Pine Island Industrial Planned Unit Development Submittal Narrative

Final Applications

Following unanimous City Council Approvals for the Preliminary Plat and PUD on December 16th, Ryan Companies is pleased to submit this application for Final Plat, CUP and Zoning for Pine Island Industrial.

Existing Site Summary

The following narrative document is intended to describe the Pine Island Industrial project and sequencing. In its long-term form, the proposed development will consist of approximately 482 acres of land bordered by HWY 52 on the west and south, 490th Avenue to the north and 195th Avenue on the east. The existing land uses making up the project area primarily consist of agriculture, along with four residences. The property included in the proposed development is a combination of 12 parcels. The majority of these parcels are not currently within the Pine Island city boundaries. However, the land comprising the proposed development was prepared for orderly annexation from the Pine Island Township into the City of Pine Island earlier this year in anticipation of this prospective development. Ryan Companies is requesting the plat, rezoning (Planned Unit Development), and site development plan be approved simultaneously. The land is currently guided for Industrial (I) use in the Pine Island 2045 Comprehensive Plan (adopted in May 2024 and amended January 2025).

Proposed Development Plan

Proposed Development

The proposed development will be constructed in phases over a multi-year period. Development is expected to begin on the property south of 500th Street (South Project Area) and eventually extend to the area north of 500th Street in the future (North Project Area). The initial phase is anticipated to be a data center building and support facilities. The Pine Island Industrial development may contain several additional future uses such as data center(s), office, warehousing and distribution, research and laboratory, and logistics. Due to the size of the development area and anticipated multi-year duration, it is not prudent for a developer to be overly prescriptive on specific uses and ultimate design of the campus. Rather, Ryan Companies is casting a reasonably flexible net into the market to attract high quality tenants that fit within the identified uses and comply with the zoning restrictions contained herein.

Phases of Development

The proposed development is expected to occur in multiple phases over the course of 10 to 15 years depending on market conditions. The western portion of the South Project Area makes up the Phase 1 Project and is proposed to be platted as Lot 1. The Phase 1 Project is proposed to be developed with a mix of uses including a data center consisting of an approximately

±300,000-sf building along with accessory uses. The accessory infrastructure associated with the Phase 1 Project includes a secured site entrance, utility infrastructure, electrical power lines and associated structures located in a utility corridor, in addition to mechanical and electrical equipment directly supporting these uses. In addition, an approximately ±30,000-sf office building is planned to support the functions of the first phase.

The Phase 1 Project will also include stormwater management infrastructure required to meet expected treatment requirements for the development of the South Project Area, as well as managing offsite stormwater that travels through the South Project Area in its existing state. Development of the South Project Area is expected to require additional fill material, while development of the North Project Area is expected to generate excess soil. In order to balance earthwork of both areas, soil from the North Project Area is planned at this time to be transferred to the South Project Area as part of the Phase 1 Project. Stormwater ponds and sedimentation basins will be constructed on the North Project Area to support the Phase 1 Project grading effort.

Future phases are expected to start on the proposed Outlot A in the South Project Area and eventually include the proposed Outlot B in the North Project Area. The future proposed specific uses developed in the PUD area will depend on market conditions but may include any of the uses specified in this document. The future phases will be platted as Lots through the required city processes prior to start of building construction and subject to City site plan review at that time.

Offsite and publicly owned infrastructure needed to support Phase 1 of the project will be constructed and funded privately by the development alongside the Phase 1 project.

AUAR Summary as Relevant to the PUD Request

AUAR Scenarios

Ryan Companies and the City of Pine Island (Responsible Governmental Unit) selected to use the Alternative Urban Areawide Review (AUAR) to study the development area (approximately 482 acres). The AUAR is an environmental review process permitted by Minnesota Rules 4410 that allows local governments to study the environmental impacts of more than one development scenario. The AUAR serves as an informational guide for approvals and permitting decisions, not for project approval or denial. The AUAR involves the study of potential effects of development within and near the AUAR study area. In this instance, two scenarios were studied.

The City of Pine Island and Ryan Companies engaged Stantec to complete the AUAR analysis and SRF Consulting Group, Inc. (SRF) to complete the traffic analysis. The City Council approved the Scoping AUAR document on 5/6/25 after a 30-day public comment period. The Draft AUAR document was submitted on 6/3/25 for the 30-day public comment period. Following the comment period, the final AUAR was prepared and adopted by the City of Pine Island on 9/16/25. The AUAR studied two different development scenarios:

1. Mixed Light Industrial and Technology Center – This includes Printing, Material Testing, Warehousing, and Assembly of Data Processing Equipment in addition to the Technology Center uses listed below.

2. Technology Center – This includes Data Centers, Technology Services, Research and Development facilities and other similar uses.

