

**Cannon Falls Planning Commission
Regular Meeting
City Council Chambers
August 19, 2024**

COMMISSIONERS PRESENT: Chair Steve Gesme, Commissioners Chris Nobach, Bruce Hemmah, Jesse Fox, and Diane Johnson (joined at 6:32 p.m.)

COMMISSIONERS ABSENT: All members were in attendance

OTHERS PRESENT: Neil Jensen, City Administrator; Zach Logelin, Permit & License Technician; Scott Landsman, City Attorney

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, Fox, and Nobach were in attendance. Commissioner Johnson joined the meeting late.

3. APPROVAL OF AGENDA

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

4. APPROVAL OF MINUTES: July 8, 2024

A motion was made by Commissioner Nobach, 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. Vacation of Right of Way, James Hernke.

Permit & License Technician Logelin provided background information and referenced the location of the alley under discussion. He stated that neighborhood residents have signed a petition in favor of the vacation. He noted that the alley is the location of a future stormwater project and currently serves as a drainage easement for the lots. Mr. Logelin relayed information from the City Engineer, who recommended that the City maintain a blanket easement.

Chair Gesme opened the Public Hearing for this item at 6:33 p.m. No one spoke during the Public Hearing. Chair Gesme closed the Public Hearing at 6:34 p.m.

B. Ordinance Text Amendment, Bethel's Rock Church.

This item was discussed following discussion of Item 7B.

City Attorney Scott Landsman introduced himself and provided background information. He referenced zoning text amendment applications to add certain conditional uses to particular zoning districts. He discussed the process of adding a conditional use to a zoning district, explaining that this would pertain to the entire zone and not just one specific location within a zoning district. He noted that if a zoning text amendment is enacted, a Conditional Use Permit application would need to be submitted relating to a specific project.

City Attorney Landsman reviewed the City Code criteria that would need to be applied when considering a zoning text amendment:

- Is the proposed conditional use consistent with the Comprehensive Plan?
- Is the proposed conditional use compatible with present and future land uses of the area?
- If the conditional use is deemed to be both consistent and compatible, a determination would need to be made as to reasonable conditions that would be required for any approved conditional use.

City Attorney Landsman referenced the City Code in terms of performance standards for all Conditional Use Permits, noting that there may also be specific conditions required for a particular land use. He provided the example of conditions for a church use.

Permit & License Technician Logelin summarized a zoning text amendment application by Bethel's Rock Church to amend the City Code to allow religious institutions as a conditional use in the B-2 zoning district. He noted that if the zoning text amendment is approved, Bethel's Rock Church would need to apply for a Conditional Use Permit relating to operating in the Grand O2 Event Center property. Mr. Logelin reviewed the results of his communication with representatives of surrounding communities in terms of where religious institutions are allowed to operate. He noted that churches are allowed as a permitted or conditional use in B-2 type zoning districts in many other cities. He recommended that the Planning Commission follow the City Code guidelines when reviewing the text amendment application.

Chair Gesme opened the Public Hearing for this item at 7:00 p.m.

The applicant, Brandon Allison, introduced himself as the Lead Pastor of Bethel's Rock Church of Cannon Falls. He stated that he, his family, and Bethel's Rock Church members all desire to be part of the Cannon Falls community.

Pastor Allison provided rationale for a zoning text amendment that would allow religious institutions to operate in B-2 zoning districts with a Conditional Use Permit:

- Churches contribute positively to the well-being of a community.
- Churches are centers for social services, community support, charitable events, and public activities and engagement.

- Churches and businesses are not mutually exclusive. They often function with similar community-oriented goals, including creating economic activity.
- The presence of a church can enhance property values and neighborhood appeal.
- Bethel's Rock Church would be a stable, long-term tenant.
- Zoning flexibility promotes inclusivity. Pastor Allison stated that zoning regulations are designed to be flexible and accommodate community needs. He noted that the City of Cannon Falls would be demonstrating its commitment to inclusivity and a willingness to adapt zoning standards to better serve the evolving needs of its residents.

