

**TO: HONORABLE MAYOR AND CANNON FALLS CITY COUNCIL**

**FROM: LAURA QUALEY, COMMUNITY & BUSINESS DEV. SPECIALIST**

**SUBJECT: PRELIMINARY PLAT, REZONE AND PLANNED UNIT DEVELOPMENT  
STAGE FOR HARDWOOD ESTATES SECOND SUBDIVISION**

**DATE: AUGUST 15, 2023**

**BACKGROUND:** The Cannon Falls Economic Development Authority (the "Developer") owns 41.84 acres in the City limits identified as PID #523500070 (the "Property") and aspires to develop housing for Cannon Falls called Hardwood Estates (the "Project"). This project and plans will be for the second subdivision that began in 2014 by a previous developer.

The Planning Commission held a public hearing to consider the project on Monday, August 14, 2023 for the proposal of a Preliminary Plat, Rezone and Planned Unit Development Stage and made a recommendation to move it forward to Council for consideration and approval.

**PROJECT DETAILS:** This lot is currently zoned R-2 Single Family Residential and the EDA is requesting a rezone to an R-3 Medium Density Residential to accommodate townhome (dual family) style lots and also a Planned Unit Development. The subdivision will include 106 lots which includes a variety of sized lots to accommodate a multitude of style homes. The Developer is seeking simultaneous approval of the development stage plan for Phase 1 of the PUD which consists of 29 residential lots.

**PROCESS:** Procedurally this project is fairly complex and requires several City approvals under City Code Ch. 151 including the preliminary and final plat approval and rezoning the existing R-2 (single family residential) to an R-3 (medium density residential) and planned unit development ("PUD") approval under City Code Ch. 152. The reason for the rezone is to accommodate a variety of housing types to meet the needs of the City's Comprehensive Plan.

The Planning Commission and City Council are responsible for the Preliminary plat, Rezone and PUD process and approvals but since the EDA is the owner/developer of this project so they are also involved in the entire process of approvals as well.

Once the preliminary plat and planned unit development and rezone are approved by Council, the final step is the consideration of the final plan and approval of the rezoning ordinance. The attached ordinance is on the agenda for the first reading. The second reading and final approval will be presented with the final approval for the project.

A draft of the Development Agreement for the PUD is also included for your review.

**FINDINGS:**

- (A) The proposed project has been found to be consistent with the official City Comprehensive Plan in relation to housing.
- (B) The proposed project is or will be compatible with present and future land uses of the area.
- (C) The proposed project conforms with all performance standards contained in the City Code Chapter 152.
- (D) The proposed project can be accommodated with existing public services and will not overburden the city's service capacity.
- (E) Traffic generation by the proposed project is within capabilities of streets serving the property for the first phase; future phases will require additional streets.
- (F) The City's Comprehensive Plan Map 7 identifies the Property in this proposal as a "priority area" for housing growth and also is in the exact location of the exact interchange referenced in the Comp Plan and is a large parcel of 40 acres which is desirable for development.

**REQUESTED COUNCIL ACTION:** City Council is being asked to adopt a Resolution 2694 to approve the Preliminary plat, rezoning, PUD plan for Hardwood Estates Second Subdivision.

## Pace of Growth

**Objective:** Growth at a pace that is not too fast.

**Policies:**

**GM 1** The city will consider annexation requests in the Future Urban Expansion Area shown on Map 7.

**GM 2** The city's priority areas for housing and commercial growth are also shown on Map 7.

These priority areas have one or more of the following characteristics. They are in or adjacent to the city boundaries, near or adjacent to existing city utilities, near the proposed Hwy. 52 interchange with Hwy. 24, contain relatively large parcels, or have owners who have expressed some form of interest in developing the parcel.

**GM 3** New subdivisions will be approved only when there is sewer and water capacity to accommodate the new units.

**GM 4** The city will limit growth to the number of housing units, commercial, and industrial developments that can be accommodated by the school, transportation, sewer and water systems.

