



**Meeting of the Planning Commission
Held at the Elk River City Hall
Tuesday, June 23, 2026**

Members Present: Chair Perry Beise, Commissioner Eric Johnson, Commissioner Dennis Booth, Commissioner Dornan Bland, Commissioner Anthony Kaba, Commissioner James Lang, Councilmember Jennifer Wagner

Members Absent: Commissioner Robert Rydberg

Staff Present: Community Development Director Zack Carlton, Senior Planner Chris Leeseberg, and Recording Secretary Katie Porath

Others Present: City Attorney Sharda Enslin

1. CALL MEETING TO ORDER

Pursuant to due call and notice thereof, the meeting was called to order at 6:30 p.m.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

3. CONSIDER AGENDA

Moved by Commissioner Johnson and seconded by Commissioner Booth to approve the agenda. Motion carried 6-0.

4. CONSIDER MINUTES

Moved by Commissioner Johnson and seconded by Commissioner Booth to approve the following consent items as outlined in their respective staff reports. Motion carried 6-0.

4.1 DRAFT Minutes - May 26, 2026

5. PUBLIC HEARINGS

5.1 Conditional Use Permit: Bluff Impacts within the Shoreland Management District, Randall Tesdahl - 16892 Yale St NW

The staff report was presented.

Chair Beise opened the public hearing.

Kari Ziebell, 16864 Yale St NW, asked if there were restrictions on hours of the day the path could be used. She had concerns with neighbor privacy, trucks driving at night and shining headlights in her windows, damage that has already done to the bluff, the use of pesticides in the applicant's garden, and

the applicant hunting in his backyard or shooting guns.

Mr. Leeseberg stated the request was for a pedestrian pathway and the intent was not for vehicles. He stated the path would need to be professionally designed as narrow as possible. Concerns about hunting or gun use should be directed to the Police department. The application does not address the use of garden pesticides. Mr. Leeseberg stated there is a cross-access easement for neighboring properties.

Ms. Ziebell added that there was not a cross-access easement and the applicant had lost that after suing the neighbors.

Commissioner Johnson asked if the trail could be limited in size or if there was a minimum width. Mr. Leeseberg stated the condition stated the trail should be as narrow as possible, and it was expected not to be wide enough for a truck. He stated the Commission could restrain the width of the trail but they could not limit hours of operation.

Ms. Ziebell added that the applicant shines vehicle headlights into their homes at night and that garbage from his property floats into their yards. Mr. Leeseberg suggested she contact the Code Enforcement Official with concerns about garbage.

Ms. Ziebell asked if there would be a soil and engineering report for neighbors concerned about erosion.

Commissioner Johnson stated the site would need to be professionally engineered. He recommended the city environmental department review any approved plans.

Commissioner Kaba asked if there was a percentage of vegetation the applicant was allowed to remove. Mr. Leeseberg stated that the amount has not been quantified. Commissioner Lang asked if it was up to the construction company to determine the width or how it could be determined. Mr. Leeseberg suggested a condition stating that the width should support an Americans with Disabilities Act (ADA) apparatus.

Randall Tesdahl, 16892 Yale St, applicant, stated he has lived at the property for 12 years. There is a pathway that starts two properties south of his and goes through the entire neighborhood with an easement. He stated he is not able to use this easement. He went to court to try to gain access to the easement but lost the case. He stated he has Parkinson's disease and will eventually have reduced mobility. He wants access to the lower part of the property.

Chair Beise asked Mr. Tesdahl how wide of a trail he was proposing. Mr. Tesdahl stated it would not be wide enough for a truck.

Chair Beise closed the public hearing.

The Commission felt it was a reasonable request with the modification of two conditions. Commissioner Johnson suggested that Condition 9 be modified to state that finalized plans need approval by the city environmental department as well as adding ADA requirements to Condition 2.

Moved by Commissioner Johnson and seconded by Commissioner Lang to recommend

approval of the Conditional Use Permit with the following conditions to satisfy the standards set forth in Section 30-654:

- 1. The pathway shall be professionally engineered and designed to ensure long-term slope stability and minimize erosion potential.**
- 2. The pathway width shall be limited to the minimum width necessary to accommodate safe access without encumbering ADA mobility requirements.**
- 3. The pathway shall be designed with the flattest practical grade to reduce erosion and improve accessibility.**
- 4. Existing vegetation shall be preserved to the greatest extent practicable, with only selective removal permitted as necessary for construction.**
- 5. Appropriate erosion and sediment control measures shall be installed and maintained during construction.**
- 6. A grading permit shall be obtained prior to commencement of any land-disturbing activities.**
- 7. Any retaining wall exceeding four (4) feet in height shall require a separate building permit and shall be designed by a Minnesota-licensed structural engineer.**
- 8. The applicant shall comply with all recommendations and requirements of the Minnesota Department of Natural Resources, if applicable.**
- 9. Any plans, once finalized, shall be reviewed and approved by the City Environmental Department.**
- 10. The Conditional Use Permit shall remain subject to all applicable City Code requirements and permit conditions.**

Motion carried 6-0.

