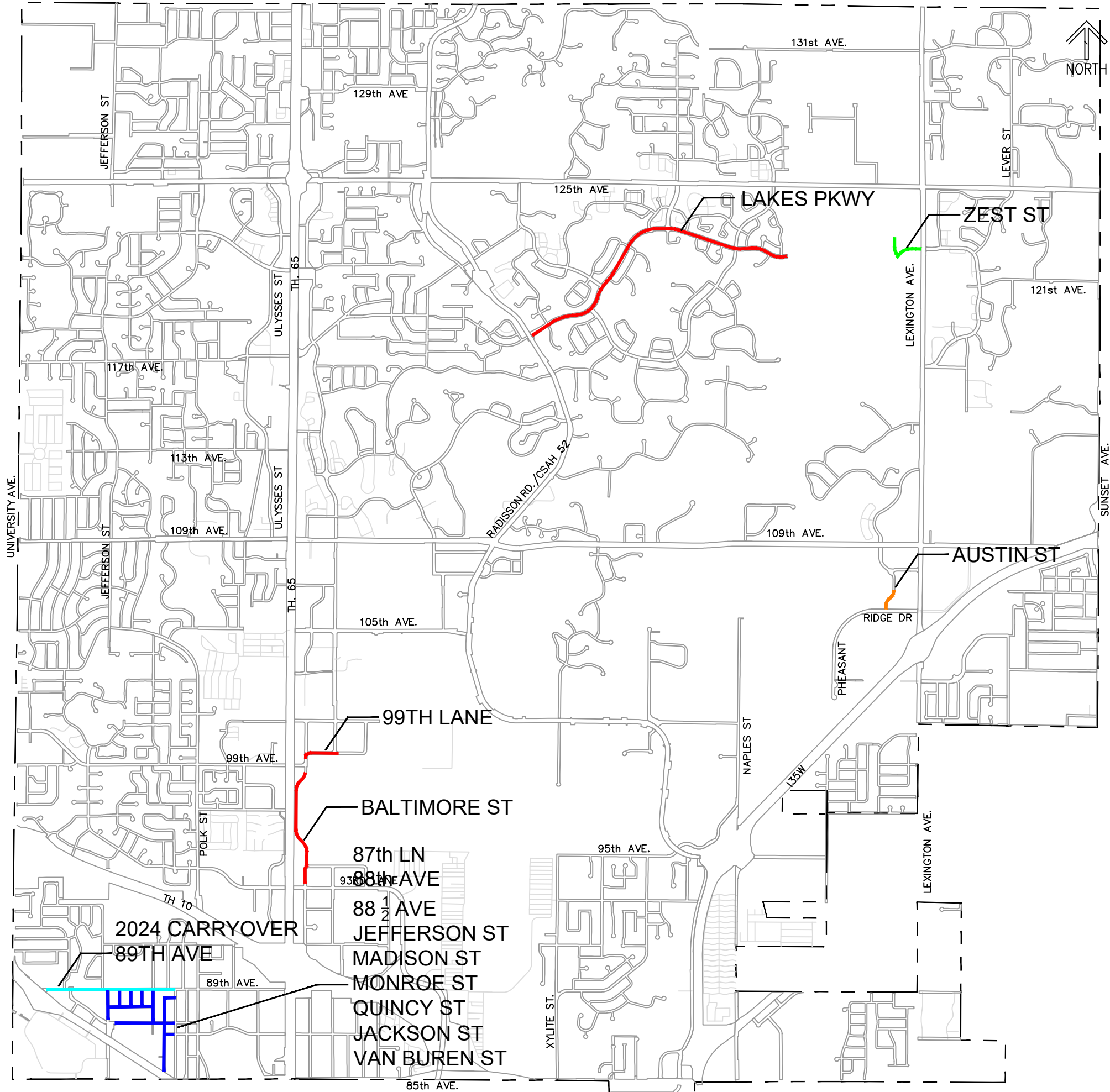
Staff recommends advancing these projects as presented to the next council meeting for council to initiate as part of the 2025 transportation projects.

