

**MONTICELLO CITY COUNCIL
REGULAR MEETING MINUTES
Monday, March 9, 2026 – 6:30 p.m.
Mississippi Room, Monticello Community Center**

Present: Lloyd Hilgart, Kip Christianson, Charlotte Gabler, and Lee Martie
Absent: Tracy Hinz

1. General Business

A. Call to Order & Pledge of Allegiance

Mayor Hilgart called the meeting to order at 6:30 p.m.

B. Approval of Agenda

Motion by Councilmember Gabler to approve the agenda. Councilmember Martie seconded the motion with the amendment to move updates and the public hearing before Citizen Comments and adding discussion of skate park as requested by Mayor Hilgart. Motion carried unanimously.

C. Approval of Meeting Minutes

- Regular Meeting Minutes from February 23, 2026

Motion by Councilmember Martie to approve the meeting minutes. Councilmember Gabler seconded the motion. Motion carried unanimously.

D. Citizen Comments

The following spoke under citizen comments:

Andy Sopher, 5944 Badger Street. Mr. Sopher stated that a citizen petition requesting an environmental assessment worksheet had been submitted to the Minnesota Environmental Quality Board and the City Clerk with approximately 500 signatures, which could trigger environmental review requirements under state statute. He also reported that a zoning protest petition had been filed that, if validated, could require a supermajority vote of the Council. In addition, he requested written conflict-of-interest disclosures from Council members regarding potential financial ties to entities involved in the proposed development.

City Administrator Rachel Leonard explained that state law already requires elected officials to disclose conflicts of interest and recuse themselves when applicable.

Mr. Sofer requested that each Council member publicly disclose any direct or indirect financial ties to Monticello Tech LLC, Frattalone Companies, Scannell

Properties, Xcel Energy, or any contractors or consultants involved with the data centers. He asked that any member with such ties recuse themselves to preserve the integrity of the decision-making process.

Mr. Sopher then asked each councilmember if they would agree to provide a written conflict of interest disclosure. Mayor Hilgart and Councilmembers Gabler, Martie, and Christianson indicated they would agree to provide a written conflict of interest disclosure; Councilmember Hinz was not in attendance.

Scott Cutsforth, 8634 Fairhill Lane. Mr. Cutsforth thanked the Mayor for allowing residents to continue speaking at the prior meeting and presented proposed ordinance language that would establish minimum regulatory protections for data center development and require a supermajority vote to approve any future amendments that would weaken those standards.

Joe Kraft, Monticello resident. Mr. Kraft raised concerns about Councilmember Christianson's delayed public disclosure of developer correspondence, citing potential statutory violations and calling for greater transparency and accountability. He suggested that Councilmember Christianson consider resignation to restore public trust. Mr. Kraft also criticized Councilmember Martie's prior conduct toward female colleagues, and urged acknowledgment, a public apology, and a commitment to respectful treatment of all council members. Mayor Hilgart noted that he had discussions with staff and disagreed with Mr. Kraft's interpretation of events.

Bill Saville, 873 97th Street NW. Mr. Saville emphasized the importance of long-term planning related to data center development, identifying concerns about traffic, power and water usage, decommissioning, fire safety, and public protection. He recommended considering a temporary moratorium on new data centers to allow time for evaluation and public input. He also noted potential impacts on property values, infrastructure, and local traffic.

Bethany, Monticello resident. Bethany raised concerns about the proposed data center, citing public opposition, noise, pollution, health impacts, and property values. She questioned the characterization of opponents as a "minority," and asked about Council responsiveness. City Administrator Rachel Leonard clarified that citizen comment time allows the Council to listen rather than respond, emphasized that developers do not vote or direct Council decisions, and explained that proposed ordinances or moratoriums aim to protect the community. Ms. Leonard noted that the Council and staff will carefully evaluate proposals and consider community input to guide decisions through proper regulatory processes.

