

AGENDA
HARMONY PLANNING & ZONING COMMISSION
Regular Meeting

November 5th, 2025
7:00 P.M.

Council Room
Community Center

1. Call To Order
2. Roll Call
3. Consent agenda:
 - a. Minutes
4. Business
 - a. Data Center Ordinance Discussion
5. Adjourn

CITY OF HARMONY PLANNING AND ZONING

AGENDA ITEM COVER SHEET

Originating Staff: Katrina Hurley	Meeting Date: November 5 , 2025	Agenda Item No. 4a
Agenda Section: Old Business	Item: Ordinance Change Request: Title XIII: Chapter 15, Section 604.1-604.7	
<p>BACKGROUND: Last month, this item was introduced for initial discussion. At this time, we are requesting a continuation of that discussion to allow for further consideration of the information outlined in this memo, as well as the feedback received from the community during the Data Center Town Hall hosted by the EDA on October 7th.</p> <p>We are submitting this memo to formally request consideration of an Ordinance to amend Title XV: Chapter 15, Section 604.1–604.7 of the Harmony City Code to explicitly include data centers as a permitted use within industrial park districts. Currently, the ordinance outlines permitted industrial uses but does not directly address data centers or related technology infrastructure.</p> <p>As industry trends continue to evolve, data centers have become essential facilities for:</p> <ul style="list-style-type: none"> • Traditional computing operations such as secure data storage, cloud services, and telecommunications systems. • Emerging technologies including blockchain, distributed ledger applications, and cryptocurrency operations that require large-scale computing power. <p>Given the growing demand for digital infrastructure, we believe it is both timely and beneficial to amend the ordinance to explicitly include data centers as a permitted use within designated industrial zones. Data centers are low-impact facilities that align with the character and purpose of industrial parks, offering economic development opportunities, increased tax base, and minimal disruption to surrounding areas.</p>		
<p>ATTACHMENTS:</p> <ul style="list-style-type: none"> • Title XV: Chapter 15, Section 604.1-604.7 • Questions/concerns brought forth by the community • Flow chart to begin discussions 		
<p>PLANNING AND ZONING BOARD ACTION REQUESTED:</p> <p>Initiate discussion on the draft flow chart outlining permitted and prohibited uses for data centers within the zoning code. The discussion should proceed in three stages:</p> <ol style="list-style-type: none"> 1. Definition of use: Establish which types of data centers will be permitted under the zoning ordinance and define them. 2. Development Standards: Identify the regulations developers must follow during 		

construction, including but not limited to setbacks, cooling systems, building size, fencing, height, and location requirements.

3. Operational Standards: Determine the standards data center operators must meet once in operation such as environmental compliance, community engagement, and taxation obligations.

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Agenda Section: Old Business	Item: Community Questions	
<ul style="list-style-type: none">• What resources do you have to set up to create a good framework for the conditional use permit?• Is there going to be a land restoration clause?<ul style="list-style-type: none">◦ Like those required for windmill farms?• What more resources go into crypto mining than traditional? How much power will be used in crypto mining vs edge?• What is avg kwh rate data center would pay, would it be different than other businesses and residents?• What are number of jobs an edge or crypto data center would bring in?• What sort of environmental review will be required?• Will the data center use water from the city, will it dig a well, will it use the aquifer?• What are the impacts to fiber internet in the area?• Will the city sign an NDA?<ul style="list-style-type: none">◦ Would the city ever be willing to?• What type of generators will the data center use?<ul style="list-style-type: none">◦ Will the city allow diesel generators?• Who pays for infrastructure upgrades that may be needed over time?• What are tax impacts to residents?• How will the city benefit by bringing one in?<ul style="list-style-type: none">◦ What are the tax benefits?• Will the fire department have the capability to handle a fire at a data center?<ul style="list-style-type: none">◦ Do they require upgrades? Who pays for that?• Will there be a moratorium on how many the city will allow?• What happens if a modular version comes in and they leave in one year?		