Questions for Council

Attachment List

1. 2025 Road CIP

Jul 01, 2024 - 4:11pm
H:\Team\GIS\Eng\Public Projects\Future Street Projects\2025 Road CIP.dwg



2025 ROAD C.I.P.

CITY OF BLAINE

PAVEMENT MANAGEMENT PROGRAM

LEGEND

- 2024 C.I.P. CARRY OVER PROJECT
- ZEST ST CONSTRUCTION
- AUSTIN ST CONSTRUCTION
- 2025 STREET REHABILITATIONS
- SW AREA STREET RECONSTRUCTION



ENGINEERING DEPARTMENT
10801 Town Square Drive, Blaine, Minnesota 55449
Phone (763) 785-6172



City of Blaine Staff Report

File Number: 2024-268

Agenda Date	Status
July 8, 2024	
In Control	File Type
City Council	Workshop Item

New Business -

Agenda Item # 3.4

Proposed Amendments to Tobacco Licenses Follow-Up

Background

At the June 17 workshop, council provided staff feedback in support of the proposed amendments to tobacco licenses but wanted to follow up on the capped amounts for each license type. There was some consensus to cap the general tobacco licenses at 50 (grocery, gas, liquor), 12 for tobacco product stores, and 3 for cigar shops. Currently, there are 54 tobacco licenses, 9 of which are tobacco products stores.

Chapter 42 - Health and Sanitation

Article II. - Tobacco

Division 2. - License

Sec. 42-61. Generally.

(c) Number of licenses.

(1) The number of tobacco licenses issued in conjunction with a grocery store, convenience store, liquor store, or gasoline service shall not exceed 50. Existing licenses shall remain in effect until through attrition the maximum number of licenses is met.

(2) The number of tobacco licenses issued to a tobacco products store shall not exceed 12. Existing licenses shall remain in effect until through attrition the maximum number of licenses is met.

(3) The number of tobacco licenses issued to a tobacco products store immediately adjacent to a restaurant of the same owner whose primary retail product is cigars shall not exceed 3.

(4) The city council is not required to issue the full number of tobacco licenses it has available for any license type.

If there is a cap on the number of licenses issued in conjunction with a grocery store, convenience store, liquor store or convenience store, a potential unintended consequence exists which would limit future businesses (grocery, convenience) from having a license. Based on previous council discussion, it appears the primary concern is related to exclusive tobacco shops and not necessarily grocery and convenience stores, etc. The proposed language above would allow for five additional licenses to be issued for new

convenience stores, grocery stores, etc. and three additional for exclusive tobacco shops.

If adopted, all existing licenses would remain in effect until they are not renewed or they expire. Changes in ownership already require a new license to be applied for; the council is not required to issue the full number of tobacco licenses it has available. Once direction is given, staff will bring forward the ordinance amendments for formal consideration.

Staff Recommendation

Staff requests council feedback.

Questions for Council

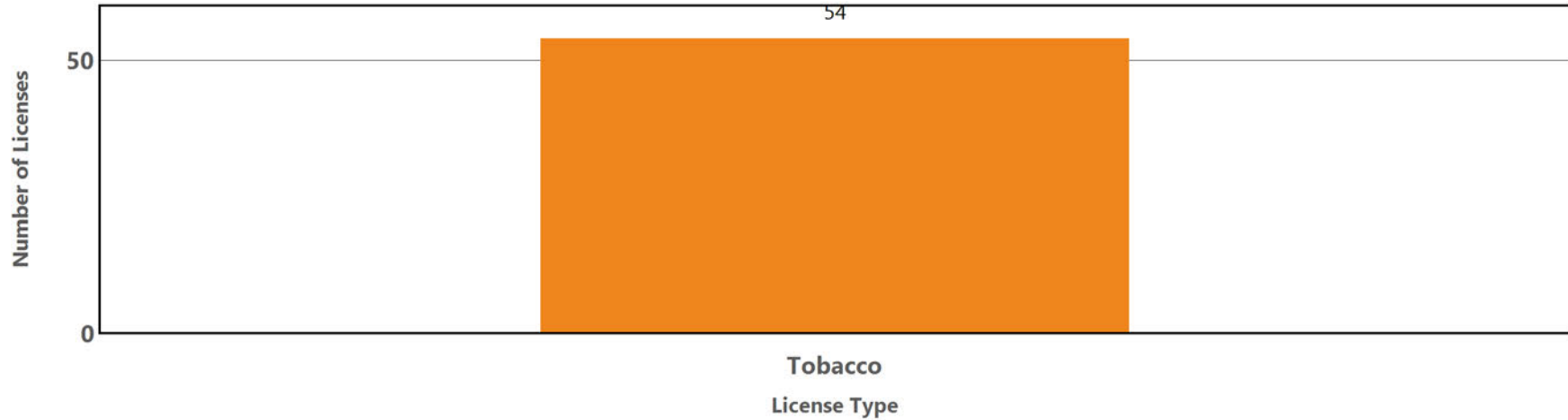
Is council supportive of the proposed amendments for tobacco licenses and the caps as proposed?

