

MINUTES (DRAFT)
JOINT WORKSHOP MEETING – MONTICELLO PLANNING
COMMISSION & CITY COUNCIL
Tuesday, March 4, 2025 – 4:45 p.m.
Mississippi Room, Monticello Community Center

Commissioners Present: Andrew Tapper, Teri Lehner, Melissa Robeck, Rick Kothenbeutel, Teri Lehner
Councilmembers Present: Mayor Lloyd Hilgart, Charlotte Gabler, Lee Martie, Kip Christianson
Councilmembers Absent: Tracy Hinz
Staff Present: Angela Schumann, Steve Grittman, Jim Thares, Tyler Bevier, Matt Leonard, Bob Ferguson, Anne Mueller

1. Call to Order

Andrew Tapper called the joint workshop of the Monticello Planning Commission and City Council to order at 4:46 p.m.

Angela Schumann addressed Commission and Council, noting a quorum by each was in attendance for discussion purposes of a Concept Plan review. Angela Schumann stated that a concept review is not a formal zoning or land use application nor public hearing, but instead a workshop for both governing bodies to provide feedback to the concept proposer prior to formal application submission. Comments by the Commission and Council are encouraged for discussion. Regarding timeline for the concept review, Angela Schumann stated that notices were not published but were mailed out to the neighboring parcels within 350' of the subject property. Because this is not a public hearing, questions and comments of the public will be considered if time allows and minutes documented for summary of the outcome.

Jim Thares, Economic Development Manager, arrived at 4:52 p.m.

2. Joint Workshop Agenda

A. Concept Stage Submittal for a 106.05 acre development including data center uses, within a Light Industrial Park, Mixed Neighborhood, Commercial and Residential Flex and Estate Residential land use designation areas as identified by the Monticello 2040 Vision + Plan.

City Planner Steve Grittman displayed the concept proposal, stating the proposal would require an amendment to the City's land use plan Future Land Use Map. The concept property totals approximately 106 acres over four parcels within the Monticello Orderly Annexation Area (MOAA), abutting City property to the north and east. Planner Grittman stated that the applicants propose to reguide the property to appropriately designate land use to support development of a data center project of up to 1.3 million square feet. Planner Grittman explained that the City Council recently amended its 2040 Comprehensive Plan to accommodate the

potential for Data Center development in the Light Industrial Park (LIP) land use category. Approximately 30 of the 106 acres of the proposed site is currently designated for LIP land use. The other 76 acres are guided by the Monticello 2040 Plan for residential or residential/commercial mixed uses and are otherwise surrounded by both rural residential and parkland.

Planner Gritman stated that at this level of the concept review, the main objectives are to give feedback to the proposer with City guidance from a land use perspective, so as to inform how they proceed with application, and to outline issues for mitigation and other objectives. The outcome of this meeting is not for approval or denial, but for conceptual consideration for land use and site plan design.

Planner Gritman spoke to the mixed land use designations, including mixed neighborhood (MN), commercial and residential flex (CRF), and estate residential (ER) in proximity of the LIP designation. The surrounding parcels are designated rural residential of varying acreage within the township and would remain as such per 2040 plan, as is currently used.

Planner Gritman explained the subject parcel includes electric transmission infrastructure stretching from 90th Street North to the Xcel Energy substation and beyond.

When reviewing a proposed change in land use, Planner Gritman stated that the goal is to discuss how to consider the proposal on the site and best meet goals of protecting or buffering surrounding uses. Different buffering practices and means may be utilized in a LIP specifically for data centers, over those for a more general industrial use. Noise generation is a common concern with data centers, particularly when generators are tested.

Planner Gritman spoke of the parcels along 90th Street North, stating that their guidance as primarily mixed neighborhood residential and commercial and residential flex land uses make them less sensitive to location than other land use categories. In this case, there is also an Estate Residential (ER) parcel at the northwest portion of the proposed site. Land use in Estate Residential is written to prescribe for larger suburban lots, typically with a ½ acre range per lot and as a means for providing higher value/larger lot availability within the City. Adjacency to the Bertram Chain of Lakes Park lends opportunity for higher-amenities and access to natural resources for this type of housing. A decision point is whether it is possible to maintain some estate residential in this area relative to a data center use. In this scenario, the potential applicant is looking to convert the entire site into Light Industrial Park LIP.

Planner Gritman stated that the City's standpoint if this were to be considered, would be to ensure the Estate Residential would be relocated to another appropriate site to maintain the long-term land use plan for accommodation of this type of housing. He indicated that as the City continues to grow and annexation

boundaries expand over time and area, all land uses should be taken into consideration for compatibility.

