

Joint Sioux Falls City Council and Lincoln County Commission Meeting

Tuesday, Oct. 27, 2026, 7 p.m. · Carnegie Town Hall, Sioux Falls

Cleaned-up transcript prepared by Rising Together from the City of Sioux Falls YouTube recording (<https://www.youtube.com/watch?v=meo8Dc2bst8>). Timestamps match the video.

Please read first: this was made from an automatic transcription and lightly edited for readability (filler words removed, obvious name errors corrected). It is not an official record. Speaker labels are our best reading of the recording; where a name was unclear we say so. Spellings of public commenters' names are as heard. To hear exact words, check the video at the timestamp. The official record is the City's minutes, at amv.siouxfalls.gov.

Agenda: 1. Data centers overview (DSU) · 2. Current zoning and ordinances (City and Lincoln County planning staff) · 3. 60-minute recess for small-group discussions (not recorded) · 4. Report-back from councilors and commissioners · 5. Public input

Note: one public commenter is a minor. We have withheld her name.

Present (per roll call): Sioux Falls City Council: Rich Merkouris, Zak Okuwe, James Oppenheimer, Sara Pankonin, Jennifer Sigette, Ryan Spellerberg, Richard Thomason, Miranda Basye. Lincoln County Commission: Doug Putnam, Joel Arends, Betty Otten, Jim Schmidt.

Council Chair Rich Merkouris [0:05:10]

Good evening everybody and welcome to the Sioux Falls City Council joint meeting with Lincoln County Commission on Tuesday, October 27th. At this time, I would ask that the clerk read the roll for the Sioux Falls City Council.

City Clerk [0:05:22]

Councilor Merkouris. Here. Okuwe. Present. Oppenheimer. Present. Pankonin. Here. Sigette. Here. Spellerberg. Here. Thomason. Present. Basye. Here.

Council Chair Rich Merkouris [0:05:31]

We have a quorum from the Sioux Falls City Council. The clerk called the roll of the Lincoln County Commission, please.

Lincoln County (roll call) [0:05:37]

Commissioner Putnam. Yes, I am. Arends here. Otten here Schmidt here

Lincoln County Commission chair [0:05:45]

Mr. Chair we Lincoln County has a quorum at this time. We'd ask that we'd all rise together so we can stand for the pledge of allegiance

All (Pledge of Allegiance) [0:05:52]

allegiance. I pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all. Amen.

Council Chair Rich Merkouris [0:06:09]

At this time Sioux Falls City Council will entertain a motion to approve the agenda as presented. Is there a motion?

Council members (motion and second) [0:06:19]

Move to approve. Sigette? Second, Thomas. Move

Council Chair Rich Merkouris [0:06:23]

by Sigette, second by Thomas. Any discussion or debate? Seeing none roll call vote please.

City Clerk [0:06:29]

occurs yes a quake yes Oppenheimer yes pankton yes Sigette yes Spellerberg yes thomas yes basin yes that is passed eight to zero

Council Chair Rich Merkouris [0:06:38]

the chair will interface from the Lincoln County Commission to know motion to approve the agenda please

Lincoln County Commission (motion and roll call) [0:06:43]

so moved we have a motion and a second call the roll please Commissioner Putnam yes errands Yes. Otten. Aye. Schmidt. Yes.

Council Chair Rich Merkouris [0:07:00]

Motion carries 4-0. Thank you. At this time I'll move into our new business for the evening. As we prepare to do that, I want to take just a moment to kind of overview our evening together, recognizing that tonight is a unique night, just kind of to set the table for that. We're bringing two governing bodies together that are oftentimes guided by two different sets of rules. And so what we're doing tonight is trying to do something unique where we have an opportunity for the public and the elected officials to engage with one another to have conversation back and forth. And so tonight I want to thank the honorable representative from District 12, Greg Jamison. He's in the crowd tonight. He helped kind of come up with a strategy for how we would set up the meeting tonight with a unique way of kind of having a recess in the middle of the meeting where we could engage with one another and not have to follow those formal things of Robert's rule, et cetera. I recognize that tonight all of us are coming with a variety of different perspectives and And this has been a topic throughout our whole country that has been divisive, admittedly.

[0:07:55]

We acknowledge that. And so our hope tonight is that we could listen and learn from one another and have open dialogue and conversation and get some information in front of the elected officials as we start a process over the next few months in the city of Sioux Falls with the regulatory oversight committee. And so how tonight's going to work, we're going to have a couple of presentations. After that, going to entertain a motion to go into recess. During that recess, we're going to have elected officials interacting with all of you for for 60 minutes, then we'll come back in, have some time for elected officials to have some conversation back and forth of what they heard, their perspective, and then at the end of the meeting, we'll open it up for

public comment for the formal record as well. So appreciate your patience tonight and willingness to be here and share your perspective and engage in this conversation. So let's get things started with our first item of new business. We're gonna welcome forward today a representative from Dakota State University. Kind of share with us an overview of data centers overall.

1. DATA CENTERS OVERVIEW

Council Chair Rich Merkouris [0:08:50]

Welcome.

Dr. Brent Van Aartsen, Dakota State University [0:08:58]

Good evening Council members, commissioners, and guests. I'm Dr. Brent Van Aartsen from Dakota State University. I serve as the Chief Technology Officer there. I'm here today in my capacity as a subject matter expert to provide factual and technical information on the topic of data centers. My remarks are intended for informational purposes and should not be interpreted as a representation, or representing a position or endorsement by Dakota State University. So let's start with what is a data center? At its simplest, a data center is a physical room, a building, or a facility that houses technology infrastructure. The machines within them compute, store, and connect. Consider around those machines is a highly engineered environment providing power, cooling, security monitoring, and operations. That distinction matters.

[0:09:49]

A data center is not simply a warehouse full of computers. So as you can see, there are several steps involved in how data centers operate and how you as a user interact with them. Consider opening a website or using an app on your phone. Your device sends a request across the communications network, typically the internet. Network equipment routes it. Servers perform calculations on your request. Storage systems may retrieve or record data. And finally, a response is returned to you, the user. In modern services, that path may involve more than one facility, more than one data center, but the same three functions remain, compute, store, and connect. So when we look at data centers, what are they comprised of? What are they made up of?

[0:10:40]

What's inside of them? The primary room in the data center is called the IT hall, and it houses the servers, storage systems, and network equipment used to operate the data center functions. The rooms are typically set up with equipment racks or cabinets that the technology equipment is housed in, And these racks or cabinets are typically arranged in rows, which helps in the efficiency for cooling. Electrical systems condition and distribute utility power throughout the room. Batteries bridge short power interruptions, typically referred to as UPSs or Uninterruptible Power Supplies. And generators may provide long-duration backup in the event of a power outage. Cooling systems throughout the facility move heat away from the technology equipment. Fire protection, access control, cameras, sensors, and operating staff protect and monitor the environment.

[0:11:34]

Exact designs vary, including whether cooling is primarily air-based or liquid-based. There are four common models of data centers. Enterprise data centers typically serve a single organization. They could be in a

facility, a small room in a facility, or an entire compound itself. It just depends on the need of the enterprise. Co-location data centers are facilities where a provider owns the facility and multiple customers rent space, power, and connectivity within it. For instance, if a business only needs to house a single server, it might not be advantageous for them to build their own data center for that single server. They'll want to rent space because it's cheaper and more economical for them to do that. A hyperscale data center is engineered for very large scalable workloads.

[0:12:25]

Typically, this is what most folks understand as the cloud, is where most hyperscale data centers operate. Edge or modular facilities are smaller and placed closer to users, devices, or local need. As you see from the picture, you'll notice it's next to a cell tower. This typically helps with cellular communications, especially as 5G and 6G start to expand throughout the nation. So those are the different types of data center models. But the facility type doesn't tell us everything about it. It tells us who owns it, who uses it, how large it is, and where it sits. But the workload inside of the data center is what tells us what type of computation occurs inside. Traditional business applications, public cloud services, AI workloads, scientific computing, and edge processing can all use different hardware

[0:13:18]

and create different operating profiles. In other words, the terms AI data center, hyperscale, and co-location should not be treated as synonyms. Data centers are typically designed around the consequences of interruption. Reliability is important for most data centers. Reliability may include redundant components or paths in electrical distribution, cooling, and networking, along with trained operations and maintenance practices. The most common framework used for power and cooling redundancy is the principle of N plus one. N is the amount of power or cooling or equipment required to keep the data center operational. The plus one means you have one additional piece of equipment on hand in the event of a failure.

[0:14:10]

For example, if a facility requires one generator to provide backup power during a power outage, two generators will be available to ensure the data center stays operational if one generator fails. Not every facility needs the same level of redundancy. The design should match the business function. The scale of a data center is another important piece of information, but the category alone does not tell you a project's exact electrical demand, cooling method, water use, noise profile, staffing, or build out schedule. Those are project specific facts. Scale, workloads, cooling architecture, power requirements, reliability targets, and development phasing are all important in determining the overall scope of any data... A data center project. When it comes to cooling inside of a data center, the IT hall has multiple methods for being cooled at the rack level.

[0:15:16]

Inside the IT hall, the power consumed by each rack becomes heat that must be removed. At roughly 5 kilowatts of power, so the 3 to 10 kilowatt rack on the left side of the screen, It can typically be cooled with conventional forced air and well-managed hot and cold aisles. So the aisles I mentioned earlier, the rows, are typically aligned so that hot air flows through one and cold air flows through another. As power requirements increase, cooling must move progressively closer to the equipment in the racks. Equipment

cooling methods can be used such as better containment, closed loop rear door heat exchangers, in-row or rack level cooling, and at approximately 50 to 100 kilowatts power usage and above per rack, high density systems commonly use direct to chip liquid cooling.

[0:16:12]

Cold plates within the equipment collect heat at the processors, accelerators, GPUs, and a rack manifold carries that coolant away from the equipment. A coolant distribution unit then transfers that heat to the facility cooling loop. The ranges illustrated on the diagram are really just representative of traditional cutoffs that are not necessarily hard limits. The equipment design, allowable inlet conditions, redundancy, and facility configuration all affect the final engineering choice. Here are three takeaways you can use when evaluating data center projects. First, identify the facility model. Is it an enterprise, a co-location, a hyperscale, or an edge facility? Second, identify the workloads.

[0:17:03]

Will it be doing traditional business applications or web hosting? Is it cloud services? Are they going to be running AI workloads or other uses? Third, the project-specific information is what's going to define the overall data center design. I hope this has given you a better understanding of what data centers are, how they operate and the infrastructure required to support them. With that, I'm happy to take any questions.

Council Chair Rich Merkouris [0:17:30]

Thank you for the presentation. At this time, I'll open up for any Councilors or Commissioners that want to ask a follow-up question or dig into something in further detail. Any questions for our presenter? Councilor Pankonin.

Councilor Sara Pankonin [0:17:44]

Thank you, Mr. Chair. On that last slide, you were showing it had workload and I was curious what low latency.

Dr. Brent Van Aartsen, Dakota State University [0:17:53]

Low latency refers to the speed in which network devices talk to each other. So from you to I, it will take much less time for something to travel from me to my house on the east side of Sioux Falls. So that distance or that time that it takes for it to travel, that's the latency amount.

Councilor Sara Pankonin [0:18:12]

Mr. Chair, what's the most common data center that we find in South Dakota?

Dr. Brent Van Aartsen, Dakota State University [0:18:21]

So within South Dakota, there are primarily enterprise data centers and co-location facilities. There's a number of co-location facilities right here in Sioux Falls, and they're all high quality.

Council Chair Rich Merkouris [0:18:32]

Councilor Basye.

Councilor Miranda Basye [0:18:35]

Thank you, Mr. Chair. You had a slide talking about four different ways for cooling, and a couple of these as you get like three and four talk about liquid, liquid flowing. Could you clarify what kinds of liquids, what's in

those?

