



CITY COUNCIL MEETING AGENDA

Monday, October 27, 2025 5:00 PM

CALL TO ORDER: Pursuant to due notice and call thereof, a Regular meeting of the Grand Rapids City Council will be held on Monday, October 27, 2025 at 5:00 PM in City Hall Council Chambers, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

CALL OF ROLL:

PROCLAMATIONS/PRESENTATIONS:

1. Proclaim October 23, 2025 "goMARTI Day"

POSITIVE HAPPENINGS IN THE CITY:

PUBLIC FORUM:

COUNCIL REPORTS:

APPROVAL OF MINUTES:

2. Approve Council minutes for Tuesday, October 14, 2025 Regular meeting.

VERIFIED CLAIMS:

3. Approve the verified claims for the period October 7, 2025 to October 20, 2025 in the total amount of \$1,373,317.33.

CONSENT AGENDA:

- 4. Consider approving revised starting date for seasonal employee, Jim Columbus.
- <u>5.</u> Consider approving Maintenance Winter (Public Works) rehires for the 2025-2026 Winter season.
- <u>6.</u> Consider hiring and rehiring PT and Seasonal Civic Center Employees.
- 7. Consider approving 3.2 On-sale license for My Place Hotel
- 8. Consider approving 2026 liquor license renewals.
- 9. Consider Voiding Lost Accounts Payable Check and Issue Replacement Check.

- 10. Consider authorizing the sale of surplus golf maintenance equipment through the sealed bid process.
- 11. Adopt a Resolution Accepting a State of MN Grant in the amount of \$7,836.00 for the Vehicle Gate Replacement Project at the Grand Rapids/Itasca County Airport
- 12. Consider approving new On-Sale Wine License and 3.2 On-sale beer license for Fuji Grand Rapids MN.

SET REGULAR AGENDA:

ADMINISTRATION:

13. Consider resignation from Christa Roerick from her positions at the Grand Rapids Area Library effective October 31, 2025.

POLICE:

<u>14.</u> Consider adopting a resolution accepting donations from the Blandin Foundation for 2025 National Night Out.

PUBLIC HEARINGS: (scheduled to begin no earlier than 5:00 PM)

15. Conduct a Public Hearing to consider the adoption of an Ordinance amending and updating sections of Chapter 30 Land Development Regulations and Chapter 14 Businesses.

COMMUNITY DEVELOPMENT:

16. Consider the recommendation of the Planning Commission regarding the adoption of an Ordinance amending and updating sections of Chapter 30 Land Development Regulations and Chapter 14 Businesses.

ADJOURNMENT:

NEXT REGULAR MEETING IS SCHEDULED FOR NOVEMBER 10, 2025 AT 5:00 PM

Hearing Assistance Available: This facility is equipped with a hearing assistance system.

MEETING PROTOCOL POLICY: Please be aware that the Council has adopted a Meeting Protocol Policy which informs attendees of the Council's desire to conduct all City meetings in an orderly manner which welcomes all civil input from citizens and interested parties. If you are unaware of the policy, copies (orange color) are available in the wall file by the Council entrance.

ATTEST: Kimberly Gibeau, City Clerk



DECLARING OCTOBER 23, 2025 AS "goMARTI DAY"

WHEREAS, goMARTI (Minnesota's Advanced Rural Transit Innovations) launched in September 2022 as a pioneering pilot program to provide innovative, autonomous, on-demand microtransit service in rural Minnesota's challenging winter conditions; and

WHEREAS, goMARTI has successfully provided over 30,000 rides, earning a 94% repeat ridership rate with a 5/5 approval rating, demonstrating strong community support and trust; and

WHEREAS, goMARTI 2.0 has expanded to serve approximately over 150 pickup and drop-off locations, now connecting Grand Rapids with LaPrairie, Cohasset, Deer River, and Ball Club, including locations and residents within the Leech Lake Band of Ojibwe Reservation; and

WHEREAS, this innovative service provides free, accessible transportation through a diverse fleet including autonomous vehicles, fully electric vehicles, hybrid-electric vehicles, and wheelchair-accessible vehicles, ensuring mobility for all residents regardless of ability or economic circumstances; and

WHEREAS, goMARTI has created over 25 new jobs in our community and serves as a model for bringing advanced transportation technology to rural communities, positioning Grand Rapids as a leader in the "smart rural" movement; and

WHEREAS, goMARTI supports community independence, connection, and economic growth by helping residents and visitors reach jobs, healthcare, schools, shopping, and cultural destinations; and

WHEREAS, October 23, 2025 marks a celebratory Media Day and Community Event at the Judy Garland Museum to showcase the successful expansion of goMARTI 2.0 service.

NOW THEREFORE, I, Tasha Connelly, Mayor of the City of Grand Rapids, do hereby proclaim October 23, 2025 as:

"goMARTI Day"

in the City of Grand Rapids and encourage all residents to celebrate this innovative transportation service that connects our community and demonstrates what is possible when technology is tailored to meet the real-world needs of rural residents.

IN WITNESS WHEREOF, I have hereto subscribed my name and the seal of the City of Grand Rapids, Minnesota, this 27th day of October, Two thousand twenty-five.

Tasha Connelly, Mayor City of Grand Rapids





CITY COUNCIL MEETING MINUTES

Tuesday, October 14, 2025 5:00 PM

Mayor Connelly called the meeting to order at 5:00 PM.

PRESENT: Mayor Tasha Connelly, Councilor Molly MacGregor, Councilor Tom Sutherland, Councilor Rick Blake, Councilor Dan Mertes

STAFF: Kimberly Gibeau, Chad Sterle, Kevin Ott, Travis Cole, Dale Anderson, Erik Scott, Chery Pierzina, Dale Schneider, Jeremy Nelson

POSITIVE HAPPENINGS IN THE CITY:

Mayor Connelly read the Resolution establishing Indigenous People's Day for the City of Grand Rapids. Recognized section finals for various high school sports teams and acknowledged students participating.

PUBLIC FORUM:

COUNCIL REPORTS:

Councilor Blake discussed housing meeting he attended on October 8th in Hibbing and provided overview.

Mayor Connelly provided overview of City/County Co-Op meeting and Joint PUC meeting, including GRPUC rate study.

Councilor Sutherland noted that the City of Grand Rapids hosted national grouse hunt.

Councilor MacGregor shared that there will be a dedication ceremony for the new public art swing on Monday, October 20th at 4:00 PM at site of installation.

APPROVAL OF MINUTES:

1. Approve minutes for Monday, September 22, 2025 Worksession and Regular meetings.

Motion made by Councilor Mertes, Seconded by Councilor Sutherland to approve Council minutes as presented. Voting Yea: Mayor Connelly, Councilor MacGregor, Councilor Sutherland, Councilor Blake, Councilor Mertes

VERIFIED CLAIMS:

2. Approve the verified claims for the period September 16, 2025 to October 6, 2025 in the total amount of \$2,629,301.52.

Motion made by Councilor MacGregor, Seconded by Councilor Blake to approve the verified claims as presented. Voting Yea: Mayor Connelly, Councilor MacGregor, Councilor Sutherland, Councilor Blake, Councilor Mertes

CONSENT AGENDA:

3. Consider adopting a resolution approving master lease with Huntington National Bank for Toro equipment for Pokegama Golf Course

Adopted Resolution 25-65

- 4. Consider entering into a Cleaning Services Agreement with Northwoods Cleaning Company at Yanmar Arena.
- 5. Adopt a Resolution Accepting a State Grant in the amount of \$35,566.00 for the Taxiway A South Reconstruction Project and the Taxiway A North Design Project at the Grand Rapids/Itasca County Airport and authorize the Mayor and City Clerk to execute.

Adopted Resolution 25-66

- 6. Consider approving trade of retired squad car to Itasca County Sheriff's Office for Law Enforcement Pursuit Intervention training for Grand Rapids Police Officers.
- 7. Consider Voiding Lost Accounts Payable Checks and Issue Replacement Checks.
- 8. Consider adopting a resolution accepting a \$8,224 grant from the Minnesota Board of Firefighter Training and Education for the Grand Rapids Fire Department.

Adopted Resolution 25-67

9. Consider adopting a resolution accepting a \$150,000 grant from the IRRR Development Partnership Grant Program for the GoMarti 2.0 Project

Adopted Resolution 25-68

10. Consider termination of Katie LaTourelle, probationary employee with Grand Rapids Police Department.

Motion made by Councilor Blake, Seconded by Councilor Sutherland to approve the Consent agenda as presented. Voting Yea: Mayor Connelly, Councilor MacGregor, Councilor Sutherland, Councilor Blake, Councilor Mertes

SET REGULAR AGENDA:

Motion made by Councilor MacGregor, Seconded by Councilor Blake to approve the Regular agenda as presented. Voting Yea: Mayor Connelly, Councilor MacGregor, Councilor Sutherland, Councilor Blake, Councilor Mertes

CIVIC CENTER & PARKS:

11. Consider accepting a proposal from Rapids Plumbing & Heating to replace a nonfunctioning water heater at Yanmar Arena.

Motion made by Councilor MacGregor, Seconded by Councilor Mertes to accept proposal from Rapids Plumbing and Heating as presented. Voting Yea: Mayor Connelly, Councilor MacGregor, Councilor Sutherland, Councilor Blake, Councilor Mertes

FIRE:

12. Consider adopting a resolution accepting a \$250 donation from Members Cooperative Credit Union to the Grand Rapids Fire Department to purchase tools and safety equipment.

Motion made by Councilor Blake, Seconded by Councilor Mertes to **adopt Resolution 25-69**, accepting donation as presented. Voting Yea: Mayor Connelly, Councilor MacGregor, Councilor Sutherland, Councilor Blake, Councilor Mertes

There being no further business, the meeting adjourned at 5:16 PM.

Respectfully submitted:

Kimberly Gibeau Kimberly Gibeau, City Clerk

CITY OF GRAND RAPIDS BILL LIST - October 27, 2025 Summary Report

VENDOR NAME/INVOICE #	AMOUNT
ACHESON TIRE INC	415.00
BETZ EXTINGUISHER COMPANY	67.50
BOBCAT OF DULUTH INC	545.53
BURGGRAF'S ACE HARDWARE	459.05
CARQUEST AUTO PARTS	255.38
CENTRAL MCGOWAN, INC	31.00
CLAREY'S SAFETY EQUIPMENT INC	1,641.63
COLE HARDWARE INC	76.67
DAVIS OIL INC	1,581.76
DONDELINGER DODGE	334.85
EHLERS AND ASSOCIATES INC	368.75
FASTENAL COMPANY	2,519.49
GALLS LLC	57.09
GARTNER REFRIGERATION CO	1,428.76
GOVCONNECTION INC	742.80
GRAND RAPIDS HERALD REVIEW	57.50
GUARDIAN PEST SOLUTIONS, INC	70.00
HAWKINSON CONSTRUCTION CO INC	2,037.84
HAWKINSON SAND & GRAVEL	2,571.50
HERC-U-LIFT INC	139.21
KTJ 435 LLC	600,000.00
KUTAK ROCK LLP	228.00
L&M SUPPLY	402.55
LAKE SUPERIOR CUTTING EDGE LLC	490.00
LATVALA LUMBER COMPANY INC.	270.27
LEFTYS TENT & PARTY RENTAL	80.14
MADDEN GALANTER HANSEN, LLP	1,350.00
MCCOY CONSTRUCTION & FORESTRY	252.77
MOMEMTUM ADVOCACY, LLP	2,000.00
NAPA SUPPLY OF GRAND RAPIDS	25.09
NORTHERN FIRE SUPPRESSION INC	1,625.00
NORTHLAND LAWN & SPORT, LLC	882.50
NOR-TRAN INC.	900.00
ODAY EQUIPMENT LLC	21.67
POKEGAMA ELECTRIC INC	1,964.65
PROFESSIONAL TURF & RENOVATION	11,231.85
RAILROAD MGMNT COMPANY III LLC	871.62
RAPID GARAGE DOOR COMPANY INC	12,129.00
RTVISION INC	1,315.07
SAFETY KLEEN SYSTEMS INC	301.79
SANDSTROM'S INC	535.19
SCHOOL DISTRICT #318	469,490.66

Item 3.

CITY OF GRAND RAPIDS BILL LIST - October 27, 2025 Summary Report

SEH - GRAND RAPIDS	28,126.39
SENSAPHONE	299.40
SHERWIN-WILLIAMS	281.19
SHI INTERNATIONAL CORP	31,791.90
STATT LLC	1,015.00
TROUT ENTERPRISES INC	708.00
U.S. DEPARTMENT OF AGRICULTURE	1,975.12
VESTIS GROUP, INC	235.88
W.W. WALLWORK INC	159.45
ZIX CORP SYSTEMS INC	65.93

TOTAL UNPAID TO BE APPROVED IN THE SUM OF: \$ 1,186,427.39

CHECKS ISSUED/PRIOR APPROVAL:

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V00005 CODY KRASKEY	Bill #100225	69.00
V00024 MOLLY MACGREGOR	Bill #101625	118.40
V00532 LEAGUE OF MN CITIES INS TRUST	Bill #25201	682.50
V00572 THOMAS BEAUDRY	Bill #093025	6,729.38
V00572 THOMAS BEAUDRY	Bill #101425-G	3,126.22
V00710 ENTERPRISE FM TRUST	Bill #FBN5461956	35,316.12
V00747 MARTY BRINK	Bill #100225	69.00
V00878 AT&T MOBILITY	Bill #26030611	2,490.48
V00891 CONSTELLATION NEWENERGY-GAS DIV	Bill #4432117	645.67
V00908 CANON FINANCIAL SERVICES, INC	Bill #41950662-G	45.48
V00908 CANON FINANCIAL SERVICES, INC	Bill #41950663	62.01
V01066 CENTURYLINK QC	Bill #333931501/Oct25	127.00
V01066 CENTURYLINK QC	Bill #334014654/Oct25	66.00
V01066 CENTURYLINK QC	Bill #334015245/Oct25	66.00
V02023 JAMIE TURNBULL	Bill #100925	38.66
V02113 MICHAEL J. MCINERNEY	Bill #100225	69.00
V02129 WILLIAM SAW	Bill #101525	20.00
V02144 MINNESOTA ENERGY RESOURCES	Bill #0502903931-02/Sep25	48.77
V02144 MINNESOTA ENERGY RESOURCES	Bill #0507783569-01/Sep25-L	45.00
V02271 VISIT GRAND RAPIDS INC	Bill #LDGTAX/JUL25	66,181.75
V03482 MINNESOTA MN IT SERVICES	Bill #DV25090430	467.35
V03517 Kevin Ott	Bill #100725	77.47
V03792 MN DEPT OF LABOR & INDUSTRY	Bill #ALR0181502X	145.00
V03792 MN DEPT OF LABOR & INDUSTRY	Bill #ALR0180503X-C	145.00
V03831 NORTHERN DRUG SCREENING INC	Bill #16341	95.00
V03967 LOFFLER COMPANIES INC	Bill #40314446	447.80
V03984 ASHLEY MORAN	Bill #101725	1,914.22
V04114 MARCO TECHNOLOGIES, LLC	Bill #INV14382650	97.85

Item 3.

