

**Cannon Falls Planning Commission  
Regular Meeting  
City Council Chambers  
June 10, 2024**

**COMMISSIONERS PRESENT:** Chair Steve Gesme, Commissioners Diane Johnson, Bruce Hemmah, Chris Nobach, and Jesse Fox

**COMMISSIONERS ABSENT:** All members were in attendance

**OTHERS PRESENT:** Neil Jensen, City Administrator; Zach Logelin, Permit & License Technician

**1. CALL TO ORDER**

Chair Gesme called the meeting to order at 6:30 p.m.

**2. ROLL CALL**

Roll call was conducted. Chair Gesme and Commissioners Hemmah, Johnson, Fox, and Nobach were in attendance.

**3. APPROVAL OF AGENDA**

A motion was made by Commissioner Hemmah, seconded by Commissioner Johnson and unanimously carried, to approve the agenda as presented.

**4. APPROVAL OF MINUTES: May 13, 2024**

A motion was made by Commissioner Johnson, seconded by Commissioner Hemmah and unanimously carried, to approve the meeting minutes as drafted.

**5. PUBLIC INPUT**

There was no public input regarding items not listed on the agenda.

**6. PUBLIC HEARINGS**

**A. Variances, Dollar General.**

Permit & License Technician Logelin reported that the City Council has requested that the CUP and variance requests be again reviewed by the Planning Commission. He stated that Council Members expressed some concerns about the variances. He noted that the applicant has made some changes to the proposed site plan, which eliminated the need for one of the variances. He indicated that Dollar General is requesting a variance relating to the parking stall requirement and a variance related to the front setback at this time.

Chair Gesme opened the Public Hearing for this item at 6:33 p.m.

Babe O’Gorman, Cannon Falls, indicated that he owns a nearby property. He stated that he has no concerns regarding the proposed variances for Dollar General.

Mr. O’Gorman referenced a past variance request that was denied for Rick Knowlton, stating that this was a similar situation. He asked why variance requests are not treated fairly and consistently. He also stated his understanding that information from the City Attorney was not shared with the Planning Commission. He noted that a variance request was granted to Habitat for Humanity after the Knowlton variance request was denied by the City Council.

Brian Jensen introduced himself as a representative of Progressive Rail. He expressed concerns about the proposed railroad track easement in terms of safety. Commissioner Johnson asked how much setback area is needed, and Mr. Jensen indicated that 14 feet from the outside of the track each way is the standard.

Mr. Logelin reviewed the setback requirements, per City Code. Mr. Jensen reiterated the railroad’s safety concerns. Mr. Logelin indicated that he will forward the more recent site plan to Progressive Rail representatives.

Travis Munn introduced himself as a representative of the civil engineering firm that has been working on the site plan and permitting process on behalf of the applicant, Dollar General. He detailed the changes that were made to the site plan subsequent to the City Council meeting. He stated that the proximity of the north drive aisle relative to the railroad easement has been adjusted and now meets the setback requirement. He also noted that the size of the building footprint has been decreased to 9100 square feet, to alleviate some of the issues with the site. He stated that a variance is still being requested relating to the parking stall requirement. He stated that a store of this size needs 30 parking spaces, noting that 32 parking stalls are being proposed. He referenced the practical difficulty relating to the shape of the parcel and the railroad easement. He noted that the front setback variance is needed in order to locate the building as far from the railroad tracks as possible. He further clarified the locations of access drives, in order to help alleviate concerns that were expressed by Council Members.

Commissioner Johnson inquired regarding the number of feet between the parking stalls along the north side of the building and the railroad tracks. Mr. Munn stated that the parking stalls closest to the railroad tracks are approximately 11 feet from the property line, with the property line being approximately 8 feet from the railroad tracks. Mr. Jensen from Progressive Rail indicated that he would share this information with his colleagues. Mr. Munn stated that the railroad easement is 24 feet in overall width.

Commissioner Nobach noted the presence of a vehicle path and requested clarification of how the railroad easement is utilized, other than for the tracks. Mr. Jensen from Progressive Rail indicated that loading activities take place in this area. Mr. Munn commented that the vehicle path appears to be outside of the easement area.

