



# Planning Commission Staff Report

**To:** City of Fergus Falls Planning Commission  
**Respectfully Submitted:** Klara Beck, Community Development Manager  
**Date:** May 22, 2023  
**Subject:** CUP-2023-1

## REQUESTED ACTION

A conditional use permit for hemp processing or manufacturing in a B-3 general business district at 116 S Union Ave.

## GENERAL INFORMATION

<b>Applicant</b>	Sugar High LLC (Emily McCune)	<b>Planning Commission Hearing</b>	May 22, 2023
<b>Property Owner</b>	SPIES FAMILY REV LVG TST	<b>City Council Meeting</b>	June 5, 2023
<b>Address</b>	116 UNION AVE S	<b>Application Date</b>	April 25, 2023
<b>Parcel Number</b>	71-003-99-0315-000	<b>60-Day Expiration Date</b>	June 24, 2023
<b>Zoning</b>	B-3, General Business District		

## BACKGROUND

### Site Information & Current Conditions

The subject property is most notable as the location of the restaurant Toast. In the back of the building, separate from the restaurant space, is a shared commercial kitchen. The applicant, Sugar High LLC, has been approved by the building owner/ operator to rent use of the commercial kitchen for the processing or manufacturing of edible THC products.

City Code Chapter 154.038 B-3, General Business District, (C), allows the following use by conditional use permit: Hemp processing or manufacturing. Hemp Processing or Manufacturing is defined by City Code as follows: "Processing" means rendering by refinement hemp plants or hemp plant parts from their natural or original state after harvest. Processing includes but is not limited to decortication, devitalization, chopping, crushing, extraction, combining cannabinoid(s) with food ingredients, and packaging. Processing does not include typical farm operations such as sorting, grading, baling, and harvesting.

### Adjacent Zoning

All adjacent parcels are also zoned B-3, General Business District.

### Adjacent Uses

Uses within the subject property include a restaurant and shared commercial kitchen. Uses adjacent include retail, grocery store, and restaurant. Under construction nearby is a boutique hotel. Across the street is a city park and public parking.

**Proposed Project**

The applicant states the intended use is the manufacturing of Minnesota-compliant hemp-derived cannabinoid edibles for packaging/ retail sale at the applicant's business storefront, Sugar High Cannabis Consulting & Dispensary, located at 123 E Lincoln Ave.

Processing & manufacturing operations will occur at 116 S Union at off-hours from any other business uses on site.

**Public Notification & Comments**

A notice of the public hearing was published in the *Daily Journal* on May 10, 2023.

Simultaneously, a copy of the public hearing notice was mailed to 17 property owners within 350' of 116 S Union.

**PROPOSED FINDINGS**

§154.019(D) of the City Code states the Planning Commission shall recommend a conditional use permit and the Council may issue conditional use permits if it finds that the use at the proposed location meets the following criteria:

1. Will not be detrimental to or endanger the public health, safety, or general welfare of the neighborhood or the city.

*The proposed use will not be detrimental or endanger public health, safety, or general welfare as processing will occur during off hours and will match the operations of candy or chocolate making production. **Criteria Met***

2. Will be harmonious with the general and applicable specific objectives of the comprehensive plan and code provisions.

*The city does not have a comprehensive plan. **Criteria Met***

3. Will be designed, constructed, operated and maintained so as to be compatible or similar in an architectural and landscape appearance with the existing or intended character of the general vicinity and will not change the essential character of that area, nor substantially diminish or impair property values within the neighborhood.

*No changes to the building are proposed in relation to this CUP application. All activities will take place in an existing commercial kitchen. **Criteria Met***

4. Will be served adequately by existing (or those proposed in the project) essential public facilities and services, including streets, police and fire protection, drainage, structures, refuse disposal, water and sewer systems and schools.

*The use is in an existing building in a developed area of the city which is served by public utilities and services. **Criteria Met***

5. Will not involve uses, activities, processes, materials, equipment and conditions of operation that will be hazardous or detrimental to any persons, property or the general welfare because of excessive production of traffic, noise, smoke, fumes, glare or odors.

*Operations will match those of candy or chocolate making production. **Criteria Met***

6. Will have vehicular ingress and egress to the property which does not create traffic congestion or interfere with traffic on surrounding public streets.