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<ul style="list-style-type: none">● Things to consider when writing a data center ordinance and conditional use permit (CUP): See pages 2-6 for further facilitating questions.<ul style="list-style-type: none">○ Primary Question:<ul style="list-style-type: none">■ What type of data center is permitted in the industrial zone under consideration?<ul style="list-style-type: none">● Hyperscale● Edge● Modular/Micro○ Environmental Studies:<ul style="list-style-type: none">■ What level of environmental study will be required before approval?■ Who will be responsible for paying for those studies?○ Environmental Concerns:<ul style="list-style-type: none">■ How much water will the data center use, and where will it come from?■ How will noise from equipment and cooling systems be controlled?■ How will land pollution and hazardous materials be managed?■ How will stormwater runoff and waste be handled to protect local waterways?■ How will the city measure and address the combined impacts on traffic, housing, and community services?○ Fiscal and Economic Impacts:<ul style="list-style-type: none">■ How will property taxes from the data center be assessed and collected?■ Will the city consider PILOT (Payment in Lieu of Taxes) agreements, and under what terms?■ Will franchise fees apply, and how will they be calculated?■ How will the project contribute to school district taxes?○ Legal, Operations, and Long-Term Considerations<ul style="list-style-type: none">■ Will the ordinance include land restoration or decommissioning requirements if the facility closes?■ What infrastructure upgrades (power, fiber, cooling) will be required, and who will pay for them■ How will emergency response and disaster-readiness be coordinated with local services?		

- How will the city ensure the project remains compatible with long-term land use and community goals?
- What legal or operational loopholes should be closed to protect the community's interests?
- What lessons can be learned from other MN towns (Cannon Falls, Farmington, Rosemount, Hermantown, Pine Island) or other States (Virginia, Arizona, and Ohio) that already have data centers and have learned valuable lessons?

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Agenda Section: Old Business	Item: Facilitation Questions	
<ul style="list-style-type: none">● What type of data center will the city permit in an industrial zone?<ul style="list-style-type: none">○ Hyperscale○ Edge○ Modular● Does the ordinance clearly define eligible data center sub-types and their operational parameters?● Are facilities for cryptocurrency mining addressed separately, due to their unique noise, power, and cooling characteristics?● Will the proposed ordinance apply single standards to all types, or establish size/power/density thresholds to trigger additional requirements?● Environmental Questions:<ul style="list-style-type: none">○ Environmental Studies<ul style="list-style-type: none">■ What level of environmental study will the city require?<ul style="list-style-type: none">● Who will be required to pay for the studies?○ Water Usage and Sourcing:<ul style="list-style-type: none">■ What is the anticipated peak and annual water demand allowable?■ What technology/cooling method will be allowed (air-cooled, water-cooled, hybrid, advanced liquid immersion)?■ Will we prioritize non-potable/recycled water?■ Are there preconditions for requiring recycled water infrastructure, contributions to municipal treatment projects, or third-party water impact studies?■ What reporting/disclosure will we mandate (e.g., WUE, water use effectiveness metrics, annual public reports)?■ Are drought contingency and emergency supply plans required?○ Noise Pollution and Mitigation<ul style="list-style-type: none">■ Will we require a comprehensive noise impact assessment to be submitted (modeling both construction and operational noise)?■ What equipment (chillers, generators, fans) will be the principal noise sources? Will the city require noise abatement technologies (enclosures, barriers)?		

