

MINUTES

JOINT WORKSHOP – MONTICELLO CITY COUNCIL & PLANNING COMMISSION

Monday, November 3, 2025 – 7:00 p.m.

Mississippi Room, Monticello Community Center

Councilmembers Present: Mayor Lloyd Hilgart, Kip Christianson, Tracy Hinz, Lee Martie
Councilmembers Absent: Charlotte Gabler
Commissioners Present: Chair Andrew Tapper, Vice-Chair Melissa Robeck, Rick
Kothenbeutel, Rob Stark
Commissioners Absent: Teri Lehner
Staff Present: Rachel Leonard, Angela Schumann, Jim Thares, Bob Ferguson,
Tyler Bevier

1. General Business

A. Call to Order

Chairperson Tapper called the joint workshop to order at 7:00 p.m.

B. Roll Call

Chairperson Tapper did not call the roll and generally noted the presence of Councilmembers and staff in attendance.

C. Review and discussion on draft amendment to City Code, Title XV, Land Usage, Chapter 153: Zoning Ordinance to define and regulate data center and technology campus land uses within the City

Community Development Director Angela Schumann introduced the discussion on the zoning ordinance regulating data centers:

- **Review**

Ms. Schumann noted that in 2024 the City was approached by two development groups interested in constructing data center facilities. Because the Monticello 2040 Vision + Plan did not specifically address this type of development, the City initiated amendments to incorporate guidance for data center uses. These amendments acknowledged the potential economic impact of data centers while also recognizing the importance of mitigating possible negative impacts. The 2040 Plan established these considerations and now serves as the foundation for the draft ordinance.

- **Framework**

Ms. Schumann explained that under the current zoning ordinance, data

centers are not an allowed use in any land-use classification. The City considered several options for regulating this use, including a Conditional Use Permit (CUP) process and a Planned Development District. Based on initial workshop direction, staff prepared a draft a Data Center Planned Unit Development (DCPUD) ordinance tailored specifically for data center facilities.

An initial draft of the DCPUD ordinance was presented at a special Planning Commission meeting in August for public hearing. The hearing was continued to September and ultimately tabled to allow additional time for public comment. Ms. Schumann reviewed the series of workshops held to discuss citizen feedback and written statements. Many residents expressed common concerns regarding potential health and environmental impacts, significant power consumption, the municipal utilities needed to serve such facilities, effects on transportation infrastructure, and the City's ability to enforce regulations, particularly when dealing with large corporate operators.

Ms. Schumann also summarized prior discussions related to performance standards for data centers, including building size and height in relation to existing zoning setbacks, noise mitigation measures, and required screening or buffering.

This evening's workshop focused on the proposed process for reviewing applications, including how projects will move through the City's approval process, and what technical requirements will be included for Planning Commission and City Council consideration.

Ms. Schumann noted that another joint workshop is scheduled for November 10 to review a revised draft ordinance that incorporates public hearing feedback and committee guidance. The intent is to allow sufficient time for City Attorney to complete a review before that session.

Proposed Process

Ms. Schumann explained that the DCPUD review process is intentionally different from a traditional PUD. She added that while a standard PUD emphasizes site plan layout and architectural design, the DCPUD framework places greater focus on evaluating external impacts and identifying appropriate mitigation measures. A general PUD provides broad flexibility, while a DCPUD establishes minimum standards, defined approval criteria, and separate submittal standards.

Ms. Schumann then presented the proposed six-step DCPUD review process, highlighting the three steps involving Board review and explaining their role within the process.

Ms. Schumann invited the Council and Commission to address any topic or item not covered in the presentation for further discussion.

Ms. Schumann noted that the initial draft ordinance presented at the August public hearing did not include pre-design and concept stage review steps. These have since been added to the draft. Ms. Schumann summarized the DCPUD review process.

- **Step #1 – Pre-Design**

A preliminary step used to determine goals, timeline, and location of a proposed project. During this stage, staff provides guidance on the land use process and any additional studies that may be required, setting clear expectations and timelines.

Ms. Schumann noted that pre-design meetings are common for potential development and that some projects may require multiple meetings due to their complexity.

- **Step #2 – Concept Stage**

Ms. Schumann explained that the Concept Stage Review would be added to the DCPUD process as an optional step, emphasizing the City's obligation to uphold statutory timelines for action. Although the Concept step is more informal, it still provides valuable feedback to developers.

Ms. Schumann noted that concept workshops for general land development follow a standard notification process to gather input from neighboring property owners. While staff and Board members review and consider the comments received, this phase does not include a public hearing.

Mayor Hilgart recommended scheduling concept workshops outside of regular meetings to allow adequate time for discussion, noting that past meetings have frequently lacked sufficient time for thorough review.

Mayor Hilgart also requested that electrical substation and power supply needs be evaluated at the Concept Stage, in addition to the require review at the Development Stage, expressing concern about the potential need for additional transmission lines.

Board members inquired whether information from environmental reviews such as Alternative Urban Areawide Review (AUAR) would be available.

Ms. Schumann noted that the concept stage review helps determine when the scale or type of a proposal may require an environmental review.