Commissioner Hemmah asked whether the proposed 32 parking stalls would meet the minimum requirements established by Dollar General. Mr. Munn clarified that 30 parking spaces would be required for a 9100 square foot store. Commissioner Hemmah asked whether other sites were considered. Mr. Munn stated his understanding that one other site was considered but that no property agreement could be reached. He reviewed the process that is utilized by Dollar General relating to site selection.

Commissioner Nobach asked about truck loading. Mr. Munn reviewed truck routes and access to and from the site. He discussed the typical frequency of truck and van deliveries to the store.

Chair Gesme asked whether further adjustments could be made to eliminate the front setback variance. Mr. Munn stated that a sidewalk on the north side of the building could be eliminated and the drive aisle width decreased. City Code requirements were discussed. He reiterated that the building has been located as far away from the railroad tracks as possible. Commissioner Nobach commented with regard to the locations of an existing building and existing utility poles and electrical lines.

Commissioner Johnson requested clarification and rationale for the setback requirements. Commissioner Nobach and Mr. Munn provided information in this regard.

Commissioner Hemmah asked about outdoor displays. Mr. Munn indicated that display items would not be placed on the side of the building facing Dakota Street.

Commissioners asked about sidewalks, and Mr. Munn provided information in this regard.

Commissioner Nobach asked about requiring screening as a condition of approval. Chair Gesme indicated that this would be discussed in conjunction with the Conditional Use Permit request.

Jim Hernke, Cannon Falls, indicated that he owns an adjoining property. He spoke in opposition to the variance requests. He stated his opinion that the site would not be a good location for the proposed Dollar General store, noting that this is an industrial area.

No one else spoke during the Public Hearing. The Public Hearing was closed at 7:01 p.m.

**B. Conditional Use Permit, Dollar General.**

This item was discussed following discussion of Item 7B.

Permit & License Technician Logelin referenced past discussion of the CUP request. He stated that a Conditional Use Permit is required to operate a retail store in the Residential Business zoning district. He referenced the agenda materials and the suggested conditions of approval.

Chair Gesme opened the Public Hearing for this item at 7:13 p.m. No one spoke during the Public Hearing. The Public Hearing was closed at 7:14 p.m.

**7. DISCUSSION**

**A. Discussion Item, Bethel's Rock Church.**

This item was discussed following discussion of Item 7C.

Permit & License Technician Logelin stated his understanding that Bethel's Rock Church would like to purchase the Grand O2 Event Center property, with the intention to operate a church in one half of the building and lease the other half of the building back to the Grand O2 Event Center. He stated that a religious institution is not a conditionally permitted use in the B-2 zoning district, noting that churches are allowed to operate in residential areas. He stated that consideration could be given to rezoning the property. He stated that church representatives would like to discuss potential options with the Planning Commission.

Pastor Brandon Allison provided background information and described the formation of Bethel's Rock Church – Cannon Falls. He stated that the church is currently utilizing the First Congregational Church to host evening services. He commented that Bethel's Rock Church is growing and is now looking for a place that is better suited to meet its needs. He stated that the church has signed a purchase agreement with the owner of the Grand O2 Event Center, with the stipulation that the facility be utilized as a church. He referenced other churches in the area. He commented that the church would also like to offer religious services to the nearby Valley View Recovery Center. He stated that the location near the freeway might also help bring more people to the community. He reported that Bethel's Rock Church – Cannon Falls, which to this point has been a church plant affiliated with Bethel's Rock Church locations in Farmington, Richfield, and Apple Valley, will be voting on whether to become a separate church through the Assemblies of God General Council.

Commissioner Johnson asked whether the church would be asking for the property to be exempted from property taxes.

Pastor Allison stated his understanding that the property, because of the tenant space, would not be fully removed from the property tax roll. He stated his understanding that it would be up to the Goodhue County Assessor's Office to determine the portion of the property that would be subject to property taxes. He described the layout of the building and stated that he did not foresee a need to expand into the entire building anytime soon, if ever. He discussed the benefits of the Grand O2 Event Center to the community. The location of the property was clarified. Pastor Allison noted that the building is ADA accessible and has a potential commercial kitchen area. Commissioner Johnson asked about parking, and Pastor Allison provided information in this regard.