Pastor Allison referenced letters of support, examples from other communities, and other resource documents. He commented regarding the previous rezoning request and noted that Bethel's Rock Church wishes to work with the City. He stated that the Grand O2 Event Center proposal would be compatible with the City's Comprehensive Plan.

Eric Johnson, 7667 337th Street Way, Cannon Falls, discussed how a church benefits the local economy, provides community services, and increases surrounding property values. He referenced several families that have relocated to the area. He commented that Conditional Use Permits would be required for individual churches to operate.

Caleb Berenson, 12535 335th Street, Goodhue, Minnesota, stated that he grew up in Cannon Falls. He commented that other communities allow churches in business districts. He noted that the proposal would bring new life to an area of town that has been changing. He discussed how the church would positively impact the community and benefit area youth.

No one else spoke during the Public Hearing. Chair Gesme closed the Public Hearing at 7:19 p.m.

C. Ordinance Text Amendment, Cannon Valley Fair.

This item was discussed following discussion of Item 7C.

Permit & License Technician Logelin reviewed a proposed zoning text amendment to allow motorized cart racing in UR (Urban Reserve) zoning districts with a Conditional Use Permit. He referenced a zoning map. He noted that the CUP approval process would address conditions such as noise, traffic, and hours of operation.

Chair Gesme reviewed the Public Hearing procedure and opened the Public Hearing for this item at 7:49 p.m.

Ferland Miller, 1016 Minnesota Street West, Cannon Falls, introduced himself as a representative of the Cannon Valley Fair Board. He provided background information and referenced an 8.9-acre parcel within the fairgrounds that has been designated as Urban Reserve. He discussed cart racing activities and referenced concerns about noise. He detailed information relating to the hours of operation, racing vehicle requirements, and the duration of races. He referenced the proximity of the fairgrounds to residential properties and reviewed noise monitoring procedures. He discussed the economic impacts of cart racing events to the community and the challenges facing the Cannon Valley Fair. Later during the meeting he suggested focusing on the facts and commented regarding the past history of racing activities at the fairgrounds.

Julie Anderson, 303 Sixth Street, Cannon Falls, thanked Mr. Miller for acknowledging the opposition to cart racing activities at the fairgrounds. She stated that she lives about 1/2 mile from the racetrack. She relayed concerns about noise and suggested considering the long-term plans for the community. She referenced City Attorney Landsman's guidance with regard to considering whether the proposed zoning text amendment would be consistent with the City's Comprehensive Plan and compatible with present and future uses of the surrounding area. She referenced Police Department call data. She expressed concerns about decreased property values and the resultant negative impact on the tax base. She suggested consideration of other options for using the fairgrounds that would not result in noise concerns. She commented that the Cannon Valley Fair has been allowed to host events without permits and expressed concerns about expansion of racing activities. Later during the meeting she commented that residents are putting their trust in City leaders to make the right decision.

Jan Fennern, 1128 West Minnesota Street, Cannon Falls, stated that her property adjoins the fairgrounds. She read a letter from Curt Beissel, 1231 Minnesota Street West, Cannon Falls, in opposition to the proposed zoning text amendment, who detailed noise and environmental concerns; referenced misleading information provided by the Cannon Valley Fair Board; noted that Cannon River Raceway LLC is a separate entity and should be subject to all City, County, and State regulations; and cited State statute language. Ms. Fennern also expressed concerns about the lack of proper procedures. She further indicated that she has a home-based childcare business and has had to relocate at times because of noise from the racetrack adversely affecting the children. Later during the meeting she stated that she wants to stay in Cannon Falls.

Jacqueline Broin, 105 Haven Heights Court, Cannon Falls, expressed opposition to the proposed zoning text amendment. She compared the noise generated by the cart track to the condition of tinnitus, or a constant ringing in the ears. She expressed concerns about pedestrian safety, traffic, public safety, and supporting an outside business. She urged City leaders to consider the best interests of residents.

