

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF DAKOTA

FIRST JUDICIAL DISTRICT

COALITION FOR RESPONSIBLE DATA  
CENTER DEVELOPMENT,  
DREA DOFFING,  
BRIAN HASKIN,  
GARY JOHNSON,  
CATHY JOHNSON,  
MARK PEARSON,  
TERRIE PEARSON,  
CATHERINE PEREGRINO, AND  
JEFF SCHOTTLER,

Case Type: Civil Other/Miscellaneous

Court File No.: \_\_\_\_\_

Judge: \_\_\_\_\_

**PETITION FOR DECLARATORY  
JUDGMENT AND MOTION FOR  
INJUNCTIVE RELIEF**

Plaintiffs,

v.

THE CITY OF FARMINGTON, MINNESOTA

Serve at:

Joshua Hoyt, Mayor  
Farmington City Hall  
403 3<sup>rd</sup> St.  
Farmington, MN 55024

Defendant.

**INTRODUCTION**

Plaintiffs Coalition for Responsible Data Center Development, Drea Doffing, Brian Haskin, Gary Johnson, Cathy Johnson, Mark Pearson, Terrie Pearson, Catherine Peregrino, and Jeff Schottler (collectively, “CRDCD” or “Plaintiffs”), for their Petition for Declaratory Judgment and Injunctive Relief, seek Court intervention to enjoin the City of Farmington (the “City”), by temporarily holding in suspension all further negotiations between the City and Tract.

Tract is a land developer based in the State of Colorado specializing in hyperscale data center infrastructure developments, with a proven history of preying on unsuspecting small

municipalities in states that have no regulation on the data center building industry. Data centers built even ten years ago were small, manageable, and inobtrusive within communities. However, within the last several years these data center projects have experienced massive exponential growth in their size and scale, matched by the enormous drain on energy and water they require to operate.

The developers want to locate these data centers where there is existing infrastructure for electricity and water. However, a municipality clearly does not have the existing infrastructure to support this scale of project. This will inevitably lead to cities having to construct and implement more costly infrastructure for electricity and water, the cost of which will be passed on to residents, not the developer.

Regardless, municipalities across the United States, especially in the southern Metro Area of Minnesota, are agreeing to place these large scale data centers inappropriately within their communities, lured by the developer's promise of how much their tax base will increase. Leadership in these municipalities are falling for this empty promise.

In the instant matter, the City will stop at nothing to ensure the project happens: they have not followed proper notification and procedural requirements, and have not allowed discussion and thoughtful consideration of where to place this project. The City has arbitrarily and breached a contract with neighboring Castle Rock Township.

The City ultimately has ignored that they perhaps should have foregone this project with Tract, as there is not a proper amount of acreage available within the municipal boundaries where this project could be appropriately placed. They are attempting to fit a square peg in a round hole. However, not to be deterred by such realities, the City is forging ahead to ensure that the project is completed, regardless of the legality and appropriateness of doing so.

For the reasons stated above, Plaintiffs request that the Court issue a temporary injunction in order to evaluate more fully the serious implications of this proposed development in the City. This Petition exposes the arbitrary and capricious actions of the City in their engagement and negotiation with Tract by all means possible but by no means legal, as evidenced by improper notice to residents of the project, barring the public from speaking on the issue at City meetings, inadvertently admitting that the City is engaging as a third-party broker for a private land transaction between two private parties, conspiring with ISD #192 to extort more money from Tract for sale of land owned by ISD #192, and breaching an agreement with the neighboring township of Castle Rock.

The City (consisting of Mayor Joshua Hoyt, Holly Bernatz, Katie Bernhjelm, Nick Lien, and Steve Wilson) has taken multiple inappropriate steps to forcefully expedite a signed contract between the City and Tract, taking unfettered steps with no internal oversight by City Council members to halt or slow their own rash actions, and with no regard for community outcry against said project based on the foregoing reasons.

### **PARTIES, JURISDICTION, AND VENUE**

1. Plaintiff Coalition for Responsible Data Center Development is a 501(c)(4) nonprofit organization comprised of residents of Farmington and Castle Rock Township, Dakota County, Minnesota.
2. Plaintiff Drea Doffing is a member of CRDCD, is a Castle Rock Township resident residing at 2255 225<sup>th</sup> St. W., Farmington, MN 55024.
3. Plaintiff Brian Haskin is a member of CRDCD, is a Castle Rock Township resident residing at 22340 Beaumont Avenue, Farmington, MN 55024.

4. Plaintiff Cathy Johnson is a member of CRDCD, is a Castle Rock Township residing at 22280 Berring Ave., Farmington, MN 55024.

5. Plaintiff Gary Johnson is a member of CRDCD, is a Castle Rock Township resident residing at 22280 Berring Ave., Farmington, MN 55024.