To estimate the potential environmental effects of Scenario 2- Technology Center, that includes a potential data center use, the AUAR considered energy generation data from Xcel Energy to make reasonable assumptions for potential green-house-gas emission analysis. The AUAR also identifies several potential mitigation strategies, including lowering water use, the use of stormwater management and ponding, traffic improvements, noise reduction, and lowering the impacts of greenhouse gases. We have included the AUAR mitigation tracker that identifies specific mitigation for the first phase.

Traffic and Transportation

The AUAR traffic study identified several recommendations to help minimize the traffic impacts.

1. Pave 195th from White Pines Road to 500th Street with turn lanes into the site at the south access point.
2. Add a sidewalk on the east side of White Pines Road
3. Monitor Traffic on CR 11 / Hwy 52 ramps
4. Consider construction traffic routing.

Noise

The Pine Island Industrial development will comply with state noise regulations. The developer is planning to provide more detailed information through a noise study memo at the time of the building permit application for Phase 1, among other information. Noise assessments would be updated as appropriate for future phases.

Utilities

The approximately 482-acre area of the Pine Island Industrial development is not currently served by any public utilities due to being located outside of city limits and under agricultural use. The project is anticipated to include the extension of sanitary sewer and domestic water service from the City of Pine Island systems to provide service to the property. The utility extension is planned to take place in two stages, with the South Project Area being connected along with the Phase 1 project, while the North Project Area extension would take place in the future.

Gravity sewer service to the proposed development will be extended from an existing sewer main located west of White Pines Road within MnDOT ROW. Based on the findings in the AUAR, the city sewer system has capacity for the studied development scenarios. The wastewater needs for the proposed Phase 1 project fits within the parameters of the AUAR planning scenarios.

The watermain is planned to be a 12” looped watermain from White Pines Road, continuing along 195th Avenue to 500th Street and along the west side of Hwy 52 to connect to the watermain in County Road 11 NW. Based on the findings in the AUAR, the city water system

has capacity for the studied development scenarios. The water-use requirements for the proposed Phase 1 project fits within the parameters of the AUAR planning scenarios.

Project Requests for the Entire PUD

The project is proposing to establish a Planned Unit Development to replace the I-2 Light Industrial District zoning of the property and provide for a mix of uses within Pine Island Industrial development. I-2 will act as the underlying district of the PUD, with modifications that better accommodate larger developments while still meeting the intent of the code. If certain regulations of the PUD are not specifically mentioned, the I-2 regulations of the City are implied by default.

Uses

The underlying I-2 zoning district uses the following language to describe permitted uses: “Office buildings, warehouses, manufacturing, research laboratories, and other uses of a similar nature are permitted in the I-2 Light Industrial District”. This PUD is requesting to expand the Permitted Uses to include:

- Conference or training center
- Data centers
- Technology college, university, or technical School
- Technology - capital intensive advanced manufacturing facility
- Technology - research and development facility
- Utility service, minor
- Permitted Uses should also include the following, as needed, for any of the above uses:
    - Electrical distribution infrastructure
    - Elevated water storage tank
    - Energy generating facility
    - Energy storage facility
    - Food service facility
    - General office
    - General storage facilities and maintenance facilities
    - Heating or cooling facilities
    - Security buildings
    - Storage tanks
    - Structured parking
    - Telecommunications towers

In addition to the permitted uses, this PUD is requesting that the following Conditional Uses be included:

- Utility service, major – Utility scale solar energy generating facilities producing two MW or more of electricity, where the solar facility is the principal, sole use of the parcel within the development.

Height

The PUD is proposing building structures be permitted to a maximum height of 60 feet. This is an increase from the maximum height allowed within the I-2 district, but the PUD has proposed increased building setback requirements to minimize the perception of increased building height. Any accessory structures such as: equipment, electrical components, antennas, or similar types of structures may exceed 60 feet through a conditional use permit, but may not exceed 80 feet. Power lines and connections to power lines would be exempt from height limitations.

Setbacks and Buffers

The I-2 Light Industrial setback and buffer requirements are intended to provide adequate distance between adjacent individual developments, shared roads, and public streets. The Pine Island Industrial development is planned to operate as a cohesive development. Therefore, this PUD is requesting to alter building and road/parking setbacks around the border of the proposed development, and internally between the planned future lots.

The PUD is requesting that buildings up to a maximum height of 45 feet match the existing I-2 Light Industrial building setback requirement of 30 feet when adjacent to commercial zones, and 50 feet when adjacent to residential zones along exterior property lines. For buildings with height over 45 feet, the building setback will be increased by 2 feet for every 1 foot of height above 45 feet. Internally, the PUD would establish that buildings be set back at least 30 feet, and roads set back zero feet. The 30-foot building setback will meet fire code requirements for building separation while allowing substantial flexibility for building placement within the proposed development. The zero foot road setback will be necessary as private access roads and parking lots may be shared among the future developments.

