



City of Vermillion Planning & Zoning Commission Agenda

5:00 p.m. Special Meeting

Monday, May 17, 2021

Powell Conference Room

City Hall, 25 Center Street, Vermillion, SD 57069

Virtual Meeting Available (see instructions below)

For virtual meeting:

1. Go to www.zoom.com
2. Click 'Join a Meeting' on upper right hand of Zoom screen or use link below
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Meeting ID: 862 5570 3669

Passcode: 952301

1. **Roll Call**
2. **Minutes**
 - a. May 10, 2021 Regular Meeting.
3. **Declaration of Conflict of Interests**
4. **Adoption of the Agenda**
5. **Visitors to Be Heard**
6. **Public Hearings**
 - a. Ordinance 1434, Amending Title XV Land Usage to Add Chapter 158 Entitled Medical Cannabis Establishments to the City of Vermillion Code of Ordinances.
7. **Old Business**
8. **New Business**
9. **Staff Reports**
10. **Adjourn**

WELCOME TO YOUR PLANNING COMMISSION MEETING

If you wish to participate in the discussion, the meeting provides several opportunities. After the minutes are approved, the Chairperson will ask if any visitors wish to be heard. Any item not on the agenda may be discussed. During the discussion of agenda topics, anyone may comment. The Chairperson will recognize you if you raise your hand. Please introduce yourself with your name and address when addressing the Planning and Zoning Commission. Discussion occurs before motions are made and seconded. Discussion also occurs after the motion is seconded and before the vote. You may participate each time if you wish. Your suggestions and ideas are welcome. The best decisions are made when everyone participates and provides information.

Meeting Assistance: The City of Vermillion fully subscribes to the provisions of the Americans with Disabilities Act of 1990. If you desire to attend this public meeting and are in need of special accommodations, please notify

the City Manager's Office at 677-7050 at least 3 working days prior to the meeting so appropriate auxiliary aids and services can be made available.

Unapproved Minutes
Vermillion Planning and Zoning Commission
Monday, May 10, 2021 Regular Planning and Zoning Commission Meeting

The regular meeting of the Vermillion Planning and Zoning Commission was called to order in the Powell Conference Room at City Hall on May 10, 2021 at 5:30 p.m.

1. Roll Call

City Planning and Zoning Commissioners Present: Fairholm (in person), Fitzgerald (in person), Forseth (in person), Heggstad (in person), Mrozla (in person), Tuve (in person), Wilson (in person), Iverson (in person).

City Planning and Zoning Commissioners Absent: Gestring

City Staff present: José Domínguez, City Engineer; James Purdy, Assistant City Manager

2. Minutes

a. April 12, 2021 City Planning and Zoning Commission Meeting.

Moved by Commissioner Heggstad to adopt the April 12, 2021 meeting minutes, seconded by Mrozla. Motion carried 8-0.

3. Declaration of Conflict of Interest

Forseth noted that he owns investment property in Vermillion.

4. Adoption of the Agenda

Moved by Tuve to adopt the agenda as printed, seconded by Wilson. Motion carried 8-0.

5. Visitors to be Heard

None

6. Public Hearings

None

7. Old Business

None

8. New Business

a. Preliminary Plat for Lots 1, 2 and 3, AMS Industrial Park Addition, City of Vermillion, Clay County, South Dakota.

Dominguez explained that a preliminary plat was submitted by Banner Associates on behalf of the owner, AMS Building Systems, LLC, (AMS). Dominguez further explained that the area is roughly 53-acres that may be split into three lots. The preliminary plat also includes the extension of Jefferson Street.

Dominguez stated that the area falls within the Joint Jurisdiction Zoning Area. However, preliminary plats are only considered by the City's

Commission. Dominguez also stated that the City is working with AMS to annex the area being preliminarily platted.

Dominguez explained that preliminary plats are used by the City to plan for future infrastructure improvements that may be needed to develop the area. In this case, 317th Street from Norbeck to Jefferson Streets and on Jefferson Street from SD Hwy. 50 to the north edge of the preliminary plat would be paved. Additionally, the development would require the installation of a lift station, sanitary sewer and water main. Dominguez recommended that the Commission approve the preliminary plat.

Iverson opened the floor for public comment. Discussion followed.

Moved by Fairholm to approve the preliminary plat as presented, seconded by Mrozla. Motion carried 8-0.

b. Discussion on Possible Amendment to Zoning Ordinance Regarding Medical Marijuana.

Dominguez explained that in November 2020 South Dakota voters approved an initiated measure allowing for medical marijuana within the state. The laws regulating this use would take effect in July 1, 2021. Dominguez stated that in order to comply with the new statute the City needs to have regulation to accommodate the new uses.