Dr. Brent Van Aartsen, Dakota State University [0:18:50]

Yes, so typically in the cooling environments where you're talking about a cooling loop, it's not water. It's some sort of Glycol or liquid that's designed to help transfer heat away from the equipment and help distribute it elsewhere those typically pull that Pull that liquid away from the in the heat away from the equipment and they have to relieve that heat out of that liquid in another method, so that will either be air units outside running fans or it could be evaporative cooling units, it could be geothermal, there's a number of different methods to then pull the heat back out of that cooling loop.

Councilor Miranda Basye [0:19:26]

If I may follow up please. So when you're talking about this different kind of liquid, these coolants, are they used repeatedly? Are they, you know, do they get is a one-and-done? What's their lifespan?

Dr. Brent Van Aartsen, Dakota State University [0:19:40]

Correct. So in a closed loop system there's inevitably a little bit of leakage that happens so you will refill the glycol but it's very minimal and as the system flows it's a continuous loop so it's continually reusing that liquid throughout the system. In fact a lot of modern buildings utilize a closed loop system and individualized heat pumps throughout the building to help do heating and cooling. It's just a different method of the traditional forced air method.

Council Chair Rich Merkouris [0:20:08]

Thank you. Councilor Sigette.

Councilor Jennifer Sigette [0:20:08]

Thank you Mr. Chair. We've heard that closed loop talked about a lot. Can you tell me to your knowledge are there still non closed loop data centers being built?

Dr. Brent Van Aartsen, Dakota State University [0:20:19]

That is a good question. I don't know the specific answer to that. My guess is yes there probably are. Especially when you talk about the enterprise level data centers where it might be a small room within a facility. Adding a closed loop can add extra expense where it might be handled by a single air conditioning unit within the room.

Council Chair Rich Merkouris [0:20:44]

Thank you. Commissioner Arends

Commissioner Joel Arends [0:20:44]

good evening sir. Talk to me about the electrical load that's required of hyperscale data centers but then also give me some indication of what we see for the electrical load that's required of the data centers that you see here in Sioux Falls and can you kind of talk through compare and contrast that?

Dr. Brent Van Aartsen, Dakota State University [0:21:14]

Sure. I can't speak to the specifics of the data centers here in South Dakota as that would be whatever their specs are built out for. So I'm not going to speculate as to what those are. Hyperscalers, it really depends on the build out and the size of the facility. When we talked about the individual racks, each rack can have its

own power requirements. Typically at the low end you're in a three to five kilowatt rack capacity for power. As a scale, 50 to 100 kilowatts per rack is not uncommon when you get into hyperscalers. So if you take that and multiply it by the number of racks that a facility can house, that's going to be your capacity. So it could be anywhere from a 10 kilowatt facility to a 100 kilowatt facility. It really just depends on the workloads that are being built out in the hyperscale facility.

Commissioner Joel Arends [0:22:05]

A follow-up, Mr. Chair.

Council Chair Rich Merkouris [0:22:08]

Please.

Commissioner Joel Arends [0:22:09]

Is there any industry standard specific definition that separates a hyperscale data center from everything below it?

Dr. Brent Van Aartsen, Dakota State University [0:22:20]

That's where it can be confusing. So hyperscale, what that's really referring to is referring to being able to run multiple workloads at a high capacity and a large capacity to scale those workloads from a single device to multiple devices. Those could be run inside of a co-location facility. They could be run inside of an enterprise data center if you have that kind of scalability need for your own local purposes. It really depends. Typically, when folks are referring to hyperscalers, though, you're talking about your Amazons, your Microsoft, your Google, the large IT cloud platforms.

Council Chair Rich Merkouris [0:22:56]

Other questions? Councilor Thomason.

Councilor Richard Thomason [0:23:00]

Thanks for being here tonight. This is just a general question compared. you look at enterprise co-location hyperscale and as modular what would you say is the breakdown nationally of those

Dr. Brent Van Aartsen, Dakota State University [0:23:11]

I'm sorry could you repeat your

Councilor Richard Thomason [0:23:16]

question so the different the different data centers that you brought up the hyperscales the enterprise the edge and modular ones is there do you have a breakdown throughout what what's throughout the country with those

Dr. Brent Van Aartsen, Dakota State University [0:23:25]

I do not have that breakdown

Council Chair Rich Merkouris [0:23:29]

okay other questions councilor okay

Councilor Zak Okuwe [0:23:36]

Dr. Van Aartsen, thank you for being here. I'm receiving a lot of emails, questions, raising concerns about the environmental issues that data centers may have. Can you just please dive into that?

Dr. Brent Van Aartsen, Dakota State University [0:23:49]

So I am not that kind of doctor. So I'm not going to speculate on the environmental concerns that would come in. That would all come through for your environmental impact studies. So it's just not an area I'm able to comment on at this time.

Council Chair Rich Merkouris [0:24:04]

Councilor Oppenheimer?

Councilor James Oppenheimer [0:24:07]

Thank you, Mr. Chair. Just a question going back to the cooling systems. You talked about there being different liquids that are in there. Is there water used by a closed-loop system and how much is used in a hyperscale data center?

Dr. Brent Van Aartsen, Dakota State University [0:24:20]

Again, that is dependent on the type of system that is removing the heat from the cooling loop. I don't have a good estimate on what that would look like. systems use much more water to do that cooling than a fan based system. And that's just due to the nature of how they work. But I don't have a good estimate on the amount of water that would be used.

Council Chair Rich Merkouris [0:24:43]

Any other questions for our presenter? All right. That's the last call. All right. Seeing none, thank you for your presentation tonight. I appreciate you being available.

Dr. Brent Van Aartsen, Dakota State University [0:24:55]

Absolutely. Thank you for your time.

Council Chair Rich Merkouris [0:24:57]

Thank you.

2. CURRENT ZONING AND ORDINANCES

Council Chair Rich Merkouris [0:24:58]

At this time, I want to call forward a couple of our staff members from Lincoln County and from the City of Sioux Falls to help us understand the current zoning and ordinances that are impacting the joint jurisdiction area.

Jason Bieber, City of Sioux Falls Planning [0:25:16]

Good evening County Commission City Council. My name is Jason Bieber with the City of Sioux Falls Planning and Development Services Department. We're going to go through kind of the data center current zoning regulations that we have from the city which I will present and then Toby Brown, Lincoln County Planning director will present those regulations within what we call the joint jurisdiction area. So we wanted to highlight this map and kind of call it out. So we're going to be talking about the regulations with anything in

the blue that would be within the city of Sioux Falls proper, not including the joint jurisdiction area. So currently data centers of all sides would be allowing what we call light industrial and heavy industrial districts. As we have kind of a two tiered system in Sioux Falls, a little bit different than a lot of other zoning ordinances, that would be under what we call a warehouse and manufacturing

[0:26:08]

light form. So, they are what we call permitted special, so we would call them light warehousing. If you can meet these required standards that you can see here in the five, which is located in areas where traffic to and from the site is not on residential streets, that would be located like on arterial collectors, not obviously truck and traffic, employee traffic coming through residential streets within our neighborhoods. We would need everything outdoors to be screened by a minimum of a six-foot high opaque fence or berm with no outdoor storage allowed in the required front yard. Operations must be fully enclosed within the building. We would want all of that within that building. Some crypto mining facilities are open. they produce a little bit more noise so that wouldn't be allowed within the WM1 form. That would be a little bit heavier of an industrial use.

[0:27:01]

If you did want to do some on-screen outdoor storage, we'd require you to get an approval through the planning commission. That would be another way that you could provide some additional landscaping instead of the six-foot opaque fence to screen some of that stuff. And then we do require paved parking for any employee and operable vehicle or storage that would all have to be paved so we wouldn't allow any gravel or any of that as part of it. For some reason, if a data center user would come in and they couldn't meet one of these specific conditions, then we would kick them into what we call, they'd have to go for a public hearing for a conditional use permit. And that would go in front of the planning commission and then somebody would have the the right to appeal that to our City Council for final approval with them. Those type of standards that we would want to look at, if that would go to a public hearing,

[0:27:52]

is the traffic mitigation. Somewhere we talked about before, we just don't really want that industrial traffic on residential streets. We want to keep them to the large arterial roadways that we have within the city. And then we'd also want to make sure that if there's on-screen outdoor storage, it's not in view of the public. want all of that interior to the site and then screened with our requirement for trees landscaping and berming. So those are kind of our existing zoning conditions within the City of Sioux Falls. Now I'll turn it over to Toby and he can talk a little bit about the joint jurisdiction area in red.

Toby Brown, Lincoln County Planning Director [0:28:27]

Thank you, Mr. Chair, Councilors, commissioners, as mentioned Toby Brown, Planning Director of Lincoln County. So Jason just went through the requirements for within the incorporated area of the City of Sioux Falls. The county has zoning regulations for the unincorporated area of the county. As well as in 2006, the city council and the county commission adopted a joint zoning planning policy and regulations. And that's what I'll go through currently tonight. The area in red, and I like to say it'd be more yellow, that's the joint jurisdictional area. So there's a separate zoning ordinance that I'll go through for that particular area of the county. Also in real simple terms, and I won't dispute anything the doctor said, but the traditional type of a data center was a warehouse.

[0:29:18]

It was storage of servers offsite for different types of uses. The new types of data centers, the AI, the crypto mining, the different types of AISI or the crypto mining and the other types of augmented reality and those different types of things, those are truly factories. Those are manufacturing type uses. So how that fits within the current zoning regulations, number one, those particular uses would not be allowed in the A1 Agricultural Zoning District, any of the residential zoning districts, the commercial district, or the RC Rec Conservation District. That particular use would only be allowed in the I-1 light industrial and the I-2 general industrial districts. Now. Based on the intensity of those applications or prospective applications, it would either be classified as a light warehousing or a general warehousing. Light warehousing as shown

[0:30:12]

on the screen, those would be the performance standards or the required standards to be met. So those one through four, outside storage area screening plans submitted for staff approval and no storage of regulated substance on premises. The building contains 20,000 square feet of area or less, parcel shall be no less than one acre in size. So if the applicant meets those requirements, that would be a permitted special use. If they don't meet those requirements, it flips to a conditional use permit. And the conditional use permit criteria is the criteria that you've established within the ordinance, those four criteria. So the applicant would have to meet those requirements in order to get approval. If they don't meet those requirements, you shall deny the application or you say no to the application. They have to meet those requirements in order to meet those in order to get a conditional use-ment approval. If I flip back to it the other point that I'd make too is

[0:31:08]

kind of a last part is that the last meeting that you had jointly you adopted a new comprehensive plan for the joint jurisdictional area. The joint jurisdictional conference a plan that you adopted was Shape Sioux Falls 2050 Within that plan there are no future areas identified in that joint jurisdictional area for light or heavy industrial areas So essentially there's no new areas that would be allowed for this type of a land use for that type of a zoning district And so with that I'll just turn it back to you. Mr. Chair would answer your questions that you might have for staff

Council Chair Rich Merkouris [0:31:44]

Thank you commissioners and councilors any follow-up questions for either staff members Mr. Bieber, Mr. Brown. Commissioner Arends go ahead.

Commissioner Joel Arends [0:31:51]

Good evening. Thank you for being here Toby you just asked my first you just answered my first question Which is where in the joint jurisdictional area there they're either contemplated or permissible. My other question though is inside Sioux Falls city limits true or false the only place you could build a a data center the size of the Gemini project is either there at the Gemini site or at Foundation Park

Jason Bieber, City of Sioux Falls Planning [0:32:29]

That's a very good question I would say there's other zoning districts within the city of Sioux Falls that would allow those the scale of What we've seen with most data centers being I think the Gemini project was 140

acres There's probably not a lot of large chunks of industrial areas left besides Foundation Park. We'd have some at Benson and 229 and then obviously we're Gemini's going. So I would say there's other areas it could be but you'd have to assemble quite a large chunk of land.

Council Chair Rich Merkouris [0:33:01]

Other questions for the staff? Councilor Basye.

Councilor Miranda Basye [0:33:08]

Can you help me better understand what would be kept in an outdoor storage area when we're talking about these requirements?

