

**CLAY COUNTY PLANNING COMMISSION MINUTES
7:00 PM TUESDAY, AUGUST 19th, 2025
THIRD FLOOR BOARD ROOM, CLAY COUNTY COURTHOUSE**

Members Present: Joel Hildebrandt, David Steichen, Jenny Mongeau, Curt Stubstad, Josh Schroeder, Ashley Heng, Kurt Skjerven, Sebastian McDougall, Laura Johnson

Members Absent: Brad Eldred

Others Present: Matt Jacobson, Brian Melton, Erika Franck, Rita Rueckert, Ralph Addonizi (by computer), Darren Brooke (by computer), Mahmoud Othmann (by computer), Jess Greene, Cody Erickson, Jeff Busby, Derek Draeger, Carol Schoff, Scott Dahms, Kelli Wegscheid, Rebecca Maszk, Jeff Johnke, Tiffany Sullivan, Paul Sullivan, Jonathan Greene, Chris Erickson

ROLL CALL:

Attendance was recorded by Chair Joel Hildebrandt and the meeting was called to order at 7:00 PM.

APPROVAL OF AGENDA:

On motion by Kurt Skjerven, seconded by Sebastian McDougall, and unanimously carried, the Agenda was approved.

APPROVAL OF MINUTES OF JULY 15TH, 2025:

On Motion by Ashley Heng, seconded by Kurt Skjerven, and unanimously carried, the July 15th, 2025 Minutes were approved.

CITIZENS TO BE HEARD:

There were no citizens wanting to speak about any items not on the Agenda.

PUBLIC HEARINGS:

MINNKOTA POWER COOPERATIVE – REQUEST FOR CONDITIONAL USE PERMIT

The applicant is seeking a conditional use for a substation at 5019 90th St S, Glyndon, MN 56547 on Parcel ID: 10.033.1101, part of the NE1/4 of the NE1/4, Section 33, Township 139N, Range 47W, Glyndon Township.

On motion by Jenny Mongeau, seconded by Curt Stubstad, and unanimously carried, the Planning Commission opened the public hearing.

Matt Jacobson, Planning Director, advised the Applicant is seeking a Conditional Use Permit (CUP) for a substation. Property is northeast of Sabin and currently has a substation on it. The request is to rebuild and expand the current substation and moving it approximately 150 feet from the current location. It will take less

than an acre of prime farmland out of production. Current zoning is Agricultural General (AG) and Floodplain Fringe (FF).

Goals reviewed from the 2045 Comprehensive and Transportation Plan:

Land Use: Commercial and Industrial

1. Encourage commercial and industrial development that is in harmony with the agricultural and rural character of Clay County.
 - a. Promote value-added agricultural commercial and industrial development in Agricultural service Center areas and along transportation corridors and hubs.
 - b. Avoid or mitigate against commercial and industrial development in and near environmentally sensitive areas.
 - c. Avoid or mitigate against commercial and industrial development that increases the potential for land use conflicts with rural residential or agricultural uses.

This location is not in any environmentally sensitive area. It is surrounded by farmland and has been at its current site for many years with no complaints or problems.

Rebecca Maszk of Minnkota Right of Way Department, and Jeff Johnke Minnkota engineer, were present on behalf of Minnkota Power Cooperative. The existing site will be decommissioned once the new substation is ready. The existing access road will be taken out and a new access has been approved with the Watershed District. Minnkota Power Cooperative will be retaining ownership of the land.

On motion by Kurt Skjerven, seconded by Sebastian McDougall, and unanimously carried, the Planning Commission closed the public hearing.

The Findings of Fact and Order were addressed and discussed by the Planning Commissioners as they pertain to the requested Interim Use Permit. Any issues or concerns may be addressed with conditions.

Staff recommends the following minimum Conditions:

1. The project shall be constructed in accordance with the submitted site plan and engineering documents.
2. All applicable federal, state, and local permits must be obtained prior to construction.
3. A perimeter security fence shall be maintained consistent with utility safety standards.
4. Drainage from the site shall be managed to prevent impacts to adjacent properties.
5. Construction shall not impede public roadways and shall comply with all Clay County right-of-way requirements.
6. Lighting should be downcast and directed away from nearby properties to the greatest extent possible.