**GM 5** The city will develop a careful annexation plan that does not outpace the demand for developable land.

**GM 6** The city will carefully control the types of business allowed in Cannon Falls.

**GM 7** The city will assure that infrastructure is in place to serve developments.

**GM 8** All annexations must be adjacent to the city boundaries.

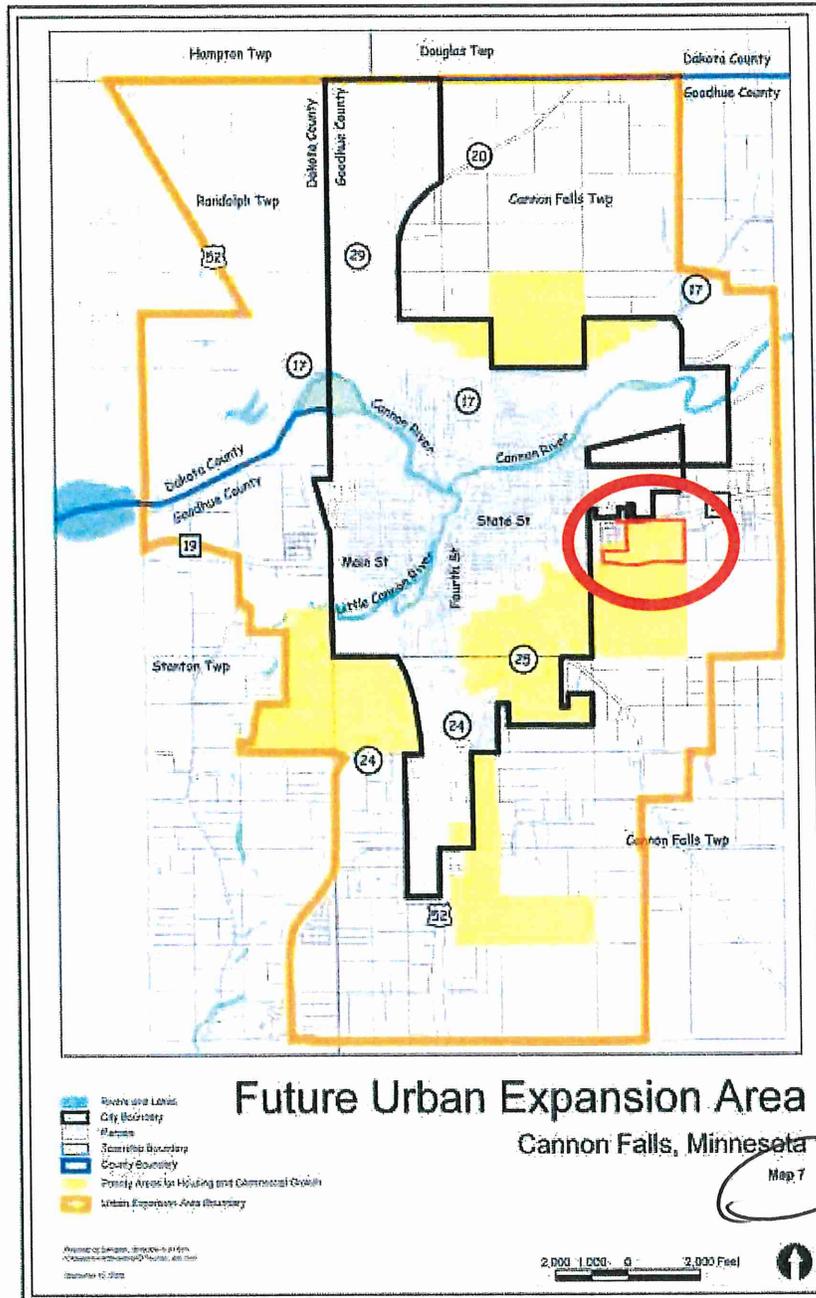
**GM 9** The city encourages annexations of at least 40 acres.

**GM 10** The proposed land use in all annexed areas must be consistent with the proposed land use in the city's comprehensive plan.

## Density In Adjacent Townships

Development in the adjacent townships has resulted in a wide variety of lot sizes and development types. Uses include relatively small residential lots along main roads, large lot subdivisions of 20 to 40 lots with paved streets, large rural residential lots, hobby farms of less than 40 acres, and an occasional satellite business located along a major road. The area north of town in the area that is best suited for farming has remained primarily agricultural in character with an occasional residential lot along one of the highways. However, land on the southwest side of town out along Hwy. 24 has been converted from agricultural uses to residential uses on lots of less than 40 acres in size.

# MAP 7



**STAFF RECOMMENDATION:**

Staff recommends adopting Resolution 2023-005 approving the Developer's request to rezone the Property, the preliminary plat and Developer's PUD plan for Phase 1 of Hardwood Estates.