6. Plaintiff Mark Pearson is a member of CRDCD, is a Castle Rock Township resident residing at 2475 225<sup>th</sup> St. W, Farmington, MN 55024.

7. Plaintiff Terrie Pearson is a member of CRDCD, is a Castle Rock Township resident residing at 2475 225<sup>th</sup> St. W, Farmington, MN 55024.

8. Plaintiff Catherine Peregrino is a member of CRDCD and is a Farmington resident residing at 508 13<sup>th</sup> St., Farmington, MN 55024.

9. Plaintiff Jeff Schottler is a member of CRDCD and is a Farmington resident residing at 22420 Calico Ct., Farmington, MN 55024.

10. Defendant City of Farmington, Minnesota is a municipality located in Dakota County, Minnesota and may be personally served with process by delivery of a copy of the Summons and Petition to the Mayor of the City of Farmington.

11. This Court has jurisdiction over the Plaintiffs because they are residents of Minnesota.

12. Pursuant to Minn. Stat. § 542.09, venue is proper in Dakota County, Minnesota because, among other reasons, the cause of action is in Dakota County.

13. Pursuant to Minn. R. Civ. P. § 65.02, the Court may grant a temporary injunction where sufficient grounds exist.

14. Pursuant to Minn. Stat. § 65, the Court may grant a permanent injunction or declaratory relief where sufficient grounds exist. Plaintiffs establish within this Petition that an

actual and substantial controversy exists with Defendant, the resolution of which requires the Court's immediate intervention.

### **FACTUAL BACKGROUND**

#### **The City's Agenda Memo Regarding Annexation of ISD #192 Parcels - April 15, 2024**

15. On April 15, 2024, Tony Wippler, the City's Planning Manager, circulated an agenda memo indicating that the City received a Petition for Annexation from ISD #192 on March 5, 2024, requesting that Parcels 07-00500-76-011 and 07-00500-76-012, owned by ISD #192, be annexed into Farmington "and is located within the Orderly Annexation Agreement (OAA) that is in place between the Township of Castle Rock and the City of Farmington."

16. The memo also references the following discussion:

An Orderly Annexation Agreement (OAA) has been in place with the parties of Castle Rock Township and the city of Farmington for many years. The current OAA, approved in 2017, establishes an annexation area, providing the City the authority to annex lands from within this area as long as the annexation is in accordance with the OAA. The OAA also establishes that the Town will not file an objection with the State of Minnesota Municipal Boundary Adjustment Unit concerning the annexation as long as the annexation compiles [*sic*] with the OAA.

17. The reference to the OAA being in place "for many years" originates from the 2006 OAA signed by both the City and Castle Rock Township, the terms of which are the same as the current 2017 OAA.

18. Here, the City correctly referenced the existence of the current OAA ("2017 OAA") between the City and Castle Rock Township, stating that the "annexation process, as outlined in Section 6 of the OAA, has been followed." The City then subsequently passed Resolution 2024-30 approving the annexation of these two parcels owned by ISD #192. With this annexation, the City adhered to the terms of the 2017 OAA.

19. It is important to note that in both the 2006 and 2017 OAAs, Castle Rock Township had the foresight to address the obvious concern of rezoning by the City and the impact rezoning would have on its current residents, should the City attempt to rezone any annexed land into Farmington, without the consent of the Township Board.

20. A provision in the 2017 OAA states that the City “shall not adopt an initial Comprehensive Plan designation for any property located within the Annexation Area, or subsequently modify, change, or alter in any way that initial Comprehensive Plan designation, without the consent of the Town Board, which consent may not be unreasonably withheld.”

21. The City of Farmington did not negotiate or request a change to the provisions in the 2017 OAA when it was accepted and signed by both parties, and the parties abided by the terms of the Agreement.

**Joint ISD #192 School Board and City Council Work Session – August 21, 2024**

22. A Joint ISD #192 School Board and City Council Work Session took place on August 21, 2024 where the City discussed community vision and city priorities.

23. Deanna Kuennen, Community Development Director for the City of Farmington, shows a presentation regarding “Converting Vision/Goals to Reality” slides that show there are two (2) “separate Alternative Urban Areawide Reviews (AUAR) underway related to technology parks and states:

- These “technology parks” and the hiring of 200-300 people will not have any negative impacts on the existing industries that are in the community today.
- The City has met with 19 different developers who are interested in pursuing projects in Farmington.

- Reviews are underway that occupy well over 600 acres that are being analyzed and reviewed for technology parks or data centers.
- Certain types of development will/will not be good fits.
- Cumulative tax impacts are shown for different industries and shows what will bring in the most taxes and the least impact on community services.
- Admits the numbers have not been shown to the public before, discussing data center on land outside of city limits outside of the annexation.