5.2 Conditional Use Permit: Auto Repair, Uval Butuc - 18332 Joplin St NW

The staff report was presented.

Councilmember Wagner arrived at 6:52 p.m.

Commissioner Booth asked if the applicant was considering painting. Mr. Leeseberg stated the applicant has not asked for a paint booth at this time.

Chair Beise opened the public hearing.

Theresa Hoernemann, 18239 Kent St NW, stated that the back of her home faces the area. She has noticed an uptick in noise from the JonnyPops facility. She also noted there was a recent dumpster fire in the parking lot of the applicant's building and the area has looked junky in the past, although it looks clean at the moment. She asked about the hours of operation and stated some of the current tenants sometimes work on weekends.

Commissioner Johnson stated the application lists hours of operation as 9:00 a.m. to 5:00 p.m. Mr. Leeseberg stated there was not a condition addressing hours but a condition stating the garage door had to be closed could reduce the noise.

Mr. Leeseberg added that the city could review if the debris was on this property or on the JonnyPops facility property.

Lois George, 18276 Kent St NW, stated that when JonnyPops went in, the neighbors were told there would be no noise. However, there is noise well into the evening. She asked if painting would be done on the site and expressed concern about the smell, security of her property, and noise.

Chair Beise closed the public hearing.

Commissioner Johnson asked about the term "body work". Mr. Leeseberg stated the applicant had indicated they were performing "cosmetic work." Commissioner Johnson asked if excess noise, chemicals, and fumes would be addressed through the building permit process. Mr. Leeseberg stated noise would not be regulated through a building permit, but the site could be required to add sound "baffles" to reduce noise.

Commissioner Johnson suggested amending Condition 2 to state that the garage door should remain closed.

Moved by Commissioner Johnson and seconded by Commissioner Booth to recommend approval of the Conditional Use Permit with the following conditions to satisfy the standards set forth in Section 30-654:

- 1. The Conditional Use Permit shall authorize only vehicle body work and no mechanical repair work, including engine, transmission, drivetrain, exhaust, or similar vehicle repairs, shall be conducted on the property.**
- 2. All repair activities shall occur entirely within the enclosed building and all openings in the building envelope shall be closed when repair activities are occurring.**
- 3. The north side of back parking lot shall be screened, as shown on the staff exhibit, by a six-foot high 100 percent opaque fence constructed of factory finished metal or vinyl material.**
- 4. The outdoor storage of operable vehicles shall be allowed only in the screened in area.**
- 5. The outdoor storage of inoperable or abandoned vehicles, vehicle parts, equipment, materials, or repair-related items is prohibited.**
- 6. This approval does not authorize motor vehicle sales, vehicle display for sale, or any other use not specifically approved herein.**
- 7. The parking lots shall be striped.**
- 8. The applicant and/or property owner must apply for all required commercial building, electrical, plumbing, and/or mechanical permits before any associated activities can occur.**

Motion carried 6-0.

5.3 Ordinance Amendment and Conditional Use Permit: Data Center, Michael Margulies - 19178 Industrial Blvd NW

The staff report was presented.

Commissioner Booth clarified that annual noise monitoring would be paid for by the applicant. Mr. Carlton stated the applicant would pay for and provide the results to the city. If any issues were noted, they would need to be resolved within six months.

Commissioner Bland asked if there was any legal obligation to approve the Ordinance Amendment. Mr. Carlton stated there was not. If the Ordinance Amendment was denied, the related Conditional Use Permit would need to be denied as well. However, the Planning Commission would still need to act on it.

Commissioner Johnson asked if setbacks could be established for industrial or commercial properties. Mr. Carlton stated a certain amount of noise was expected in an industrial area and Minnesota Pollution Control Agency (MPCA) noise standards would need to be met. The Commission could choose to add setback requirements.

Commissioner Bland asked if there was any data to support the 500 and 750 foot setbacks. Mr. Carlton stated the amounts had been garnered from peer communities.

