

CITY OF RED WING POLICY FOR LOCAL CANNABIS RETAIL REGISTRATION APPLICATION REVIEW

ADOPTED ON MAY 27, 2025

SECTION 1. INTRODUCTION

The City of Red Wing is a historic community that recognizes the significant public interest in establishing, but also limiting, the number of retail cannabis operations within its jurisdiction. The city adopted an ordinance in November 2024, which limits the number of cannabis retail registrations to one for every 12,500 residents within the city. Numerous residential and commercial redevelopment projects and new investments are being made in Red Wing. Cannabis retail businesses will add another facet to the commercial make-up of the city while also keeping schools, daycares, and park features utilized by minors, at a proper distance from these operations. The city currently has one retail registration available to all retail applicants, therefore the city has developed a structured application process with clear submission requirements and evaluation standards to ensure a fair and transparent selection. This policy is intended to be a thoughtful and deliberate approach in selecting a cannabis retail business while protecting the public health, safety and welfare of our residents now and into the future.

SECTION 2. POLICY MISSION STATEMENT

The purpose of this policy is to establish an organized, rational, and fair approach to issuing the single cannabis retail registration currently available. The policy aims to be:

- Reasonable in both the outcomes it achieves and how it is implemented.
- Consistent and following best practice.
- Fair and transparent

SECTION 3. POLICY DEVELOPMENT

Minnesota's cannabis law passed in 2023 and established a regulatory framework for the state's new cannabis industry. This law created the new Office of Cannabis Management. The state guidelines are outlined in Chapter 342 of Minnesota State Statute. The rules governing Minnesota's adult-use cannabis industry are formally adopted and in effect, after being approved by an administrative law judge and published in the Minnesota State Register on Monday, April 14. The Office of Cannabis Management can now begin issuing licenses to those business types that are not capped and do not require a lottery. We play a critical role in the licensing process, as we are required to provide certification of zoning compliance for all license types and we also must issue a local retail registration, before any operation can commence in Red Wing.

Five license types eligible to conduct cannabis retail activity and will need to seek a retail registration from the city to operate are as follows:

- Cannabis retailers

- Microbusinesses w/retail endorsement
- Mezzobusinesses w/retail endorsement
- Medical Cannabis combination businesses
- Lower-potency hemp edible retailers

The Office of Cannabis Management has outlined some minimum requirements for local governments to follow and outlined the maximum registration fees and renewal fees that may be charged. The City will be accepting registration applications during a specified fifteen (15) calendar days application window that will begin once the first application for a cannabis retail registration is submitted and determined to be complete. If multiple valid retail registration applications, exceeding the number of retail registrations permitted under Section 6.28, are received, the issuance of retail registrations shall be in accordance with the criteria stated in our review process below.

SECTION 4. REVIEW, SCORING AND SELECTION PROCESS

A. Phase I – Initial Application Submittal and Determination of Completeness: This is an initial brief overview of the application to determine whether it is complete and contains the required submittals outlined on the application. The first complete application would trigger **Phase II – Fifteen (15) Day Application Window Timeline.**

1. Applications that fail to contain/provide all the required submittals would be deemed incomplete and would not move forward. Staff would notify the applicant of the incomplete application determination.

B. Phase II – Fifteen (15) Calendar Day Application Window: After the first application for a cannabis retail registration is submitted and determined to be complete, the City will accept other retail registration applications for a period of fifteen (15) calendar days before beginning their review of all retail registration applications received during this application window.

1. The city shall post on its website that it has received a complete application and state the deadline for all other retail registration applications to be submitted.
2. The deadline shall be 4:30 pm on the fifteenth calendar day following that announcement, as noted on the website.
3. Any applications that fail to contain/provide all the required submittals would be deemed incomplete and would not move forward to the review or scoring phase. Staff would notify any applicant of the incomplete application determination.

C. Phase III – Criteria Evaluation, Review and Scoring: Should more than one (1) complete application be received within the fifteen (15) day application window; city staff will review any “complete” applications submitted and assign scores based on the criteria provided in this section.

1. Applicants will receive (1) point for each of the following standards that they meet:
 - i. If the proposed location will only be used for the retail sale of cannabis.

- ii. If the application is a resident of Red Wing. Applicants must provide proof of their residence in Red Wing, Minnesota at the time of application which may include any of the following:
 - a. The most recent Goodhue County property tax statement listing the applicant's name, a residential address in Red Wing, Minnesota and indicating a homestead status.
 - b. A current housing lease agreement in Red Wing, Minnesota naming the applicant as a lessee.
 - c. A State of Minnesota issued identification card showing the applicant's name and residential address in Red Wing, Minnesota.
2. Applicants will receive one (1) point if they meet the following standard:
 - i. If the proposed location is a single-tenant building, rather than where two or more business uses are located within one structure or on one property.
3. Applicants can receive up to two (2) points based on the completeness of the business plan submitted. A complete business plans should contain the following: owner experience, qualifications, budget, capitalization, pro forma, and daily operation procedures.
4. Applicants can receive up to two (2) points based on the completeness of their preliminary safety and security plan. This should be a description of planned safety and security measures for the site/business.
5. Applicants will receive one (1) additional point for including a ventilation and odor control plan detailing how odor impacts will be prevented and mitigated.
6. Applicants will receive two (2) additional points for including a neighborhood compatibility plan outlining how they will respond to complaints to neighborhood nuisances related to noise, light, odor, litter, vehicle and pedestrian traffic.
7. After being evaluated and scored through Phase III, applicants who submitted complete retail registration applications would be ranked from highest to lowest to establish an eligibility list. The highest score possible would be 10 points.
8. The City reserves the right to request and obtain additional information from any applicant who advances to Phase III and Phase IV.

<u>Criteria Evaluation Summary</u>	<u>Yes</u>	<u>No</u>	<u>Points Possible</u>	<u>Points Awarded</u>
Retail Sale Only			1	
Red Wing Resident			1	
The proposed business location is a single-tenant building			1	
Business plan submitted			2	
Preliminary safety and security plan included			2	
Odor control plan included			1	
Neighborhood compatibility plan included (not required but bonus points for including)			2	
Total			10	

D. Phase IV – Final Selection for Retail Registration Approval

1. The eligibility list and applications for cannabis business retail registration would be forwarded to the City Council for review and final selection to determine which applicant is eligible to receive a City of Red Wing retail registration. The final

selection would take place at a public meeting where applicants would have the opportunity to address the City Council and answer any additional questions prior to the City Council making a final decision. The City Council has the authority to choose from any of the applicants on the eligibility list.