Planner Gritman spoke of the need for buffering for industrial uses and to the uniqueness that comes with data centers in terms of impact to municipal utilities, including the potential for heavier use of water supplies, especially if used for building cooling. The City would monitor demand for water and wastewater. Utilities are in place along 90th Street North, but a viability study would need to take place to evaluate the ability to meet additional long-term utility needs.

Melissa Robeck asked Steve Gritman what amenities are located in this area of the Bertram Chain of Lakes. Angela Schumann stated that along the east side of Bertram, the current amenities include passive recreational trails and mountain biking trails.

Councilmember Charlotte Gabler asked for clarity if the parcel abuts Bertram to the west. Steve Gritman confirmed yes and, per aerial depiction, is heavily wooded.

Andrew Tapper sought confirmation on the location of the Estate Residential parcel. Angela Schumann clarified the Estate Residential area is surrounded on the north and west sections by Bertram.

Mayor Lloyd Hilgart stated that the park was a \$26 million acquisition and the City invested in more industrial land to the north and northeast which includes an electrical transmission corridor. He stated while land surrounded by Bertram is desirable for residential, high power lines and industrial land to the east may make it less desirable. Lloyd Hilgart asked of the likelihood for residential homes considering these factors. He also inquired if the site would be access off of 90th Street North.

Planner Gritman explained that an extension of Dalton Avenue would serve as an industrial route through to 90th Street North.

Lloyd Hilgart pointed out that the road would lead through the industrial park for others to get home. He noted that the City is in short supply of estate residential land, but with the underground utilities and overhead electrical line corridor that runs through this area, the viability of executive homes are a point to discuss.

Charlotte Gabler asked if noise generation might affect wildlife, with concern for sound and vibrations.

Angela Schumann stated that an environmental study would be required for development square footage of a larger size, such as the proposed.

Charlotte Gabler then asked if the depicted footprint size is set and suggested that the larger scale is too big to be next to the park. By designing smaller buildings, they could pull back and away from the park's property line and closer to the other industrial buildings.

Erik Anderson, representative for Scannell Properties, indicated that the purpose of

the concept is for discussion.

Andrew Tapper noted the portion of land left undeveloped at the northeast corner of the proposed site plan, which is suggested as Monticello EDC land expansion area. Andrew Tapper stated that from his perspective, he doesn't see the demand to build homes next to a data center. Mr. Tapper asked the potential applicant to present.

Erik Anderson, Senior Development Associate for Scannell Properties, introduced himself and gave an overview on the data centers they have developed in the greater Twin Cities area and how the subject parcels were specially selected because of the industrial nature for potential use. Ideally, he stated that the desire is to build off the existing electrical infrastructure and work with the land that is already carved out for industrial use. The benefit of the high-power utility lines is in their favor to meet their extensive electrical supply demands, requiring minimal additions for transmission means over a barren site.

Erik Anderson stated that after researching the Midwest and Minnesota, the subject parcel was selected as ideal land and location for building a data center. Mr. Anderson noted the displayed site plan, stating the required setbacks from and under the existing power lines in the middle of the site made for the most efficient configuration possible. The City's requirement would entail a connection from Dalton Avenue through to 90th Street North, providing full access to and around the buildings. The excess land shown as industrial economic development land, depicted and mentioned by Mr. Tapper, may or may not be used in the concept plan and Scannell is willing to work with the City to reguide to Light Industrial Park (LIP) while maintaining buffer areas. Mr. Anderson thanked Council and the Commission for their time to review the presentation and welcomed questions for conversation and feedback.

Lloyd Hilgart asked how tall the proposed buildings will be.

Erik Anderson stated approximately 28 to 32 feet tall.

Andrew Tapper asked about the amount of power required.

Erik Anderson replied that a power study with Xcel Energy is currently underway and the results have not yet come back. Currently, 150 megawatts exists to serve the site; the other buildings would use slightly less.

Lloyd Hilgart asked about the frequency of use of backup generators, or when tested and for how long they might idle.

Erik Anderson replied that these factors are also related to the power study underway with Xcel Energy, as demand at this standpoint is still unknown.

Mayor Hilgart stated the height of buildings was not egregious, and that the proposed use would not generate much traffic flowing through and not many employees. The exception and question is when the generators kick on and produce noise. Mr. Hilgart suggested the possibility of a tour of another site which

has generators to anticipate the volume and how often generators are actively running, as the noise generation seems to be the biggest unknown issue and he would like to learn more. He noted that the primary question is whether this land is a prime location for estate residential, and stated that the west is more likely the case than the east.

