



DATE: December 10, 2025

TO: Planning Commission Chair and Commissioners

FROM: Jake Reilly, Community Development Director

SUBJECT: Planning Case # 25-015 – Public Hearing Required
Applicant: HRE Arden Hills LLC
Property Location: 4440 Round Lake Road
Request: Conditional Use Permit

Requested Action

Brandon Champeau, Hempel Real Estate dba HRE Arden Hills LLC (“Applicant”) has submitted a land use application for a Conditional Use Permit (CUP) for a project at 4440 Round Lake Road (“Subject Property”). The Applicant seeks approval to lease space in the existing warehouse building to cannabis wholesale operators. The wholesale cannabis use triggers the requirement for a CUP. All cannabis uses in Arden Hills require a CUP prior to operating. The Subject Property is zoned GB, Gateway Business District and is guided as Light Industrial & Office on the Land Use Plan.

Background

1. Overview of the Request

The Subject Property was previously occupied by Saltbox, a business offering suites leased by individual businesses - usually startup/small digital commerce companies - in this building. Saltbox went through Concept Review with the City Council in March of 2022 (Planning Case #22-005) and Site Plan Review with the Planning Commission and City Council in May and June of 2022 (Planning Case #22-007). As part of improvements to the property in 2022, a new site plan was approved to reconfigure the parking lot layout to allow for 144 parking stalls.

Portal Warehousing (“The Operator”) became the new operator of the building in 2024 and has been operating under the same flexible warehousing business model operated by Saltbox. Portal handles the on-demand logistical services for receipt and delivery of packages and/or products and provides order fulfillment assistance to small business owners. Products arrive at the loading dock(s) and the on-site logistics staff ensure items are delivered to individual suites or to secure warehouse space. Approximately one half of the warehouse is unoccupied. The Applicant purchased the property early in 2025.

At the October 27, 2025, work session meeting, the City Council reviewed a concept plan for Portal to operate a cannabis warehouse operation in addition to the existing flexible warehouse and office suites offered in the building. The legalization of adult use cannabis by the State Legislature offers a new market for warehousing pre-packaged cannabis products for wholesale distribution. The Applicant seeks to offer similar flexible warehouse spaces to cannabis wholesalers and Portal will continue to coordinate operations at the site. The discussion at the Council work session revolved around the operations of the building, the number of jobs, and vehicle circulation.

2. Existing Site Conditions

4440 Round Lake Rd. is zoned GB, Gateway Business District. In addition, the parcel abuts Round Lake which is subject to applicable shoreland regulations as a riparian lot. Under the 2040 Comprehensive Plan, the property is guided as Light Industrial and Office use. Light Industrial and Office uses are areas designated for a broad range of light industrial uses such as warehousing with manufacturing and related offices. According to the 2040 Comprehensive Plan, the expected share of uses within this area are 50 percent to 100 percent Light Industrial or up to 100 percent Office.

Over the years, the property has been used continuously for office and warehouse uses. The previous occupant was Deluxe Corporation. The historical uses of the property are allowed to continue as legal nonconforming uses so long as there is no intensification or expansion of said use. In 2004, it was documented that the distribution of uses within the building to be supported by the current parking supply would be no greater than 10% office (11,356 sq. ft.) and 90% warehouse (102,209 sq. ft.).

3. Site Data

2040 Future Land Use Plan:	Light industrial/office use
Existing Land Use:	Light industrial/office use
Zoning:	GB Gateway Business District
Lot Size:	358,036 square feet (8.2 acres)

4. Proposed Use

The Applicant submitted an application for a CUP to allow a cannabis warehouse use on the Subject Property for the storage and distribution of adult recreational use cannabis products. The company's business activities are related to receipt, storage, and business-to-business distribution of adult-use cannabis products. The Applicant states that the intent is to approve the building for that use (with conditions) so individual businesses can occupy suites under the CUP rather than filing separate land use requests each time a new user leases space. The Applicant and Operator confirm that each business will be required to obtain and provide proof of a state license.

The Applicant confirms that products will be transported and sold only to businesses and there will be no retail, no walk-in sales, no on-site consumption, no exterior storage, and all operations will occur indoors at typical warehouse/logistics intensity. The Applicant also confirms that the building will be renovated as needed to ensure sufficient odor containment and security controls

to abide by state and city regulations. The entire facility is open seven (7) days a week from 6 AM to 11 PM. The site will continue to operate with the 144 striped parking stalls approved in 2022.

Approvals

1. Conditional Use Permit

A CUP is required in city code for all cannabis uses, citywide. Standards and criteria for cannabis businesses as a conditional use are found in City Code Section 1325.047 Cannabis Business Conditional Use Permit Criteria. This section of the code was updated in November 2024.

Arden Hills Zoning Code Section 1355.04 Subd. 3 lists the general criteria for evaluating Conditional Use Permit Applications and Section 1325.047 Subd. 3 identifies development standards for cannabis business uses. The Planning Commission and City Council should consider the effect of the proposed use upon the health, safety, convenience and general welfare of the owners and occupants of the surrounding land and the community, in general, including but not limited to the following factors:

1. Existing and anticipated traffic and parking conditions;
2. Noise, glare, odors, vibration, smoke, dust, air pollution, heat, liquid or solid waste, and other nuisance characteristics;
3. Drainage;
4. Population density;
5. Visual and land use compatibility with uses and structures on surrounding land;
6. Adjoining land values;
7. Park dedications where applicable;
8. Orderly development of the neighborhood and the City within the general purpose and intent of the Zoning Code and the Comprehensive Development Plan for the City.

Under state law a “conditional use” is a use that is generally allowed in a designated district upon the applicant showing that the standards and criteria stated in the ordinance will be satisfied. Conversely, if the applicant is unable to show that the ordinance standards are met, the application can be denied. Conditions may be added to any approval to ensure that the use does not negatively impact surrounding properties or the public way.

Plan Evaluation

1. Chapter 13, Zoning Regulations Review

Section 1325 – General Regulations, 1325.047 Cannabis Business Conditional Use Permit

A. Subd. 2 Setbacks

1. *Any cannabis business must be setback 1,000 feet from schools as established by Minnesota Statute Section 342.13(c)*
2. *Exceptions to distance restrictions. Cannabis business located north of Highway 694, east of Interstate 35W and west of State Highway 10 in the Gateway Business zoning district shall be exempt from the distance requirements of City Code 1325.047 Subd. 2.*

This condition does not apply. The subject property is located within the Gateway Business zoning district and is exempt from the distance requirement. In addition, there are no K-12 schools within 1,000 feet of the property.

B. Subd. 3 Development Standards

A. Must be licensed by the State of Minnesota and in compliance with the standards set by Minnesota Statutes, Minnesota Rules, and the Office of Cannabis Management.

This condition is met. The Applicant has confirmed that only state-licensed businesses will be allowed to operate wholesale business on the property.

B. Security.

1. The facility shall be secured as required by Minnesota Statutes, Minnesota Rules, and the Office of Cannabis Management.

2. Any security bars, gates, or grills shall be retractable, shall remain open and retracted when the cannabis business is open to the public or otherwise in operation, and shall not be installed on the exterior of the building.

This condition is met. The Applicant has indicated that security as required by Minnesota Statutes, Minnesota Rules, and the Office of Cannabis Management is or will be installed on the property.

C. Outdoor operations are prohibited.

This condition is met. Outdoor operations are not contemplated in this application.

D. The facility shall not produce noxious or nuisance causing odors, subject to the following conditions:

1. The facility shall be ventilated so that all odors cannot be detected by a person with a normal sense of smell at the exterior of the facility or at any adjoining use or property.

2. Growing cannabis must comply with all applicable laws and shall not produce noxious or dangerous gases or odors or otherwise create a danger to any person or entity in or near the facilities.

3. An odor maintenance plan must be submitted to the City and approved by the City.

4. At the City Council's discretion, the applicant may be required to provide plans that show appropriate odor control systems so as not to produce any noxious or dangerous gases or odors or create any dangers to any person or entity in or near the facility.

This condition is met. Growing operations are not contemplated in this application and will not be permitted as part of this conditional use permit. The Applicant confirms some interior changes may be required to ensure sufficient ventilation and odor management prior to operation and they intend to make any necessary changes if approved. An odor maintenance plan will be provided by the property owner or its agent, as applicable. A drafted condition addresses this requirement.

E. All mechanical, odor suppression equipment, and trash enclosures must be screened.

This condition can be met subject to a condition suggested below. The waste and recycle containers are not enclosed or screened. Any new rooftop equipment will require a building permit and related screening, as applicable.

F. Outdoor storage of containers, pallets, waste/recycle containers, etc. is prohibited.

No outdoor storage is requested, however, the existing conditions on site show waste/recycle containers are not enclosed. A drafted condition addresses this requirement.

G. Lighting

- 1. All site lighting must meet City Code requirements. All light fixtures must be downward directed with cut-offs and be architecturally designed to match the overall design of the building.*
- 2. The specifications of all light fixtures must be provided to the City with the application for a conditional use permit.*
- 3. A photometric plan must be submitted to the City with the application for a conditional use permit, indicating light measure at the property line.*
- 4. Lighting within a greenhouse is permitted between the hours of 4:30 a.m. and 10:00 p.m. Lighting at the site property lines shall not exceed 1.0 foot-candles at any time.*

These conditions are met by the current operation and no change in lighting is requested or required.

H. Water and Wastewater

- 1. Management of wastewater shall be in accordance with the Office of Cannabis Management, Minnesota Pollution Control Agency, and City Ordinances. Where multiple standards exist, the more restrictive of the standards shall apply.*
- 2. Water use within the site shall be designed to maximize the amount of water reuse possible.*

This condition does not apply. Water and wastewater use is not applicable to a cannabis wholesale operation.