Jeff Johnke advised that the Applicant is in agreement with the 6 proposed conditions.

On motion by Ashley Heng, seconded by Curt Stubstad, and unanimously carried, the Planning Commission *GRANTED* the Conditional Use Permit with the following conditions:

1. The project shall be constructed in accordance with the submitted site plan and engineering documents.
2. All applicable federal, state, and local permits must be obtained prior to construction.
3. A perimeter security fence shall be maintained consistent with utility safety standards.
4. Drainage from the site shall be managed to prevent impacts to adjacent properties.
5. Construction shall not impede public roadways and shall comply with all Clay County right-of-way requirements.

6. **Lighting should be downcast and directed away from nearby properties to the greatest extent possible.**

WESTLUND MATERIALS LLC – REQUEST FOR INTERIM USE - MINING PERMIT AMENDMENT

The applicant is seeking an Interim Use - Mining Permit amendment to change a condition for dates of operation on Parcel ID: 17.012.4000 in the SE1/4 of the SE1/4 of Section 12, Township 141N, Range 45W, Keene Township.

On motion by Laura Johnson, seconded by Ashley Heng, and unanimously carried, the Planning Commission opened the public hearing.

Matt Jacobson, Planning Director, advised this request is for an amendment to dates of operation to a mining Interim Use Permit (IUP). This parcel is on the west side of CSAH 33, between CSAH 34 and CSAH 36. An IUP for a 39-acre gravel mine was issued in 2021 and a Variance to setbacks was approved in 2022. Nearby residences have been removed or are in the process of being removed.

The main zoning is Agricultural General (AG) with overlay zoning of Resource Protection-Aggregate (RP-Agg), Resource Protection-Biological (RP-Bio), Shoreland: Special Protection/General Floodplain.

Applicant wishes to expand operating dates to include the first quarter, January through April. Condition 9 on the IUP sets out the following operating dates/times: April 1 through December 31st, between the hours of 7:00 AM to 7:00 PM, Monday through Saturday, with no noise-producing operations on Saturday.

Director Jacobson went through the proposed condition amendment, condition #9:

9. Mining operations, excluding excavation or expansion, shall be permitted year-round, between 7:00 AM and 7:00 PM, Monday through Saturday, with no noise producing operation on Saturdays. Excavation and expansion shall be permitted April 1st through December 31st between 7:00 AM and 7:00 PM. Hauling during the period of posted seasonable load restrictions shall only occur on paved or other routes approved in writing by the Clay County Highway Department and any applicable Township Road authority. If the operator needs to operate beyond stated days/hours, they shall first notify the Planning Office of the reason and length of time requested, so the extended hours can be approved and affected property owners may be notified.

The Applicant's haul route is CSAH 33 to either CSAH 26 or CSAH 34, all are paved roads. The County Engineer has no issue with the request. No comments have been received from the public or Township.

Jeff Busby of Westlund Excavating advised they do get some projects in the winter that require hauling but he does not anticipate that they will be doing any mining during this requested time period.

On motion by Sebastian McDougall, seconded by Josh Schroeder, and unanimously carried, the Planning Commission closed the public hearing.

Jenny Mongeau asked if there has been any gravel taxes reported during first quarter and Director Jacobson confirmed there had been gravel taxes reported and paid and that is how the amendment request came about.

The Findings of Fact and Order were addressed and discussed by the Planning Commissioners as they pertain to the requested Interim Use Permit. Any issues or concerns may be addressed with conditions.

Staff recommends conditions as set out in the 2021 staff report, with Condition #9 amended as outlined above.

Chair Hildebrandt asked Jeff Busby if the conditions as set out were agreeable and Applicant advised the conditions are acceptable.

Staff recommended conditions remain as they were on the previously issued IUP, with the following change as set out by Director Jacobson regarding Condition #9.