Building Aesthetics

Proposed principal building facades that face the public road shall incorporate at least two of the following design elements:

1. Change in building height
2. Building recesses
3. Fenestration – The arrangement of doors and windows
4. Change in building materials, patterns, textures or colors
5. Use of accent materials

Building Materials

The following primary and secondary materials are permitted to include: precast concrete, tilt-up concrete panels, glass, tinted textured masonry block, stucco and external insulation finish system that simulates a stucco appearance, fiber-cement siding, metal panel systems, structural metal siding, wood siding and smooth faced concrete blocks.

Landscaping/Screening

City code does not currently include specific requirements for perimeter screening or buffering. The Pine Island Industrial development seeks to establish a perimeter planting requirement that

provides an aesthetic benefit to the community by visually softening building masses, pavement, utilities, and accessory structures.

The following code requirement is proposed for perimeter planting:

Lots adjacent to public rights-of-way shall provide a minimum of one tree for every 150 feet of street frontage adjacent to rights-of-way. Trees may be clustered to help create more visual interest and individual tree spacing may be more than 150 LF. Minimum plant size of 6 feet in height for coniferous and multi-stem trees or 2.5 caliper inches for deciduous trees at installation.

Tree Preservation:

The following code requirement is proposed for tree preservation:

Existing significant trees that would be impacted would be replaced on a 1 tree to 1 tree basis. Significant trees are defined as coniferous trees greater than 12 feet in height, hardwood deciduous trees greater than 6 inches in caliper measured at breast height, and softwood deciduous trees greater than 12 inches in caliper measured at breast height. Replacement trees shall be placed along the perimeter of the site along the security fence in addition to required perimeter planting.

Fencing

The Pine Island code requires that fences abutting a public right-of-way shall be at least 75% open space for the passage of air and light. This PUD requests that fences intended to provide screening be exempted from the open space requirement as the complete opacity of a screening fence is a requirement for it to function as intended.

Parking Ratio

City code requirements for parking ratio that would most closely match this development stipulate that Industrial, Warehouse, Storage, Handling of Bulk Goods uses require one space for each employee on the maximum shift, or one space for each 2,000 sf of gross floor area. This PUD requests that the parking ratio requirements of one space for each employee on the maximum shift apply to all of the use types allowed through this PUD. Light Industrial uses can vary greatly depending on the building type and use of the building. For example, Data Centers and automated Warehouses have lower parking demands. Conference, training centers and research and development buildings would have higher requirements. Parking ratios based on square footage would lead to excess parking being constructed.

Greenspace Ratio

Maximum lot coverage of all primary and accessory buildings is limited to 75% by city code. In addition, code requires that not less than 25% of the lot shall remain as landscaped green area. This PUD is proposing that the Pine Island Industrial development increase the minimum green area requirement to 35% of the total development area.

Lighting

The Pine Island Industrial PUD will establish a maximum height for standalone light structures of 40 feet. Light from campus fixtures shall be limited to less than 0.5 foot candles at the property line. All light fixtures must be downcast and cut off fixtures to minimize light pollution.

Noise

City code stipulates that noise levels must conform to the standards established by the Minnesota Pollution Control Agency (MPCA). This PUD area has undergone conceptual noise modeling through the AUAR review process to ensure that the constructed development will comply with this standard during normal operating procedures. The PUD requests that the code requirement for compliance with MPCA noise regulations be clarified to only apply to normal operation of the facility, and that emergency power generation would be excluded from those regulations. The noise impacts may also be further evaluated as part of any approval required from any other regulatory bodies.

Signage

The Pine Island Industrial development is planned to operate as a cohesive development and therefore would benefit from adjustments to the signage code that are more suitable to its comprehensive design. In addition, the development's placement adjacent to a high-speed road with larger setbacks drives a need for increased sign sizes to allow for full visibility, recognition, and safe and efficient navigation. The PUD requests to adjust the building signage code to allow signage on two sides of a building, with the signs allowed to be up to 600 sf on each side.