Jeff O'Neill, 815 River Street West. Mr. O'Neill thanked community members for their engagement and stressed the importance of constructive input in shaping ordinances. He urged residents to avoid discrediting statements toward the Council and staff, noting their efforts to protect the City while weighing potential benefits of data centers. Mr. O'Neill emphasized that the City sets development rules and commended the Council and staff for their diligence and responsiveness to constituents.

Trina Hedquist, 9641 Park Place Drive. Ms. Hedquist expressed concerns about communications from Councilmember Christianson regarding the proposed data center, citing community opposition and a loss of trust due to statements implying collaboration between the City's and developers' attorneys. She emphasized that the community does not want a data center and questioned the notion that supporters represent the majority. Councilmember Gabler responded by clarifying that no application or process is underway, acknowledged the perception issue, and offered to have the city attorney present for a Q&A to explain the process and restore trust, stressing the importance of communication through a regulated process.

Lisa Keenan, 8270 State Highway 25 NE. Ms. Keenan raised concerns about the proposed data center and the DC PUD process, noting initial misunderstandings about ordinances and highlighting impacts of prolonged, phased construction, setbacks, and community notification. She questioned council members' communications with the developer, the timing of data request responses, and limited public awareness. She urged the Council to consider a two-year moratorium and enhance outreach to ensure residents can fully participate in the decision-making process.

Mary Haley, 9177 Orchard Lane. Ms. Haley spoke about concerns regarding data center operations. They noted uncertainty about facility details, potential impacts on city water usage, and risks associated with on-site diesel fuel storage for backup generators.

Holly Newman, 840 Powell Street, Big Lake. Ms. Newman raised concerns about potential data center developments, questioning why the City might not receive upfront payments, taxes, or other compensation while developers could profit.

Mayor Hilgart clarified that no applications have been submitted. He noted that the proposed ordinance requires developers to cover all infrastructure costs and includes stricter standards than other cities, including larger setbacks, 10-foot berms, and extensive landscaping. He emphasized that no tax incentives are being

offered and the ordinance is intended to ensure any future projects provide benefits for the City.

Jenna Van Den Boom, 4414 87th Street NE. Ms. Van Den Boom asked whether a quorum occurs when multiple council members attend a developer “meet and greet,” events. City Clerk Jennifer Schreiber clarified that attendance at such events does not violate the Open Meeting Law, provided no council business or decisions occurred, and noted that no formal application has been submitted.

City Administrator Rachel Leonard noted that council members may attend developer open houses and receive information without violating the Open Meeting Law. Ms. Leonard explained that the term “applicant” has a specific legal meaning, and since no formal application has been submitted, council members and staff have flexibility to discuss the ordinance and engage with the public. She added that the city attorney has confirmed that such participation is allowed.

Ms. Van Den Boom raised concerns about ethical issues with council communications and cautioned that drafting an ordinance before pending state legislation could be premature. She suggested a two-year moratorium and questioned recent changes to setback requirements.

Rachel Leonard emphasized the need for an ordinance to regulate potential data center development, maintain local control, and ensure any project aligns with the City’s interests. Community Development Director Angela Schumann noted the ordinance would incorporate council guidance and community feedback to ensure that it remains legally defensible and enforceable.

Scott Crawford, 8674 Dalton Avenue NE. Mr. Crawford questioned whether the proposed Data Center Planned Unit Development (DC PUD) ordinance complies with Minnesota Statute Chapter 462, which limits a municipality’s ability to impose discretionary permits on permitted uses. City staff responded that the ordinance has been drafted in consultation with the city attorney to ensure legal defensibility and that all statutory concerns will be addressed.

City Administrator Rachel Leonard explained that the City Council’s direction is to retain maximum authority to review and approve or deny data center projects on a case-by-case basis. Public, council, and developer feedback are being reviewed to incorporate concerns while maintaining the ability to evaluate each project individually.

Sam Murdoff, 9368 Golden Pond Lane. Mr. Murdoff expressed concern that the proposed DC PUD ordinance does not sufficiently address community input on power and water usage, generator operation, environmental impacts, and potential

limitations on future City growth. He noted that allowing utility providers to dictate generator use could weaken resident protections.

