



**Planning Commission Work Session
Monday, July 20, 2026 at 6:00 PM
Public Meeting Room**

AGENDA

- 1. Call to Order**
- 2. Items for Discussion**
 - A. Data Center Performance Standards
- 3. Routine Business**
- 4. Future Discussion**
- 5. Adjournment**

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Staff Report to the Planning Commission

TO: Planning Commission
THROUGH: David Wanberg, CED Director
FROM: Harry Davis, City Planning Manager
MEETING DATE: July 20, 2026
SUBJECT: Data Center Performance Standards

Request:	City Council has directed City Staff, the Planning Commission, and Environmental Commission to collaborate on performance standards for data centers.
Recommendation:	City Planning Manager recommends Planning Commission consider the initial suggestions from City Staff and request/add any additional performance standards.
Recommended Motion:	No motions for a work session. Planning Commission may want to informally decide on representatives to the Environmental Commission meeting on July 27, 2026.

Background and Request:

In May 2025, Archer Datacenters submitted an EAW for a 500,000 sq ft data center complex in Faribault's northern industrial park on property zoned I-2, Heavy Industrial. In July 2025, after the document was revised, City Council adopted findings of fact and a decision not to require an EIS. This decision was appealed to the Court of Appeals and the decision was reversed and remanded back to the City. The Court allowed the City to either require an EIS or postpone the decision to allow Archer Datacenters time to bring forth additional information.

On July 14, 2026, City Council approved Resolution 2026-206, which extends the deadline to March 31, 2027 so Archer Datacenters can collect and present more evidence and the City may review and make a decision.

City Council also approved Resolution 2026-207 at the same meeting, which directs City Staff, the Planning Commission, and the Environmental Commission to work together on performance standards for data centers.

Initial Standards:

At previous Planning Commission work sessions, City Staff presented a memo offering general guidance on how performance standards could be applied to data centers. Director Wanberg also prepared a table showing an overview of existing and potential standards for Faribault to adopt. Both the memo and table are attached to this agenda item.

In addition to the table and memo from Director Wanberg, Archer Datacenters' consultant, who prepared the EAW, provided some standards that they have seen elsewhere in the US. This is also attached to the agenda item.

City Staff reviewed the standards and have made some initial suggestions for performance standards. City Staff will summarize the suggestions here, and the complete set is attached to this agenda item.

Summarized standards:

- A CUP will be required for any data center or data mining use within 1,250 feet (distance across a standard 40 acre quarter-quarter section) from residential, measured lot line to lot line
- Setbacks for accessory structures, mechanical, generators, and cooling equipment are a minimum of 50 feet from any property line
- Parking must be a minimum of 50 feet from all property lines (jumps to 100 feet when abutting residential and requires additional screening)
- Full-cutoff light fixtures
- 50% maximum on impervious lot coverage
- Backup generators limited to a certain time of day for testing
- Noise must be measured at property lines, at different times of day, and in different seasons
- Any equipment or vents producing a low-frequency hum or air emissions must be at least 200 feet from the property line abutting residential
- Agreement required for water and sewer usage caps, with regular reporting
- Water conservation and efficient cooling systems are highly encouraged

Discussion:

With the initial suggestions, City Staff have:

- Provided another way, the CUP process (aside from any platting, environmental review, or other entitlement process), for neighbors to become involved when the project is close to them
- Limited, within reason, the proximity and impact of light, noise, and air emissions when adjacent to residential (including regular reports or permits)
- Ensured that data center properties do not become mostly impervious

- surfaces, which should allow more opportunities to save existing trees (which provide more screening) and adequately address stormwater
- Included the City Engineer in water and sewer usage management to monitor capacity as part of the project, with ongoing reporting

Recommendation:

City Planning Manager recommends Planning Commission consider the initial suggestions from City Staff and request/add any additional performance standards.

Planning Commission may want to informally decide on representatives to the Environmental Commission meeting on July 27, 2026.

Sec. 7-30. Development standards.

[After Craftsman studios, limited production and processing, wholesaling operations and services, in a commercial district.]

Data centers and data mining.

