

The Cannon Falls City Council met in a regular session on Wednesday, November 5, 2025, in the City Council Chambers. Present were Mayor Matt Montgomery and Council Members Ryan Jeppesen, Chad Johnson, Diane Johnson, Laura Kronenberger, Chris Nobach, and Lisa Zimmerman. Also present were Jon Radermacher, City Administrator; Sara Peer, City Clerk; Shelley Ryan, City Attorney; Jed Petersen, Public Works Director; Izzy Carlson, License & Permit Technician; Bill Angerman, City Engineer; Laura Qualey, Community & Business Development Specialist; Nathaniel Fox, Police Officer; and Jeff McCormick, Police Chief.

- Call to Order Mayor Montgomery called the City Council meeting to order at 6:30 p.m.
- Roll Call Roll call was conducted. Mayor Montgomery and Council Members Jeppesen, C. Johnson, D. Johnson, Kronenberger, Nobach, and Zimmerman were in attendance.
- Pledge of Allegiance Mayor Montgomery led the recitation of the Pledge of Allegiance.
- Approval of Agenda A motion was made by Council Member Nobach, seconded by Council Member D. Johnson and unanimously carried, to approve the Agenda as presented.
- Public Input Mayor Montgomery reviewed the public input procedure.
- Clinton Sjoquist, Cannon Falls, introduced himself as the Chair of the Cannon Falls School Board. He expressed appreciation to the community for the recent passage of the operating levy referendum and to City staff for their assistance with the election process. He summarized discussions with Tract representatives. He reported that an agreement has been drafted that would provide more than \$13 million in financial assistance to the Cannon Falls School District over the next 20 years.
- Jeff Sampson, Cannon Falls, introduced himself as the Superintendent of the Cannon Falls School District. He referenced his work with the EDA related to housing and sustained business growth in Cannon Falls. He discussed the School District's budget challenges. He echoed the comments made by School Board Chair Sjoquist regarding the operating levy and noted that a development deal with Tract would cover the remaining funding gap.
- Nora Felton, Cannon Falls, commented that many questions have been asked about infrastructure costs relating to the data center and the contents of development agreements, with no real answers being

provided. She referenced the due diligence that was conducted by the community relating to the Zip Rail proposal 10 years ago and other projects.

Dean Kautz, Cannon Falls, stated that he and his wife recently spoke with 41 community members about the data center project, noting that only 5 were in favor of the project and the others were very much opposed to the project, citing environmental issues and other concerns. He discussed the importance of recognizing the vastly divergent opinions of the citizens of Cannon Falls. He recommended a comprehensive and robust environmental review and referenced lawsuits in other communities. He commented that the community needs assurances about the promises that are being made.

Ferlin Miller, Cannon Falls, spoke in support of the data center project. He commented that there is a lot of misinformation being spread by social media. He discussed property value impacts and other benefits of data centers in nearby communities.

Bill Peterson, Cannon Falls, recommended that the City Council pause further action regarding the data center project. He stated that the people of Cannon Falls are just now paying attention to what is going on with the data center proposal. He noted that there are advantages and disadvantages to the project. He commented that the development agreement that will be considered later during that meeting was amended just hours before the meeting. As a former English teacher, he stated that he stopped counting the number of grammatical errors after reading the first couple of pages of the proposed agreement. He suggested taking the necessary time to review the agreement language and consider additional provisions that would be more advantageous to the community, along with providing opportunities for public input about the agreement.

Tim Dehmer, Cannon Falls, distributed a letter to Council Members. He referenced some of his interactions with City staff and Cannon Falls Police Officers. He requested that the City Council address his concerns.

Tammy Reicherts, Cannon Falls, referenced a petition in opposition to the data center project that was presented to the City Council, signed by approximately 600 Cannon Falls residents. She stated that property tax, water, energy, and other impacts were shared with the City Council, noting that the City Council voted to approve the project

anyway. She referenced ongoing lawsuits by other communities relating to data centers.

Michelle Beauchling, Cannon Falls, commented regarding the number of jobs that have been promised in conjunction with the data center. She provided information from a Microsoft lawyer related to actual job creation by data centers and referenced recent industry layoffs. She discussed significant utility bill impacts in other communities.