Freestanding signage would also be adjusted to allow three categories of sign with differing requirements:

1. Development Signage – One sign is allowed per mile of road frontage on Hwy 52. These signs may not exceed a height of 35 feet and 300 SF in area per side.
2. Gateway Signage / Shared Monument signs– One sign per shared access point from 195$^{th.}$ These signs may not exceed 12 feet in height and 200 sf in area per side.
3. Monument Signage – One of these signs will be allowed per building, not to exceed 8 feet in height and 100 sf in area per side.
4. Typical street signage and wayfinding signs would be exempt

Design Considerations for Phase 1

Access

The Phase 1 project of the Pine Island Industrial development is planned to have access from 195th Avenue. 195th Avenue will be upgraded to be a paved city road up to 500th street, with turn lanes added into the proposed secured access for both northbound and southbound traffic. Future development phases of the South Project Area may be accessed from new entrance locations from 195th Avenue. The development plan proposes that the roadway easement on 500th Street be vacated from Hwy 52 to 195th Avenue, which follows MnDOT's guidance for

access management for Hwy 52. Future phases of development will dictate if there is a full or emergency access point at the current intersection of 500th and 195th. During construction, 500th street and the proposed access point on 195th will be used for site access by construction vehicles.

Stormwater Management

The proposed Phase 1 Project will include the construction of stormwater maintenance facilities designed to manage and treat the stormwater runoff for the entire South Project Area. A network of storm sewer pipes will be installed throughout Lot 1 to direct runoff to a series of stormwater ponds near the south end of the property that will detain and clean the stormwater before discharging it offsite. The ponds will be a combination of wet basins for pretreatment, and filtration basins for water quality treatment. Volume reduction through infiltration is not possible for the proposed development due to the combination of Type C and D soils and potential for karst features. The treatment system will be designed to discharge water from the property at equal rates to how the property discharged in its existing state. Future project phases in the South Project Area will connect to this stormwater treatment system and utilize the treatment ponds.

The South Project Area currently hosts several drainage paths for offsite water that will need to be rerouted to pass the water around the expected site improvements. Swales originating along the north and northwest sides of the South Project Area will be redirected into a drainage ditch constructed in the Hwy 52 ROW and along the west edge of the Phase 1 Project area, leading the water back to the existing discharge point from the property. Offsite drainage coming from the eastern side of the South Project Area will be directed south along the western border of 195th Ave towards its existing discharge point off of the property.

Wetlands

Phase 1 of the project will require impacts to a 0.16-acre wetland area adjacent to HWY 52. Ryan Companies will pursue the appropriate permitting for this wetland impact concurrently with the city entitlement process.

Landscaping

Phase 1 of the Pine Island Industrial development is proposed to be planted with grasses, shrubs and trees native or adapted to the area in a thoughtful way that interacts with the existing landscape and proposed improvements. Open areas will be planted with native or adapted seed mixes that have limited irrigation requirements. Enhanced landscaping will be focused around the proposed buildings near areas of high employee concentration.

Annexation Petition

The project is requesting that the Project Area be annexed into the City of Pine Island conditionally upon approval of the final plat, zoning, and land closing

Relationship of PUD to Phase 1 Building Permit Application

Approval of the PUD is necessary for Ryan Companies to proceed with preparing a building permit application for Phase 1. At the time the building permit application is submitted, Ryan Companies anticipates that it will have additional information about the proposed data center and the internal design of the data center and ancillary uses. As part of preparing this entitlement application and future building permit application, Ryan Companies will compare the estimated environmental impacts of the Phase 1 structures and activities with the AUAR, and identify any significant impacts not identified in the AUAR. Ryan Companies anticipates the City of Pine Island will do the same as part of its review of the zoning and building permit applications. The building permit application will also describe any mitigation measures recommended for Phase 1 beyond those included with the PUD application. Ryan Companies acknowledges that supplemental environmental review may be necessary before action on the building permit application and associated permits should the development materially diverge from the scenarios studied in the AUAR.

Development Benefits

Pine Island Industrial will bring high-quality, well-paying jobs that exceed local average wages, increases to the local tax base, expanded infrastructure, and impactful partnership opportunities to the City of Pine Island and surrounding community.

Conclusion

Ryan Companies is proposing to establish the Pine Island Industrial Planned Unit Development to create an effective framework for the proposed development. This PUD seeks to establish standards to be followed for the development of Phase 1, and to continue forward for future development of the South and North Project Areas. Phase 1 is being proposed along with this PUD application. Phase 1 consists of one data center, a supporting office building, stormwater infrastructure and a secure site entrance. The remainder of the project is expected to be developed in phases over the course of several years with projects that fit within the proposed uses and zoning requirements established through this PUD, responding to the demands of the market. Pine Island Industrial will provide many benefits to the community, both during construction and in long-term investments. The first phase of the project is expected to create hundreds of highly skilled, local employment opportunities in construction and permanent roles that will exceed local average wages. Infrastructure needed to support the project will be funded by the developer rather than the city, including three miles of utilities and one mile of new paved city road that will provide community benefits beyond serving this project. The initial phase of development alone will plant over 300 new trees on the property, create 18.5 acres of stormwater treatment areas, and plant 40 acres of pollinator and native prairie seed mix.