

The Cannon Falls City Council met in a joint work session with the Planning Commission on Tuesday, March 4, 2025, in the City Council Chambers. Present were Mayor Matt Montgomery; Council Members Chad Johnson, Diane Johnson, Laura Kronenberger, Ryan Jeppesen, Chris Nobach, and Lisa Zimmerman (arrived at 5:11 p.m.); and Planning Commissioners Brian Douglas and Isaac Naatz (arrived at 5:16 p.m.). Also present were Jon Radermacher, City Administrator; Sara Peer, City Clerk; Bill Angerman, City Engineer; Shelley Ryan, City Attorney; Zach Logelin, License & Permit Technician; Laura Qualey, Community & Business Development Specialist; and Jeffrey McCormick, Police Chief.

- Call to Order The work session was called to order at 5:00 p.m. City Administrator Radermacher introduced City Engineer Angerman and City Attorney Ryan and provided a summary of the work session agenda.
- Approve Agenda A motion was made by Council Member D. Johnson, seconded by Council Member Jeppesen and unanimously carried, to approve the agenda as presented.
- AUAR Update with Tract City Engineer Angerman referenced the project scoping document and timeline. He stated that the scoping document lists the items that will be studied as part of the AUAR (Alternative Urban Area-wide Review), including the impact of the proposed development on water resources, geology, soils, wildlife, historic properties, and other factors using two different development scenarios. He noted that the first public comment period began on March 4. He noted that the Cannon Falls City Council has been identified as the Responsible Government Unit (RGU) that will be tasked with collecting the comments and working with the project team to make sure that comments are addressed. He discussed how the scoping document was drafted.
- Ashley Payne, Senior Environmental Scientist with Kimley-Horne and Associates, introduced herself. She noted that the purpose of the State's environmental review program is to avoid and minimize damage to Minnesota's environmental resources caused by public and private action. She stated that the Environmental Quality Board (EQB) oversees the environmental review program. She further discussed the role of the City Council as the RGU and referenced the RGU agreement that was approved earlier. She further discussed the environmental review process, noting that it does not approve or deny a project.
- Ms. Payne noted that the environmental review process lays out existing conditions and potential impacts for a project. She stated

that the environmental review process identifies mitigation strategies or mitigation measures that could be looked at or could be enforced by the RGU for a particular project. She described Minnesota's environmental review thresholds, based on State Statutes and Minnesota Rules. She noted that there are multiple levels of environmental review, including the AUAR (Alternative Urban Areawide Review) process.

Ms. Payne defined the AUAR process as a hybrid between an Environmental Assessment Worksheet (EAW) process and an Environmental Impact Statement (EIS) process. She described the AUAR as a planning tool to identify multiple different development scenarios for a particular project area. She stated that two potential development scenarios will be studied for the proposed project. When asked why an EIS process is not being conducted, Ms. Payne clarified that an AUAR is an EIS-level review that is based on different development scenarios and identifies mitigation strategies.

When asked about the public comment period, Ms. Payne and City Engineer Angerman provided additional information in this regard. The study area was clarified.

Ms. Payne further reviewed the topics that are studied as part of the AUAR process. She noted that the scenarios that are studied consider maximum densities and might not actually be what is constructed. She stated that the mitigation plan will list all of the potential mitigation strategies and define the responsible parties.

Ms. Payne discussed the environmental documentation components that are required for a technology park data center project and the State oversight agencies that will review the project. Mayor Montgomery commented that it will be helpful for the public to understand the levels of review and permitting that will be required for the project to move forward. Ms. Payne commented that the EQB oversees the environmental review process and works with the various other State agencies.

Ms. Payne reviewed the AUAR steps for a large project and outlined the public comment periods associated with each step.

- Draft order and scoping document.
- Final order and scoping document.
- AUAR and mitigation plan.
- Final AUAR and mitigation plan.

- Final AUAR and mitigation plan adopted by RGU.

Mayor Montgomery asked how often changes are made to the mitigation plan. Ms. Payne further discussed how public comments and State agency comments are addressed. She reviewed the tentative AUAR schedule. She provided an overview of a typical data center development process and noted that the process is currently in the early stages.

Council Member D. Johnson asked when public comments about water impacts would be addressed. Ms. Payne noted that potential water usage and potential mitigation strategies will be studied as part of the AUAR process. She added that sewer utility impacts will be studied as well.

Commissioner Douglas requested clarification of the review process timeline, and Ms. Payne provided additional information.

Council Member Nobach requested clarification of the public comment periods. Kristin Dean, Senior Entitlements Director with Tract, provided additional information. She described the AUAR as a preliminary study of the land and an early stage guiding document. She stated that it will be helpful to understand what mitigation measures will need to be considered as development plans for the site are created. She discussed opportunities for public comment during the AUAR process, prior to final zoning of the site. She noted that both the City of Cannon Falls and Randolph Township will be involved in the process. She stated that a community meeting will be scheduled in late April, adding that in the interim preliminary information about the PUD and rezoning process will be gathered that will be presented to the public at that time. She introduced Dakota County resident Brian McClung from McClung PR, who will help facilitate the community meeting. She also discussed one-on-one engagement opportunities.

Ms. Dean stated that the current process will establish the framework for future development. She clarified that the details of the horizontal and vertical development will be determined during the site planning process. City Administrator Radermacher clarified that public comments will be welcomed and recorded as the process moves forward. He stated that the AUAR and zoning processes will help guide the site planning processes.

Council Member D. Johnson asked whether Tract will develop the project and sell it to another company that will then create the site plan and build the development. Ms. Dean stated that Tract may continue to own the land and lease it to an end user, it may be the end user through an affiliate company, or it may sell the land to another company. She noted that the development is anticipated to be a two-campus site.

Ms. Payne reiterated the AUAR process components.

Mayor Montgomery asked whether any sites within the City of Cannon Falls have been designated for technology park land uses. It was noted that industrial park and business park uses have been designated but no technology park uses.

Council Member D. Johnson requested clarification of the two campuses. Ms. Dean stated that two data center campuses are planned. Ms. Payne clarified the two scenarios that will be studied. City Administrator Radermacher commented that the highest potential use of the property will be studied. Ms. Payne provided additional information in this regard and further discussed the mitigation plan. She referenced AUAR resources on the EQB website.

City Administrator Radermacher expressed appreciation for the due diligence that is being conducted and the assistance being offered to City staff regarding the process. He stated that the AUAR process will yield valuable information. Ms. Payne noted that an AUAR document would need to be reviewed and updated every five years.

Community & Business Development Specialist Qualey stated that a landing page has been created on the City's website for the project.

Adjournment

A motion was made by Council Member D. Johnson, seconded by Council Member C. Johnson and unanimously carried, to adjourn the work session. The work session adjourned at 5:50 p.m.

Adopted by the City Council of the City of Cannon Falls on the 18th day of March, 2025.

Matt Montgomery, Mayor

ATTEST:

Jon Radermacher, City Administrator