

City of Harmony

Joint Planning Session: Data Center Ordinance – Meeting Minutes

March 18, 2026

Present: Jesse Grabau, Tara Morem, Kyle Scheevel, Kelsey Bergey, Stuart Morem, Greg Schieber, Erik Olson, Jim Strozyk

Absent: Mayor Donney, Rod Johnson, Miles Petree

Other City Employees Present: Chris Hahn (CEDA),

Community Attendees: Trent Akie, Jackie Johnson, Kris Torgerson, Travis Willford, Archie Jorgenson, Roxanne Johnson, Eugene R. Bergstrom, A. Renee Bergstrom, Aaron Bishop, Amy Bishop, Hannah Wingert, Bonita Underbakke, Harvey Benson, Ann Lyons, Diana Lawrence, Dough Lawrence, Eva Barr and Walker Ward.

Harmony Community Center

The joint planning session of the Harmony City Council, Economic Development Authority, and Planning and Zoning Commission was called to order at 6:00 p.m. by Jesse G. at the Harmony Community Center. The purpose of the meeting was to continue the collaborative drafting of a data center ordinance, with a focus on finalizing remaining ordinance components before moving into the next phase of discussions.

Contracted facilitator, Katrina Hurley, opened the meeting by providing an overview of the process to date. She reiterated that the City has intentionally taken a transparent and deliberate approach to ordinance development, holding joint planning sessions with all boards present and inviting public participation throughout. She noted that no formal decisions would be made during these sessions and that all recommendations would ultimately move through the formal Planning and Zoning and City Council processes, including a public hearing.

Hurley also clarified that, at this time, there is no active developer under consideration. While MiEnergy and Dairyland Power have indicated high levels of interest in the area and the potential annexation of approximately 60 acres for future development, no agreements have been signed. This has allowed the City the opportunity to proactively develop an ordinance that reflects community priorities rather than reacting to a specific proposal.

Zoning Structure:

The group began discussion with zoning structure. The primary question considered was whether to allow data centers within existing industrial zoning, to create a new industrial technology zoning classification, or to combine a new zoning district with a conditional use permit requirement. After discussion, there was general agreement to move forward with creating an Industrial Technology Zone paired with a conditional use permit. This approach was

viewed as providing additional control and flexibility while avoiding limitations tied to traditional industrial zoning. The conditional use permit would allow project-specific review and provide the

City with the ability to impose safeguards and require additional scrutiny based on the scale of the project.

Conditional Use Permit:

The group then discussed thresholds for requiring a conditional use permit based on energy usage. It was agreed that all data centers, regardless of size, should require a conditional use permit, ensuring consistent oversight and review for any project meeting the ordinance definition of a data center.

Water Use:

Water use was revisited, and the group reaffirmed its previous direction to prohibit all water-based cooling systems, including closed-loop systems. Discussion then focused on whether to require ongoing water usage reporting for domestic uses such as restrooms and facility cleaning. The group supported requiring periodic reporting to ensure compliance and to provide a mechanism for identifying potential misuse or expansion beyond stated operations. However, the specific threshold for triggering additional review based on water usage was not finalized and will require further data from existing local usage to determine an appropriate benchmark.

Groundwater Protection:

Groundwater protection was discussed next. While water cooling is prohibited, the group acknowledged that risks to groundwater still exist due to potential fuel storage, generator operation, and other chemical uses. Rather than requiring a fixed groundwater monitoring system in all cases, the group expressed support for requiring a spill response plan and containment measures consistent with state standards, while also allowing flexibility to require additional monitoring or safeguards through the conditional use permit if project-specific risks warrant it.

Noise Standards:

The group then returned to noise standards, continuing a discussion from the previous meeting. After reviewing typical state standards and considering the continuous nature of data center operations, there was general agreement to establish a maximum noise level of 60 decibels at the property line. This standard would apply to both normal operations and generator use, with the expectation that developers would incorporate necessary mitigation measures such as buffering or sound barriers to meet the requirement.

Setbacks and Buffering:

Setbacks and buffering were discussed in relation to both noise and visual impact. The group supported establishing a minimum setback requirement while allowing flexibility for Planning

and Zoning to require greater setbacks based on project size and design. A minimum setback of 300 feet from property lines was supported, along with a 500-foot setback from residential areas. The ability to increase setbacks on a case-by-case basis was viewed as important to maintaining flexibility and protecting nearby properties.

Operational Reporting:

Discussion then moved to operational reporting, particularly related to energy use. Although the data center would purchase electricity directly from MiEnergy rather than through the City, the group supported requiring reporting of key operational metrics, including peak demand, generator runtime, and overall energy use. This was viewed as important for transparency and to ensure that operations remain consistent with what was approved.

Generator Use:

Generator use was discussed in more detail, specifically whether to impose local limits on testing hours. The group agreed to defer to existing state standards rather than establishing separate local limits, recognizing that generators are typically tested infrequently and that additional local regulation may not be necessary.

Utility Impact Study:

The group reviewed the concept of a utility impact study, which would evaluate grid capacity, infrastructure needs, and system reliability. There was general support for requiring such a study to better understand the impacts of a large energy user and to ensure that any necessary infrastructure improvements are identified and appropriately assigned to the developer.

MegaWatt Capacity:

A discussion followed regarding whether to establish a cap on total megawatt usage per project. While no final determination was made, there was general interest in aligning with state-related thresholds and avoiding hyperscale developments. A preliminary direction of approximately 40 megawatts per project, with additional review required above that level, was discussed as a potential starting point. The group agreed that additional input from MiEnergy and Dairyland Power would be helpful before finalizing this section. They will be invited to the following meeting.

Substation:

Substation placement and design were also discussed. The group generally agreed that substations should be subject to the same setback and buffering requirements as the primary facility and should comply with lighting standards designed to minimize impact on surrounding areas. The group supported incorporating dark sky lighting standards into the ordinance.

Environmental Reviews:

Environmental review requirements were then considered. The group discussed the differences

between an Environmental Assessment Worksheet (EAW), an Alternative Urban Areawide Review (AUAR), and an Environmental Impact Statement (EIS). After discussion, there was general agreement to require an Environmental Impact Statement for any data center project, as this provides the most comprehensive level of review.

Compliance and Enforcement:

Compliance and enforcement mechanisms were briefly reviewed. The group acknowledged that reporting requirements for water use and noise, combined with monitoring tools and permit conditions, would provide a foundation for ongoing oversight. Additional complaint response procedures will be addressed in future discussions.

Decommissioning:

The group then engaged in an extended discussion regarding decommissioning. This included consideration of financial assurance mechanisms such as escrow accounts, surety bonds, and letters of credit. Concerns were raised regarding enforcement, ownership of the property, and the City's ability to act if a developer abandons the site. Potential tools discussed included requiring upfront financial assurance, establishing rights for the City to access the property in the event of abandonment, and exploring nuisance ordinance provisions. While no final decision was made, there was general agreement that a financial assurance mechanism will be required and that further legal review will be necessary to determine the most effective approach.

Abandonment/Dormancy:

Related to this, the group discussed dormancy and abandonment timelines. While options such as 12, 18, or 24 months were considered, it was noted that enforcement may be complicated by tax status and property ownership. This section will require further refinement.

As the meeting concluded, Hurley summarized that the group had worked through the remaining major components of the ordinance. She outlined next steps, which include refining the draft ordinance, incorporating legal review, and preparing for the next phase of discussions focused on the conditional use permit, community benefits agreement, and related implementation tools. Future meetings will include breakout sessions to allow for more detailed input from participants and the public.

The meeting adjourned at 8:00 p.m. by Jesse G.