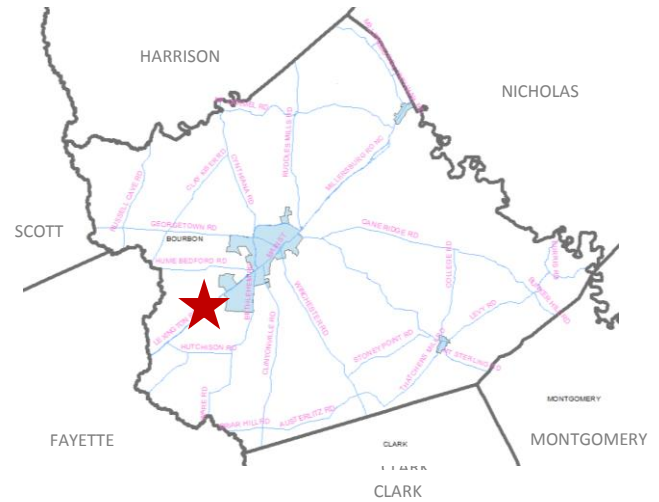


Staff Report

Bourbon County

Board of Adjustment Meeting: September 18, 2018

Case Number: CUP 18-03
Applicant: Gary Hilliard
Location: 427 Hume Bedford Road
Request: Conditional Use Permit
Level II Value Added Agricultural Production
Zoning: A-1 Agricultural
Application Date: August 23, 2018
Legal Notification: September 6, 2018
Adjoining Property Letters: August 31, 2018



Proposal:

Applicant requests a Conditional Use Permit for level II value added agricultural production for the processing of hemp that is grown on-site.

Background:

Parcel: #017-00-00-022.00
Owner: William Jr. & P FAHS Hilliard
Existing Structures: Mobile home and several farm buildings. The proposed building to process hemp is located in the back of the property. The room is approximately 17 ft. x 35 ft.
Existing building setback: 1,100 ft.
Ingress/Egress: There is an existing gravel driveway that is 1,400 ft. to the subject building.



3.22 Uses Permitted by Conditional Use

S. VALUE-ADDED AGRICULTURAL PRODUCTION

Subject to the definitions, standards and restrictions set out herein, and for this stated purpose: To promote the agricultural economy by allowing value-added agricultural production that has minimum adverse effects on the environment, adjacent properties, infrastructure, the agricultural integrity of rural areas and public safety.

1. Value-added agricultural production is defined as the production of secondary agricultural products which increase the economic value of agricultural commodities raised on site.

STAFF COMMENTS: Applicant proposes to process and extract CBD oil from hemp that is grown on the property.

2. To be approved as a conditional use, the proposed value-added agricultural production activity must conform to the above definition and to the following standards and restrictions:
 - a. The conditional use applicant must have been engaged in the production of the agricultural commodity used in the production of the secondary agricultural product for a period of two years on the premises before a conditional use is issued.

STAFF COMMENTS: Applicant has farmed hemp on the property for over two (2) years. In 2018, six (6) acres are being raised on the property.

- b. The value-added agricultural production activity shall be limited as follows:
 - i. Level II – Activity requires use of an unmodified existing accessory structure and no more than one full time employee in addition to the owner of the farm.

STAFF COMMENTS: The activity is proposed within an existing structure. Maximum proposed staffing will be two employees; One is a family member of the owner(s) of the farm.

- ...
 - e. Any change from one value-added agricultural activity to another shall require a new conditional use permit.

STAFF COMMENTS: If the processing increases in magnitude to include more than two employees or if it is switched to another activity (beyond CBD oil extraction), a new conditional use permit will need to be submitted to the Board.

- f. If the applicant ceases to engage in the value-added agricultural production activity, any new accessory structure constructed for the purpose of conducting such activity shall be...converted for use in production of agricultural commodities raised on site within twelve (12) months.
 - g. The conditional use permit is personal to the applicant, and as a result, the applicant may not lease the site to another person or entity for the purpose of conducting the value-added agricultural production activity.
 - h. Applicants for Level...II...value-added agricultural production activities shall submit a site plan with the application.

STAFF COMMENTS: Applicant has submitted a site plan and staff conducted a site visit on Monday, September 10, 2018.

STAFF FINDINGS:

- **PARKING:** No additional parking is needed on the property.
- **TRAFFIC:** Traffic in and out of the facility would be up to two employees entering and leaving the property each day and transport of final product to retail/wholesale destinations.
- **NOISE:** Hemp processing would be contained within an existing structure within a 17 ft. x 35 ft. room (see photos below).
- **TIER II HAZARDOUS CHEMICAL REQUIREMENTS:** Applicant will have two (2) 55 gallon drums of ethanol on site at any given time. Upon checking with the Kentucky Division of Emergency Management, applicant is not required to submit a Tier II form to the State since the quantity will be under 10,000 lbs. minimum requirement.
- **FIRE SAFETY:** The process of bonding and grounding is defined as providing an electrically conductive pathway between a dispensing container, a receiving container and an earth ground. By including a pathway, it will help eliminate the buildup of static electricity by allowing it to safely dissipate into the ground. Staff recommends that applicant follow the requirements of the National Fire Protection Association from the Flammable and Combustible Code.
- **REFUSE/GARBAGE:** All garbage refuse must be properly disposed of. Chromatography columns will be used and properly disposed of at the appropriate facility in Lexington (Division of Waste Management).

STAFF RECOMMENDATION:

Staff recommends APPROVAL of this conditional use application for the following:

LEVEL II VALUE-ADDED AGRICULTURAL PRODUCTION with the following conditions:

Condition 1: Applicant install grounding for any combustible materials according to the requirements of the National Fire Protection Association Flammable and Combustible Code.

Condition 2: All hazardous waste be properly disposed of. Chromatography columns must be removed from site within 30 days that the use is ceased.

Condition 3: Applicant is subject to annual inspection by the Bourbon County Joint Planning Office.

Condition 4: If the applicant ceases to engage in the value-added agricultural production activity, any new accessory structure constructed for the purpose of conducting such activity shall be...converted for use in production of agricultural commodities raises on site within twelve (12) months.

Condition 5: Any change from one value-added agricultural activity to another shall require a new conditional use permit.

PHOTOS FROM EXISTING BUILDING ON-SITE FOR HEMP PROCESSING:

