

The Cannon Falls City Council met in a regular session on Tuesday, October 6, 2015, at 6:30 p.m. in the City Council Chambers. Present were Mayor Robby Robinson and Council Members Morris Mattson, Jay Sjoblom, Rodney Holst, Cathy Gallups, and Merlyce Johnson. Also present were Ron Johnson, City Administrator; Lanell Endres, Assistant City Administrator; Dave Maroney, Community Development Director; Greg Anderson, City Engineer; and Josh Colvard, Police Officer.

Call to Order Mayor Robinson called the City Council Meeting to order at 6:30 p.m.

Pledge of Allegiance Mayor Robinson led in the recitation of the Pledge of Allegiance.

Approval of Agenda A motion was made by Council Member Johnson, seconded by Council Member Holst and unanimously carried, to approve the Agenda as submitted.

Public Input There was no public input.

Consent Agenda

- A. Just and Correct Claims – Accounting Period Ending October 2, 2015
- B. Meeting Minutes for September 15, 2015, City Council Meeting
- ~~C. Resolution 2151, Approve Rezoning~~ Pulled by Council Member Gallups
- ~~D. Introduction and First Reading of Ordinance 342, Amending Chapter 152 of the Cannon Falls City Code by Rezoning Certain Property from an I-1 Limited Industrial District and R-B Residential Business District to an I-2 General Industrial District~~ Pulled by Council Member Gallups
- ~~E. Resolution 2152, Approve Conditional Use Permit for Bituminous Roadways, Inc.~~ Pulled by Council Member Gallups
- ~~F. Resolution 2153, Approve Conditional Use Permit for Progressive Rail, Inc.~~ Pulled by Council Member Gallups
- G. Change Meeting Date for First Meeting in November

A motion was made by Council Member Johnson, seconded by Council Member Holst and unanimously carried, to approve the Consent Agenda, minus Items C, D, E, and F.

Resolution 2151,
Approve Rezoning

Community Development Director Maroney provided background information and an overview of the proposed project being requested by Bituminous Roadways and Progressive Rail. The project area was described. Rationale for the rezoning and conditional use permit requests was provided. The proposal by Bituminous Roadways from a land use prospective was to construct and operate a storage facility for liquid asphalt cement. The proposal by Progressive Rail was for construction of a maintenance facility along with an additional spur line rail to serve the Bituminous Roadways operation. The Planning

Commission issued conditional recommendations of approval for both conditional use permits and the rezoning request. Director Maroney outlined the preliminary approval and subsequent due diligence process, if the Council decided to accept the recommendations of the Planning Commission. This would have included a development agreement between the City and both applicants. Council Member Johnson commented that even if the rezoning request was approved, the Council could choose not to approve the conditional use permits.

Kent Peterson, CEO of Bituminous Roadways, introduced Miranda Hilgers, meteorologist and air quality scientist from Wenck Associates, who provided additional background information, described proposed odor control equipment, and shared the results of an air quality impact analysis. Ms. Hilgers provided an overview of the project, which would include a storage facility for liquid asphalt cement. The product would be transported by truck and rail. A site diagram was reviewed. Proposed odor control equipment was described, and air quality analysis results were reviewed. It was stated that filters were conservatively estimated to remove at least 90% of odor emissions. The air quality dispersion modeling process and assumptions were discussed. It was reported that a calculation of 9.5 $\mu\text{g}/\text{m}^3$ was the highest value ever found over a 5-year modeling period, which was still below the odor detection threshold of 11 $\mu\text{g}/\text{m}^3$. Based on this modeling analysis, the average person would not be able to smell the facility, regardless of the weather or wind conditions. Neighborhood impacts were reviewed, indicating even lower hydrogen sulfide emission levels. It was stated that health risks do not occur at levels lower than 3000 $\mu\text{g}/\text{m}^3$. Ms. Hilgers added that very little water waste would enter the water treatment facility and would be at a neutral pH. She reported that these types of systems were in place in other facilities and have been proven to be effective.

Mayor Robinson inquired with regard to exposure to hydrogen sulfide over time. Ms. Hilgers reported that hydrogen sulfide has not been shown to have long-term health effects. Council Member Mattson inquired with regard to the installation of additional storage tanks. Ms. Hilgers reported that the model was based on the project at the full planned capacity. Mayor Robinson inquired with regard to the disposal of the filtered material. Ms. Hilgers reported that the filters were changed periodically and that water disposal options would be researched as part of the engineering design process.

Mayor Robinson inquired with regard to truck and train traffic during peak operational season. Mr. Peterson reported a maximum of 15

trucks per day and up to 250 rail cars per year. Council Member Mattson inquired with regard to the temperature of the heated product. Mr. Peterson reported that the product would be heated to 300 degrees in order to facilitate transport. He added that the majority of the asphalt cement would be purchased in the wintertime and hauled to the facility for storage. During the construction season each tank would be heated individually as needed and the product transported for use. The tanks would be heated with natural gas. He described the air capture and filtering process.

Truck and rail traffic concerns were expressed. Mr. Peterson indicated that liquid asphalt hardens as it cools. Concerns related to accidental product spillage, fire hazards, and potential evacuations were discussed.

Several concerns were raised by meeting attendees including: location, possible use of the north industrial park, current industrial uses in the proposed location, property values, noise issues, air quality, other environmental effects, rail extension to the north industrial park, health risks, Progressive Rail hours of operation, frac sand issues, fire and safety issues, dust, traffic, vibration and emergency response issues.

Dave Fellon, owner and president of Progressive Rail, commented that Progressive Rail paid nearly \$700,000 of back taxes on the former malting house property, most of which went to the Cannon Falls School District. He discussed the good working relationship that Progressive Rail has had with the City. He discussed the benefits of Progressive Rail's presence in the community. Mayor Robinson commented with regard to Progressive Rail's fulfillment of a mutually agreed upon plan and commented with regard to the importance of rail. Mr. Fellon indicated that an initial proposal to expand rail service to the industrial park was not approved by the City Council at that time. Council Member Johnson inquired with regard to the rail line near the former Apco gas station. Mr. Fellon stated that this is part of the current rail line. He commented with regard to challenges and expense associated with extending the rail line to the industrial park, including issues related to the severe grade.

Director Maroney reviewed options related to Resolution 2151 and Ordinance 342 along with the findings and recommendations of the Planning Commission.

A motion was made by Council Member Johnson, seconded by Council Member Gallups, to direct staff to prepare findings to deny

the rezoning request. Upon call of the roll, Johnson, Holst, Mattson, Sjoblom, and Gallups voted aye; no nay. Motion carried unanimously.

Introduction and First Reading of Ordinance 342, Amending Chapter 152 of the Cannon Falls City Code by Rezoning Certain Property from an I-1 Limited Industrial District and R-B Residential Business District to an I-2 General Industrial District

No action was taken on this item due to the failure of the rezoning request.

Resolution 2152, Approve Conditional Use Permit for Bituminous Roadways, Inc.

No action was taken on this item due to the failure of the rezoning request.

Resolution 2153, Approve Conditional Use Permit for Progressive Rail, Inc.

No action was taken on this item due to the failure of the rezoning request.

Staff Reports

Community Development Director Maroney reported that the Planning Commission will not meet in October.

Mayor and Council Reports

There were no reports.

Adjournment

The meeting adjourned at 8:00 p.m.

Adopted by the City Council of the City of Cannon Falls on the 20th day of October, 2015.

Lyman M. Robinson, Mayor

ATTEST:

Ronald S. Johnson, City Administrator