On motion by Ashley Heng, seconded by Kurt Skjerven, and unanimously carried, the Planning Commission *GRANTED* the requested IUP with the following conditions:

- 1. Operate within provisions of the Clay County Land Development Ordinance.**
- 2. Operator shall control dust and provide necessary maintenance on any/all gravel haul roads.**
- 3. Operator shall provide proof of NPDES/SDS, Storm Water Management, and Air Quality Permits, as required, to the Planning Office, and shall follow all local/state/federal regulations prior to commencing mining operations.**
- 4. Operator shall contact Clay Soil & Water Conservation District to identify any potential wetlands.**
- 5. A maximum of 38 acres is approved for mining operations (excavation, screening, crushing, stockpiling, berming, etc.). If additional acres are proposed to be opened in the future, a new or amended IUP would be required.**
- 6. Require Applicant to post a reclamation bond of \$1,000 per acre.**
- 7. Require Applicant to reclaim mined out areas. Require areas reclaimed to be reseeded to a non-invasive species.**
- 8. Applicant shall provide parking, screening, lighting, drainage, and portable sewer facilities consistent with County regulations as determined by the Planning Department and County Environmental Health Department.**
- 9. Mining operations, excluding excavation or expansion, shall be permitted year-round, between 7:00 AM and 7:00 PM. Hauling during the period of posted seasonal load restrictions shall only occur on paved roads or other routes approved in writing by the Clay County Highway Department and any applicable Township Road authority. If the operator needs to operate beyond stated days/hours, they shall first notify the Planning Office of the reason and length of time requested, so the extended hours can be approved and affected property owners may be notified.**
- 10. Maintain a 100' buffer from Resource Protection-Biological Overlay District; No extractive use is allowed in the General Floodplain Zoning District.**
- 11. All mining activities must occur at minimum of 10 feet above the groundwater table.**
- 12. Conform to the current Clay County access management specifications by removing the south access and use the existing access to the north.**
- 13. Permit shall expire June 22, 2031.**

NOVEL ENERGY SOLUTIONS – REQUEST FOR CONDITIONAL USE PERMIT

The applicant is seeking a conditional use for a 1-megawatt community solar garden on Parcel ID: 08.034.2500, part of the NE1/2 of the NE1/4 of the NW1/4, Section 34, Township 141N, Range 46W, Flowing Township.

On motion by Jenny Mongeau, seconded by Laura Johnson, and unanimously carried, the Planning Commission opened the public hearing.

Matt Jacobson, Planning Director, stated there is currently a solar garden on this property, which was one of the first installed within Clay County, and they are now looking to place a second solar garden just east of the initial one. They are looking at installation in 2026. The projected lifespan is 30 years and Applicant will

develop, own and operate the project. Current zoning on the property is Agricultural General (AG). Criteria for this site selection included: Level terrain; Amount of sunlight; Proximity to electrical infrastructure; Landowner participation. This solar garden will interconnect to the grid through Xcel Energy.

Access to TH 9 is pending MnDOT permitting. There will be continuous remote monitoring of the project and equipment inspections twice a year. Twice a year there will be vegetation management. Applicant has submitted the following plans: Vegetation management; Stormwater management, Decommissioning plan.

The project shows that there will be overhead electric lines running from the project to TH 9 right of way. Clay County regulations require the line must be buried. Xcel requires that there must be 3 poles existing before the line can be buried. There is also screening required from neighboring two residences.

The project will take 10.03 acres of prime farmland out of production. No public comments have been received. No Township comment has been received. MnDOT provided comments regarding access and Right-of-Way (ROW) permitting.

Goals and Objectives reviewed from the 2045 Comprehensive and Transportation Plan:

- 1. Support the long-term protection of the County's strong and diverse agricultural economy.
 - c. Ensure that all new development is compatible with the character and quality of the County's agricultural areas.
- 1. Recognize and protect the agricultural character of Clay County.
 - b. Protect prime agricultural soils from commercial, industrial and residential development.
- 1. Encourage commercial and industrial development that is in harmony with the agricultural and
 - b. Avoid or mitigate against commercial and industrial development in and near environmentally sensitive areas.
 - c. Avoid or mitigate against commercial and industrial development that increases the potential for land use conflicts with rural residential or agricultural uses.
- 2. Grow and restore prairie and woodland areas in Clay County for the benefit and enjoyment of Clay County businesses, residents, and visitors.
 - a. Encourage agricultural, commercial, industrial and residential development to establish and/or woodland areas on properties to provide ecosystem services such as erosion and flood control, through assessment, permitting, tax, and zoning programs and incentives.

Dave Steichen asked if this solar garden is owned by the same company as the first solar garden; Director Jacobson advised it is a different owner and advised that Xcel does regulate that quite strictly.