Attachment List

1. Business Licenses-Type and Status - Tobacco
2. Tobacco License Survey April 2024

Business Licenses by Type & Status

Report Date: 4/25/2024



Tobacco

License No	Business Name	Business Location	Iss Date	Exp Date	Status
TOB23-0003	65 HEY LLC	10904 Baltimore St Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Muntasir Eisa				
TOB-08106	AWAD COMPANY (MARATHON)	10102 Sunset Ave Ne, Blaine, MN 55014	12/20/2023	12/31/2024	Active
	Owner: Estephan Antoine Awad				
TOB23-0004	Blaine Gas Inc.	12880 Central Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Anthony Rammer				
TOB-02234	Blaine MotoMart	10270 Baltimore St Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: FKG Oil Company				
TOB-07173	BLAINE TOBACCO	12523 Central Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Avni Istrefaj				
TOB-02249	Casey's General Stores, Inc	8501 Xylite St Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: CASEY'S RETAIL COMPANY				

Business Licenses by Type & Status

Report Date: 4/25/2024

Tobacco

License No	Business Name	Business Location	Iss Date	Exp Date	Status
TOB-02239	Central Spirits Liquor Store	1438 93rd Ln Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Paul Spitzley				
TOB-06869	Central Tobacco	1430 93rd Ln Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Muntasir Eisa				
TOB22-0002	Circle Pines Station	8550 Lexington Ave Ne, Blaine, MN 55014	12/20/2023	12/31/2024	Active
	Owner: Adnan Safi				
TOB22-0001	Circle Smoke Shop Plus	8550 LEXINGTON AVE NE, Blaine, MN 55014	12/20/2023	12/31/2024	Active
	Owner: Adnan Safi				
TOB-05720	Cub Foods #155936	12595 Central Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Nate Spevacek				
TOB-05721	Cub Foods #155940	585 Northtown Dr Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Arturo Cerna				
TOB-07717	CUB FOODS #1592	10881 University Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Vicky Brekke				
TOB-05719	Cub Foods #31664	4205 Pheasant Ridge Drive Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Lindsay Schultz				
TOB21-0004	Cub Wine and Spirits	4255 Pheasant Ridge Dr Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Julia Petersen				
TOB-08215	E CIG SMOKE	11724 Ulysses Ln Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Taleb Wazwaz				
TOB-07073	ELIFE, LLC	1536 125th Ave Ne, Blaine, MN 55449	1/2/2024	12/31/2025	Active
	Owner: Michael Donnelly				