Jason Bieber, City of Sioux Falls Planning [0:33:17]

Yeah, great question. So think about like heavy construction yards where we would have gravel and we would have trucks, semis, those type of things. A lot of the businesses, if you go up Rice Street, you have your concrete plants, you have your, I think there's some hardscapes. Those are kind of the outdoor storage that wouldn't be allowed in a light industry. Those would be more of the heavy industrial uses. That's kind of how we separate the classifications we want, in light industry we want everything interior to the building, right? We don't want all that exterior stuff just because it's a little bit more impact on the surrounding property owners. We want those separated even farther from residential uses.

Councilor Miranda Basye [0:34:02]

Can I take a follow up?

Council Chair Rich Merkouris [0:34:04]

Please.

Councilor Miranda Basye [0:34:05]

So in some of the different images or different things that we've looked at, there's different ... Machinery is probably not the right word, but cooling units or just other pieces of data center design that we've seen on top of or outside of the main building. So am I hearing you right that you're saying based on these ills a building like that could not be designed?

Jason Bieber, City of Sioux Falls Planning [0:34:28]

Those, if you're talking about separate outdoor cooling units, some of the accessory structures that go along with them, those could be, but we would want those interior to the lot. So with the Gemini project, any of their exterior cooling things, their backup generators, we made them put those in the interior of lots, because we don't want those on the outside. We want all that stuff to be screened with landscape and residential, or landscaping, berming, different things like that to protect it from residential. So some of those data centers, depending on how they're looking, some of the old ones, Yeah, we could probably argue that they wouldn't work in light industrial, but some of the newer ones we've seen where all that stuff's interior to the site or enclosed in the building, I would say would meet that definition.

Councilor Miranda Basye [0:35:18]

And does the, you know, I'm looking at, you know, you presented on 168.344. So is what you're explaining accomplished through that, or is there something else that maps out, hey, these things have to be interior to the site?

Jason Bieber, City of Sioux Falls Planning [0:35:34]

That's just the if you look up the definition for light warehousing and manufacturing it specifically says interior to the building or interior to the site because we don't want any of that outdoor storage or outdoor screening stuff in the front yard setback or on the other side of the site. That's kind of always been our interpretation with those two differences between heavy and light industrial.

Councilor Miranda Basye [0:35:54]

Thank you.

Council Chair Rich Merkouris [0:35:55]

Councilor Spellerberg.

Councilor Ryan Spellerberg [0:35:56]

Thank you Mr. Chair. Thanks Jason. Question for you Councilor Basye. So a lot of the questions come around the noise from generators that are used, maybe testing once a month to make sure they're there. What do we do upfront to make sure that those aren't going to be beyond our noise limits? And then if they do after it's built, what are the consequences? What can we do in that case if it is?

Jason Bieber, City of Sioux Falls Planning [0:36:20]

Yep, great question. As part of the building permit phase, we obviously, our health department would look at that. We have a noise ordinance that's enforced through our health department that has to meet certain decibel levels. We would make them aware of those decibel levels at the property line or the adjacent property line. We would need to make sure that they're gonna meet those. If we did get a complaint, obviously, after it was built, which we've had before now with data centers but other uses, we would then send an inspector out there to actually test the noise level. If they're outside of the parameters of that, we would require them to do some additional mitigation. We did have a car wash that was a little bit allowed at the property line. We required them to put some more screening around their vacuums and their exterior dryers. So we would have that in place as part of our noise ordinance to go back to them then and say you need to meet additional criteria to do

[0:37:12]

it.

Councilor Ryan Spellerberg [0:37:13]

Thank you.

Council Chair Rich Merkouris [0:37:14]

Councilor Pankonin.

Councilor Sara Pankonin [0:37:15]

Thank you, Mr. Chair. Am I correct that in the joint jurisdictional area, it would currently take a zoning change as one of the necessary steps for a data center to be considered?

Planning staff [0:37:26]

Correct.

Councilor Sara Pankonin [0:37:27]

Thank you.

Council Chair Rich Merkouris [0:37:28]

Any other questions for our staff? Last call for questions for our staff? All right. Thank you. Appreciate your time. This evening, at this time, we're going to ask for from the City Council, we're going to ask for a motion to recess for 60 minutes for the purpose of having some small group discussion and brainstorming together. So Councilors, is there a willingness to make a motion to recess for 60 minutes?

Council members (motion and second) [0:37:56]

So I'll move, Thomas. Second, Spellerberg.

Council Chair Rich Merkouris [0:37:58]

And moved and seconded to have a 60-minute recess for the Sioux Falls City Council a roll call vote, please

City Clerk [0:38:03]

Councilor McCur's yes, okay. Yes, Oppenheimer. Yes, thank you. Yes, spaghetti. Yes, spellerberg. Yes, Thomas. Yes, Acy. Yes

Council Chair Rich Merkouris [0:38:13]

That is past Sioux Falls City Council The chair will entertain a motion from the Lincoln County Commission for to go for a one-hour suspension for Discussion with the public

Commissioner Joel Arends [0:38:23]

so moved mr. Chair and And I also move that since this was Greg Jamison's idea, he should shepherd the circling of the chairs here as well.

Council Chair Rich Merkouris [0:38:38]

Motion by Commissioner Arends. Do we have a second?

Commissioner (second) [0:38:42]

I second it.

Council Chair Rich Merkouris [0:38:43]

I have a second. Call the roll, please.

Lincoln County Commission (roll call) [0:38:46]

Commissioner Putnam? Yes. Arends? Yes. Otten? Aye. Schmidt? Yes.

Council Chair Rich Merkouris [0:38:53]

Motion carries. We are now in recess. All right, if we could have everybody's attention, try to walk through, we're gonna do here to make this as functional and as fruitful as possible. We've got a large crowd this evening, which is absolutely fabulous. Here's what we're gonna ask for. You know, we're gonna ask for some patience, but I think we've got approximately about 175, 180 people. So we're gonna ask you to do is with the 15 people that are closest to you, just simply take your chairs, circle into a group of 15. Some of our staff are gonna be coming around. They're gonna have a sheet of paper. On this sheet of paper is three questions. The intent is that you have these three questions to guide the conversation, but it doesn't have to be the

whole conversation. We want to provide some structure to at least get the conversation started. So if you'd circle up in groups of 10 to 15 and then a councilor or a commissioner will come to that small group, engage in those three questions, and then I'll call time at about 20 minutes and then give an opportunity for the commissioner or councilor

[0:39:46]

to go to another circle and work our way around so everybody gets an opportunity to with at least a couple before our time is over this evening. Does that make sense? Yeah we're gonna, that's why we're saying 10 to 15 is we gotta go space out there as well in the overflow. So let's, Councilor Basye.

Councilor Miranda Basye [0:39:59]

Mr. Chair could you clarify it? The intention of us circulating is to have dialogue and conversations and to hear everybody's responses to the questions, correct?

Council Chair Rich Merkouris [0:40:10]

Correct. Councilors or commissioners will join your circle to hear how you answer the three questions or to hear your perspective on other things as well. So we'll give you a chance to circle up and then the councilors and commissioners if you could not double up but make your way and pick a circle to start with.

RECESS FOR SMALL-GROUP DISCUSSIONS

[About 0:41 to 1:46: councilors and commissioners met with small groups of residents. These conversations were not captured in the recording.]

Council Chair Rich Merkouris [1:46:04]

Alright, if we could have the Councilors and Commissioners return to their seats please. Our 60 minute recess is complete. Alright, we're going to call our meeting back to order here after the recess.

[1:48:51]

At this time, Councilors and Commissioners, our agenda item is to allow for some open

3. REPORT-BACK FROM COUNCILORS AND COMMISSIONERS

Council Chair Rich Merkouris [1:48:55]

discussion and recap from Councilors or Commissioners on your conversations. So if you want to take a moment and give a recap of anything that stuck out to you from your conversations, anything that you're thinking about differently after tonight or questions you're wrestling with after tonight or a common theme that you heard. Just give each councilor, commissioner a moment if they want to share something. Open the floor up. Anybody want to share a comment, question, etcetera from their discussions. Councilor Spellerberg.

Councilor Ryan Spellerberg [1:49:25]

A couple of things that came up. One that I wasn't aware of, but we might be able to do a surety bond for anything in the future where if there's damages to the site where we have to take it down, we might be able to put that together. So I think that's something we should look into. And then the overwhelming question

was how does this benefit me if this project goes through? So I think we need to do a better job of talking of the economic impact to this, how it benefits the average person in Sioux Falls if a project goes through on something like that. So those are the two things.

Council Chair Rich Merkouris [1:49:58]

Thank you, Councilor. Councilors Councilor Thomason.

Councilor Richard Thomason [1:50:03]

Some of the common themes that I heard was who's going to be the end user and I don't think anybody knows that yet but that was a fair question to ask and then there was a lot of questions about just sound frequencies etc etc so just what protections are there to ensure that whatever they say they're going to build is going to be built.

Council Chair Rich Merkouris [1:50:28]

Thank you, thank you, Councilor. What was that? Commissioners and Councilors, if you could make sure to talk into the microphone directly. Can you hear me okay in the back? Oh good, yeah, yeah. So Councilors, commissioners, please make sure you're talking to the mic. Lick it like an ice cream cone if you have to. Whatever it takes. Councilor Basye, we're going to you.

Councilor Miranda Basye [1:50:48]

Thank you, Mr. Chair. In addition to some things that have already been mentioned, you know, one thing that I think is important to kind of work through or better understand is the conversations that we're having tonight and the potential next steps or the potential restrictions or whatever words we might use, how does that impact the Gemini project or the Gemini property? Is there, are there opportunities to put more guardrails in place there or what is allowed there or not? I think that was one thing that came up quite a bit. An interesting perspective is that there were some groups, it was kind of split in the conversations I had. Some folks seemed to think, hey, there might be a pathway that if we do this right, there are benefits to the community. There are some folks that aren't convinced of that.

[1:51:40]

So I just appreciated being able to hear from both sides of that. Also talked a lot, a lot, a lot about the environmental impacts and have some good notes here on some potential experts that our regulatory oversight committee could hear from. Thank you.

Council Chair Rich Merkouris [1:52:00]

Any other Councilors or commissioners? Councilor Sigette.

Councilor Jennifer Sigette [1:52:03]

Thank you, Mr. Chair. First, thank you, all of you, for being here. I had some really great conversations. I did learn some new things, and I appreciate that. But the conversations, all three groups I was in, seemed to talk mostly about the Gemini Project. And I just kind of want to, certainly very interesting and glad we did, but we're meeting, This is more about the joint jurisdiction area, correct? I mean, is there going to be, was there, we're here to talk, to meet with Lincoln County. We're having this joint meeting with Lincoln County Commission with the idea that we're talking about the joint jurisdiction area. So I guess I just, I wanted to point that out, that there didn't seem to be a lot of conversation about that, at least in my groups.

Council Chair Rich Merkouris [1:52:44]

Thank you, Councilor. Councilor Basye.

Councilor Miranda Basye [1:52:49]

I appreciate that clarification, Councilor Sigette. I would say that while Lincoln County, and we're talking about the joint jurisdiction, I zoomed out a little bit and thought about the work that our regulatory oversight committee committed to and just the ongoing conversations of the city of Sioux Falls as a whole. And so that's the lens at which I was thinking about the feedback as we were hearing today. I think there's probably some applications or conversations that go beyond the joint jurisdiction.

Council Chair Rich Merkouris [1:53:17]

Thank you, Councilor. Councilor Oppenheimer.

Councilor James Oppenheimer [1:53:21]

Thank you, Mr. Chair. The conversations I heard were very interesting. It's very different to sit down one on one with people and talk compared to getting emails or hearing people at the dais. And the question that came up in every group I was in was how does this benefit Sioux Falls? But the overwhelming sentiment was that, at least the people I spoke to are very much not in favor of having a data center in Sioux Falls, or at least a hyperscale here. And the talk of what should we do went from ban to moratorium to what kind of regulations should we do. So my takeaway is that it's a very clear, the very clear message in the public that they are not in favor of having data centers.

Council Chair Rich Merkouris [1:54:08]

If we could, if we could please, let's hold the applause please so we can have an open conversation. Thank you. Other Councilors or commissioners? Commissioner.