*The use is in an existing building in a developed area of the city which is served by adequate access to and from street and parking infrastructure. **Criteria Met***

7. Will not result in the destruction, loss or damage of a natural, scenic or historic feature of major importance.

*The use is contained in an existing building that is nearby the Historic Red River Flour Mill, but no changes to the outward appearance of 116 S Union Ave will occur due to receipt of a CUP. **Criteria Met***

### RECOMMENDED ACTION

Based on the proposed findings staff recommend **approval without conditions** of the conditional use permit for hemp processing or manufacturing in a B-3 general business district at 116 S Union Ave.

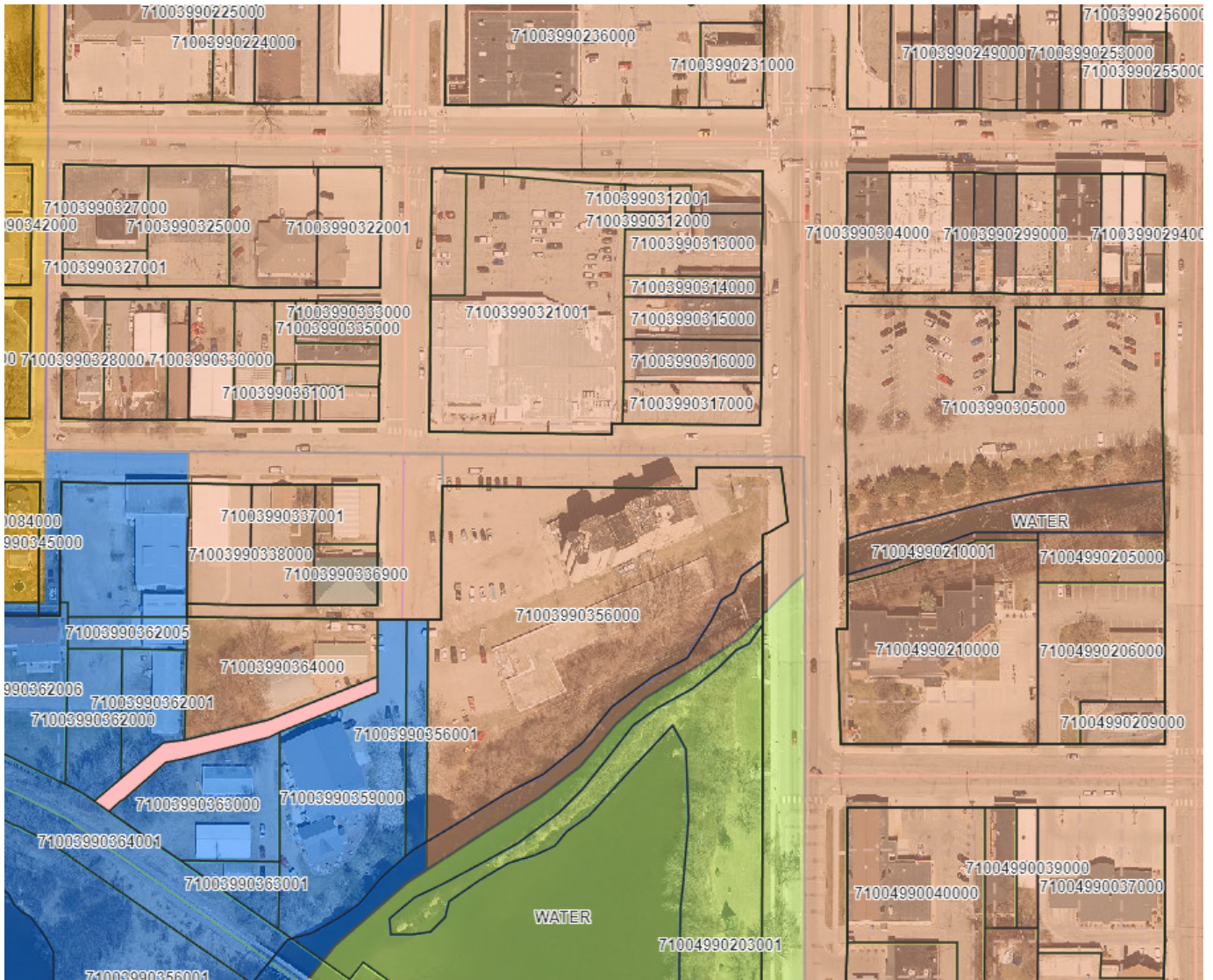
### ATTACHMENTS

1. Context Map
2. Zoning Map
3. Application & Supporting Materials

# Context Map 116 S Union Ave



## Zoning Map 116 S Union Ave



- R-A : AGRICULTURAL RESIDENCE DISTRICT
- R-1 : ONE FAMILY RESIDENCE DISTRICT
- R-2 : ONE & TWO FAMILY RESIDENCE DISTRICT
- R-3 : MULTIPLE FAMILY RESIDENCE (TOWNHOUSE)
- R-4 : MULTIPLE FAMILY RESIDENCE DISTRICT
- B-1 : LIMITED BUSINESS DISTRICT
- B-2 : SERVICE BUSINESS DISTRICT
- B-3 : GENERAL BUSINESS DISTRICT
- B-6 : SUB-REGIONAL SHOPPING CENTER
- I-1 : PLANNED INDUSTRIAL DISTRICT
- I-2 : GENERAL INDUSTRIAL DISTRICT
- I-3 : PLANNED INDUSTRIAL DISTRICT



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### Conditional Use Permit

Application fee should be made payable to The City of Fergus Falls upon submittal of completed application. Please complete the application by typing or printing in ink. Use additional paper if necessary.

#### 1. Property Owner Information:

Company name: Toast

Last name: \_\_\_\_\_ First name: \_\_\_\_\_

Address: 116 S. Union Ave. City/State/Zip: Fergus Falls, MN 56537

Phone number: \_\_\_\_\_ Email address: \_\_\_\_\_

#### 2. Applicant Information: (if different from above)

Company name: Sugar High LLC

Last name: McCune First name: Emily

Address: 1219 1/2 E. Fir Ave. City/State/Zip: Fergus Falls, MN 56537

Phone number: 218-731-0015 Email address: libramaid42@gmail.com

#### 3. Address(es) of Property Involved: (if different from above)

4. Zoning Designation: B-3 General Business

5. Statement of Intent: Briefly describe what will be done on or with the property requiring the conditional use approval.

Manufacture of Minnesota-compliant hemp-derived cannabinoid edibles for packaging / retail sale at my dispensary, Sugar High Cannabis Consulting & Dispensary

**7. Additional Required Information:**

**a. Legal Description and PIN:** Provide the Parcel Identification Number(s)

R71003990315000

**Complete legal description(s) of the property involved or put "see attached"**

116 South Union Avenue Fergus Falls MN 56531