Business Licenses by Type & Status

Report Date: 4/25/2024

Tobacco

License No	Business Name	Business Location	Iss Date	Exp Date	Status
TOB23-0005	Fleet Farm	10250 Lexington Ave Ne, Blaine, MN 55014	12/20/2023	12/31/2024	Active
	Owner: Steven Jensen				
TOB-05834	Fleet Farm Fuel	10280 Lexington Ave Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Steven Jensen				
TOB21-0006	Founders Cigar Company	9150 Isanti St Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Brian Schmittiel				
TOB-05701	GAS AND MORE, INC.	1444 93rd Ln Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: tarek kablawi				
TOB-02264	Gas Plus #10	9305 Central Ave Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Stephen Dahl				
TOB-02260	G-Will Liquors	2320 Cloud Dr Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Daniel Fields				
TOB-02251	Holiday Station Store # 306	4167 Ball Rd Ne, Blaine, MN 55014	12/20/2023	12/31/2024	Active
	Owner: Sarah Willis				
TOB-02270	Holiday Station Stores, Inc.	9933 Ulysses St Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Sarah Willis				
TOB-06625	Holiday Stationstores	10909 Radisson Rd Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Sarah Willis				
TOB-06895	Kwik Trip	1355 85th Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Kwik Trip, Inc.				
TOB-07991	KWIK TRIP #1014	12260 Fraizer St Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Kwik Trip, Inc.				
TOB-08085	KWIK TRIP #1022	11736 Ulysses Ln Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active

Business Licenses by Type & Status

Report Date: 4/25/2024

Tobacco

License No	Business Name	Business Location	Iss Date	Exp Date	Status
	Owner: Kwik Trip, Inc.				
TOB21-0007	Kwik Trip #1136	10880 Austin St Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Kwik Trip, Inc.				
TOB-07205	KWIK TRIP #206	3405 Lake Dr Ne, Blaine, MN 55014	12/20/2023	12/31/2024	Active
	Owner: Kwik Trip, Inc.				
TOB-07965	Kwik Trip #925	10510 Radisson Rd Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Kwik Trip, Inc.				
TOB-05514	MGM Wine & Spirits	255 County Road 10 Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Chai Vang				
TOB-08022	MINI MART #5	9850 Polk St Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Mukesh Chaudhary				
TOB23-0002	MN Restwood Inc	3401 Restwood Rd Ne, Blaine, MN 55014	12/20/2023	12/31/2024	Active
	Owner: Purvakumar Ramanlal				
TOB23-0006	Northside Grocery & Deli LLC	1578 125th Ave Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: HINDIA MUMED				
TOB-08052	NOVA WAY, LLC	601 125th Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Dayaa Elnagar				
TOB-02207	Ole Piper Inn	1416 93rd Ln Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Paul Spitzley				
TOB-06429	Speedway #4311	12504 Central Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Shameka Wiley				
TOB-06428	Speedway #4321	9720 Central Ave Ne, Blaine, MN 55434	1/2/2024	12/31/2025	Active
	Owner: Shameka Wiley				

Business Licenses by Type & Status

Report Date: 4/25/2024

Tobacco

License No	Business Name	Business Location	Iss Date	Exp Date	Status
TOB-06430	Speedway #4445	10865 University Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Shameka Wiley				
TOB-07957	Speedway #7020	2310 Cloud Dr Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Shameka Wiley				
TOB22-0003	Super USA Gas Plus Inc.	12080 Central Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Khalaf Ibrahim Qasem				
TOB-06967	Tobacco & More	10549 University Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Qasim Almayahy				
TOB21-0002	Tobacco 10 LLC DBA Hi TEC Tobacco	780 County Road 10 Ne, Blaine, MN 55434	12/21/2023	12/31/2024	Active
	Owner: Muntasir Eisa				
TOB-07713	Tobacco Vape Center	10519 University Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Iyad Sati				
TOB-07318	TOP TEN LIQUORS	12513 Central Ave Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Jonathan Halper				
TOB-02225	Tournament Players Club	11444 Tournament Players Pkwy Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Joe Mascaluso				
TOB-02233	Walgreen's #05413	600 County Road 10 Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Walgreen Co				
TOB-02223	Walgreen's #7781	4202 Pheasant Ridge Dr Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Walgreen Co				
TOB-02201	Walgreens #07218	12480 Aberdeen St Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: Walgreen Co				



Business Licenses by Type & Status

Report Date: 4/25/2024

Tobacco

License No	Business Name	Business Location	Iss Date	Exp Date	Status
TOB-05746	Walgreens #11287	10905 Ulysses St Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: Walgreen Co				
TOB-07507	WalMart #3498	4369 Ball Rd Ne, Blaine, MN 55449	12/20/2023	12/31/2024	Active
	Owner: SARAH LITTLE				
TOB-07074	WALMART, INC.	11505 Ulysses St Ne, Blaine, MN 55434	12/20/2023	12/31/2024	Active
	Owner: SARAH LITTLE				