Planner Gritman made note regarding the generator issue; the proposed site plan shows 100 generators, or more. The unknowns are if they will operate sequentially or if only one or two run at once, or if half of them run all at once, factoring the difference it could generate.

Rick Kothenbeutel asked of landscaping at the west and south portions of the proposed site, if planned for a berm or another noise barrier, much like freeways, and if that might be incorporated.

Councilmember Kip Christianson asked what tenant intent is considered and whether the facility will be operated by the potential applicant or will it be sold or leased out.

Erik Anderson stated this was a good question. It is not commonplace to have speculative data centers and they are currently working with a few potential tenants and are willing to work with the City to find the most ideal occupant. Due to the significant investment into each building, the holding period is expected to be twenty-plus years.

Kip Christianson asked if the potential applicants are prepared for the City's plan to extend Dalton Avenue and asked of security or setback measures to be implemented in having a public right-of-way running through the complex. Berms and fences may be utilized to obstruct visibility and were suggested.

Erik Anderson stated this was a good point. The facilities do need to remain secure and fencing or gated access would be installed to separate it from the public right-of-way. Regarding the powerlines, Mr. Anderson reexplained that there are three high powerlines and a gas line underground, depicted by the four lines noted on the site plan running north/south.

Kip Christianson asked the developer to confirm whether the terrain is hilly and how grading might be impacted for larger buildings.

Erik Anderson stated that the site is generally flat with a gentle slope and they conceptually plan to build up to berm along the west and south sides of the site as means to buffer the area.

Kip Christianson asked how the tenants might work with the City for utility infrastructure funding. Water usage and waste load is still unknown; utility studies will take place with the City to meet tenant demand, said Mr. Anderson.

Andrew Tapper asked City Engineer Matt Leonard about the utilities in this portion of the annexation area.

Mr. Leonard indicated that no utilities currently exist on 90th Street North, but they do on Dalton Avenue. Utilities would need to be brought up to 90th Street as well and depending on the demand for water. A revised analysis for industrial growth and comprehensive plan land use growth would be conducted once a user is determined. The current utility study was conducted based on current land use planning and the current utility models utilized by the City. By knowing who the user will be and if utilizing water for cooling methods, an understanding on the impacts for demand can be prepared.

Kip Christianson asked if the land had yet been purchased.

Erik Anderson stated that a contract is in place to purchase the land with a timeframe to allow for a workable amended comprehensive plan based on what the City allows.

Lloyd Hilgart stated the biggest concern is use of the land and whether Council and Commission think the westerly land could be used for something other than houses. He stated that the use itself, light or regular industrial, would likely be less egregious than, say, a trucking company, with active vehicles coming and going. Again, he noted that the feedback should be whether the land in question should be retained for housing. If no, then the matter is for the best means to berm and screen and how much to allot for setbacks, and where to replace the housing.

Andrew Tapper stated that Bertram Chain of Lakes Park is the most desirable aspect of the area. The question is whether a 40-acre farm field adjacent could be converted into a use other than for farming. The overhead powerlines are an issue.

Lloyd Hilgart stated how the infrastructure and streets are laid out is also important and concurred with the powerline consideration.

Erik Anderson spoke of the potential future land use and noted that he understood the importance of estate residential (ER). With the comprehensive plan amendment, they would be to also work with the City to identify a location to relocate the designated 40 acres. Of the total 1,102 acres designated ER, the proposal would displace only 3.7% from the ER district.

Kip Christianson spoke of the displayed aerial image, remarking that the majority of the ER district is located along the eastern edge of the Township. Mr. Christianson noted other areas of Estate Residential in the future land use plan. Mr. Christianson noted an LIP section of land available along I94. It was noted that the City recently revised its land use plan to allow for data centers in the Light Industrial Park and Mr. Christian son asked of Mr. Anderson's thoughts on pursuing a Light Industrial Park parcel like this on land already appropriately zoned (guided).

Erik Anderson stated this parcel had been considered and the parcel owner was approached only to discover the topography to be too hilly and is encompassed by wetlands. Utilities are also much further away. Because of these factors, the location is less than ideal. Considering the powerline corridor already in existence,

additional load and substations can be factored for the proposed site.

Councilmember Rob Stark agreed that the powerlines and resources seem to be the right fit for the proposal's consideration in lieu of development alternatives.

Lloyd Hilgart felt that the use does not impact Bertram. The buildings proposed are not too tall and should not create considerable noise pollution. The use would not bring additional traffic to this passive area which may perhaps impact the surrounding existing homes, but should not impact Bertram. Land exists for housing, but great land is in short supply for greater amenity housing.

