

AGENDA
HARMONY PLANNING & ZONING COMMISSION
Regular Meeting

December 3rd, 2025
8:00 P.M.

Council Room
Community Center

1. Call To Order
2. Roll Call
3. Public Forum
4. Consent agenda:
 - a. October Minutes
 - b. November Minutes
5. Adjourn



MINUTES
HARMONY PLANNING & ZONING COMMISSION
Regular Meeting

October 1, 2025
7:00 P.M.

Council Room
Community Center

Meeting was called to order by Eric Olson at 7:11 p.m.

P & Z Board Members Present: Miles Petree, Erik Olson and Rod Johnson. Also present was City Attorney Greg Schieber, EDA Director Katrina Hurley, City Administrator Alissa Stelpflug, Aaron Bishop, Allen Dahl, Ann Lyons, and Dennis DeKeyrel. Not Present: Jesse Grabau and Jim Strozyk.

CONSENT AGENDA: Board member Petree motioned to approve the consent agenda which consisted of minutes from the previous meeting in August 2025. Board member Johnson seconded the motion. A vote was held. All in favor. Motion carried.

ORDINANCE CHANGE REQUEST: EDA Director Katrina Hurley opened the discussion, explaining that the purpose of the meeting was to review the City's current ordinance and consider the possibility of amending it to include language specifically addressing data centers. Hurley noted that, as there has been recent interest from potential developers, it would be beneficial for the City to proactively determine what it wants to allow and under what conditions.

Schieber provided background, explaining that during the last Planning and Zoning meeting, the annexation of 60 acres was discussed. If annexed, one of the first considerations will be determining the appropriate zoning district—industrial, commercial, or residential. Currently, the City's ordinance does not contain any provisions related to data centers. This presents an opportunity for the City to establish definitions, regulations, and standards for such developments.

Attorney Schieber stated that there is no draft ordinance yet, as of now we are seeking input from planning and zoning before preparing one. A presentation is scheduled for Tuesday, October 7th, where more information will be shared and feedback gathered.

Items for consideration include:

- How to define a "data center."
- Where such uses would be allowed.
- Whether they should be permitted uses or require a conditional use permit (CUP).
- What conditions or standards should apply (e.g., setbacks, building design, infrastructure requirements).

Schieber noted that if a CUP process were used, conditions must relate to public health, safety, and welfare to be enforceable.

Hurley added that issues such as noise, utility capacity, and community benefits (e.g., workforce opportunities) should also be considered, as these are key areas where the City may be able to negotiate.

Schieber referenced a sample ordinance from Dakota County – City of Farmington, which includes regulations related to fencing, utility lines, building height, natural buffers, and landscaping. This could serve as a useful starting point for Harmony’s ordinance.

Olson asked whether a CUP could include any conditions the City wishes. Schieber clarified that conditions must be tied to zoning and public health, safety, or welfare concerns.

Olson expressed concern about environmental impacts, including power and water usage, and suggested that an Environmental Impact Statement (EIS) might be required as part of the CUP process.

Petree inquired whether zoning designations (e.g., commercial) could be changed later if needed. Schieber responded that zoning can be amended in the future if the City determines a different classification is more appropriate. Schieber also explained the distinction between permitted and conditional uses—if data centers are defined as permitted uses, they would not require additional review. Petree expressed preference for requiring review through a CUP process, given the scale and impact of potential developments.

Hurley reviewed the current commercial zoning ordinances, explaining which uses are presently permitted and which are not.

Stelpflug questioned whether Farmington’s ordinance requires a CUP for data centers. Schieber stated that in Farmington, data centers are permitted use, subject to extensive design and operational requirements. Farmington also has a large, designated technology park intended to attract such uses.

Stelpflug reiterated that the purpose of tonight’s discussion was to begin thinking through these issues and encouraged all members to attend the October 7th presentation, where MiEnergy and Dairyland Power will provide additional information about data centers and their potential impact on the community.