Dominguez stated that this item will be considered by the Commission and the City Council on May 17th. On that date the Commission will review the proposed ordinance and make a recommendation to the City Council. The City Council, later on the day, will consider the first reading of the ordinance.

Additionally, Dominguez stated that Staff is proposing a similar approach as those used by the City to regulate alcohol use. That is, having zoning ordinances regulating the location of the use, and also having a permitting process that would regulate the actual use. The Commission only reviews the zoning portion.

Dominguez explained that the proposed zoning amendment would keep all of the medical marijuana items within a new chapter separated into several sections. The sections would address definitions, where cannabis products may be sold, grown, tested, or manufactured. Dominguez recommended that the Commission consider the information provided and direct Staff if any changes are required. Dominguez reminded the Commission that the actual ordinance amendment will be considered by the Commission on May 17th.

Iverson opened the floor for public comments.

Commissioner Fairholm expressed concerns with the proposed locations where dispensaries would be located. Fairholm explained that his concern is with the possible future amendments of the "medical marijuana" chapter

if "recreational marijuana" is allowed. Fairholm stated the Commission consider not allowing dispensaries within the CB-Central Business District and the NC-Neighborhood Commercial District. This was due the distance from residential uses close to the districts. Discussion followed.

9. Staff Report

Dominguez stated that various projects within the City are in progress. These included: Downtown Streetscape, Hwy. 50 Drainage Improvements, Bliss Pointe Phase 2, USD's addition to Lee Med, and USD's construction of a new parking lot across Pizza Ranch on North Dakota Street.

Commissioner Iverson asked for an explanation regarding the steep slope on the new sidewalk in the Downtown area. Dominguez explained that the area Iverson is referencing is the "transition area" and not regulated by ADA. As such there are no standards to follow. Discussion followed.

10. Adjourn

Moved by Forseth to adjourn, seconded by Fairholm. Motion carried 8-0, Iverson declared the meeting adjourned at 6:15 p.m.

Planning & Zoning Commission Agenda Memo

From: Jose Dominguez, City Engineer

Meeting: May 17, 2021

Subject: Ordinance 1434, Amending Title XV Land Usage to Add Chapter 158 Entitled Medical Cannabis Establishments to the City of Vermillion Code of Ordinances.

Presenter: Jose Dominguez

Background: In November 2020, South Dakota voters approved an initiated measure allowing for medical cannabis within the State. The new State law regulating medical cannabis will take effect on July 1, 2021. In order to comply with State statute, the City needs to have regulations in place to accommodate the use within City limits.

The Planning and Zoning Commission discussed a possible amendment to the zoning ordinance at their May 10th meeting.

Discussion: Staff is proposing a two-step process similar to how alcohol use is regulated. The zoning aspect will regulate where the use is allowed, while the permitting aspect will regulate the actual business. Both of these ordinance will be considered by the City Council on May 17th. The Commission is being asked to consider the zoning portion of the two-step process.

The proposed ordinance would be a separate chapter within the zoning ordinance. This chapter would be separated into several sections. The sections will deal with definitions, and where cannabis products may be sold, grown, tested, or manufactured. At this point, the document mainly allows a cannabis business to be in a business or industrial zoning district. Based on the discussion with the Planning and Zoning Commission on May 10th, staff removed medical cannabis dispensaries as an allowable use in the Neighborhood Commercial (NC) district, but left cannabis dispensaries as an allowable use in the Central Business District (CBD) for further discussion.

The proposed ordinance does not require that any additional chapters, or sections, of the zoning ordinance be amended since everything zoning related is within the new chapter. This allows future changes to be isolated to this chapter.

Compliance with Comprehensive Plan: Although not specifically geared towards medical marijuana, the Comprehensive Plan encourages the City to provide a wide range of goods and services to the residents. Additionally, the Plan also asks that shopping areas are attractive, inviting, and convenient to residents. to perform periodic reviews of the zoning ordinance. There are other goals and objectives within the Economic Development section of the plan that pertain to this use.

Conclusion/Recommendations: Staff recommends recommending the City Council to adopt the zoning amendment.

PROPOSED ORDINANCE NO. 1434

AN ORDINANCE AMENDING TITLE XV LAND USAGE TO ADD CHAPTER 158 ENTITLED MEDICAL CANNABIS ESTABLISHMENTS TO THE CITY OF VERMILLION CODE OF ORDINANCES.

BE IT ORDAINED, by the Governing Body of the City of Vermillion, South Dakota that the City of Vermillion Code of Ordinances Title XV be amended to add Chapter 158 Medical Cannabis Establishments as follows:

§ 158.01 PURPOSE.

This Chapter shall enact zoning regulations for SDCL Chapter 34-20G medical cannabis establishments within the City of Vermillion (City hereafter).

