

**To: HONORABLE MAYOR AND CITY COUNCIL.**

**FROM: Dave Maroney, Director of Economic Development and Planning.**

**SUBJECT: Bituminous Roadways, Progressive Rail and Ray Rapp Project.**

**DATE: October 1, 2015.**

## **BACKGROUND.**

Although far from a complete record of the documentation provided to the Planning Commission for this project, the following items are attached to assist you with understanding the proposed development: (a) *General Site Development Plan* - “Yellow” represents the Bituminous Roadways project area; “Orange” represents the Progressive Rail (Rapp) project area; and “Pink” represents the proposed spur line; (b) *Proposed Bituminous Roadways, Inc. Facility* generally describes the asphalt cement operation; (c) *Air Quality Dispersion Modeling Results* summarizes the evaluation relating to odor concerns; (d) *The Rapp Oil Facility* generally describes the Progressive Rail project; (e) *PGR Operations Plan* further describes the Progressive Rail project.

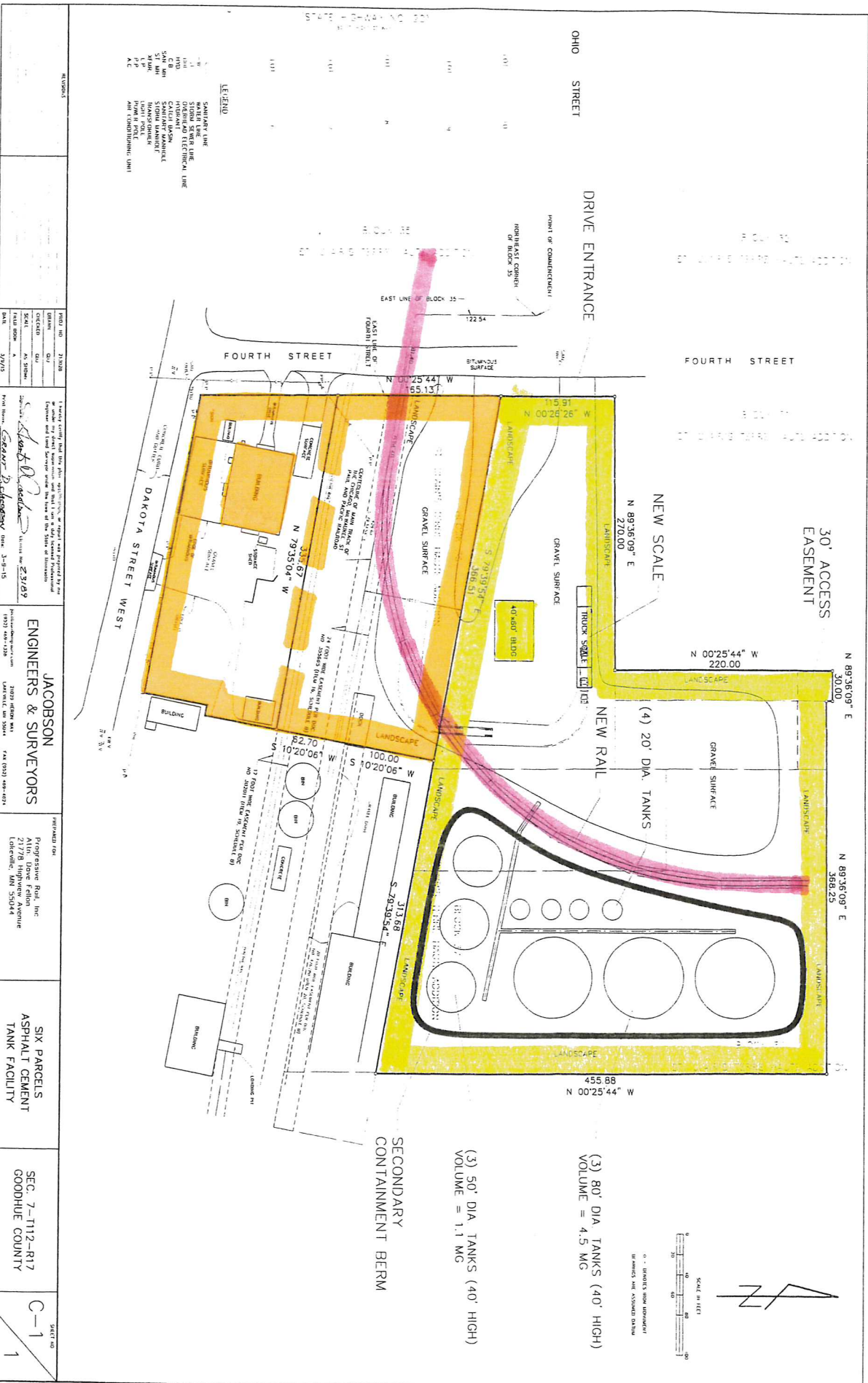
The Planning Commission has recommended that the rezoning and conditional use permits for both projects be approved. In the event that the Council agrees with the Commission’s recommendation, the Applicants will then need to prepare more detailed development plans to satisfy the conditions required by *Section 152.073 General Performance Standards* (infrastructure, landscaping, air quality, drainage, MPCA/MDH requirements, access and other applicable standards) of the Zoning Code.