Petree expressed the area could be zoned commercial or industrial using the current permitted structures, and if someone wanted to do something not allowed in those zones, they would then come to the board and go through the proper review process.

Stelpflug noted that MiEnergy and Dairyland Power have had a few prospects inquire about potential sites, though no formal applications have been submitted. She emphasized the importance of being proactive so the City is prepared to respond quickly and thoughtfully should a developer move forward.

Ann Lyons commented that she had been researching data centers and noted that many communities are asked to sign non-disclosure agreements (NDAs). She stated her hope that Harmony would not enter into NDAs, as doing so may not be in the City's best interest.

No formal action was taken.

The discussion will continue following the community presentation on October 7th 2025.

Upon no further business, Board Member Olson adjourned the meeting at 7:30 pm.

MINUTES
HARMONY PLANNING & ZONING COMMISSION
Regular Meeting

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

Council Room
Community Center

Meeting was called to order by Jesse Grabau at 7:00 p.m

P & Z Board Members Present: Jesse Grabau, Jim Strozyk, Miles Petree, Eric Olson and Rod Johnson. Also present was City Attorney Greg Schieber and City Administrator Alissa Stelpflug, and CEDA Coordinator Katrina Hurley.

Also Present: Chris Giesen (Dairyland Power), Allen Dahl, Roxanne Johnson, Dennis DeKeyel, Robbie Brokken, Julie & Tim Little, Lynn Martin, Lynda Elton, Erica Thilges, Aaron Bishop, and Kyle Scheevel.

PUBLIC FORUM: Grabau asked if anyone wanted to speak during Public Forum. He asked that it be limited to two minutes. Please state your name and where you're from.

Roxanne Johnson addressed the Board, noting she and her husband own farmland surrounding the proposed site as well as development property within the city. She expressed concerns about ensuring proper zoning, addressing potential environmental issues, and planning for possible future expansion of the project. She encouraged consideration of an Environmental Assessment Worksheet due to the size of the acreage involved and referenced situations in other cities where smaller projects later expanded without adequate safeguards. She emphasized the importance of protective zoning and long-term planning.

Robbie Brokken spoke in support of Johnson's concerns. She noted her appreciation for the agricultural character of Harmony and shared worries about noise and impacts associated with similar facilities in other communities. She urged the Board to implement strong restrictions if the project proceeds and cautioned against past experiences where outside businesses took advantage of small towns.

Julie Little echoed previous comments and encouraged the Board to utilize additional research and outside resources, such as MCEA, to help develop a strong framework for any conditional use permits. She offered community assistance in gathering information and best practices from other areas.

Alan Dahl questioned what benefit the project would bring to Harmony, noting the potential for limited job creation and possible requests for tax relief. He expressed concerns about long-term energy demands of data centers, citing increases seen in other states, and questioned potential future impacts on local electric rates. He also

raised concerns about long-term viability and what would happen if the facility were abandoned or became obsolete.

CONSENT AGENDA: Meeting minutes from October's meeting were not included in the packet. Administrator Stelpflug said she will include them in December's meeting along with November's minutes.

DATA CENTER ORDINANCE DISCUSSION: DATA CENTER ORDINANCE

DISCUSSION: Grabau turned the discussion over to Katrina from CEDA. Katrina summarized the community questions gathered from the town hall and noted that she researched how other communities are handling data centers, including those with and without NDAs. She reported feedback from cities such as Cannon Falls regarding legal challenges, environmental requirements, emergency services capacity, taxation, PILOT agreements, and infrastructure needs.

She explained that Harmony is in a position to establish clear standards before any developer approaches the city, ensuring regulations reflect community priorities. Her draft framework outlines:

1. Defining which types of data centers (hyperscale, edge, modular) may be allowed;
2. Construction and design standards;
3. Operational requirements including environmental review, taxation, and community engagement.

Katrina also noted examples from other cities, such as requiring developers to fund infrastructure improvements or place funds in escrow for city costs. She suggested joint planning sessions with Council, P&Z, and EDA as a potential next step. The first question for Harmony to address is which types of data centers the community is open to permitting.

