



City Council Memorandum

To: Mayor Fasbender and City Council

From: Justin Fortney

Date: September 16, 2024

Item: Special Use Permit – Cannabis Retail Sales – 300 Vermillion Street (Smokeys Tobacco)

Council Action Requested:

Review and act on the attached resolution granting a SUP (Special Use Permit) for cannabis retail sales at 300 Vermillion St. at the request of Hussein Alobaidi of Smokeys Tobacco on property owned by Gregory and Susan Jablonske. A separate cannabis license is scheduled for consideration under the Administration section of the City Council Agenda.

SUP approval requires six of seven Councilmembers.

Advisory Commission Review:

The Planning Commission voted 5-0 to recommend approval of the request as presented at the September 9, 2024 meeting. No one spoke for or against the item during the public hearing.

Attachments:

- Resolution – SUP
- Planning Commission Staff Report – September 9, 2024

HASTINGS CITY COUNCIL

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HASTINGS GRANTING
A SPECIAL USE PERMIT FOR THE RETAIL SALE OF CANNABIS PRODUCTS AT
300 VERMILLION STREET AS REQUESTED BY HUSSEIN ALOBAIDI OF SMOKEYS TOBACCO**

WHEREAS, Hussein Alobaidi with Smokeys Tobacco has applied for a Special Use Permit for the retail sales of cannabis products at 300 Vermillion Street. The property is owned by Gregory and Susan Jablonske and legally described as the north 66 FT of Lot 1, Block 21, TOWN OF HASTINGS BLKS 1 THRU 99, Dakota County, Minnesota; and

WHEREAS, on September 9, 2024 the Hastings Planning Commission held a public hearing and recommended approval of the action as presented; and

WHEREAS, the City Council reviewed the request and concurs with the recommendation of the Planning Commission.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HASTINGS AS FOLLOWS:

That the City Council hereby approves the action as presented to the City Council subject to the following conditions:

- 1) Maintaining a Cannabis Products Retail License from the Hastings City Clerk’s Office.
- 2) Adherence to Hastings City Code Chapter 117 – Cannabis Businesses and Chapter 155.07, Subd. J – Cannabis Businesses.

Adopted by the Hastings City Council on September 16, 2024, by the following vote:

ATTEST:

Mary Fasbender, Mayor

Kelly Murtaugh,
City Clerk

STATE OF MINNESOTA)
) ss. City of Hastings
COUNTY OF DAKOTA)

I, the undersigned, being the duly qualified and acting City Clerk of the City of Hastings, Minnesota, DO HEREBY CERTIFY, that I have carefully compared the attached copy of the Resolution with the original on file in my office and the same is a full, true and complete copy thereof.

WITNESS, my hand as such City Clerk and the corporate seal of the City of Hastings this ____ day of _____ 20 ____.

Kelly Murtaugh, City Clerk

SEAL STICKER



Planning Commission Memorandum

To: Planning Commission

From: Justin Fortney, City Planner

Date: September 9, 2024

Item: Public Hearing – Special Use Permit (SUP) – Cannabis Retail Sales – Hussein Alobaidi (Smokies Tobacco) – 300 Vermillion Street

REQUEST

The Planning Commission is asked to take the following actions related to the Special Use Permit (SUP) application of Hussein Alobaidi to conduct cannabis retail sales at Smokies Tobacco located at 300 Vermillion St on property owned by Gregory and Susan Jablonske:

- 1) Hold a public hearing.
- 2) Review the SUP application and provide a recommendation to City Council.

BACKGROUND INFORMATION

Cannabis Business Regulations

In November 2023, the City adopted [Chapter 155.07, Subd. J](#) of the Zoning Code to allow for Cannabis Businesses. The ordinance outlines performance standards and prohibited acts pertaining to cannabis. Cannabis sales were added as a Special Use permit in the C-3 Community Regional Commerce and C-4 Regional Shopping Center Districts. The city also adopted licensing requirements under City Code Chapter 117 that are similar to those adopted in the zoning code.

Cannabis Business License

An application for a cannabis business license has also been submitted and will be considered at a later date.

A business license is issued to an individual or entity, with an expiration date (December 31, 2024 for current retail cannabis sales) and does not transfer to a new operator. A SUP is issued to a property in perpetuity.

Notification and Public Hearing

Notification of the request was mailed to all property owners within 350 feet. Staff has not received any comments at this time.

Comprehensive Plan Classification

The 2040 Comprehensive Plan designates the property as Commercial. The proposed use is consistent with the plan.

Zoning Classification

The property is C-3 – Community Regional Commerce. The C-3 District allows for cannabis retailers as a special use.

Adjacent Zoning and Land Use

Direction	Property Use	Zoning	Comp Plan
North	3 rd St W	C-3	Commercial
	- Loop Road		
	- Comfort By Design		
East	- Public Square	C-3	Commercial
	- City hall		
South	Retail/ Office space	C-3	Commercial
West	- Parking lot	C-3	Commercial
	- fourplex		

Existing Condition

Smokies Tobacco is a relatively new business. The site was formerly a cellular phone shop. They have a current tobacco license. A plainclothes investigator purchased a cannabis product by an adult recently. This occurred before they were aware of the SUP requirements, but they were previously advised that any cannabis products would require a separate license application.

SPECIAL USE PERMIT REVIEW

Background

Hastings City Code Chapter 155.32, Subd. C.6 – allows cannabis retailers and edible retailers as a “special use” within the C-3 Zoning District, subject to the requirements of 155.07, Subd. J as follows:

2. *Performance Standards.*
 - a. A cannabis business shall only operate in an authorized zoning district with approved State and local license or registration.