I. Signs

- 1. Signs shall be in compliance with the Office of Cannabis Management and the City Code. Whenever a more restrictive standard exists, the more restrictive standard shall apply.*
- 2. Exterior wall, window, and monument signage shall not depict a cannabis flower, cannabis product, hemp edibles, hemp derived edible consumer product, or the like. Additionally, a business logo containing the above depictions shall not be displayed as part of any exterior signage. No products, interior signage, advertisements, or like attention-getting items*

shall be placed or displayed that may be visible from the exterior of the Cannabis or Hemp Business.

This condition is met. No change to existing signage is requested.

J. Sale of Cannabinoid

Cannabis businesses are limited to retail sale of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between the hours of 10:00 a.m. and 9:00 p.m. on Monday through Sundays.

This condition does not apply. This application is for a cannabis wholesale business-to-business operation and not a retail or consumer product operation.

Section 1325.06 - General Regulations, Off-Street Parking Requirements

As noted above, city records have documented that historically the building has consisted of no more than 10% office and 90% warehouse use. The table below illustrates the number of off-street parking spaces required based on that ratio under city code requirements.

Land Use	Parking Requirement	Required Number of Stalls by Use	Total Stalls Required at 10%/90%	Number of Existing Stalls	Current Parking Deficiency
Business & Professional Office @ 10% or 11,356 sq. ft.	1 for each 250 sq. ft. of floor area	45.4 stalls	147.6 stalls	144 stalls	-3.6 stalls
Other Business and Industry at 90% warehouse or 102,209 sq. ft.	1 for each 1,000 sq. ft. of floor area	102.2 stalls			

As a nonconforming site, this ratio is an important factor when evaluating a future land use because any intensification of use or shift in floor area between land uses has the likelihood of increasing the deficiency of off-street parking for this site. Planning staff note that parking is not allowed on unimproved spaces and no on-street parking is permitted along Round Lake Road.

District Requirements Chart (GB Gateway Business District) – Section 1320.06

The property was developed in 1979 prior to the City’s creation of the Gateway Business Zoning District. The total lot area is 358,036 square feet (8.2 acres) and the building is 113,565 square feet. At the time of construction, the existing development and uses complied with the applicable zoning codes. Today under the GB District, the existing development does not meet setback requirements for the building and off-street parking and is considered legal nonconforming.

The following are the Gateway Business District minimum setbacks:

- Front yard – 50 feet
- Side Yard (interior) – 20 feet/40 feet combination
- Rear Yard – 20 feet

- Off-Street Parking from ROW – 50 feet
- Off-Street Parking from Side or Rear Property Lines – 20 feet

The survey (Attachment D) shows the parking lot is approximately 10 feet from the south property line and the building is approximately 14 feet from the north property line. As a legal nonconforming structure and use, the property can continue to operate in the same or a similar manner without any changes to the site.

Aerial Map of Subject Property



Section 1350 - Nonconforming Uses, Buildings, and Lots

In evaluating nonconforming uses, buildings, and lots, the City shall refer to City Code Section 1350 which mirrors the regulations of State Statute 462.357 for determining what type(s) of activity (i.e. continuation, rebuild, maintenance, expansion, etc.) may or may not be allowed.

Nonconformities are simply any land uses, structures or lots that do not comply with the current zoning ordinance of a city. Legal nonconformities are those uses, buildings, or lots that legally complied with the existing zoning ordinance when the new zoning ordinance or amendment was adopted. The intent of these regulations is to allow nonconforming uses of land or building to be continued, including through repair, replacement, restoration, maintenance, or improvement, but not including expansion. The applicant confirms that this is a continuation of not more than 10% office and 90% warehouse.

Section 1355.04 - Procedural Requirements for Specific Applications

Section 1355.04, Subd. 3 of the Arden Hills Zoning Code states that a public hearing is required for a Conditional Use Permit. The Planning Commission will hold the public hearing. The City Council makes the final determination, and three affirmative votes of the city council are required to approve a conditional use permit. The City Council may add conditions at its discretion in order to protect the health, safety and well-being of the public. If the use for which any conditional use permit has been granted has ceased or has been discontinued for a period of ninety (90) consecutive

days, the permit shall automatically expire and become void at the end of such ninety (90) day period.

Sign Code – Chapter 12

This application does not include requests to change or add signage on site. A condition has been added that prohibits cannabis-related signage as part of the approval.

Additional Review

Public Works Director/City Engineer

The Public Works Director/City Engineer has reviewed the proposed site plan and is not recommending any changes to the site circulation, stall spacing, or sizing of drive aisle widths.

Building Official

The Building Official has reviewed the proposed plan and states that building permits will be required, as appropriate, for any internal or external electrical, mechanical/HVAC, or plumbing work.

Findings of Fact

The Planning Commission must make findings as to whether the proposed application will adversely affect the surrounding neighborhood or the community as a whole based on the aforementioned factors. Staff offers the following findings for consideration:

1. The subject property located at 4440 Round Lake Road is zoned GB, Gateway Business Zoning District and is designated for office and industrial use in the 2040 Comprehensive Plan.
2. Cannabis, wholesale is a conditional use in the GB Gateway Business Zoning District.
3. A state license is required for each wholesaler.
4. The Applicant, Hempel Real Estate, dba HRE Arden Hills, LLC is the sole owner of the property and applied for a conditional use permit for cannabis wholesale operations at the site.
5. The Applicant's site plan shows sufficient parking for 10% office and 90% warehouse use, a use that continues an existing legal nonconforming use.
6. The Applicant's narrative notes the specifics of the proposed business, including the sourcing of products and customer and employee education, and indicates odor suppression, security, and licensing as required by state law will be followed.
7. The materials submitted show adequate circulation on site to prevent adverse effects to the surrounding neighborhood or the community as a whole.
8. Standards and conditions in *Section 1325.047 Cannabis Business Conditional Use Permit* are met.
9. Standards and conditions in *Section 1320.06 District Requirements Chart (GB Gateway Business District)* are met.
10. Standards and conditions in *Section 1325.06 - General Regulations, Off-Street Parking Requirements* are met, given the existing nonconforming nature of the site.
11. A public hearing for a Conditional Use Permit request is required before the request can be brought before the City Council. The required public hearing was held on December 10, 2025.

Options and Proposed Motion Language

Staff have provided the following options and proposed motion language for this case. The Planning Commission should consider providing additional findings of fact as part of the motion to support their recommendation for approval or denial.

- **Recommend Approval with Conditions:** Move to recommend *approval with conditions* of Planning Case 25-015 for a Conditional Use Permit to allow cannabis, wholesale at 4440 Round Lake Road, based on the findings of fact and the submitted plans and subject to the below conditions:
 1. All existing and any future refuse/recycling containers on site must be enclosed prior to issuance of the Conditional Use Permit.
 2. No additional exterior signage related to the cannabis wholesale use shall be permitted.
 3. The Applicant shall comply with all sections of the City Code and with applicable State Statutes.
 4. An odor management plan must be submitted to the City prior to issuance of the Conditional Use Permit.
 5. The Applicant shall for the duration of the Conditional Use Permit continue to provide evidence to the City of the status of each operator's state licensure annually and no later than the first business day of December of each year.
 6. Not more than 10% of the building's floor area may be used for office use.
- **Recommend Approval as Submitted:** Move to recommend *approval* of Planning Case 25-015 for a Conditional Use Permit to allow cannabis, wholesale at 4440 Round Lake Road, based on the findings of fact and the submitted plans.
- **Recommend Denial:** Move to recommend *denial* of Planning Case 25-015 for a Conditional Use Permit to allow cannabis, wholesale at 4440 Round Lake Road, based on the following findings: *the Planning Commission must identify findings to deny that specifically reference the reasons for denial and why those reasons cannot be mitigated.*
- **Table:** Move to *table* Planning Case 25-015 for a Conditional Use Permit to allow cannabis, wholesale at 4440 Round Lake Road, based on the following findings: *a specific reason and information request should be included with a motion to table.*

Public Comments

Notice was published in the *Pioneer Press* on November 29, 2025. Notice was prepared by the City and mailed to property owners within 1,000 feet of the subject property. The City has not received any public comments regarding this case.

Deadline for Agency Actions

The City of Arden Hills received the completed application for this request on November 4, 2025. Pursuant to Minnesota State Statute, the City must act on this request by January 4, 2026 (60 days). Based on the City's meeting schedule and related timelines, the deadline for action has been

extended to March 4, 2026 (additional 60-day review period). With consent of the applicant, the City may extend the review period beyond the initial 120 days.