- Will the city specify maximum allowable decibel levels at site boundaries, especially adjacent to residential or sensitive sites?
- Are periodic operational tests (generator testing, HVAC load) going to be limited to certain hours, and is there a monitoring/complaints procedure going to be put in place?
- Is the city going to require regular noise monitoring and re-assessment post-occupancy?
- Land Pollution and Hazardous Materials
 - Will the city allow the facility to store or use hazardous materials (e.g., chemicals for cooling, batteries for UPS systems, fuel for backup generators)?
 - What are the city's regulations on all materials stored in accordance with fire/life/safety and hazardous materials regulations?
 - Will the city require a secondary containment plan for diesel/fuel storage?
 - Will the city require the developer to submit a hazardous materials management and spill contingency plan(s) for approval?
 - How are lithium-ion or other battery storage systems regulated for fire, explosion, and environmental risk?
- Waste Runoff and Stormwater Management
 - Will the city require the development plan to include a comprehensive stormwater management and runoff controls tailored for an impervious surface area?
 - Will the city require on-site detention, bio-filtration, and green infrastructure (e.g., rain gardens, green roofs) incorporated to manage runoff volumes and water quality?
 - Will the city require regular inspections, cleaning, and maintenance of stormwater facilities required as conditions of operation?
 - Will the city require an on-site pre-treatment plan for any potentially contaminated or heated wastewater before discharge?
 - Will the city require a re-use/recycling provision for rainwater or cooling tower blowdown specified?
- Cumulative Community Impacts
 - Will the city require an escrow agreement to cover the extra attorney and engineer fees as well as additional city administrator hours and EDA director time?
 - Will this include all studies and surveys? How much will the city require to remain in the escrow to ensure bills are paid by the developer and not the city?
 - Will the city require a traffic impact study to be conducted, including estimates of employee, delivery, and construction trip generation?

- Will improvements or mitigations to adjacent intersections, roadways, or signals, (funded by the applicant), be required as conditions for CUP approval?
 - Will the city require a parking requirement tailored to staffing levels (and phase-out after construction), rather than industrial-sector standards?
 - What are the city's visual/aesthetic impact concerns (including building height, façade, lighting, and perimeter security)?
 - Are buffer or screening requirements (walls, landscaping, setback distances) going to be required?
 - Will a community engagement or complaint-resolution protocol be mandated?
 - Have public safety/emergency access plans (fire, police, medical) and commitments (e.g., funding for equipment, training) been defined?
 - Will smaller-scale impacts (water, noise, stormwater) be evaluated with site-specific studies, or is a streamlined review possible if size/power/density is below defined thresholds?
 - What provisions address flexible deployment, temporary installations, and decommissioning or relocation of modular facilities? Is a land restoration bond required?
- Fiscal and Economic Impact Screening
 - Property Taxes:
 - What fiscal benefits or obligations will data center developers bring to the local government and community under the CUP ordinance?
 - Are ALL data centers subject to standard according to the value of the property and personal property taxes, or will discounted/depreciated rates apply?
 - How will server, equipment, and technology depreciation be calculated to avoid under- or over-taxation?
 - Is accelerated depreciation built into assessment practices?
 - How will localities ensure ongoing assessment and recalibration reflecting equipment obsolescence and turnover (important for maintaining the tax base)?
 - Are any state-level abatements, exemptions, or clawbacks for data center property taxes operative, and do they require demonstration of local benefit (jobs, investment)?
 - PILOT(Payment In Lieu Of Taxes) Taxes:
 - Will the ordinance explicitly allow or require PILOT agreements as an alternative to traditional property taxation?
 - What will the minimum PILOT terms (annual payment, escalator clauses, duration) be?

- Will the PILOT be tied to measurable community benefits (employment targets, infrastructure contributions), and is there a clawback for missed benchmarks?
 - Will the PILOT payments be allocated for school districts, emergency services, or earmarked funds?
 - Will the agreement conditions be public and subject to review at scheduled intervals?
- Franchise Fees:
 - Will franchise fees (for occupation of public right-of-way for electric, fiber, or other infrastructure) be assessed on the data centers?
 - Will fee rates be capped or flat, or tied to usage, throughput, or property value?
 - Will franchise terms be consistent with state law, for instance, Illinois restricts new telecommunications franchise fees after 2003 to protect providers from double assessment?
 - How will the ordinance address overlapping utility franchise rights and multi-user campuses (shared fiber/power)?
 - Does language ensure equality with other commercial/industrial users, or will there be provision for tiered fees for unusually large infrastructure footprints?
- School District Tax Contributions:
 - Will there be explicit contributions to school districts required where significant property tax exemptions or PILOT discounts are granted?
 - What procedures will ensure school levies or payments are funded at levels comparable to baseline industrial or warehouse use?
 - Will there be reporting requirements for jobs, local hiring, or educational/community grant programs?
- Additional Economic Development Incentives
 - Has a full accounting of state/municipal incentives (sales tax abatements, workforce credits) been published and disclosed as part of the discussion?
 - Is there a schedule of public benefits to be delivered by the developer (STEM programs, infrastructure upgrade contributions, community access initiatives)?
- Additional Legal, Operational, and Future Compatibility Considerations
 - Land Restoration and Decommissioning Clauses
 - Will the developer be required to submit a land restoration or decommissioning plan as a condition of approval, specifying:
 - Removal of all above- and below-ground structures, utilities, and hazardous materials?