Commissioner Bland asked why the 35 MW limitation had been determined. Mr. Carlton stated that amount was determined based on capacity discussions with Elk River Municipal Utilities (ERMU).

Commissioner Bland clarified that the noise study had to be estimated and was theoretical. Mr. Carlton confirmed and stated there would also need to be a post construction noise evaluation with remediation as needed.

Commissioner Johnson asked about noise mitigation if noise thresholds were exceeded. Mr. Carlton stated some potential mitigation could include higher walls or acoustic paneling.

Commissioner Lang asked which type of glycol would be used and if there was a plan for chemical spills. He also asked about backup batteries for the generators and if the city was equipped to respond to a large-scale lithium fire. Mr. Carlton stated the applicant would need to follow industrial chemical use standards and the battery backup was not addressed in the proposed Ordinance Amendment.

Mr. Carlton explained that the applicant would still need to go through the building permit process if their Conditional Use Permit was approved. Part of the approval would be a review by the fire marshal.

Commissioner Lang asked if there was an option to create a Planned Unit Development (PUD) or other specialty zoning versus an Ordinance Amendment. Mr. Carlton stated a PUD could be an option.

Commissioner Bland confirmed that, if the ordinance is passed and a data center meets the requirements, the city is legally obligated to allow it. Mr. Carlton stated that was true. Mr. Carlton added that the city would have more discretion in approving a PUD rather than a CUP.

Ryan Skoug, ESI Engineering Noise Engineer, reviewed the noise study results. He reiterated that the city cannot be more restrictive than the MPCA guidelines on noise. He stated that measuring ambient noise helps to determine if noise from a developer is exceeding the noise standards or if it is already existing. He stated the report measured the noise from one generator running at 100% capacity.

Mr. Skoug commented that the draft ordinance was unclear about measurements versus calculations. He added that C and Z weighted frequencies do not have MPCA standards yet.

Mr. Carlton stated that the ordinance asked for C and Z weighted measurements, but the City could not deny a request based on these standards because the MPCA does not provide criteria to meet. Any application denied has to be based on legal facts and standards.

Chair Beise asked if the state eventually regulates C and Z weighted standards; would that be covered by this ordinance? Would existing data centers need to update to the new requirements or would they be grandfathered in? Mr. Carlton would need to research if the city was allowed to retroactively request pre-existing applicants abide by new standards.

Commissioner Booth asked if the city could establish C and Z weighted standards since the MPCA does not have them. City Attorney Enslin stated that is not how the current draft ordinance is set up. The current draft ordinance is more vague.

Commissioner Bland asked what standards the Commission is allowed to set for limits on noise. City Attorney Enslin stated the city cannot be more restrictive than the state as to A-level frequencies. Mr. Carlton added that any business in Minnesota has to abide by the MPCA noise standards.

Commissioner Lang asked for more information on the purchase of power.

Mark Hansen, General Manager of Elk River Municipal Utilities (ERMU), explained that power was purchased through Minnesota Municipal Power Agency (MMPA) and requests are analyzed on a case-by-case basis. The amount of 33 MW was arrived at after the developer approached ERMU to verify that amount of power was available and ERMU determined the proposed site was in a relatively fully developed area.

Commissioner Lang asked if ERMU would have capacity for additional data centers. Mr. Hansen explained that future data center applicants would need to check with ERMU to see if there was available capacity. Mr. Carlton explained that, just as some development sites need soil testing to determine if they can support structure, in the same way, power needs would need to be evaluated per site rather than mandated.

Commissioners Lang and Bland commented that the ordinance seemed to be written for this specific data center based on the 35 MW limit being proposed in the Ordinance Amendment.

Commissioner Lang asked for more information on the estimated \$600,000-\$800,000 revenue transfer between ERMU and the City. Mr. Hansen explained that the current citywide load for electricity is approximately 60–65 MW. The applicant would be asking for 33 MW but would require fewer switches and fewer miles of feeder distribution system than the current 14,000 electrical customers. This could create a stabilizing effect on the rates.

Commissioner Bland felt it was hard to see the benefits without more precise facts. Mr. Hansen stated this one customer could provide millions of dollars of profits which may combat future rate increases, avoid future bonding, and increase reserve funding.

Chair Beise opened the public hearing.

Tim Jones, owner of Aegir Brewing, 19050 Industrial Blvd NW, stated that the MPCA noise levels in an industrial area were at a level to cause hearing loss if exposed over an eight-hour period. He asked if the city could have a vote, whether official or not, to get citizen input. He also asked if the city

would be held accountable for any harm a data center could cause to the community.