Gerald Schanink, 101 Tamara Lane, Cannon Falls, indicated that his property is adjacent to the fairgrounds. He discussed the duration of the noise from racing activities. He reviewed the actual number of residential properties that are close to the fairgrounds. He discussed permitting requirements.

Young cart racers spoke in support of racing activities at the fairgrounds, describing it as a family sport.

Gary Johnson, 909 Park Street West, Cannon Falls, played a video demonstrating the noise from the track.

Jodi Montgomery, 109 Haven Heights Court, Cannon Falls, further described the noise issues from the track. She asked about future plans to expand racing activities. Later during the meeting she commented regarding the duration of racing events and the number of weekend events.

Kevin Koppmann, 1200 West Minnesota Street, Cannon Falls, further described noise, traffic, and environmental issues. He commented that a grove of trees that used to buffer the noise from the fairgrounds has been taken down. He expressed concerns about the increasing number of activities. He urged City leaders to listen to resident concerns. He suggested considering fencing to help buffer the noise.

Shad Singleton, Orr, Minnesota, discussed the economic benefits of cart racing activities, including support of local businesses and positive impacts on youth.

Roger _____, 1300 Minnesota Street, Cannon Falls, discussed his opposition to racing activities because of noise and traffic concerns. He stated that the Cannon Valley Fair Board and the City Council have not done their due diligence. Later during the meeting he commented that he witnessed young boys walking around with beers.

David Alvstad, 1701 Fifth Street North, Cannon Falls, expressed support for the racetrack, stating that these activities remind him of his childhood and help keep the community alive.

Breanna Endres, 400 Ninth Street North, Cannon Falls, stated that her children hate the noise from the racetrack. She commented that racing activities continue well past 10 p.m. and are interrupting her life.

Chad Johnson, 320 Larkspur Lane, Cannon Falls, spoke in support of using the fairgrounds for other purposes, referenced the economic benefits.

Jeff Seubert, 20235 Rowan Avenue, Welch, Minnesota, introduced himself as the racetrack manager. He reviewed the racing schedule. He acknowledged the noise factor and discussed the decibel readings.

Mr. Seubert stated that these events are safe and family oriented, noting that beer sales are not allowed. He summarized discussion during a past City Council meeting. He referenced a similar operation in Blue Earth, Minnesota. He reviewed the economic benefits to businesses and the value to families. He stated that motorcycle racing has been shut down. He noted that louder cart classes have been moved to earlier in the evening and that steps will be taken to conclude all races by 9:30 p.m. He reviewed other adjustments that have been made to the program and referenced feedback that has been received from neighborhood residents. He commented that the Cannon River Raceway desires to work with the City and the community. Later during the meeting he clarified that the cart classes that make noise comprise 15% of the event. He reiterated his willingness to work with the City to address the issues, noting that there are no plans to expand the program. He referenced noise from sporting events.

Brian Douglas, 1124 Minnesota Street West, Cannon Falls, reviewed information he received from a realtor relating to property tax impacts and required disclosures to potential home buyers and developers.

Courtney Rustad, 100 Tamara Lane, Cannon Falls, stated that, while the noise is intermittent, it is very loud, making it impossible to carry on a conversation.

Carmen Douglas, 1124 Minnesota Street West, Cannon Falls, expressed opposition to allowing racing by motorized vehicles in Cannon Falls. She stated that the noise prevents residents from enjoying their homes and properties during the summer months. She suggested exploring other ways to support the Cannon Valley Fair.

Nate Winberg, 327 Larkspur Lane, Cannon Falls, discussed the family-oriented nature of racing activities and agreed that fencing may be a possibility along with potential electric carts in the future.