- Restoration of soils, landscaping, and stormwater facilities to pre-development condition or a new agreed-upon use (e.g., green space)?
- Posting of a financial security (bond, escrow) adequate to cover full land restoration costs? How will the security be reviewed for adequacy as site conditions or costs evolve?
- Will the city define a clear timeline and accountability for restoration (e.g., must work commence within X months of cessation or abandonment)?
- Will the ordinance mention all exemptions, grandfathering provisions, or “special exceptions” to ensure they do not undermine core protective conditions (e.g., noise, water, hazardous materials performance standards)?
- Will there be a process for periodic review and adjustment of conditions if zoning or technological standards change?
- Will safeguards be in place to prevent “piecemeal” development (splitting projects into sub-units to evade thresholds/triggers for mitigation requirements)?
- Will data transparency (annual reporting on power/water/stormwater/noise/fiscal metrics) be mandated and enforceable?

Infrastructure Requirements (Power, Fiber, Cooling)

- Will the city require the developer to have guaranteed utility capacity for current and projected future demand?
- Will the city require studies verified local grid, substation, and transmission capability, as well as redundancy?
- Will the city require the development include on-site emergency generation, microgrid, or renewables to support grid sustainability and community resilience?
- Will the city require dark fiber (unused or excess capacity) to be made available for public or essential service access?
- Will cooling methods (evaporative, closed-loop, liquid immersion) be assessed for compatibility with local climate, water constraints, and regulatory framework?

Emergency Response and Disaster-Readiness Coordination

- Will the city require the developer and local public safety entities to jointly develop:
 - Comprehensive emergency response procedures (fire, explosion, chemical spill, cybersecurity breach)?

- Communications protocols for utility outages, flooding, extreme weather, and terrorism/sabotage?
- Plans for access/egress by emergency vehicles (including during construction, phased build-out, or campus security lockdown)?
- Will the city require that fire suppression, battery/HVAC risk mitigation, and hazardous materials response plans be shared with and approved by local authorities?
- Will the city require drills, facility tours, and periodic table-top exercises required to ensure first responders are familiar with the site layout and safety systems?
- Will the city require integration with county or state disaster recovery plans (e.g., leveraging data center resources for community emergency communications)?

Long-term Land Use and Community Compatibility

- Will the city evaluate potential for adaptive reuse or conversion if/when data center technologies or business models change (e.g., reuse as warehouse, light industrial, STEM education facility)?
- Will the city require the site design and architectural elements be (height, setbacks, materials, landscaping) tailored for compatibility with adjacent uses and future redevelopment options?
- Will the city require a periodic review (e.g., every 5–10 years) to confirm site compliance with evolving comprehensive plan, sustainability, and economic development objectives?
- Will the city incorporate triggers for reconsideration (e.g., change in facility type, ownership, expansion) to prevent perpetuation of nonconforming or incompatible uses?

Other States requirements to consider: Loudoun County in Virginia, Chandler in Arizona, and New Albany in Ohio:

- Pre-application: Developer is mandated to hold consultations with adjacent property owners and the general public before formal application.
- Transparency: Public posting is required of application documents, environmental impacts, fiscal benefit analysis, and annual operational reports.
- Adaptive Management: Provisions requiring review and amendment if cumulative impacts (e.g., groundwater stress, power grid congestion) exceed projections, or if new technologies (immersion cooling, higher-density batteries) demand changes to standards.