Charlotte Gabler mentioned the proposed Meadowbrook residential development, with various housing options, as a recent conversation at Council. She suggested additional conversation is needed regarding Estate Residential. By taking away from the designated zone and moving to another could be less desirable in terms of the landscaping and aesthetics than this land by Bertram.

Councilmember Teri Lehner said regarding the housing standpoint, if Council and Commission should say no, there is no guarantee of future developers of that level vying for the Estate Residential property. She stated that she is undecided, as this location is a prime asset, but the future development prediction is uncertain.

Councilmember Lee Martie did not see how the site was deemed prime real estate, with Bertram in the backyard and industrial park in the front. If building a million dollar home, why chance the type of development around the neighborhood?

Teri Lehner agreed with Mr. Martie and expanded, the determination of this being prime or not is all in how a developer can work with the land and its complexities to build executive homes.

Lee Martie added that speculation could be infinite if waiting on the right developer, rather than sitting vacant as has been.

Kip Christianson comparably spoke of the powerline corridor in Big Lake along the river as similar and how the land was delineated to work with the existing high powerlines; it is hard to escape infrastructure set in place and there is a need to work around and under them.

Andrew Tapper added that he resides near high-powerlines and does not actively hear them; it is something he has gotten used to. Mr. Tapper inquired as to how many lots on average could be constructed on the 40 acres.

Lloyd Hilgart stated 80 city residential lots would be the maximum.

Angela Schumann reminded Council and Commission of the streets and utilities infrastructure that would factor into the acreage.

Planner Gritman displayed the concept plan, stating the three easterly buildings are approximately 800-900 feet from powerlines. If only two buildings were proposed and laid out north/south, this would leave 500 feet of Estate Residential land. He described road configuration options in creating lots.

Lee Martie referenced the other data centers depicted in the presentation which did not appear to have any set in a blended residential setting and asked the prospective applicant if the intent is for a blended proposal.

Erik Anderson said communications were had with a few residential developers regarding building in the Estate Residential area. The biggest factor in building in residential is establishing tree coverage in the development, as opposed to the barren farmland that is less desired.

Andrew Tapper asked for a summary of the items discussed.

Angela Schumann summarized the main points of discussion. The primary item for consideration, not for consensus or decision at this time, is whether the 40 acres will be retained for Estate Residential use, particularly considering the presence of overhead powerlines. The boards discussed whether a data center can be located on any portion of the easterly side of the proposed site and powerlines, and if so, whether retaining any Estate Residential might still be useful. The group did note that the Bertram Chain of Lakes Park is an asset, offering the ability of Estate Residential development on the westerly boundary of the park. A question regarding the size of buildings and their configuration on the parcel was also considered. Some discussion was heard regarding generators, the noise and frequency, and how it might be buffered by berms and landscaping walls, leading into understanding utility infrastructure.

Mr. Hilgart opened the conversation to the general public.

One citizen asked if any existing data centers of similar size to the proposed exist in Minnesota.

Erik Anderson stated that there are many proposed, but a 150 mega-watt data center like the concept plans presented is not operational at this time. He referenced larger proposals in Rosemount and Chaska.

Another citizen asked about the advantage of connecting Dalton Avenue and 90th Street North.

Angela Schumann explained the City's long-range transportation plan envisions connectivity east-to-west through the City including the growth areas, west from School Boulevard to 90th Street and northward through the industrial park. She noted that with this type of use, there would be consideration for separation of use between residential and industrial, by means of landscaping and security concerns.

Matt Leonard noted that at present, Dalton Avenue is a long dead-end street, so connectivity would help emergency vehicle access and construction detour alternatives. He noted that some cut-through traffic might occur at the data center using Dalton Avenue, but signage and other means to encourage alternative route from Chelsea to 90th Street North could assist with traffic flow. As development happens in this area, the City envisions upgrades to 90th Street North to include shoulders and curb and gutter infrastructure, coinciding with the School Boulevard

expansion project.

Lloyd Hilgert recognizes the perspective of opening up Dalton Avenue and stated that there could be an evaluation of how to access 90th Street without moving through the industrial park.

A citizen commented that if landscaped setbacks and trees are considered for buffering whether the powerlines would present an obstacle to that vegetation.

Erik Anderson replied that there may need to be discussion regarding an encroachment agreement to provide landscaping and berming to buffer.

Angela Schumann noted that the proposer would be available following the meeting for questions from members of the public.

3. Adjournment

By consensus, the meeting was adjourned at 6:00 p.m.

Recorded By: Anne Mueller

Date Approved:

ATTEST:

Angela Schumann, Community Development Director