Mr. Murdoff expressed support for the ordinance but raised concerns about the long-term impacts of a data center, specifically regarding electricity and water research. He suggested a temporary moratorium to allow additional community input, citing prior use of a similar approach for cannabis zoning. He emphasized the need for transparency, honesty, and meaningful engagement, noting that many longtime community members were unaware of the project, and urged the Council to consider all residents' perspectives in their decision-making.

Mayor Hilgart clarified that the property in question has been guided for light industrial use for over 20 years, meaning a warehouse could be developed there under current zoning. Regarding power concerns, staff noted that any new data center project would include new generation infrastructure, rather than drawing solely from the existing electrical grid.

E. Public Service Announcements

- Public Works Director/City Engineer Matt Leonard gave an update on current construction project.

F. Council Liaison Updates

- **Industrial & Economic Development Committee** – Councilmember Gabler reported that the committee met and received updates from the Monticello School District, Wright County Economic Development Partnership, and Chamber of Commerce. With the retirement of Superintendent Eric Olson, the committee discussed maintaining collaboration with the school district by inviting Lori Hanson to represent the district moving forward.
- **Park, Arts, and Recreation Commission (PARC)** – Councilmember Gabler noted that the commission reviewed the pickleball facility design and recommended moving forward with specifications and the bidding process.
- **Planning Commission** – Councilmember Christianson reported that the commission did not meet due to a lack of a quorum.

G. Department Updates

- **FiberNet Quarterly/2025 Annual Update** – Mark Birkholz, Arvig, presented the 2025 4th quarter report and annual report.
- **Response to citizen comments from February 23 Meeting** – City Administrator Rachel Leonard provided a response to comments made at the City Council

meeting on February 23. She reported that staff continues to engage the community regarding potential data center development.

Ms. Leonard also responded to comments regarding projects at the Bertram Chain of Lakes Regional Athletic Park and the local option sales tax. She stated that staff continues to advance park planning efforts, including updates to the master plan informed by the 2023 community needs assessment and preparation of a feasibility report to guide phased development. She also reference a special meeting held prior to the regular council meeting, during which youth sports organizations shared their priorities and Council members asked initial questions. She noted that staff will continue to provide updates, including proposed preliminary improvements for 2026 funded by the local sales tax.

2. Consent Agenda:

Motion by Councilmember Martie to approve the Consent Agenda excluding items F and J. Councilmember Gabler seconded the motion. Motion carried unanimously.

- A. Consideration of approving the payment of bills. **Action taken: Approved the bill and purchase card registers for a total of \$997,469.26.**
- B. Consideration of approving new hires and departures for City departments. **Action taken: Approved the hires for Hi-Way Liquor and Monticello Community Center (MCC) and terminations for the DMV, Hi-Way Liquor and MCC.**
- C. Consideration of approving the sale/disposal of surplus City property. **Action taken: No report.**
- D. Consideration of adopting Resolution 2026-13 approving a donation of \$1,449 from the Monticello Lions for the Fire Department and a \$2,000 donation from Liberty Bank for Music on the Mississippi. **Action taken: Adopted Resolution 2026-13 approving the donations from the Monticello Lions and Liberty Bank.**
- E. Consideration of approving a beer/wine combination on-sale liquor license for Big Bore located at 1390 7th Street East, Monticello. Applicant: Chad and Jill Brink. **Action taken: Approved the liquor license for Big Bore.**
- F. Consideration of approving a special event permit application from Swan River for use of Monticello Community Space for Breakfast with the Bunny. **Action taken: ITEM WAS REMOVED FROM THE CONSENT AGENDA.**
- G. Consideration of adopting Resolution 2026-14 supporting a Congressional Directed Funding Request for the NW Area Sewer Extension Project. **Action**

taken: Adopted Resolution 2026-14 supporting the funding request for the NW Area Sewer Extension Project.

