The Cannon Falls City Council met in a joint work session with the Cannon Falls EDA on Wednesday, October 9, 2024, in the City Council Chambers. Present were Mayor Matt Montgomery; Council Members Derek Lundell, Lisa Groth, Laura Kronenberger, Ryan Jeppesen, and Diane Johnson; and Council Member / EDA Board Member Steve Gesme. Also present were Neil Jensen, City Administrator; Sara Peer, City Clerk; Jed Petersen, Public Works Director; Zach Logelin, License & Permit Technician; Laura Qualey, Community & Business Development Specialist; and EDA Board Members Amy Dombeck and Luke Cooreman.

Call to Order	The joint work session was called to order at 6:00 p.m.
Approve Agenda	A motion was made by Council Member Jeppesen, seconded by Council Member Johnson and unanimously carried, to approve the agenda as presented.
Tract	Kristin Dean, Senior Entitlements Director with Tract, introduced herself and other members of the development team. She described the mission and work of Tract, a Denver-based company. She stated that Tract works with communities to acquire land and create shovel-ready sites for the development of data center campuses.

She provided preliminary information relating to a proposed project in Cannon Falls. She reviewed the initial entitlement steps, including annexation, zoning, PUD development, and infrastructure upgrades. She described the location of the 253-acre development site east of Highway 52. She noted that this land has been identified in the Comprehensive Plan for future development as an industrial use. She stated that a data center campus would represent a low-impact use that would generate significant property tax revenue to benefit the community. She discussed the capital investment that would be needed to develop the site. She detailed the data center campus model, describing job creation and opportunities for career growth. She referenced the anticipated timeline for the project.

Work session attendees requested clarification of the numbers of jobs that would be created and the types of companies that would be involved. Ms. Dean discussed the number of local construction and data center jobs that would be created. She reviewed the process of identifying data center companies that would occupy the space.

Mayor Montgomery asked how Cannon Falls compares with other communities.

Ms. Dean discussed other communities that Tract has worked with in the past, noting that Cannon Falls is on the smaller end in terms of population.

Isaac Smeltzer, VP of the Tract Investments and Land Acquisition Team, provided additional information and referenced the strategic location of Cannon Falls. He stated that Tract works with many smaller communities.

Council Members requested clarification of the role of Tract. Ms. Dean stated that Tract acquires the land, plans for the infrastructure, develops the framework for future development, markets the land to prospective technology companies, and assists with construction as needed. When asked what would be asked of taxpayers, Ms. Dean further discussed infrastructure upgrades and the potential for cost sharing. She referenced cooling technology and water demands, and City Administrator Jensen provided additional information in this regard.

Kwik Trip

Lisa Watson, Real Estate Manager for Kwik Trip, introduced herself. She reported that the former nursing home property is under contract with the property owner to be developed into a Kwik Trip Gen-3 store. She reviewed a preliminary site plan for the project and described the advantages of the Gen-3 store business model. She discussed screening and fencing from nearby residential areas. She requested that the City consider partnering on a redevelopment grant application toward the cost of asbestos abatement and demolition activities. She reviewed the next steps in the process and the anticipated timeline for each phase, with store construction planned in 2026.

Mayor Montgomery asked about truck fueling. Ms. Watson indicated that there are no plans for a truck canopy at this location and provided an alternate plan in this regard.

Council Members asked about the redevelopment grant. Ms. Dean and City Administrator Jensen provided additional details regarding the 50/50 grant.

Council Members asked about other requests from the City. Ms. Dean and Administrator Jensen discussed existing infrastructure and referenced planning activities relating to road access. Ms. Dean noted that a request for a 24-hour store will be discussed with the City Council.

Hardwood Estates   Community & Business Development Specialist Qualey provided an update. She reported that six lots have closed, with three other lots expected to close in the coming weeks. She stated that the EDA Board recently approved an agreement with WHKS to develop plans for the next phase of the project.

Ms. Qualey provided an overview of the next project phase and noted that four townhomes that were initially planned have been removed from this phase of the project.

Mayor Montgomery asked about townhomes that would be marketed to seniors. Ms. Qualey discussed one-level townhomes that were included in the first phase of the project. She also referenced plans for a county-wide housing study that will help guide future development plans.

Council Member Johnson asked about an additional access road into the development. Ms. Qualey provided information in this regard. She referenced the MnDOT Active Transportation Program study and discussed potential grant funding toward infrastructure improvements in conjunction with the project.

Adjournment   A motion was made by Council Member Johnson, seconded by Council Member Kronenberger and unanimously carried, to adjourn the work session.

A motion was made by EDA Board Member Cooreman, seconded by EDA Board Member Gesme and unanimously carried, to adjourn the work session.

The work session adjourned at 6:43 p.m.

Adopted by the City Council of the City of Cannon Falls on the 12th day of November, 2024.

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Matt Montgomery, Mayor

ATTEST:

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Neil L. Jensen, City Administrator