Total Tobacco: 54

Total Number of Licenses: 54

<u>City</u>	<u># of tobacco licenses</u>	<u>Population</u>	<u>Cap</u>
Arden Hills	5	9,592	moratorium in place until 11/24
Blaine	55	70,222	--
Brooklyn Park	50	84,993	--
Burnsville	47	64,522	--
Champlin	15	23,919	# of shops capped at 2
Coon Rapids	46	63,415	--
Cottage Grove	22	41,027	--
Crystal	20	22,265	
Eden Prairie	27	54,442	--
Hopkins	19	18,608	--
Maple Grove	29	71,230	# of shops capped at 5
Maplewood	42	42,088	--
Minnetonka	28	54,474	# of shops capped at 6
Oak Grove	7	9,311	--
Plymouth	37	80,762	--
Ramsey	18	27,646	--
Richfield	22	36,710	to be capped at 4 thru attrition
Rogers	11	13,295	--
Vadnais Heights	10	12,473	--
White Bear Lake	24	24,883	# of shops capped at 10
Woodbury	28	77,224	--



City of Blaine Staff Report

File Number: 2024-271

Agenda Date	Status
July 8, 2024	
In Control	File Type
City Council	Workshop Item

New Business - Erik Thorvig, Community Development Director

Agenda Item # 3.5

Adult-Use Cannabis Preliminary Zoning Discussion

Background

Adult-use cannabis was legalized in August 2023. The legislation created the framework for licensing and establishing the Office of Cannabis Management (OCM) for regulation, and requires cities to issue a retail registration to a cannabis microbusiness/mezzobusiness with a retail operations endorsement, a cannabis retailer, medical cannabis retailer, or lower-potency hemp edible retail that:

- Has a valid license issued by the OCM.
- Has paid the registration fee.
- Is found to be in compliance with the requirements of the applicable state laws through a preliminary compliance check performed by the city.
- Is current on all property taxes and assessments at the location where the retail establishment is located.

While rule making will continue through the end of 2024, the League of Minnesota Cities and the OCM have developed a model ordinance for cities to use in anticipation of licenses beginning to be issued early in 2025 (attached). In the meantime, because cities are allowed to adopt reasonable restrictions on the time, place and manner of cannabis operations, including the location of registrations and hours of operation, staff is seeking preliminary council input on how restrictive the council wants to be with regard to location and the number of licenses, potential zoning districts for cannabis registrations, input on the number of registrations to allow and hours of operation, and the potential for a city cannabis license.

Location of Registrations

Statute allows cities to adopt restrictions for cannabis businesses if they choose by prohibiting registrations within:

- 1,000 feet of a school
- 500 feet of a daycare
- 500 feet of a residential treatment facility
- 500 feet from an attraction in a public park regularly used by minors, such as a playground or athletic field.

Attached is a map depicting the areas in the city where retail licenses could be prohibited based on statute. For the remaining areas, staff is suggesting registrations could be allowed in the following zoning districts: Community Commercial (B-2), Regional Commercial (B-3), Town Commercial (B-5), Planned Business District (PBD) and County Road 10 Mixed Use (MU). Currently, the code prohibits tobacco/vape use in the Highway 65 Overlay District (HOD), 105th Redevelopment District (RD), MU and B-5. At this time, the zoning discussion is solely on retail establishments. There will be discussion in the future regarding cultivation, manufacturing, etc.

Hours of Operation

Cannabis sales are not allowed between 2AM and 8AM Monday through Saturday, or between 2AM and 10AM on Sunday. Cities may adopt an ordinance to further prohibit sales between 9PM and 2AM or between 8AM and 10AM Monday through Saturday if they choose. The council is asked to provide input if staff should include any limitations to the operation of cannabis retailers.