- H. Consideration of approving an agreement with the Minnesota Department of Natural Resources for the CSAH 39 Utility Extension Project. **Action taken: Approved the agreement with the Minnesota Department of Natural Resources.**
- I. Consideration of accepting proposals and awarding a two-year contract with an optional one-year extension for mowing and landscape maintenance services to Cross Cut Property Services for an estimated annual contract cost of \$26,460 plus blight and downtown services as needed. **Action taken: Accepted proposals and approved contract with Cross Cut Property Services.**
- J. Consideration of approving Intersection Control Evaluations for State Highway 25 between 7th Street and River Street. **Action taken: ITEM WAS REMOVED FROM THE CONSENT AGENDA.**

2A. Consideration of items removed from the consent agenda for discussion

- F. *Consideration of approving a special event permit application from Swan River for use of Monticello Community Center space for Breakfast with the Bunny*
Councilmember Gabler removed the item from the Consent Agenda to inquire whether a community service project had been selected. Parks & Recreation Director Tom Pawelk stated that the project will be chosen from a list of eligible options and noted that completion of a community service project is required to qualify for a fee waiver.
Motion by Councilmember Gabler to approve the special event permit for Swan River and approve the fee waiver contingent on Swan River completing a community service project as determined by the Parks, Arts, & Recreation Department and the organization. Councilmember Martie seconded the motion. Motion carried unanimously.
- K. *Consideration of approving Intersection Control Evaluations for State Highway 25 between 7th Street and River Street*
Councilmember Gabler removed the item from the Consent Agenda and questioned whether acceptance of the evaluation would commit the City to the proposed design of the improvements, specifically at 7th Street. Public Works Director/City Engineer Matt Leonard stated that approval of the report would allow MnDOT to begin preliminary design work consistent with the study's recommendations and noted that the Council will have opportunities to provide

input throughout the design process. He added that, to improve traffic flow and safety, the study recommended restricting left turns from 7th Street onto Highway 25 while maintaining left turns from Highway 25 onto 7th Street.

City Administrator Rachel Leonard clarified that acceptance of the report indicated the City has reviewed and understands that data and recommendations but does not constitute approval of any specific project. Councilmember Gabler acknowledged the study's findings related to traffic flow at the 7th Street intersection and requested that staff continue to work collaboratively to address potential local impacts.

Motion by Councilmember Gabler to accept the Intersection Control Evaluations for State Highway 25 between 7th Street and River Steet. Councilmember Martie seconded the motion. Motion carried unanimously.

3. Public Hearing:

- A. Consideration of adopting Resolution 2026-15 authorizing a Contract for Private Development with Kids Haven of Monticello Holdings, LLC and Kids Haven of Monticello, LLC for a 2.93-acre City owned site, to be platted as Lot 1, Block 1, Jefferson Commons Fifth Addition, inclusive of the terms for land purchase in the amount of \$250,000, and business subsidy in connection with a proposed childcare center development

Community Development Director Angela Schumann presented a request to authorize a Contract for Private Development with Kids Haven of Monticello Holdings LLC and Kids Haven of Monticello LLC for the purchase and development of a 2.93-acre City-owned parcel along School Boulevard. The contract would facilitate construction of an approximately 27,000-square-foot childcare facility on the western portion of the parcel, with the remainder retained by the City.

Ms. Schumann explained that the agreement includes both the purchase agreement and a business subsidy component. The proposed purchase price is \$250,000, which is below the parcel's 2025 assessed taxable value of approximately \$508,926. Because the sale includes a subsidy component, Minnesota statute requires a public hearing. The agreement identified public purposes including job creation, expansion of the local tax base, and addressing the community's childcare shortage. Ms. Schumann noted that the Planning Commission reviewed the proposed land sale and found it consistent with the City's comprehensive plan.

Mayor Hilgart opened the public hearing. The following individual testified:

Missy Sjolin, owner of Kids Haven. Ms. Sjolin addressed the Council and expressed interest in bringing the childcare facility to the community. She noted that the center would offer flexible hourly childcare rates, allowing families to pay only for the time their children are in care.

Mayor Hilgart closed the public hearing. Minimal discussion occurred among councilmembers.