## **REQUESTED COUNCIL ACTION.**

The first item that the Council must consider is the Applicant’s request for rezoning. The Resolution adopting findings to support the rezoning should be considered first and if that Resolution is approved then the Council can consider the first reading of Ordinance No. 341. In these circumstances, the rezoning of land for the Bituminous Roadways project can be approved by a simple majority of the Council – 3 votes. Rezoning land for the Progressive Rail development will require approval by a super majority of the Council – 4 votes.

If the Council approves the rezoning request then the two Conditional Use Permit Resolutions may be considered – both Resolutions can be approved by majority vote of the Council – 3 votes.

In the event that the Council intends to deny the rezoning request, your action should be delayed until October 20<sup>th</sup> to allow time to prepare findings that support denial. If the rezoning request is denied the Council cannot approve the Conditional Use Permit Resolutions in their current form.



30' ACCESS  
EASEMENT

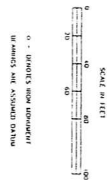
NEW SCALE

NEW RAIL

(3) 80' DIA TANKS (40' HIGH)  
VOLUME = 4.5 MG

(3) 50' DIA TANKS (40' HIGH)  
VOLUME = 1.1 MG

SECONDARY  
CONTAINMENT BERM



- LEGEND**
- SANITARY LINE
  - WATER LINE
  - GAS LINE
  - DRAINAGE ELECTRICIAN LINE
  - CABLE TV
  - CABLE W/S
  - SPOKEWAY/AMBIENT
  - SMOKE
  - HANGERS/GRATE
  - PAVEMENT
  - PAVEMENT
  - AIR CONDITIONING UNIT

PROJECT NO: 11/2008 DATE: 01/2009 SCALE: AS SHOWN SHEET NO: 4 OF 5 DATE: 07/2015	I hereby certify that I am the duly Licensed Professional Engineer and Land Surveyor within the State of Wisconsin. <i>Scott A. Jacobson</i> Scott A. Jacobson License No. 23769 Date: 3-1-15	<b>JACOBSON ENGINEERS &amp; SURVEYORS</b> 2807 PARKWAY FOND DU LAC, WI 54601 TEL: (920) 923-1234 FAX: (920) 923-4524	Preparation: Paul, Inc 2177B Highway Avenue Ladysburg, WI 53044	SIX PARCELS ASPHALT CEMENT TANK FACILITY	SEC. 7-1112-R17 GOODHUE COUNTY	SHEET NO <b>C-1</b> 1
--	---	--	---	--	-----------------------------------	-----------------------------



## **Proposed Bituminous Roadways, Inc. Facility – Cannon Falls**

### **About Bituminous Roadways, Inc.**

Bituminous Roadways, Inc. is an asphalt paving contractor founded in 1946 in South Minneapolis. The company is unique in that it is one of the few asphalt paving companies in the Twin Cities metropolitan area that produces its own asphalt for their paving projects. The company is locally based, family owned and currently employs 140 people. It has three permanent asphalt plants located in Minneapolis, Inver Grove Heights, and Shakopee. It also has a gravel pit in Inver Grove Heights. Its headquarters and maintenance shop are located in Mendota Heights.

### **Proposed Cannon Falls Facility**

On this site, Bituminous Roadways intends to construct a new bulk storage facility for asphalt cement, the petroleum product used as a binder material in asphalt production. Asphalt cement will be brought in by truck or rail throughout the year and distributed to various asphalt plants by truck during the construction season.

