

MINUTES
WORKSHOP – JOINT CITY COUNCIL & PLANNING COMMISSION
January 15, 2026 – 4:45 p.m.
Mississippi Room, Monticello Community Center

City Councilmembers: Mayor Lloyd Hilgart, Kip Christianson, Charlotte Gabler, Tracy Hinz
Councilmembers Absent: Lee Martie
Commissioners: Chair Andrew Tapper, Vice-Chair Melissa Robeck,
Rick Kothenbeutel, Teri Lehner, Rob Stark
Staff Present: Rachel Leonard, Angela Schumann, Matt Leonard, Ryan Melhouse

1. General Business

A. Call to Order

Planning Commission Chair Andrew Tapper called the joint workshop of the Monticello City Council and Planning Commission to order at 4:45 p.m.

B. Roll Call

Chair Tapper called the roll on behalf of the consensus, noted to the absence of Councilmember Lee Martie, and presence of staff including the engineering department.

C. Data Center Land Use & Ordinance Discussion

Administrator Rachel Leonard reviewed the current draft of the data center zoning ordinance, noting multiple revisions since the public hearing closed on December 2, 2025. She stated the Planning Commission recommended a joint workshop with City Council to discuss whether the ordinance aligns with the City's goals and to gather direction for potential revisions ahead of the February 2026 Planning Commission meeting and subsequent City Council action.

Chair Andrew Tapper provided background on the ordinance, including related Monticello 2040 Comprehensive Plan amendments and prior research efforts. He stated the key question before the group was whether the City wishes to pursue regulations for data center land use at this time.

Councilmember Kip Christianson noted data centers were not contemplated in the 2040 Plan's Light Industrial Park (LIP) guidance and developers currently have legal rights to pursue development without specific local standards in place. He emphasized the legal risk to the City if no regulatory framework is adopted.

Chair Tapper asked members whether they wished to continue the ordinance process or discontinue it altogether.

Councilmember Charlotte Gabler expressed appreciation for staff work but stated her preference to stop the process. Councilmember Tracy Hinz stated while she had concerns about community reaction, she supported moving forward in her role as a Councilmember. Councilmember Christianson supported proceeding to establish rules that protect the City and reduce legal exposure.

Mayor Lloyd Hilgart stated, based on his research and site visits, and considering Minnesota’s regulatory environment, he supported continuing the ordinance process if implemented properly.

Chair Tapper noted concerns regarding land value impacts but stated research did not support some of the negative perceptions previously expressed. He indicated difficulty in the decision but acknowledged the need for direction.

Commissioners Kothenbeutel, Lehner, Stark, and Robeck each expressed support for continuing the ordinance process, citing the need for clear standards, community protection, and legal safeguards.

Chair Tapper concluded a majority of the City Council and Planning Commission supported moving forward with the ordinance. Administrator Leonard requested members provide specific feedback and suggested revisions for Planning Commission consideration in February 2026.

Chair Andrew Tapper stated Minnesota has strong state resources and environmental protections in place. He expressed concern about potential land devaluation related to future development expansion but noted research and information reviewed did not support some of the negative public perceptions previously expressed. He stated the decision was a difficult one.

Commissioner Rick Kothenbeutel supported moving forward with the ordinance to protect the City, citing the extensive research completed. He noted the ordinance provides additional layers of review for development proposals and allows the City to establish directives.

Commissioner Teri Lehner stated the decision was challenging, noting change is difficult and supporting an unpopular issue can create personal challenges. She referenced technological advancements and the importance of establishing an ordinance framework to manage future land use and supported proceeding.

Commissioner Rob Stark agreed with previous comments and stated the research supports moving forward with an ordinance to reduce the risk of litigation.

Commissioner Melissa Robeck stated while data center information is complex, having rules in place is important, and she supported proceeding with the ordinance.

Chair Tapper concluded a majority of members supported moving forward and asked whether the ordinance, as currently drafted, reflects what decision-makers are prepared to recommend or whether further revisions are needed.

Administrator Rachel Leonard encouraged members to provide direction and submit suggested additions or revisions for Planning Commission consideration in February, with the goal of providing clarity for final City Council action.

Ms. Schumann noted additional ordinance language includes legal recommendations related to MPCA noise standards and future updates. She stated suggested components include an ambient noise study, a follow-up noise study, and a mediation liaison for future amendments.

Councilmember Kip Christianson commented on noise considerations and litigation involving other regulatory agencies outside the City's limited enforcement authority.

Administrator Leonard summarized information received from a nationally accredited environmental engineer specializing in data center noise testing, including standards for internal sound containment, monitoring, and mitigation. She requested direction from the Council and Commission on how to incorporate these measures into the review process, with an emphasis on prevention rather than enforcement.

Members discussed noise review during the construction phase and AUAR studies from other cities included in the materials. Ms. Schumann stated those cities have active projects with approved site plans and the AUAR for Monticello Tech LLC does not include similar details.

Commissioner Kothenbeutel requested consideration of a minimum berm standard with landscaping for noise buffering. He referenced research on "c-weighted" noise from high-voltage powerlines and asked questions regarding watershed setbacks and measurement inconsistencies in the materials.

Ms. Schumann provided clarification regarding MN-DNR AUAR comments related to the annexation process and noted potential wetland reclassification could result in shoreland setback requirements under the applicable overlay district.

Ms. Hinz suggested approved projects demonstrate transparency be considered by all stakeholders as an identified proactive plan within initial and ongoing discussions, community liaison included, as an expectation over anticipation. When asked what portion of the process Ms. Hinz was suggesting to, she stated “all of it” – before, during, and after development.

Chair Tapper spoke in favor for the hazardous waste plan to cover loopholes.