Greg Schieber noted that drafting an ordinance now would be premature, as key questions need direction before a workable draft can be created. He stated the complexity of data centers requires more discussion than typical ordinance topics and that no model ordinance is currently available through the League of Minnesota Cities. He requested guidance on major issues to establish a clear direction moving forward.

Katrina added that SMIF will be hosting a data center forum in November, with another planned closer to Harmony, and encouraged members to attend. She shared that SMIF leadership emphasized the opportunity for Harmony to be a statewide or national example for proactive planning that protects natural resources and community character.

In discussion, Eric Olson confirmed that data centers are not currently defined in city ordinances, meaning they are not listed as a permitted use. Greg clarified that while some categories list similar uses, a data center does not clearly align with existing examples and should not be assumed permissible without proper ordinance updates.

Katrina noted the importance of creating an ordinance that closes potential loopholes, even when working with trusted partners such as MiEnergy and Dairyland Power, as ownership or circumstances could change. She asked the board to consider which types of data centers should be allowed in the industrial zone. She explained the three types:

- **Hyperscale** – large-scale facilities using significant water volumes; not suited for Harmony and not proposed by MiEnergy/Dairyland.
- **Edge** – facilities that vary in size, often over 50,000 sq. ft.; may use water or other cooling systems.
- **Modular** – container-style units placed on concrete pads, typically in clusters.

Board Member Grabau stated he does not support allowing hyperscale data centers but is open to considering edge or modular facilities if appropriate parameters are established in the ordinance. Members noted that MiEnergy's concept has focused on modular units, though edge-style facilities may also be possible.

Chris Giesen explained that "edge" typically refers to a permanent brick-and-mortar structure, while "modular" refers to containerized units; either type could be used for various computing activities, including crypto or standard data processing.

Katrina recommended considering a land restoration clause for modular facilities, similar to wind and solar projects, potentially requiring upfront funds or bonds to ensure restoration if a business closes. Greg noted that projects in other industries base these requirements on expected operational lifespan.

Discussion also addressed water and sewer usage. Grabau shared that the modular site they toured used water only for bathrooms and office space, with cooling handled through a closed-loop, non-toxic coolant system. He recommended requiring closed-loop cooling to protect city infrastructure, aquifers, and natural resources. The board also discussed the need to regulate any limited water discharge associated with closed-loop systems to prevent improper runoff.

Katrina noted that some data centers use zero-water closed-loop cooling systems and that the city could choose to prohibit water use for cooling entirely. Grabau confirmed that the modular site previously toured used a biodegradable, corn-based coolant with no water usage. Members discussed that additional structures on the site may require standard water and sewer service, especially if industrial lots near the road are developed.

It was clarified that the proposed purchase area is 60 acres. Surrounding landowners were identified, prompting discussion on whether a data center could affect the attractiveness of adjacent parcels for other potential developments. Roxanne expressed concern that a prospective employer may not want to be located next to such a facility.

Grabau reported that the city they visited had a 65-decibel property-line noise limit for modular data centers and recommended a similar standard to reduce impacts on neighboring properties and future development.

Katrina asked whether the board preferred edge or modular data centers, or both. Eric Olson expressed a preference for none but stated that if permitted, strict environmental, noise, water, electricity, and waste regulations must be included. Katrina emphasized that the city can adopt the strictest standards, ensuring Harmony is protected whether or not a project ever materializes.

Job creation was briefly discussed. Katrina noted modular facilities typically create fewer positions, while edge facilities may offer more. Alissa added that the site they toured employed approximately 8–10 full-time staff.

Grabau emphasized the need to balance potential benefits with strong environmental protections. He stated that a well-crafted ordinance may attract responsible development while safeguarding natural resources, whereas a moratorium or outright denial could discourage future business opportunities.

Linda asked what benefits a data center would bring. Grabau noted the primary benefit is increased tax base. He explained that a substantial commercial project could help offset city and school district costs in ways residential growth alone cannot.