**DEVELOPMENT APPLICATION**

**918 River Road  
Cannon Falls, MN 55009  
507-263-9308**

**SUBJECT TO STAFF REVIEW**

**Street Location of Property:** Along Highway 19 East, County 24 East and 72nd Ave Way

**Legal Description of Property:** 52.350.0070

OUTLOT A OF HARDWOOD ESTATES, ACCORDING THE RECORDED PLAT THEREOF, GOODHUE COUNTY, MN. EXCEPTING, PARCEL 2 OF GOODHUE COUNTY RIGHT OF WAY PLAT NO. 211, ACCORDING TO THE RECORDED PLAT THEREOF, GOODHUE COUNTY, MN. CONTAINING 41.84 ACRES, MORE OR LESS.

Owner of Record: Name: Cannon Falls Economic Development Authority

Daytime Phone: 507-263-9312

Address: 918 River Road  
Cannon Falls MN 55009

Applicant (if other than owner)

Name: Jon Dahl EDA President Notary Stamp

Daytime Phone: 507-263-7563

Address: 300 W. Main Street  
Cannon Falls, MN 55009

E-Mail Address: JDDahl@merchantsbank.com

Nature of Legal or Equitable Interest of Applicant (Documentation must be attached :)

- |          |                                     |                        |                                     |                                   |
|----------|-------------------------------------|------------------------|-------------------------------------|-----------------------------------|
| Request: | <input type="checkbox"/>            | Conditional Use Permit | <input checked="" type="checkbox"/> | Rezoning/Ordinance Text Amendment |
|          | <input checked="" type="checkbox"/> | Subdivision            | <input type="checkbox"/>            | Variance                          |
|          | <input type="checkbox"/>            | Concept                | <input type="checkbox"/>            | Interim Use Permit                |
|          | <input checked="" type="checkbox"/> | Preliminary Plat       | <input type="checkbox"/>            | Amendment                         |
|          | <input type="checkbox"/>            | Final Plat             | <input checked="" type="checkbox"/> | CUP/ <u>PUD</u>                   |
|          | <input type="checkbox"/>            | Administrative         | <input type="checkbox"/>            | Site Plan Review                  |
|          | <input type="checkbox"/>            | Administrative Permit  | <input type="checkbox"/>            | Special Home Occupation           |
|          | <input type="checkbox"/>            | Vacation               | <input type="checkbox"/>            | Annexation Petition               |
|          | <input type="checkbox"/>            | Comp Plan Amendment    | <input type="checkbox"/>            | Appeal                            |
|          | <input type="checkbox"/>            | Other                  |                                     |                                   |

**Note:** Each requested approval may require a separate fee and/or escrow amount, even where they apply to the same project.

Date Application Received: 7/7/2023

Date Submission Deemed to be Complete: 7/31/2023

Give detailed description of project and reason for conditional use or variance, if applicable:

See attached narrative for Hardwood Estates Second Subdivision.

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**SUPPORTING DOCUMENTATION:** Applicant must submit with the application all documentation required by the Zoning or Subdivision Ordinance relating to the requested approval. Applicant will be advised of the completeness. Only when it has been determined that an application is complete will it be placed on a Planning Commission agenda for consideration. Applications that do not include the proper plans and/or documentation may be delayed from formal review. **FAILURE ON THE PART OF THE APPLICANT TO SUPPLY ALL NECESSARY SUPPORTIVE INFORMATION MAY BE GROUNDS FOR DENIAL OF THE REQUEST.**

**APPLICANT RESPONSIBILITY FOR PAYMENT OF ALL CITY FEES AND COSTS IN PROCESSING APPLICATION:** Applicant acknowledges that she/he understands that before this request can be considered and/or approved, all fees, including the basic application fee and any escrow processing deposits must be paid to the city and that, if additional fees are required to cover costs incurred by the City, the City Clerk has a right to require additional escrow amounts and payment. These fees include all actual costs including, but not limited to, planning, engineering, public notification, and legal costs. All processing of an application will be halted if payments are not made within 30 days of receipt of a monthly statement from the City, in the event any escrow account established is insufficient to cover the costs.

**SIGNED:**

\_\_\_\_\_  
Property Owner

Date: \_\_\_\_\_

Jon Dahl EDA President  
Applicant (if not the Property Owner)

Date: July 7, 2023

=====

**FOR CITY USE ONLY**

Date Application Filed: 7/7/2023

Basic Fees: \$1400

Received By: Zach Logelin

Escrow Deposit: \_\_\_\_\_

Evidence of Ownership Submitted:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Required
Certified Lot Survey:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Required
Legal Description Adequate:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Required

Date of Planning Commission Meeting: Monday, August 14th

Recommendation of Planning Commission on: \_\_\_\_\_  Approve  Deny

Recommendation of City Council on: \_\_\_\_\_  Approve  Deny

Subject to following conditions: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## HARDWOOD ESTATES SECOND SUBDIVISION DEVELOPMENT NARRATIVE

The Cannon Falls Economic Development Authority (EDA) purchased 40+ acres of property in December 2022 with a plan to develop the property for single and dual family units. The Development Application that has been submitted by the EDA includes a request for a preliminary plat and rezoning from an R-2 Single Family Residential to an R-3 Medium Density Residential, Planned Unit Development (PUD).