Peggy Lake, Cannon Falls, suggested putting a pause on the data center project in order to thoroughly research the legalities and conduct an environment impact study. She stated that it would be irresponsible to move the project forward without this information.

Therese Ruud, Cannon Falls, compared the data center project to grasping at a golden ticket. She stated that job creation numbers and positive local business impacts have been exaggerated. She commented that the serene beauty of Cannon Falls would be ruined by a data center. She asked the City Council to reconsider its decision to move the project forward.

Ann Buselmeier, Cannon Falls, referenced the City of Cannon Falls Comprehensive Plan, noting that hyperscale data centers did not exist when the plan was drafted in 2003. She suggested putting the project on pause to allow an updated Comprehensive Plan to be drafted, including opportunities for public input. She urged the City Council to allow the people of Cannon Falls to decide the fate of the town.

Public Hearings:
Resolution 2842,
Certifying Unpaid
Utility Charges to be
Collected with Taxes

City Clerk Peer provided background information regarding the quarterly process. Mayor Montgomery opened the Public Hearing for this item at 6:31 p.m. No one spoke during the Public Hearing. Mayor Montgomery closed the Public Hearing at 6:32 p.m.

A motion was made by Council Member D. Johnson, seconded by Council Member Zimmerman and unanimously carried, to adopt Resolution 2842, certifying unpaid utility charges to be collected with taxes.

Resolution 2843,
Ordering
Improvements and
Directing Preparation

City Engineer Angerman provided background information regarding the proposed 2026 street and utility improvement project. He reviewed the project area, referenced the feasibility report, and detailed the recommended project components. He discussed

of Final Plans and
Specifications

estimated project costs, project funding, and the assessment process. He reviewed the next steps in the project planning process and discussed the anticipated schedule.

Mayor Montgomery opened the Public Hearing for this item at 6:42 p.m.

Jane Rode, Cannon Falls, indicated that she lives on the corner of Fifth and Ohio Streets. She expressed concerns about the impact of assessments. She asked whether the assessments would be added to her property taxes for a period of years.

No one else spoke during the Public Hearing. Mayor Montgomery closed the Public Hearing at 6:44 p.m.

City Engineer Angerman further reviewed the assessment process and referenced the City's assessment policy. He discussed payment options, including prepayment or spreading the payments over 10 years. Interest rates and a deferral option were discussed.

Council Member Nobach asked about a potential cost savings relating to Fourth Street improvements. City Engineer Angerman commented that City staff members are always considering cost-saving measures.

A motion was made by Council Member D. Johnson, seconded by Council Member C. Johnson and unanimously carried, to adopt Resolution 2843, ordering improvements and directing preparation of final plans and specifications relating to the 2026 street improvement project.

Consent Agenda

- A. Just and Correct Claims – Accounting Period Ending October 30, 2025
- B. Meeting Minutes for October 9, 2025, City Council Work Session
- C. Meeting Minutes for October 21, 2025, City Council Meeting
- D. Approve 5K Takedown Trot
- E. Resolution 2844, Joining the Coalition of Greater Minnesota Cities
- F. Approve Amendment to Professional Services Agreement for 2026 Street & Utility Improvement Project
- G. Introduction and First Reading of Ordinance 412, an Ordinance of the City of Cannon Falls, Minnesota, to Amend the Cannon Falls Zoning Ordinance by Amending a Zoning District

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

Council Business
Resolution 2836,
Cannon Falls
Technology Park
Conditional Use
Permit for Data
Centers, Data Center
Substation, Overhead
Transmission Lines,
and Building Height

City Administrator Radermacher referenced ongoing discussion of the proposed data center project. He addressed questions that have been raised relating to the approval process for Conditional Use Permits and other Council actions. He noted that, per the City Code, an affirmative vote of at least 3/5 of the Council Members is required for approval of a Conditional Use Permit.

Administrator Radermacher reviewed the process that took place during the last Council meeting. He indicated that additional action is being requested at this time, with a full Council in attendance, to ensure that the proper process is being followed related to the CUP application.

Administrator Radermacher reviewed a timeline relating to the proposed data center project, beginning in October of 2024. He discussed orderly annexation, the AUAR process, and other studies that have been conducted. He referenced joint work session discussions with the City Council and the Planning Commission along with ongoing opportunities for public engagement. He reviewed the current status of approvals and detailed the next steps in the approval process.