CITY OF GRAND RAPIDS BILL LIST - October 27, 2025 Summary Report

V04114 MARCO TECHNOLOGIES, LLC	Bill #565818259-L	165.65
V04119 ICTV - Grand Rapids	Bill #PB/3RDQTR25/FEES	19,088.03
V04174 MINNESOTA UNEMPLOYMENT COMP F	D Bill #7974595/3RDQTR25	2,023.70
V04249 US BANK	Bill #7902125	500.00
V04249 US BANK	Bill #7901598	600.00
V04249 US BANK	Bill #7901400	600.00
V04249 US BANK	Bill #7902126	500.00
V04302 VISA	Bill #6170/SEP25	2,904.75
V04302 VISA	Bill #9403/SEP25	1,539.47
V04317 KEVIN KOETZ	Bill #100225.	69.00
V04366 LAKE COUNTRY POWER	Bill #8705029400/Sep25	52.73
V04382 PUBLIC UTILITIES COMMISSION	Bill #Yanmar/Sept25	13,558.20
V04382 PUBLIC UTILITIES COMMISSION	Bill #Public Works/Sept25	8,968.51
V04382 PUBLIC UTILITIES COMMISSION	Bill #Golf Course/Sept25-G	2,822.91
V04382 PUBLIC UTILITIES COMMISSION	Bill #EDA/Sept25-E	328.61
V04382 PUBLIC UTILITIES COMMISSION	Bill #Fire H/Sept25	927.29
V04382 PUBLIC UTILITIES COMMISSION	Bill #City Hall/Sep25	2,321.86
V04382 PUBLIC UTILITIES COMMISSION	Bill #Kent Property/Sept25-E	129.62
V04382 PUBLIC UTILITIES COMMISSION	Bill #Lib/Sept25-L	1,413.31
V04382 PUBLIC UTILITIES COMMISSION	Bill #EV Chg Stn/Sept25	53.40
V04382 PUBLIC UTILITIES COMMISSION	Bill #DACF/Sept25	690.26
V04382 PUBLIC UTILITIES COMMISSION	Bill #STREET LIGHTS/SEPT25	8,226.51

TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF: \$ 186,889.94

TOTAL ALL DEPARTMENTS: \$ 1,373,317.33





AGENDA DATE: October 27, 2025

AGENDA ITEM: Consider approving revised starting date for seasonal employee, Jim

Columbus.

PREPARED BY: Chery Pierzina, Human Resources Officer

BACKGROUND:

In September, Jim Columbus was rehired as a seasonal Maintenance – Winter (Public Works) worker, on an as needed basis beginning October 1, 2025 through March 31, 2026, with a rate of pay of \$22.50 per hour.

We are requesting to revise his starting date from October 1, 2025, to September 28, 2025. His rate of pay will remain at \$22.50 per hour and his seasonal employment will end no later than March 31, 2026.

REQUESTED COUNCIL ACTION:

Make a motion to approve the revised starting date for Jim Columbus from October 1, 2025, to September 28, 2025.





AGENDA DATE: October 27, 2025

AGENDA ITEM: Consider approving Maintenance – Winter (Public Works) rehires for the

2025-2026 Winter season.

PREPARED BY: Chery Pierzina, Human Resources Officer

BACKGROUND:

The Public Works Department utilizes intermittent employees to facilitate snow removal during the winter snow plowing season. We are recommending rehiring the following list of employees for the 2025-2026 winter season. These employees will work on an "as needed" basis from November 16, 2025, through May 16, 2026, in the position of Maintenance – Winter (Public Works), with a rate of pay of \$22.50 per hour:

Roger Bumgarner Marlon Lewandowski Scott Holm Dan Wilson Mike Holte

Mike Holte's seasonal position will be a shared position between the civic center and public works.

All costs associated with their employment have been included in the 2025 and 2026 budget.

REQUESTED COUNCIL ACTION:

Make a motion to approve rehiring the list of employees mentioned above, for the 2025-2026 winter season, working on an "as needed" basis from November 16, 2025, through May 16, 2026, in the position of Maintenance – Winter (Public Works), with a rate of pay of \$22.50 per hour.





AGENDA DATE: October 27, 2025

AGENDA ITEM: Consider hiring and rehiring PT and Seasonal Civic Center Employees.

PREPARED BY: Chery Pierzina, Human Resources Officer

BACKGROUND:

Zachary Lagergren is a rehire. Dale Anderson would like to hire Zachary Lagergren for a PT Civic Center Arena Attendant II position, beginning November 18, 2025, through April 14, 2026, for no more than 28 hours per week, with an hourly rate of pay of \$18.00 per hour.

Caleb Gunderson is a rehire. Dale Anderson would like to hire Caleb Gunderson for a PT Seasonal Warming House Attendant beginning November 1, 2025, through March 31, 2026, with an hourly rate of pay of \$15.50 per hour.

Jackson Horn is a new hire. Dale Anderson would like to hire Jackson Horn for a PT Seasonal Civic Center Arena Attendant II position, beginning on October 28, 2025, and ending no later than April 30, 2026, with an hourly rate of pay of \$18.00 per hour, and as PT Seasonal Warming House Attendant beginning November 1, 2025, through March 31, 2026, with an hourly rate of pay of \$15.00 per hour.

Benjamin Solem is a new hire. Dale Anderson would like to hire Benjamin Solem for a PT Seasonal Warming House Attendant beginning November 1, 2025, through March 31, 2026, with an hourly rate of pay of \$15.00 per hour.

Hudsen Helenius is a new hire. Dale Anderson would like to hire Hudson Helenius for a PT Seasonal Warming House Attendant beginning November 1, 2025, through March 31, 2026, with an hourly rate of pay of \$15.00 per hour.

These salaries are included in the 2025 and 2026 budget.

REQUESTED COUNCIL ACTION:

Make a motion to rehire and hire PT and Seasonal Civic Center Employees as mentioned above.





AGENDA DATE: October 27, 2025

AGENDA ITEM: Consider approving 3.2 On-sale license for My Place Hotel

PREPARED BY: Kimberly Gibeau

BACKGROUND:

My Place Hotel has submitted an application for a 3.2 On-sale license, located at 1140 SW 2^{nd} Avenue, Grand Rapids, MN. The completed application, proof of liability insurance and fees have been received.

REQUESTED COUNCIL ACTION:

Make a motion to approve 3.2 On-sale license for My Place Hotel, license to expire December 31, 2025.





AGENDA DATE: October 27, 2025

AGENDA ITEM: Consider approving 2026 liquor license renewals.

PREPARED BY: Kimberly Gibeau

BACKGROUND:

Liquor licenses will expire on December 31, 2025. Please consider approving the following liquor license renewals for 2026 contingent upon receipt of all required documentation, proof of insurance and fees.

El Potro Mexican Restaurant Forest Lake Restaurant Apple Minnesota Frontier Liquors Fuji Japanese Restaurant **Holiday Station Stores Hotel Rapids** Itasca Curling Assoc. American Legion Moose Lodge VFW Club Boulder Tap House **Dutch Room** Eagles Club La Tequila Taco Shop NoPo Coffee Pokegama Grill Pokegama Plaza Liquor

Rapids Brewing Sammy's Pizza SuperOne Foods

SuperOne Liquor Thunder Alley XL Timberlake Lodge Hotel

Klockow Brewing Co. UnWined Up North Walmart Ledger & Ladle The Pine Restaurant The Tied

REQUESTED COUNCIL ACTION:

Make a motion to approve liquor license renewals for 2026 contingent upon receipt of required documentation, proof of insurance and fees.





AGENDA DATE: October 27, 2025

AGENDA ITEM: Consider Voiding Lost Accounts Payable Check and Issue Replacement

Check.

PREPARED BY: Laura Pfeifer

BACKGROUND:

Accounts payable check #160572 issued to Burggraf's Ace Hardware on June 24, 2025 for \$899.33 is lost. An authorized representative of payee has completed the required Affidavit of Lost Check.

REQUESTED COUNCIL ACTION:

Make a motion to void lost accounts payable check #160572, issue new check and waive bond requirements for the check to Burggraf's Ace Hardware for the amount of \$899.33.

AFFIDAVIT

STATE OF

) Minnesota

) SS

COUNTY OF

) Itasca

Burggraf's Ace Hardware, being first duly sworn on oath, states that he/she resides at 1115 East Highway 169, Grand Rapids, MN, 55744 and that he/she is the payee named in a check number 160572, issued to Burggraf's Ace Hardware, drawn by City of Grand Rapids dated 6/24/25, for the sum of \$899.33; that to my knowledge this check was never endorsed by me, that I did not authorize anyone to endorse it for me, and that the circumstances of the loss or destruction of the check are as follows:

Accounts Payable lost check

I am making this Affidavit in conjunction with my request that the **City of Grand Rapids** issue a duplicate check. I understand that I make this Affidavit under oath and that I may be subject to criminal penalty if my statements in this Affidavit are false.

SIGNED

Subscribed and sworn to before me

This 2

day of

, 20

JE My

JENNIFER L. DORR NOTARY PUBLIC MINNESOTA

Notary Public





AGENDA DATE: October 27, 2025

AGENDA ITEM: Consider authorizing the sale of surplus golf maintenance equipment

through the sealed bid process.

PREPARED BY: Kimberly Gibeau

BACKGROUND:

The golf course will be leasing new maintenance equipment for the 2026 season. Staff would like to submit a request for sealed bids to sell older equipment, asking for minimum bids for all equipment. Equipment for bid:

- Two Toro Reelmaster 3550-D, Model 03910
- One 2016 Toro Groundsmaster 4000D, Model 30448N, Rotary Mower

If approved, public notice will be made through publication in the Herald Review and the bid opening will take place on Wednesday, November 12, 2025 at 1:00 PM.

REQUESTED COUNCIL ACTION:

Make a motion to authorizing request for sealed bids for surplus golf maintenance equipment.





AGENDA DATE: October 27, 2025

AGENDA ITEM: Adopt a Resolution Accepting a State of MN Grant in the amount of

\$7,836.00 for the Vehicle Gate Replacement Project at the Grand

Rapids/Itasca County Airport

PREPARED BY: Matt Wegwerth

BACKGROUND:

This project includes the replacement of two vehicle gates the Grand Rapids / Itasca County Airport. The FAA will be covering 95% of the project costs, the State of Minnesota will cover 2.5% and the local share is 2.5%. The local share is split with the County 50/50, which equals a City amount of \$3,918.27.

This is a budgeted project for 2025.

REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution accepting a State of MN Grant, MnDOT Contract No. 1061260, in the amount of \$7,836.00 for the Vehicle Gate Replacement Project at the Grand Rapids/Itasca County Airport and authorize the Mayor and City Clerk to execute.

Council member introduced the following resolution and moved for its adoption:

RESOLUTION NO. 25-

A RESOLUTION ACCEPTING A \$7,836.00 GRANT FROM THE STATE OF MINNESOTA, MNDOT CONTRACT NO. 1061260, FOR THE VEHICLE GATE REPLACEMENT PROJECT AT THE GRAND RAPIDS/ITASCA COUNTY AIRPORT

WHEREAS, Minnesota State Statutes 465.03, states that cities may accept gifts of real or personal property, including money, and use them in accordance with the terms the donor prescribes; and

WHEREAS, every such acceptance shall be by resolution of the governing body adopted by two-thirds majority of its members,

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Grand Rapids, Itasca County, Minnesota, accepts the \$7,836.00 grant from the State of Minnesota, MnDOT Contract No. 1061260, for the Vehicle Gate Replacement Project at the Grand Rapids/Itasca County Airport and furthermore authorizes the Mayor and City Clerk to execute the associated grant agreement.

Adopted this 27 th day of October, 2025	
	Tasha Connelly, Mayor
Attest:	
Kimberly Johnson-Gibeau, City Clerk	

Councilmember seconded the foregoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.

State of Minnesota Department of Transportation Office of Aeronautics Airport Development Section

Encumber Funds Routing Slip

State Project Number: A3101-104 Expiration Date: 12/31/2029

FAA: 3-27-0037-031-2025 Agreement Number: 1061260 Vendor Number: 0000195352 Supplier Contract ID 276466

Municipality: CITY OF GRAND RAPIDS & ITASCA COUNTY Project: AIG-Reconstruct Perimeter Fencing (Vehicle Gates)

Encumber FAA: \$297,788.00 FY: 2026 Purchase Order Number: _____

Encumber State: \$7,836.00 FY: 2026 Purchase Order Number: ____

Encumber Mun: \$7,837.00

Route as Follows: Initials Date

Purchasing - Tina Skala TS 9/15/25

SL 9-15-25

Aeronautics Mail Stop: 410

STATE OF MINNESOTA	MnDOT Agreement #	1061260
ENCUMBRANCE WORKSHEET	Federal Project #	3-27-0037-031-2025
	State Project #	A3101-104

AGREEMENT TYPE (Check appropriately)	State Accounting In	formation	AMENDMENT INFO	RMATION
Annual Plan Agreement (APK)	Swift Contract (SC) ID #: 276466		Amendment No	Yes or No
Work Order Agreement (MWK)			If Yes:	•
■ T-Number:	Purchase Order (PO)	D #:	Amend Expiration	
■ SC #:	3000843708		Change Total Contract Amount	
Interagency (LAK)	Encumbered by:	Digitally signed by	Amendment Amoun	t
Partnership	Ti	Tina Skala Date:		÷.
Receivable	Date: Sk	cala 2025.09.15		
Payable		-05'00'		
Other Current Type GRK				

Agency	Fiscal Year	Vendor ID: 0000195352	Vendor location: 003	
TRANSPORTATION	2026	Vendor Name: CITY OF GRAND RAPIDS & ITASCA COUNTY		
Total Contract Amount: \$305,624.00		Amount of Contract for Current F	Y: \$305,624.00	

Accounting Line 1: Accounting Line 2: STATE FUNDS FEDERAL FUNDS		Accounting Line 3: M & O FUNDS			
Fund Code:	2720 1000	Fund Code:	3000	Fund Code:	2720
Fin. Dept.:	T7934100	Fin. Dept.:	T7934100	Fin. Dept.:	T7934100
Approp ID:	T790154	Approp ID:	T790015	Approp ID:	T790036
Category:	84101501	Category:	84101501	Category:	84101501
Account Code: City 441351 County 441301 Special 441501	441351	Account Code: City 441351 County 441301 Special 441501	441351	Account Code: City 441351 County 441301 Special 441501	
Project:	T0A21100	Project:	TMNFAA_AIG	Project:	T0A21100
Source Type:	4009	Source Type:	4010	Source Type:	4012
Amount to Encumber:	\$7,836.00	Amount to Encumber:	\$297,788.00	Amount to Encumber:	

Agreement Start Date (Upon execution)	Agreement Expiration Date	Encumbrance Requester (Please Print)
	12/31/2029	Shari LeBlanc
		Phone number
		651-234-7205



STATE OF MINNESOTA STATE AIRPORTS FUND GRANT AGREEMENT

This agreement is between the State of Minnesota, acting through its Commissioner of Transportation ("State"), and the Grand Rapids-Itasca County Airport Commission acting through its Grand Rapids City Council as Fiscal Agent for the Itasca County/Grand Rapids Airport ("Grantee").