Councilmember Christianson reflected on Ms. Hinz’s suggestion; he suggested including the community into meeting discussion for transparency for all stakeholders via a liaison and mailed notifications subject to applicant for administration fees and postage.

Regarding hazardous waste, Councilmember Christianson requested an emergency and fire services impact study be considered as part of the Site Improvement Plan Agreement (SIPA).

Mr. Kothenbeutel spoke on water and technology, explained the data center field trip to visit three facilities in Iowa demonstrated water usage on a closed-loop cooling system and described one as using the same amount of water as a new car wash facility for comparison. He referenced the vocalized concerning data centers are in southern states with warmer climate requiring additional cooling; reminded other decision-makers to consider the scenario presented to Becker for industrial development.

Councilmember Christianson provided a brief background on the proposal for Amazon warehouse development, shut down by City Council due to community pushback and the complications with State regulators for energy generation.

Chair Tapper suggested the ordinance include language to stay in line with technology advancements, noting for the most efficient use of available tech as time progresses and improvements are born.

Administrator Leonard spoke of the latitude by decision-makers regarding water consumption, moreover a specified cooling system, and the language to protect water resources for existing residents and organically grown residential development within the orderly annexation area. Council and Commission may deny a project if water usage is determined to be inhibited or to negatively impact in any way. Ms. Leonard suggested including additional encouraging language and protection of environmental resources for good stewardship.

Councilmember Christianson rhetorically stated the ordinance acts as a guarantee to the community that infrastructure costs be subject to the project applicant with large utility resource demands and ongoing operational expenses.

Ms. Schumann explained creating a zoning ordinance with structured rules and a subdivision with development agreements involving area impacts, charges and securities. She said other developments with unique users currently exist in the community also encompass agreements outlining water and sewer impacts and suggested to consider how to demonstrate the impacts specific to data center structure use.

Administrator Leonard indicated subdivisions typically involve additional subdivisions; she said the likelihood for development such as the proposed would not allow for additional subdivisions. Legal advice suggested the City create tools to protect what the City is allowed to require for approval criteria.

Chair Tapper asked Mayor Hilgart to maintain continued discussion and excused himself from the meeting at 5:45 p.m.

Ms. Schumann indicated the materials included staff amendments to the December draft ordinance to specifically address changes in technology obsolescence. Speaking to the Iowa field trip, she explained the continuous investment efforts by developers and users into the structures and equipment on-site as technology evolves, meanwhile demonstrated site activity and continuous expansion efforts on-site. Ms. Schumann asked how decision-makers might wish to review construction impacts pertaining to elements such as lighting, hours of operations, and power generation. She explained the revocation clause was also considered, per clerical amendments addressed and clarifying language included, as was suggested by one of the potential users. She said regardless of however a site might be developed, the rules should be transparent for all reviewing perspectives.

When asked about the planned unit development revocation process, Ms. Schumann explained the added language regarding timelines and application types, phasing timelines, and trigger for revocation without active progress, to allow the user to request an extension with statement.

Councilmember Christianson spoke of the unique complexity of the DCPUD by virtue of the SIPA amid the development and final review phases. He also spoke in favor to the included language to establish timelines in development phasing and identification of financial responsibilities in stages to address avoiding potentially exposed risks to the community to the greatest extent possible. He suggested incorporating a directive timeline, if a proposal may take a greater amount of time with extensive intricacies to cause changes in scope or delays to other City and applicant projects. He suggested collecting no less than 25% of the total project cost to cover assets and including directive language for alternate public infrastructure incorporation by and on behalf of the developer.

Ms. Schumann briefly summarized the SIPA components at development stage for DCPUD and financial considerations by City Council, leaving space for approval of the SIPA at the final stage of development for execution. She concurred to Mr. Christianson’s point for better clarifying language for SIPA review and approval by Council.

Regarding infrastructure needs and timelines for private installation, City Engineer Matt Leonard said agreement terms are discussed to capture off-site improvements and inspections at completion.

Administrator Leonard added, for clarity, the SIPA is not the only tool outlined in the ordinance available for comprehensive considerations to resources – other agreements may be executed to capture infrastructure improvements based on outcome of final development consideration. Ms. Leonard said the review also considered impacts to larger community projects as they exist with known current capacities. She explained the precautionary measures when considering resources, with flexibility for feasibility, regardless of the type of development and in planning for the water treatment plant.

Councilmember Christianson raised the topic of floor area ratio (FAR), suggested the language read more “black and white”, noting for the possibility of MN-DNR reclassification of wetland or body of water reflecting setbacks. He proposed a portion of FAR be subject to park dedication or community trails and asked for clarification on phasing.

Ms. Schumann said the ordinance is created for any site scale; she explained some revisions included stormwater ponding and grading per agreement terms may be as applicable during the development phase. She agreed to address better clarifying language, including shoreland, pertaining to FAR calculations.

Ms. Lehner spoke on the narrative to encompass the language for community benefit and said it needed more content and specifics to identify long-term commitments for community gains.

Mr. Kothenbeutel shared information obtained from the Iowa data center field trip regarding infrastructural improvement agreements between community of Waukee and the Apple meta center. He noted to the noise component many had addressed in the past – he said he did not experience operational noise at the Apple facility; no resident issues had been reported throughout the construction and operation periods, all mechanical and construction noise is internally contained. Mr. Kothenbeutel suggested Monticello staff work with Waukee, IA city staff regarding additional and all potential identifiable community benefits. He reiterated the need to create an ordinance for accountability.

2. Adjournment

By consensus, the Joint City Council and Planning Commission workshop adjourned at 6:15 p.m.

Recorder by: Anne Mueller

Approved 2/23/26: Jennifer Schreiber
Jennifer Schreiber

Attest: Robert Kimmel
City Administrator