

The Cannon Falls City Council and Planning Commission met in a joint work session on Monday, July 21, 2025, in the City Council Chambers. Present were Mayor Matt Montgomery, Council Member Chad Johnson, Council Member Laura Kronenberger, Council Member Lisa Zimmerman, Council Member / Planning Commission Member Diane Johnson, Council Member / Planning Commission Member Chris Nobach, Planning Commission Member Brian Douglas, Planning Commission Member Jesse Fox, and Planning Commission Member Isaac Naatz. Council Member Ryan Jeppesen was absent. Also present were Jon Radermacher, City Administrator; Shelley Ryan, City Attorney; Sara Peer, City Clerk; Joe Berg, Police Lieutenant; Laura Qualey, Community & Business Development Specialist; and Bill Angerman, City Engineer.

Call to Order Mayor Montgomery called the work session to order at 5:00 p.m.

Approve Agenda A motion was made by Council Member Zimmerman, seconded by Council Member Nobach and unanimously carried, to approve the agenda as presented.

Data Center Text Amendment Discussion City Administrator Radermacher provided background information and referenced ongoing discussion of a potential zoning text amendment that would allow data centers to operate within the City of Cannon Falls as a conditional use. He noted that the draft ordinance language resulted from discussions with Tract representatives and consultants relating to data center operations along with researching similar ordinances from other communities.

Administrator Radermacher reviewed the scope of the work session discussion. He stated that the work session was scheduled to provide an opportunity for City Council Members and Planning Commission Members to discuss the draft ordinance language and ask questions. He noted that specifics relating to the proposed data center would not be the focus of the current work session discussion. He stated that the finer details relating to the proposed data center would be discussed during future meetings.

Administrator Radermacher added that discussions continue with Randolph Township representatives relating to an orderly annexation process.

Mayor Montgomery and Administrator Radermacher commented that data centers are a relatively new business entity that are not covered by the language of the City Code. They referenced the importance of following the correct legal procedure in terms of zoning.

Administrator Radermacher discussed the AUAR (Alternative Urban Areawide Review) process. He reported that the final draft of the AUAR report has been completed and has been posted on the City's website. He noted that the agency review period is currently still open. He stated that, following the close of the agency comment period, the City Council will be asked to review and consider approving the final AUAR report.

Council Member Nobach inquired regarding the specific zoning districts where data centers would be allowed as a conditional use, if the proposed zoning text amendment is adopted. It was clarified that data centers would be allowed as a conditional use in I-2 zoning districts. Council Member Nobach asked about the possibility of identifying a data center zoning district, as opposed to allowing this land use with a Conditional Use Permit.

Administrator Radermacher stated his opinion that a CUP process, potentially with a PUD overlay, would provide the best opportunity for the City to fully evaluate proposals and that the language would be more restrictive in terms of setbacks, infrastructure, and other requirements.

Council Member Nobach requested clarification of the role of the City Engineer and the role of the City Council in terms of ensuring that data center proposals are in compliance with the Comprehensive Plan. Administrator Radermacher discussed the quasi-judicial role of the City Council. He clarified that data center proposals would be forwarded to the City Council along with staff recommendations for final review and approval.

City Council Nobach referenced language relating to provisions that would control and mitigate noise, light, air, and water pollution, so as not to unreasonably disturb or interfere with surrounding property owners' use and enjoyment of their properties. He asked how these provisions are determined and interpreted. Mayor Montgomery commented regarding the purposes of the ordinance language.

City Attorney Ryan stated that the ordinance language would establish the CUP criteria and evaluation framework for future data center proposals, noting that data center uses are rapidly evolving. Administrator Radermacher further discussed the evaluation process for proposals.

Council Member D. Johnson referenced the definitions section and asked about language relating to electric generators. Administrator Radermacher clarified this language.

Council Member D. Johnson asked whether the building requirements listed in City Code 152.692 would apply to data centers. Administrator Radermacher noted that data centers would need to comply with all existing I-2 regulations along with more restrictive CUP / PUD requirements.

Council Member Zimmerman asked about creating a new zoning district for data centers. Administrator Radermacher commented that, although this would be a potential possibility, there would be many things to consider. He referenced ongoing discussions relating to the potential creation of a fairgrounds zoning district.

Planning Commission Member Fox expressed concerns about large-scale generators, back-up power systems, and fuel storage in an enclosed building. Administrator Radermacher provided information in this regard and noted that broad definitions have been drafted. Attorney Jacob Steen further discussed energy, battery, and fuel storage facilities and noted that the language is intended to address potential future energy needs.

Planning Commission Member Fox inquired regarding the possibility of a moratorium on data center uses, to allow adequate time to consider the appropriate zoning regulations. City Attorney Ryan provided information in this regard. Administrator Radermacher summarized the process and referenced ongoing discussions that have occurred to this point. He stated his opinion that a moratorium would not be necessary.

Planning Commission Member Naatz referenced Planning Commission Member Fox's question about fuel storage and expressed agreement with keeping the options open. He asked whether the local fire team would be consulted in terms of the ability to respond to a potential incident. Administrator Radermacher indicated that fire prevention and fire suppression components would be incorporated into the platting plans and permitting process.

Planning Commission Member Douglas commented regarding the need for zoning regulations in order to evaluate the current data center proposal. Administrator Radermacher indicated that this

language would open the door to evaluate the current proposal and future proposals.

Planning Commission Member Naatz commented that zoning regulations in other communities were studied. Administrator Radermacher referenced hyperscaling and other advancements in the data center industry and the need for local regulations. He further summarized the ongoing process that has taken place to this point.

Council Member D. Johnson commented that the City could have stopped the process last fall when first approached by Tract about a data center, as there were no regulations or evaluation process in place at that time. She suggested incorporating more definitions and limitations into the ordinance language, citing concerns about water and energy usage.

Administrator Radermacher stated that the purpose of a zoning text amendment would be to regulate a conditional use within a certain zoning district. When asked whether the City could regulate the types of data that are stored, Administrator Radermacher and City Attorney Ryan further discussed the City's regulatory authority. Mayor Montgomery stated his understanding that the City's regulations would need to pertain to City infrastructure and not to power demands.

Mayor Montgomery asked whether anything specific is being requested from the City Council or from Planning Commission at this time. Administrator Radermacher restated the purpose of the work session and outlined the next steps in the process.

Council Member C. Johnson referenced information and resources that have been posted on the City's website. Administrator Radermacher referenced other opportunities for public engagement with Tract representatives and consultants.

Council Member D. Johnson pointed out a correction under Section M.

Council Member Zimmerman suggested more specific language under Section N-3. City Attorney Ryan provided additional information pertaining to State regulations and the City's CUP authority.

Council Members Zimmerman and D. Johnson asked about the enforcement process for CUP violations. City Attorney Ryan and Administrator Radermacher provided information in this regard.

Adjournment

A motion was made by Council Member D. Johnson, seconded by Council Member Zimmerman and unanimously carried, to adjourn the work session. The work session adjourned at 6:23 p.m.

Adopted by the City Council of the City of Cannon Falls on the 5<sup>th</sup> day of August, 2025.

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Matt Montgomery, Mayor

ATTEST:

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Jon Radermacher, City Administrator