The development team includes the EDA Board consisting of: Jon Dahl (EDA President/Chair), Mayor Matt Montgomery (EDA VP/Council), Luke Cooreman (EDA Treasurer), Amy Dombeck (EDA Secretary), Steve Gesme (Council); Bill Angerman and Jesse Preston of WHKS (engineering & survey) and Laura Qualey, Community Economic Development Associate (EDA Consultant), Neil Jensen, City Administrator and Zach Logelin (City Staff).

**The Property:** Hardwood Estates began in 2014 by the previous land owner, Glenn Mulvihill which has created six single family lots. The EDA will continue to develop the next phase of this subdivision by presenting a new preliminary plat to develop the remaining 40+ acres.

**The Development Plan:** Hardwood Estates proposes one hundred-six (106) lots total in a variety of housing styles; seventy-four (74) single family lots and thirty-two (32) townhome (dual family) lots and an active City Park. The preliminary plat application includes changing the zoning of the property from an R-2 to an R-3 PUD to accommodate the variety of housing options and some unique property conditions.

**The PUD:** Most of the proposed housing for single family lots adhere to the current R-2 zoning requirements, however by adding in the townhome option, the zoning would need to change to an R-3 in order to accommodate the need for dual family (townhome) style lots. The following are the exceptions that do not fit within the R-3 zoning which supports the request for a PUD:

- Several of the townhome lots do not meet the minimum Base Lot width requirement of  $\leq 120$  feet.
- Several of the single family lots may not meet the minimum Lot width of 60 feet.

**Park Land:** There will be 2.55-acres dedicated for one active park for Hardwood Estates. This area will be in the northeastern area of the property and be the last phase to be developed in the subdivision. Access to this park will be by City streets from the and sidewalks within the development. The park area is approximately 61% of the required 4.1 acres per the ordinance requirements, however, the Park Board did make a recommendation at a special meeting on July 25th to approve the dedicated land for the park for the subdivision. Ordinance § 151.130 **PUBLIC SITES AND OPEN SPACES (PARK LAND DEDICATION)** E.(3) also states that a combined land and cash contribution is allowed at the cities discretion based on the calculation which follows:

*(E) Dedication requirements. The city, upon consideration of the development, may require that a lesser parcel of land should be dedicated due to particular features of the development. In those cases, a cash contribution shall be required above the land*

*dedication to ensure that compensation is received for the full amount of the impact on the city's park and trail system.*

*(1) Land dedications. In all new subdivisions where land dedication is to be required, 10% of the gross area subdivided, or a different percentage as the City Council determines necessary as a result of the subdivision approval, shall be dedicated for public parks, trails or open space.*

*(2) Cash contributions. When a subdivision is proposed, the developer shall make a land dedication for public park use, or the city may require a fee in lieu of the land dedication as follows, which are the city's best estimate of the effect of the subdivision on the city's park system.*

*Fee in Lieu of Land Dedication*

*Residential development*

*\$1,400 per dwelling unit*

*Commercial development*

*\$3,000 per gross acre*

*Industrial development*

*\$2,000 per gross acre*

*(3) Combined land dedication/cash contributions. The city may elect at its sole discretion to receive a combination of cash, land and development of the land for park and/or trail use. Combined park land and cash dedications shall be calculated based upon the following procedure.*

*(a) Residential developments.*

*STEP ONE: Determine maximum number of units possible within the development without park land dedication:*

*Net acres x average density = number of units*

*STEP TWO: Determine maximum cash contribution which could be received without park land dedication:*

*Number of units/lots (from Step 1) x \$1,400 = maximum cash contribution*

*STEP THREE: Determine percentage of park land dedication:*

*Acres to be dedicated + total land dedication requirement = percent of land dedication*

*STEP FOUR: Determine balance of cash fee:*

*Maximum cash contribution (from Step 2) x percent of land dedication (from Step 3) = balance of cash fee*

**Development Timeline:** With the needed preliminary plat approvals, the EDA will proceed with a Phase 1 final plat application and development agreement this fall. Phase 1 development will include the ten townhome unit lots and nineteen single family lots for a total of twenty-nine (29) units. Phase 1 will continue down the already existing 72<sup>nd</sup> Ave Way to complete the street on both sides and then continue westward into a cul-de-sac (yet to be named). With the appropriate approvals, the EDA would put the project out for bids in September with the bid being awarded

in mid-late October 2023. If the winning bid has capacity to begin the grading process yet in 2023, the EDA would consider that a 'win'. Otherwise, the expectation would be to break ground as soon as weather allows in 2024. The remaining phases for the development would roll out as the market allows.