Resident Trina Hedquist, a nearby home childcare provider, asked whether the proposed childcare facility intends to use the Groveland area park in addition to its own play structures. Ms. Sjolin responded that they would have their own play structures at the center.

There was minimal discussion by Council.

Motion by Councilmember Martie to adopt Resolution 2026-15 authorizing a Contract for Private Development with Kids Haven of Monticello Holdings, LLC and Kids Haven of Monticello, LLC for a 2.93-acre City owned site, to be platted as Lot 1, Block 1, Jefferson Commons Fifth Addition, inclusive of the terms for land purchase in the amount of \$250,000, and business subsidy in connection with a proposed childcare center development. Councilmember Christianson seconded the motion. Motion carried unanimously.

4. Regular Agenda:

- A. Consideration of adopting Resolution 2026-16 approving plans and specifications and authorizing advertisement of bids for the Bertram Chain of Lakes Regional Athletic Park Phase III Improvement Project

Parks & Recreation Director Tom Pawelk presented on both items A and B together. The update included information on the Bertram Chain of Lakes Regional Park Phase 3 improvements, including eight dedicated pickleball courts, a shared maintenance facility, a multi-purpose indoor sports facility, trail connections, and vault-style restrooms.

Mr. Pawelk also commented on a proposal to pursue a Minnesota Department of Natural Resources grant for vault restroom facilities in the park. The plan includes two larger restroom buildings to serve athletic fields and a smaller facility near the pickleball courts, with a total estimated cost of approximately \$229,595 and a potential local share of \$114,000 if the grant is awarded.

It was noted that the pickleball court project has an estimated base cost of \$696,855, with an additional \$191,450 if the parking lot alternate is included, for a total potential project cost of approximately \$888,305, including anticipated

grant funding of approximately \$254,000. Tom Pawelk outlined the project timeline: final plans and specifications by early March 2026, bid advertisement on March 17, 2026, bid opening April 7, 2026, potential contract award on April 13, 2026, and construction anticipated during summer 2026.

Councilmember Gabler asked whether the motion should specify inclusion of the parking lot alternate for the pickleball project and clarify the grant application for the restroom facilities. Mr. Pawelk confirmed that including these clarifications in the motion would be appropriate.

Rachel Leonard clarified that the Council's action would authorize submission of the Minnesota DNR grant application for restroom facilities, with final decisions regarding local matching funds to be made if the grant is awarded.

Councilmember Christiansen noted that the proposed vault restroom facilities offer a cost-effective solution to address long-standing restroom needs in the park compared with more expensive building options.

Motion by Councilmember Gabler to adopt Resolution 2026-16 approving plans and specifications and authorizing advertisement of bids for the Bertram Chain of Lakes Regional Athletic Park Phase III Improvement Project. Councilmember Christianson seconded the motion. Motion carried unanimously.

- B. Consideration of adopting Resolution 2026-17 authorizing submission of a 2026 Minnesota Department of Natural Resources Outdoor Recreation Grant for the Bertram Chain of Lakes Athletic Park improvements

Discussion of this item took place under 3A.

Motion by Councilmember Gabler to adopt Resolution 2026-17 authorizing submission of a 2026 Minnesota Department of Natural Resources Outdoor Recreation Grant for the Bertram Chain of Lakes Athletic Park Improvements. Councilmember Christianson seconded the motion. Motion carried unanimously.

5. Other Business

- A. Continuation of deliberation for future consideration of an Amendment to the Monticello City Code, Title XV, Land Usage, Chapter 153: Zoning Ordinance Sections 153.012 Definitions, 153.045 Industrial Base Zoning Districts, 153.046 Overlay Zoning Districts, 153.090 Use Table, 153.091 Use-Specific Standards, 153.092 Accessory Use Standards and any other related sections of text

necessary to define and regulate data center and technology campus land uses within the City. Applicant: City of Monticello

The Council continued discussion on a proposed ordinance regulating data centers. City Administrator Rachel Leonard stated that the item was before the Council for discussion only and that staff is requesting additional time to continue refining the draft ordinance. She reviewed ongoing revisions, including incorporation of prior Council feedback, staff-recommended changes, and continued evaluation of key topics that have generated significant discussion.