This site will include bulk storage tanks with total storage capacity of 6.7 million gallons. These tanks will be constructed of steel. Asphalt cement must be approximately 300 degrees in order to be pumped, so the tanks will be heated and insulated. There will be a heater to heat the tanks and also generate steam required to heat rail cars. When asphalt arrives by rail it is typically too cold to pump. These rail cars need to be hooked up to steam lines and heated for a period prior to unloading. There will be an odor control system. A secondary containment berm will be constructed around the tanks. This containment area will have the capacity to contain a volume greater than the largest tank in case of a leak. A rail spur will be constructed to accommodate the delivery of asphalt cement by rail. Both a truck scale and rail car scale will be used to weigh incoming and outgoing deliveries. A building will be constructed to house an office, polymer blending system, storage, and testing laboratory.

Bituminous Roadways will be required to obtain a permit from the Minnesota Pollution Control Agency for the Storage of Liquid Substances at a Major Aboveground Storage Facility. A copy of the permit requirements is attached.

There will be approximately 15 trucks per day entering and leaving this site. These trucks will use designated truck routes as agreed to by the City of Cannon Falls. There may be as many as 250 rail cars per year entering and leaving this site.

This facility will operate primarily between the hours of 6 am and 8 pm. There may be some rare occasions for shipments to take place outside of these hours.

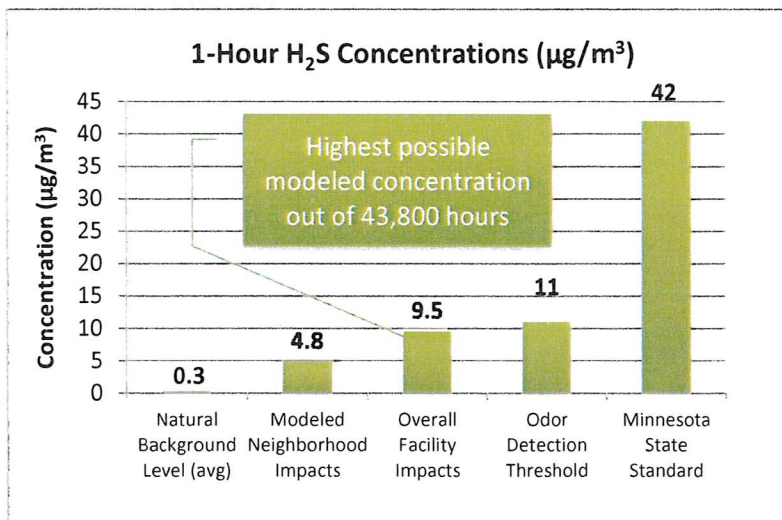
The odor control system that Bituminous Roadways is considering for this facility consists of up to 6 air scrubbers. Aspiration air will be drawn off the top of rail cars, storage tanks, and truck loading, and run through a scrubber. The scrubber uses a water mist to remove the vapor/odor.

Bituminous Roadways is committed to being a responsible corporate citizen of Cannon Falls and a good neighbor to surrounding properties. We are excited about this facility and look forward to discussing our plan at the upcoming meetings. With questions or concerns please contact Kent Peterson, (651)686-7001 office, (612)366-2782 cell.