Katrina added that community benefits ultimately depend on a future developer, but the city can require specific contributions—such as designated revenue for the school district or parks, or support for fire and emergency services. She cited examples from Cannon Falls and Nobles County, where large projects provided significant community payments and equipment.

Discussion then turned to ordinance structure. Katrina asked whether Harmony should create one ordinance covering both edge and modular facilities or separate standards based on size, structure type, or power consumption. Jesse asked whether requirements should differ based on physical type or energy usage thresholds.

Greg stated that, from a technical standpoint, modular facilities and traditional buildings differ significantly in appearance and operation, making them easier to regulate separately. He noted that reclamation escrows may be appropriate for modular units but not for permanent buildings, and that distinguishing by physical type may be more practical than using energy-consumption thresholds.

Jesse agreed but added that energy-use triggers could still be included—for example, requiring additional steps in the ordinance once a facility exceeds a certain megawatt level. He noted that higher-load projects may require a dedicated substation and suggested that larger energy consumption could trigger an environmental worksheet or impact statement. He also emphasized the need to balance ordinance detail, ensuring it is comprehensive but not excessively long.

Miles asked about the possible need for a substation and later commented on peak-hour energy use. Jesse responded that most operators would avoid buying power during peak rates because it reduces profitability, and such considerations could be addressed in the ordinance if needed.

Julie asked whether requiring an environmental impact statement could resolve some concerns, and Jesse confirmed that this is part of the ongoing discussion.

Katrina moved the discussion toward clustering and potential campus-style development. She asked whether the ordinance should regulate the ability of a data center to purchase surrounding land and expand, and whether cumulative impact analyses would be required. Jesse noted that expansion onto adjacent lots would essentially create clustering. Katrina asked whether Harmony would allow a campus-style model, similar to what communities like Cannon Falls are permitting with large technology campuses.

Eric asked for scale comparisons, and Jesse explained that hyperscale projects typically require 100–400 acres—far beyond what Harmony should or would want to accommodate. Alissa added that a project of that size would be incompatible with nearby residential areas.

Roxanne asked what size facility could fit on a 60-acre parcel. Chris confirmed that a hyperscale facility would require more than 100 acres, meaning a site of that size would be limited to smaller, edge-type facilities. Katrina noted that the ordinance should not be written solely around current Dairyland/MiEnergy activity and should consider future scenarios, including potential larger land sales.

Discussion turned to power availability. Jesse explained that current transmission capacity limits the potential for large projects, although Chris noted that the region's dual transmission systems create development interest. Katrina commented that other regions have expanded power sources to accommodate data centers, underscoring the need for clear parameters on site size and scale in Harmony.

Julie and Roxanne asked about building size, height, and limits. Jesse said facility size is tied to energy draw, and one possible approach would be to cap megawatt capacity per project or per site. Katrina also raised questions about height limits for buildings and fencing, and whether stacked modular units should be prohibited.

Aaron asked whether allowing a 50-MW project would restrict future development in Harmony. Jesse said it could, depending on available power, and noted that capacity questions would ultimately involve MiEnergy, Dairyland, and the city's utility.

Greg reminded the group that the ordinance will take shape over multiple discussions, and that the goal is to create a thorough, defensible framework. Jesse emphasized avoiding rushed decisions to prevent litigation risk.

Katrina then outlined environmental considerations. She asked the board to consider water-use limits, allowed cooling technologies, requirements for non-potable/recycled water, and protections for the local aquifer. She also raised the need for noise-impact assessments for both construction and operations, along with clear standards for noise abatement methods such as berms, vegetation, or fencing.

Community members expressed concern about noise in nearby residential areas. Jesse said noise-level requirements at the property line would likely be necessary, along with a comprehensive assessment rather than relying solely on developer claims. Katrina noted that many communities set separate daytime and nighttime decibel limits. She clarified that noise rules would apply only to data centers and would not affect existing businesses.

Robbie added that strict property-line noise limits—such as 0.65 decibels—would prevent noise issues that have occurred in other communities lacking strong ordinances.