Administrator Radermacher addressed some of the core comments and questions that have been raised relating to the proposed data center project:

- **The facility will be loud, and there will be a lot of noise.**
Noise standards were reviewed along with monitoring methods and enforcement options. Administrator Radermacher discussed his experiences while touring an operating data center in Iowa. He concluded that the data centers created no perceptible noise.
- **They will use a lot of water, and my well will go dry.**
The City's current and future water allocations were reviewed along with a proposed 43 million gallon maximum annual water allocation for the data center, once the project has been fully built out. Use of the existing agricultural well was discussed. The Hardwood Estates development was discussed. It was

noted that residential water needs would come first, in the event of an extreme drought.

- **The site will be ugly, and my property value will decrease.**
Administrator Radermacher referenced PUD design standards and required architectural elements. He noted that his research indicates that the values of properties near data centers have increased.
- **My water and sewer rates will go up.**
Administrator Radermacher stated that water and sewer rates would not be increased to pay for infrastructure improvements. He noted that operational costs would be evaluated as the project moves forward.
- **My property taxes will go up.**
Administrator Radermacher discussed positive property tax impacts that the data center would generate in certain areas along with financial payments to the Cannon Falls School District. It was noted that Cannon Falls is exempt from Metropolitan Council regulations.
- **My electricity rates will go up, and I'll experience rolling blackouts.**
Administrator Radermacher referenced information that was provided by Dakota Electric Association representatives. He noted that electric rates would not increase to pay for infrastructure improvements and that the developer would pay for these improvements. Council Member Nobach summarized a conversation that he had with Dakota Electric representatives. It was noted that Xcel Energy customers would not be impacted by this data center. A question was asked about prioritizing the electricity needs of residents, and Administrator Radermacher indicated that he would need to research this question. Industrial powerlines were discussed. Later during the meeting it was noted that, per Minnesota Public Utilities Commission regulations, residential uses would receive the highest priority, followed by small commercial establishments and human needs facilities, with large commercial and industrial uses receiving lower priority status.
- **We don't know the end user.**
Administrator Radermacher discussed the benefits and protections that would be included in the development agreement and other contracts.
- **The project is moving too fast to make a decision now.**
Administrator Radermacher reviewed the project timeline, noting that hundreds of hours have been put into the planning

process. He acknowledged that more people are becoming aware of the project. He noted that the development agreement has been a work in progress, in order to address concerns and better strengthen the City's position and benefits to the community.

- **What about the petition saying they don't want the data center?**

Administrator Radermacher stated that a formal petition, per Chapter 11 of the City Code, has not been forwarded to City staff. He noted that he does not have user rights to access the details of a Change.org petition that has been referenced. Information was provided relating to the zip codes of Change.org petition signers.

- **Will the City require an EIS to be conducted for the project?**

Administrator Radermacher indicated that an EIS has not been required to this point but may be required in the future if the project moves forward.

- **What is the deadline of November 6th about?**

Administrator Radermacher discussed the deadline requirement of Chapter 15.99 for making decisions regarding land use applications, noting that this deadline has been extended to November 19, 2025.

- **Why won't the City host a town forum, and why are they not listening to us?**

Administrator Radermacher summarized some of the many conversations he has had with residents, the questions brought up during the public forums, letters to the editor in the newspaper, and even those on social media regarding the project. He stated that this information has been considered and incorporated into the agreements. It was noted that website information has been updated throughout the process. Administrator Radermacher discussed the diligent research that has been conducted. He referenced some of the benefits of the project and reviewed workforce impacts. He discussed the impacts of AI and the need for more data centers.

Administrator Radermacher then provided an overview of the development agreement, including capital improvements, infrastructure reimbursement, and other developer responsibilities. It was clarified that there have been no requests for a TIF district or tax abatement to help finance the project. The benefits of infrastructure improvements and redundancy relating to the industrial park were

reviewed. City Engineer Angerman provided additional information in this regard. A fire protection booster station was discussed. Park dedication fees, financial assistance to the Cannon Falls School District, and other payments were reviewed. Property tax impacts were discussed.

Administrator Radermacher discussed job growth and available housing in Cannon Falls. He further discussed his tour of data centers in Iowa and shared video footage.