Director Jacobson advised the University of Minnesota is currently testing taller solar panels to allow grazing and shading lands for cattle and sheep within solar projects. Joel Hildebrandt advised that the Soil & Water Conservation District monitors these areas to make sure they do not become thistle patches.

Sebastian McDougall inquired about impervious surfaces beneath the solar panels. Director Jacobson referred this to the Applicant.

Ralph Addonizi of Novel Energy was online and advised about 96% of a solar project is recyclable. Most of their projects require just posts driven into the ground, unless there is rocky soils which may require a bit of concrete for stability. If the panels are damaged they do not leak out any fluids. Applicant confirmed that they will need to bury the power lines. Mr. Addonizi advised that, due to technology, the sites continue to decrease

in size as less is needed for producing the same power. He also points out the benefits to the farmer for producing some extra income while continuing to farm as well.

Director Jacobson asked Mr. Addonizi if there would ever be an instance of moving a project, like a rotational grazing strategy. Mr. Addonizi indicated that may be an option for the future.

Jenny Mongeau asked if there were currently any incomplete projects within Clay County. Mr. Addonizi advised the company started in Minnesota and have many projects. He states that it would currently be at least a year or longer before they are able to even break ground. Mahmood Othman of Novel Energy advised that there are currently 3 outstanding solar gardens that have been permitted but not completed and Director Jacobson confirmed that. Several other companies have been permitted and their projects are completed.

Ashley Heng asked about the recycling of the used panels. Mr. Abruzzi advised that approximately 94% to 96% of their product is recyclable and they work with a company from Virginia who provides that service. It does cost them for this service, but they do get some money back on it due to metals recovered.

Laura Johnson asked if the recycling is used to make new panels or is it used for another purpose. Mr. Addonizi advised he was not aware of what the panel recycling is used for, but the metals are recycled into making additional solar parts.

On motion by Curt Stubstad, seconded by Kurt Skjerven, and unanimously carried, the Planning Commission closed the public hearing.

Mr. Addonizi advised he looked up what the recycled materials were used for. The recycled panel material, particularly the silicone, is recycled and used in new panels. The glass can be used again for other products. The aluminum frames can be smelted down and used in other projects. Panels can also be recycled and reused for existing greenhouses.

The Findings of Fact and Order were addressed and discussed by the Planning Commissioners as they pertain to the requested Interim Use Permit. Any issues or concerns may be addressed with conditions.

Staff minimum recommendations for Conditions include:

1. Applicant must abide by the provisions of the Clay County Land Development Code and Renewable Energy Ordinance.
2. Applicant shall obtain all applicable Local/State/Federal permits/reviews (i.e. Storm Water Pollution Protection Plan (MPCA), WCA review, etc.) before any construction and shall provide copies of them to the Planning Office.]
3. Project must meet MnDOT access management and Right-of-Way standards and must receive all necessary permits from MnDOT.
4. Project owner/operator must provide a decommissioning surety bond, cash deposit with Clay County, or letter of credit for \$50,000 per megawatt.
5. Project must meet the Minnesota Board of Water and Soil Resources Beneficial Habitat Standards as outlined in MN Statutes 216B.1642.
6. Project owner/operator must provide surety bond, cash deposit with Clay County, or Letter of Credit for 125% of the cost of establishing native plant cover on the project site.
7. Applicant must establish vegetative screening consisting of two rows of six-foot-high spruce trees between the project and residences to the west.

On motion by Curt Stubstad, seconded by Sebastian McDougall, and passed, with Ashley Heng placing a dissenting vote, the Planning Commission *GRANTED* a Conditional Use Permit with the following

conditions:

1. Applicant must abide by the provisions of the Clay County Land Development Ordinance.
2. Applicant shall obtain all applicable Local/State/Federal permits/reviews (i.e. Storm Water Pollution Protection Plan (MPCA), WCA review, etc.) before any construction and shall provide copies of them to the Planning Office.
3. Project must meet MnDOT access management and Right-of-Way standards and must receive all necessary permits from MnDOT.
4. Project owner/operator must provide a decommissioning surety bond, cash deposit with Clay County, or letter of credit for \$50,000 per megawatt.
5. Project must meet the Minnesota Board of Water and Soil Resources Beneficial Habitat Standards as outlined in MN Statutes 216B.1642.
6. Project owner/operator must provide a surety bond, cash deposit with Clay County, or Letter of Credit for 125% of the cost of establishing native plant cover on the project site.
7. Applicant must establish vegetative screening consisting of two rows of six-foot-high spruce trees between the project and residences to the west.