Commissioner (likely Doug Putnam; nameplate not visible) [1:54:20]

Thank you, Mr. Chair. So to echo the Councilor's comments about the hyperscale seemed to be the biggest concerns in the three groups I was at. That was really their only concern. Our conversation did cross over from what this initially is as a joint jurisdictional discussion, but it overlaps everything. I did have a couple questions about the joint jurisdictional area and whether there was land large enough in there, land mass large enough to support one and was there an area zoned for that. So there was a few questions with that. You know a lot of the conversation also is about making sure that the ordinance is in place before we allow anything to go forward and have all the rules and the regulations spelled out in advance of one of them coming

[1:55:16]

or when they do show up so they know what rules and regulations are playing by and that the communities are protected through those. That includes the bonding of the facility and if it is decommissioned to make sure that there is enough bonding ability there to cover the cost of that, if they financially go bankrupt. And a couple people that they would like to hear from, they've said engineers and medical providers. They would like to hear from them also. Engineers for obviously the questions about the building and what it does and everything in it. And medical providers, health effects, if there's radiation and the sound effects. I don't know, they do create a lot of sounds. So, I mean, there's some questions around that. All in all, I think it was a very good conversation. I thank everybody. And it was actually enjoyable to

[1:56:08]

listen to everybody and their concerns. So, thank you.

Council Chair Rich Merkouris [1:56:11]

Thank you commissioner. Let's hold our applause please so we can stay focused on the comments. Commissioners.

Commissioner Joel Arends [1:56:17]

Thank you. I'll eat the mic here as they say. So big picture 30,000 foot view take away that I had from visiting with the groups tonight is first and foremost there is broad, bipartisan, outright opposition to data centers. I don't care if you're on the left, I don't care if you're on the right, I don't care if you make a lot of money, you don't make a lot of money. There's just, bottom line is, just there is huge opposition. And it is so interesting in this country today. Nobody gets along on anything Except for data centers' opposition.

[1:57:11]

I mean, it doesn't take a rocket scientist to figure out what the community is telling us. They just don't want these things here. But now the issue becomes, is that legal? Is that permissible? How do we balance that with private property rights? What if some data center wants to buy a bunch of land and they want to develop on there? They have property rights too. But when it comes to planning and zoning issues, we get to, what I'm hearing from people is, they want sensible regulations in place to prevent another Gemini project from happening. So what I heard tonight was, again, this is big picture, 30,000 foot view type stuff. The community is

[1:58:04]

Prioritizing quality of life over the perceived or real benefits of a data center now, how do we achieve that though? What is the roadmap to making that happen for this community for Lincoln County? Well, one of the biggest concerns I heard is well, what if somebody files an application down at City Hall or at the county courthouse tomorrow Well under our laws they get judged under our current rules. So how do we stop that if we don't think the current rules are sufficient? People tonight told me impose a moratorium, prohibit the use of non-disclosure agreements. Now we get to the issue of,

[1:59:00]

now that we're in a posture where we can protect and defend the community from this stuff, what should the rules look like moving forward? And those were some of the questions that I was asking the small groups tonight. One of the big things is setbacks. I just talked to the folks from Brandon who live up on the bluffs there. They live a mile and a half from the Xcel Energy Park. And they're wondering if they're going to hear these things whining and screaming at them. know what the people of Brandon don't have? They don't get to vote for who the Sioux Falls City Council is. So they're worried. And I said, well, anybody from Sioux Falls ever come and talk to you? Nope. So I think big picture also, people

[1:59:52]

are worried and concerned and they want their politicians to start listening to them and start executing for them. They want these rules in place and they want it done yesterday. They don't want the needle threaded. They don't want to allow the big US bank stadium sized data center to come in pursuant or subject to certain rules. They just don't want it period at all. I don't know if that's permissible or not, but

setbacks can help with that. You could put a two-mile setback on there and under the under a two-mile setback you probably couldn't build them anywhere. That's one way to do it if you've got concerns about the noise and what they emit. Another thing that I

[2:00:48]

heard was, you know, concerns about water and energy. They want to hear from water and energy experts. One lady said she wanted to hear from a safety expert. Are these things safe? Safe for my hearing? Things like that. Best quote of the night. I got from a group right over there. AI is a mystery for all of us. I thought that was interesting. Takes a lot of power. And then that brought us into this discussion. I kind of solicited these comments of, well, what kind of data center will work for you? You know, are you just against everything? Well, no, we don't want U.S. Bank Stadium in our backyard.

[2:01:39]

But maybe one of those smaller data centers that, you know, I don't know if people know this. Did you know there's a data center right next to, what's the name of the place, the trampoline park place. The data center right next to there. You don't even know it, do you? Correct. And so folks are like, well, I can live with that. So I think there's a community standard developing here, and the community standard, essentially, is I can live with that, but I can't live with US Bank Stadium. I think that's the big dividing line. Lots of questions I couldn't answer. How do you regulate the Gemini site that's already here? Will these new zoning rules, if they were implemented, would they be, would Gemini be subject to those? Would Gemini pose some type of legal fight?

[2:02:32]

Would they consider themselves grandfathered in? I don't, folks, I don't know. I don't know. Maybe you should just pass the regulations, impose it on them and fight it out in court. Cost versus benefits, big one. Going back to the modular data centers, do you know that there's a company here in Sioux Falls or Brandon, I don't know what the jurisdiction is, they actually make modular data centers and they're about the size of a shipping container and they only take like two to five megawatts of electricity and they run off of electrical HVAC. So they don't involve extracting water from the ground, things like that.

[2:03:23]

And this company apparently is doing gangbusters business because everybody else in the country, they've got such blowback from all these other big data centers that now the people who build the little data centers are doing crazy business. So that's a, I guess, I was told by people that's a success story. It's happening right here in our own community. And we get the sales tax and property tax from that. A lot of issues about, one of the big concerns I heard from people, especially folks from Lincoln County is, what does this do to my property taxes? Got a question from somebody tonight, is the legislature going to try to pass a rebate or refund for data centers? That's a big concern. I think it was mentioned Governor Rhoden made his promise.

[2:04:18]

He said no sales tax cut for data centers, but he didn't address the issue of whether he would approve a refund or rebate. So that was brought up. Reclamation and surety bonds, I heard that one a lot. So big picture, lots of concerns. and demand for action that's what I'm hearing thank you

Council Chair Rich Merkouris [2:04:42]

thank you commissioner other councilors or commissioners have any final comments Commissioner go ahead

Commissioner (name not stated) [2:04:50]

Joel you you had everything just perfectly so I don't have much to say but I do know on January 1st we're gonna have a lot of work to do at the planning and zoning and get this deal taken care of where where we get things, whatever, but it would make it work to where it's a little bit tougher.

Council Chair Rich Merkouris [2:05:20]

Thank you, Commissioner. Thank you. Any other final, Commissioner Schmidt?

Commissioner Jim Schmidt [2:05:24]

Well, I'm not going to be elaborate on what has probably already been said. I can just say that we did have one idea that we all agreed to that data centers belong are we're welcomed in Sully County. That's outside of Pierre, in case you didn't know. Barren, open, got water, everything else. The one thing that I think I took away was the process itself. The process of transparency, the process of information, the process of education. How does all of this information and this new technology that has suddenly blossomed and become such a focal point. How do you diffuse some of that? How does the local government best educate or try

[2:06:18]

to educate the constituents out there with meaningful and factual information? So we covered all the rest of this stuff about the permitting process, about property values, about environment. But we did all talk about the future and what kind of impact these would have for future generations. And I think one person talked about that for their grandchildren and their great-grandchildren and their kids. And there was some grave concern as to what these mean for that. So there's a lot of unanswered questions out there. And hopefully that through this whole process, we can come to some consensus one way or the other. And the fact that this technology is here and it's

[2:07:11]

used every day. So we're kind of caught on a crossroads. We talked about something like that, about if you want to use the Google, if you want to use all of these fast networks, storage comes from somewhere. So therein lies the question on how do you balance what the public is using and wants with the material or the facilities that are needed to supply that. That's a \$64 question they used to say.

Council Chair Rich Merkouris [2:07:45]

Thank you commissioner. Any other council? Councilor Pankonin.

Councilor Sara Pankonin [2:07:45]

Yeah thank you Mr. Chair and I see it with it being 9 o'clock I'll try to keep it short. I was in two groups and in both groups I asked them to give me one word as we went around in a circle of your biggest concern and I heard the environment benefits, costs or price, health, noise, power availability, transparency, whether or not cooling liquid needs secondary containment, benefits, impacts, consumer cost, cost of citizens,

accountability, who is monitoring the data center, pollution, realistic accountability, financial impacts, and would people hire locally and is there a penalty for not following something that we would impose and how would those penalties be paid so and then this who or what

[2:08:40]

expertise would you like to hear from as our community continues learning about data centers that those answers were from Gemini from the city attorney environmental scientists the why behind it from our military if we need these for national security? If we need data centers for business growth, what are the implications if we don't build?

Council Chair Rich Merkouris [2:09:03]

Thank you, Councilor. Thank you. Any final comments? I would summarize, if I may, just a couple of things. I'd summarize what I heard kind of in two words. First word, accountability. I think a lot of questions about if there's rules in place, what happens if they break the rule, recognizing that some of the current accountability we have in place for certain things isn't going to deter certain behaviors. So I'm going to provide clarity of how that code enforcement works on that and make sure that we've got laser focused accountability. Second item that I would focus on is a couple of groups we just talked about. We need laser focused zoning. We do not want to have unintended consequences for other good light industrial business that we want in our communities and in our counties, et cetera. So we need to have laser focused zoning. And I think we've got some clarity tonight that it's not as easy as just saying hyperscale,

[2:09:55]

But we got to define that out of what that laser focused zoning is. So those are a couple of the takeaways that I'm going to move forward with tonight as well. Quick comment Councilor Sigette brought up. How does this relate to our joint jurisdiction? I think the way that this directly relates to our joint jurisdiction is that the goal of joint jurisdiction is that area of the community we know is going to be annexed into the city in the future. And so what we want to do is we want to set up zoning in that area so that when it is and extend to the city, it's not this cliff, where it's like it's 180 degrees different of what's in the city, etc. So I think as we set the rules and the regulations in the city, it then moves out to the joint jurisdiction to make sure we've got some consistency and a nice slow off-ramp between those areas of jurisdiction and land uses, etc. So that's what I'm thinking about tonight. Final comment I would make before moving to our final

[2:10:47]

agenda item is we would appreciate, you know, if you want to send an email tonight, tomorrow, the next day about, you know, did this format make sense? Was it helpful? Would you like to see more of this format? Was it unhelpful, etc. I think that feedback would be important. You could reach out to Representative Jamison and send his feedback as well on that. But I'm gonna close this agenda item. Councilor Basye, give you a final comment.

Councilor Miranda Basye [2:11:08]

I would have a question for you, Mr. Chair. I know that the city's regulatory oversight committee had some stuff in a you know press release and things about the work that that committee would be doing I think that's really related so I'm wondering if it would be helpful if you'd be going to maybe give an overview about how the conversation doesn't end with this tonight.

Council Chair Rich Merkouris [2:11:28]

Thanks for asking that councilor. I'll take a minute and recap where the Sioux Falls City Council is moving after this. We've got a standing committee called the regulatory oversight committee. They'll be meeting next on November 9th and also on November 30th. The goal of that committee is to dig into the regulation around data center, understand definitions, etc. And bring back recommendations to the city council or report to the city council if the majority support can't be garnered on or before January 12th of next year. So there's a website landing page on the Sioux Falls city government page about regulatory oversight committee where you can submit specific feedback. We'd ask that if there's specific ordinances that you'd have, that you'd have those submitted by October 20th. I'm looking at Councilor Pankonin this if she remembers the date.

Councilor Sara Pankonin [2:12:18]

I think it's November 27th.

Council Chair Rich Merkouris [2:12:20]

November 27th, yes. That's why if you have that specific feedback so we have plenty of time to run that through legal and put that into things we're considering. But just be watching for those meetings coming up. This tonight was really the start of the conversation for us to start the listening and learning, move into that formal committee conversation, bring it back to the full council, and it should be an informational meeting, multiple readings, etc. So that's the process on our end moving forward. Councilor Pankin and final word.

