



Location Map

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Planning Case #25-015 – Public Hearing Required

Applicant: Hempel Real Estate

Property Location: 4440 Round Lake Road W.

Request: Conditional Use Permit for cannabis, wholesale

Zoning: GB, Gateway Business

Land Use: Industrial



Action to Consider

Motion to approve, table, or deny the following:

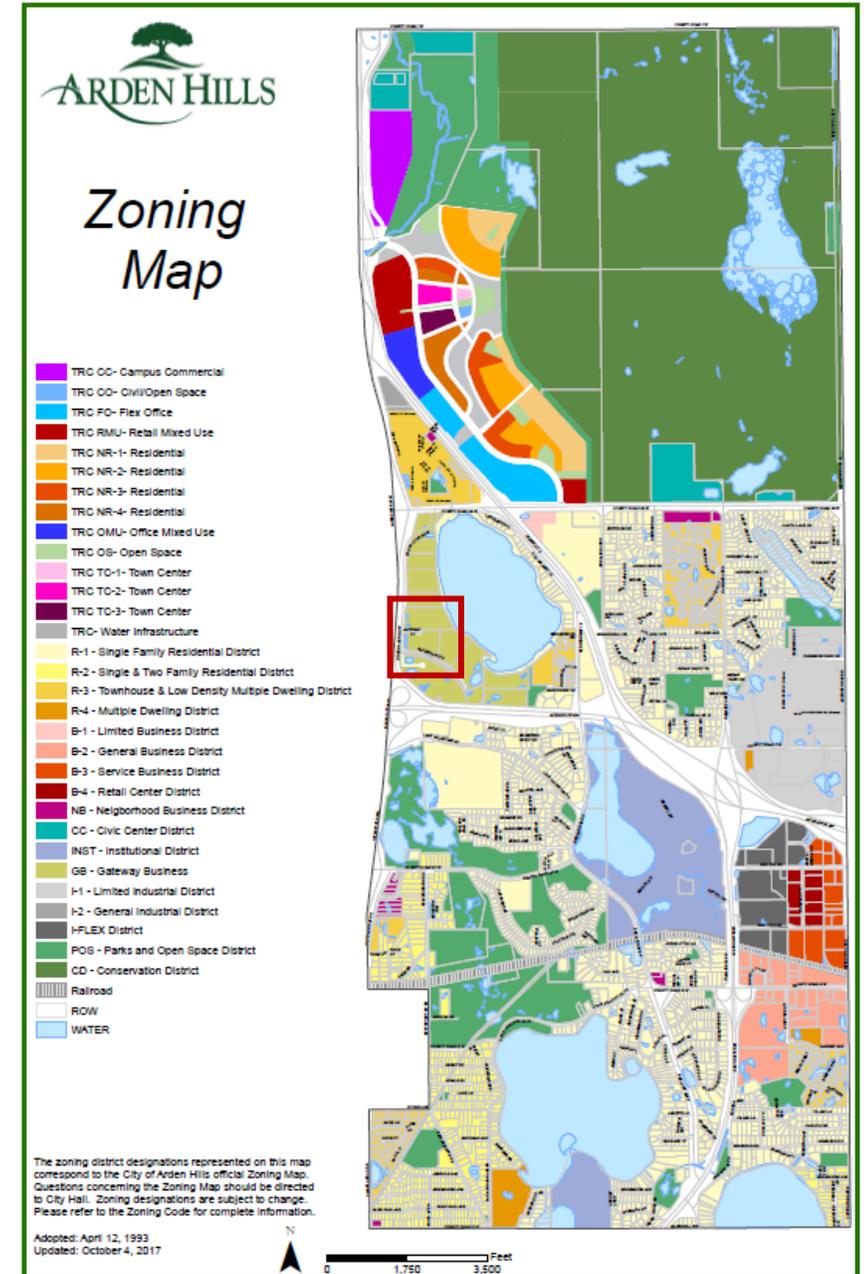
- Adoption of Resolution 2026-005 for Planning Case 25-015 to allow a Conditional Use Permit (CUP) for a project at 4440 Round Lake Road (“Subject Property”). Brandon Champeau, Hempel Real Estate dba HRE Arden Hills LLC (“The Applicant”) proposes to lease space in the existing warehouse building to cannabis wholesale operators.

Request

- Hempel Real Estate, the property owner, applied for a conditional use permit for a cannabis warehouse use at 4440 Round Lake Road.
- Warehousing is a permitted use in the Gateway Business District.
- All cannabis uses require a conditional use permit in Arden Hills city code.
- Portal operates non-cannabis warehouse uses in the building today.
- Any cannabis operation is required to meet all state requirements.
 - Only pre-packaged goods will be stored at and distributed from the site.
 - Distribution will only be from the warehouse to other business enterprises.
 - No consumer retail may operate at the site.
 - Security measures must follow MN Rules.
 - Odor mitigation must follow state statute.