Eric suggested that noise limits at the property line should account for all cumulative sources, including generators and fans. Jesse agreed and noted that a comprehensive noise study would be needed. Katrina added that proximity to roads, nearby homes, and other community elements should be considered. She also raised operational questions, including generator and HVAC testing schedules, monitoring procedures, complaint responses, and annual reassessments to ensure environmental improvements are implemented over time.

Katrina then addressed land pollution and hazardous materials, asking how backup fuel, batteries, and cooling chemicals would be stored, what safety protocols would be in place, whether secondary containment for diesel is required, and whether alternative generators might be mandated. She also highlighted the need for hazardous material management and spill contingency plans and regulations for battery storage to protect the environment and fire safety.

Jesse emphasized that these issues require further investigation and consultation with engineers, environmental experts, and state agencies. On stormwater management, Katrina asked whether comprehensive plans, regular inspections, and runoff controls would be required. Julie asked about runoff into nearby ditches, and Jesse explained

that retention ponds can control runoff but additional expertise is needed. Roxanne noted underground tile systems on surrounding land could affect saturation and drainage.

Katrina discussed rainwater reuse and roof runoff, noting municipalities increasingly require detailed engineering studies. She also raised community impact considerations, including traffic studies, developer-funded road improvements, parking tailored to staffing, phasing, and visual aesthetics such as building height, façade, lighting, security, and buffering through landscaping or setbacks. Jesse and Katrina noted some municipalities require setbacks of 250 feet, significantly greater than typical industrial lots, as part of mitigation strategies.

Throughout the discussion, Jesse reiterated the need for careful planning to protect Harmony's environment, natural resources, and community while creating a framework for potential data center development—emphasizing that the city is not seeking large-scale or hyperscale facilities.

Jesse noted that data center development should fall “somewhere in between,” reflecting the community's desired balance. Katrina emphasized that screening, setbacks, and visual standards should align with what the board wants to see. She also highlighted the importance of mandatory community engagement and complaint-resolution protocols, citing examples from other municipalities where lack of early engagement caused ongoing contentious meetings. Katrina added that public safety and emergency access plans, as well as funding for equipment and training, should be clearly defined, with success measured by enforceable mitigation requirements.

Discussion moved to taxes, which Jesse noted falls more under council authority than planning and zoning. Allen asked about the possibility of a data center generating its own power. Jesse acknowledged it is a possibility but cautioned that on-site generation, including drilling wells or independent power, could present complications, especially since the site would be within city boundaries and subject to city rules. Eric noted that drilling a well would still draw from the city water supply, which Jesse agreed would offer no net benefit to the city.

Katrina summarized that these points form the baseline for defining the data center's use and development standards. Dennis asked about involving a citizen group, and Jesse supported the idea, and explained that is why we are listening to the community during these planning and zoning meetings. Noting that citizen feedback can help shape a more informed and responsive ordinance, even if consensus is not reached on all points.

Aaron asked how enforcement would work if a developer violated the agreement. Jesse explained that the ordinance framework would provide mechanisms for the city to

respond, potentially involving legal counsel, citations, or actions against the conditional use permit (CUP). Roxanne clarified that data centers would require a CUP, and Jesse confirmed that violations of the CUP would be enforceable under the ordinance.

Throughout the discussion, Jesse emphasized caution and careful planning to ensure that any data center development is responsible, compliant, and in Harmony's best interest, without rushing into large-scale or hyperscale facilities.

Greg noted that the discussion had not yet addressed whether data centers should be permitted by right, but based on the conversation, it seems the group is leaning toward using a conditional use permit (CUP). Jesse agreed, stating that a CUP allows the community to see the conditions set for the project, keeps residents engaged through meetings with the developer, and provides a structured process for questions and feedback, even if not everyone supports the project. Eric agreed with this approach.

Katrina added that while some communities use a planned unit development (PUD) to allow more flexibility, Harmony's goal is to establish stricter, more stringent standards. She noted that a CUP could also include a community benefits agreement, tying specific benefits directly to the project.