24. At this point, the School Board already knew Tract was looking at the ISD #192 land for a data center as well as other parcels, such as Fountain Valley. As the developer operated under two LLCs, the owners of Fountain Valley did not know of the broader extent of the project that would encompass the Fountain Valley parcel, and the two ISD #192 parcels. However the School Board already were aware of developers in the area and therefore had the developer over the barrel when it came to selling their parcels. They upped the price on their parcels and the developer agreed to it at an exorbitant rate.

25. The offer and acceptance of any party is legitimate, but because the School Board is a public entity, they had a front seat to the city council meeting with information they should not have had.

26. The sale between ISD #192 and Tract was not an arms-length transaction. The School Board and the City were working hand-in-hand. ISD #192 became a party to a land transaction and will enjoy a windfall sum because they knew they could extort more money from the developer, but a governing body is forbidden to do this. The taxpayer ends up funding this.

27. Inducement by the City and the School Board was the motive for why there was such a premium high price on the land ISD #192 sold, which was approximately \$95,000 per acre.

28. This presentation is showing cumulative tax impact without tax abatements, which the land developer will be granted. This is a fraudulent representation to induce a voting member to vote a certain way.

29. ISD #192 sold for \$18 million, at \$95,000 per acre, far more than the Olsons sold Fountain Valley. ISD #192 is a direct beneficiary both on land sale and claims of future tax income that may be paid with the assurance of Tract development going forward. In the investment world, this is a quid pro quo.

30. The statements the City made to the School Board ultimately ignore how the hyperscale data center project will detrimentally impact citizens, causing irreparable harm and damage to property rights, and create an intentional nuisance to surrounding residential land usages.

**The City's Notification of an Amendment to the 2040 Comprehensive Plan Regarding Rezoning of Fountain Valley Parcel and Development Staging Affecting Fountain Valley and ISD #192 Parcels – September 18, 2024**

31. On September 18, 2024, Tony Wippler, the City's Planning Manager, circulated a document entitled "Notification of an Amendment to the 2040 Comprehensive Plan – Farmington Technology Park" (the "Notice") to several individuals: Kris Jenson, Planning Manager of City of Lakeville; Kurt Chatfield, Planning Supervisor Dakota County; Charles Seipel-Teng, Clerk of Empire Township; Molly Weber, Clerk of Castle Rock Township; Liz Atwater, Clerk of Eureka Township; Patrick Boylan, Senior Planner Met Council; Travis Thiel, Vermillion River Watershed; ISD 192 Farmington; and ISD 196 Rosemount-Apple Valley-Eagan.

32. The Notice to these individuals/entities stated the City's intent to amend the zoning of the parcel known as Fountain Valley Golf Club ("Fountain Valley") as well as changing the



anticipated development staging from Post 2040 to 2020-2030 for this parcel and the two parcels owned by Farmington ISD #192.

33. Pursuant to Minn. Stat. § 15.99, governmental agencies are to have 60 days to respond to such notices, which is known as the “60-day-rule.” If a response is not provided within that 60-day period, the zoning request is deemed to be approved.

34. The Notice from Mr. Wippler intentionally denied these agencies an entire month to properly respond, which forced these agencies to scramble to learn more in order to provide thoughtful comments, including public comment, to the request.

35. More concerning, had any one of these adjacent cities or townships not responded within 30 days, the City would have deemed their lack of response to the rezoning proposal approved. This is highly inappropriate and goes against statutory law and city code, Minn. Stat. § 15.99.

36. Mr. Wippler, who has been the Planning Manager for the City of Farmington for approximately the last 13 years, would be fully aware of this 60-day rule requirement and the intentionally misleading deadline calls into question the tactics by the City to do whatever it takes to rush this project.

37. The Notice specifically requested in bold print that the deadline to receive comments was within 30 days from the date of the letter, thus forcing a hurried response from the agencies and thereby denying them the 60-day-rule the City was required to give.

38. Due process was not given by the City to the adjacent communities and townships, or to residents to respond accordingly within a legally prescribed amount of time.

39. Despite the denial of the full 60 days to respond, Castle Rock Township’s attorney, Andrew Tiede of GDO Law, sent correspondence on October 17, 2024 (the “Denial Letter”) to the

City, Metropolitan Council, and to all other adjacent governmental agencies and townships named on the City's Notice, indicating the Town Board's explicit denial of the proposed zoning change and citing the 2017 OAA and the provisions within as the legal document to support the denial. Tract and ISD #192 were also provided a copy of the same Denial Letter from Mr. Tiede. Met Council was provided a copy so as to be aware of the Town Board's denial of the City's request.