SOTA SOWN CANNABIS – REQUEST FOR CONDITIONAL USE PERMIT

The applicant is seeking a conditional use to establish a cannabis microbusiness at 22321 Highway 10, Hawley, MN 56549 on Parcel ID: 13.055.0030, Lot 003, Block 001, Gloryland Subdivision, Section 11, Township 139N, Range 45W, Hawley Township.

Due to a conflict of interest, Chair Joel Hildebrandt recused himself from this hearing. Vice-Chair Dave Steichen took over the meeting.

On motion by Curt Stubstad, seconded by Sebastian McDougall, and unanimously carried, the Planning Commission opened the public hearing.

Matt Jacobson, Planning Director, stated the request is for a cannabis microbusiness. This is on the south side of US Highway 10 near Hawley, and there is approximately 7,680 retail building and 4,608 sq ft of paved parking on the parcel, and also gravel parking. There are two other business in the building. This parcel and surrounding parcels are zoned Highway Commercial.

The request is for a cannabis microbusiness to cultivate and grow. Operation area is projected at 1,380 square feet in the southern half of the building. The processing area will be 360 square feet and 144 square feet of cultivation space on the second floor. There is ample on-site parking available for customers and staff needs. Access is direct from Highway 10, with safe ingress/egress. The building will have 24/7 surveillance, secure entry systems, alarm monitoring and restricted access areas. Security protocols will meet or exceed the Minnesota State requirements.

The first floor (ground level) will have retail space which is the primary customer-facing area, where licensed adult-use cannabis products will be sold. The space will also contain a secure area for product inventory, held in compliance with state regulatory standards, and also delivery access for receiving licensed product deliveries and managing outgoing transfers.

The second upper level will be a secured indoor grow area for small-scale, craft cultivation. This space will be using 5 4x4 AC Infinity Grow Tent and System. The growing setup is designed with proper HVAC, lighting, and odor mitigation systems. Cultivation will not cause any light, noise, or odor problems. It will have all proper procedures in place for pest management, storage and waste management. The processing area will have

space dedicated to the preparation and packaging of cannabis products for retail sale. No hazardous or solvent-based extraction methods will be used. There will also be an employee lounge to provide a break area for staff use during approved times. The manager's office will be a private space for administrative and compliance functions, as well as long-term storage of records.

The requested use meets or exceeds all setbacks. Applicant has provided a robust solid waste and wastewater disposal plan. Integrated pest management plan is required. Retail registration must be received from Public Health prior to beginning operations. Business hours must align with Clay County regulations.

There is a shared well with lots 1 and 2 owners; well agreement stipulates no unusual or excessive water use can occur.

No public comments have been received. No comment received from Hawley Township or the City of Hawley. Minnesota Department of Transportation (MnDOT) provided the following comments:

- Any building additions or improvements require site plan submission.
- No signage is permitted in the Highway Right-of-Way (ROW).

The following goals were reviewed from the 2045 Comprehensive and Transportation Plan include:

1. Encourage commercial and industrial development that is in harmony with the agricultural and rural character of Clay County.
 - a. Promote value-added agricultural commercial and industrial development in Agricultural Service Center areas and along transportation corridors and hubs.
 - c. Avoid or mitigate against commercial and industrial development that increases the potential for land use conflicts with rural residential or agricultural uses.
2. Promote the incorporated communities of Clay County as prime locations for commercial and industrial development.
 - a. Encourage commercial and industrial development to locate within the incorporated communities of Clay County.
 - b. Encourage commercial and industrial development that is in harmony with future land use plans or city leadership to occur in future urban growth areas of incorporated communities.

Cody Erickson is the owner of Sota Sown and has been in business in Ottertail County since 2019 with growing and extracting CBD products. He owns the building proposed to be used for this operation and feels confident about being able to secure the premises as required. The areas to be used within the building are currently unoccupied and they will only need to add a couple walls upstairs. He anticipates to be operational between October 1st to December 1st. He wants the business to have a look of being clean and appealing. The upper part of the building is just studs right now and will have walls added. The main floor was previously a coffee shop which is where the retail operations will be located.