Erin McMahon, 612 West Hoffman Street, Cannon Falls, summarized the discussion. She commented that the Fair Board and Mr. Seubert are doing everything they can to try to address resident concerns. She stated that this business is tearing the community apart, noting that everyone wants to support the Cannon Valley Fair and youth activities. She suggested taking the emotion out of the discussion and focusing on the regulations. She referenced inaccurate information that was provided during a past Council meeting. She stated that, if the zoning text amendment is approved, motorized racing activities would be allowed in all UR zoning districts.

Ms. McMahon requested clarification of the location of the racetrack and commented that Cannon Falls youth have not been participating in races. She cited the criteria by which a potential zoning text amendment must be evaluated.

Andrea Whiting, 327 Larkspur Lane, Cannon Falls, spoke in support of youth racing activities, describing it as a safe outlet for kids outside of sports.

Zach _____, 301 Hoffman Street West, Cannon Falls, spoke in support of youth racing activities and stated his opinion that the racetrack will not adversely impact housing prices.

Barry Underdahl, 301 East Main Street, Cannon Falls, commented that the Cannon Valley Fair has hosted various types of motorsports activities for many years. He discussed the importance of supporting the Cannon Valley Fair. He referenced decibel readings and suggested considering all of the facts.

Breanna Kohn, Nerstrand, Minnesota, introduced herself as a local realtor.

Jim Hoffman, 917 West Park Street, Cannon Falls, asked about overnight camping, liability insurance, and whether the racetrack was designed and constructed under the oversight of a civil engineer. He commented regarding the delay in scheduling the Public Hearing. He stated that he lives a mile away from the fairgrounds and can hear the noise from the racetrack.

Shauna Chambers, 105 East Minnesota Street, Cannon Falls, stated that she does not mind the noise from the races. She commented regarding the need to grow the community and support youth activities, outside of sports.

Brendan Newville, Clear Lake, Wisconsin, described his experiences as a cart racer and discussed a racetrack in northern Minnesota that is located near homes.

No one else spoke during the Public Hearing. Chair Gesme closed the Public Hearing at 9:10 p.m.

7. DISCUSSION

A. Vacation of Right of Way, James Hernke.

This item was discussed following discussion of Item 6A.

Chair Gesme referenced drainage considerations and indicated that Mr. Hernke understands that if the alley is vacated, the City will continue to maintain an easement.

Commissioner Nobach asked Mr. Hernke what he plans to do with the property, if acquired.

Mr. Hernke stated he may place a carport next to his garage, noting that there is a five-foot setback requirement from an alley. He indicated that vacating the unused property would offer him a few extra feet. He commented that he understands the need for a drainage easement.

Commissioner Nobach asked whether the property would be split equally between the adjacent property owners. Mr. Logelin indicated that each property owner would acquire approximately eight feet, if they sign the agreement. It was noted that the vacation would need to be recorded by Goodhue County.

A motion was made by Chair Gesme, seconded by Commissioner Johnson and unanimously carried, to recommend approval of the vacation, with the City retaining an easement.

B. Lot Split, Artisan Plaza.

Permit & License Technician Logelin provided background information. He stated that the owner of Artisan Plaza would like to split off the northern approximately 26,000 square feet of the property. He stated that Goodhue County has approved access to the property, with stipulations. He noted that the new lot would conform to the B-2 zoning district standards. He stated that the applicant has agreed to add 10 additional parking spaces to the existing parking area in order to be compliant with parking stall requirements. He referenced permitted and conditional land uses in the B-2 zone.

Kevin Manley introduced himself as the applicant and discussed how the new lot would potentially be utilized. The location of the driveway, with access to each property, was discussed. Mr. Manley indicated that he does not plan to move the driveway right away.

Commissioner Fox requested clarification of the proposed lot boundaries, and additional information was provided.