Greg outlined key considerations for modeling the ordinance, including size and scale limitations, water use, noise, taxes, and ensuring community benefits are realized. He emphasized creating a "wish list" of ideal outcomes so the ordinance can be structured to minimize deviations. Jesse highlighted that ongoing community feedback is essential throughout this process.

Katrina stressed that these meetings are intentionally designed to gather input from residents, allowing the community to share what matters most to them. She noted that learning from other communities' experiences—both successes and mistakes—has been invaluable in shaping an approach that balances development with community interests.

Julie added that continued communication with other communities provides helpful context, and Katrina confirmed that feedback from local residents has been instrumental, particularly regarding land restoration and environmental safeguards.

A community member asked if there are examples of communities that were particularly pleased with their approach, underscoring the importance of hearing lessons learned from both neighbors and peers.

Katrina noted that some communities, like Cannon Falls, have seen more satisfaction once conditions were put in place—such as contributions to schools and parks—but acknowledged that residents there are still adjusting. Community members asked whether any communities were truly pleased with hosting data centers. Jesse pointed

out that smaller, brick-and-mortar facilities have led to positive outcomes for some communities, especially when tax benefits were realized, though larger-scale projects and impacts on natural resources can create dissatisfaction.

Katrina emphasized the importance of regulatory oversight, noting that rural communities can struggle to keep up with changing technology, which can leave them unprepared if standards aren't clearly enforced.

Community members asked whether Harmony could require brick-and-mortar buildings instead of modular units. Jesse confirmed that this could be specified, which also ensures that buildings could have alternative uses if a data center vacates the site.

Discussion then turned to noise. Jesse explained that 65 decibels—roughly the level of normal conversation—is the proposed threshold at the property line, and that noise from cooling racks or other equipment could be louder within the facility but should be mitigated before reaching surrounding properties. Katrina and Jesse noted that mitigation measures could include fencing, berms, tree lines, and hedges, with flexibility built into a conditional use permit rather than a rigid ordinance.

Lynn and Roxanne raised the importance of ensuring that landscaping, trees, and other mitigation measures are implemented, suggesting the use of escrow or bonds to guarantee completion, citing prior experiences where promised landscaping by other developers was not delivered.

Throughout the discussion, Katrina and Jesse emphasized that the meetings are structured to incorporate community feedback, taking into account what is most important to residents in shaping development standards, mitigation measures, and the overall framework for conditional use permits.

Katrina noted that mitigation measures—such as noise controls, landscaping, and soil quality—should be put in place before a facility is operational. Jesse emphasized the board's duty to follow up and ensure commitments are met, citing prior experiences where promises were not fully executed. Community members highlighted past issues with landscaping and soil, underscoring the need for enforceable conditions.

Katrina suggested compiling tonight's discussion into a "wish list" to guide future decisions, and Jesse agreed that reviewing notes and determining direction before moving forward would be helpful. Eric and other board members noted the value of envisioning what an ideal scenario would look like while recognizing that these discussions are hypothetical and no developer is currently committed. Katrina added that establishing rules without targeting a specific developer puts Harmony in the strongest position.

The board discussed drafting a preliminary framework, with Katrina volunteering to prepare a draft based on the notes and input from other cities' experiences. Greg suggested incorporating examples from other communities, and Eric emphasized condensing the notes into a manageable format to facilitate discussion. Katrina and Jesse reiterated that this process allows the board to address important topics learned from other cities and ensure that community concerns are integrated.

Jesse confirmed that future meetings will continue to focus on these discussions and community input. The next meeting is scheduled for **Wednesday, December 3rd at 8:00 PM**, and all community members are invited to attend.

Throughout the process, Katrina and Jesse emphasized that these meetings are designed to collect community feedback and ensure that resident concerns shape the development standards, mitigation measures, and ordinance framework.

Upon no further business, Board Member Grabau adjourned the meeting at 8:24 pm