Ashley Heng asked how many employees will be onsite. Mr. Erickson advised 2 to 4 employees at all times, hoping to be open 7 days a week from 10:00 AM to 8:00 PM but will know more once operational and may change depending on the season.

On motion by Ashley Heng, seconded by Josh Schroeder, and unanimously carried, the Planning Commission closed the public hearing.

The Findings of Fact and Order were addressed and discussed by the Planning Commissioners as they pertain to the requested Interim Use Permit. Any issues or concerns may be addressed with conditions.

Applicant Erickson advised he has reviewed the following conditions and are in agreement with all of them.

Minimum Staff Recommendations include:

1. Operate within the provisions of the Clay County Land Development Ordinance.
2. Operate within the provisions of MN Statutes Chapter 342 and MN Administrative Rules 9810
3. Obtain a state license with cultivation and retail endorsements.
4. Obtain retail registration from Clay County prior to operation.
5. Provide copies of security, solid waste and wastewater, pest management, and other plans as required by state law to the Clay County Planning and Zoning Department.
6. Submit a parking plan consistent with Clay County parking regulations to the Clay County Planning and Zoning Department.
7. Any onsite activities must not constitute a nuisance or trespass to surrounding properties.

On motion by Curt Stubstad, seconded by Ashley Heng, and unanimously carried, the Planning Commission *GRANTED* the Conditional Use Permit with the following Conditions:

1. Operate within the provisions of the Clay County Land Development Ordinance.
2. Operate within the provisions of MN Statutes Chapter 342 and MN Administrative Rules 9810
3. Obtain a state license with cultivation and retail endorsements.
4. Obtain retail registration from Clay County prior to operation.
5. Provide copies of security, solid waste and wastewater, pest management and other plans as required by state law to the Clay County Planning and Zoning Department.
6. Submit a parking plan consistent with Clay County parking regulations to the Clay County Planning and Zoning Department.
7. Any onsite activities must not constitute a nuisance or trespass to surrounding properties.

Joel Hildebrandt returned as Chair to the meeting.

SCOTT DAHMS – PETITION FOR TEXT AMENDMENT

The petitioner is seeking an amendment to the Clay County Land Development Ordinance and Subdivision Regulations to allow for cannabis business as a conditional use in the Agricultural Service Center Zoning District.

On motion by Josh Schroeder, seconded by Ashley Heng, and unanimously carried, the Planning Commission opened the public hearing.

Matt Jacobson, Planning Director, advised this request is from Scott Dahms requesting a Petition for a Text Amendment to allow a cannabis business as a conditional use within the Agricultural Service Center Zoning District. Director Jacobson showed the six locations within Clay County that are Agricultural Service Center Zoning Districts: Rollag, Averill, Rustad, Baker, Downer and Kragnes. Currently cannabis locations are allowed only within the Highway Commercial and Limited Highway Commercial zoning districts.

The petition cites historic preservation of the Baker grain elevator. Projected economic development of \$1 Million-plus revenues in the first year, with \$75,000 to \$100,000 per year in local/state tax contributions; potential to attract visitors to nearby communities. Of note, Clay County would not receive any sales tax revenue from cannabis businesses. Applicant cites Adaptive Reuse by positioning the elevator as a modern Agricultural Service Center through cannabis cultivation and retail. Also cited is rural revitalization model with the potential to replicate this adaptive reuse approach in other rural areas.

Agricultural Service Center Zoning Districts are comprised of small unincorporated communities. The District's purpose is to support rural residential, commercial, industrial and agricultural industry to supplement the agricultural economy of the County.

In looking at suitability of Agricultural Service Center Districts (ASC), 23 of the 259 parcels within the Agricultural Service Center areas of the County meet the required 500-foot setback from a residence, daycare, residential treatment facility, park/playground. Of those, 22 of the parcels would meet the minimum lot size of 1 acre. This represents 8% of all parcels within ASC Districts. Setbacks cannot be met on entire parcel and would be very site-specific. Virtually all "suitable" parcels would be greenfield development, meaning they are currently in agricultural production.