Mayor Montgomery expressed appreciation for the thoughtful feedback that has been provided by Bill Peterson and others. He referenced Project Tulip from two years ago, which involved discussions with DEED representatives about a European business that was interested in expanding to Minnesota. He noted that many of the same factors were evaluated at that time and that Cannon Falls was deemed to be a prime location for economic development. He referenced growth projections that were included in the Comprehensive Plan. He discussed the benefits of the Tract proposal to the community. He noted that valid concerns related to water, energy, and noise have been addressed. He commented that the landowner desires to sell his land for beneficial development purposes. He shared how his opinions about the project have changed over time. He thanked community members for their input.

Council Member D. Johnson also expressed appreciation for the public input. She stated that she will be voting in opposition to Resolution 2836 and recommended exploration of other development opportunities.

Council Member C. Johnson stated that Council Members have approached the process with open minds. He referenced goals relating to industrial development and noted the benefits of the proposed data center to the School District and the community.

Council Member Nobach requested that information be shared regarding the process of drafting and amending the development agreement language. Administrator Radermacher provided additional information in this regard and expressed appreciation for the work of City staff, input from consultants, and feedback from community members. Council Member Nobach asked whether the process has been unusual. Administrator Radermacher commented that no financial incentives have been requested from the City and the developer has offered to pay for infrastructure improvements.

A motion was made by Council Member Jeppesen, seconded by Council Member C. Johnson, to adopt Resolution 2836, approving a Conditional Use Permit for data centers, data center substation, overhead transmission lines, and building height related to the Cannon Falls Technology Park. Council Member D. Johnson requested a roll call vote. Upon call of the roll, Council Members Jeppesen, Nobach, Kronenberger, and C. Johnson voted aye; Council Members D. Johnson and Zimmerman voted nay. Four ayes; two nays; motion carried.

Tract Development Agreement

City Administrator Radermacher discussed the process of drafting the agreement language and reviewed the amended terms of the proposed development agreement.

Council Member D. Johnson requested clarification of development fees. Administrator Radermacher provided additional information relating to development fees and other types of fees. Council Member D. Johnson referenced the recent changes and suggested postponing action on the development agreement for two weeks. Other Council Members spoke in support of voting on this item during the current meeting.

A motion was made by Council Member C. Johnson, seconded by Council Member Jeppesen, to approve the development agreement with Tract as drafted. Council Member D. Johnson requested a roll call vote. Upon call of the roll, Council Members Nobach, Kronenberger, C. Johnson, and Jeppsens voted aye; Council Members D. Johnson and Zimmerman voted nay. Four ayes; two nays; motion carried.

Reports:
Council Committees,
Commissions, and
Nonprofit
Organizations

Cannon Falls Area Chamber of Commerce Director Maggie Wilson reviewed Deck the Falls events and Small Business Saturday activities. The economic benefits of these activities to local businesses were discussed.

Council Member Nobach provided Library Board report, noting that nonperishable food and other donations may be dropped off at the Cannon Falls Public Library.

Staff

Public Works Director Petersen summarized topics of discussion during a recent Public Works and Park Board meeting, including a

sewer camera replacement, the 5K Takedown Trot event, and holiday lights and garland.

Police Chief McCormick commented regarding the recent Trick or Treat Trot event.

City Clerk Peer and City Administrator Radermacher discussed the City's new website.

Administrator Radermacher expressed appreciation for the opportunity attend a recent ICMA conference in Tampa and shared some of the information he received.

Mayor and Council
Members

Council Member D. Johnson discussed a deconsecration and thanksgiving service at Christ the Redeemer Episcopal Church.

Council Member C. Johnson expressed appreciation to the Chamber for the Trick or Treat Trot event and discussed current cable system challenges.

Tim Dehmer discussed a Helping Kids Cope class the Cannon Falls Public Library on November 6 in support of family mental health.

Mayor Montgomery expressed support for the discussion, stating that citizen concerns have been heard. He congratulated School District representatives on passage of the referendum.

Adjournment

A motion was made by Council Member Jeppesen, seconded by Council Member D. Johnson and unanimously carried, to adjourn the meeting. The meeting adjourned at 8:50 p.m.

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

Matt Montgomery, Mayor

ATTEST:

Jon Radermacher, City Administrator