9-14-15

# Air Quality Dispersion Modeling Results

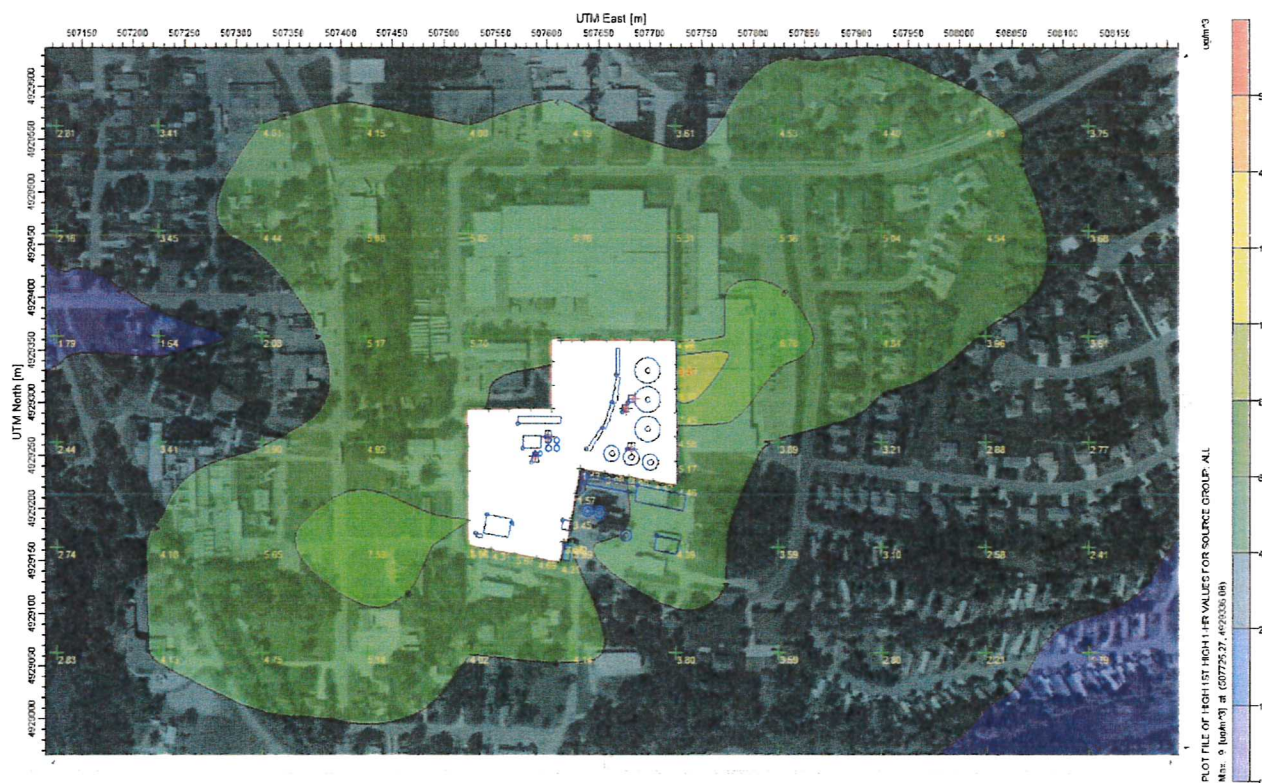
Proposed Asphalt Storage Facility  
Cannon Falls, MN



Odors from asphalt facilities are primarily composed of hydrogen sulfide (H<sub>2</sub>S), which has a distinctive sulfuric odor. By using state-of-the-art equipment, modern asphalt facilities can reduce odors and lessen their impact on nearby neighbors. Using this control equipment effectively brings odor concentrations down to a level that would be undetected by most residents.

Based on the modeling results below, it is unlikely odor detection will occur in or around the proposed facility. Modeled concentrations did not exceed 11 µg/m<sup>3</sup> at any point over the five years of calculations, which is the Odor Detection Threshold for an average person.

Hydrogen sulfide **is not** a health hazard to anyone living near this storage facility. Concentrations of H<sub>2</sub>S do not have any health effects until they reach 3,000 µg/m<sup>3</sup> or greater. OSHA permits exposure up to 30,000 µg/m<sup>3</sup> for general industrial workers during a shift, and doesn't classify H<sub>2</sub>S as an Immediate Danger to Life and Health (IDLH) until concentrations reach 150,000 µg/m<sup>3</sup>.



# The Rapp Oil Facility

Properly maintaining Progressive Rail five State infrastructure requires a myriad of specialized equipment pieces to perform both periodical maintenance and new construction campaigns.

Unique equipment like tampers, regulators, surfacers and even high technology laser guided track alignment machines all require an equally unique set of skilled craftsmen to operate and maintain Progressive Rail's Maintenance-Of-Way division [MOW].

PGR's MOW division is being proposed for relocation to Cannon Falls Minnesota. Once on site people with electrical, mechanical, welding, painting and even clerical and safety positions will be part of the employment mix. Not to mention the actual track gangs as well. Of course as we invite new team members to join PGR we always make every effort to "hire locally" which has already been proven by our past performance of hiring and buying required supplies locally.

Business will be predominately conducted Monday through Saturday with an occasional increase of activity during snow, flooding or other anomalies

Of course the building and surrounding grounds would be brought up to Progressive Rails standards for landscaping, facility appearance and community involvement.

The bottom line being the newly proposed re-purposing of the Rapp Oil facility will be an investment in local career opportunities, bettering the curb appeal and furthering the commitment Progressive Rail has to helping Cannon Falls Minnesota become even more economically and socially successful.