Aerial maps were reviewed showing the parcels meeting suitability within each Agricultural Service Center. All sites would need infrastructure investment, as well as buildings.

No comments have been received regarding this request. All Townships with Agricultural Service Centers were notified of this request and meeting.

Goals and objectives reviewed from the 2045 Comprehensive and Transportation Plan include:

Land Use: Commercial and Industrial

- 1 Encourage commercial and industrial development that is in harmony with the agricultural and rural character of Clay County.
 - c. Promote value-added agricultural commercial and industrial development in Agricultural Service Center areas and along transportation corridors and hubs.
 - c. Avoid or mitigate against commercial and industrial development that increases the potential for land use conflicts with rural residential or agricultural uses.

Because only 8% of these parcels within Agricultural Service Center locales are compliant with setbacks, approving this text amendment request could stimulate a large influx of Variance requests.

Director Jacobson gave the following potential reasons for recommending amendment denial and approval:

APPROVAL:

- The use has the potential to revitalize and diversify Agricultural Service Center economies.
- The use could be considered similar to other conditional uses permitted in the ASC (such as bar, restaurant, commercial entertainment) regarding business type, traffic generated, noise, lighting, parking.
- Adaptive reuse of structures has the potential to stimulate economic activity, promote tourism and preserve structures that contribute to the rural character of Clay County.

DENIAL:

- Properties in the ASC are overwhelmingly rural residential. Allowing an additional commercial and industrial use has the potential to create land use conflicts, especially with nearby residences.
- The use would not meet the required setbacks for cannabis businesses on over 90% of properties zoned ASC. Additionally, 42% of the lots in the ASC do not meet the 1-acre minimum lot size requirement. This would likely result in increased Variance requests to the Board of Adjustment, which requires the Applicant to demonstrate a practical difficulty complying with the Land Development

Ordinance. Wanting to open and operate a cannabis business at a location that does not meet the Ordinance standards would not be considered a practical difficulty)

- The Clay County Cannabis Ordinance is new (enacted June 2024) and the use is new for the State of Minnesota (Administrative Rules promulgated April 2025). Only one cannabis business has received a Conditional Use Permit from Clay County. Amending the Ordinance could be considered premature at this time.

Kelli Wegscheid, an architect on the project, Scott Dahms (owner) and Derek Draeger (project manager) spoke. Ms. Wegscheid thanked the members who had participated in their open houses they had. She felt that Applicants need to be given the opportunity to make modifications to make them compliant (i.e. acquiring additional nearby land to meet the 1-acre requirement). She stated that some of these old buildings in disrepair have little need or future and may be lost if not finding opportunities for them. She advised they have been working with nearby property owners to try to buy additional property to meet the 1-acre requirement. She equated the original use of agriculture use for their specific property to their current request of being agricultural use.

Scott Dahms advised he has owned the elevator for the past 8 years and it has also been his residence. He feels the cannabis industry is the only thing that can generate enough money to renovate and save this old elevator.

Ashley Heng asked if there were any residents that were involved in the recent tours the Applicants gave of their business. Ms. Wegscheid advised that there were no residents at the tours, but they have had many discussions with some of the neighbors.

Laura Johnson asked about the current use of this elevator as a Vacation Rental By Owner (VRBO) and Scott Dahms advised that they have been doing that but will not be allowed to do that once a cannabis business would be opened onsite. Derek Draeger advised that the current bedroom areas would be used as office space.

On motion by Sebastian McDougall, seconded by Kurt Skjerven, and unanimously carried, the Planning Commission closed the public hearing.

Staff recommendation is to go through the Findings of Fact and Order for the text amendment request with consideration given for potential reasons to recommend approval or denial.

Chair Joel Hildebrandt thanked the Applicants for the open house/tours they offered for the Planning Commission and community members. Although he feels preserving the elevator is a good cause, he does not support the Text Amendment request.

Vice Chair Dave Steichen advised he is in favor of legal businesses operating, and he understands the importance of preserving old buildings, but he is not in favor of recommending the Text Amendment based on the fact that the Cannabis Ordinance and the Development Code are both fairly new and feels that this is too soon to make such a big change.

