

GENERAL INFORMATION

Applicant: Roger Peters (Owner/Applicant)
Desmond Moody, MN TerpWolves (Tenant)

Location: 333 West 86th Street

Request: A Conditional Use Permit for an indoor agriculture (cannabis cultivation) facility in a multi-tenant industrial building

Existing Land Use and Zoning: Multi-Tenant Industrial Warehouse; zoned General Industrial (I-3)

Surrounding Land Use and Zoning: North – Distribution Center, Foundry; zoned I-3
South – Metal Manufacturing; zoned I-3
East – Plastic Manufacturing; zoned I-3
West – Manufacturing, Landscaper; zoned I-3

Comprehensive Plan Designation: Industrial

CHRONOLOGY

Planning Commission 01/22/2026 Public hearing scheduled

DEADLINE FOR AGENCY ACTION

Application Date: 12/17/2025
60 Days: 02/15/2026
Extension Letter Mailed: No
120 Days: 04/16/2026
Applicable Deadline: 02/15/2026

STAFF CONTACT

Dylan Palmer, Planner
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PROPOSAL

The applicant is proposing to operate an indoor agriculture facility focusing on cannabis cultivation. The site address is 333 West 86th Street, located in the Lyndale Avenue industrial area. Cannabis plants will be grown on site, and resulting products will be shipped from the facility to dispensaries and other cannabis related businesses.

BACKGROUND

On September 20th, 2024, City Council approved Ordinance 2024-21 defining the state license type “Cannabis Cultivator” as the zoning use “indoor agriculture”. Indoor agriculture is defined as “The growing of plants in a soil, nutrient, or water based solution, including hydroponics and accessory aquaculture, within an enclosed facility. This use type includes the incidental and accessory sale of goods produced on site.” In the I-3 Zoning District, indoor agriculture is listed as a conditional use, therefore a Conditional Use Permit application to the Planning Commission is required.

ANALYSIS

Activity on the site would consist of five growing rooms consisting of 180 plants each, for an estimated total of 900 plants at one time. Twelve LED light fixtures will be installed in each room as part of the growing process. Odor control systems would be installed to reduce nuisance smells, and a specialized fire suppression system is proposed. A closed loop irrigation system would be installed to limit wastewater from entering City sewer systems, and runoff would be captured and disposed of per Office of Cannabis Management (OCM) requirements. The facility would be operated from 8:00AM-8:00PM, seven days per week and be composed of approximately four employees. Cannabis being sent for sale would be removed during two weekly pickup windows, from 10:00AM to 3:00PM on Tuesdays and Thursdays. All material would be handled by a State-licensed cannabis transporter.

The tenant is proposing to occupy a space in an existing building. No major exterior modifications to the building are proposed. Conditional approval of the application requires that parking lot lighting and site landscaping are brought up to City Code requirements. A landscape plan exists for this site, but that landscaping plan was only associated with a parking lot expansion on the north end of the site along West 86th Street. Additional landscaping, proportional to the size of the proposed use in the building, is also required to be installed on site. This landscaping must be completed prior to occupancy. No significant impact to adjacent traffic patterns due to this new use has been identified. The tenant is proposing to use an existing parking lot serving multiple businesses. The 5,117 square-foot indoor agriculture space requires 10 parking spaces. Table 3 below identifies the various uses on site, the corresponding gross floor areas (GFA), and the parking requirements.

The property owner has communicated a desire to potentially have multiple cannabis-related tenants within the multi-tenant building. However, the application materials submitted are only applicable to one user/tenant space – Minnesota TerpWolves, LLC. The City does not have restrictions on the number of cannabis-related businesses at one site; however state requirements may come into play. OCM rules also dictate restrictions on nuisance odor and business operations.

Table 3: City Code Required Parking Analysis

Use	Code requirement	Unit or number	Required
Indoor Agriculture (Cannabis)	1 space per 500 square feet of gross floor area, plus 1 additional off-street parking space for each 2,500 square feet of outside storage area as determined by the issuing authority	5,117 sq. ft. GFA	10
Vehicle Repair (minor)	1 space per 300 square feet of gross floor area excluding service bays, plus 2 spaces per service bay	6,804 sq. ft. GFA + 8 spaces (4 bays)	31
Warehouse/Outdoor Storage	1 space per 1,000 square feet of gross floor area, plus 1 additional off-street parking space for each 2,500 square feet of outside storage area	15,957 sq. ft. GFA + 7,213 sq. ft. outdoor storage	35
Office	1 space per 285 square feet of gross floor area	4,677 sq. ft. GFA	16
Parking Required			92
Parking Provided			92

Fire Prevention and Public Safety

The Fire Marshal made four comments relating to the operation of the indoor agriculture operations. Emergency vehicle access and circulation throughout the property must be maintained. All exterior doors that allow access to the interior of the building(s) must be numbered in a sequential order starting with the main entrance (public entrance) as number 1 and continue in a clockwise manner. The sprinkler system may need to be upgraded in the spaces depending on the amount of additional plastics/combustible materials. A third-party protection engineer code analysis for the building sprinkler system may be required to ensure adequate protection for the commodity, storage arrangement and operations of the business.

OUTREACH

Outreach/Notification

- Mailed Notice (10-day notice – 500 foot buffer)
- Newspaper Notice (10-day notice – 01/08/26 Sun Current)

- Public Hearing Notice Online
- E-Subscribe Group Notification

FINDINGS

Required Conditional Use Permit Findings - Section 21.501.04(e)(1-5)

Required Finding	Finding Outcome/Discussion
(1) The proposed use is not in conflict with the Comprehensive Plan.	Finding Made - There is no conflict between the proposed use and the Comprehensive Plan. The proposed indoor agriculture (cannabis) facility is consistent with the Comprehensive Plan’s Industrial designation.
(2) The proposed use is not in conflict with any adopted district plan for the area.	Finding Made - The proposed use is not located within an area subject to an adopted district plan.
(3) The proposed use is not in conflict with city code provisions.	Finding Made - Subject to compliance with the conditions of approval, the use is not in conflict with City Code provisions.
(4) The proposed use will not create an excessive burden on parks, schools, streets, and other public facilities and utilities which serve or are proposed to serve the planned development.	Finding Made - The proposed indoor agriculture facility within an existing industrial building is not expected to generate increased traffic or noticeably impact surrounding streets. Its size and scale will not place an excessive burden on parks, schools, streets, or public utilities, such as the sanitary sewer or water systems.
(5) The proposed use will not be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare.	Finding Made - The proposed indoor agriculture facility within an existing industrial building is compatible with surrounding offices and industrial land uses. It aligns with existing uses within the multi-tenant building and is not expected to negatively impact the surrounding neighborhood or public health, safety, or welfare.

RECOMMENDATION

Note the Planning Commission has final approval authority on this Conditional Use Permit application unless an appeal to the City Council is received by 4:30 p.m. on January 27th, 2026.

Staff recommends approval through the following motion:

In Case #PL202500205, having been able to make the required findings, I move to adopt a resolution approving a Conditional Use Permit for an indoor agriculture (cannabis cultivation) facility in a multi-tenant industrial building located at 333 West 86th Street, subject to the conditions and Code requirements listed in the resolution.