○ **Step #3 – Development Stage**

Ms. Schumann stated that the first formal application stage in the proposed DCPUD process consists of three separate and concurrent land use applications: the development stage DCPUD permit, the preliminary plat, and the rezoning to DCPUD. She noted that this stage is when the board receive and review the project information. It requires a noticed public hearing, after which recommendations and any related conditions are forward to the City Council. Ms. Schumann emphasized that all conditions placed on any DCPUD must relate to the project - specific impacts and align with the findings as indicated in the draft resolution.

Ms. Schumann added that the City Attorney is reviewing the timing of the rezoning action. As currently proposed, rezoning could be approved at the Development Stage, but would not take effect until the Final Stage. This stage then confers development rights, by means of preliminary plat, but does not authorize development.

While a site plan layout is not required for the initial design stage, the DCPUD ordinance would require applicants to demonstrate how they will meet or exceed the minimum performance and design standards. The applications are also intended to identify community benefits, outline how public improvements will be addressed and funded and establish the terms and conditions for development.

Ms. Schumann reviewed the components for development stage submissions including utility studies and plans, a traffic study, a Site

Improvement Plan Agreement (SIPA), a noise study, a conceptual landscaping plan, Federal and State permitting timelines, and infrastructure and capacity information from the electric utility provider.

In response to a board member's question about when an AUAR would be reviewed, Ms. Schumann explained that environmental review must be completed prior to application. Development stage submissions must then include information on a mitigation plan.

Mayor Hilgart asked how the ordinance would apply to an existing business seeking to expand for data center use. Ms. Schumann confirmed that this may fall under the accessory use provisions in the draft and said she would verify. Chair Tapper recommended evaluating the accessory data center in both business and industrial districts.

Mayor Hilgart observed that the DCPUD could allow a developer to advance through the Development stage without an identified end-user. Ms. Schumann agreed but noted that developers must still meet all minimum performance standards regardless.

Board members discussed scenarios involving floor-area-ratio (FAR), landscaping, screening, and parking. Ms. Schumann noted that the MPCA's established noise standards remained unchanged from the original draft and invited the board to consider whether they want to adjust or strengthen them.

City Administrator Rachel Leonard spoke to the importance of setting clear minimum standards at this stage and requiring documentation to demonstrate compliance. She encouraged board members to consider whether the minimum standards provide enough information for decision-makers to make informed recommendation and suggestions for mitigation.

When asked about the basis for denying a zoning request, Ms. Schumann referred to the required approval criteria proposed in the ordinance.

Ms. Schumann added that a draft SIPA would accompany the preliminary plat and development stage applications and would address execution, financials, and recording procedures with legal direction. She also outlined the potential addition of timelines for performance to the draft ordinance.

Step #4 - Final Stage

Ms. Schumann then addressed the Final Stage PUD and final plat, which would be reviewed concurrently. The Final Stage confirms that all established conditions have been met. City Council considers the final applications and the SIPA without holding a public hearing. She noted that legal counsel advised that rezoning may take effect upon recording of the final plat.

Ms. Schumann gave an overview of the ordinance draft's provisions related to the Site Improvement Plan Agreement.

○ **Step #5 – Site Plan Application**

Councilmember Christianson noted that the minimum performance standards and the SIPA would allow a final plat to move forward even without a publicly identified end-user.

Ms. Schumann then reviewed the site plan review process, which is required before a building permit is issued. She clarified that board review is not required for site plan approval.

Board members discussed the need to identify electric utility demand and routing during the development stage, as well as financial investment information in the concept stage plans. Ms. Schumann responded that developers assess risk with any type of development and that this is not unique to DCPUD projects.

Mr. Christianson referenced past experiences in other communities where data center proposals led to negative speculation and significant staff time without resulting in actual projects. Based on his research, he stated that he had not seen another community with a process that offers as much certainty as Monticello's proposed ordinance.

Ms. Leonard added that construction timelines are also somewhat dependent on how quickly electric power can be extended to the site, noting that certain processes may take up to three years.

When asked about potential claw back measures, Ms. Schumann said she would clarify with legal counsel. She suggested that incorporating timelines into the development phase could help ensure that financial responsibility remains with the applicant.

Ms. Schumann also noted that developers will review the DCPUD ordinance and determine if the final stage requirements align with their intended project timeline.

Board members expressed concern about sites becoming stagnant midway through development. Mayor Hilgart referenced the time and resources devoted to creating the solar farm ordinance and stressed the need for timelines to ensure continued progress on future developments.

Ms. Schumann thanked the members for the discussion and recommended reviewing the public comments documented in the minutes and comparing them to the amended ordinance. She added that annexation has not been addressed and may not apply to all proposals but should still be evaluated.

Mayor Hilgart expressed concern about annexing parcels into the City that may ultimately remain undeveloped.

In response to a question about annexation timing, Ms. Schumann stated that the City Attorney recommends completing annexation prior to submitting the final plat application and before Final Stage PUD decisions.

When asked if a proposer owns the subject land at the time of the proposal, Ms. Schumann explained that a developer may act as the applicant even if they do not own the property; however, all property owners must sign the land use applications. In some cases, the developer is the property owner, while in others, the sale of the property is dependent on final development approval.

Ms. Leonard added that another consideration involves projects on land already annexed into the City. She encouraged board members to consider whether they are

comfortable deviating from the typical development process for DCPUD projects under those circumstances.

3. Adjournment

By consensus, the meeting was adjourned.

Recorder by: Anne Mueller

Approved 1/12/26: _____
Jennifer Schreiber

Attest: _____
City Administrator

DRAFT