Councilor Sara Pankonin [2:12:42]

A question just a little bit more information on what you were just explaining with the regulatory oversight committee since all of our city councilors are here right now wondering how many councilors should attend those regulatory oversight committees. Those will be public meetings or...

Council Chair Rich Merkouris [2:12:58]

They are all public meetings and they're publicly posted so any councilor any commissioner can attend those meetings if there's four councilors sitting on it but any councilor can attend. Thank Thank you. All right.

4. PUBLIC INPUT

Council Chair Rich Merkouris [2:13:13]

We will close that agenda item. We'll move into our final agenda item this evening, which is our public input portion of the meeting. This will be our formal public input portion of the meeting after our public input we had in conversations earlier tonight. At this time, if you would like to make formal public input, you're more than welcome. Three minutes, a speaker. Please come forward.

Amanda Kendall, chair, Let Sioux Falls Vote [2:13:31]

Good evening, Council and Commissioners. My name is Amanda Kendall. I'm the chair of Let Sioux Falls Vote. I'm alongside a data center coalition consisting of Dakota Rural Action and South Dakota for data center transparency. After everything we've discussed tonight, I want everyone to think about something. How many questions do we still not have the answers to? Now think about how much research or our research expertise and time it's going to take to answer those questions well enough to actually protect our

community. I've spent months researching hyperscale data centers. I've submitted extensive scientific research, government reports, and documented experiences from other communities to a regulatory oversight committee. And I'm nowhere near finished. The more I learn, the more I realize how complicated this industry really is. So my question is, how are we supposed to write regulations that protect our community

[2:14:25]

when we haven't had enough time to fully understand what we're regulating? This is really concerning because these issues will likely come before our state legislator again in January. last legislative session, we heard that these decisions should be left up to the communities. I believe in local control, but there's a difference between giving communities authority to make the decisions and leaving local officials and residents to navigate incredibly complex issues without resources necessary to make informed ones. That's an enormous responsibility, especially when these consequences could affect generations of people. South Dakota codified law 11-4-3 specifically requires municipal zoning regulations to be designed to promote public health and safety. We've already experienced environmental contamination here in Sioux Falls. We've dealt with contaminated groundwater, affected municipal wells, and extensive

[2:15:17]

industrial cleanups. I know, or we know some mistakes aren't easily undone. I want to acknowledge something. I genuinely, I really do believe that you guys want to get this this right. I appreciate the opportunity for this public engagement that I've been advocating for since January, but engagement needs to lead to informed decisions and that takes time. As of today, 865 people have signed our coalition's sign-on letter supporting a temporary moratorium and we launched that 21 days ago. You know what, how many here have signed our moratorium petition or petition our sign-on letter? All right, I hope that you're really taking that in. Nobody's expecting you to have every answer tonight. We're asking you to recognize that we don't have them yet. When the health and safety of our community are at stake, I would much rather explain to the future

[2:16:10]

generations why we took our time than have to explain why we didn't. Thank you.

Council Chair Rich Merkouris [2:16:15]

Thank you. Welcome.

Jean Childs, Minnehaha County [2:16:15]

You can hear me? Okay. My name is Jean Childs and I live in in Minnehaha County. And I think it's the chair who was the first person who spoke, but whoever the first person who actually spoke and began our meeting said something about, this is a new format, we're not following Robert's rules and all that. OK. And the chair also mentioned something about security, which to me, security monitoring, which I think of as surveillance. So I thought I'd mention that. And they talked about, now I don't know if this is the same person, but they talked about, it depends on who owns it and

[2:17:06]

who runs it. Well, that's kept a mystery from we the people. We have no idea who owns it and who runs it. And we don't have any idea who the heck Gemini really is. OK, we spent 60 minutes in group discussions.

And what we the people have to say is not being broadcast online to the public during these discussions of 60 minutes. During public comments after this meeting, we were told on the agenda not to comment on anything already covered in our group meetings so that what we discussed will not be available to the public. I consider this to be a violation of our Constitution's First Amendment guaranteeing our right to speak publicly.

[2:17:57]

We just spent the last 60 minutes preaching to the choir. Each and every one of our concerns should be expressed over this microphone if it takes all night long. More public transparency. Thank you.

Council Chair Rich Merkouris [2:18:17]

Thank you. Welcome.

William Wagner [2:18:27]

How you doing? I'm going to give you all a minute y'all could follow along please if that's okay. Chair. Yeah we'll look at the handout here. No thank you. Go ahead sir. I formally demand that this comment to be entered into the official record word by word exactly as spoken. Good evening commissioners and city officials my name is William Wagner a South Dakota

[2:19:20]

State constitutional advocate and almost for a decade I've been the president of the Mental Health Group for Veterans. Under our South Dakota codified law 55-2-1, you are bound to act in the highest good faith as fiduciary trustees. That oath legally obligates you to protect the public trust, our infrastructure, and the health of our citizens over corporate interests. We know exactly why the proposed 500-megawatt Gemini data center site was chosen. It sits directly on top of our critical fiber optic corridors. developers admit they have no end user or final designs yet expect a blank check for unvetted high density AI server hardware. Corporate convenience does not override public survival. I have already helped stall the unbridled expansion of data centers in Rapid City where

[2:20:12]

public push back forced city officials to halt their process and draft ordinances that completely banned massive facilities over 50 megawatts. falls is not going to be a corporate dumping ground while the rest of the state protects itself. Do not claim your hands are tied under South Dakota codified law 11-6-26. The city holds clear extraterritorial jurisdiction extending three miles beyond your corporate limits, giving you absolute power to regulate and oversee zoning protection within that buffer zone. Your fiduciary duty does not stop at the city line. Under South Dakota codified law 46-1-3 all water within South Dakota is the property of the people of the state. It does not belong to the city to lease away and it does not belong to corporations to

[2:21:04]

deplete for industrial cooling. Furthermore South Dakota codified law 46-1-5 mandates that domestic use carries the highest priority takes absolute precedence over all other uses. I brought the official letter, which I'll have after this, from Attorney General Marty Jackley's office, written by Assistant AG Emily Greco and CC2DANR Secretary Hunter Roberts, dated August 10, 2026, sent directly to me, William Wagner and Allen

Fieldman. The state's top law enforcement office explicitly confirms that domestic water use carries the highest priority under state law. The buck stops here under the data center Bill of Rights Senate Bill 135 section 4 the legislator explicitly declares that the state may not permit or limit the authority of a

[2:21:58]

municipality to adopt ordinances limiting prohibiting or regulating data centers. The people of Sioux Falls have spoken. We do not want this infrastructure contaminating our land exhausting our grid.

Council Chair Rich Merkouris [2:22:11]

Thank you for your testimony sir. Thank you. Y'all got this paper and y'all have more too. Thank you. Welcome. Welcome.

Jenny McNamara, Lincoln County [2:22:23]

Councilors, council chair, commissioners, I'm Jenny McNamara. I'm from Sioux Falls and I do live in Lincoln County. Commissioner Arends, I did get to thank you, but I want to thank you kind of officially for positing this joint meeting, talking about the zoning area and whatnot after last month's meeting. But I'm not here to give public input about data centers tonight. I'm here to speak to the Sioux Falls City Council about the events of last week and And I want to thank you for your response to my email that I, everybody visualized that cat meme where it's typing like this. That was me. But the blatant use even casually of such a volatile, negative racial slur on the public record, I understand free speech and that we are all allowed to get up here and say what we need and want to say, but some things can remain edited.

[2:23:18]

I think if you can change the F word to F in your statement, you probably could have said something different but I do want to thank you Council Oppenheimer and Spellerberg both of you before I was awake the next morning I had heard from you and I also heard from Mayor Erickson that you guys were aware of our concerns and our feelings about it And that we were being heard. I do hope that there's some further discussion about about grabbing hold of decorum at our regular meetings, maybe revisiting how we explain how things should be and using the gavel more. But again, I do appreciate your response in hearing me out and also to Attorney for addressing it with the media as well. So thank you.

Council Chair Rich Merkouris [2:24:04]

Thank you. Welcome.

Scott Ersman (spelling as heard), Sioux Falls [2:24:10]

Scott Ersman, Sioux Falls. What I got out of this tonight is that, You know, emerging technologies, you know, I was born in 1972. I could go hundreds of emerging technologies over the years I've been, you know, alive. And I think in five years they'll figure out this water problem and this electrical problem and the noise problem and all that other stuff. Not worried about that. My concern is we have a problem in this state. We just gave \$100 million to Korean business people. We gave a \$90 million TIF to Smithfield, owned by communists. I think one thing that needs to be in the regulations is that they pay 100% taxes, day one. No breaks, no refunds, no TIFs, no, oh, get \$100 million from GOED from the state, make

[2:25:02]

sure you come here and don't provide any jobs, and blah, blah, blah. 100% taxes. They can either come here and pay 100% taxes or they can go someplace else. I guess I look at it as in five years we'll be fine to build these things, but they need to pay their way. Enough of this corporate handout crap. It's not good. And as for the forum tonight, I thought it was great. And you need to do this more often, like once a month, on everything. You need to hear other voices to make the right decision. You can't just, oh, a staff member told me this, or a staff in the city told me this, so that's what I'm going with. No, you need to hear opposite voices all the time.

[2:25:55]

That's how you make better decisions. You know, when Christine was running for mayor, she asked me if there's any books you should read, political books, because she likes to listen to them while she's driving around, and I said, you should read Team Rivals. And she says, you know, I had a lot of people suggest that book to me. And she did read it. And I suggested everyone who's an elected official in this state reads that book. It is about how Lincoln created a cabinet of enemies. And he knew that the discussions and the debate that they would have would come up with the best solution. He didn't have a bunch of yes men coming in there. telling him he won the 2020 election.

[2:26:47]

So you guys, you just need to listen to the public more. And it's just stuff like this, item number five, public will be encouraged to share what has not been brought up in small discussions, or we can't repeat ourselves. We can repeat ourselves all we want. We have the First Amendment right. I don't know when you guys are gonna figure that one out, But we can talk about everything 10 times over.

Council Chair Rich Merkouris [2:27:12]

Thank you for your feedback. Welcome.

Lori Lippert, Sioux Falls [2:27:17]

Thank you, Council. I'm Lori Lippert, and I live in Sioux Falls. Oh, maybe I'll bring this down. Can you hear me now? OK, so I appreciate this forum, and I appreciate, Joel, that you put it kind of together for us and that you guys all agreed to it. So I want to express that I support a moratorium on any permitting on data centers in Sioux Falls in order to allow adequate time to craft effective laws that will actually keep the people of Sioux Falls safe. It really is quite absurd to me that Gemini would be exempt from any of this upcoming legislation, laws, ordinances, whatever you want to call them. The Gemini Project is what has brought these people here today and why they've been calling and emailing you since January.

[2:28:09]

They aren't worried about five or ten years from now. They're worried about today. And I agree that you can actually ordinance Gemini. It's a matter of will. The concerns that center around the encroachment of big tech and big data and monstrous facilities are the environmental issues, the perpetration of sound pollution, the questions of risks to health that are raised, the devaluation of real estate, the destabilization of communities through water and power costs and use. Keep in mind that a corrupt campaign finance system is bought and paid for by big tech and by utilities and the players that stand to make astonishing amounts of profits while taking economic and political power from the voters.

[2:29:03]

The industry raises concerns about the disruption in wages, jobs, and the privacy and security for people, especially younger people with the advent of AI. You're giving away the store by letting them build within the city limits of our community amongst hundreds and hundreds of homes, without placing any meaningful restrictions or guardrails for our health and that of our environment and our natural resources which reflects the lack of economic and political power of everyday people who are saying stop. We don't want our health, our resources, and our quality of life compromised by more hasty and poorly thought through decisions. A moratorium is in order to recalculate risks and detrimental effects and to conduct environmental health and economic impact studies, which I believe need to be required.

