

Marshall Terrace Neighborhood Organization

Resolution on Data Center Development, Regulation, and Community Protections

On Opposing the Construction and Operation of Data Centers in Marshall Terrace Neighborhood Without Transparent and Robust Regulations and Community Protections

WHEREAS, Minnesota has enacted requirements governing certain large-scale data centers, but significant decisions concerning land use, neighborhood impacts, noise, water and energy demand, transparency, and community protections remain matters of local concern; and

WHEREAS, data centers can require exceptionally large amounts of electricity, creating new demands on generation and transmission infrastructure and raising important questions about grid capacity, costs to ratepayers, and Minnesota's ability to meet its carbon-free electricity goals; and

WHEREAS, data centers may operate continuously and can generate persistent noise from cooling systems, generators, and other equipment, and prolonged exposure to excessive environmental noise is associated with sleep disturbance, stress, and adverse cardiovascular and other health effects; and

WHEREAS, data centers can require substantial amounts of water for cooling, with water consumption and discharge varying significantly depending on facility design and cooling technology, creating the need to evaluate proposed facilities for their potential effects on municipal water supplies, wastewater systems, receiving waters, aquatic ecosystems, and residential costs; and

WHEREAS, meaningful public participation requires timely access to information about proposed data centers, including their anticipated energy and water use, infrastructure requirements, environmental and neighborhood impacts, and commitments made between developers and public entities; and

WHEREAS, Minnesota's evaluation of its data center tax incentive found that a substantial majority of estimated data center activity in 2024 would have occurred without the exemption, raising questions about whether additional local tax incentives are necessary or provide sufficient public benefit; and

WHEREAS, decisions about data center development can have long-term consequences for Minneapolis residents, public infrastructure, natural resources, and the City's climate goals, making transparent review, meaningful community participation, enforceable standards, and ongoing monitoring essential before and after development is approved;

THEREFORE, BE IT RESOLVED, that the Marshall Terrace Neighborhood Organization calls upon Minneapolis City Council Member Elliott Payne and the Minneapolis City Council to support data center zoning, permitting, and regulatory policies that incorporate the following protections:

- **Maintain the proposed DT1/DT2 zoning limitation.** Support the City's proposed limitation of data centers to the DT1 and DT2 Downtown districts as conditional uses, and oppose expansion of data center development into overlay districts or other zoning districts.
- **Protect and advance Minneapolis' climate and clean-energy goals.** Require proposed data centers to disclose projected annual and peak electricity demand, anticipated sources of electricity, required electrical infrastructure, and anticipated use of backup generators, including fuel type and expected operating hours. Data center development should support, rather than undermine, the City's transition toward clean energy and should prioritize strategies such as renewable and carbon-free

energy, energy efficiency, local battery storage, and other technologies that reduce reliance on fossil-fuel generation.

- **Protect Minneapolis' water resources.** Before approval of any data center, require an independent and publicly available assessment of anticipated water use, including average and peak demand; proposed cooling technology; wastewater and discharge; impacts on relevant water sources, municipal infrastructure, and aquatic ecosystems; and potential costs to residents. The assessment should consider both normal operations and periods of peak demand.
- **Establish a binding Community Benefits Agreement framework.** Require a CBA process before final approval of any data center development, with meaningful representation from affected neighborhoods and communities. Agreements should clearly identify community benefits and developer obligations, include measurable commitments and timelines, be publicly available, and establish mechanisms for monitoring and enforcement. A Community Advisory Board representing communities affected by data center development should participate in the development and ongoing oversight of these agreements.
- **Require a fully transparent public process.** Information necessary for residents to understand the potential impacts of proposed data centers should be made publicly available early enough for meaningful community review and participation. Environmental, operational, infrastructure, and community commitments made as conditions of approval should be documented, publicly accessible, and enforceable.
- **Require comprehensive impact assessment before approval.** A comprehensive and publicly available assessment of operational, environmental, infrastructure, fiscal, and neighborhood impacts should be required before any new data center receives final approval. This assessment should include, at minimum, projected energy and water demand; grid and utility infrastructure requirements; noise; backup generation; air emissions; water and wastewater impacts; construction impacts; emergency planning; and anticipated public infrastructure costs.
- **Require enforceable operating standards and ongoing public reporting.** Any approval must establish measurable standards for noise, water use, energy demand, generator operation, and other identified impacts; require ongoing public reporting sufficient to determine whether those standards are being met; and establish clear procedures for community complaints, corrective action, and enforcement when permitted standards or community commitments are violated.
- **No local tax incentives without demonstrated public benefit.** Minneapolis should not provide local tax abatements, subsidies, or other financial incentives for data center development unless an independent and publicly available analysis demonstrates that the proposed public benefit exceeds the cost of the incentive and that the development would not reasonably proceed without it. Any analysis should consider permanent employment, wages and benefits, infrastructure costs, utility impacts, environmental impacts, and other measurable community benefits.

BE IT FURTHER RESOLVED, that data center development should not proceed at the expense of Minneapolis residents, neighborhoods, natural resources, or climate commitments, and that the burden should rest with developers to demonstrate—through publicly available information, independent assessment where appropriate, measurable standards, and enforceable commitments—that proposed facilities can operate without imposing unacceptable costs or risks on the community.

BE IT FURTHER RESOLVED, that the Marshall Terrace Neighborhood Organization supports a data center regulatory framework in which community protections do not end when a permit is issued, but continue throughout the operation of the facility through monitoring, public reporting, accountability, and enforcement.