History

- 2040 Comprehensive Plan guides for Light Industrial and Office
- Zoning District – GB, Gateway Business
- Property developed in 1979 prior to the City's creation of the Gateway Business Zoning District
- Historically property has continuously been utilized for office and warehouse use
- Existing property is legally nonconforming and a site plan with 144 striped parking stalls was approved in 2022
- No additional vehicle traffic is anticipated



Conditional Uses, Section 1355.04

- 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.
- Must consider the effect of the use on health, safety, convenience and general welfare of the owners and occupants of the surrounding land and the community
- Factors to consider include, but are not limited to:
 - Existing and anticipated traffic and parking conditions;
 - Noise, glare, odors, vibration, smoke, dust, air pollution, heat, liquid or solid waste, and other nuisance characteristics;
 - Drainage;
 - Population density;
 - Visual and land use compatibility with uses and structures on surrounding land;
 - Adjoining land values;
 - Park dedications where applicable;
 - 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.

Cannabis Business Uses, Section 1325.047

- Lists general regulations regarding setbacks, development standards, security, outdoor operations, noxious/nuisance odors, screening, outdoor storage, lighting, water/wastewater, signage and sales.
- Findings state that the relevant conditions are met.
- Several conditions do not apply based on the wholesale/warehouse operations and business model.

Cannabis Business Uses, Minnesota Rules, Chapter 9810

- The State of Minnesota's Office of Cannabis Management (OCM) oversees all licensing and registration of cannabis enterprises including adult-use recreational cannabis, lower-potency hemp products, and medical cannabis.
- The rules were adopted in April 2025 and include requirements for any enterprise seeking a cannabis license including, but not limited to:
 - Security measures (MN Rules 9810.1500)
 - Wholesale cannabis (MN Rules 9810.2400)
 - Odor mitigation (Minnesota Statutes Sec. 116.064)
- All relevant and applicable rules and statutes must be followed for any cannabis wholesaler to begin operations.

General Regulations, Off-street Parking, Section 1325.06

- Building has been continuously used for 10% office uses and 90% warehouse uses.
- Existing nonconforming use wholesale/warehouse operations and business model

District Requirements (GB Gateway Business District), Section 1320.06

- Property developed in 1979 prior to establishment of the Gateway Business District.
- At the time of construction, the existing development and uses complied with the applicable zoning codes.
- Existing development does not meet setback requirements for the building and off-street parking and is considered legal nonconforming.
- Intent of these regulations is to allow a nonconforming use of land or building to be continued, including through repair, replacement, restoration, maintenance, or improvement, but not including expansion.

Nonconforming Uses, Section 1350

- Mirrors language in 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 were legal when the zoning ordinance or amendment was adopted, in that they complied with then existing ordinance.
- Intent of these regulations is to allow a nonconforming use of land or building to be continued, including through repair, replacement, restoration, maintenance, or improvement, but not including expansion.

Deadline for Agency Action

- 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 published meeting schedule and related timelines, the deadline for action has been extended to March 4, 2026 (additional 60-day review period).

Public Notice

- Notice for this meeting was published in the *Pioneer Press* on January 2, 2026. Notice was prepared by the City and mailed to property owners within 1,000 feet of the subject property on December 30, 2025
- Notice for the Planning Commission meeting 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.
- Following the planning commission notice, one comment was received. Questions in that comment are addressed within this presentation.

Planning Commission recommendation

- The Planning Commission considered this item at a special meeting on December 10, 2025, and recommended approval with conditions of the application for a Conditional Use Permit for a cannabis warehouse use by a 6-0 vote.

Options and Motion Language

- Approve with Conditions: Move to *adopt* Resolution 2026-005 approving Planning Case 25-015 for a Conditional Use Permit for cannabis, wholesale at 4440 Round Lake Road W., based on the findings of fact, as amended by the below conditions in the January 12, 2026, report to the City Council:
 - 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.
- Approve as Submitted: Move to *adopt* Resolution 2026-005 approving Planning Case 25-015 as submitted for a Conditional Use Permit for cannabis, wholesale at 4440 Round Lake Road W., based on the findings of fact and the submitted plans in the January 12, 2026 report to the City Council.
- Recommend Denial: Move to *deny* Planning Case 25-015 for a Conditional Use Permit for cannabis, wholesale at 4440 Round Lake Road W., based on the following findings of fact: *findings to deny should specifically reference the reasons for denial.*
- Table: Move to *table* Planning Case 25-015 for a Conditional Use Permit for cannabis, wholesale at 4440 Round Lake Road W.: *a specific reason and/or information request should be included with a motion to table.*

Questions?

Planning Case 25-015 – 4440 Round Lake Road