- (1) General standards applying to data centers and data mining uses:
 - (a) A conditional use permit is required for any data center or data mining use when within 1,250 feet of a lot or parcel zoned or primarily used for residential, measured lot line to lot line.
 - (b) Any accessory or supporting structures associated with the principal data center or data mining use must be located a minimum of 50 feet from all property lines. Setbacks for the principal data center or data mining structure and use are found elsewhere in Sec 7-30 for data centers and data mining and the property's underlying zoning district.
 - (b) All mechanical, generators, cooling equipment, and other similar equipment must be:
 - (i) A minimum of 50 feet from any property line
 - (ii) Fully screened from view by an opaque material such as a fence, wall, or building. This requirement may be waived if the equipment is more than 500 feet from a property line.
 - (iii) No closer to a side or rear property line than the principal structure.
 - (c) Parking areas must be a minimum of 50-feet from all property lines. Where the property line abuts property zoned residential, the setback increases to 100-feet and requires an opaque fence and plantings for screening.
 - (d) A maximum of 50% of the lot may be covered in impervious surfaces.
 - (e) All lighting shall be full-cutoff fixtures, directed or angled perpendicular to the ground, and be located no closer than 50 feet to a property line.
 - (f) All noise generated must comply with MPCA regulations.
 - (i) Any testing of backup generators or similar equipment must take place between 10 AM and 7 PM Monday through Friday.
 - (ii) The property owner is responsible for an annual report, assembled by a third party of the property owner's choosing, of sound measurements (both high and low frequency) from property boundaries at different times of day and different seasons. The report must be submitted to the City Planner for review. The City may conduct noise measurement collection at any time.
 - (iii) Any equipment on the property generating a low-frequency hum may not be located within 200 feet of property zoned or primarily used for residential purposes.
 - (g) All air emissions must comply with MPCA standards.
 - (i) A final air permit and any reporting must be shared with the City Planner.
 - (ii) Any equipment on the property generating, or vents releasing, air-polluting emissions may not be located within 200 feet of property zoned or primarily used for residential purposes.
 - (h) Public or private sanitary sewer, water, and storm sewer services with adequate infrastructure and capacity must be available to serve the Data Center, as determined by the City Engineer.
 - (i) Water conservation and efficient cooling systems are highly encouraged.

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- (ii) Water use and sewer discharge caps shall be determined by the City Engineer and memorialized in an agreement recorded with the property.
 - (i) Applicant shall commit to annual water use reporting to demonstrate compliance with any applicable recorded agreement.

[Before *Dwelling as part of a mixed use structure, CBD District.*]

Possible categories?

- (1) Standards applying to data mining uses:
 - (a)
- (2) Standards applying to data centers (of less than 20MW?):
 - (a)
- (3) Standards applying to data centers (between 20.01MW and 50MW?):
 - (a)
- (4) Standards applying to data centers (above 50.1MW?):
 - (a)

OVERVIEW OF EXISTING AND POTENTIAL STANDARDS FOR DATA CENTERS

General Zoning Standards

Existing City Standards	Existing Federal/State Standards	Standards from Other Cities	Questions/Comments
Permitted only in the I-2, Heavy Industrial Zoning District, which is for heavy industrial uses that require isolation from other districts (Sec 12-230)	None	Many limit data centers to industrial districts and require a conditional use permit or a Planned Unit Development overlay Monticello: requires a Data Center PUD District	Cities that specifically regulate data centers often do so through a CUP or PUD. Performance standards and specific use standards can cover the standards that would be attached to a conditional use permit if covered properly.
Minimum building setbacks: Front- 25 feet Rear – 15 feet (50 feet if abutting residential district or use) Side – 15 feet (50 feet if abutting residential district or use) (Table 12-2) Parking: Front : 10 feet Rear and side: 5 feet Abutting residential: 50 feet (Table 12-2)	None	Setbacks vary greatly from under 100 feet to 1,000 feet – some cities measure setbacks from structure to structure, some from districts, some from property lines – some require greater setbacks for generators, cooling equipment, substations Monticello: All setbacks from buildings with fully screened mechanical equipment must be a minimum of 100 feet from agriculture, commercial, and industrial, 200 feet from residential, mixed-use, and parks – if equipment is not fully screened, then 100 feet from industrial, 200 feet from commercial and agriculture, 500 feet from residential and parks Parking setbacks are generally 25-50 feet or more – Monticello requires 50-150 feet	Structure setbacks from property lines and zoning districts are more legally defensible than setbacks from structures (which can change over time). Likely, the biggest setback concern is around backup generators, substations, and cooling equipment – not so much the building. So the City could consider something like 50-foot building setbacks from industrial and 200-300 feet from other districts/property lines – generators, cooling equipment, substations, 100 feet from industrial and 300 feet from other districts/property lines The City should require landscape buffers that will require a greater parking setback than 5-10 feet. The minimum parking setback should be perhaps 25 feet from industrial and 50 feet or more from r/w and other uses