Ms. Leonard highlighted noise as a primary area of focus, noting that staff is exploring options to better measure and regulate noise impacts. She explained that staff has engaged sound engineers to develop a technical memorandum outlining potential approaches for site-specific noise studies and mitigation measures. These approaches may allow for flexibility based on site conditions, such as proximity to residential areas, and could include a range of mitigation strategies informed by practices used in other industrial developments.

Ms. Leonard stated that staff continues to receive and review public comments, including recent input from a development team. She emphasized that staff and the City Attorney will evaluate all feedback but that the City will retain full control over drafting the ordinance. Any changes made in response to comments will be clearly identified and explained to the Council.

She noted that the revised ordinance may be brought back for further discussion at a future Council meeting or workshop, depending on Council preference. Staff can accommodate a workshop-style review or continue discussions during regular meetings. Ms. Leonard requested Council direction on the preferred format for future review.

Mayor Hilgart inquired about the proposed floor area ratio requirement and whether the current standard could effectively necessitate hyperscale data centers when compared to examples from other communities. Community Development Director Angela Schumann indicated that additional analysis would be prepared for a future workshop.

Councilmember Gabler requested examples of site improvement plan agreements referenced in the ordinance to better understand how such agreements would function if a data center application were submitted. Angela Schumann stated that staff would consult with the City Attorney to determine whether such an example is available. She added that staff can provide examples

of site improvement plan agreements from other types of developments in the meantime.

Councilmember Gabler questioned whether Section 2, letter H, which aims to protect important land use, conflicts with the Council's prior decision to designate the area for light industrial use. Angela Schumann explained that general land use guidance sets long-term goals for the community, while the DC PUD criteria provide project-specific standards. Section 2, letter H allows the Council to evaluate how an individual proposal – like a data center – aligns with light industrial objectives and broader goals, including potential impacts on other desired land uses, rather than restricting broader land use decisions. Rachel Leonard emphasized that the ordinance is intended to provide long-term flexibility. She explained that as land develops and market conditions change, the Council may face similar applications at different times. She added that the ordinance allows the Council to evaluate each proposal based on current conditions and community goals, enabling them to approve or deny a project with findings of fact that reflect timing, land availability, and alignment with City objectives.

Staff indicated that a workshop would likely be scheduled in early April to continue review of the ordinance and address outstanding questions. Ms. Leonard reiterated that staff's efforts on the ordinance are at the direction of the City Council. If at any point the Council determines a different course of action is in the best interest of the City, staff will follow the revised direction to the best of their professional ability.

Prior to concluding discussion, Ms. Leonard offered a public apology, acknowledging that in explaining the Council's process for citizen comments, she may have inadvertently shut down a resident and made them feel unable to ask questions. She emphasized that it was never her intention to discourage public engagement and expressed regret if her actions were perceived that way.

B. ADDED ITEM: Discussion on skate park

Mayor Hilgart requested discussion on moving forward with a skate park project. He reported that local community organizations and businesses, including the Monticello Lions Club, Veterans of Foreign Wars, and the American Legion, have pledged funds for a skate park improvement project. He noted that the estimated project cost is approximately \$118,500, with about \$91,000 already pledged and additional donations anticipated.

Councilmember Gabler asked whether the park improvement project should be reviewed by the Parks, Arts, & Recreation Commission before proceeding. Tom Pawelk confirmed that the concept, including preliminary design, had previously been presented to the Commission but had not advanced due to lack of funding. He added that he can relay any information to PARC.

Motion by Mayor Hilgart to move forward with the skate park projects and pursuing the donations needed to fund the project. Councilmember Christianson seconded the motion. Motion carried unanimously.

6. Adjournment

The meeting was adjourned at 9:57 p.m.

Jennifer Schreiber _____

Attest: _____

City Administrator