RECITALS

- 1. Minnesota Statutes Chapter 360 authorizes State to provide financial assistance to eligible airport sponsors for the acquisition, construction, improvement, marketing, maintenance, or operation of airports and other air navigation facilities.
- 2. Grantee owns, operates, controls, or desires to own an airport ("Airport") in the state system, and Grantee desires financial assistance from the State for an airport improvement project (State Project #A3101-104) ("Project").
- 3. Grantee represents that it is duly qualified and agrees to perform all services described in this agreement to the satisfaction of the State. Pursuant to Minn.Stat.\\$16B.98, Subd.1, Grantee agrees to minimize administrative costs as a condition of this Agreement.

AGREEMENT TERMS

1. Term of Agreement, Survival of Terms, Project Plans, and Incorporation of Exhibits

- 1.1 Effective Date. This Agreement will be effective on the date the State obtains all required signatures under Minn. Stat. § 16B.98, Subd. 5. As required by Minn. Stat. § 16B.98 Subd. 7, no payments will be made to Grantee until this Agreement is fully executed. Grantee must not begin work under this Agreement until it is fully executed, and Grantee has been notified by the State to begin the work.
- 1.2 Expiration Date. This Agreement will expire on December 31, 2029, or when all obligations have been satisfactorily fulfilled, whichever occurs first.
- 1.3 **Survival of Terms.** All clauses which impose obligations continuing in their nature and which must survive in order to give effect to their meaning will survive the expiration or termination of this Agreement, including, without limitation, the following clauses: Airport Operations, Maintenance and Conveyance; Transfer of Interest; Indemnification; State Audits; Government Data Practices and Intellectual Property; Workers Compensation; Publicity and Endorsement; Governing Law, Jurisdiction and Venue; and Data Disclosure.
- 1.4 **Project Plans, Specifications, Descriptions.** Grantee has provided the State with the plans, specifications, and a detailed description of the Project which are on file with the State's Office of Aeronautics and are incorporated into this Agreement by reference.
- 1.5 Exhibits. Exhibit(s) A through B are attached and incorporated into this Agreement

2. Grantee's Duties

- 2.1 **Project Completion and Changes.** Grantee will complete the Project in accordance with the plans, specifications, and detailed description of the Project. Grantee will notify State's Authorized Representative in advance of any meetings taking place relating to the Project. Any changes to the plans or specifications of the Project after the effective date of this Agreement will be valid only if made by written amendment signed by the same parties who executed the original agreement, or their successors in office.
- 2.2 **Registered Engineer Designation.** If the Project involves construction, Grantee will designate a registered engineer to oversee the Project work. If, with the State's approval, Grantee elects not to have such services performed by a registered engineer, then Grantee will designate another responsible person to oversee such work.
- 2.3 **Policy Compliance.** Grantee will comply with all the required grants management policies and procedures of Minn.Stat.§16B.97, Subd. 4(a)(1).
- 2.4 **Asset Monitoring.** If Grantee uses funds obtained through this Agreement to acquire a capital asset, the Grantee is required to use that asset for a public aeronautical purpose for the normal useful life of the asset. Grantee may

- not sell or change the purpose of use for the capital asset(s) obtained with grant funds under this Agreement without prior written consent of the State and an amendment to this Agreement executed and approved by the same parties who executed and approved this Agreement, or their successors in office.
- 2.5 **Airport Operations, Maintenance, and Conveyance.** Pursuant to Minnesota Statutes §360.305, subd. 4(d)(1), Grantee must operate the Airport as a licensed, municipally owned public airport at all times of the year for a period of, **20 years** from the date Grantee receives final reimbursement under this Agreement. The Airport must be maintained in a safe, serviceable manner for public aeronautical purposes only.
- 2.6 **Transfer of Interest.** Without prior written approval from the State, Grantee will not transfer, convey, encumber, assign, or abandon its interest in the Airport or in any real or personal property purchased or improved under this Agreement. If the State approves such a transfer or change in use, the State may impose, at its sole discretion, conditions and/or restrictions on such transfer, with which Grantee must comply.
- 3. **Time.** Grantee must comply with all the time requirements described in this Agreement. In the performance of this Agreement, time is of the essence.
- 4. Cost Participation and Payment
 - 4.1 **Cost Participation.** Costs for the Project will be proportionate and allocated accordingly between the federal government, the State, and Grantee as described in **Exhibit B**.
 - 4.1.1 **Federal Funding.** The federal multiyear amount is an estimate only. These funds are not committed and are only available after being made so by the federal government. Federal funds for the Project will be received and disbursed by the State.
 - 4.1.1.1 Requests for Additional Federal Reimbursement. If Grantee intends to request additional federal reimbursement for Project costs, it must make all reasonable efforts to do so, and notify the State of the same, no later than thirty (30) days prior to the expiration of this Agreement. If federal reimbursement becomes available or is increased for the Project, the State will be entitled to recover from such federal funds an amount not to exceed the total state funds granted under this Agreement. Any further state match funding provided as part of this Agreement will be based on the State's current rate letter available at:
 - $\underline{https://www.dot.state.mn.us/aero/airport development/funding and grants.html}.$
 - 4.2 **Sufficiency of Funds**. Pursuant to Minnesota Rule 8800.2500, Grantee certifies that: (1) it presently has sufficient unencumbered funds available to pay for its share of the Project; (2) it has the legal authority to engage in the Project as proposed; and (3) the Project will be completed without undue delay.
 - 4.3 **Total Obligation.** The **State's total obligation** for all compensation and reimbursements to Grantee under this Agreement will not exceed **\$7,836.00**.
 - 4.4 Payment
 - 4.4.1 **Invoices.** Grantee will submit invoices for payment by credit application via email. The form Grantee will use to submit invoices can be found on the Airport development forms website:

 https://www.dot.state.mn.us/aero/airportdevelopment/forms.html. The State's Authorized Representative, as named in this Agreement, will review each invoice against the approved grant budget and grant expenditures to-date before approving payment. The State will promptly pay Grantee after Grantee presents an itemized invoice for the services actually performed and the State's Authorized Representative accepts the invoiced services. Invoices must be submitted timely and according to the following schedule: Invoices will be submitted timely and according to the following schedule: Upon completion of services.
 - 4.4.2 All Invoices Subject to Audit. All invoices are subject to audit, at the State's discretion.
 - 4.4.3 **Expiration of Reimbursement.** Grantee must submit all final invoices for reimbursement no later than ninety (90) calendar days after the expiration date of this Agreement. Any invoices received after this 90-day period will not be eligible for payment.
 - 4.4.4 **State's Payment Requirements**. The State will promptly pay all valid obligations under this Agreement as required by Minnesota Statutes §16A.124. The State will make undisputed payments no later than thirty (30) days after receiving Grantee's invoices for services performed. If an invoice is incorrect, defective or

- otherwise improper, the State will notify Grantee within ten (10) days of discovering the error. After the State receives the corrected invoice, the State will pay Grantee within thirty (30) days of receipt of such invoice.
- 4.4.5 **Grantee Payment Requirements.** Grantee must pay all Project contractors promptly. Grantee will make undisputed payments no later than thirty (30) days after receiving an invoice. If an invoice is incorrect, defective, or otherwise improper, Grantee will notify the contractor within ten (10) days of discovering the error. After Grantee receives the corrected invoice, Grantee will pay the contractor within thirty (30) days of receipt of such invoice.
- 4.4.6 **Grant Monitoring Visit and Financial Reconciliation**. If the State's total obligation is greater than \$50,000.00, the State will conduct at least one monitoring visit and financial reconciliation of Grantee's expenditures. If the State's total obligation is greater than \$250,000.00, the State will conduct annual monitoring visits and financial reconciliations of Grantee's expenditures
 - 4.4.6.1 The State's Authorized Representative will notify Grantee's Authorized Representative where and when any monitoring visit and financial reconciliation will take place, which state employees and/or contractors will participate, and which Grantee staff members should be present. Grantee will be provided notice prior to any monitoring visit or financial reconciliation. Prior to any scheduled monitoring visit or financial reconciliation, the State's Authorized Representative will notify Grantee which state employees and/or contractors will participate, and which Grantee staff members should be present. This schedule is subject to change at the State's sole discretion. Scheduling changes, if any, will be timely communicated to Grantee's Authorized Representative.
 - 4.4.6.2 Following a monitoring visit or financial reconciliation, Grantee will take timely and appropriate action on all deficiencies identified by the State.
 - 4.4.6.3 At least one monitoring visit and one financial reconciliation must be completed prior to final payment being made to Grantee.
- 4.4.7 **Closeout.** The State will determine, at its sole discretion, whether a closeout audit is required prior to final payment approval. If a closeout audit is required, final payment will be held until the audit has been completed. Monitoring of any capital assets acquired with grant funds will continue following grant closeout.
- 4.4.8 **Closeout Deliverables.** At the close of the Project, Grantee must provide the following deliverables to the State before the final payment will be released by the State:
 - 4.4.8.1 Electronic files of construction plans as both PDF and MicroStation compatible formats.
 - 4.4.8.2 Electronic files of as-builts as both PDF and MicroStation compatible formats.
 - 4.4.8.3 Electronic files of planning documents, including without limitation, airport layout plans and airport zoning plans, as PDF, MicroStation and GIS compatible formats.
- 4.5 Contracting and Bidding Requirements. Prior to publication, Grantee will submit to the State all solicitations for work to be funded by this Agreement. Prior to execution, Grantee will submit to the State all contracts and subcontracts between Grantee and third parties to be funded by this Agreement. The State's Authorized Representative has the sole right to approve, disapprove, or modify any solicitation, contract, or subcontract submitted by Grantee. All contracts and subcontracts between Grantee and third parties must contain all applicable provisions of this Agreement. The State's Authorized Representative will respond to a solicitation, contract, or subcontract submitted by Grantee within ten (10) business days.
- 5. Conditions of Payment. All services provided by Grantee under this Agreement must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law. No more than 95% of the amount due to Grantee under this Agreement will be paid by the State until it determines that Grantee has complied with all terms and conditions of this Agreement and has furnished all necessary records. In the event the Airport fails to pass any periodic inspection conducted by a representative of the State's Office of Aeronautics,

Grantee will not receive payment under this Agreement until all deficiencies identified by any such inspection have been rectified to the Office of Aeronautics' satisfaction.

6. Authorized Representatives

6.1 The State's Authorized Representatives Are:

Matt Lebens, North Region Airports Engineer; (matthew.lebens@state.mn.us) and/or Jessica McBroom, Grant Specialist; (jessica.mcbroom@state.mn.us), or their successor.

State's Authorized Representative has the responsibility to monitor Grantee's performance and the authority to accept the services provided under this agreement. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

6.2 Grantee's Authorized Representative is:

Matt Wegwerth, Director of Public Works/City Engineer

Phone: 218-326-7625

Email: mwegwerth@ci.grand-rapids.mn.us

City of Grand Rapids 420 North Pokegama Ave Grand Rapids, MN 55744

Or their successor. If Grantee's Authorized Representative changes at any time during the term of this agreement, Grantee must immediately notify the State.

7. Assignment; Amendments; Waiver; Agreement Complete; Electronic Records; Certification

- 7.1 **Assignment.** Grantee may neither assign nor transfer any rights or obligations under this Agreement without the prior written consent of the State and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this Agreement, or their successors in office.
- 7.2 **Amendments.** Any amendment to this Agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original agreement, or their successors in office.
 - 7.2.1 **FAA Letter Amendments.** Notwithstanding the foregoing, if the Federal Aviation Administration ("FAA") issues a Letter Amendment for this Agreement that results in an increase in the federal share of grant funds indicated in clause 4.1 herein, MnDOT's receipt of such Letter Amendment has the effect of automatically amending the total amount and respective shares granted under this Agreement without the requirement of a written amendment.
- 7.3 **Waiver.** If the State fails to enforce any provision of this Agreement, that failure does not waive the provision or the State's right to subsequently enforce it.
- 7.4 **Agreement Complete.** This Agreement contains all negotiations and agreements between the State and Grantee. No other understanding regarding this Agreement, whether written or oral, may be used to bind either party.
- 7.5 **Electronic Records and Signatures.** The parties agree to contract by electronic means. This includes using electronic signatures and converting original documents to electronic records.
- 7.6 **Certification.** By signing this Agreement, Grantee certifies that it is not suspended or debarred from receiving federal or state awards.
- 8. **Liability and Indemnification.** Each party is responsible for its own acts, omissions, and the results thereof to the extent authorized by law and will not be responsible for the acts or omissions of others, or the results thereof. Minnesota Statutes § 3.736 and other applicable law govern liability of the State. Minnesota Statutes Chapter 466 and other applicable law govern liability of Grantee. Notwithstanding the foregoing, Grantee will indemnify, hold harmless, and defend (to the extent permitted by the Minnesota Attorney General) the State against any claims, causes of actions, damages, costs (including reasonable attorneys' fees), and expenses arising in connection with the services performed under this Agreement, asserted by, or resulting from the acts or omissions of, Grantee's contractors, consultants, agents or other third parties under the direct control of Grantee.

9. **State Audits.** Under Minn. Stat. § 16B.98 Subd. 8, the books, records, documents, and accounting procedures and practices of Grantee, or those of any other party relevant to this Agreement, or transactions resulting from this Agreement, are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six (6) years from: (1) the expiration or termination of this Agreement, (2) the receipt and approval of all final reports, or (3) the period of time required to satisfy all state and program retention requirements (available at: https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=10358099), whichever is later. Grantee will take timely and appropriate action on all deficiencies identified by an audit.

10. Government Data Practices and Intellectual Property Rights

10.1 Government Data Practices. Grantee and the State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by the State under this Agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by Grantee under this Agreement. The civil remedies of Minn. Stat. §13.08 apply to the release of the data referred to in this clause by either Grantee or the State. If Grantee receives a request to release the data referred to herein, Grantee must immediately notify the State and consult with the State as to how Grantee should respond to the request. Grantee's response to the request must comply with applicable law.

10.2 Intellectual Property Rights.

10.2.1 **Ownership.** The State owns all rights, title and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks and service marks in the Works and Documents created and paid for under this Agreement. "Works" means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes and disks conceived, reduced to practice, created or originated by Grantee, its employees, agents and subcontractors, either individually or jointly with others in the performance of this Agreement. Works includes Documents. "Documents" are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks or other materials, whether in tangible or electronic forms, prepared by Grantee, its employees, agents or subcontractors, in the performance of this Agreement. The Documents will be the State's exclusive property, and Grantee must immediately return all such Documents to the State upon completion or cancellation of this Agreement. To the extent possible, those Works eligible for copyright protection under the United States Copyright Act will be deemed to be "works made for hire." Grantee assigns all right, title and interest it may have in the Works and the Documents to the State. Grantee must, at the request of the State, execute all papers and perform all other acts necessary to transfer or record the State's ownership interest in the Works and Documents.