Maximum building height: 65 feet (or 45 feet if within 500 feet of a residential district (height may be increased through a conditional use permit) (Sec 12-60)	None	Height requirements vary. Most communities maintain their standard industrial use height requirements. Monticello: 50 feet	There is likely no need to change the City's height requirements
Minimum lot area: one acre	None	Lot area varies greatly. Provisions like setbacks, lot coverage, etc., generally control development more than lot area. Some communities may limit large data centers to lots of 20 acres or more, which can have advantages, like helping to limit where data centers go and limiting smaller operations, like crypto-mining operations on small industrial lots near other uses, but it can also encourage large data center	Lot area is not the most important provision to control data centers. The City could choose to maintain a minimum one-acre lot area. However, the City has a few I-2 sites (that likely should be rezoned to another I-1 or another district) on lots of around one acre that are near housing. Performance standards would almost certainly prevent these sites from having a data center. Nevertheless, if the City were to have a minimum lot area of 20 acres or more, it would limit data centers to a few areas (mostly by I-35, with few houses nearby), and it would suggest that the data centers would be relatively large
Minimum lot width: 100 feet (Table 12-2)	None	Similar to lot area, lot width varies considerably.	If the City were to require a minimum lot area of 20 acres or more, it would likely increase the minimum lot width to 500 feet or so.
Maximum ground area covered by all structures: 60% of the lot area (Sec 12-250) No minimum Floor Area Ratio (FAR) required for industrial	None	Many communities are more concerned about impervious coverage than building coverage – 75-85% max. impervious coverage is common Monticello: Min FAR of 0.25	The City should strike a balance that allows sufficient landscape buffers and setbacks, while still allowing efficient use of land. A 70-85% max impervious coverage with a minimum FAR of 0.20-0.25 is reasonable – the FAR may not be necessary

Noise Standards			
Existing City Standards	Existing Federal/State Standards	Standards from Other Cities	Questions/Comments
Cannot create noise in such an amount or with such a recurrence or at such time of day to constitute a hazardous condition or as to reasonably interfere with use and enjoyment of property by any person of normal sensitivities or otherwise as to create a public nuisance. Must comply with MPCA noise regulations (sec. 6-370)	MPCA standards – fairly detailed standards related to decibel levels – little to no standards related to low-frequency humming that does not exceed decibel levels (similar issues with highway noise, etc.)	Many cities require annual third-party testing to demonstrate compliance – some require full enclosure of generators, etc. Monticello: Must meet MPCA standards – must also conduct a noise study before operation of the data center – if noise exceeds standards, measures must be implemented to meet MPCA standards – limits generator testing to 8AM to 5PM Monday through Friday	Following established MPCA standards is defensible – requiring annual third-party testing is reasonable – setting generator testing times is reasonable Regulating data centers often requires tradeoffs – for example, air-cooled data centers use less water, but are louder and have the low-frequency humming Noise appears to be a public concern – most I-2 Districts of 20 acres or more are near I-35, which already has low-frequency noise City could add language to “reasonably” mitigate noise through enclosures, berming, location, etc.
Lighting Standards			
Existing City Standards	Existing Federal/State Standards	Standards from Other Cities	Questions/Comments
Cannot create light or glare in such an amount as to constitute a hazardous condition or unreasonably interfere with the use and enjoyment of property by any person of normal sensitivities (Sec. 6-340) Lighting cannot be over ½ footcandle at the closet residential property line and five footcandles at the street curb or non-residential property.	MS 16B.328 has very general language about outdoor lighting – encourages cities to follow national models (like IES)	Varies Monticello: 0.0 footcandles at property line abutting residential, public, parks – source cannot be closer than 50 feet from property line	Likely should explicitly require full cutoff fixtures Should consider dark-sky ordinances for all uses throughout the city