Ashley Heng stated that people move to these smaller Agricultural Service Center communities because they are quiet and close-knit. She does appreciate that they are wanting to save this old building on their specific request, but she does not feel that adding additional traffic to the area would be beneficial, that the Ordinance is so new to be making such a major change to it, and therefore is not in support of the Text Amendment request.

Curt Stubstad stated that he is in favor of this business and that it would help secure the future of an old elevator. He does not feel that the traffic would be of consequence to the residential neighbors.

Josh Schroeder asked what other avenues the Applicants may have pursued in saving this structure, including other zoning options. Director Jacobson responded that rezoning was considered but that the rezoning would need to be consistent with the Ordinance. The lot size and setbacks preclude this property from being consistent with the Ordinance.

Jenny Mongeau thanked the applicants for sharing their project information and enthusiasm. She advised she will recuse herself from this vote so she can vote at the County Board. She pointed out that there was extensive work done on the Cannabis Ordinance and that it is very new.

Sebastian McDougall felt that the recommendation should be sent to the County Board and let them deal with the request.

The Planning Commission determined to go through the Findings of Fact and Order again and address each item individually. Director Jacobson reminded the Planning Commission members that only 8% of the available lots would qualify for the Text Amendment requested use. Director Jacobson provided the wording for what the recommended Motion should say:

For Approval: Move to recommend the proposed amendment to the Clay County Board of Commissioners for approval based on the Findings of Fact.

For Denial: Move to recommend the proposed amendment to the Clay County Board of Commissioners for denial based on the Findings of Fact.

Chair Hildebrandt shared that this Applicant's request would precipitate 2 Variances right away, since their location does not meet the setback or lot size requirement.

On motion by Kurt Skjerven, seconded by Ashley Heng, the Planning Commission moved to recommend the proposed Text Amendment for Denial to the Board of Commissioners based on the Findings of Fact. The Planning Commission did a roll call vote to recommend denial as follows:

Josh Schroeder	Approve
Sebastian McDougall	Deny
Ashley Heng	Approve
Dave Steichen	Approve
Laura Johnson	Approve
Jenny Mongeau	Recuse
Kurt Skjerven	Approve
Curt Stubstad	Deny
Joel Hildebrandt	Approve

UPDATE ON OUTSTANDING VIOLATIONS:

No changes to report, although some of the violations have had items partially addressed through this evening's meetings.

UNFINISHED BUSINESS:

None.

NEW BUSINESS:

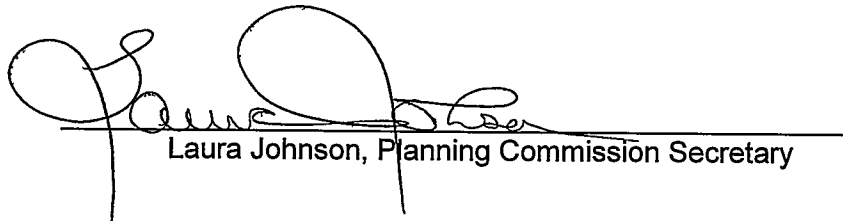
- MCIT Land Use Training Recap: Training was attended by Director Jacobson, Sebastian McDougall and Rita Rueckert. The topics were varied and included the importance of drafting your record. Another topic included data centers in Minnesota. These are currently not allowed on our Use Table but may look at this topic in the future to be included. The bar criteria has been set high for discontinuing uses due to being abandoned or nonconforming. Other topics were solar and cannabis. Sebastian McDougall added that the information provided was very helpful and he was glad he participated in the training. Joel Hildebrandt inquired about the data centers and Director Jacobson advised they are so large that they are regulated by the Public Service Commission or whoever the electrical provider is in that area.

Curt Stubstad advised that he was involved in a tour of one in the Grand Forks area and were told that they consume as much electricity each day as the entire city of Grand Forks. Most of this electricity is generated by coal.

Jenny Mongeau questioned about the proposed for Moorhead for jet biofuel plant and if there are gaps within the County current Use Table. Director Jacobson indicated that would be a good idea to look at and some of these items would also fall into the same category: Sustainable fuel, data centers, ethanol fuel, battery storage.

ADJOURNMENT:

On motion by Sebastian McDougall, seconded by Ashley Heng, and unanimously approved, the meeting adjourned at 9:23 PM.



Laura Johnson, Planning Commission Secretary