10.2.2 **Obligations**

- 10.2.2.1 **Notification**. Whenever any invention, improvement or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively reduced to practice by Grantee, including its employees and subcontractors, in the performance of this Agreement, Grantee will immediately give the State's Authorized Representative written notice thereof and must promptly furnish the State's Authorized Representative with complete information and/or disclosure thereon.
- 10.2.2.2 **Representation**. Grantee must perform all acts and take all steps necessary to ensure that all intellectual property rights in the Works and Documents are the sole property of the State and that neither Grantee nor its employees, agents or subcontractors retain any interest in and to the Works and Documents. Grantee represents and warrants that the Works and Documents do not and will not infringe upon any intellectual property rights of other persons or entities. Other indemnification obligations of this Agreement notwithstanding, Grantee will indemnify, defend, to the extent permitted by the Attorney General, and hold harmless the State from any action or claim brought against the State to the extent such action is based on a claim that all or part of the Works or Documents infringe upon the intellectual property rights of others. Grantee will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs and damages, including but not limited to, attorney s' fees. If such a claim or action arises, or in either party's opinion is likely to arise, Grantee, at the State's discretion, must either: (1) procure for the State the right or license to use the intellectual property rights

- at issue, or (2) replace or modify the allegedly infringing Works or Documents as necessary and appropriate to obviate the infringement claim. This remedy of State will be in addition to and not exclusive of other remedies provided by law.
- 11. Workers' Compensation. Grantee certifies that it is in compliance with Minn. Stat. §176.181 subd. 2, pertaining to workers' compensation insurance coverage. Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of Grantee's employees, as well as any claims made by any third party as a consequence of any act or omission on the part of Grantee's employees are in no way the State's obligation or responsibility.

12. Publicity and Endorsement

- 12.1 **Publicity.** Any publicity regarding the subject matter of this Agreement must identify the State as the sponsoring agency and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Agreement. All projects primarily funded by state grant appropriation must publicly credit the State of Minnesota, including on Grantee's website when practicable.
- 12.2 **Endorsement.** Grantee must not claim that the State endorses its products or services.
- 13. **Governing Law, Jurisdiction, and Venue.** Minnesota law, without regard to its choice-of-law provisions, governs this Agreement. Venue for all legal proceedings arising out of this Agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

14. Termination; Suspension

- 14.1 **Termination.** The State or Commissioner of Administration may unilaterally terminate this Agreement at any time, with or without cause, upon written notice to Grantee. Upon termination, Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.
- 14.2 **Termination for Cause.** The State may immediately terminate this Agreement if the State finds that there has been a failure to comply with the provisions of this Agreement, that reasonable progress has not been made, that fraudulent or wasteful activity has occurred, that Grantee has been convicted of a criminal offense relating to a state grant agreement, or that the purposes for which the funds were granted have not been or will not be fulfilled. The State may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.
- 14.3 **Termination for Insufficient Funding.** The State may immediately terminate this Agreement if:
 - 14.3.1 It does not obtain funding from the Minnesota Legislature; or
 - 14.3.2 If funding cannot be continued at a level sufficient to pay for the services contracted for under this Agreement. Termination must be by written or fax notice to Grantee. The State is not obligated to pay for any services that are performed after notice and effective date of termination. However, Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the Agreement is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State will provide Grantee notice of the lack of funding within a reasonable time of the State's receiving that notice.
- 14.4 **Suspension.** The State may immediately suspend this Agreement in the event of a total or partial government shutdown due to its failure to pass an approved budget by the legal deadline. Work performed by Grantee during a period of suspension will be deemed unauthorized and undertaken at risk of non-payment.
- 15. **Data Disclosure.** Under Minn. Stat. § 270C.65 subd. 3, and other applicable law, Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

- 16. **Fund Use Prohibited.** Grantee will not utilize any funds received pursuant to this Agreement to compensate, either directly or indirectly, any contractor, corporation, partnership, or business, however organized, which is disqualified or debarred from entering into or receiving a state contract. This restriction applies regardless of whether the disqualified or debarred party acts in the capacity of a general contractor, a subcontractor, or as an equipment or material supplier. This restriction does not prevent Grantee from utilizing these funds to pay any party who might be disqualified or debarred after Grantee has been awarded funds for the Project. For a list of disqualified or debarred vendors, see www.mmd.admin.state.mn.us/debarredreport.asp.
- 17. **Discrimination Prohibited by Minnesota Statutes §181.59.** Grantee will comply with the provisions of Minnesota Statutes §181.59 which requires that every contract for or on behalf of the State, or any county, city, town, township, school, school district or any other district in the state, for materials, supplies or construction will contain provisions by which Grantee agrees that:
 - 17.1 In the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no Grantee, material supplier or vendor, will, by reason of race, creed or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates;
 - 17.2 No Grantee, material supplier, or vendor, will, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified herein, or on being hired, prevent or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed or color;
 - 17.3 A violation of this Section is a misdemeanor; and
 - 17.4 This Agreement may be canceled or terminated by the State, or any county, city, town, township, school, school district or any other person authorized to enter into agreements for employment, and all money due, or to become due under said agreements, may be forfeited for a second or any subsequent violation of the terms or conditions of this Agreement.
- 18. **Limitation.** Under this Agreement, the State is only responsible for receiving and disbursing funds. Nothing in this Agreement will be construed to make the State a principal, co-principal, partner, or joint venturer with respect to the Project(s) covered herein. The State may provide technical advice and assistance as requested by Grantee; however, Grantee will remain responsible for providing direction to its contractors and consultants and for administering its contracts with such entities. Grantee's consultants and contractors are not intended to be third party beneficiaries of this Agreement.
- 19. **Telecommunications Certification.** By signing this Agreement, Grantee certifies that, consistent with Section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. 115-232 (Aug. 13, 2018), and 2 CFR 200.216, Grantee will not use funding covered by this Agreement to procure or obtain, or to extend, renew, or enter into any contract to procure or obtain, any equipment, system, or service that uses "covered telecommunications equipment or services" (as that term is defined in Section 889 of the Act) as a substantial or essential component of any system or as critical technology as part of any system. Grantee will include this certification as a flow down clause in any contract related to this Agreement.
- 20. **Title VI/Non-discrimination Assurances.** Grantee agrees to comply with all applicable US DOT Standard Title VI/Non-Discrimination Assurances contained in DOT Order No. 1050.2A, and in particular Appendices A and E, which can be found at: https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=11149035. Grantee will ensure the appendices and solicitation language within the assurances are inserted into contracts as required. The State may conduct a review of Grantee's compliance with this provision. Grantee must cooperate with the State throughout the review process by supplying all requested information and documentation to the State, making Grantee staff and officials available for meetings as requested, and correcting any areas of non-compliance as determined by the State.

21. Additional Provisions

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STATE ENCUMBRANCE VERIFICATION

The Individual certifies that funds have been encumbered as required by Minn. Stat. § 16A.15 and § 16C.05.

By/Date:
SWIFT Contract #
SWIFT Purchase Order #
GRANTEE The Grantee certifies that the appropriate person(s) have executed the grantee as required by applicable articles, bylaws, resolutions, or ordinances.
By:
Title:
Date:
By:
Title:
Date:
By:
Title:
Date:
By:
Title:
D.

DEPARTMENT OF TRANSPORTATION AS DELEGATED

By/Date:

•	
MnDOT CONTRACT MANAGEMENT	
By/Date:	

RESOLUTION

AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR AIRPORT IMPROVEMENT EXCLUDING LAND ACQUISITION

It is resolved by the **City of Grand Rapids** as follows:

1	1.	That the state of Minneso	ta Agreeme	nt No. <u>1061260</u> ,		
		"Grant Agreement for Air	port Improv	vement Excluding L	and Acquisition," for	
		State Project No. A3101-1	104 at the <u>G</u>	Frand Rapids/Itasca	a County Airport-Gord	<u>on</u>
		Newstrom Field Airport	t is accepted	d.		
2	2.	That the(Title)		and		_ are
		(Title))		(Title)	
		authorized to execute this	Agreement	t and any amendmen	nts on behalf of the	
		City of Grand Rapids.				
			CER	RTIFICATION		
STAT	Έ	OF MINNESOTA				
COLIN	JТ	Y OF				
		I certify that the above Re		a true and correct co	opy of the Resolution ac	lopted by the
			(Name	of the Recipient)		
at an a	aut	chorized meeting held on t	he	day of		, 20
as sho)W	n by the minutes of the me	eting in my	possession.		
				Signature:		
					(Clerk or Equivalent))
	C	ORPORATE SEAL	/OR/	NOT	ARY PUBLIC	
				My Commission Expir	es:	

RESOLUTION

AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR AIRPORT IMPROVEMENT EXCLUDING LAND ACQUISITION

It is resolved by the **County of Itasca** as follows:

1	1. That the sta	te of Minne	esota Agreen	nent No. <u>1061260</u> ,		
	"Grant Agre	eement for A	Airport Impr	ovement Excluding	Land Acquisition,"	for
	State Projec	et No. <u>A310</u>	1-104 at the	Grand Rapids/Itas	sca County Airport	-Gordon
	Newstrom	Field Airp	ort is accep	ted.		
2	2. That the			and		are
		T)	itle)		(Title)	
	authorized	to execute t	his Agreeme	ent and any amendm	nents on behalf of th	e
	County of	Itasca.				
			CE	ERTIFICATION		
STAT	E OF MINNE	SOTA				
COLIN	TY OF					
				is a true and correct	t copy of the Resolu	tion adopted by the
			(Nar	me of the Recipient))	
at an a	uthorized me	eting held o	n the	day of _		, 20
as sho	wn by the mir	nutes of the	meeting in n	my possession.		
				Signature:		
					(Clerk or Equi	valent)
	CORPORATE S	EAL	/ OR /	No	OTARY PUBLIC	
				My Commission Ex	pires:	

GRAND RAPIDS - ITASCA COUNTY



1500 SE 7th Avenue - Grand Rapids, MN 55744

September 9, 2025

EXHIBIT A

RE: Grand Rapids-Itasca County Airport 2025 IIJA/AIG Federal and State Grant Request

Matt Lebens, P.E.
Airport Development Engineer
Minnesota Department of Transportation
Office of Aeronautics
395 John Ireland Blvd.
St. Paul, MN 55155

Dear Mr. Lebens:

The City of Grand Rapids is requesting a Infrastructure Investment and Jobs Act (IIJA) / Airport Infrastructure Grant (AIG - Allocated) grant from the Federal Aviation Administration (FAA) for Federal Fiscal Year 2025. The grant request is for the design, construction, and construction administration for the vehicle gates of Grant Rapids – Itasca County Airport (GPZ) in Grand Rapids, Minnesota. Associated costs with this project are as follows:

TOTAL PROJECT COSTS:	\$ 313,461.00
City of Grand Rapids – Administrative Costs	\$ 2,500.00
Vehicle Gate Replacement (Century Fence Replacement)	\$ 218,561.00
Construction Administration (SEH)	\$ 54,300.00
Design (SEH)	\$ 38,100.00

The City of Grand Rapids is requesting federal FAA entitlement participation for this project at 95 percent (\$297,788), a state fund request of 2.5% (\$7,836) and a local share of 2.5% (\$7,837) for a total grant request of \$313,461.00.

Please contact me if you have any questions.

Toute Wegun

Sincerely,

Matt Wegwerth, PE

Public Works Director, City Engineer City of Grand Rapids, Minnesota Airport: Grand Rapids-Itasca County Airport

Airport Sponsor: Grant Rapids, MN

Ident: GPZ

UEI: VCKFMLCGNYW9

State Project No.: A3101-104 EXHIBIT B

Federal Project No.: GPZ-GLG-3-27-0037-031-2025

Agreement No.: 1061260

Project Description: AIG- Reconstruct Perimeter Fencing (Vehicle Gates)

		Funding Rates								
Construction	Description	Total	Federal	State		Federal		State		Local
	Vehicle Gate Replacement (Century Fence Replacement) \$	218,561.00	95.00%	2.50%	\$	207,632.95	\$	5,464.00	\$	5,464.00
	CONSTRUCTION SUBTOTAL \$	218,561.00			\$	207,632.95	\$	5,464.00	\$	5,464.00
Engineering	Description	Total	Federal	State		Federal		State		Local
	Vehicle Gate Replacement - Design (SEH) \$	38,100.00	95.00%	2.50%	\$	36,195.00	\$	952.50	\$	952.50
	Vehicle Gate Replacement - Construction Administration (SEH) \$	54,300.00	95.00%	2.50%	\$	51,585.00	\$	1,357.50	\$	1,357.50
			95.00%	2.50%	\$	-	\$	-	\$	-
			95.00%	2.50%	\$	-	\$	-	\$	-
			95.00%	2.50%	\$	-	\$	-	\$	-
	ENGINEERING SUBTOTAL \$	92,400.00			\$	87,780.00	\$	2,310.00	\$	2,310.00
Administration	Description	Total	Federal	State		Federal		State		Local
	City of Grand Rapids - Administrative Costs \$	2,500.00	95.00%	2.50%	\$	2,375.00	\$	62.00	\$	63.00
	ADMINISTRATION SUBTOTAL \$	2,500.00			\$	2,375.00	\$	62.00	\$	63.00
	Total (before adjustments) \$	313,461.00			\$	297,788.00	\$	7,836.00	\$	7,837.00
	Adjustments to round Fed amount	,			\$	297,788.00		7,836.00		7,837.00
	Grant Amounts \$ Overall Share Percentages	313,461.00			\$	297,788.00 95.00%		7,836.00 2.50%	\$	7,837.00 2.50%





AGENDA DATE: October 27, 2025

AGENDA ITEM: Consider approving new On-Sale Wine License and 3.2 On-sale beer

license for Fuji Grand Rapids MN.

PREPARED BY: Kimberly Gibeau

BACKGROUND:

Fuji Grand Rapids has changed ownership and does not currently have a license to serve alcohol. The new owners have submitted applications for an On-Sale Wine License with Strong Beer Authorization and 3.2 On-sale Beer License.

REQUESTED COUNCIL ACTION:

Make a motion to approve on-sale wine with strong beer authorization, 3.2 on-sale beer licenses contingent upon receipt of required documents, insurance and payment of prorated fees.





AGENDA DATE: October 27, 2025

AGENDA ITEM: Consider resignation from Christa Roerick, Grand Rapids Area Library

PREPARED BY: Chery Pierzina, Human Resources Officer

BACKGROUND:

On October 15, 2025, Christa Roerick submitted her resignation from her position as Library Public Services Clerk I and Interim Reference Librarian, effective October 31, 2025.

Christa began her employment with the Grand Rapids Area Library in June 2022. She is detail-oriented, efficient, and her contributions have been invaluable to the City. Christa has consistently provided outstanding customer service and has been a valued member of the library team. She will be greatly missed.