2,000 lumens maximum if not a cutoff fixture or over 15 feet			
Air Emissions Standards			
Existing City Standards	Existing Federal/State Standards	Standards from Other Cities	Questions/Comments
All uses shall comply MPCA standards (Sec 6-390)	MPCA standards and federal standards	Mostly refer to state/federal air quality standards	Following MPCA standards is most defensible – could potentially add general language
Water Usage and Cooling Systems			
Existing City Standards	Existing Federal/State Standards	Standards from Other Cities	Questions/Comments
City Staff reviews the water demands for all projects to determine if there is sufficient water for the proposed use	State requires appropriation permits for over 100 million gallons of water per year.	Some cities require closed-loop or air-cooled systems to minimize water usage	Cooling technologies involve multiple tradeoffs – air-cooled uses the least amount of water but is also the loudest – the City should have standards that apply to all cooling and water use
Electric Use			
Existing City Standards	Existing Federal/State Standards	Standards from Other Cities	Questions/Comments
The City does not regulate electric rates	Minnesota adopted legislation with the intent that large electric consumers bear the cost of electrical infrastructure and energy costs rather than residential consumers The new legislation requires utilities to offer clean-energy tariff structures for data centers with the goal of 100% clean electricity standard by 2040 The new legislation eliminated the sales tax exemption for data center electricity use	Most cities do not control electric utilities	The MN PUC and utilities are responsible for electric utility costs – however, the intent of MN law is to protect existing customers from subsidizing new large load consumers
Building and Site Design Standards			
Existing City Standards	Existing Federal/State Standards	Standards from Other Cities	Questions/Comments

Architecturally finished materials required (Sec 12-80)	None	Some have stringent building material requirements that apply to all buildings	Building materials do not seem to be a major concern related to data centers, except certain materials could help reduce noise more than other materials
The City has extensive landscaping and screening requirements for all industrial uses (Sec 4-125)	None	Some cities require additional landscaping and screening, including berms.	Landscaping has many benefits beyond aesthetics – in addition, berms can help with noise – the city could potentially expand landscaping standards
Sustainability Standards			
Existing City Standards	Existing Federal/State Standards	Standards from Other Cities	Questions/Comments
The City has promoted sustainability but has not adopted specific sustainability standards	New state legislation requires large-scale data centers to obtain recognized sustainability standards within three years of service or that the state could clawback any benefits the state provides	Some cities have adopted specific sustainability standards	Although the state administers to states new sustainability standards, the City could require that the City receive the reports – the City could potentially adopt stricter standards – standards should be defensible – the state standards may be acceptable – the City could add general language

Data Center Performance Standards Initial Planning Commission Discussion

May 18, 2026

Purpose

On April 6, 2026, the Planning Commission recommended that the City Council amend the City's Unified Development Ordinance (UDO) to define data centers and allow them as a permitted use in the I-2, Heavy Industrial District. The Planning Commission's recommendation was based, in part, on a recommendation from City Staff and on the condition that the City adopt performance standards (or specific use standards) related to data center development in the city.

This work session is not intended to determine whether data centers are inherently good or bad, nor whether a specific project should be approved. The purpose of this work session is to begin to identify potential data center performance standards to help ensure that any future data center operates in a manner consistent with community expectations and industrial development standards. More specifically, this work session is intended to accomplish the following:

1. Establish a transparent, fair, and credible review and recommendation process;
2. Summarize expressed concerns from the public and identify potential operational impacts of data centers;
3. Build a shared understanding of what performance standards are intended to accomplish and how potential data center performances relate to other uses;
4. Explore possible regulations and performance standards; and
5. Provide general direction to City Staff to draft ordinance language for review at an upcoming Planning Commission meeting.

The Planning Commission will not take any formal action at this work session.

Ground Rules for Discussion

Data center development has generated significant discussions around the country, state, county, and city. Some support the benefits of data centers, and others have expressed concerns. Appointed and elected city officials likely have various views. However, we should acknowledge that, regardless of our personal views on data centers, we all care about our community. We should not disparage those who express a different point of view. We need

to listen to each other with respect. When concerns are expressed, we need to develop a shared understanding of the concerns, then discuss how we might address the concerns in an objective, reasonable, and open manner.