Number of Registrations

Statute states that cities may limit the number of cannabis retailers, but this limit can be no fewer than one registration for every 12,500 residents. Based on the Metropolitan Council's most recent population estimate of 73,546, Blaine must allow for 6 cannabis licenses (assuming the number of licenses is rounded up and not down). The city can allow more than 6 registrations if they choose, but at this time staff suggests the council consider allowing the minimum number of registrations required to allow time to gauge the impacts of compliance checks, enforcement, and other factors. It should be noted that any municipal license would not count against the required minimum and that the number of hemp retailers (currently allowed edibles) cannot be limited by local governments.

Municipal License

While legal in Minnesota, federally, cannabis is currently classified as a Schedule I controlled substance under the Controlled Substance Act (CSA). While the Drug Enforcement Administration (DEA) proposed to move marijuana from Schedule I to Schedule III in April, without other legal changes, this reclassification would only allow cannabis for medical purposes through a valid prescription because of the current classification through the FDA. While staff will continue to monitor any movement on classifications, the following should be considered should council wish to explore a municipal license:

- Federal bonding impacts and bond ratings.
- Financial services for marijuana businesses.
- Federal tax issues.
- Oversight of federal law enforcement.
- The city would have to consider the practicalities of banking by establishing separate funds and consider the loss of FDIC guarantees.
- Cost of insurance – LMCIT will not provide coverage for municipal cannabis licenses.

- Competition against the private sector as the city cannot hold all the licenses.
- LMC will not be providing resources for cities should they wish to explore municipal licensing.
- Since the city would be the license holder, who would the background check(s) be conducted on? City manager, entire city council, etc.
- Upfront costs have been estimated to be \$1M for security requirements, etc.

As part of the 2024 session, the Minnesota Legislature adopted the [Conference Committee Report on HF 4757](#) related to cannabis regulations within the state. The legislation requires the OCM to begin accepting applications for social equity applicants on July 24, 2024, with applications closing on August 12, 2024. A social equity applicant includes people who were convicted of possessing or selling cannabis, for example. A successful social equity applicant will gain pre-approval to operate a cannabis business. In addition, the [legislation's language regarding early cultivation](#) allows businesses that have received preapproval to immediately begin cultivating cannabis if the business complies with local zoning ordinances, state fire and building codes, and [Minnesota rules related to medical cannabis](#). No other cannabis-related operations may commence until the OCM has adopted final rules, which are expected early next year. With the current interim ordinance in place establishing a moratorium on all cannabis operations until 2025, an approved social equity applicant would be prohibited from operating under the early cultivation exception because they would not meet local zoning ordinances.

Further discussion will occur regarding the licensing process and other zoning requirements in the future.

Staff Recommendation

Discuss the topic and provide staff feedback.

Questions for Council

Does the council want to prohibit retail locations near schools, daycare, treatment facilities and parks?
 Does the council want to limit hours of operation further than allowed by statute?
 Does the council want to cap the number of licenses at six?
 What zoning districts should retail sales be allowed in?
 Is the council interested in exploring municipal operations further?

Attachment List

1. Proposed Prohibition Zones
2. Model Zoning Ordinance
3. Zoning Map



Proposed Cannabis Sale Prohibition Zones

 Schools - 1,000 ft

Park Amenities - 500 ft

 Fields & Courts

 Ice Rink

 Playground

 Skateboard Area

 Splashpad

Active DHS Licenses - 500 ft

 Certified Child Care Center (7)

 Child Care Center (17)

 Children's Residential Facilities (2)

 Substance Use Disorder Treatment (2)