# PGR Operations Plan

*Rail Service to Bituminous Roadways, Cannon Falls Agri Center, PGR Team Track  
Cannon Falls, Minnesota*

1

5th Street / Highway 20 Crossing  
350 cars per year anticipated = 0.95 Cars per day

2

Typical occupancy over a crossing with a locomotive and 4 cars is 41 seconds at a speed of 5 mph.

3

There will be no long term storage of rail cars east of 5th street / Highway 20 crossing.

4

Zero rail operations between the hours of 4:55pm to 7:55am unless an extreme urgency is requiring a switch.

5

Lighter touch on our air horns at the 5th street / Highway 20 crossing and flagging as well when appropriate.



## *What's in it for the City of Cannon Falls?*

1

Increased property tax revenue generated from new and enhanced property and facility investments.

2

Zero financial assistance is being requested from the City of Cannon Falls.

3

Qualified Cannon Falls residents will receive priority consideration for additional career opportunities with great benefits.

4

Ripple effect to the local Cannon Falls businesses by way off PGR supporting everything from the hardware stores to the local construction trades.

5

The approval of Bituminous Roadways will pave the way for massive investments in re-purposing the former Minnesota Malting Company complex in Cannon Falls.





## *Conclusion*

1

Rare opportunity exists to streamline disjointed properties into one clean, well landscaped, revenue generating addition to the City of Cannon Falls.

2

Activity breeds activity - by way of permitting Bituminous Roadways the additional flow of careers, commerce, and community involvement will cascade throughout the city.

3

Rail transportation is the safest mode on land. Thereby, the citizens of Cannon Falls are safer.

4

Rail transportation is the greenest mode of land based transportation. The citizens of Cannon Falls will be breathing better quality air.

5

PGR is a locally owned small business that has heavily invested in Cannon Falls. We are no different than the local barbershop, grocery store operator or landscape contractor. Many of our Team Members live in Cannon Falls with many more to come.



# Contacts

**Dave Fellon**

*President*

612-791-3255

**Layne Leitner**

*Chief Operating Officer*

612-791-1212

**David Lawrence**

*Safety, Signals, & Regulatory Compliance*

612-791-3739



**CITY OF CANNON FALLS  
GOODHUE COUNTY, MINNESOTA**

**RESOLUTION NUMBER 2151**

**APPROVING REZONING**

WHEREAS, Bituminous Roadways, Inc., Progressive Rail, Inc. and Raymond S. Rapp have made application for the rezoning of property located in the vicinity of Fourth Street North and Dakota Street West from an I-1, Limited Industrial District and R-B, Residential Business District to an I-2, General Industrial District; and

WHEREAS, the Planning Commission conducted a public hearing on August 10, 2015 and continued the public hearing on September 14, 2015 to accept testimony relating to the proposed zoning amendment; and

WHEREAS, the Planning Commission finds that: (a) part of the property proposed for rezoning is currently zoned for limited industrial land use and some was previously zoned for industrial use; (b) existing commercial-industrial uses including Cannon Equipment, Amesbury, a multi-tenant commercial-industrial building and the Cannon Falls Agri Center border the property to the north and east with municipal streets bordering the property to the south and west; (c) existing infrastructure is available to service the proposed development and is not expected to overburden the City's service capacity; (d) the I-2, General Industrial District will allow the proposed development plans to be constructed subject to issuance of a Conditional Use Permit; and (e) the proposed rezoning is consistent with the Comprehensive Plan; and

WHEREAS, the Planning Commission recommends to the City Council that Parcel A and Parcel B as described by the attached Exhibit A – Topographic Survey (June 19, 2015) and property owned by Raymond J. Rapp (PID 52.500.0411) be rezoned to an I-2, General Industrial District.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF CANNON FALLS, MINNESOTA that based upon the findings of the Planning Commission which are hereby adopted by the City Council that Parcel A and Parcel B as described by the attached Exhibit A – Topographic Survey (June 19, 2015) and property owned by Raymond J. Rapp (PID 52.500.0411) be rezoned to an I-2, General Industrial District.