As a result of Christa's resignation, we now have an open Part-Time Library Public Services Clerk I position. We respectfully request authorization for Human Resources to begin the process of posting, advertising, interviewing, and hiring for this position beginning January 2026.

The Interim Reference Librarian hours will not be filled at this time.

REQUESTED COUNCIL ACTION:

Make a motion to accept the resignation from Christa Roerick from her position as Library Public Services Clerk I and interim Reference Librarian, effective October 31, 2025, and authorize Human Resources to begin the process of posting, advertising, interviewing, and hiring for the position of Library Public Services Clerk I in January 2026.

10/15/2025

To whom it may concern:

Please accept this letter as formal notification that I am resigning from my position as Public Service Clerk 1 and Interim Reference Librarian at the Grand Rapids Area Library. My final day of employment will be October 31, 2025.

Thank you for the opportunity to work in this position for the past 3 years. I have greatly enjoyed my time here and appreciate the experience and professional development I've gained.

During my final weeks, I am committed to training and will do my best to ensure a smooth transition of my responsibilities. Please let me know how I can assist with this process.

Sincerely,

Christa Roerick





REQUEST FOR COUNCIL ACTION

AGENDA DATE: October 27, 2025

AGENDA ITEM: Consider adopting a resolution accepting donations from the Blandin

Foundation for 2025 National Night Out.

PREPARED BY: Chief Andy Morgan

BACKGROUND:

National Night Out is an annual community-building event that promotes a stronger partnership between police and community. Grand Rapids Police Department has hosted numerous successful National Night Out gatherings in the past.

Somehow we failed to recognize Blandin Foundations 2025 donation on past RCAs.

• Blandin Foundation donated \$1,000

We greatly value continued partnerships with all.

REQUESTED COUNCIL ACTION:

Make a motion adopting a resolution accepting donations from the Blandin Foundation for the 2025 National Night Out.

Council member introduced the following resolution and moved for its adoption:

RESOLUTION NO. 25-

A RESOLUTION ACCEPTING A \$1,000 DONATION FROM THE BLANDIN FOUNDATION FOR 2025 NATIONAL NIGHT OUT EXPENDITURES

WHEREAS, Minnesota State Statutes 465.03, states that cities may accept gifts of real or personal property, including money, and use them in accordance with the terms the donor prescribes; and

WHEREAS, every such acceptance shall be by resolution of the governing body adopted by two-thirds majority of its members,

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Grand Rapids, Itasca County, Minnesota, accepts the listed donations and terms of the donors as follows:

• Blandin Foundation \$1,000 Donation

Adopted this 27 th day of October, 2025	
	Tasha Connelly, Mayor
Attest:	
Kimberly Johnson-Gibeau, City Clerk	<u></u>

Councilmember seconded the foregoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.





REQUEST FOR COUNCIL ACTION

AGENDA DATE: October 27, 2025

AGENDA ITEM: Conduct a Public Hearing to consider the adoption of an Ordinance

amending and updating sections of Chapter 30 Land Development

Regulations and Chapter 14 Businesses.

PREPARED BY: Will Richter, Zoning Administrator

BACKGROUND:

Last October, City Council amended the City Code to regulate cannabis businesses. Chapter 14 specifies <u>retail</u> licensed cannabis businesses shall be located in Central Business District, General Business, or Shoreland General Business zoning districts. The Office of Cannabis Management (OCM) is beginning to grant licenses for <u>production</u> cannabis businesses - subject to city zoning approval - making now the time to consider zoning requirements for those businesses. State law does not restrict local government zoning designations for cannabis businesses, except that a municipality may not prohibit the establishment or operation of a licensed cannabis business.

Considerations for licensed cannabis production zoning include the large amount of space required, high water and energy usage, and need for transportation to and from the facility. Another key consideration is OCM security requirements. These business attributes support zoning cannabis production and related activities within Industrial zoning districts. This is consistent with Office of Cannabis Management guidance and how other municipalities are zoning cannabis production related activities.

The Planning Commission has forwarded the following recommendation(s):

- 1. Amend 30-421 Definitions to include: Production licensed cannabis, means businesses licensed by the Office of Cannabis (OCM) for cultivation, processing / extraction, manufacturing, and wholesale activities.
- 2. Amend 30-512 Table 1 Permitted Uses to include production licensed cannabis as a permitted use in I-1, SI-1, I-2, and SI-2 zones.
- 3. Amend 14-187(a) to include: Production licensed cannabis businesses shall be located in Industrial Business Park, Shoreland Industrial Business Park, General Industrial Park, or Shoreland General Industrial Park zoning districts as defined in the City of Grand Rapids Zoning ordinance.

Both the Chapter 30 and Chapter 14 amendments were discussed at the October 2nd Planning Commission meeting and action taken to forward them with Planning Commission recommendation to the City Council for consideration as text amendments to the City Code.

REQUESTED COUNCIL ACTION:

Conduct a Public Hearing to consider amending and updating sections of Chapter 30 Land Development Regulations and Chapter 14 Businesses.



Planning Commission Staff Report

GRAND RAPIDS IT'S IN MINNESCIAS NATURE			
Agenda Item #	Community Development Department	Date: 10/02/25	
Statement of Issue:	Consider a recommendation to the City Council regarding amendments to Chapters 14 and 30 of the Municipal Code establishing a definition, permitted use listing, and zoning for production licensed cannabis businesses.		
Background:	Last October, City Council amended Chapter 14 of the City Code to regulate cannabis businesses. Chapter 14 Section 187 <i>Requirements for Cannabis Businesses</i> specifies retail licensed cannabis businesses shall be located in Central Business District, General Business, or Shoreland General Business zoning districts. The Office of Cannabis Management (OCM) is beginning to grant licenses for production cannabis businesses - subject to city zoning approval – making now the time to consider zoning requirements for those businesses. The City Council decides where to permit cannabis production and related activities within the city. State law does not restrict local government zoning designations for cannabis businesses, except that they may not prohibit the establishment or operation of a cannabis business. Considerations for cannabis production zoning include odor, amount of waste generated, water and energy usage, and potential need for transportation to and from the facility. Another key consideration is OCM security requirements. These business attributes support zoning cannabis production and related activities within Industrial zoning districts. This is consistent with Office of Cannabis Management guidance and how other municipalities are zoning cannabis production related activities. Separating businesses with retail and industrial production uses is consistent with the Comprehensive Plan.		
	Staff recommendation:		
	 Amend 30-421 Definitions to include: <i>Production</i> means businesses licensed by the Office of Cancultivation, processing / extraction, manufacturactivities. Amend 30-512 Table 1 Permitted Uses to include 	nabis (OCM) for ring, and wholesale	
	licensed cannabis as a permitted use in I-1, SI-1 3. Amend 14-187(a) to include: Production license businesses shall be located in Industrial Busines Industrial Business Park, General Industrial Parl	, I-2, and SI-2 zones. ed cannabis ss Park, Shoreland	

	General Industrial Park zoning districts as defined in the City of		
	Grand Rapids Zoning ordinance.		
Considerations:	The Planning Commission should make specific findings of fact regarding the proposed amendments to the ordinance:		
	 Will the change affect the character of the neighborhood? Will the change foster economic growth in the community? Would the proposed change be in keeping with the spirit and intent of the Zoning Ordinance? Would the change be in the best interest of the general public? Would the change be consistent with the Comprehensive Plan? 		
Recommendation:	Based on the above findings the Commission should consider a recommendation to the City Council regarding these draft changes.		
Required Action:	Pass a motion, based on the findings of fact, to forward either a favorable recommendation, either with or without changes to the draft amendments, to the City Council, or pass a motion, based on the findings of fact, forwarding an unfavorable recommendation to the City Council regarding and amendment to Chapter 30 of the Zoning Ordinance. Example Motion: Motion by, second by that, based on the findings of fact presented here today, and in the public's best interest, the Planning Commission does hereby forward a (favorable)(unfavorable) recommendation to the City Council regarding draft amendments to 30-421 Definitions, 30-512 Table 1 Permitted Uses, and 14-187(a) Zoning and Land Use.		
Attachments:	 Draft Text Amendments: Text Amendment Considerations Minnesota Office of Cannabis Management A Guide for Local Governments on Adult-Use Cannabis and Lower-Potency Hemp Edible Licenses Minnesota Administrative Rules - Cannabis 		



Text Amendment Public Hearing

Planning Commission Recommendation: Industrial Zoning for Production Licensed Cannabis

Grand Rapids City Council

October 27, 2025

Item 15.



Text Amendment Public Hearing

OVERVIEW

- Minnesota Cannabis Law (2023) established the Office of Cannabis Management (OCM) to regulate and license a legal cannabis industry. A municipality may establish zoning.
- City Council established zoning for retail cannabis operations and limited the number of retailers in October 2024.
- OCM is beginning to grant licenses for cannabis production businesses (cultivation, processing/extraction, manufacturing, and wholesale activities) - now is time to determine zoning for this use.
- *A municipality may not limit the number of licensed producers.

Item 15.



Text Amendment Public Hearing

Business Characteristics:

- Needs a large amount of space, high water and energy usage, and the potential need for transportation by commercial vehicles to and from facilities.
- OCM requires security measures for cannabis businesses including alarm systems, video surveillance, lighting, locks, and response protocol.

* OCM prohibits all licensed cannabis / hemp activities in a dwelling.



Text Amendment Public Hearing

OCM Guidance:

OCM's A Guide for Local Governments aligns licensed cannabis production uses with Industrial zoning.

Table 1: Cannabis and hemp business activities

Endorsed Activity	License Type Eligible to Do Endorsed Activity	Description of Activity	Comparable Districts	Municipal Considerations
Cultivation	Cultivator Mezobusiness Microbusiness Medical carnebts combination	"Cultivetson" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannable flower, hemp plants, or hemp plants parts.	Indoor: industrial, commercial, production Outdoor: agricultural	Odor Potential need for transportation from facility Waste, water, and energy usage Security
Cannebis manufacturing, processing, extraction	Manufacturer Mezzobusiness Medical cannabis combination	This group of endorsed activities turn raw, chied cannable and cannable parts into other types of cannable products, e.g. edibles or topicals.	Indoor: industrial, commercial, production	Odor Potential need for transportation from facility Whate, water, and energy usage Security
Hemp manufacturing	LPHE manufacturer	These businesses convert hemp into LPHE products.	indoor industrial, commercial, production	Odor Weste, water, and energy
Wholesale	Wholesale Cultivator Manufacturer Mezobusiness Microbusiness Medical cannabil combination UPHE wholesaler	This activity and license type allows a business to pluntess than a business growing or menufacturing cannebs or cannebs products and sell to a cannebs business engaged in restal.	Indoor industrial, commercial, production	Need for transportation from facility Security

MINNESOTA

Page 20



Text Amendment Public Hearing

<u>Comprehensive Plan:</u> Goals & Objectives related to <u>Land Use</u> (Chapter 4 Land Use)

Goal 2: Promote commercial development that serves local and regional markets.

a. Recognize distinct classes of commercial development that serve different markets are compatible within different land use and transportation contexts.

Item 15.



Text Amendment Public Hearing

Planning Commission Text Amendment Recommendations

- 1. Amend 30-421 Definitions to include: Production licensed cannabis, means businesses licensed by the Office of Cannabis Management (OCM) for cultivation, processing / extraction, manufacturing, and wholesale activities.
- 2. Amend 30-512 Table 1 Permitted Uses to include production licensed cannabis as a permitted use in I-1, SI-1, I-2, and SI-2 zones.
- 3. Amend 14-187(a) to include: Production licensed cannabis businesses shall be located in Industrial Business Park, Shoreland Industrial Business Park, General Industrial Park, or Shoreland General Industrial Park zoning districts as defined in the City of Grand Rapids Zoning ordinance.



Planning Commission Text Amendment Considerations:

Text Amendment Public Hearing

PLANNING COMMISSION

Considerations

ZONING ORDINANCE AMENDMENT

1. Will the change affect the character of neighborhoods?

Why/Why not?

2. Would the change foster economic growth in the community?

Why/Why not?

3. Would the proposed change be in keeping with the spirit and intent of the ordinance?

Why/Why not?

4. Would the change be in the best interest of the general public?

Why/Why not?

5. Would the change be consistent with the Comprehensive Plan?

Why/Why not?

Item 15.



Text Amendment Public Hearing

Planning Commission Findings:

- The amendments <u>will not</u> have an adverse effect on the character of neighborhoods. It will have a positive effect in that it will locate Production Licensed Cannabis with uses having similar characteristics in industrial zoning.
- The amendments will have a positive impact on economic growth in the community by providing clarity to the business community.
- That the amendment to Chapter 30 <u>would be</u> in keeping with the spirit and intent of the Zoning Ordinance by maintaining an updated Ordinance.
- That the amendments <u>would be</u> in the best interest of the public by locating Production Licensed Cannabis within Industrial zones.
- That the amendments <u>would be</u> consistent with the goals of the Comprehensive Plan, as the amendments will directly address allowed uses within specific municipal zones and promoting economic development.



Questions?



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Introduction

This guide serves as a general overview of **Minnesota's adult-use cannabis law**, and how **local governments** are involved. The guide also provides important information about Minnesota's Office of Cannabis Management (OCM), and OCM's structure, roles, and responsibilities. While medical cannabis continues to play an important role in the state's cannabis environment, this guide is primarily focused on the adult-use cannabis law and marketplace.

The following pages outline the variety of cannabis business licenses that will be issued, provide a broad summary of important aspects of the adult-use cannabis law, and cover a wide range of expectations and authorities that relate to local governments. This guide also provides best practices and important requirements for developing a local cannabis ordinance.

Minnesota Statutes, chapter 342 was established by the State Legislature in 2023, updated in 2024 and again in 2025. Mentions of "adult-use cannabis law" or "the law" throughout this guide refer to chapter 342 and the changes made to it.

The final draft state regulations governing the adult-use cannabis market (Adopted Expedited Permanent Rules Relating to Adult-Use Cannabis) were approved by an administrative law judge with the Office of Administrative Hearings, are fully adopted and have been in effect since their publication in the State Register at 6 a.m. on April 14, 2025. The rules are available at Minnesota Rules, chapter 9810.



This guide is not a substitute for legal advice, nor does it seek to provide legal advice. Local governments and municipal officials seeking legal advice should consult an attorney.



About OCM

Minnesota's **Office of Cannabis Management** is the state regulatory office created to oversee the implementation and regulation of the adult-use cannabis market, the medical cannabis program, and the consumer hemp industry.

Housed within OCM are the **Division of Medical Cannabis** (effective July 1, 2024), which operates the medical cannabis program, and the **Division of Social Equity**, which promotes development, stability, and safety in communities that have experienced a disproportionate, negative impact from cannabis prohibition and usage.