Attachments

- A. Location Map
- B. Land Use Application and Narrative
- C. Parking Analysis
- D. Site Plan
- E. Survey

Attachment A. Location Map 4440 Round Lake Road





1245 West Highway 96
 Arden Hills, Minnesota 55112
 Telephone (651) 792-7800
 Fax (651) 634-5137
 www.cityofardenhills.org

For Office Use Only

Planning Case No.	25-
Submittal Date	
Application Completed Date	
Accepted by	
Receipt Number	
Council Decision	
Council Decision Date	

2025 LAND USE APPLICATION

Applicant Information

Applicant: HRE Arden Hills LLC

Address: 800 LaSalle Ave, #1250, Minneapolis, MN 55402

Telephone No.: 612-355-2600 Other:

Fax No.:

Email Address: bchampeau@hempelcompanies.com

Property Information

Property Owner: HRE Arden Hills LLC

Owner Address: 800 LaSalle Ave, #1250, Minneapolis, MN 55402

Owner Telephone No. 612-355-2600 Other:

Address of Property Involved: 4440 Round Lake Road, Arden Hills, MN

Legal Description: See enclosed description

Property ID No.: 21-30-23-23-0001

Type of Use: Industrial-Office/Warehouse

Zone: GB-Gateway Business District Property Acreage: 7.78 acres

Type of Request

- Comprehensive Plan Amendment (Fee: \$550 + Escrow: \$2,500)
- Conditional Use or Interim Use Permit/CUP or IUP Amendment (Fee: \$400 + Escrow: \$1,500)
- Preliminary Plat (Fee: \$500 + Escrow: \$2,500)
- Final Plat (Fee: \$450 + Escrow: \$1,000)
- Concept Plan Review (Fee: \$300 + Escrow: \$750)
- Master Planned Unit Development or Master Special Development Plan (Fee: \$600 + Escrow: \$2,500)
- Final Planned Unit Development or Final Special Development Plan (Fee: \$350 + Escrow: \$2,000)
- Planned Unit Development Amendment or Special Development Plan Amendment (Fee: \$400 + Escrow: \$1,500)
- Site Plan Review (Fee: \$450 + Escrow: \$1,500)
- Rezoning or TCAAP Regulating Plan Amendment (Fee: \$500 + Escrow: \$1,500)
- Zoning Code or TCAAP Redevelopment Code Amendment (Fee: \$400 + Escrow: \$1,500)
- City Code Amendment (Fee: \$350 + Escrow: \$1,500)
- Lot Split/Minor Subdivision (R-1 and R-2 Districts Only) (Fee: \$350 + Escrow: \$1,500)
- Variance or Permitted Adjustment (Fee: \$350 + Escrow: \$1,000)
- Vacation of Easement or Right-of-Way (Fee: \$150 + Escrow: \$1,000)
- Appeal of Administrative Decision (Fee: \$150 + Escrow: \$1,000)
- Land Use Requests – Not Already Specified (Fee: \$150 + Escrow: \$1,000)

Brief Description of Request (please also include a typed, detailed letter explaining the project):

See enclosed description

IMPORTANT

- Certain applications are subject to review and approval by the Rice Creek Watershed District. Contact RCWD directly at 763-398-3070 for additional information.
- The land use application fees do not cover building, sign, or other permit fees that may be required upon approval of a land use application.
- All applications will be subject to additional fees for reimbursement of consultant costs associated with filing, reviewing, and processing of application in the form of an escrow to the City.

Filing & Information Requirements

The City requests that you make a pre-application meeting with the Community Development Director to discuss the application process, requirements, and deadlines. Unless waived by the Community Development Director or Planning Commission, a certified survey of the property is required for all applications. A checklist with additional application requirements can be found at www.cityofardenhills.org/landuseapplications.

Complete/Incomplete Applications

Under Minnesota Statute, Chapter 15.99, cities have 15 business days to review all plans and application materials to ensure they satisfy City requirements. During the 15 day review period, planning staff will provide written comments on the application and may request plan revisions. If the application is determined to be complete, Minnesota State Statute then requires the City to approve or deny the application within 60 days, up to 120 days. If not complete, the City may require plan revisions and/or additional information before the application is scheduled for Planning Commission review and/or City Council action. Project will not be scheduled for any meeting until the application submittal is found to be complete by the Community Development Director.

Payment of Fees and Escrows

The undersigned acknowledges that she/he understands that before a land use application can be deemed complete, all required fees and escrows must be paid to the City. The applicant is responsible for all costs incurred by the City related to the processing of this application. Each separate land use request shall be charged a separate administrative fee and escrow even if submitted on the same application. Costs expended in reviewing and processing an application will be charged against the cash escrow and credited to the City. Charges to the escrow may include planning and engineering staff time, City Attorney and consulting fees, and mailing costs. If, at any time, a required cash escrow is depleted to less than 20 percent of its original amount, the applicant shall deposit additional funds in the cash escrow account as determined by the City. The City may withhold final action on a land use application, withhold building permits, and/or rescind prior action until all fees have been paid. Unused portions of an escrow are returned to the applicant upon successful implementation of an approved plan. The escrow may be reduced or increased by the Community Development Director on a project by project basis.

Notice of Meeting Attendance

In order for the Planning Commission and the City Council to consider any application, the applicant or a designated representative must be present at the scheduled meeting. If not, the matter may be tabled until the next available agenda.

Meeting Schedule

Planning Commission meetings are typically held on the first Wednesday after the first Monday of each month at 6:30 PM, though please contact City Hall to verify the meeting date and time. City Council meetings are held typically the last Monday of the same month at 7:00 PM. Meetings are held in the Council Chambers at the City of Arden Hills, 1245 West Highway 96, Arden Hills, Minnesota 55112, unless otherwise stated. The schedules below are for reference purposes only. Project will not be scheduled for any meeting until the application submittal is found to be complete by the Community Development Director.

2025 Planning Commission and City Council Schedule (*subject to change)

TENTATIVE PLANNING COMMISSION MEETING DATE* (Generally held on the first Wednesday after the first Monday at 6:30 p.m.)	TENTATIVE CITY COUNCIL MEETING DATE* (Generally held on the fourth Monday at 7:00 p.m.)	DEADLINE FOR LAND USE APPLICATION SUBMISSION (1 st day of the preceding month)
January 8	February 10	December 1 (2024)
February 5	March 10	January 2
March 5	April 14	February 3
April 9	April 28	March 3
May 7	May 26*	April 1
June 4	June 23	May 1
July 9	July 28	June 2
August 6	August 25	July 1
September 3	September 22	August 1
October 8	October 27	September 1
November 5	November 24	October 1
December 3	January 12 (2026)	November 3

Acknowledgement and Signature

I hereby apply for the above consideration and declare that the information and materials submitted with this application are complete and accurate per city code and ordinance requirements. I fully understand that I am responsible for all costs incurred by the City related to the processing of this application.



Property Owner Signature (Required)

11/3/25

Date

Applicant Signature (If different than the property owner)

Date

Please contact the Community Development Director at 651-792-7800 if you have any questions regarding this application.

Additional copies of this application form are available on the City's website: www.cityofardenhills.org/landuseapplications

Conditional Use Permit Application Narrative

Date: November 3, 2025

Property: Arden Hills Business Center – 4440 Round Lake Road W, Arden Hills, MN

Applicant: HRE Arden Hills LLC

Proposed Use: Licensed THC Wholesale/Distribution Tenants

Brief Description of Request

Hempel, as landlord, seeks a property-level Conditional Use Permit authorizing up to 57,000 SF (≈50% of building area) to be leased to licensed THC wholesale/distribution tenants. If granted, the CUP would let us lease any or all of the site's current ≈52,000 SF vacancy and also allow our anchor tenant, Portal, to sublease space within its ≈61,000 SF footprint for the same use. Based on recent inquiries, we expect 5–15 small businesses interested in warehousing prepackaged THC product only. Because this use requires a CUP in the GB District, this application is intended to pre-approve the building for that use (with conditions) so individual businesses can occupy suites under the CUP rather than filing separate land-use requests—while still maintaining all state licensure requirements. This is business-to-business distribution only: no retail, no walk-in sales, no on-site consumption, no exterior storage, and all operations occur indoors at typical warehouse/logistics intensity.

To ensure compatibility and protect public welfare, the Applicant proactively offers CUP conditions, including:

- Wholesale distribution only; no retail or public access.
- Valid Minnesota licensure for each tenant, with automatic suspension of operations upon any lapse or revocation, and annual license-status reporting to City staff.
- A security plan (controlled access, cameras/alarms, secure loading/unloading).
- Odor containment (sealed product handling and HVAC filtration as needed).
- Truck and parking management consistent with historical/approved levels and standard business-hour operations.
- No exterior signage that references cannabis/THC.

This CUP advances GB District goals by supporting employment and stabilizing a key tax-producing asset without exterior changes. The requested approval formalizes a controlled, professional, non-

retail industrial use and embeds clear safeguards addressing security, traffic, parking, and neighborhood compatibility.

Site & Zoning Background

- **Property:** 113,387 SF building on 7.76 acres
- **Zoning:** GB (Gateway Business District) with Round Lake Shoreland Overlay
- **Current Status:**
 - Legally nonconforming warehouse use; CUP required for new or expanded warehousing/distribution.
 - Historical limit: ~10% office / 90% warehouse tied to parking capacity.
 - 2022 site plan approval (PC 22-007) affirmed industrial use subject to nonconforming restrictions.
 - Portal Warehousing operates in ≈61,000 SF, offering co-warehousing spaces and services to dozens of small and growing businesses.

Description of Proposed Use

- **Nature of Operations:** State-licensed wholesale/distribution only (no retail, no on-site sales, no public traffic).
- **Building Fit:** Occupancy of individual suites or demised areas within the existing warehouse footprint.
- **Employment:** Each distributor expected to employ 5–15 staff in logistics, quality control, and compliance roles.
- **Traffic/Parking:** Similar to or less than traditional warehouse uses; no additional burden beyond the approved parking stalls.
- **Compliance:** All tenants will hold valid Minnesota THC distribution licenses and remain subject to state inspection and oversight.

Alignment with Gateway Business District Goals

The GB District's stated purpose is to foster high-quality business activity compatible with adjacent uses. This use aligns because:

- **Economic Vitality:** Brings stable employment, long-term leases, and a reliable tax base.
- **Regulated, Professional Tenants:** THC distributors are subject to stricter oversight and permitting than typical warehouse users, reducing city risk.
- **Controlled & Internalized Operations:** All activities occur indoors, with no exterior storage, sales, or nuisances.
- **Compatibility with Existing Uses:** Comparable in function and intensity to current tenant (Portal Warehousing) and Portal's subtenants.