[2:29:58]

to craft laws from period. We've reviewed data that include monitoring, oversight, consequences and enforcement and the methodologies for that plan. You've got to have a way to do that. You can't just say this is what we expect. This cannot be effectively done in a few weeks. And either you're serious about keeping the people of Sioux Falls safe or you're not.

Council Chair Rich Merkouris [2:30:21]

Thank you for your comments. Welcome.

Julia Knapdik (spelling as heard), Sioux Falls and Lincoln County [2:30:26]

Hi there. I'm Julia Knapdik. I live in Sioux Falls and Lincoln County. to use my three minutes to explain how and why subacoustic noise should be considered, measured and regulated. Hyperscale data centers produce a wide mix of sounds, but the most problematic and dominant tones are low frequency hums below 250 hertz and deep infrasound, also called subacoustic sound, which is down to 20 hertz or lower. My background is more than 30 years as an occupational health nurse. I worked at six Fortune 500 companies who all had noise exposures exceeding 85 decibels, so we had hearing conservation programs and all of those. But what I'm talking about primarily is not the 85 decibels that your zoning laws will address but the subacute noise. First of all, OSHA doesn't regulate it.

[2:31:18]

It only regulates noise that's within the audible range. The second problem is that the noise level meters used by companies don't measure this. They're A-weighted and C-weighted to measure the sounds that are audible to humans. And what they need is G-weighted measurements, measuring equipment that will measure the subacute noise. The third problem is that the low frequency noise travels through barriers such as walls, glass, berms, up to three and a half miles from the source. So what you're talking about as far as your noise measurements with your zoning are totally insufficient. These low frequency noise impacts on human health include cardiovascular effects such as elevated blood pressure, heart rate variability, and ischemic risk, meaning heart attacks. They trigger stress hormones like cortisol, elevating heart rate and blood pressure.

[2:32:12]

They affect the audio vestibular system, that's your inner ear, causing dizziness, ringing in the ears, deep ear pressure and even pain, nausea and balance disturbances. The constant low rumbling you may hear, or it may be too low to hear, affects deep slow wave and REM sleep and causes chronic fatigue. It can also cause

cognitive impairment, including reduced attention, memory, executive function, and then general annoyance, irritability, and a general reduction in quality of life. When we're considering writing data center ordinances, both noise level and noise frequency, meaning the hertz, the low level frequency noise, need to be taken into effect. Within this three and a half mile radius, at least, are hundreds of homes, two recreation areas, two elementary schools or more.

[2:33:03]

I didn't look at Brandon, at least one church and a daycare center. What are we going to do about those homes, daycare centers, churches? Your church is supposed to be a place of peace. Your home is supposed to be a place to get away from the stressors of the world. Kids, parents shouldn't have to move their kids to alternate schools and alternate daycare centers to get their kids away from this low frequency noise.

Council Chair Rich Merkouris [2:33:28]

Thank you for your feedback.

Julia Knapdik (spelling as heard), Sioux Falls and Lincoln County [2:33:29]

Anyway, our economy is to serve us, the people of Sioux Falls, not these data center techs.

Council Chair Rich Merkouris [2:33:38]

Welcome.

Sharon (last name not stated) [2:33:41]

Hello. Good evening, Council members and commissioners. My name is Sharon. I was born here. My husband was born here. My mother was born here. Both of my children were born here. My grandmother was in downtown Sioux Falls and left just minutes before John Dillinger rode through and robbed the Security National Bank and Trust in 1934. I think you get the picture. I have deep ties here. Whoever wins AI wins, says Trump. The threat of China getting ahead of us is used as pressure to get hyperscale data centers up and running before regulations can be put in place. I believe that the United States can lead,

[2:34:33]

but in a responsible way. We can show the rest of the world how to manage innovation and at the same time have the guardrails in place to protect our communities. What is the hyperscale data center going to be used for anyway? Is it going to be used for cancer research or for surveillance of our communities? For our youth, almost every circumstance in AI will reduce the average student's ability to think their own way through problems in daily life. It likely will be used to keep the majority of Americans' money going to the billionaires. Both Anthropic and OpenAI have come forward and warned us that it is an existential threat to humanity. It remains true, however, that AI has the potential

[2:35:26]

to benefit humanity. We 100% have to have governance and oversight and auditing. All of those things figured out for any technology before we even start this conversation. What we've seen in other communities is not something that we would welcome into ours. No family or small business should pay a dime more to subsidize the energy consumption of one of these data centers. This isn't just any business. This is a business that has the potential to do harm to our community and to the citizens of our community.

The threat of AI going rogue because of not having any guardrails is much higher than the threat of China getting ahead of us. I'm here tonight for my children, my grandchildren, and their children to make sure that they

[2:36:21]

have a safe, healthy, and beautiful place to grow up in, just like I did. Thank you.

Council Chair Rich Merkouris [2:36:30]

Next comment.

Carter Gordon, Sioux Falls [2:36:33]

Hello, Council and Commission. My name is Carter Gordon. I live here in Sioux Falls in Minnehaha County, and just some quick background, I myself am a programmer here in town at USF. I graduated DSU last year with a bachelor's in AI and a bachelor's in sound design, so I kind of know at least this sphere of stuff. And on top of everything else you'll hear tonight, the two questions I most want to put into your head is in regards to the incentive and intent of this Gemini organization. From my understanding from things I've heard from some of these city councilors, is that even though this is Gemini, like that's the name of the company, and it is a data center, it is not explicitly, at least so far, tied to Gemini in the Google AI sense. Which is also pretty peculiar.

[2:37:26]

These are three dudes in California that own properties from LA to NYC. Sioux Falls is not special to them. They have no incentive for this local community to give back or really care about us at all. They have an incentive to make money. That's why they want this data center, because if, you know, these are guys who own real estate companies, they don't know anything about AI and machine learning and server infrastructure. They just know that it's the shovel to the AI arms race as the shovel was to the gold rush. They want to get in on this quick cash before this bubble pops to make some money off of renting out some compute to some of these larger companies as Commissioner Thomas had mentioned

[2:38:18]

that we don't know what the end user is yet. They don't have an end user or a design for this yet, which is very important to some of the questions that we the people are asking. You know, and when it comes to selling compute and who the end user could be, a lot of the ones here in Sioux Falls that would be an end user of something like this, I'm talking companies like ClickRain, colleges such as myself, the one I work at, or there are a few network security firms in town. All of these companies have their own, as you saw in the first slide show, enterprise data centers that they use for their operations. They have no need for this. This is purely for these at-large computational arms races, or at least this perceived need to keep growing our compute without any regard as to how we are doing it.

[2:39:09]

And these guys don't even care about compute. They care about money. Again, incentive and intent. Why did they go about trying to get this approved this way? Why are they, you know, calling themselves Gemini and obviously confusing the people with what Gemini is in the zeitgeist as an AI model. It's all so questionable, and none of it seems to be very good. Thank you.

Council Chair Rich Merkouris [2:39:40]

Next comment.

Susan Luchas (spelling as heard) [2:39:42]

My name is Susan Luchas. I have a bachelor's, master's, and PhD from MIT. I worked on some of the first wifi, Bluetooth, and cell phone chips. My husband also has a PhD.

Council Chair Rich Merkouris [2:39:53]

Ma'am, ma'am, could you just take your hands off the microphone?

Susan Luchas (spelling as heard) [2:39:55]

Oh, sorry. to the recording downstairs, thank you. My husband also has a PhD in electrical engineering as well. He's worked on high speed digital communications and protocol hardware and design. So here I'm giving you a, people have said, we need these data centers, we need 500 megawatts for AI. Is your AI chat bot too slow? We need it for our video streaming. Is your video streaming too slow? Is there delay, are there glitches? We need it for our work and our emails. Are your emails too slow? We need it for our tractor data. Does your tractor data not upload in time for you to get your harvest data? What do we need all this data center processing power for? Well, after 17 years in Silicon Valley, I can tell you what we need it for because it's widely discussed. We need it to control the idiots

[2:40:46]

in the middle of the country. That's widely discussed. People say that's a conspiracy theory here. Okay, it's a conspiracy theory. So my husband and I have written a white paper to mathematically prove that to you. I would love for the paper to be wrong. Please tell us where math is wrong. We would love to know. Please tell us what scenario we've forgotten where you need that much data center power. The largest data center we currently have in Sioux Falls is two megawatts. Why do we need 500? It doesn't make any sense. The numbers don't work. The numbers don't add up. That's what I've shown you and my husband and I have shown you in this white paper. I will also send you an electronic copy. So the only scenario that we can possibly come up with where the numbers work, why you need a 500 megawatt data center, is for a full digital control grid, a Chinese-style social credit system where we observe, surveil, and control all of us and our children.

[2:41:42]

So my husband and I wrote this white paper because we don't want our kids to be slaves, but we don't want your kids to be slaves, and we don't want our community to be slaves. Okay, so please tell us where the paper is wrong. I will send you an online link The second handout I have for you is a list of counties and cities that have banned data centers boot County on June 2nd passed with 76% of the vote a requirement to require their county to pass an ordinance banning data centers boot County, South Dakota on that sheet is every single city And county that I'm aware of in the country if I've missed anything let me know know. So I'm encouraging you to vote against the slavery system. Don't let your kids be slaves. Don't let yourself be slave digitally controlled by tech and elites. So I'm asking you to have the courage to put in a ban to prevent the

[2:42:36]

slavery system. Thank you.

Council Chair Rich Merkouris [2:42:36]

Thank you for your comments. Welcome.

Nicole McCormick, Sioux Falls and Lincoln County [2:42:36]

Hi my name is Nicole McCormick. I am in Sioux Falls kind of the south end, Lincoln County. So I speak for people in both. I grew up in Minnehaha County, as did my mom. And as my grandparents grew up kind of in the northern part of South Dakota and had a farm in DeSmet. So we kind of have hard ties to South Dakota as well. Four of the Constitution reads, the right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated and no warrant shall issue but upon probable cause supported by oath or affirmation and

[2:43:30]

particularly describing the place to be searched and the persons or things to be seized. We have reason to believe that these data centers are tied to all the stuff with the mass surveillance system as well. Catherine Austin-Fitts of the Solari reports, if you do research on her site, you'll see that there's lots of these concerns from people in other states. If you look at a lot of the surrounding states that have already implemented data centers and even farther into country, where they have had shortages of water, sediment in their water, inadequate pressure to flush their toilets, heart issues, sleep issues, noise disturbances. I mean, we don't take those things lightly with having children and possibly future generations

[2:44:22]

to not be, we don't want something done that cannot be undone. We looked a little bit into the MCEA, the Minnesota Center for Environmental Advocacy. They are doing some research into the environmental and other impacts that are on the humans and on the land and so forth. Hyperscale data centers can require millions of gallons of water annually for cooling and vast amounts of energy to power their high-tech operations. They carry implications for sulfide mining, giving the metals involved. They can generate. A lot of noise and light pollution for even nearby community members. Just to give you an idea, more than 20 hyperscale data centers have been proposed, and this is just a neighboring state, Minnesota. If 10 are built, they could consume as much energy as the entire state, and we're of course talking about the large hyperscale.

[2:45:19]

Where we stand is we want to see them band all together, because this is not, we're not experiments, we're not lab rats. We can't mess this up and go back and say, oh well, things went terribly wrong, then it's too late. So that's where we stand. I know a moratorium gives people time, but time for what? Look at your neighboring states. Look at your research to Ogallala Aquifer. Thank you.

Council Chair Rich Merkouris [2:45:47]

You're welcome.