Chair Gesme expressed concerns about spot zoning and setting a precedent. Pastor Allison discussed other permitted uses in the B-2 zoning district. Commissioner Johnson commented that the activities that go on in a church are not that different from the current uses. She commented regarding the lost revenue that would result from a property tax exemption in a commercial business district. Pastor Allison reiterated that the church's request would be to allow church activities to be conducted on the property, with perhaps a request for a partial property tax exemption. He discussed other benefits to the community.

City Administrator Jensen asked whether the Grand O2 Event Center would be allowed to operate, if the property was rezoned to a residential or residential business zone. Mr. Logelin indicated that, according to the City Code, religious institutions are allowed to operate in the R-1, R-2, R-3, and Residential Business (RB) zones. He stated his understanding that the church and the event center could both operate with a Conditional Use Permit in the RB zone.

Pastor Allison asked whether the Grand O2 Event Center would be allowed to serve alcohol, if the property is rezoned. Mr. Logelin indicated that he would need to research this question.

Pastor Allison referenced the Religious Land Use Institutionalized Persons Act of 2000 (RLUIPA) and asked whether a church use could be allowed under this Federal law, in addition to the current event center use. Commissioner Johnson stated her understanding that the U.S. Department of Justice ruled that communities cannot unreasonably limit religious assemblies. It was suggested to consult the City Attorney regarding this matter.

Pastor Allison stated that the goal would be to discuss what would best benefit the community and still allow the church to utilize the facility.

Commissioner Fox commented regarding the potential long-range implications of rezoning the property to RB.

Commissioner Johnson suggested asking the City Attorney to reevaluate where faith-based institutions are allowed to operate, in accordance with Federal law.

The next steps and anticipated timeline were discussed. Representatives of Bethel's Rock Church – Cannon Falls indicated that they will forward additional information to City staff.

## **B. Dollar General, Parking Space / Front Setback Variances.**

This item was discussed following discussion of Item 6A.

Commissioner Nobach stated that he is hesitant to provide a recommendation without an opinion from Progressive Rail relating to the latest site plan. He suggested tabling action at this time.

Commissioner Johnson stated her understanding that Progressive Rail is requesting a setback of at least 14 feet, which would be the case with the new site plan. Chair Gesme clarified that the north setback variance request has been eliminated with the new site plan.

Commissioner Nobach expressed concerns that the public has not been offered an opportunity to provide comments specific to the most recent site plan. Commissioner Hemmah commented that any additional concerns could be communicated to the City Council and any safety issues discussed when this matter is reconsidered. Commissioners suggested providing a recommendation at this time, to include additional discussion by the City Council relating to safety concerns. Commissioner Nobach indicated that he had no issues with the parking or front setback variance requests. It was discussed that the applicant has made several adjustments to the plans in order to try to alleviate concerns.

City Administrator Jensen suggested requiring the applicant to install fencing as a condition of approval of the CUP. He also asked about adjusting the orientation of the building. Mr. Munn indicated that this option was considered, adding that a front setback variance would still be needed. He also commented that this configuration would have moved the back side of the building closer to the railroad tracks. He stated his opinion that the proposed site plan represents the safest option.

A motion was made by Commissioner Johnson to recommend that the City Council approve the two variances as requested, subject to additional input from Progressive Rail relating to safety concerns. The motion was seconded by Commissioner Hemmah. A vote was conducted and the motion carried unanimously, with Chair Gesme abstaining from the vote to avoid a conflict of interest.

## **C. Dollar General, Conditional Use Permit to Operate Retail in Residential Business District.**

This item was discussed following discussion of Item 6B.

Commissioner Nobach referenced the City Code related to the requirement for a buffer area with screening and landscaping between commercial uses and residential uses. Permit & License Technician Logelin noted that no screening would be required, as the retail business would not abut any residential properties. He stated that the Planning Commission could recommend screening as a condition of approving the CUP.

A motion was made by Commissioner Hemmah to recommend the approval of the CUP as presented. The motion was seconded by Commissioner Fox. A vote was conducted and the motion carried unanimously, with Chair Gesme abstaining from the vote to avoid a conflict of interest.

## **8. ADJOURN**

A motion was made by Hemmah, seconded by Commissioner Nobach and unanimously carried, to adjourn the meeting. The meeting adjourned at 7:39 p.m.