CUP Criteria & Mitigation Commitments

The Applicant proactively proposes conditions to address potential city concerns:

1. **Security**
 - 24/7 surveillance cameras and alarm systems.
 - Limited-access entry points.
 - Secure loading/unloading procedures.
2. **Operations**
 - No retail or walk-in sales.
 - Distribution only to licensed retailers.
 - Normal business hours.
3. **Environmental Controls**
 - Odor containment measures (sealed packaging, HVAC filtration).
 - Strict compliance with Minnesota Dept. of Health/Office of Cannabis Mgmt. regulations.
4. **Traffic & Parking**
 - Operations generate limited daily traffic, consistent with industrial use.
 - Parking demand well below historical 10% office allocation.

Precedent & Community Benefit

- The City has previously approved innovative industrial tenants at this site, including Saltbox and Portal Warehousing.
- Market data shows strong industrial demand and low vacancy (3.9% metro, 2.9% northeast submarket)—flexibility is key to keeping the site occupied and contributing to tax revenue.
- Without tenant flexibility, the property risks prolonged vacancy, undermining both city goals and district vitality.

Conclusion

The Applicant respectfully requests CUP approval for up to 50% of the Arden Hills Business Center’s rentable area to be leased or subleased to licensed THC distributors. This CUP formalizes a **controlled, professional, non-retail industrial use** that is consistent with the District’s business/employment character while incorporating clear safeguards to address security, traffic, parking, and neighborhood compatibility. This use:

- Meets the intent of the GB District by supporting economic vitality with controlled, professional operations.
- It imposes no greater impact than existing warehousing tenants.
- Provides regulatory, security, and operational assurances to protect city interests.



800 LaSalle Avenue, Suite 1250
Minneapolis, MN 55402

We look forward to the discussion and to working collaboratively with staff, the Planning Commission, and City Council, to ensure this project contributes positively to the City of Arden Hills.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brandon Champeau', written in a cursive style.

Brandon Champeau
Executive Vice President
Hempel Real Estate



Portal Warehousing: An Engine for Business Growth in Arden Hills

Our Mission: To provide the physical infrastructure and operational support that empowers local entrepreneurs, small businesses and enterprises to scale, innovate, and thrive.

Portal Warehousing is a co-warehousing community offering flexible, all-inclusive warehouse and office space designed for the modern business. We eliminate the barriers of long-term leases and high upfront costs, providing a move-in-ready solution that allows companies to focus on what they do best: growing their business. By fostering a dynamic ecosystem of entrepreneurs, we serve as a vital asset to the local economy.

What We Offer Small Businesses

We provide a comprehensive, turn-key solution that combines private space with shared, enterprise-level amenities.

- **Flexible Private Spaces:** Secure, private warehouse units from 250 to 4,000+ sq ft, with the flexibility to scale space up or down as business needs change.
 - **All-Inclusive Amenities:** One simple monthly payment includes:
 - High-speed Wi-Fi and all utilities.
 - Access to loading docks, forklifts, and pallet jacks.
 - On-site packing stations and a product photo studio.
 - Shared office space, conference rooms, and kitchenettes.
 - **Embedded Logistics:** Daily pickups from all major carriers (FedEx, UPS, USPS), a commercial shipping address, and professional receiving services.
 - **Vibrant Community:** A collaborative environment of diverse businesses, from e-commerce brands and local makers to CPG companies and third-party logistics (3PL) providers.
-

Enterprise-Grade Security & Peace of Mind

We ensure our members' inventory and operations are protected through a multi-layered security protocol.

- **24/7 Video Surveillance:** The entire facility is monitored by a comprehensive CCTV system.
- **Controlled Access:** Secure keycard/fob entry ensures only authorized members and staff can access the building.
- **On-Site Management:** A dedicated Property Manager is on-site Monday through Friday to oversee operations and provide support.
- **Secure Package Handling:** All inbound packages are processed through a digital scanning system and securely received by our on-site manager, guaranteeing a safe chain of custody.
- **Private, Secure Units:** Each individual warehouse unit is equipped with its own secure locking system, giving businesses exclusive control over their space.



Ease of Use: Simplified Operations for Entrepreneurs

Our model is built on simplicity and efficiency, removing operational friction for business owners.

- **Flexible Agreements:** Members benefit from short-term agreements that eliminate the risk and complexity of traditional 5-10 year commercial leases.
 - **Centralized Member Portal:** Our technology platform allows members to easily manage payments, book conference rooms, and connect with the community from any device.
 - **Move-In-Ready:** New members can be operational in a matter of hours, not months, thanks to our turn-key spaces.
-

A Partnership for a Stronger Arden Hills Economy

Portal Warehousing is more than a building; we are a platform for economic development.

- **Accelerates Small Business Growth:** We provide the critical infrastructure that allows small businesses to compete and expand.
 - **Creates and Retains Local Jobs:** The businesses within our facility hire locally, contributing to job creation and economic vitality.
 - **Fosters Innovation:** Our community becomes a hub for entrepreneurship, driving innovation and collaboration within the city.
 - **Modernizes Industrial Real Estate:** We efficiently utilize and revitalize commercial properties, aligning them with the needs of the modern economy.
-

A Secure & Compliant Solution for the Cannabis Industry

Our application is driven by significant demand from licensed cannabis entrepreneurs who require secure, professional, and compliant space to operate and grow their businesses within the city.

- **Validated Market Need:** We have received a dozen inquiries from local, licensed cannabis brands—including distributors, manufacturers, and delivery services—seeking viable operational space. These businesses are often locked out of the market by the high cost of building and securing a standalone facility.
- **Commitment to Exceeding Compliance:** Portal Warehousing is committed to meeting and exceeding all city and state regulations for cannabis operations. Our existing enterprise-grade security infrastructure provides a robust foundation that can be enhanced with any specific requirements mandated for surveillance, access control, and product tracking.
- **A Responsible Partner:** By providing a centralized, professionally managed, and highly secure environment, we enable the city to support its local cannabis businesses in a controlled and responsible manner, ensuring they operate with the highest degree of safety and compliance.



PORTAL
WAREHOUSING

We are confident that Portal Warehousing provides the ideal environment for licensed cannabis businesses to thrive, create jobs, and contribute to the local tax base. We look forward to partnering with the City of Arden Hills to create a secure and prosperous future for this up and coming industry.

Alex Morrison

Co-Founder & CEO

alex@join-portal.com

www.join-portal.com

Newly Renovated!