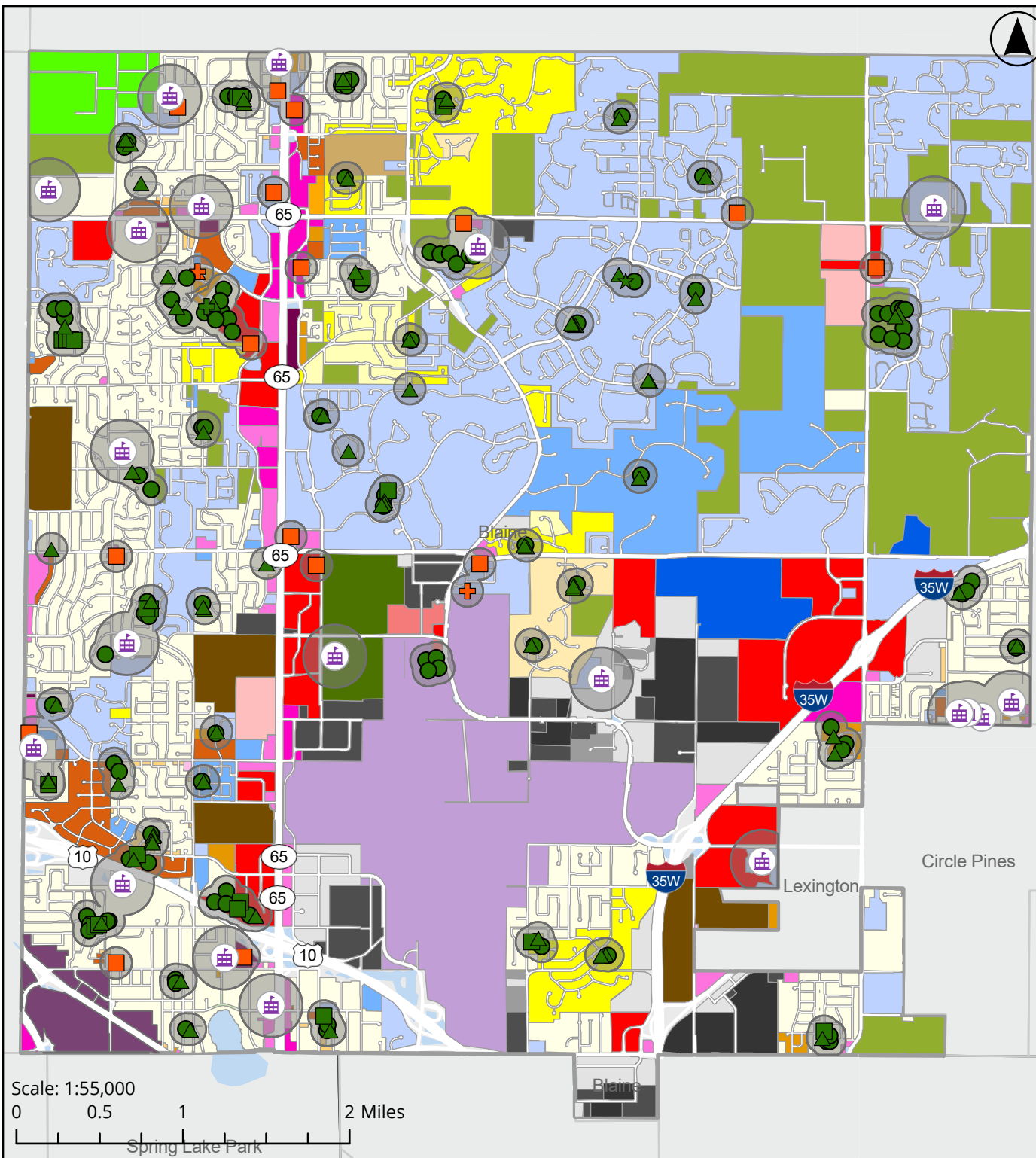
 Cannabis Sale Prohibition Zone (derived)

Date: May 30, 2024

Author: GIS & Data Services

Map Credits: City of Blaine, Minnesota Department of Education, Minnesota Department of Human Services

Usage Limitations: This map has been compiled using information gathered from various governmental offices and other sources and is to be used for reference purposes only. It is neither a legally recorded map nor a survey and is not intended for use as one. The Geographic Information System (GIS) Data used to develop this map is not warranted by the City as being error free. The City does not represent that the GIS Data can be used for exact measurement of distance or direction or precision in the depiction of geographic features. If errors or discrepancies are found, please contact (763) 717-2639. The City of Blaine disclaims any responsibility for or liability for the accuracy of the information at any point of initial contact with a GIS to which the public has general access. The preceding disclaimer is provided pursuant to Minnesota Statutes §466.03, Subd. 21 (2000), and the user of this map acknowledges that the City of Blaine is immune 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.



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.