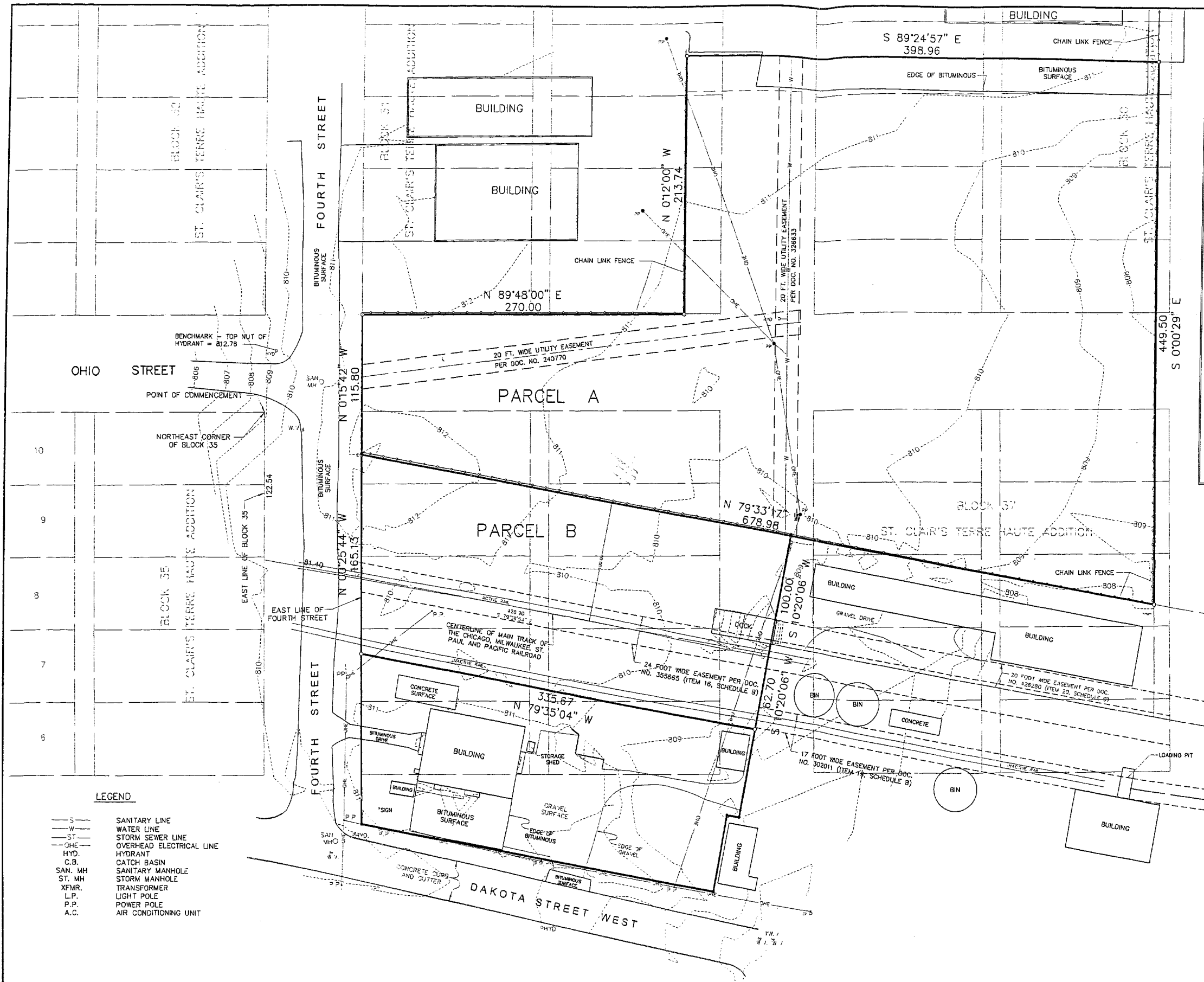
Adopted this 6th day of October, 2015.

**BY:** \_\_\_\_\_  
Lyman M. Robinson, Mayor

**ATTEST:** \_\_\_\_\_  
Ronald S. Johnson, City Administrator

# Exhibit A

October 6, 2015



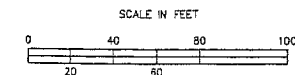
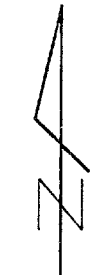
**PROPERTY DESCRIPTION (PARCEL A):**