For lease

Arden Hills Business Center
4440 Round Lake Road,
Arden Hills, MN

52,033 SF Available

 **JLL** SEE A BRIGHTER WAY

 **HEMPEL**
REAL ESTATE

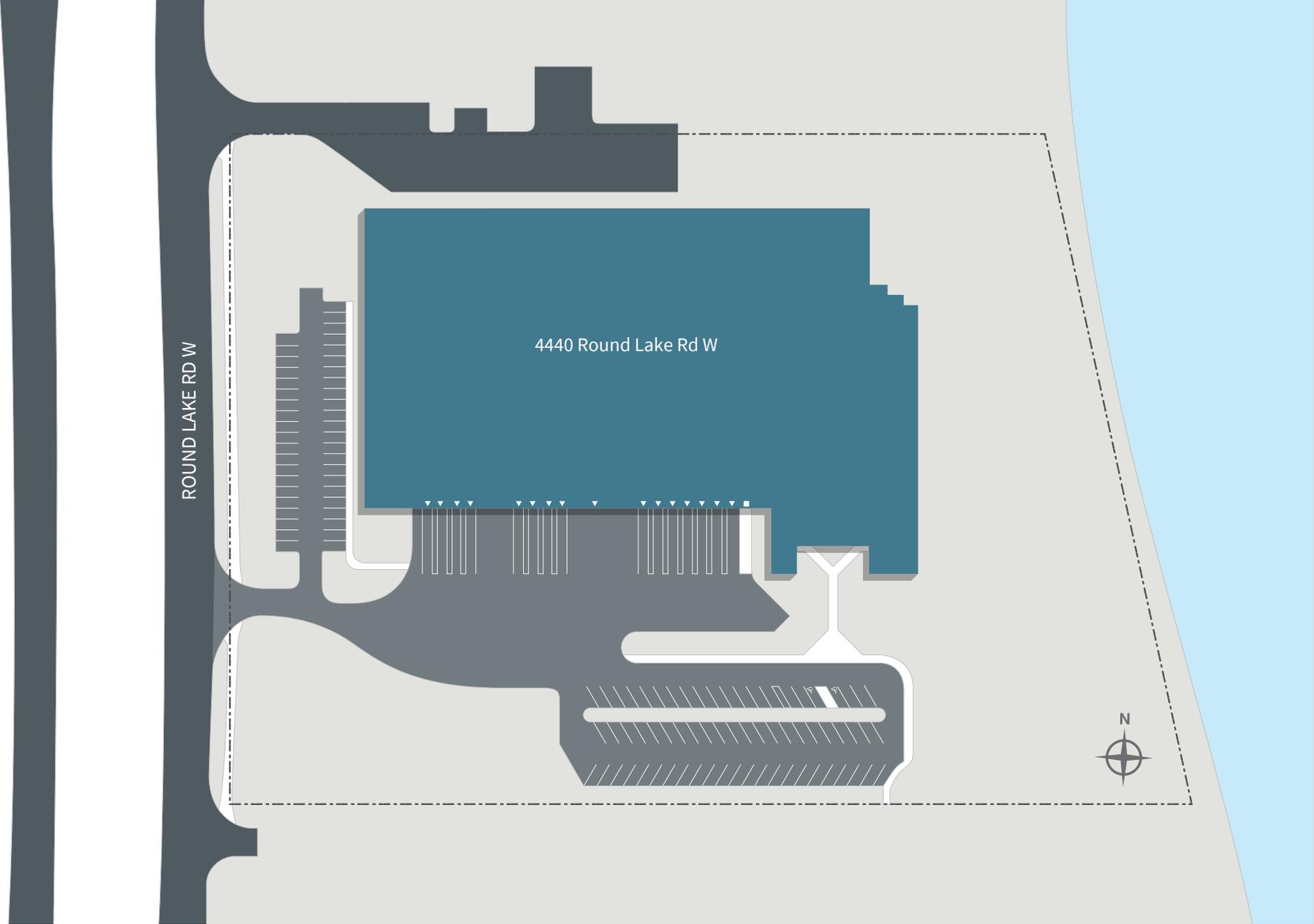


Property specifications

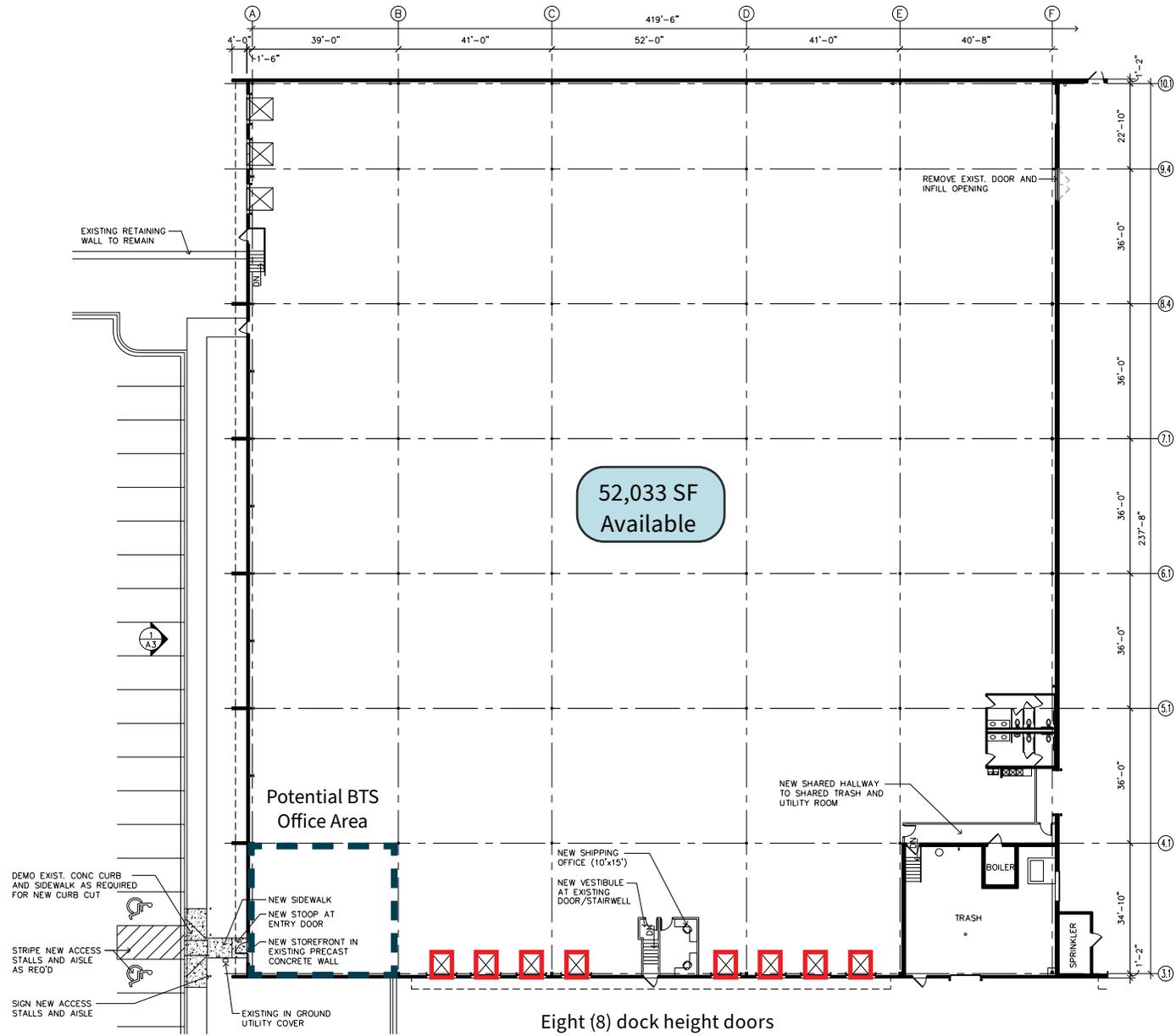
Available SF	BTS Office <u>52,033 SF Warehouse</u> 52,033 SF Total* <i>*Divisible to 19,920 SF</i>	Auto Parking	43 spaces
Year Built / Renovated	1979 / 2022	Truck Court Depth	150'
Construction Type	Reinforced concrete and steel frame with tilt-up concrete wall panels	Power	1,600 amps, 480/277 volt, 3-phase
Column Spacing	Various	Interior Lighting	LED
Roof Type	TPO	Fire Prevention	Wet
Roof Age	2014, 20-year warranty expiring 11/14/2034	Zoning	GB
Clear Height	20'	Lease Rate	Negotiable
Dock High Doors	Eight (8)	2025 Tax/CAM	\$3.47
		Available	Now