Background

Given the extensive publicity around data centers, some may be unclear about the status of data centers in Faribault. The following provides a brief summary.

1. Until the recent development of hyperscale data centers throughout the country, many municipalities viewed data centers as permitted industrial uses. Now, some communities are beginning to define and regulate data centers.
2. In 2024, Archer Datacenters explored potential sites to develop a data center in Faribault. They ultimately purchased a property immediately south of County Road 9, within the City limits, and zoned for I-2, Heavy Industrial use. City Staff noted that the I-2 District is the most appropriate district for a data center.
3. Archer did not request that the City sign a Non-Disclosure Agreement (NDA), and the City did not sign an NDA.
4. The City determined that an Environmental Assessment Worksheet (EAW) was required due to potential environmental impacts associated with a data center campus. The City hired a consultant to review the EAW. Archer reimbursed the City for its costs.
5. The City proactively advertised the EAW and strongly encouraged public input. Archer was transparent with its plans and responded to those who had expressed concerns about the potential development.
6. The City Council reviewed the EAW and found that an Environmental Impact Statement (EIS) was not needed.
7. The Minnesota Center for Environmental Advocacy (MCEA) filed multiple lawsuits across Minnesota, arguing that cities failed to properly disclose and assess data center impacts. While Archer and the City of Faribault were transparent and actively sought public input on the proposed data center, MCEA alleged that the approved EAW did not adequately address all environmental impacts of a potential data center in Faribault. The Court ruling is expected by mid-June.
8. Based on a recommendation of the City's legal counsel, the City amended its ordinances to define a data center and identify which districts could potentially accommodate a data center use.

9. The Planning Commission made a recommendation to the City Council to approve a data center definition and allow data centers as a permitted use in the I-2, Heavy Industrial District, with an understanding that the City would adopt data center performance standards.
10. The Environmental Commission recommended that the City Council place a moratorium on data centers to allow the City time to address the potential environmental impacts of data centers. The Council decided to delay action on the moratorium request.
11. The state enacted some legislation related to data centers, but also signaled that cities may want to adopt additional standards.

Potential Performance Standards Discussion Items

The Planning Commission's discussion on performance standards should not be focused on a particular development proposal (like the potential Archer proposal), but rather the performance standards that should apply to all potential data center developments. However, the City could regulate data centers based on the context of a particular project.

Although the Planning Commission can treat data centers as a unique use with special performance standards, the Commission should be careful about proposing standards that are more restrictive than standards for other uses in the Heavy Industrial District. In other words, the Commission should be careful about providing more restrictive noise standards for data centers than for a food processing plant, for example.

The Commission could consider different standards for different levels of intensity, for example, data centers under 20 MW.

The Planning Commission should provide general feedback on the following potential performance standards.

1. Land Use Compatibility and Site Design

The City's recent ordinance amendment limits data centers (as defined) to the I-2, Heavy Industrial District. Performance standards could include the following:

- Setbacks from residential zoning districts (or potentially uses)
- Additional screening, landscaping, and berming requirements
- Architectural treatment
- Fencing

2. Noise

- MPCA standards
- Day vs night

- Generator testing
 - Noise studies/ongoing compliance
- 3. Lighting
 - Dark sky compliance
- 4. Water Usage and Cooling System
 - DNR approval
 - Water conservation vs noise
 - Closed loop
- 5. Energy
 - Substations/screening
 - State legislation
- 6. Public Infrastructure
 - Construction
- 7. Emergency Preparedness
 - Fire suppression
- 8. Enforcement/Ongoing Monitoring
 - Third-party monitoring
 - Annual reporting
 - Modifications

General Questions

1. What specific problems are we trying to solve?
2. Are the potential standards measurable and enforceable?
3. Are the issues of concern already addressed elsewhere in the ordinance or in state rules or statutes?
4. Should the standards apply universally or relate to each unique site?
5. Are the standards flexible enough to allow for newer technologies or changes to the industry?
6. How should we balance the need to address the issues while not effectively banning all potential data centers?

Planning Commission Direction to City Staff

1. How can we best acknowledge and address public comments, including those who are in favor of data centers and those who have expressed concerns?
2. Are there specific operational impacts the City should prioritize?
3. Which, if any, standards should relate only to data centers and no other uses?
4. What additional technical information is needed before making recommendations?