That part of Government Lot 12, Section 7, Township 112 North, Range 17 West, Goodhue County, Minnesota, described as follows: Commencing at the South quarter corner of said Section 7; thence on an assumed bearing of North 00 degrees 20 minutes 48 seconds West, along the North-South quarter line of said Section 7, a distance of 1726.30 feet to the centerline of County Road Number 17, as now located and established; thence North 89 degrees 30 minutes 45 seconds West, along said centerline, a distance of 374.00 feet; thence South 00 degrees 20 minutes 48 seconds East, parallel with said North-South quarter line of said Section 7, a distance of 521.69 feet; thence North 89 degrees 24 minutes 57 seconds West, a distance of 20.82 feet to the point of beginning of the land to be described; thence South 00 degrees 00 minutes 29 seconds East, a distance of 449.50 feet to the northerly line of the Minnesota Maltng Company property, formerly owned by the Chicago, Milwaukee, St. Paul and Pacific Railway Company, as described in the certain deed recorded in Book J-12 of Deeds, on page 118 filed in the Goodhue County Recorders Office; thence North 79 degrees 33 minutes 17 seconds West, along the Northerly line of said Minnesota Maltng Company property a distance of 678.98 feet to the East line of Fourth Street, as platted in St. Clair's Terre Haute Addition, according to the recorded plat thereof; thence North 00 degrees 15 minutes 42 seconds West, along said East line of Fourth Street, a distance of 115.80 feet to the Easterly extension of the North line of Ohio Street, as platted in St. Clair's Terre Haute Addition; thence North 89 degrees 48 minutes 00 seconds East, along said Easterly extension of the North line of Ohio Street, a distance of 270.00 feet; thence North 00 degrees 12 minutes 00 seconds West, a distance of 213.74 feet; thence South 89 degrees 24 minutes 57 seconds East, a distance of 398.96 feet to the point of beginning.

**PROPERTY DESCRIPTION (PARCEL B):**

That part of Government Lot 12, Section 7, Township 112 North, Range 17 West, Goodhue County, Minnesota, described as follows: Commencing at the northeast corner of Block 35 of ST. CLAIR'S TERRE HAUTE ADDITION, according to the recorded plat thereof, Goodhue County, Minnesota; thence South 00 degrees 25 minutes 44 seconds East (assumed bearing) along the east line of said Block 35, a distance of 122.54 feet to the centerline of the main track of the former Chicago, Milwaukee, St. Paul and Pacific Railroad Company; thence South 79 degrees 39 minutes 54 seconds East along said main track centerline 428.90 feet to the point of beginning; thence South 10 degrees 20 minutes 06 seconds West 52.70 feet; thence North 79 degrees 35 minutes 04 seconds West 335.67 feet to the east line of Fourth Street; thence North 00 degrees 25 minutes 44 seconds West along said east line of Fourth Street, a distance of 165.13 feet to a line 100.00 feet northerly of, as measured at right angles to said main track centerline; thence South 79 degrees 39 minutes 54 seconds East, parallel with said main track centerline, 356.51 feet to an intersection with a line bearing North 10 degrees 20 minutes 06 seconds East from said point of beginning; thence South 10 degrees 20 minutes 06 seconds West 100.00 feet to the point of beginning.

BUILDING



○ - DENOTES IRON MONUMENT  
 BEARINGS ARE ASSUMED DATUM  
 ELEVATIONS ARE CITY DATUM

**LEGEND**

- S— SANITARY LINE
- W— WATER LINE
- ST— STORM SEWER LINE
- OHE— OVERHEAD ELECTRICAL LINE
- HYD. HYDRANT
- C.B. CATCH BASIN
- SAN. MH. SANITARY MANHOLE
- ST. MH. STORM MANHOLE
- XFMR. TRANSFORMER
- L.P. LIGHT POLE
- P.P. POWER POLE
- A.C. AIR CONDITIONING UNIT

REVISIONS  	PROJ. NO: 213028 DRAWN: GDJ CHECKED: GDJ SCALE: AS SHOWN FIELD BOOK: A DATE: 6/19/15	I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly licensed Professional Engineer and Land Surveyor under the laws of the State of Minnesota. Signature: <i>Grant D. Jacobson</i> License No. 23189 Print Name: GRANT D. JACOBSON Date: 6-19-15	<b>JACOBSON ENGINEERS &amp; SURVEYORS</b> 21029 HERON WAY LAKEVILLE, MN 55044 (952) 469-4328 FAX (952) 469-4624	PREPARED FOR: Progressive Rail, Inc. Attn: Dave Fallon 21778 Highview Avenue Lakeville, MN 55044	TOPOGRAPHIC SURVEY ASPHALT CEMENT TANK FACILITY	SEC. 7-T112-R17 GOODHUE COUNTY	SHEET NO <b>C-1</b> 3
-------------------	---	---	--	--	---	-----------------------------------	-----------------------------