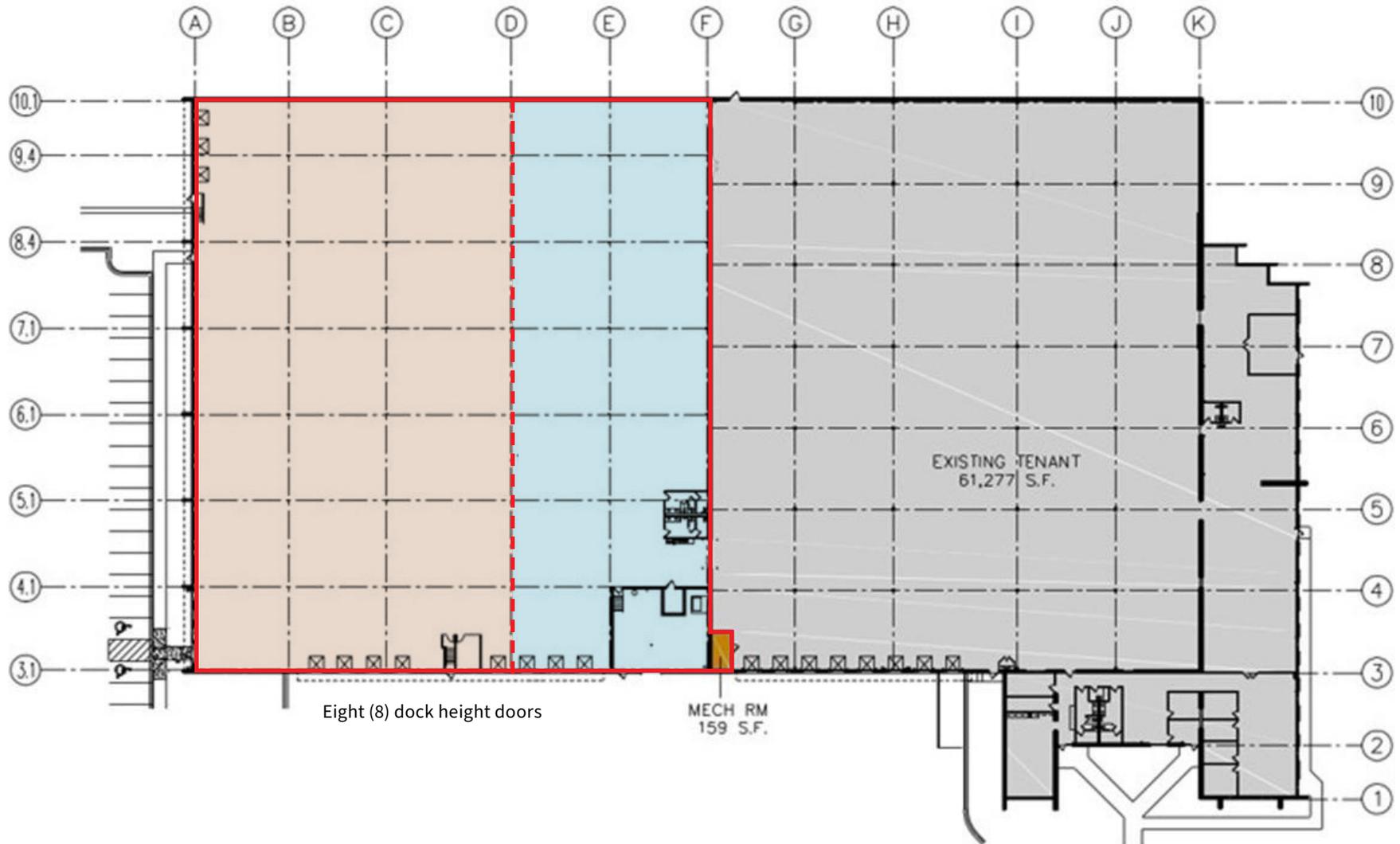
Site plan



Floor plan



Floor plan - multi space options



Option 1

32,040 SF Total
Five (5) dock doors

Option 2

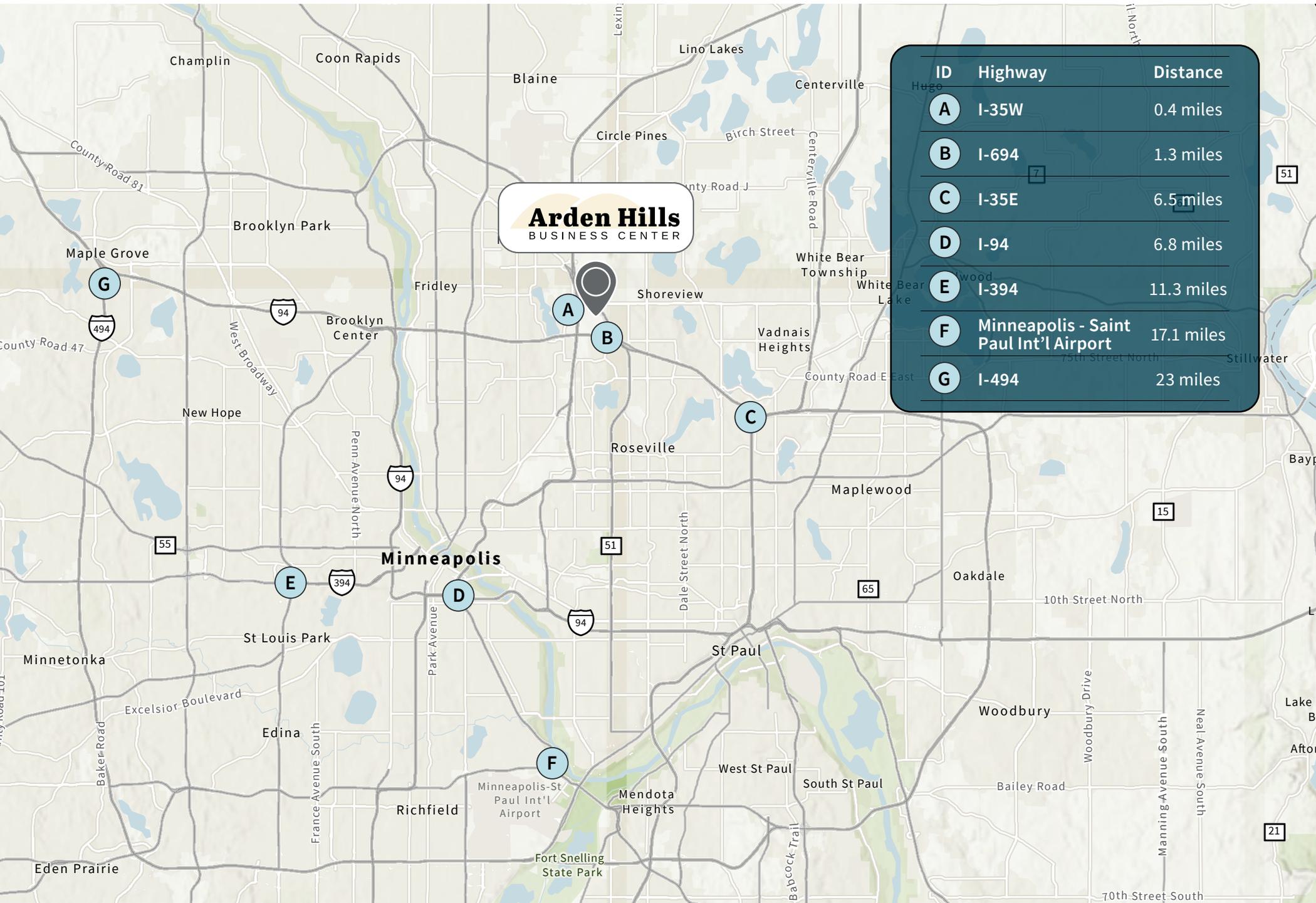
19,920 SF Total
Three (3) dock doors

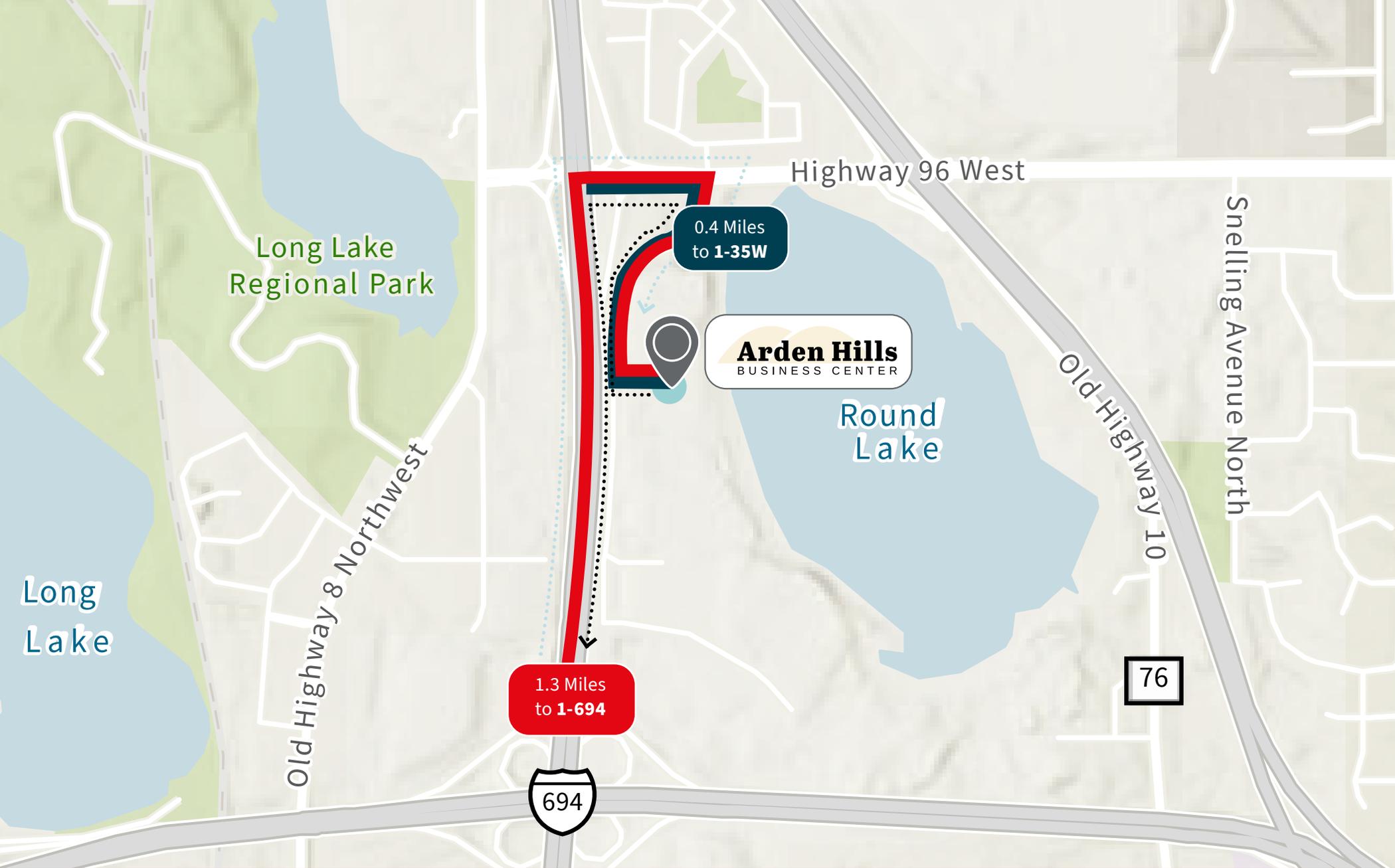
Option 3 - Full Space

52,033 SF Total
Eight (8) dock doors



Accessible location





Eric Batiza, SIOR
Managing Director
eric.batiza@jll.com
+1 612 217 5123

Dan Larew, CCIM SIOR
Managing Director
dan.larew@jll.com
+1 612 217 6726

JLL
250 Nicollet Mall
Suite 1000
Minneapolis, MN 55401



Parking Analysis (Based on March 2022 comparison of Saltbox operation in Farmers Branch, TX)

Subject Property: Saltbox Farmers Branch (4653 Nall Rd., Farmers Branch, TX 75244)

Building Information:

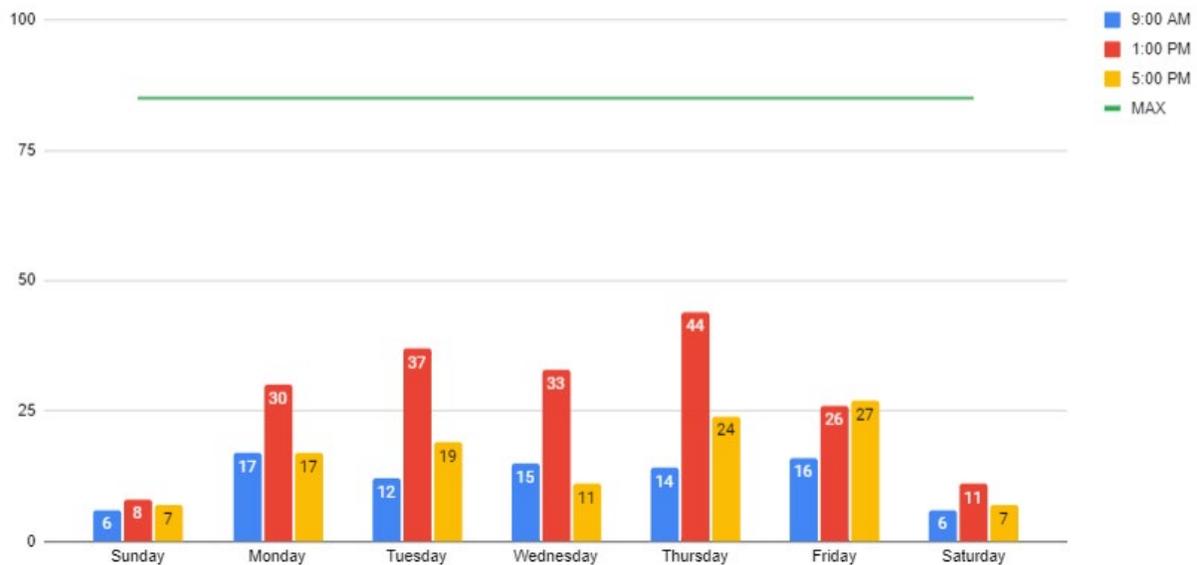
- *Total building size* - approximately 66,000 square feet, consisting of 101 warehouse suites and 15 rentable offices
- *Maximum member occupancy* – 186 member access passes
- *Employees* - typically 12 on site during normal business hours
- *Parking spaces* - 85

Parking Analysis Methodology:

- Parking utilization monitored over the entire month of February 2022.
- Parking monitored through review of multiple on-site security cameras.