- b. Any person selling or distributing cannabis products shall require proof of age by means of government issued photographic identification from the prospective purchaser showing purchaser is twenty-one (21) years old or older.
- c. Signage identifying the legal sales age and the age verification requirement shall be posted at the point of sale. The required signage shall be posted in a manner so that it is clearly visible to anyone who is considering or making a purchase. The sign shall provide notice that all persons responsible for selling these products must verify the age of any person under thirty (30) years of age, by means of photographic identification required in this section, containing the bearer's date of birth.
- d. Cannabis products must comply with the testing, labeling and packaging requirements in Minnesota State law.
- e. No sales or distribution of intoxicating cannabis products shall be allowed at the licensed premises after 10:00 p.m. or before 8:00 a.m.
- f. It shall be unlawful for a retailer to allow the sale of intoxicating cannabis products or cannabis related devices by any means whereby a customer has access to such items without having to request the item from the retailer or the retailer's employee. There shall be a physical exchange of the intoxicating cannabis product or cannabis-related devices between the retailer or the retailer's employee and the customer. All intoxicating cannabis products and cannabis-related devices shall be either store behind a counter or other area not freely accessible to customers, or in a storage unit or case not open and accessible to the general public.
- g. All retail establishments of intoxicating cannabis products shall have a security plan approved by the Police Chief stating how the facility will address public health, welfare and safety concerns including, but not limited to security, fencing, lighting, window coverings, door placement, and landscaping.
- h. **Compliance Checks and Inspections**
All licensed premises must be open to inspection by the local law enforcement or other authorized City officials during regular business hours. From time to time, but at least once per year, the City will conduct compliance checks on Retailers and Edible Retailers of intoxicating cannabis products by engaging persons between the ages of seventeen (17) and twenty-one (21) years, to enter the licensed premises to attempt to purchase intoxicating cannabis products. Persons used for compliance checks are not guilty of the unlawful purchase or attempted purchase, nor the unlawful possession of intoxicating cannabis products when the items are obtained or attempted to be obtained as a part of the compliance check. No person used in compliance checks may attempt to use a false identification misrepresenting the person's age, and all persons lawfully engaged in a compliance check may answer all questions about the person's age asked by the retailer or his or her employee and shall produce any identification, if any exists, for which he or she is asked. Nothing in this section prohibits compliance checks authorized by State or Federal laws for educational, research or training purposes, or required for the enforcement of a particular State or Federal law.

3. *Prohibited Acts.*

- a. It shall be unlawful for any person to sell, purchase, obtain or otherwise provide any intoxicating cannabis product to any person under the age of twenty-one (21).
- b. It shall be unlawful for any person under the age of twenty-one (21) to possess any intoxicating cannabis product. This chapter shall not apply to persons under the age of 21 lawfully involved in a compliance check.
- c. It shall be unlawful for any person under the age of twenty-one (21) to use or consume any intoxicating cannabis product, unless it is legally authorized medical cannabis.
- d. It shall be unlawful for any person under the age of twenty-one (21) attempt to disguise the person's true age by the use of a false form of identification, whether the identification is that of another person or one in which the age of the person has been modified or tampered with, to represent an age older than the actual age of the person, in order to purchase any intoxicating cannabis product.
- e. No adult-use cannabinoid or cannabis product may contain more than 0.3% of THC
- f. No edible cannabis product can contain an amount of THC that exceeds the per serving or per packaging requirements in Minnesota State law.
- g. No intoxicating cannabis product may be sold to an obviously intoxicated person or a person under the influence of a controlled substance.
- h. No one under the age of twenty-one (21) shall sell intoxicating cannabis products.
- i. Intoxicating cannabis products cannot be sold in vending machines, by transient merchants, peddlers, at a movable place of business, through a drive-through window, at special events, home occupations, by internet sales or delivery service.
- j. No sampling or free donation or distributions of intoxicating cannabis products is allowed.
- k. No sales of intoxicating cannabis products may be completed through self-check-out. The retailer or retailer's employee must process each transaction at a point of sale.

Analysis

- Cannabis sales are allowed as a special use within C-3 zoning district. Operational license to be considered by City Council.
- The above are also part of the annual licensing requirements. The Hastings Police Department has approved the security plan for the facility and the business is subject to periodic review by the Hastings Police Department.

Special Use Permit Requirements

Special Use Permit review is outlined in Chapter 30.02, Subd. E.2.b.5 of the City Code and subject to adherence to the following (staff analysis appears in red)

1. Ingress and egress to property and proposed structures thereon with particular reference to automotive and pedestrian safety and convenient traffic flow and control, and access in

- case of fire or catastrophe; **Ingress and egress to the property will be unchanged. The sale of cannabis products on site will not require changes to ingress and egress.**
2. Off-street parking and loading areas where required, with particular attention to division (E)(2)(b)5. a. above, and the economic, noise, glare, or odor effects of the special use on adjoining properties and properties generally in the district; **Parking and loading is adequate, and the proposed use will not require changes. The property is surrounded by other commercial uses as well as a large parking lot.**
 3. Refuse and service areas, with particular reference to items divisions (E)(2)(b)5.a. and (E)(2)(b)5. b. above; **The sale of cannabis products will not increase the need for refuse areas.**
 4. Utilities, with reference to locations, availability, and compatibility; **Utility service is adequate and will not change with cannabis sales.**
 5. Screening and buffering with reference to type, dimensions, and character; **Screening and buffering is adequate and will not change with cannabis sales.**
 6. Signs, if any, and proposed exterior lighting with reference to glare, traffic safety, economic effect, and compatibility and harmony with properties in the district; **Staff is not aware of any changes affecting these items.**
 7. Required yards and other open space; **Yards and open space are unchanged.**
 8. General compatibility with adjacent properties and other properties in the district. **Property abuts mostly commercially zoned properties.**

Attachments

- Location Map
- Site Picture
- Application

LOCATION MAP