OCM, through Minnesota Statutes, chapter 342, is tasked with establishing rules and policy and exercising its regulatory authority over the Minnesota cannabis industry. In its duties, OCM is mandated to:

- Promote public health, safety, and welfare.
- Eliminate the illicit market for cannabis flower and cannabis products.
- Meet the market demand for cannabis flower and cannabis products.
- Promote a craft industry for cannabis flower and cannabis products.
- Prioritize growth and recovery in communities that have experienced a disproportionate, negative impact from cannabis prohibition.

OCM governs the application and licensing process for cannabis and hemp businesses, specific requirements for each type of license and their respective business activities and conducts enforcement and inspection activities across the Minnesota cannabis and hemp industries.



License Types

Minnesota law allows for **14** different types of business licenses, each fulfilling a unique role in the cannabis and hemp supply chain. In addition to license types below, OCM will also issue endorsements to license holders to engage in specific activities, including producing, manufacturing, and sale of medical cannabis for patients.

Cannabis business license types

Microbusiness

Microbusinesses may cultivate cannabis and manufacture cannabis products and hemp products, and package such products for sale to customers or another licensed cannabis business. Microbusiness may also operate a single retail location.

Mezzobusiness

Mezzobusinesses may cultivate cannabis and manufacture cannabis products and hemp products, and package such products for sale to customers or another licensed cannabis business. Mezzobusiness may also operate up to three retail locations.

Cultivator

Cultivators may cultivate cannabis and package such cannabis for sale to another licensed cannabis business.

Manufacturer

Manufacturers may manufacture cannabis products and hemp products, and package such products for sale to another licensed cannabis business.

Retailer

Retailers may sell immature cannabis plants and seedlings, cannabis, cannabis products, hemp products, and other products authorized by law to customers 21 years of age and older and to registered medical patients.



Wholesaler

Wholesalers may purchase and/or sell immature cannabis plants and seedlings, cannabis, cannabis products, and hemp products from another licensed cannabis business. Wholesalers may also import hemp-derived consumer products and lower-potency hemp edibles.

Transporter

Transporters may transport immature cannabis plants and seedlings, cannabis, cannabis products, and hemp products to licensed cannabis businesses.

Testing facility

Testing facilities may obtain and test immature cannabis plants and seedlings, cannabis, cannabis products, and hemp products from licensed cannabis businesses.

Event organizer

Event organizers may organize a temporary cannabis event lasting no more than four days.

Delivery service

Delivery services may purchase cannabis, cannabis products, and hemp products from retailers or cannabis business with retail endorsements for transport and delivery to customers 21 years of age and older.

Medical cannabis combination business

Medical cannabis combination businesses may cultivate cannabis and manufacture cannabis and hemp products, and package such products for sale to customers, patients, or another licensed cannabis business. Medical cannabis combination businesses may also transport adult-use cannabis and medical cannabis and deliver medical cannabis to patients. Medical cannabis combination businesses may operate up to one retail location in each congressional district.



Hemp business license types

Lower-potency hemp edible manufacturer

Lower-potency hemp edible manufacturers may manufacture and package lower-potency hemp edibles for consumer sale, and sell hemp concentrate and lower-potency hemp edibles to other cannabis and hemp businesses.

Lower-potency hemp edible retailer

Lower-potency hemp edible retailers may sell and deliver lower-potency hemp edibles to customers 21 years of age and older.

Lower-potency hemp edible wholesaler

Lower-potency hemp edible wholesalers may purchase and sell lower-potency hemp edible products to and from other licensed cannabis and hemp business. Wholesalers may also import and export lower-potency hemp edibles.

Each license is subject to further restrictions on allowable activities. Maximum cultivation area and manufacturing allowances vary by license type. Allowable product purchase, transfer, and sale between license holders are subject to restrictions in the law.



The Adult-Use Cannabis Law

Minnesota's adult-use cannabis law permits the personal use, possession, and transportation of cannabis by those 21 years of age and older, and allows licensed businesses to conduct cultivation, manufacturing, transport, delivery, and sale of cannabis and cannabis products.

For individuals

- Possession limits:
 - o Flower 2 oz. in public, 2 lbs. in private residence
 - Concentrate 8 g
 - Edibles (including lower-potency hemp) 800 mg THC
- **Consumption** only allowed on private property or at licensed businesses with on-site consumption endorsements. Consumption not allowed in public.
- Gifting cannabis to another individual over 21 years old for no remuneration is allowed, subject to possession limits.
- **Home cultivation** is limited to four mature and four immature plants (eight total) in a single residence. Plants must be in an enclosed and locked space.
- **Home extraction** using volatile substances (e.g., butane, ethanol) is not allowed.
- Unlicensed sales are not allowed.

For businesses

- Advertising:
 - o May not include or appeal to those under 21 years old.
 - o Must include proper warning statements.
 - o May not include misleading claims or false statements.
 - May not promote the use of cannabis and alcohol together.
 - Billboards are not allowed.
- The flow of all cannabis products through the supply chain must be tracked via Metrc, the state-authorized **tracking system**.
- All products sold to consumers and patients must be tested for contaminants by a licensed testing facility.
- Home delivery is allowed by licensed businesses, with the proper license or endorsement.

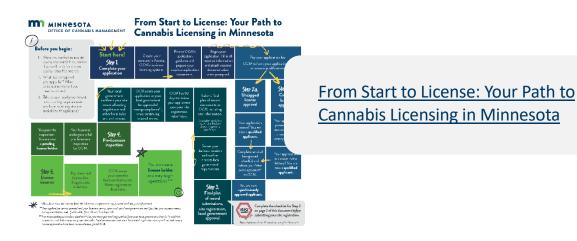


The Licensing Process

The licensing process launched in fall 2024 and continues in 2025. The most recent licensing window closed in March 2025. View the <u>Summary Application Data web page</u> to view current cannabis business license application status.

OCM held license application lotteries on June 5 for social equity and general applicants for three license types critical to establishing the supply chain in the state's emerging adult-use market: cannabis cultivator, cannabis manufacturer, and cannabis mezzobusiness. OCM also held a lottery for social equity applicants applying for a cannabis retailer license on June 5 and a lottery for general applicants for the cannabis retailer license—which included a second chance for social equity applicants not selected in the first lottery—on July 22, 2025.

For a graphic overview of the cannabis licensing process, OCM has created a visual representation and overview of licensing steps:



The licensing process for cannabis event organizer licenses launched on Aug. 1, 2025. There is a distinct process for cannabis event organizer licensing (Minnesota Statutes, section 342.39). Please see Page 13.

The licensing process for hemp business licenses (lower-potency hemp edible retailers, lower-potency hemp edible manufacturers, and lower-potency hemp edible wholesalers) will launch October 1, 2025. There is a distinct process for lower-potency hemp business licensing (Minnesota Statutes, section 342.44). Please see Page 14.



On June 2, 2025, OCM resumed accepting registrations for businesses seeking to sell hemp-derived cannabinoid products (HDCPs) to consumers. The window will remain open until August 31, making it possible for existing unregistered businesses to become compliant and for new businesses to become eligible to sell HDCPs (including hemp-derived THC beverages), during the busy summer season.

Registrants who do not apply for a license must immediately end all sales of HDCPs on October 31.

Cannabis business licensing and local governments: Applicant responsibility

All applicants and license holders are responsible for working with their local government to ensure successful zoning certification, compliance with state and fire building codes and, if applicable based on license type, the local retail registration process. This includes reviewing local ordinances and engaging with local governments to learn about the process for securing zoning compliance and any necessary permits for building and fire code. Applicants can utilize the notice of preliminary approval to demonstrate their readiness and progress in the process. Applicants should ask local governments what steps are necessary for their desired site location before submitting a site registration. See From Start to License: Your Path to Cannabis Licensing in Minnesota.

Applicants seeking to conduct retail sales should also gain an understanding how the local government will issue retail registrations (including if retail registrations will be limited). Local units of government have the statutory authority to limit retail registrations for three of the cannabis licenses (cannabis microbusinesses with retail endorsements, cannabis mezzobusinesses with retail endorsements, and cannabis retailers) if they desire, and applicants should understand this before making decisions about site locations.

OCM will not facilitate communication between applicants and units of local government and cannot mediate disputes as they relate to local zoning compliance or retail registration. For cannabis business licenses, OCM is required to ask each local unit of government where an applicant intends to locate a business if that business has met all zoning and use requirements, and if applicable, fire and building codes.



Step-by-step process for: Cannabis cultivator, manufacturer, retailer, mezzobusiness

- 1. Applicant completes application and submits application fees. If applicable, an applicant's social equity applicant (SEA) status may be verified.
- 2. Application vetted for minimum requirements by OCM.
- 3. Application (if qualified) entered into lottery drawing.
- 4. If selected in lottery, applicant completes background check process and submits attestation of labor peace agreement (LPA) in Accela.
- 5. If applicant successfully completes Steps 1-4, OCM issues preliminary approval to the applicant. Preliminarily approved retail applicants may now eligible to receive local retail registration.
- 6. Once prepared for final licensure, applicant with preliminary approval submits business location in Accela and updates application accordingly with final plans of record.
- 7. OCM forwards completed application to local government, which prompts an email notification from the licensing software system, Accela. Local governments should <u>sign up in Accela to prepare for zoning compliance certifications</u>.
- 8. OCM reviews application's final plans of record. If incomplete or non-compliant, OCM requests applicant to revise and resubmit plans.
- 9. Local government completes zoning certification determining whether a proposed cannabis business complies with local zoning ordinances and, if applicable, with state fire and building code. (This is distinct from the retail registration approval process.)
- 10. OCM conducts site inspection.
- 11. If applicant successfully passes site inspection, upon paying the license fee, OCM issues their license and operations may commence.*

Businesses seeking to conduct retail sales and require local retail registration from local governments (retailer, mezzobusiness). This can be received once an applicant has preliminary license approval issued by the office (Step 5 above) or a valid license.

- 12. Preliminarily approved applicant or license holder seeks retail registration from local government.
- Local government approves applicant for local retail registration through means determined by ordinance (see <u>Page 24</u> for more information about the retail registration process).
- 14. Preliminarily approved applicant or license holder pays retail registration fee to local government (see Appendix B for relevant fees under Minnesota Statutes, section 342.22).
- 15. Local government conducts compliance check for any applicable local ordinance established pursuant to Minnesota Statutes, section 342.13, if desired.
- 16. Local government ensures tax compliance, if applicable.
- 17. Local government issues retail registration to preliminarily approved applicant or license holder. Reminder, a business needs a retail registration AND a license to conduct retail sales.



^{*}A valid local retail registration in addition to a cannabis business license is required before the business commencing any retail sales. See Page 24 for information on the retail registration process.

Step-by-step process for: Cannabis microbusiness, wholesaler, transporter, testing facility, medical cannabis combination business

- 1. Applicant completes application and submits application fees. If applicable, an applicant's SEA status may be verified.
- 2. Application vetted for minimum requirements by OCM.
- 3. For qualified applicants, applicant completes background check process and submits attestation of labor peace agreement (LPA) in Accela.
- 4. If applicant successfully completes Steps 1-3, OCM issues preliminary approval to applicant. Applicants seeking to conduct retail activities are now eligible to receive local retail registration.
- 5. Once prepared for final licensure, selected applicant submits business location in Accela and updates application accordingly with final plans of record.
- 6. OCM forwards completed application to local government, which prompts an email notification from the licensing software system, Accela. Local governments should <u>sign up in Accela to prepare for zoning compliance certifications</u>.
- 7. OCM reviews application's final plans of record. If incomplete or non-compliant, OCM requests applicant to revise and resubmit plans.
- 8. Local government completes zoning certification determining whether a proposed cannabis business complies with local zoning ordinances and, if applicable, with state fire and building code. (This is distinct from the retail registration approval process.)
- 9. OCM conducts site inspection.
- 10. If applicant successfully passes site inspection, upon paying the license fee, OCM issues their license and operations may commence.*

Businesses seeking to conduct retail sales must receive a local retail registration from their local government (microbusiness, medical cannabis combination businesses). This can be received once an applicant has a valid license or preliminary license approval issued by the office (Step 4 above).

- 11. Preliminarily approved applicant or license holder seeks retail registration from local government.
- 12. Local government approves applicant for local retail registration through means determined by ordinance (see Page 24 for more information about the retail registration process).
- 13. Applicant pays retail registration fee to the local government (see <u>Appendix B</u> for relevant fees under Minnesota Statutes, section 342.22).
- 14. Local government conducts compliance check for any applicable local ordinance established pursuant to Minnesota Statutes, section 342.13, if desired.
- 15. Local government ensures tax compliance, if applicable.
- 16. Local government issues retail registration to license holder or preliminarily approved applicant. Reminder, a business needs a retail registration AND a license to conduct retail sales.



^{*}A valid local retail registration in addition to a cannabis business license is required before the business commencing any retail sales. See <u>Page 24</u> for information on the local retail registration process.

Step-by-step process for: Cannabis event organizer

Event organizer licensing for cannabis events will be available beginning August 1, 2025. Until then, existing guidance remains in effect, and all current hemp registrants must ensure compliance with all local rules and regulations. Once opened, the cannabis event organizer license application will remain open year-round, allowing applicants to apply at any time.

Once event organizer licensing becomes available, applicants will be required to secure approval from their local government before beginning the application process. OCM will provide a standardized form for this purpose, which will include key details such as the event's name, date, time, point of contact and estimated size. Per state law, no cannabis event organizer licenses will be granted without documented local approval. If an applicant modifies any information that was previously approved by the local government on the standardized form provided by OCM, they will be required to submit a new application. Applicants should ensure all event details are finalized and approved by the local jurisdiction before applying for licensure with OCM. Other information that OCM will require from cannabis event organizer license applicants includes:

- 1. Site, Security, and Operations plans
- 2. Event diagram
- 3. Quality Assurance Standard Operating Procedure (SOP)
- 4. Inventory Control and Diversion Prevention SOP
- 5. Accounting and Tax Compliance SOP

As part of the application process, OCM requires event organizer license applicants to submit a list of vendors participating in the event. Because state law allows applicants to update this list before the event, localities should consider establishing their own procedures if they wish to receive vendor updates directly. OCM will verify that all listed cannabis and/or hemp vendors are properly licensed. Further details about the cannabis event organizer application process are provided on the General Licensing Process webpage.

To ensure compliance with chapter 342 and all relevant regulations, OCM will conduct a prelicensure inspection phone call with event applicants. Additionally, OCM will perform random inspections of licensed events to verify compliance.



Once OCM issues an event organizer license, the local jurisdiction will be notified and provided with contact information for OCM's enforcement team for any day-of-event compliance or enforcement needs.

Licensing pathway: Cannabis event organizer

- 1. Applicant and local government complete the Local Approval of Cannabis Event form.
- 2. Applicant completes application, including submitting the local government approval form, Labor Peace Agreement (LPA), background check, and all required documentation and application fees. If applicable, an applicant's SEA status may be verified.
- 3. Application vetted for minimum requirements by OCM.
- 4. OCM conducts prelicensure phone inspection.
- 5. If applicant successfully passes prelicensure phone inspection, OCM issues event license.
- 6. License holders are required to submit an updated vendor form to OCM if there are any changes to their vendor list before the event.
- 7. An inspection of the event may be conducted by OCM.