Results:

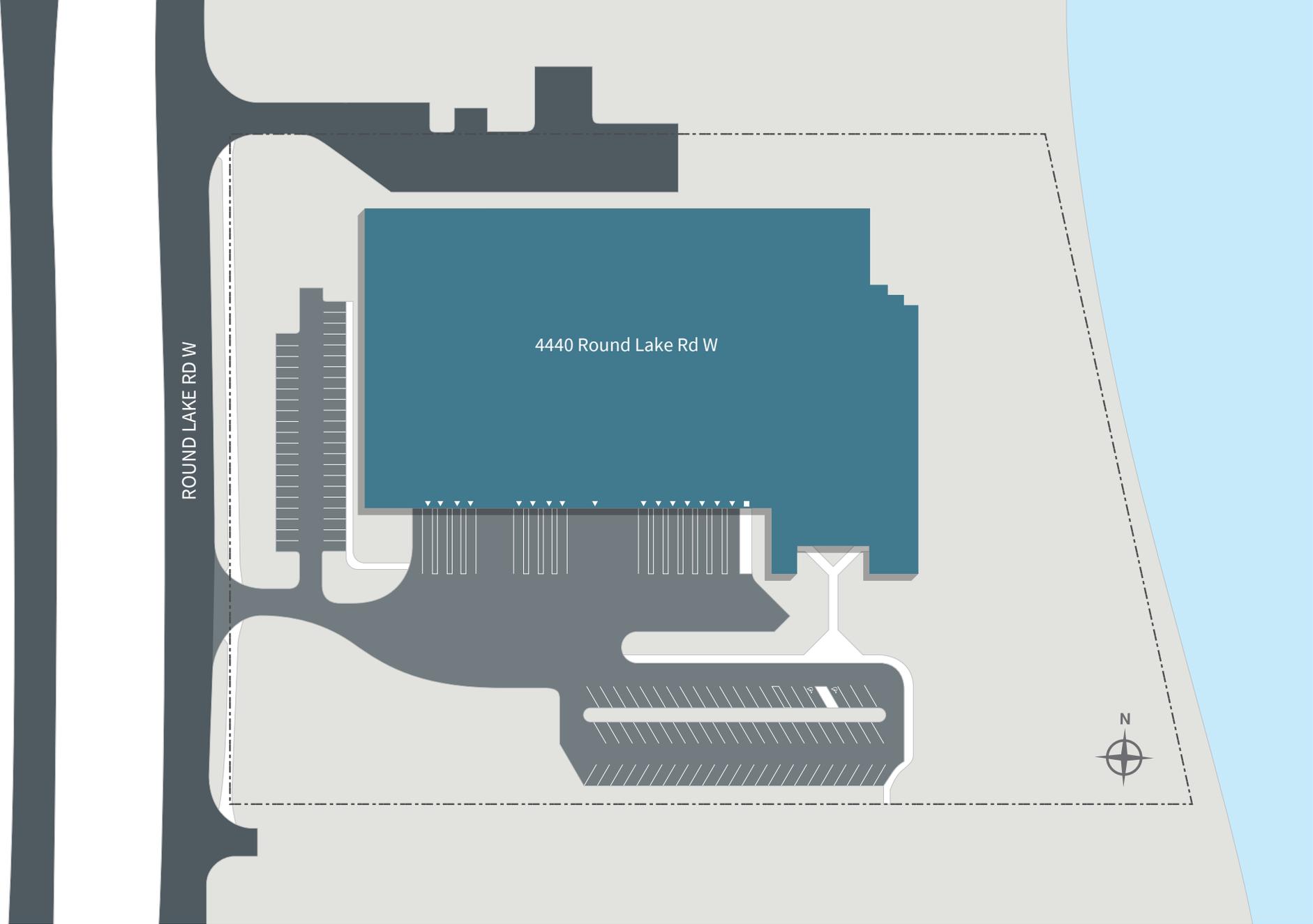
Peak Saltbox Dallas Parking Usage, by Day



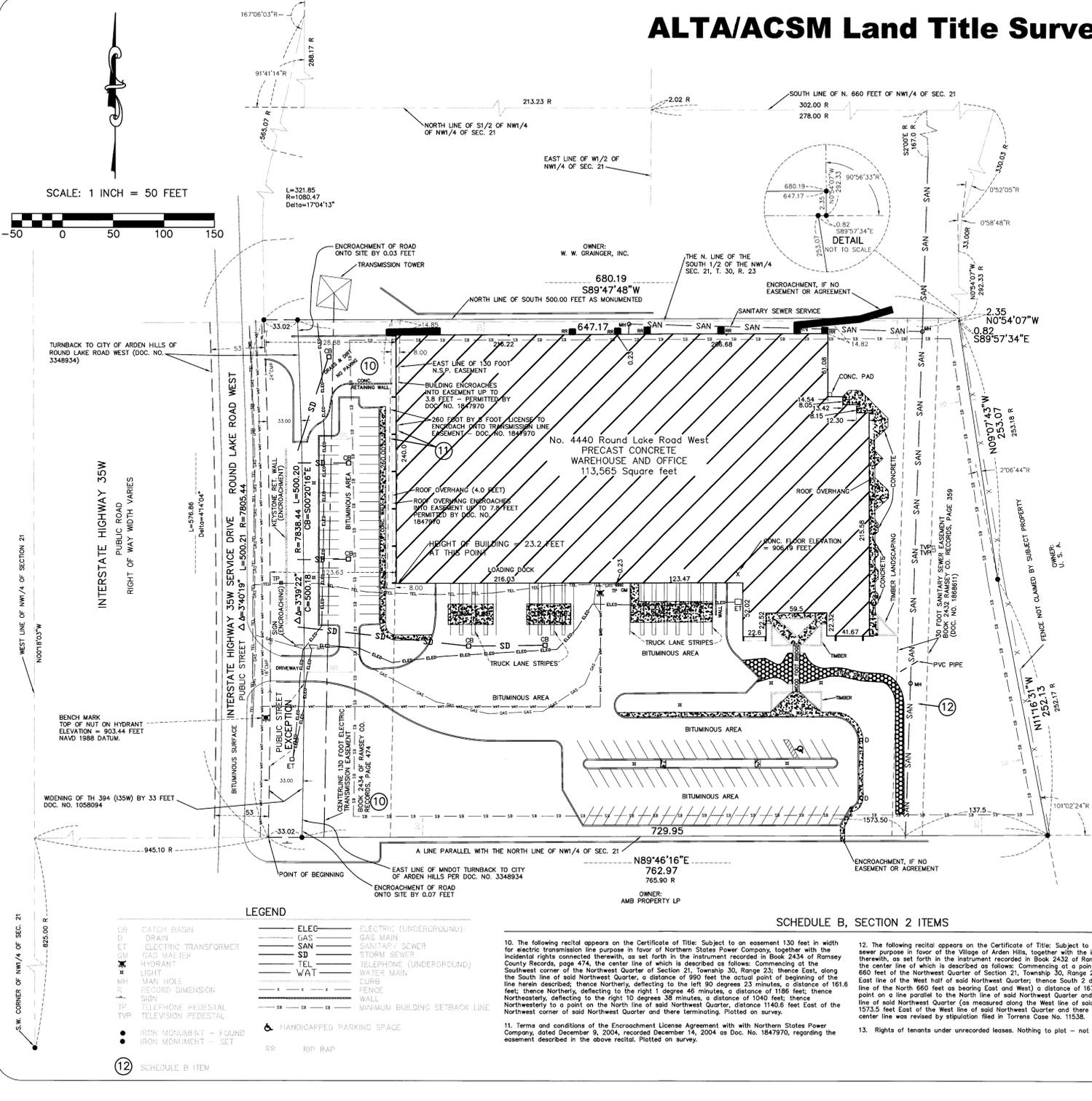
Conclusions:

- Even at its peak, parking utilization at Saltbox Farmers Branch equals only 22% of the total access passes plus Saltbox employees.
- The Arden Hills property has 15 Portal employees on site at any given time. Accordingly, the anticipated peak parking need is 91 spots, with most utilization significantly below that.
- Given this data, the existing 144 spots should be more than sufficient for our needs.