40. There are multiple homeowners who built their homes years ago in and around these parcels, and have a reasonable interest in trusting that the 2017 OAA would provide the protection needed to ensure that they would continue the enjoyment of their property, safe from incompatible rezoning and extreme changes to the neighborhoods that would ensue if zoning were allowed to be other than what it was designated.

41. The intent of the operating 2017 OAA is and always has been crystal clear: to preserve and protect the area from incompatible land use, industrial rezoning, and spot zoning. Without this intentional language, the City would not have regard for the Town Board's provisions to the 2017 OAA.

42. The Town Board approval or denial was the final say on that zoning, as evidenced by the signatures of both parties to that agreement. Silence by the City of Farmington as a response to the Township Board's denial of rezoning in the letter submitted by Mr. Tiede does not mean the agreement does not exist.

43. The City's request to rezone Fountain Valley is unreasonably arbitrary and capricious in that their reasons given to do so do not hold weight. Amendments to the text of the zoning ordinance and the zoning maps are made for the purpose of promoting the public health, safety and general welfare, and in consideration of changing conditions, conservation of property

values, the trend of development, and the current and anticipated uses of property. None of these benefits will be realized by building a hyperscale data center compound between neighborhoods.

44. “Spot Zoning” is a label applied to certain zoning amendments invalidated as legislative acts unsupported by any rational basis related to promoting public welfare. Spot zoning is an extreme departure from existing surrounding uses that creates an island of nonconforming use within a larger zoned district, and which dramatically reduces the value for uses specified in the zoning ordinance of either the rezoned plot or abutting property.

45. Placement of a heavy industrial hyperscale data center compound consisting of 80’ tall buildings, with no reasonable concessions of setbacks away from residential homes because the developer cannot afford to provide proper setbacks as doing so would defeat their purpose of maximizing all square footage, is a gross and unacceptable wrongdoing that contradicts Tract’s mission statement that they are “good neighbors” and mindful of where they place these projects. This is absolutely spot zoning by a developer who is being given explicit permission by a City to do so.

46. Plaintiffs understand the need for data centers, but there is no regulation on the appropriate size or scale, the setbacks and buffer zones from residential homes, the public nuisance of years and years of construction, noise pollution, and heavy consumption of natural resources, and especially the improper placement, of hyperscale data centers, such as the 2.5 million square-foot hyperscale data center with multiple buildings, ranging in height from 50’ to 80’ tall buildings, that Tract wants tucked into residential neighborhoods with minimal setbacks and buffers.

47. The zoning must also create an island of nonconforming use and cause a dramatic reduction in the values of either the property to be rezoned or the surrounding properties. These homeowners expected and relied on the signed word of both City of Farmington and Castle Rock

Township officials, believing their homes were safe from the arbitrary and capricious whims of a city that is denying the existence of an agreement they signed to avoid this very type of dispute.

48. Rezoning for the benefit of an aggressive land developer is an arbitrary and capricious allowance in an area that is incompatible with existing zoning designations. The City is desperate and willing by all means possible outside the realm of reasonableness and legality to uproot and destroy neighborhoods and the lives of multi-generational families who have lived in Farmington and Castle Rock Township communities for decades, all because an out-of-state land developer wants the land and Farmington is willing to make it happen for the interest of a single billion-dollar corporation, in exchange for perceived tax incentives.

49. The City of Farmington did not once negotiate or request a change to provisions in the 2006 and 2017 OAAs that afforded residents these protections. The OAAs were accepted and signed by both parties, and the parties abided by the terms of the Agreement. The City abided by the terms of the 2017 in April 2024 and stated as such.

50. Despite all of the reasons listed above, the City set the date of November 4, 2024, to vote on amending the Comprehensive Land Use Plan to allow for the rezoning, against the community's pleas, in an effort to quickly further along an unholy process from beginning to completion.

**Farmington City Council Votes to Amend the Comprehensive Land Use Plan**  
**– November 4, 2024**

51. From 2017 to November 3, 2024, the City complied with the terms of the 2017 OAA. On November 4, 2024, the City stopped complying and willfully ignored the 2017 OAA by voting to pass an amendment to rezone Fountain Valley from Low Density Residential, Low Medium Density Residential, Medium Density Residential, Commercial and Park/Open space to Mixed-Use (Commercial/Industrial) ("MUCI").

52. By doing so, the City is operating as a third-party broker between two private parties (Tract as the land developer, and Bryce and Carol Olson as the owners of Fountain Valley). The sale of Fountain Valley to Tract was contingent on passing an amendment by the City to rezone the golf course from residential and light commercial/ag to Mixed-Use/Commercial Industrial, in direct violation of the agreement between Castle Rock Township and the City pursuant to the 2017 OAA. As a government entity, the City is not to be in the business of being a third-party broker to enable a land sale between two private parties. Although the City paid no heed to what they legally can and cannot do, they passed the amendment to enable themselves to rezone Fountain Valley, in order to facilitate the closing on the land between the Olsons and Tract. This rezoning is meant solely for the benefit of specific private parties and not for the community. The City is not party to that land purchase contract and it is improper to use governmental powers and legislation to induce and facilitate the land purchase between a private seller and private buyer for the exclusive benefit of the Applicant.