Derek Swanson, Minnehaha County [2:45:52]

Good evening. Hey, Derek Swanson, Minnehaha County for 19 years. I don't know if I need three minutes. I just, I don't know any of you personally, and I'm assuming you all have as much experience and data center knowledge as I do, which is none. Maybe some of you do, I have no idea. But assuming that most of you have just as many questions as the rest of us that were talking to you, and I only talked to Sarah, you were

very helpful and I appreciate your conversation. It was, you can tell that you care. I can sense it. But if you have as many questions as she does, which she should have, that's why she's talking to us, I am assuming, I guess, before I finish that thought that this is going to happen. I know people are making comments about still trying

[2:46:43]

to just completely shut it down. And I'm not saying that's the answer. But if it does happen, which it probably will and whatever size or capacity that it's going to. A pause whether it's a year if that can't be done and it's six months but I just throw out a year because who really knows what a good number is. Because if you don't know how can you possibly have a good way to make brand new zoning rules for something so different and huge and just everything that's never been before in a short amount of time. It's just to me it's a no-brainer to you can call whatever you want a pause of moratorium just and I realize there's several steps like what

[2:47:37]

you're gonna do in January and then something's gonna happen a couple months after that I don't even know how it all works I just know that any possible way to delay the entire process whether it's from the beginning the middle to the end. It's just it's a no-brainer until you figure out every last piece of information that makes sense to create this new checklist of zoning rules that have to be followed. Thank you for your time. That's all I have.

Council Chair Rich Merkouris [2:48:09]

Thank you.

Frank Kloucek, Scotland, S.D. [2:48:09]

Good evening. Good evening commissioners and councilmen and women Frank Kloucek, Scotland, South Dakota. I spend way too much money in Sioux falls but I love your city. Keep spinning it. Yeah as we traveled South Dakota 12,000 miles in September, three oil changes even, people that were experts in the field, engineers, scientists, people that knew their stuff told me we do not support these above 10 mega data centers. Replace fear with facts, transparency instead of non-disclosure agreements. Open meetings, not closed meetings like the one up in Hoffman's County. Public health and safety, we all took an oath for that as elected officials.

[2:49:02]

That's very important. In SDSU in 1977, we took a class of animal science simulator. The computer was half of this room. We selected our breeding stock, we did all that. There were punch cards and there were chads and all that other stuff. That today, that same computer is in the size of your hand. So that's why we want to support a moratorium. Let's let this baby cool down. The Democrats of the legislature, my hat's off to them. I was supporting this thing and I saw that they were the ones that actually started it and deserved the credit. One moratorium, year moratorium is not a bad thing. It's a good thing. We need sound decisions. Putnam, Commissioner Arends and Yankton, Commissioner Heine, you are to be commended and all of you that supported this moratorium. No sales tax exemptions,

[2:49:56]

don't let the legislators get away with that next year. Transparency, transparency, transparency. We need more teeth, any kind of teeth in the data center bill rights, even a misdemeanor. It's a toothless tiger right

now. Hold the mega centers accountable above 10 milligram megawatts. The legislature needs to be held accountable, increasing our rights before we lose our water electricity, natural gas and property rights, and face increased costs in water electricity and natural gas because of these data centers. Ladies and gentlemen, honorable elected officials, the people of South Dakota should always, always come first. Thank you.

Council Chair Rich Merkouris [2:50:36]

Thank you. Welcome.

Veronica Ludwig (spelling as heard), Brandon [2:50:36]

Thank you. So my name is Veronica I'm here today, I actually basically at this joint meeting, I think it's so important that you're hearing people from Brandon, South Dakota, because we were kind of very surprised when we found out that the Gemini Hyperscale data center was being planned without our knowledge by our own elected officials directly on our border. And I recently came across a piece of information that basically said that there were representatives from Brandon who came to a Sioux Falls meeting on January 6th and said that Brandon was neutral. And I'm here to tell you that Brandon is not neutral. I'm not neutral. And if you look at the Republican primary elections in District 2, you'll have all the data that you need.

[2:51:31]

Brandon and District 2 East Sioux Falls effectively voted in the three Republican candidates who publicly opposed data centers. And we effectively screened out the other to who it came out in future PAC Center reporting had taken money from the data center PACS. And on the June election we also voted with a two-third margin for Senator Sagarda effectively getting rid of the incumbent call who was the co-sponsor of the tax breaks for the data centers while also representing Brandon. So he will no longer be in office electing us. And I just want to be very clear that two-thirds of District 2 voted clearly for candidates who opposed data centers. And part of that was because there was no transparency and we've been locked out of

[2:52:24]

the discussion. So these other commissioners, especially you, sir, you are an asset to your commission and we need more people standing up with the right kind of language, the moratorium. I can tell you for a fact that I'm voting on a single issue this year. It's across every, doesn't matter Democrat, Republican, it's on who's publicly opposing data centers because there's been no transparency. And I do want to finish this paper. I'm a wife, a daughter, and a granddaughter of combat veterans. And this is punchy, so I apologize for that. But the rest of William's speech, William Wagner, said that the people of Sioux Falls have spoken. We do not want this infrastructure contaminating our land, exhausting our grid, and drinking our water table dry. You have full authority

[2:53:17]

under Section 4 to protect us. If you push this forward you actively choose to violate your statutory obligation of good faith. If you do, William, he will actively recommend that the citizens of Sioux Falls initiate a formal recall of every local official who acts to railroad this project through. No immunity, no tax breaks, uphold your oath, enforce parliament public water our rights act in the highest good faith and stop this development tonight. My husband I live with combat veteran things issues every single day and people fight for our rights.

Council Chair Rich Merkouris [2:53:49]

Thank you for your comment. If we could hold the applause please so we can move to the next comment and each person can speak. Go ahead.

Rita Gaster (spelling as heard), Sioux Falls [2:53:58]

Hello good evening Rita Gaster, Sioux Falls. On January 1st of this year I had no idea what a hyperscale data center was but after that infamous City Council meeting with 65 people testifying why it should not have been rezoned to that area that you then went and voted not to pass the zoning but then took a break came back re-voted and it was 9-0 that it was was past the rezoning. This got my attention, and it got a lot of people's attention. The residents who are closest to the Gemini Project don't even live in the city of Sioux Falls.

[2:54:50]

I heard someone say earlier, it's a mile and a half away. Brandon Bluffs is one half mile from 6 Mile Road, one half mile away. So, and then when you think about the property taxes of those people, but what we hear is that we have to win the AI war, even when tech executives warn that AI could end humanity by the end of the decade. The U.S. has 4,318 operating and planned data centers, and we are the country with the most data centers in the world. The second coming in is China with just a little over 400. So what's the hurry? What would a temporary moratorium hurt?

[2:55:46]

We need to get this right. I'm a nurse and I worry about the health effects in the area, the noise pollution that goes through your house 24-7 if you can imagine that the hum of a data center and the emission of EMF. It can interrupt sleep and some people try to mask it by white noise or they try to mask it by a fan to no avail. Air pollution, there will be air particle matter in the air when diesel generators are discharged. air pollution can cause asthma in individuals and children and elderly are at higher risk. This isn't about stopping innovation or inhibiting business growth at all.

[2:56:38]

This is our land, this is our water, and the safety of our people living near these hyperscale data centers. It's just not right. I have read that you may come up with regulations for data centers, but they might not be applicable to the Gemini project. Excuse me? What? These...

Council Chair Rich Merkouris [2:57:02]

Thank you for your comment.

Craig Brown, Sioux Falls [2:57:11]

So my name is Craig Brown. I live a few blocks west of Washington High School. My front door is 2.8 miles from the front door of the proposed Gemini Center. And this is the life that I see in front of me, that I hear in front of me. For those of you who have Spotify, you can tune in, just look for data center noise, and you can get a good eight minute sample of what life with a data center is like. Can you hear it okay? Can you hear it alright? Because this is the life I look forward to. You know my house is paid for, I'm very proud of that. I look forward to living and dying in Sioux Falls.

[2:58:05]

But if we go forward with Gemini, I'll be selling my house, hopefully before the property value of it falls in half. But according to the research that I've seen, there's 48,000 households within five miles of the front door of this data center. 48,000 households losing property value, selling their house, moving out of Sioux Falls, disparaging Sioux Falls when they move to other cities. We've got a great city here. Let's not screw it up. I'm asking you to support the one year moratorium and hopefully that'll lead to a permanent ban on this nonsense. The idea of having a hyperscale monstrosity within our city limits is untenable.

[2:59:01]

And I've seen you, I know that you've heard and seen a lot of evidence to that effect. Is this annoying to you? It's intended to be. Is this annoying to anybody out there? It's intended to be. Because this is the life that you're prescribing for me. and my family, and my four dogs, and my two cats, whom I love dearly. Thank you.

Council Chair Rich Merkouris [2:59:35]

Thank you.

Susie Pratt [2:59:36]

Hello, my name is Susie Pratt. I wanted to come up with something that you guys may not have heard tonight. Tonight you've heard a lot about how much concern there is around hyperscale data centers like Gemini. Tonight I wanted to talk about how far that reach goes, well beyond the limits of Brandon. Data centers don't plug into the wall, they plug into the grid or run on backup generation, which has its own issues. And the grid is being rebuilt to carry them. Right now, MISO, the operator of our regional grid is planning a 21.8 billion, 3,600 mile build out of high voltage lines across the Midwest. So large, new demand of data centers in the region is driving the build out, and families

[3:00:31]

and farmers are the ones absorbing it. Here's what one piece of that build out looks like in South Dakota. It's a 90 mile, 765 kV line across Grant, Dual, and Brookings County. 93% of the strip it takes is farmland, more than 2,500 acres of cropland and rangeland. And the route isn't straight, it jogs along sections, lines, and bends. Every turn means another heavy angle tower and another landowner affected. These towers stand 150 to 175 feet tall. That's about twice the height and six times the load of the WAPA lines people see, hear, and already live with. And as tall as a 15-story building, every quarter mile across three counties.

[3:01:23]

And this voltage is different. At 765 kilovolts, electricity discharges into the air around the wires. In rain and fog, it crackles and hums. And on a foggy night, you can see it glow. Electricity you can hear at 40 to 90 decibels. So when we talk about a data center, we're not talking about one building on one lot. We're not talking about the people just next door. We're talking about the lines that feed it, the land under those lines, and the people who live beside them. Data centers don't exist in a vacuum. They reach out across the land around them. All we're asking is that you carefully create ordinances and employ a moratorium temporarily to ensure that the fence is created before the fox is in the henhouse. Thank you.

Council Chair Rich Merkouris [3:02:09]

Thank you. Welcome.

Lincoln County resident, age 17 [3:02:09]

[Name withheld. The speaker is a minor.] I'm a 17-year-old and I live in Lincoln County. I honestly don't see a single reason not to pass the moratorium on the Gemini Data Center project. It's clear to see that the citizens that you serve, be that Democrat or Republican or Independent, all of us have somehow come together to agree that we do not want a hyperscale data center being built in our community. There are so many questions we simply don't have answers to. As elected officials, it's your job to make sure you answer them before proceeding with a project that might have extreme adverse effects on everyone in this community? What financial burden would this project have on my community? How do we stop this data center from emitting harmful noises, be that infrasound or high decibel, and counting chemical leaks, or causing chemical leaks that leave lasting damage on

[3:03:04]

the health of people in my community? How will these factors impact local wildlife, and how will that in turn impact our agriculture, our food, and our economy? There's simply too much to figure out, and we don't have time to deal with all of that without passing the moratorium. Please do not let a predatory corporation hurt my community just for the sake of possible economic benefits. If you allow the Gemini Project to proceed without proper, specific, and thought-out regulations, are you willing to look me and my peers in the eyes in 10 years and apologize for not doing more? That's all.

Council Chair Rich Merkouris [3:03:35]

Thank you. Next comment.

Savannah Holloman (spelling as heard), Sioux Falls [3:03:43]

[Brief aside omitted.] My name is Savannah Holloman. I was born and raised in Sioux Falls. people were talking about the third or fourth generation Sioux Fallsians. I'm also third generation here, so my roots run deep. Thank you for mentioning Joel, the data centers that are in the area already. I did a little bit of research and found that the data centers that are here in Sioux Falls already are one, two, or five megawatts, and the proposed Gemini facility will be 500 megawatts. Again, based on some quick Google searches, I learned that that's enough to power up to 465,000 homes in Sioux Falls. My values are rooted in authenticity and balance. I don't get caught up in fads or fanaticism. I've looked for information about communities that have positive reports about living near

[3:04:35]

data centers. I wasn't able to find much. I found that while city planners and economic development boards emphasize the immense tax revenues and infrastructure perks. Citizens express a wide range of concerns, which we've all heard about tonight. In our small groups, the consensus was that there's no amount of tax revenues or infrastructure perks that are worth all of the risks associated with bringing a data center like Gemini in, including Gemini. If it'll take months to get the right policies in place, that was mentioned in one of the groups as kind of a way to alleviate any concerns. going to take months for any of these policies to be put in place, then why not pass a moratorium just to give everybody peace of mind and know that Gemini is not going to be able to move in before the right rules are there.