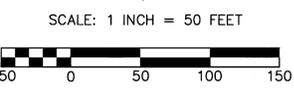
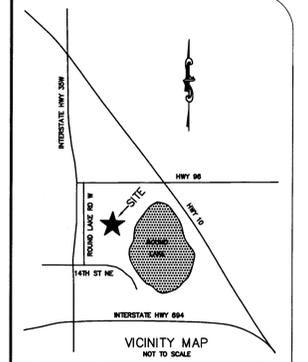
Site plan



ALTA/ACSM Land Title Survey



- NOTES**
- All bearings shown are based on an assumed datum.
 - Subject property contains a gross area of 358,035 square feet or 8.219 acres.
 - Subject property contains a net area of 341,829 square feet or 7.840 acres.
 - Utility data shown was taken from plans and field locations provided by various utility companies and are shown in an approximate way only. Gopher State One Call (651-454-0002) must be contacted for field locations prior to any excavation or demolition.
 - Sewer and water main data shown is per plans provided by the City of Arden Hills and field located where possible.
 - Gopher State One Call was contacted, Ticket No. 40548471, to locate utilities. However, not all utilities were located.
 - The FIRM FLOOD INSURANCE RATE MAP for the City of Arden Hills, Ramsey County, Minnesota, Community Panel No. 270375 0002 B effective date 7/2/1981 shows the property to be in ZONE C, an area of minimal flooding.
 - The site is zoned CB - Gateway Business District.
 - Minimum Building Setbacks:
Front - 50 feet
Side - 20 feet
Rear - 10 feet
Parking setbacks:
Front (street r/w) - 50 feet
Side or rear - 20 feet
Maximum Building Height - 35 feet
Maximum Floor Area Ratio (FAR) shall not exceed 0.3
Minimum building size is 20,000 square feet.
 - Zoning, setback requirements and flood plain information as per the City of Arden Hills.
 - Items certified to are limited to those items which are visible or made known to the surveyor.
 - The legal description and easements shown are from Commitment for Title Insurance by First American Title Insurance Company, Commitment No. NCS-173361-MPLS, dated February 05, 2005 at 7:30 AM. No other search for recorded or unrecorded easements was made by the surveyor as part of this survey.
 - There are 108 regular parking spaces on the subject property.
 - There are no changes in street right of way lines either completed or proposed or observable evidence of recent street or sidewalk construction or repairs known to the surveyor.
 - There is no observable evidence of earth moving work, building construction or building additions in recent months.
 - There are no changes in street right of way lines either completed or proposed or observable evidence of recent street or sidewalk construction or repairs known to the surveyor.
 - There is no observable evidence of site use as a solid waste dump, pump or sanitary landfill.



LEGAL DESCRIPTION

The South 500 feet of that part of the Northwest Quarter of Section 21, Township 30, Range 23, described as commencing at the Southwest corner of said Northwest Quarter; thence North along the West line of said Northwest Quarter a distance of 825 feet; thence East, parallel to the North line of said Northwest Quarter, a distance of 945.10 feet, the actual point of beginning of the land herein described; thence continuing East along said parallel line a distance of 765.90 feet; thence Northerly, deflecting to the left 10 degrees 02 minutes 24 seconds, a distance of 252.17 feet; thence Northerly, deflecting to the right 2 degrees 06 minutes 44 seconds, a distance of 253.18 feet to the North line of the South Half of said Northwest Quarter; thence East along said North line of the South Half a distance of 82/100 feet; thence North, deflecting to the left 90 degrees 56 minutes 33 seconds, a distance of 292.33 feet; thence North, deflecting to the right 00 degrees 52 minutes 05 seconds, a distance of 33.03 feet to the South line of the North 660 feet of said Northwest Quarter; thence West along said South line of the North 660 feet a distance of 302 feet to the East line of the West Half of said Northwest Quarter; thence North along said East line of the West Half of the Northwest Quarter a distance of 213.23 feet; thence North, deflecting to the right 91 degrees 41 minutes 14 seconds, a distance of 228.17 feet; thence Southwesterly, deflecting to the left 167 degrees 06 minutes 03 seconds, a distance of 565.07 feet; thence on a tangential curve to the left having a radius of 1080.47 feet and a central angle of 17 degrees 04 minutes 13 seconds a distance of 321.85 feet; thence on a reverse curve having a radius of 7805.44 feet and a central angle of 4 degrees 14 minutes 04 seconds a distance of 576.86 feet to the actual point of beginning; except that part lying Westerly of a line parallel to and 33 feet Easterly of the Westerly line thereof.

SURVEYOR'S CERTIFICATION

TO: Lender: Allianz Life Insurance Company of North America
 Borrower: CSM Equities, L.L.C., a Delaware limited liability company
 Title Company: First American Title Insurance Company
 Title Commitment No. NCS-173361-MPLS Date: February 05, 2005

I hereby certify that the survey was made on the ground as per record description and the information provided in the above referenced title commitment; that the information shown hereon is true, correct and accurate; that the size, location and type of buildings and visible improvements are as shown and all within the boundary lines of the property except as shown hereon; that ingress and egress is by dedicated and publicly maintained streets shown hereon; that there are no easements, encroachments, or uses affecting the property appearing from a careful inspection of same, other than those shown hereon; that there are no zoning ordinances or restrictive covenants violations with respect to the location of said buildings and visible improvements; that except as shown hereon, no portion of the property lies within a Special Flood Hazard Area, as described on the Flood Insurance Rate Map for the community in which the property is located; and that this survey was made in accordance with the "Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys", jointly established and adopted by ALTA/ACSM in 1999 and includes items 2, 3, 4, 6, 7a, 7b(1), 8, 9, 10, 11 a, 11 b, 13, 14, 15, 16 and 17 (finished floor elevation, flood plain elevation if applicable, zoning classification of the property and setback lines established by zoning ordinances) of Table "A" thereof and meets the accuracy requirements of an "Urban" survey, as defined therein.

Comstock & Davis, Inc.
 By: Ron Murphy
 Licensed Land Surveyor
 Minnesota License No. 10832

LEGEND

CB	CATCH BASIN	ELEC	ELECTRIC (UNDERGROUND)
D	DRAIN	GAS	GAS MAIN
ET	ELECTRIC TRANSFORMER	SAN	SANITARY SEWER
GW	GAS WATER	SD	STORM SEWER
H	HYDRANT	TEL	TELEPHONE (UNDERGROUND)
L	LIGHT	WAT	WATER MAIN
MH	MAN HOLE	---	CURB
RD	RECORD DIMENSION	---	FENCE
SI	SIGN	---	WALL
TP	TELEPHONE PEDSIAL	---	MINIMUM BUILDING SETBACK LINE
TV	TELEVISION PEDESTAL	---	
●	IRON MONUMENT - FOUND	♿	HANDICAPPED PARKING SPACE
●	IRON MONUMENT - SET	RR	RR RAIL

SCHEDULE B, SECTION 2 ITEMS

- The following recital appears on the Certificate of Title: Subject to an easement 130 feet in width for electric transmission line purpose in favor of Northern States Power Company, together with the incidental rights connected therewith, as set forth in the instrument recorded in Book 2434 of Ramsey County Records, page 474, the center line of which is described as follows: Commencing at the Southwest corner of the Northwest Quarter of Section 21, Township 30, Range 23; thence East, along the South line of said Northwest Quarter, a distance of 990 feet the actual point of beginning of the line herein described; thence Northerly, deflecting to the left 90 degrees 23 minutes, a distance of 161.6 feet; thence Northerly, deflecting to the right 1 degree 46 minutes, a distance of 1186 feet; thence Northerly, deflecting to the right 10 degrees 38 minutes, a distance of 1040 feet; thence Northwesterly to a point on the North line of said Northwest Quarter, distance 1140.6 feet East of the Northwest corner of said Northwest Quarter and there terminating. Plotted on survey.
- The following recital appears on the Certificate of Title: Subject to an easement 30 feet in width for sewer purpose in favor of the Village of Arden Hills, together with the incidental rights connected therewith, as set forth in the instrument recorded in Book 2432 of Ramsey County Records, page 359, the center line of which is described as follows: Commencing at a point on the South line of the North 660 feet of the Northwest Quarter of Section 21, Township 30, Range 23, distant 278 feet East of the East line of the West half of said Northwest Quarter; thence South 2 degrees East (assuming said South line of the North 660 feet as bearing East and West) a distance of 167 feet; thence Southerly to a point on a line parallel to the North line of said Northwest Quarter and 825 feet North of the South line of said Northwest Quarter (as measured along the West line of said Northwest Quarter), distant 1572.5 feet East of the West line of said Northwest Quarter and there terminating; the location of which center line was revised by stipulation filed in Torrens Case No. 11538. Plotted on survey.
- Terms and conditions of the Encroachment License Agreement with Northern States Power Company, dated December 9, 2004, recorded December 14, 2004 as Doc. No. 1847970, regarding the easement described in the above recital. Plotted on survey.
- Rights of tenants under unrecorded leases. Nothing to plot - not a survey item.

SURVEY FURNISHED BY LANDLORD → FOR REFERENCE ONLY

COMSTOCK & DAVIS, INC.
 CONSULTING ENGINEERS & LAND SURVEYORS
 1446 COUNTY ROAD J
 MINNEAPOLIS, MN 55432
 PHONE: 763-784-9346
 FAX: 763-784-9395
 EMAIL: COMSTOCK@COMSTOCKS360.COM
 © COMSTOCK & DAVIS, INC. 2005

BOOK 42M/29 FILE NO. 20-3-205544

From: [REDACTED]
To: [AH Planning](#)
Subject: Meeting Notes - Wednesday 12/10 - PC# 25-015: CONDITIONAL USE PERMIT TO ALLOW CANNABIS USE (WHOLESALE) AT 4400 ROUND LAKE ROAD
Date: Wednesday, December 10, 2025 10:07:05 AM
Attachments: [image001.png](#)

You don't often get email from maria@capitalpartnersmn.com. [Learn why this is important](#)

Hello,

RE: PC# 25-015: CONDITIONAL USE PERMIT TO ALLOW CANNABIS USE (WHOLESALE) AT 4400 ROUND LAKE ROAD

I am the property manager for the building located at 4354 W Round Lake Road and the ownership group has some questions that I am hoping can be added to this evening's planning commission meeting. Please see below and let me know if you are able to address these items. Thank you!

1. What kind of security measures will be required?
2. Does the use increase vehicular/truck traffic?
3. Will there be an odor emanating for the operation?

Maria Schreder

Property Manager

[REDACTED]
[REDACTED]
[REDACTED]



5201 Eden Avenue, Suite 50
Edina, MN 55436