53. Tract could close on the land if they wanted to and nothing was prohibiting the developer to complete that transaction at its own discretion with the seller. The City had no obligation to pass legislation arbitrarily and capriciously as such.

54. For the Applicant to lobby and pressure the City and for the Mayor to state the city council had to vote to approve rezoning Nov. 4, 2024 for the benefit of the developer shows arbitrary and capricious actions and motive of the City's voting board.

55. This voting should be void and invalid due to the City's breach of contract with Castle Rock Township in violation of current zoning laws, the multiple arbitrary and capricious actions by the Farmington City Council in flagrant disregard of the legal procedural requirements

imposed on them by statute and City Code, and the failure to provide adequate and proper notice of all public hearings.

56. Willful neglect is the intentional or reckless failure to fulfill a legal obligation. As it relates to the 2017 OAA, the City deliberately chose to disregard its terms, constituting a breach of contract while simultaneously entering into a contract with a land developer that will, by its acceptance and execution, be immediately invalid, as the only reason these two parties could legally enter into that contract would be if Fountain Valley had been free to be rezoned in the first place, which it was not.

57. The OAA was not a handshake, or a promise. It was based on a valid and enforceable agreement that the City now conveniently intends to ignore.

58. Capricious and arbitrary actions on the part of the City will further complicate this matter if on Monday, December 2, 2024, at the regular City Council Meeting, the authorization and execution of the contract the City and Tract intend to enter into becomes, by their own say-so, valid. It will not be a valid contract but, as all things the City has done up to this point to get to where they are now, they are intent to enter into said contract knowing full well that they are not free and clear to do so.

59. Pursuant to *Dispute Resolution and Amendment, subd. 10.1(a)* of the 2017 OAA, Castle Rock Township Board requested a meeting with the City sometime late November, which provision states that the City and Town “**must** meet at least once, at a mutually convenient time and place, to attempt to resolve the dispute through negotiation.” The City responded and to say they were unavailable, but per the City’s agenda of the regular City Council meeting scheduled for this Monday, December 2, 2024, the City is moving forward with authorization and execution of

a contract between the City and Tract, before any negotiation can take place with Castle Rock regarding the rezoning dispute.

60. Changing zoning alone is forbidden if industrial is intended, so the City is attempting by half measures to *only* change the zoning to MUCI, and then later take liberties to force in the heavy industrial, hyperscale data center compound. This is drastically and subsequently modifying, changing, and altering the initial Comprehensive Plan designation to an extreme degree, and the Town Board absolutely does not consent to the City being allowed to do this.

61. With blinders on, the City is falsely operating under *Comprehensive Planning, 3.1*, pg. 2 of the 2017 OAA as the basis for the vote to amend to rezone, which states:

3.1 The City will revise its Comprehensive Plan as needed to address properties located within the Annexation Area” and they would have the Court believe this is what gives them the right to do so.

62. The City is cherry-picking what it will obey as to the 2017 OAA. What the City wants to ignore are the additional subdivisions 3.2 and 3.3 which state, respectively:

3.2 Except as provided in Sections 3.3 or 3.4, the Planning Commission and/or the City Council of the City **shall not** adopt an initial Comprehensive Plan designation for any property located within the Annexation Area, or subsequently modify, change, or alter in any way that initial Comprehensive Plan designation, without providing the Town reasonable advance notice of, and a reasonable opportunity to comment on, any such adoption, modification, change or alteration.

3.3. With regard to any proposed industrial or commercial use of property, the Planning Commission and/or the City Council of the City of Farmington **shall not** adopt an initial Comprehensive Plan designation for any property located within the Annexation Area, or subsequently modify, change, or alter in any way that initial Comprehensive Plan designation, without the consent of the Town Board, which consent may not be unreasonably withheld.



63. This is now one of the reasons for the request of this Court to issue a temporary and permanent injunction. The validity and enforceability of a contract that will potentially be signed between the City and Tract on Monday, Dec. 2 is disputed and until it can be determined if these parties have the right to sign said contract, Plaintiffs respectfully request intervention by the Court to stop further complication of a dispute that will become more entangled with each step the City is making without regard to what is proper and legal.