Commissioner Nobach asked why the lot split is being requested at this time, without a specific site plan for the new lot. Mr. Manley referenced his future business plans and the time involved in the process. He commented that he has followed the proper procedures and is not requesting any variances from the City. He discussed the benefits of the lot split in terms of the option to keep one lot and sell the other lot. It was discussed that the driveway would need to be moved or an agreement developed with the new owner if the applicant would decide to sell one of the lots. Access to the properties was further discussed. City Attorney Landsman provided additional information, stating that the new lot would need to conform to the City Code. He clarified that the Planning Commission and the City Council could vote to approve the lot split with conditions that would need to be met before the deed could be recorded. The applicant referenced the County's requirements.

Planning Commission members discussed their role in terms of ensuring that a potential lot split would conform to the City's zoning standards.

A motion was made by Commissioner Fox to recommend approval of the lot split, with the condition that the new lot will conform to the City Code in terms of access. The motion was seconded by Commissioner Johnson, a vote was conducted, and the motion carried unanimously.

C. Ordinance Text Amendment, Bethel's Rock Church.

This item was discussed following discussion of Item 6B.

Commissioner Hemmah requested additional information from the applicant relating to the process that was followed and the associated timeline. Pastor Allison stated that Bethel's Rock Church is currently sharing space with the First Congregational Church and can get out of that agreement at any time. He stated that Bethel's Rock Church has a signed purchase agreement with the Grand O2 Event Center, contingent upon approval to operate as a church in a portion of the facility. He stated that he had initially applied for a CUP with Goodhue County, not realizing that the approval needed to come from the City of Cannon Falls. Commissioner Hemmah asked whether the applicant would consider taking legal action against the City of Cannon Falls, if the zoning text amendment is not approved. Pastor Allison stated that his intention was to provide examples from his research of the process that has occurred in other communities where religious institutions have requested to operate. He referenced Federal laws and indicated that he has not spoken to a lawyer about this matter. Commissioner Hemmah commented regarding the benefits of establishing commercial zoning districts and protecting the City's tax base. He asked whether other potential locations have been considered. Pastor Allison indicated that he has done his due diligence.

Commissioner Johnson commented that the question coming before the Planning Commission relates to whether religious institutions should be allowed within B-2 zoning districts. She referenced zoning regulations in other communities. She stated her opinion that there is no reason not to allow religious institutions to operate in B-2 zones as a conditional use.

Commissioner Hemmah asked whether churches actually exist in B-2 zoning districts in the communities that allow this. Commissioner Johnson clarified that the question relates to whether to recommend approval of the proposed zoning text amendment.

Commissioner Nobach expressed agreement with the comments made by Commissioner Johnson and stated that he would support the proposed zoning text amendment, as other communities are allowing churches in these areas.

Commissioner Nobach further commented that the economic and social benefits to the community would offset the loss of property tax revenue.

Commissioner Fox asked the City Attorney to clarify conditions of approval. City Attorney Landsman further reviewed the process, discussed general and specific conditions of approval, and clarified the zoning text amendment under consideration at this time.

Commissioner Hemmah referenced the City Code criteria, and City Attorney Landsman provided additional information in this regard. It was clarified that any motion by the Planning Commission would represent a recommendation to the City Council.

Chair Gesme asked about the definition of a religious institution. Pastor Allison provided information in this regard.

Commissioner Johnson asked whether there are guidelines to help determine the specific conditions of approval. City Attorney Landsman recommended that the ordinance text amendment language include conditions of approval that would relate to a CUP application for a specific land use. He indicated that a decision could be tabled to allow more time to gather information. Pastor Allison referenced examples of conditional use language in the City Code relating to churches in residential areas and to rehabilitation facilities.

City Attorney Landsman commented that the Planning Commission could recommend approval of the proposed zoning text amendment, including conditions of approval similar to those stipulated in other sections of the City Code. He also indicated that Mr. Logelin could conduct further research and provide additional information for City Council consideration.