Step-by-step process for: Lower-potency hemp edible businesses

Applications for lower-potency hemp edible retailer (LPHE-R), lower-potency hemp edible manufacturer (LPHE-M), and lower-potency hemp edible wholesaler (LPHE-W) licenses will be accepted between October 1 and October 31, 2025. These licenses will be available to both registered and non-registered hemp businesses.

Businesses registered to sell hemp-derived cannabinoid products under <u>Minnesota</u> <u>Statutes</u>, <u>section 151.72</u> may continue operations during the interim period before the October application window and while their license applications are under review.

To support the launch of the adult-use cannabis market and provide continuity for existing hemp-derived businesses and medical cannabis patients, **OCM** has authorized a product transition period through December 31, 2025. During this transition period, license holders conducting retail sales under <u>Minnesota Statutes</u>, <u>chapter 342</u> are authorized to sell products compliant under the existing regulated supply chains in <u>section 151.72</u> and <u>sections 152.22-152.37</u>, including hemp-derived cannabinoid products (HDCPs) and medical cannabis.

Details on the product transition period are available on our <u>General Licensing webpages</u>.



Local governments and hemp businesses

Distinct from cannabis business licensing, state law does not require OCM to contact local governments for approval of hemp business licensing. Instead, applicants will be required to attest in their application that they are working with their proposed local government to ensure compliance with all relevant local laws and regulations. Receiving an LPHE retailer license does not guarantee that the business can operate in a specific locality if local approval is not granted. Once a license is issued, OCM will notify the respective locality through the local government's Accela portal.

Local governments should be aware of these upcoming changes and consider how they may impact local businesses and regulatory oversight.

Licensing pathway: LPHE retailers, manufacturers and wholesalers

- 1. Applicant completes application and submits application fees. If applicable, an applicant's SEA status may be verified. If applying for an LPHE-M license, applicants will need to provide a signed LPA with a bona fide labor organization. Applicants will also select and apply for relevant endorsements (see our Lower-Potency Hemp Edible License Guide).
- 2. Application vetted for minimum requirements by OCM (Minnesota Statutes, section 342.44).
- 3. OCM may conduct site inspection, if the location was not already registered with OCM.
- 4. If applicant passes site inspection, OCM issues license (and any relevant endorsements), and operations may commence if locally approved, except for retail activity.
- 5. OCM alerts local government of license being issued.

Continued high-level pathway for LPHE-R

- 6. Licensed business seeks local retail registration from local government, if LPHE-R.
- 7. Local government approves applicant for retail registration through means determined by ordinance, however, LPHE-R establishments cannot be limited.
- 8. Applicant pays retail registration fee to the local government (see <u>Appendix B</u> for relevant fees in accordance with Minnesota Statutes, section 342.22).
- 9. Local government conducts compliance check for any applicable local ordinance established pursuant to Minnesota Statutes, section 342.13, if desired.
- 10. Local government ensures tax compliance, if applicable.
- 11. Local government issues retail registration to license holder, and license holder can conduct retail sales now that they have received a state license and a local retail registration.



General Authorities

Local governments in Minnesota have various means of oversight over the cannabis market, as provided by the adult-use cannabis law. Local governments may not outright ban cannabis businesses, or limit operations in a manner inconsistent with state law.

Cannabis retail restrictions (342.13)

In accordance with <u>section 342.13(h)</u>, local governments may limit the availability of local retail registrations for cannabis retailers, cannabis microbusinesses with retail endorsements, and cannabis mezzobusinesses with retail endorsements. If a city or county has a population between 1-12,500, they would be required to allow at least one (1) retail registration. If their population is between 12,501-25,000, they would be required to allow at least two (2) retail registrations, and so on.

Local units of government *may issue more* than the minimum number of registrations – statute *does not require* local governments to establish a limit.

Local units of government are not obligated to seek out a business to register as cannabis business if they have not been approached by any potential applicants but cannot prohibit the establishment of a business if this population requirement is not met. Per statutory direction, a municipal cannabis store (Page 29) cannot be included in the minimum number of registrations required. For population counts, the state demographer estimates will likely be utilized.

Statute does not allow a local unit of government to limit retail registrations for medical cannabis combination business licenses or lower-potency hemp edible retailer licenses.



Tribal governments (342.13)

OCM is prohibited from and will not issue state cannabis licenses to businesses in Indian Country without consent from a Tribal Nation. Tribal Nations hold the authority to license Tribal cannabis businesses on Tribal lands – this process is separate from OCM's licensing process and authority. Subject to the compacting process as the Legislature directed in Minnesota Statutes, section 3.9228, Tribal Nations may operate cannabis businesses off Tribal lands.

On May 20, 2025, Governor Tim Walz signed the first Tribal-state compact authorized under Minnesota's 2023 cannabis law. The agreement outlines how the state of Minnesota and White Earth Nation will address jurisdictional issues related to the adultuse cannabis industry and promote a cooperative and mutually beneficial relationship regarding the legalization of cannabis.

A Tribal Nation may open up to eight off-reservation cannabis retail locations. They are limited to one retail location per municipality and three per county. Tribally regulated retail locations off Tribal land must follow all non-cannabis-specific local ordinances, including zoning, land use, statutory setback limitations, and local hours of operation restrictions.

Under the rules governing Minnesota's cannabis industry (<u>Minnesota Rules, chapter 9810</u>), a local unit of government may include in its count of active retail registrations any retail locations operating under a Tribal compact or a Tribally issued license or registration, even though they do not receive local retail registration.

The Tribal-state cannabis compacts require product testing to verify compliance with public health and safety standards set by OCM, ensuring uniformity across the state market. Like state-license holders, Tribes and their license holders will utilize seed-to-sale tracking to ensure that regulators can see the full lifecycle of a cannabis plant or product. All products must be entered into the state's seed-to-sale system when they move off Tribal lands.

Sales of cannabis products off Tribal lands are subject to all state and local taxes.

For more information, please visit <u>Tribal Compacts</u> / Office of Cannabis Management.



Taxes (295.81; 295.82)

Retail sales of taxable cannabis products are subject to the state and local sales and use tax and a 15% gross receipts tax (beginning June 30, 2025). Cannabis gross receipts tax proceeds are allocated to the state general fund. Local taxes imposed solely on sale of cannabis products are prohibited.

Cannabis retailers will be subject to the same real property tax classification as all other retail businesses. Real property used for raising, cultivating, processing, or storing cannabis plants, cannabis flower, or cannabis products for sale will be classified as commercial and industrial property. Questions regarding cannabis taxes should be directed to the <u>Department of Revenue</u>.

Retail timing restrictions (342.13)

A cannabis business with a license or endorsement for retail activity may not sell between 2 a.m. and 8 a.m. on the days of Monday through Saturday and between 2 a.m. and 10 a.m. on Sunday. Additionally, local governments may prohibit retail sales of cannabis between the hours of 8 a.m. and 10 a.m. Monday-Saturday, and 9 p.m. and 2 a.m. the following day.

Operating multiple locations with one license

Certain licenses allow for multiple retail locations to be operated under a single license, with the following limitations:

- **Retailers:** up to five retail locations, with no more than one per city and no more than three per county.
- **Mezzobusinesses:** up to three retail locations, with no more than one per city and no more than three per county.
- Microbusinesses: up to one retail location.
- Medical cannabis combination businesses: up to eight retail locations, with no more than one retail location per congressional district. Additionally, medical cannabis combination businesses may cultivate at more than one location within other limitations on cultivation.
- Lower-potency hemp edible retailer businesses: not subject to location restrictions and may operate multiple retail locations.

Each retail location of a cannabis business requires local certification of zoning compliance and local retail registration.



Zoning and Land Use

Buffer guidelines (342.13)

State law does not restrict how a local government conducts its zoning designations for cannabis businesses, except that they may not prohibit the establishment or operation of a cannabis business or hemp business. A local government may adopt reasonable restrictions on the time, place and manner of the operation of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses, and they may prohibit the operation of a cannabis business within 1,000 feet of a school or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including playgrounds and athletic fields. Local governments should consult legal counsel when determining implementation of buffers.

Zoning guidelines

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. Industrial hemp is an agricultural product and should be zoned as such.

Cannabis businesses should be zoned under existing zoning ordinances in accordance with the license type or endorsed activities held by the cannabis business. Note that certain types of licenses may be able to perform multiple activities which may have different zoning analogues. In the same way municipalities may zone a microbrewery that predominately sells directly to onsite consumers differently than a microbrewery that sells packaged beer to retailers and restaurants, so too might a municipality wish to zone two microbusinesses based on the actual activities that each business is undertaking. Table 1, included on Pages 20 and 21, explains the types of activities that cannabis businesses might undertake, as well as some recommended existing zoning categories.

Please also review the model ordinance guidance included on <u>Page 30</u>. OCM also recommends consulting local legal counsel when determining these decisions.



Table 1: Cannabis and hemp business activities

Endorsed Activity	License Type Eligible to Do Endorsed Activity	Description of Activity	Comparable Districts	Municipal Considerations
Cultivation	 Cultivator Mezzobusiness Microbusiness Medical cannabis combination 	"Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis plants, cannabis flower, hemp plants, or hemp plant parts.	Indoor: industrial, commercial, production Outdoor: agricultural	 Odor Potential need for transportation from facility Waste, water, and energy usage Security
Cannabis manufacturing, processing, extraction	 Manufacturer Mezzobusiness Medical cannabis combination 	This group of endorsed activities turn raw, dried cannabis and cannabis parts into other types of cannabis products, e.g. edibles or topicals.	Indoor: industrial, commercial, production	 Odor Potential need for transportation from facility Waste, water, and energy usage Security
Hemp manufacturing	LPHE manufacturer	These businesses convert hemp into LPHE products.	Indoor: industrial, commercial, production	OdorWaste, water, and energy
Wholesale	 Wholesale Cultivator Manufacturer Mezzobusiness Microbusiness Medical cannabis combination LPHE wholesaler 	This activity and license type allows a business to purchase from a business growing or manufacturing cannabis or cannabis products and sell to a cannabis business engaged in retail.	Indoor: industrial, commercial, production	 Need for transportation from facility Security



Table 1: Cannabis and hemp business activities (continued)

Endorsed Activity	License Type Eligible to Do Endorsed Activity	Description of Activity	Comparable Districts	Municipal Considerations
Cannabis retail	 Retailer Mezzobusiness Microbusiness Medical cannabis combination 	This endorsed activity and license type allow a business to sell cannabis products directly to consumers.	Indoor: retail, neighborhood shopping districts, light industrial, existing districts where off-sale liquor or tobacco sales are allowed	 Micros may offer onsite consumption, similar to breweries. Micros and mezzos may include multiple activities: cultivation, manufacture, and/or retail.
Transportation	 Cannabis transporter LPHE wholesaler 	This license type allows a company to transport products from one license type to another.	Not applicable	Fleet based businesses that will own multiple vehicles, but not necessarily hold a substantial amount of cannabis or cannabis products.
Delivery	• Cannabis delivery	This license type allows for transportation to the end consumer.	Not applicable	 Fleet based business that will own multiple vehicles, but not necessarily hold a substantial amount of cannabis or cannabis products.
Events	Event organizer	This license entitles license holder to organize a temporary event lasting no more than four days.	Anywhere that the city permits events to occur, subject to other restrictions related to cannabis use	 On site consumption. Retail sales by a licensed or endorsed retail business possible.



Local Approval Process

Local governments play a critical role in the licensing process, serving as a near-final approval check on cannabis businesses nearing the awarding of a state license for operations. Once an applicant has been vetted by OCM and is selected for proceeding in the verification process, they are then required to receive the local government's certification of zoning compliance and/or local retail registration before operations may commence.



Local certification of zoning compliance (342.13; 342.14)

Following OCM's initial vetting process, local governments must **certify** that the applicant with preliminary approval has achieved **compliance with local zoning ordinances, and if applicable, state and fire building code** before the cannabis business license holder receiving final approval from OCM to commence operations.

OCM will work with local governments to access Accela, the licensing software system to complete this zoning certification process. Please review OCM's webpage for specific instructions on accessing the licensing software system, Accela, to prepare for zoning compliance certification. The webpage includes step-by-step guides, including the Local Government Accela Registration Guide.

During the application and licensing process for cannabis businesses, after an applicant with preliminary approval completes their site registration (see Step 3 of the <u>From Start to License: Your Path to Cannabis Licensing in Minnesota graphic</u>), OCM will notify a local government when an applicant with preliminary approval intends to operate within their jurisdiction and request a certification as to whether a proposed cannabis business complies with local zoning ordinances, and if applicable, whether the proposed business complies with state fire code and building code.

According to Minnesota's cannabis law, a local unit of government has 30 days to respond to this request for certification of compliance. If a local government does not respond to OCM's request for certification of compliance within the 30 days, the cannabis law allows OCM to issue a license. OCM may not issue the final approval for a license if the local government has indicated they are not in compliance.



Local governments should also be aware that according to Minnesota's cannabis law, OCM has 90 days from when an applicant completes a site registration, uploads final application documents, and requests a zoning compliance certification, to either issue a license (which is statutorily defined as final authorization to operate) or to issue a denial. This means OCM has highly encouraged applicants to not take the site registration step *until they have worked out issues with their local government*. Ultimately, that means, a preliminarily approved business should not complete site registration until they have received all local zoning approvals, are compliant with state fire and building codes, and are fewer than 90 days from being able to open their doors.

OCM has encouraged applicants with preliminary approval to engage early with local governments before submitting site registration information — **so local governments should anticipate outreach from applicants before notifications in Accela**. Early conversations can inform applicants what may be required to obtain local zoning compliance approval as well as in compliance with state and fire building code before their decisions on a final location. Early conversations can also inform local governments who may be interested in locations in their jurisdiction — whether they are not yet OCM applicants yet, applicants in qualified applicant status, or applicants with preliminary approval.

Local governments should view applicants with preliminary approval status as serious, ready applicants having cleared several hurdles in the application and licensing process, including passage of a background check. The final steps for applicants with preliminary approval status include securing a location, gaining compliance with local ordinances, and passing OCM's prelicensure site inspection.

Please see the <u>Qualified Applicant Guide</u>, including Pages 15 and 16, for more recommendations for applicants and local governments navigating this process.

As a reminder, applicants with preliminary approval status have 18 months to convert their preliminary approval to full licensure. If an applicant submits site registration, uploads final application documents, and requests zoning compliance certification but does not yet meet zoning compliance or does not yet meet building and fire code, the local government may deny their local zoning compliance approval. The applicant will retain their preliminary approval status and be able to continue to work with the local government to gain compliance and re-submit the site registration information.



Alternatively, the applicant can find a new location and begin the site registration process with a new local government under their same preliminary approval status as long as they are in the 18-month window of their preliminary approval.

Local retail registration process (342.22)

Once the licensing process begins, local retail registration applies to licensed cannabis retailers or other cannabis/hemp businesses seeking to conduct retail sales. Several license types are authorized to conduct retail sales if they receive a retail endorsement or license from OCM. Before conducting retail sales under their business license, state law also requires the business receive a local retail registration.