### **ENVIRONMENTAL IMPACTS**

#### **Incompatibility with MUCI Zoning**

64. Defendant has proposed zoning changes to the Fountain Valley parcel and changing the development staging of it as well ISD #192 parcels to allow the construction of a hyperscale data center within a Mixed-Use Commercial/Industrial (MUCI) zoning district. However, the scale and nature of the proposed project makes it fundamentally incompatible with the intended purpose of the MUCI district.

65. The proposed hyperscale data center would require 700 megawatts (MW) of power—an industrial-scale demand that far exceeds typical mixed-use requirements. To put this in context, there are only three power plants across the state of Minnesota capable of independently meeting this power load, two of which are coal power plants scheduled for closure by 2030. Such a significant power draw indicates that the development is more suited to a pure industrial use zone than an MUCI district.

66. For further illustration, a single megawatt (MW) of power can sustain approximately two residential refrigerators for a year or provide power for the average American household for 1.2 months. Thus, 700MW is clearly intended for heavy industrial use, making it incompatible with the character and limitations of a MUCI district.



67. The power demands of the proposed hyperscale data center would contribute to a strain on the power infrastructure not only in Farmington but across the state of Minnesota. With other substantial data center projects underway, such as the Rosemount META site and the Bengal project in Farmington, the combined demand on Minnesota's power grid could lead to critical energy shortages or force reliance on outdated, soon-to-close coal plants.

68. Historically, and for context, hyperscale data center locations considered by city officials in Iowa are situated on land zoned exclusively for industrial use. When the City's code was updated in 2015 to include data centers, they were initially designated for Business/Commercial Flex districts. In 2021, this designation shifted to MUCI, but the City failed to define any parameters around the acceptable megawatt thresholds within the MUCI district. This oversight effectively opens the MUCI zoning to heavy industrial uses that were never intended to be included in mixed-use zones.

69. Although Farmington Planning Commission and City officials visited these Iowa sites, they did not base their observations on local zoning standards, as these were already in compliance with industrial-only requirements. The Plaintiffs' need for injunctive relief also centers on the zoning inconsistencies and the inappropriateness of such an intensive industrial use within a MUCI district.

70. The City's MUCI district was not designed for pure industrial operations, yet the proposed rezoning would introduce such a use with guaranteed severe and detrimental impacts on surrounding residential properties. The anticipated increase in ongoing construction noise, traffic, air pollution, and power strain poses a direct and immediate threat to the health, safety, and welfare of the local community.

### **Water and Electricity**

71. Rezoning included converting residential zones to mixed-use commercial/residential areas to meet platting requirements.

72. The City failed to properly evaluate the significant water resource implications of these developments. Farmington's projected water demand with the new data center would more than double, increasing from 2.14 million gallons per day ("MGD") to 4.49 MGD, without accounting for cumulative impacts from multiple data centers.

73. The City relied on initial studies but failed to complete critical evaluations, including well siting, aquifer sustainability, and contingency plans for water shortages. As environmental review is incomplete, the siting of new wells cannot be done.

74. In correspondence dated July 16, 2024, and October 22, 2024 to the City, the DNR raised concerns regarding the City's lack of detailed analysis on groundwater impacts, risks to private wells and the S. Vermillion River (protected trout stream), and cumulative impacts from data centers on water sustainability.

75. The DNR specifically emphasized compliance with MN Statute § 103G.287 Subd. 5, requiring a detailed analysis of groundwater use and climate resilience, mitigation measures for environmental impacts, and contingency plans for water shortages.

76. Despite repeated opportunities to address these concerns, the City provided inadequate responses. The City merely acknowledged DNR's comments, but failed to complete required sustainability analyses or permit applications, such as the Water Appropriation Permit or Preliminary Well Construction Assessment.

77. The Alternative Urban Area Wide Review ("AUAR") proposed by the City lacked essential details on water conservation, groundwater impacts, and cumulative effects.

78. The City's decisions ignored key environmental and public health risks, including:

- Potential contamination of high vulnerability Drinking Water Supply Management Areas (DWSMAs)
- Risks of groundwater depletion in interconnected aquifers (Prairie du Chien/Jordan, Jordan, quaternary)
- Stream depletion risks to the protected S. Vermillion River (protected trout stream)
- Potential contamination of private wells of Castle Rock Township residents that surround this project, which will require residents to dig deeper wells at homeowners' expense

79. Expert recommendations for sustainable practices, including wastewater reuse, renewable energy integration, and pollutant management, remain unimplemented.