§ 158.02 DEFINITIONS.

As used in this Chapter, the following terms shall have the meanings set forth below:

Cannabis cultivation facility. An entity registered with the South Dakota Department of Health that acquires, possesses, cultivates, delivers, transfers, transports, supplies, or sells cannabis and related supplies to a medical cannabis establishment.

Cannabis product manufacturing facility. An entity registered with the South Dakota Department of Health that acquires, possesses, manufactures, delivers, transfers, transports, supplies, or sells cannabis products to a medical cannabis dispensary.

Cannabis products. Any concentrated cannabis, cannabis extracts, and products that are infused with cannabis or an extract thereof, and are intended for use or consumption by humans. The term includes edible cannabis products, beverages, topical products, ointments, oils, and tinctures.

Cannabis testing facility. An independent entity registered with the South Dakota Department of Health to analyze the safety and potency of cannabis.

Licensed premises. The building within which a medical cannabis dispensary operates.

Licensee. Any person or business entity that has been issued and holds a valid, current license pursuant to Chapter 123. If the licensee is an entity and not a natural person, licensee shall encompass all persons who are the members, managers, officers, directors, shareholders, partners or associates of such entity.

Medical cannabis or cannabis. Marijuana as defined in SDCL § 22-42-1.

Medical cannabis dispensary or dispensary. An entity registered with the South Dakota Department of Health pursuant to SDCL Chapter 34-20G and licensed by the City pursuant to Chapter 123 that acquires, possesses, stores, delivers, transfers, transports, sells, supplies, or

dispenses cannabis, cannabis products, paraphernalia, or related supplies and educational materials to cardholders. **Medical cannabis dispensary** does not include a cannabis cultivation facility, a cannabis testing facility, or a cannabis product manufacturing facility.

§158.03 REGULATIONS RELATING TO CANNABIS PRODUCTS

The sale, growth, testing, or manufacturing of cannabis products shall not be allowed within the City unless provided in the following sections.

§158.04 REGULATIONS RELATING TO MEDICAL CANNABIS CULTIVATION ESTABLISHMENTS

No cannabis cultivation facility shall be owned or operated at a location within the City's zoning jurisdiction except as provided by this section and unless Chapter 123 is amended to permit such facility. A cannabis cultivation facility is considered an allowed use in the following districts, and shall follow the same requirements as the use in parenthesis: GB General Business District (greenhouse), GI General Industrial District (agribusiness), and HI Heavy Industrial District (agribusiness) when Chapter 123 provides for such facility.

§158.05 REGULATIONS RELATING TO MEDICAL CANNABIS TESTING ESTABLISHMENTS

No cannabis testing facility shall be owned or operated at a location within the City's zoning jurisdiction except as provided by this section and unless Chapter 123 is amended to permit such facility. A cannabis testing facility is an allowed use in the following districts, and shall follow the same requirements as the use in parenthesis: GB General Business District (retail services and trade), GI General Industrial District (retail services and trade), and HI Heavy Industrial District (retail services and trade) when Chapter 123 provides for such facility.

§158.06 REGULATIONS RELATING TO MEDICAL CANNABIS PRODUCT MANUFACTURING ESTABLISHMENTS

No cannabis product manufacturing facility shall be owned or operated at a location within the City's zoning jurisdiction except as provided by this section and unless Chapter 123 is amended to permit such facility. A cannabis product manufacturing facility is an allowed use in the following districts, and shall follow the same requirements as the use in parenthesis: GI General Industrial District (agribusiness), and HI Heavy Industrial District (agribusiness) when Chapter 123 provides for such facility.

§158.07 REGULATIONS RELATING TO MEDICAL CANNABIS DISPENSARIES

A. No medical cannabis dispensary shall be owned or operated at a location within the City's zoning jurisdiction except as provided by this section and Chapter 123. A cannabis dispensary shall be considered an allowed use in the following districts, and shall follow the same requirements as the use in parenthesis: GB General Business District (retail services and trade), and CB Central Business District (retail services and trade).

B. A medical cannabis dispensary shall be located no less than 1,000 feet from the nearest property line of any public or private school. A medical cannabis dispensary shall be located no less than 500 feet from the nearest property line of any church, licensed childcare facility, correctional facility, mental health facility, or substance abuse facility, unless the dispensary is located in a CB - Central Business District. Distances shall be measured from the closest point of the property lines.

Dated at Vermillion, South Dakota this ____ day of ____, 2021.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA

BY _____
Kelsey Collier-Wise, Mayor

ATTEST:

BY _____
Michael D Carlson, Finance Officer

First Reading: May 17, 2021
Second Reading: TBD, 2021
Published: June 4, 2021
Effective: July 1, 2021