**b. Proposed Plans:** A site plan is required. A landscape plan, grading and drainage plan, and other items may be required by the city/planning commission.

**c. Written Narrative:** The written narrative should thoroughly address the following general items in addition to any specific requirements pertaining to the proposed use, which Section 154.019 (Conditional Use Permit) of the City Code directs the City Council to evaluate during consideration of conditional use applications:

(1) Will not be detrimental to or endanger the public health, safety, or general welfare of the neighborhood or the city?

operations will bear zero effect or consequence on public health or safety; operations will be exactly the same as any other local candy- or chocolate-production

(2) Will be harmonious with the general and applicable specific objectives of the comprehensive plan and code provisions?

operation plan is in alignment <sup>with</sup> any local code provisions, as well as state regulations/provisions.

(3) Will be designed, constructed, operated and maintained so as to be compatible or similar in an architectural and landscape appearance with the existing or intended character of the general vicinity and will not change the essential character of that area, nor substantially diminish or impair property values within the neighborhood?

Operations will bear no consequence on any of the above; we will operate exclusively off-hours of any other business operations in the same building/address; zero impact on impairment of property values.

(4) Will be served adequately by existing (or those proposed in the project) essential public facilities and services, including streets, police and fire protection, drainage, structures, refuse disposal, water and sewer systems and schools?

Yes, no impact on any of the above; operations will be conducted indoors only and off-peak hours

(5) Will not involve uses, activities, processes, materials, equipment and conditions of operation that will be hazardous or detrimental to any persons, property or the general welfare because of excessive production of traffic, noise, smoke, fumes, glare or odors?

Operations will include use of kitchen equipment ONLY; no part of operations will impact / effect neither patrons nor the community (traffic, noise, fumes, etc.); any associated odors will be treated as all odors generated in the same space during restaurant operations (via ventilation, hoods, etc.)

(6) Will have vehicular ingress and egress to the property which does not create traffic congestion or interfere with traffic on surrounding public streets?

No part of operations will effect any of the above

(7) Will not result in the destruction, loss or damage of a natural, scenic or historic feature of major importance?

No part of operations will effect any of the above.

8. Signature(s): By signing below, you attest that the information above and attached is true and correct to the best of your knowledge.

Property Owner:

*[Handwritten Signature]*

Date:

4-25-23

Applicant:

*[Handwritten Signature]*

Date:

4/3/23