A motion was made by Commissioner Johnson to recommend approval of a zoning text amendment to allow religious institutions in B-2 zoning districts as a conditional use, subject to conditions of approval similar to those in residential zoning districts and any additional conditions as recommended by City staff. The motion was seconded by Commissioner Fox, a vote was conducted, and the motion carried unanimously.

D. Ordinance Text Amendment, Cannon Valley Fair.

This item was discussed following discussion of Item 6C.

Commissioner Hemmah requested clarification of the structure and funding of the Cannon Valley Fair organization. He asked whether a nonprofit organization is allowed to operate a for-profit business. Ferland Miller discussed the two components, the 501(3)(c) nonprofit (Friends of the Fair) and the business component of the organization.

Commissioner Hemmah commented that the fairgrounds property is located on a natural amphitheater, which amplifies the noise. He noted that the fairgrounds used to be surrounded by woods, noting that the 80+ homes south of the fairgrounds did not exist until relatively recently. He suggested that the Fair Board consider being more sensitive to the evolving needs of the community and ensure adherence to the rules and regulations of the Minnesota State Agricultural Society.

Mr. Miller commented regarding the feedback that has been solicited from residents and adjustments that have been made. He stated that the Fair Board is open to suggestions for increasing revenue.

Commissioner Johnson requested further clarification of the Cannon Valley Fair organization. Fair Board Member Robin Stewart further detailed the organizational structure.

Commissioner Fox stated his understanding of the past City Council discussion, and Mr. Miller provided additional background information. Commissioner Fox referenced State law language relating to agricultural associations, and Mr. Miller provided information in this regard. Commissioner Hemmah asked whether cart racing activities and the Fair Board's insensitivity to the community might endanger the Cannon Valley Fair's organizational status. Mr. Miller stated his understanding that most fairs are exploring various options for raising additional revenue.

Commissioner Johnson commented that the Planning Commission is being asked to evaluate whether motorized cart racing should be allowed in Urban Reserve zoning districts as a conditional use. City Attorney Landsman clarified that a CUP cannot be issued only to a single user.

Commissioner Nobach asked about camping activities and liability insurance coverage. Mr. Miller provided information in this regard.

Chair Gesme suggested considering the best interests of the residents of Cannon Falls and planning for the future. Mr. Miller reiterated that additional revenue sources are critical to the survival of the Cannon Valley Fair.

City Attorney Landsman advised focusing on the question at hand.

Commissioner Johnson asked why a zoning text amendment is being requested at this time. City Attorney Landsman indicated that there was misinformation relayed with regard to the whether the Cannon Valley Fair is subject to City zoning ordinances. Mr. Miller further clarified the organizational structure of the Cannon Valley Fair and its relationship to the Minnesota State Agricultural Society. City Attorney Landsman and Commissioner Johnson stated their understanding of the situation.

Commissioner Nobach expressed frustration with the process. He stated that he sympathizes with the residents and suggested that the City work with the Fair Board to address the issues.

Chair Gesme suggested tabling a decision to allow an opportunity for further discussion. City Attorney Landsman referenced the 60-day rule and indicated that an extension or waiver may be required. Mr. Logelin indicated that the application was received on July 30. The racing schedule was reviewed.

A motion was made by Commissioner Nobach to recommend that the City Council deny the proposed ordinance text amendment. The motion was seconded by Commissioner Hemmah. Commissioner Johnson asked whether the Planning Commission needs to state its Findings of Fact. City Attorney Landsman indicated that the City Council will review the Planning Commission discussion and other information and adopt a resolution, referencing the findings to support its decision. Following discussion, a vote was conducted and the motion to deny carried unanimously.

Mr. Miller asked about next steps, and City Administrator Jensen indicated that the City Council will make the final determination regarding the proposed zoning text amendment.

8. ADJOURN

A motion was made by Commissioner Fox seconded by Commissioner Nobach and unanimously carried, to adjourn the meeting. The meeting adjourned at 9:55 p.m.