80. Under *Honn v. City of Coon Rapids*, 313 N.W.2d 409, zoning decisions must have a "rational basis related to promoting the public health, safety, morals, or general welfare." The surrounding uses for the proposed project between the City and Tract are NOT compatible with the proposed use, will have a detrimental impact on the values of neighboring homes, a detrimental impact on the health of residents, the infrastructure does not support the proposed use, the electrical power systems are inadequate to support the proposed use and will result in the need to expand electrical power infrastructure, the cost of which will be passed on to residents and Tract will not have to pay one cent for this; the rezoning does not promote the general welfare of the City as the City has already approved three million square feet of super data centers elsewhere, the proposed use greatly limits the availability of future housing, affordable or otherwise, and the proposed use has very limited employment opportunities, most of which will be fully remote and there is no promise by the developer to give area residents these job opportunities. The City's "findings" in support of the decision to rezone are predicated on intentionally false information.

81. The rezoning decision fails because of incomplete water infrastructure planning, ignoring expert recommendations and statutory requirements, and failing to evaluate cumulative impacts and mitigation measures.

82. The City has prioritized development over due diligence (communities' welfare) and disregarding the DNR's concerns regarding water issues directly impacting community welfare. Rather than conducting necessary investigations into these critical concerns, the City acknowledged the issues but proceeded without addressing them.

83. The AUAR does not give clear and concrete information regarding water usage. It only says that it "may" use more if more is needed. This too is an unregulated drain on the environment and provides no clear restrictions on water usage, therefore putting no boundaries on what an industry can and cannot do as it relates to the amount of water used, what it will do to the environment and protected waterways. This is an alarming open permission giving these land developers and end users carte blanche to do with our natural resources whatever they wish to do, with no oversight and restriction.

#### **S. Vermillion River (Protected Trout Stream)**

84. According to the final AUAR, the Environmental studies were never completed. The letters by the DNR & S. Vermillion River (protected trout stream) state their concerns regarding the environmental impact of a dried up S. Vermillion River from this project. In the AUAR Scoping Document the DNR was concerned about the protected trout stream and the potential depletion risks to the protected S. Vermillion River.

85. The Fishery Division of the DNR specifically stocked the trout stream with a European species of trout and are concerned that the impacts of this hyperscale data center project

will escalate groundwater runoff and increase the temperature of the stream, making it harmful to the trout sustainability, with the potential of drying up the stream entirely.

### **MOTION FOR INJUNCTIVE RELIEF**

86. For the foregoing myriad claims against Defendant, immediate intervention by the Court is necessary to prevent imminent harm which will result from the City's actions, which will directly and detrimentally impact Plaintiffs and others in the surrounding community.

87. This urgent relief is necessary because the City has on multiple occasions disregarded questions from local residents, taken actions out of sequence and without following proper procedural safeguards.

88. Plaintiffs are particularly concerned that the Farmington Planning Commission has been presented with actions that are out of order and inconsistent with the established procedures for updating Farmington's Comprehensive Land Use Plan. This lack of procedural adherence raises serious questions about the validity and legality of the proposed zoning changes.

89. Plaintiffs believe that the City's staff lack adequate knowledge of zoning laws and city codes from predatory land developers and, as a result, continue to provide erroneous information and recommendations to the Farmington City Council. These procedural irregularities, combined with inaccurate guidance, have misled the City to consider this proposal throughout each phase of development.

90. The impending decision by the City to sign a contract with Tract will impose an irrevocable and immediate risk of harm to countless families in and around the project, and multiple families bordering the project. It will negatively affect air quality, there will be an increase in noise levels, unprecedented water usage and electricity, damage to waterways and

wildlife preservation, the enjoyment and use of homeowners' property, and long-term detrimental mental health and physical health effects.

91. Some homes will become uninhabitable as the City intends to further zone the area as heavy industrial. Some homes will be trapped by data center buildings in their front and back yards.

92. Based on future projected zoning, homeowners currently living in a residential area will be trapped in an area that is intended to be zoned as heavy industrial. Short of the City invoking eminent domain, they are saying to their taxpaying residents they do not care what happens to them, and they do not intend to do anything right by them.

93. The same impending decision calls into question the validity of a signed contract between the City and Tract when there is a legal dispute that the City had no authority to rezone Fountain Valley pursuant to the 2017 OAA or to change the development staging of Fountain Valley and the ISD #192 parcels.

94. ALL of these concerns affect ALL of the residents of Farmington and Castle Rock Township, not only the property owners who will be forced to endure years of construction of twelve 80-foot tall buildings with drones, surveillance cameras, intrusive lighting of an enormous compound, heat-sensing security fences with barbed wire, tucked right in their backyards, mere feet away from their homes.

95. For these reasons, prompt judicial intervention is necessary to enjoin the City and hold in suspension all further negotiations between the City and Tract, until the Court can evaluate more fully the serious implications that are sure to destroy neighborhoods and the lives of those living in them. The human collateral damage is imminent and the community needs the judicial scrutiny this matter most urgently requires.