There are five license types that are eligible to conduct cannabis retail activity and will seek a retail registration from local governments:

- Cannabis retailers
- Microbusinesses with a retail endorsement
- Mezzobusinesses with a retail endorsement
- Medical cannabis combination businesses
- Lower-potency hemp edible retailers

Local governments must issue a retail registration after verifying that:

- The business has a valid license, or preliminary license approval issued by OCM.
- The business has paid a registration fee or renewal fee to the local government.
 - Initial registration fees collected by a local government may be \$500 or half the amount of the applicable initial license fee, whichever is less, and renewal registration fees may be \$1,000 or half the amount of the applicable renewal license fee, whichever is less.
- The business is compliant with chapter 342 and local ordinances.
- If applicable, the business is current on all property taxes and assessments for the proposed retail location.

Local registrations may also be issued by counties if the respective local government transfers such authorities to the county.



Option to limit retail registrations for cannabis businesses: Determining a process

State law permits local governments to place a limitation on the number of cannabis retailers, microbusiness, and mezzobusinesses with retail endorsements allowed within their locality via ordinance. If a city or county has a population between 1-12,500, they would be required to allow at least one (1) retail registration. If their population is between 12,501-25,000, they would be required to allow at least two (2) retail registrations, and so on (see Page 16). Retail registrations for lower-potency hemp edible retailers and medical cannabis combination businesses are required but may *not* be limited in number by a local government.

It is also important to note that local governments **are not** required to limit the number of licensed cannabis retailers, microbusinesses, or mezzobusinesses, and instead local governments can determine a process to reviews requests and applications for retail registrations as they are received.

If a local government wishes to limit the number of cannabis retailers, microbusinesses, or mezzobusinesses with retail endorsements via ordinance, state law does not define the process for a local government's selection if there are more applicants than registrations available.

It is highly recommended that local governments work with an attorney to determine their specific process via ordinance for selection if they wish to limit the number of retail registrations per section 342.13 and that the process is fair, transparent, and communicated thoroughly with prospective applicants.

Local governments should also consider the timing of the zoning compliance certification process in relation to retail registrations as applicants are navigating decisions related to where they can make investments and operate their business.

Per a new law change effective May 2025, local governments are allowed to issue retail registration to an applicant with preliminary approval status, which is before full licensure. Allowing for retail registration at this stage will prevent applicants from potentially signing leases and paying for retail facility build-outs when the local government may ultimately deny retail registration because the registration limit has been reached.



Local governments deciding to limit retail registrations should consider how to implement an application process to accommodate this timing. Local governments deciding to limit retail registrations should also communicate with applicants about what they can expect during this process so that applicants can understand the potential risks involved if there are not any retail registrations available after a limit has been reached. Applicants should seek to learn the process before making any investments or decisions to further build out a business in an area where it may not be allowed to operate due to the lack of available registrations left. Additionally, local units of government should consider the process by which they will determine who gets a registration, e.g., through the use of a lottery, on a first-come/first-serve model, or through a merit-based scoring system, etc.

Other considerations

Existing retail locations. Retailers in Minnesota's medical cannabis program and lower-potency hemp edible program may currently be operating in a local government's jurisdiction under active registrations. In the future, these active businesses will be required to obtain a license from OCM and will need a local retail registration to continue their operations.

Local governments may wish to consider how businesses currently operating will be issued retail registrations when determining if and how to limit retail registrations.

Local zoning approval does not guarantee retail registration. Zoning certification from local governments does not guarantee a local retail registration. This is a distinctly separate approval process. All applicants seeking retail activity will be required to obtain a zoning certification from the local government to be issued a state license. Local governments should consider the number of zoning certifications they are issuing if they have chosen to limit retail registrations and be in conversation with applicants about the number of retail registrations that are available.

Local governments are permitted specific authorities for registration refusal and registration suspension, in addition to—and not in conflict with—OCM authorities.



Registration and renewal refusals

Local governments may refuse the registration and/or certification of a license renewal if the license is associated with an individual or business who no longer holds a valid license, has failed to pay the local registration or renewal fee, or has been found in noncompliance in connection with a preliminary or renewal compliance check.

Local registration suspension (342.22)

Local governments may suspend the local retail registration of a cannabis business or hemp business if the business is determined to not be operating in compliance with a local ordinance authorized by section 342.13 or if the operation of the business poses an immediate threat to the health and safety of the public. The local government must immediately notify OCM of the suspension if it occurs. OCM will review the suspension and may reinstate the registration or take enforcement action.

Expedited complaint process (342.13)

Per state law, OCM has established an expedited complaint process to receive, review, and respond to complaints made by a local unit of government about a cannabis business. Complaints can be submitted through the OCM website, with an option to indicate if the report is on behalf of law enforcement or local government.

The expedited complaint process requires OCM to provide an initial response to the complaint within seven days and perform any necessary inspections within 30 days. Within this process, if a local government notifies OCM that a cannabis business poses an immediate threat to the health or safety of the public, OCM must respond within one business day.

Local governments can submit complaints via this form.





Inspections & Compliance Checks

Local governments are permitted specific business inspection and compliance check authorities, in addition to—and not in conflict with—OCM authorities.

Inspections and compliance checks (342.22)

Local governments must conduct **compliance checks** for cannabis and hemp businesses holding retail registration **at least once per calendar year**. These compliance checks must verify compliance with age verification procedures and compliance with any applicable local ordinance established pursuant to section 342.13. OCM maintains inspection authorities for all cannabis licenses to verify compliance with operation requirements, product limits, and other applicable requirements of chapter 342.







Municipal Cannabis Stores

As authorized in <u>section 342.32</u>, local governments are permitted to apply for a cannabis retailer license to establish and operate a municipal cannabis store.

State law requires OCM issue a license to a city or county seeking to operate a single municipal cannabis store if the city or county:



- Submits required application information to OCM,
- Meets minimum requirements for licensure, and
- Pays applicable application and license fee.

A municipal cannabis store will not be included in the total count of retail licenses issued by the state under chapter 342 and cannot be counted as retail registration for purposes of determining the minimum number of retail registrations, if a local government has imposed a cap on retail locations by ordinance.

Additionally, a city or county that establishes, owns, or operates a municipal cannabis store may also hold a lower-potency hemp edible retailer license. The application window for lower-potency hemp edible retailer licenses will be October 1-31, 2025.



Creating Your Local Ordinance

As authorized in section 342.13, a local government may adopt a local ordinance regarding cannabis businesses. Establishing local governments' ordinances on cannabis businesses in a timely manner is critical for the ability for local cities or towns to establish local control as described in the law and is necessary for the success of the statewide industry and the ability of local governments to protect public health and safety. The cannabis market's potential to create jobs, generate revenue, and contribute to economic development at the local and state level is supported through local ordinance work. The issuance of local certifications and registrations to prospective cannabis businesses is also dependent on local ordinances.

- Local governments may not prohibit the possession, transportation, or use of cannabis, or the establishment or operation of a cannabis business licensed under state law.
- Local governments may adopt reasonable restrictions on the time, place, and manner of cannabis business operations (see Page 16).
- If your local government wishes to operate a municipal cannabis store, the establishment and operation of such a facility must be considered in a local ordinance.



Model ordinance

For additional guidance regarding the creation of a cannabis related ordinance, please reference the additional resources on Page 32.



Additional Information – Tobacco Sales

Penalties related to a revocation or suspension of tobacco license

A cannabis or hemp business license holder may also hold a tobacco license under Minnesota Statutes, chapter 461. However, tobacco cannot be sold in the cannabis retail location. Under section 461.12, a license holder authorized to sell tobacco may have that privilege revoked if they had either a cannabis business license (chapter 342) or hemp business registration (151.72) revoked. This penalty also applies if the license holder is convicted of an offense under section 151.72 or has been convicted under any other statute for illegal sale of cannabis products. or hemp business registration (151.72) revoked. This penalty also applies if the license holder is convicted of an offense under section 151.72 or has been convicted under any other statute for illegal sale of cannabis products.

Clarifying cannabis businesses authority

Cannabis businesses will be able to sell vaporizers without a tobacco license. Under Minnesota Statutes, section 342.27, subdivision 3(a), retail license holders are permitted to sell cannabis paraphernalia. Cannabis paraphernalia includes "all equipment, products, and materials of any kind that are knowingly or intentionally used primarily in ... ingesting, inhaling, or otherwise introducing cannabis products into the human body" (Minnesota Statutes, section 342.01, subdivision 18(2)). Therefore, Minnesota Statutes, section 342.27, subdivision 3(a), specifically authorizes retail license holders to sell cannabis paraphernalia, which in this instance includes vaporizers.





Additional Resources

OCM toolkit for local partners

Please visit the <u>OCM webpage (mn.gov/ocm/local-governments/)</u> for additional information, including a toolkit of resources developed specifically for local government partners. The webpage will be updated as additional information becomes available and as state regulations are adopted.

Toolkit resources include:

- Appendix A: <u>Cannabis Model Ordinance</u> (mn.gov/ocm/lgg-appendix-a)
- Appendix B: Retail Registration Form and Checklist (mn.gov/ocm/lgg-appendix-b)
- Appendix C: <u>Cannabis Flower and Hemp-Derived Cannabinoid Products</u> Inspection Checklist (mn.gov/ocm/lgg-appendix-c)
- Appendix D: <u>Enforcement Notice from the Office of Cannabis Management</u> (<u>mn.gov/ocm/lgg-appendix-d</u>)
- Appendix E: <u>Notice to Unlawful Cannabis Sellers</u> (mn.gov/ocm/lgg-appendix-e)
- Appendix F: <u>Model Guidelines on Age Verification Compliance Checks Policy and Procedures (mn.gov/ocm/lgg-appendix-f)</u>
- Appendix G: <u>Cannabis and Hemp Age Compliance Check Form</u> (<u>mn.gov/ocm/lgg-appendix-g</u>)
- Appendix H: Local Government Accela Registration Guide (mn.gov/ocm/lgg-appendix-h)
- Appendix I: <u>Local Unit of Government Cannabis Licensing Contact, Delegation</u>
 Form (mn.gov/ocm/local-governments/contactform.jsp)
- Appendix J: <u>Local Governments Completing Zoning Compliance Certification on</u>
 Accela (mn.gov/ocm/lgg-appendix-j/)
- Appendix K: Local Approval of Cannabis Event form (mn.gov/ocm/lgg-appendix-k)

Local organizations

Feel free to contact the following local organizations for additional resources, as they have also developed resources to support local governments regarding the cannabis industry.

- League of Minnesota Cities (Imc.org)
- Association of Minnesota Counties (mncounties.org)
- Minnesota Public Health Law Center (publichealthlawcenter.org)







REQUEST FOR COUNCIL ACTION

AGENDA DATE: October 27, 2025

AGENDA ITEM: Consider the recommendation of the Planning Commission regarding the

adoption of an Ordinance amending and updating sections of Chapter 30

Land Development Regulations and Chapter 14 Businesses.

PREPARED BY: Will Richter, Zoning Administrator

BACKGROUND:

After holding a public hearing, the City Council considers the public testimony received and reviews the Planning Commission recommendation.

The Council can accept the recommendation of the Planning Commission and adopt the ordinance provided or make its own findings to support approving or denying the text amendment.

REQUESTED COUNCIL ACTION:

Make a motion to adopt an ordinance, amending and updating sections of the City Code - Chapter 30 Land Development Regulations and Chapter 14 Businesses - and publishing the changes in summary form.

ORDINANCE NO. 25-

AN ORDINANCE AMENDING AND UPDATING SECTIONS OF CHAPTER 30 LAND DEVELOPMENT REGULATIONS AND CHAPTER 14 BUSINESSES

WHEREAS, from time to time, the City of Grand Rapids deems it important to review, and update, if necessary, its Zoning Ordinance (Land Development Regulations); and

WHEREAS, at their meeting on October 2, 2025, the Grand Rapids Planning Commission initiated the process to update and amend one section of the Zoning Ordinance (Land Development Regulations) and one section of Municipal Code Chapter 14 (Businesses) identified by city staff; and

WHEREAS, the Planning Commission on October 2, 2025, took up consideration of draft amendments to Chapters 30 and 14, as prepared by staff, and found that the amendments were consistent with the Comprehensive Plan and would be in the best interest of public health, safety, and general welfare, and recommended that the City Council adopt the draft amendment to said portions of 30-421, 30-512 Table 1, and 14-187(a) of the City Code; and

WHEREAS, the City Council conducted a public hearing on Monday, October 27, 2025, at 5:00 p.m., to consider the amendments to Chapter 30 and Chapter 14; and

WHEREAS, the City Clerk presented the affidavit of publication of the notice of the public hearing; and

WHEREAS, the City Council has heard all persons who wished to be heard regarding the proposed text amendments.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRAND RAPIDS, MINNESOTA, that it adopts the Planning Commission's following findings of fact relative to the amendment to Chapter 30 Land Development Regulations and Chapter 14 Businesses, of the City Code:

- The amendments <u>will not</u> have an adverse effect on the character of neighborhoods. It will have a positive effect in that it will locate Production Licensed Cannabis with uses having similar characteristics in industrial zoning.
- The amendments <u>will have</u> a positive impact on economic growth in the community by providing clarity to the business community.
- That the amendment to Chapter 30 <u>would be</u> in keeping with the spirit and intent of the Zoning Ordinance by maintaining an updated Ordinance.
- That the amendments <u>would be</u> in the best interest of the public by locating Production Licensed Cannabis within Industrial zones.
- That the amendments <u>would be</u> consistent with the goals of the Comprehensive Plan, as the amendments will directly address allowed uses within specific municipal zones and promoting economic development.

NOW, THEREFORE, BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF GRAND RAPIDS, MINNESOTA, that the amendments to the City Code are in the best interest of the public's health, safety, and general welfare, and hereby ordains that the Grand Rapids City Code be amended as follows: $See\ Exhibit$ "A"

This Ordinance shall become effective after its passage and publication.

ADOPTED AND PASSED BY THE City Council of the City of Grand Rapids on the 27th day of October 2025.

Attest:	Tasha Connelly, Mayor	
Kim Gibeau, City Clerk		
Councilmember (hereof: (oregoing ordinance and the followir , whereby the ordinance was d	-

DRAFT text amendments to Chapters 14 and 30

- 1. Amend 30-421 Definitions to include: *Production licensed cannabis*, means businesses licensed by the Office of Cannabis Management (OCM) for cultivation, processing / extraction, manufacturing, and wholesale activities.
- 2. Amend 30-512 Table 1 Permitted Uses to include production licensed cannabis as a permitted use in I-1, SI-1, I-2, and SI-2 zones.
- 3. Amend 14-187(a) to include: Production licensed cannabis businesses shall be located in Industrial Business Park, Shoreland Industrial Business Park, General Industrial Park, or Shoreland General Industrial Park zoning districts as defined in the City of Grand Rapids Zoning ordinance.