Jesse Lang, 19371 Upland St NW, questioned the backup power, the background noise of the noise study, and the setback amounts. He asked about a scenario where all 10 backup generators would be running with a power outage. He asked that the city consider a moratorium and the formation of a task force with broad representation to produce comprehensive guidance on how modern data centers affect communities.

Rebecca Reule, 19551 Vernon St NW, asked that the city put a moratorium in place. She was concerned about home values.

Ian Rolshouse, 12542 194th Ln NW, asked if the data center could be heard from his house.

Jessica Rolshouse, 12542 194th Ln NW, stated the MPCA guidelines were established in 1976 before data centers were a consideration. She stated that vibrations should not be felt for more than three minutes. She asked if low level frequencies violate the existing city code.

Rochelle Muellenberg, 13432 Meadowvale Rd NW, asked if land could be annexed into Elk River, rezoned as I-1 or I-2, and allowed to develop a larger data center. What prevents data centers from getting out of control?

Anna Wagner 12616 3rd Ave S, Zimmerman, stated her biggest concern was with "infrasound". She asked if the City was willing to exchange residents' health for money. She asked the City to "take a pause" on the issue.

Cynthia Remick, 18384 Xerxes St NW, asked how diesel is being stored on the property. Chair Beise stated the State regulates the storage of diesel. Ms. Remick stated that 500 feet is very close to residential homes and living close to diesel is hazardous. She urged the City to look into how many Minnesota cities have set a moratorium on data centers.

Chair Beise closed the public hearing.

Mr. Carlton addressed some of the questions and comments. Public vote on the issues is not allowed on the ballot but an informal poll could be conducted on social media. Mr. Carlton stated a moratorium was an option if the Commission was interested. Mr. Carlton stated that land annexation was a complex process but, theoretically, it could be turned into industrial land and used for a data center. He added that testing could be updated to require all generators and chillers be tested for noise running simultaneously.

Commissioner Lang was interested in more information on a moratorium. Mr. Carlton explained that, if a moratorium was passed, any active application still has to be processed. If the Commission was interested in a PUD rather than an Ordinance Amendment, the current Ordinance Amendment would need to be denied.

Commissioner Bland stated he was not comfortable with a 500-750 foot setback and those numbers felt arbitrary. He added that the proposed limit of 35 MW was due to one specific application.

The Commission was in favor of a PUD and a six-month moratorium. They also suggested a public poll.

Moved by Commissioner Eric Johnson and seconded by Commissioner Dennis Booth to recommend denial of the requested ordinance amendment due to concerns with amending the entire I-1 and I-2 zoning districts. Motion carried 6-0.

Moved by Commissioner Eric Johnson and seconded by Commissioner Dennis Booth to continue the hearing for the Conditional Use Permit Application to July 28, 2026. Motion carried 6-0.

6. GENERAL BUSINESS

There was no general business.

7. COUNCIL LIAISON UPDATES

Councilmember Wagner asked if Mr. Carlton could explain what a PUD was for the meeting attendees. Mr. Carlton explained a Planned Unit Development process could give the Planning Commission and City Council more discretion in reviewing future data center applications.

Mr. Carlton explained that the Planning Commission was a recommending body and the City Council would have the final decision on the Ordinance Amendment for the data center.

Councilmember Wagner stated, at the June 15, 2026 meeting, the City Council added "recreation" use as an Interim Use Permit in the Business Park (BP) zone.

8. MOTION TO ADJOURN REGULAR MEETING

Moved by Commissioner Johnson and seconded by Commissioner Booth to adjourn the meeting. Motion carried 6-0.

Councilmember Wagner left at 9:15 p.m.

The regular meeting adjourned at 9:15 p.m. Chair Beise called the work session to order at 9:21 p.m.

9. WORK SESSION

9.1 Roles and Responsibilities of the Planning Commission

Mr. Carlton asked the Planning Commission if they wanted to continue with Item 9.1 or add it to a future meeting.

Moved by Commissioner Johnson and seconded by Commissioner Bland to continue Item 9.1 Roles and Responsibilities of the Planning Commission to a future meeting. Motion carried 6-0.

10. MOTION TO ADJOURN

Moved by Commissioner Johnson and seconded by Commissioner Booth to adjourn the meeting. Motion carried 6-0.

The meeting adjourned at 9:22 p.m.

Minutes prepared by Katie Porath.



Perry Beise, Chair



Justin Dunford, City Clerk