[3:05:26]

The communities that I found that are doing it right are at a minimum passing a moratorium to ensure that they have the right policies in place to protect their residents. I'm investing my time and energy in this cause because I have very high expectations first Sioux Falls and I'm confident that you'll do the right thing and pass the moratorium that includes any progress on the Gemini site. Thank you.

Council Chair Rich Merkouris [3:05:46]

Thank you. Next comment come forward.

Rain Crockett (spelling as heard), Sioux Falls [3:05:52]

Hi, Rain Crockett, Sioux Falls local since 2012. I moved here from Chicago, Illinois and I moved here specifically on the notion that it had beautiful scenery and a very good working culture and it's I fell in love with it as soon as I got here and I have never moved since and these things that we are trying to bring in will affect the wildlife, the water, the air and everything that's in between. This goes down to if it's going to be able to affect humans in such a way that they can have heart attacks. Think about what that does to the deer that you might want to eat, or the pheasant you might want to hunt, or the monarch butterflies that are suddenly disappearing.

[3:06:47]

These things do affect us in total as we understand that we are part of the world around us and we are one with nature and we can't escape that fact. So if we are gonna put refrigerants and poison into our water to not only drink for ourselves, but to give to nature willy-nilly, that's going to end up coming back to us as food later on either through the wildlife itself or through the cattle and the sheep and anything else that is an ungulate that we are gonna end up eating, the chickens that also eat the grasses and the bugs that also contain these contaminations. These are things that are going to circle back to us and amplify over and over and over again. And we need to really halt and think about all of the things

[3:07:41]

that happen because the data centers that we have are data storage facilities for the hospitals and they make sense and we are not complaining about those because those are things that are within reasonable limits to us, we are not being harmed by, and they are ultimately benefiting us. We are worried when you amp that up to a point where the electricity in the air and on the lines is glowing, when contamination becomes a severe problem, and we see this throughout every major mega facility that has been happening. We see it all over the place. This is a very deep, deep concern, and it's going to affect a lot more than you think it does. So please, please, please consider halting this. Thank you so much.

Council Chair Rich Merkouris [3:08:29]

Thank you. Welcome.

Jeff Smith, Sioux Falls [3:08:38]

Good evening. Councilors and commissioners, my name is Jeff Smith. I'm a resident of Sioux Falls. I've spent over 30 years leading technology teams in our region. I've run the infrastructure in these data centers that we're talking about tonight. So I want to offer a different perspective. I don't support a moratorium on

hyperscale data centers, and I want to be clear why, because I do share many of the current concerns you've heard in this room. Sioux Falls has a process that evaluates every project on power, water, noise, traffic, land use, whether it's a hyperscale data center, a manufacturing plant, or a distribution center.

[3:09:29]

We have witnessed the process work with proposed projects. The council did not immediately approve the Gemini project as it was submitted. It went through the process, and there was conditional use put on that. My ask is that you take those conditional use permits, develop them, and put them into some sort of ordinance for data centers. These are real guard rails, and they already came out of the process we already have. A moratorium doesn't add protection. It adds a stop sign. There's nothing moving that a pause would catch. What a moratorium would tell us, or would tell every company evaluating Sioux Falls and Lincoln

[3:10:20]

County in any industry, is that our rules can change after the fact. Here's what I do support. The City Council's regulatory oversight committee is already reviewing these things. With public meetings in November and January, let's use that process to take the conditions placed on Gemini proposal and turn them into a standing ordinance. So the next project starts from the same baseline. Clear rules written in advance applies to everyone. That's how we protect the residents and stay a city where good projects can still happen. Modern hyper-scale data centers are not the facilities many of us have read about over the last five or ten years. the city.

[3:11:11]

The city is changing. And that's good. Everyone in this room has used our cell phones tonight multiple times. And that's where these this scale is going. So codify the guardrails don't pause the city. And stay. Extremely extremely transparent that's the biggest concern I heard tonight.

Council Chair Rich Merkouris [3:11:37]

Welcome.

State Sen. Joy Hohn, District 9 [3:11:37]

Thank you for the opportunity to speak to you tonight. I'm Senator Joy Hohn from District 9 and I was hearing some discussion on tax incentives and whatnot that has come before the legislature. The last couple years we have narrowly defeated two different proposals or I should say several proposals but two were kind of geared towards the tax incentives and I would just like to say to our public here that there is going to be a change of makeup in our legislature this year and so be wary and be watchful. Reach out to your legislators now and during session and let them know how you feel. I just want

[3:12:32]

highlight a couple, actually just one portion of our data center Bill of Rights that we passed this last session and that is the state may not preempt local authority for limiting banning or regulating data centers therefore the state does not enact protections for communities and so those protections must be done by local governments. Over the past few years I have been listening to the concerns of the people and their concerns are valid. I have also been monitoring the discussions surrounding economic growth. Responsible

economic growth can be achieved while placing safeguards and respecting the people and communities who built it, a balanced approach. It's not about progress and or excuse me, it's about progress and people working together and

[3:13:29]

And that balance is what keeps our community strong and growing without losing what makes South Dakota special. South Dakota is about balance, bringing people together, making thoughtful decisions, and following through. As a state senator representing a portion of Sioux Falls, I am asking that you consider a temporary pause, a moratorium, while you address existing and critical concerns. Thank you.

Council Chair Rich Merkouris [3:13:58]

Thank you. Welcome.

State Rep. Tesa Schwans, District 9 [3:14:00]

Hello, everybody. My name is Tesa Schwans. I'm the current district house representative for District 9. And I would just like to say thank you for staying here so late. I know it's getting late and I'll try to make this really brief. I don't know how many of you guys have been to Allendale. Can you just raise your hands really quick if you've seen Allendale? My husband travels quite a bit and he actually took a video going by Allendale. And that video was about 3 minutes and 24 seconds long. Just showing the infrastructure that was built. That video alone created a lot of concerns. It created just some questions as far as what that is going to actually look like within the state of South Dakota and also within our communities. When we passed legislatively SB 135, which was the data center Bill of Rights, it specifically

[3:14:57]

talks about def... The state is designing data centers as centralized facilities for storing, processing, managing, and disseminating electronic data with peak demands of 10 megawatts or greater. It also put in protections or provisions for electricity costs and protections, for local control, which Senator Hohn just talked about, and water protections as well. I think as an advocate for the people of District 9 and being a sounding voice for the people of District 9 and Minnehaha County and the state of South Dakota, I do agree that it's the responsible approach to possibly consider a moratorium before passing any strong ordinances. That moratorium just gives you guys a temporary pause. That's all it does.

[3:15:48]

It gives you a temporary pause so that we can pass and we get good ordinances that are gonna protect the good people that are expressing their concerns today. I really thank all of you for your time and hopefully we'll do the right thing for the people. Thank you.

Council Chair Rich Merkouris [3:16:04]

Thank you. Thanks.

John Koonery (spelling as heard), southwest Sioux Falls [3:16:09]

Good evening. Good evening, commissioners, city council. My name is John Koonery. I live in Southwest Sioux Falls and I've been going around knocking a lot of doors, talking about some good people. A couple of them are in the room tonight in the last few months. I want to talk a little bit about some of these things. My background is I spent 30 years in IT. I was a software application engineer, and many of these people are

various technical backgrounds. I know what a standard data center is in that. This is a whole different animal. This is like comparing a frog to T-Rex or something. But anyway, advanced frontier AI models are self-generated models that creates the next generation.

[3:17:00]

They're already turning it over to AI itself to create its next generation. So humans are not even in the loop. And we've had multiple people who are top of these technocrat corporations say they do not really even know how these AI models work, the insight. It's creating code that they cannot understand. Multiple AI models, Anthropic and others, have actually escaped, they call sandboxes, that nothing should be able to get out. But AI agents, engineers that are digital, not humans, conspired and they found a ways out and they attacked other companies, networks and their infrastructure. It's kinda interesting because the United States military is looking at upgrading their strategic systems

[3:17:52]

to be all digital on networks. Think about that. AI is about total automating, not creating new jobs. AI will destroy exponentially more jobs than are created. While I was doorknocking in this last few months, I found two of my neighbors actually within, one's right across the street, and one's just 100 yards on West 51st Street. Gentlemen, right across the street, this is a plus sign, okay? There can be, AI can be used as a good tool. He builds systems that integrate between EMS services so that services can get quicker. The other gentleman manages AI data centers in Europe from West 51st Street and asks

[3:18:47]

him, well, what is the future of AI in humans? and he says, it'll probably destroy us eventually. We must have enforceable protections for the people, our land, water, flora, fauna, and our next generations before we allow these to be built, and I thank you. God bless you, and I trust you'll do the right thing.

Council Chair Rich Merkouris [3:19:08]

Thank you. Thank you. Welcome.

Keith Wieland (spelling as heard), Buchanan County supervisor, Iowa [3:19:15]

Thank you. My name's Supervisor Keith Wieland, so I would be accounting commissioner in Iowa. I'm a Buchanan County Supervisor from Iowa. So I'd like to give you the perspective that we see. One of my constituents reached out and said, well, these data centers, they're gonna help your evaluation in that perspective. So we looked down that road and we did our best estimates. We've got an 800 megawatt data center that's knocking on our door, wanting to come in. And so we put a moratorium in place to be able to write an ordinance for it. So, our best guess was it's about a \$2 billion data center, it's about 800 megawatts, it's pretty close to a square mile. So, it's a very large facility for a very small, very rural community. Now, the taxable valuation that I have for my community is about \$2 billion.

[3:20:09]

So, the constituents point was, well, this would have their property taxes, right? Right? So you can certainly see how the numbers kind of line up. And that's one of our goals is actually to reduce our taxation on our constituents. And we're doing a pretty good job of going down that road. But they didn't care. They didn't want the data center. So they more came out to say, hey, we're concerned about this, we're concerned about that. And they gave us our litany of concerns. Some of the concerns I worried about some mental

health issues. But that's our job, is to be able to get to the bottom of these questions and these conversations to say, okay, here's what the actual concerns are. There's something that I can build. We can talk about SCADA if they're worried about unintentional releases of electricity.

[3:21:01]

We can start to write these things into our ordinances to say, all right, if we have shutdown authority for a conditional use permit, we want to be able to regulate and identify what the people are concerned about. So that's what we've done. We're on version two of our draft ordinance. We're still working through all of this stuff. We've got it out for comment for, I don't know, how many weeks now. But that's what I would ask you folks to look at, is listen to your constituents, listen to the folks here I've never seen. And like the individual said, I've never seen a topic get so much attention. But I would listen to these folks and write those things into your ordinance to say how are you going to address those within your ordinance. That's my best advice. Good luck to you. God bless.

Council Chair Rich Merkouris [3:21:50]

Thank you.

ADJOURNMENT

Council Chair Rich Merkouris [3:21:55]

Thank you for your public comment this evening and thank you to everyone that came and participated in the meeting. Thank Councilor and commissioners for your participation as well this evening. I appreciate the attendance and a reminder that November 9th will be the next Sioux Falls discussion on this at our regulatory oversight committee. Sioux Falls City Councilors at this time I'll entertain a motion to adjourn.

Council members (motion and second) [3:22:11]

Move approval. Sigette. Second Spellerberg.

Council Chair Rich Merkouris [3:22:15]

I've had a motion to adjourn from Sigette and Spellerberg. All in favor say aye. Aye. Opposed same sign. City Council is adjourned. Commission chair will entertain a motion to adjourn.

Lincoln County Commission (adjournment) [3:22:24]

So moved. Second. So move in a second. Call the roll please. I'm unanimous. I'll vote. Say aye. Aye. Aye. We're adjourned. Thank you.

Prepared by Rising Together with Vince Danh (risingtogethersf.com). Independent and nonpartisan.