The EDA Development Team appreciates the time and consideration by the Planning Commission, City Council, Mayor and City Staff for this application.

2905 South Broadway  
Rochester, MN 55904-5515  
Phone: 507.288.3923  
Fax: 507.288.2675  
Email: rochester@whks.com  
Website: www.whks.com

**whks**

engineers + planners + land surveyors

August 10, 2023

Mr. Neil Jensen  
City Administrator  
City of Cannon Falls  
918 River Road  
Cannon Falls, MN 55009

RE: Cannon Falls, MN  
Hardwood Estates 2nd Subdivision  
**Review of Preliminary Plat and Plans**

Dear Neil:

We have reviewed the preliminary plat and plans for the referenced project. We offer the following comments on the submitted plat and plans.

1. Zoning items and development fees that apply to this site should be discussed with the City Administrator.
2. Multiple pre-application meetings occurred with the EDA and City staff during the summer of 2023. It was previously determined that a neighborhood meeting was not required per section 151.077 (A) and (B) of the ordinance.
3. The EDA and City need to coordinate the preliminary plat review with Goodhue County and MnDOT. Contact with MnDOT and Goodhue County has been initiated.
4. The proposed stormwater basin will be constructed to serve the entire development. Excess earthen material will be spread across the development in future phases.
5. A portion of the current drainage from the parcel to the south will be conveyed through the westerly portion of the subdivision to 71<sup>st</sup> Avenue Way. This runoff currently drains to 71<sup>st</sup> Avenue Way.
6. City staff should discuss the style of townhome that is proposed. The style of the town home affects the location of the sanitary sewer and water services.
7. It is recommended that the single family home lots show the garage on the uphill side of the lot to avoid conflicts with the proposed sewer and water services.
8. The City should discuss obtaining a temporary easement from the property owner to the south. This would be necessary to construct 72<sup>nd</sup> Avenue Way to the south property line.

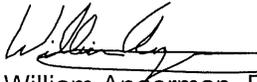
August 10, 2023  
Page 2 of 2

We recommend approval of the preliminary plat and plans conditional upon the above items being addressed.

Please contact us if you have any questions.

Sincerely,

**WHKS** & CO.



William Angerman, P.E.  
Cannon Falls Consulting City Engineer

Cc: Zach Logelin, City of Cannon Falls  
Jed Petersen, City of Cannon Falls  
Jesse Preston, WHKS  
Laura Qualey, CEDA  
Jess Greenwood, Goodhue County  
Daren Sikkink, WHKS

## NOTICE OF PUBLIC HEARING

Notice is hereby given that the Planning Commission of the City of Cannon Falls, Minnesota, will meet at 6:30 p.m. in the City Council Chambers of City Hall, on August 14, 2023, to hold a Public Hearing to consider a Preliminary Plat, and Rezone from an R-2 Single Family Residential to an R-3 Medium Density Residential Planned Unit Development for the Hardwood Estates Second Subdivision, an approximately 40-acre property located south of Highway 19 and west of Hardwood Way PID #52.350.0070.

Legal description: Outlot A, Hardwood Estates

Project information is available at City Hall.

The application and related information are available for public inspection at the City Administrator's office, 918 River Road, Cannon Falls, MN 55009.

Anyone interested in offering comments regarding the proposal will be given an opportunity to do so at this hearing.

Neil Jensen, City Administrator

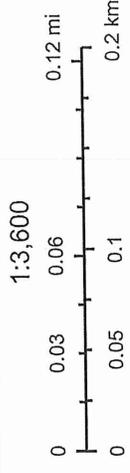
Cannon Falls Beacon  
8-3-2023

**\*\*\*PRINT ONE TIME ONLY AUGUST 3, 2023\*\*\***



December 20, 2021

- Override 1 Goodhue County Roads
- Parcels
- CEM; ; OCTY; OCRLN; CTRLN
- SHWY
- CSAHP; CRP



1:3,600