**Count I – Declaratory Judgment**

96. Plaintiffs incorporate by reference paragraphs numbered 1 through 95 above, as if fully set forth herein.

97. Pursuant to Minn. Stat. § 462.357, subd. 2, rezoning should be consistent with the operating comprehensive land use plan. Once enacted, those purchasing property affected by zoning have the right to expect that such zoning will not be changed unless required for the public good. Here, there is no public benefit to the City of Farmington residents and in fact causes multiple harms to many families if a hyperscale data center with multiple buildings are placed improperly within what was formerly known as Fountain Valley Golf Club.

98. Pursuant to Minn. Stat. Ch. 555, Plaintiffs are persons whose rights, status or other legal relations are affected by the improper vote to amend the Comprehensive Land Use Plan for the purpose of rezoning.

99. Plaintiffs have standing to bring this Petition due to the direct proximity to the proposed hyperscale data center and the adverse effects it would have on the quality of life for their families and others in the community who are similarly affected. Farmington Plaintiffs and their Castle Rock Township neighbors have homes, purchased with the assurance of having made themselves familiar with the City's Comprehensive Land Use Plan, and the trust they had in their City's leadership, that they would enjoy their property knowing that other homes would eventually be built on Fountain Valley parcel.

100. Plaintiffs have a right to expect to not be blindsided later by an act so egregious as to invalidate the enjoyment of their homeownership. Defendant has inserted itself into a land sale between two private parties, and a governmental body such as the Farmington City Council is strictly forbidden to broker deals by illegally passing legislation for this type of purpose.

101. If an individual's property rights are not considered, a city council without any oversight can do whatever they want by giving broad parameters for cities to do what they wish, but it is not permission to thwart and bypass their own city code requiring city leadership to be accountable to all of its residents.

102. If homes are built around a data center, people have the right to purchase those homes, or not. Here, these long-established neighborhoods should expect to exist without a threat to have their homes drastically plummet in value solely due to rezoning and a heavy industrial use being allowed to exist in neighborhoods. Castle Rock Township knew to protect the surrounding neighborhood. The City is going against its own Comprehensive Land Use Plan to allow a developer to destroy the quality of life in a well-established residential area.

103. There is much evidence explaining the enormity and effect of the sheer destruction data centers have wrought upon residential communities across the United States.

104. The proposed zoning changes would also degrade air quality due to emissions and the noise from constant generator use and increased construction activity over several years, adversely affecting the health and well-being of all nearby residents.

105. The City's intent to rezone underscores the need for injunctive relief to immediately protect community health, residential standards, and public interest.

### **Count II – Unjust Enrichment**

106. Plaintiffs incorporate by reference paragraphs numbered 1 through 105 above, as if fully set forth herein.

107. Due to the insider information ISD #192 had as a participant in a meeting with the City of Farmington, they were knowingly not objective. But for the inducement by the land developer, the sale would not happen. There was an exclusive and direct benefit to the land



developer, not the community. The dangling carrot to ISD #192 is the inferred tax benefits to the City.

### **Count III – Breach of Contract**

108. Plaintiffs incorporate by reference paragraphs numbered 1 through 107 above, as if fully set forth herein.

109. The City is in breach of the 2017 OAA as it has not satisfied the requirement that disputes which arise regarding the interpretation of the agreement must be negotiated between the parties. The City has made no time for such negotiation and is planning to execute a contract between itself and Tract, leaving Plaintiffs with no choice but to request the Court for an injunction to halt an action that will irreparably harm a community based on, among other reasons, a breach of contract.

### **Count II – Fraudulent Inducement**

110. Plaintiffs incorporate by reference paragraphs numbered 1 through 109 above, as if fully set forth herein.

111. ISD #192 School Board is a government body engaging in “insider trading.” The School Board knew the multiple land developers were in the Dakota County area, tipped off by the City, and in a joint meeting said the School Board could sell their land for 5, 10, 25 million for their parcels. The City told the School Board that Tract was looking not to just purchase one parcel, but three, and were told that Tract was looking to buy Fountain Valley. Without this information, ISD #192 would have made a valid sale but with this information, they fraudulently induced the land developer to pay beyond what the land was worth.

**Count IV – Willful Neglect**

112. Plaintiffs incorporate by reference paragraphs numbered 1 through 111 above, as if fully set forth herein.

113. The City knowingly provided improper notice to Castle Rock Township and other adjacent agencies and cities regarding the proposed amendment to the Comprehensive Land Use Plan to rezone Fountain Valley.

114. The City knowingly moved on rezoning, the Comprehensive Land Use Plan, Planned Urban Development (“PUD”) and Plat without providing public input.

115. The City knowingly disregarded the 2017 OAA with Castle Rock Township.

**REQUEST FOR RELIEF**

WHEREFORE, Plaintiffs request that the Court issue temporary and permanent injunctions that:

1. Declare the City’s actions to approve rezoning and development plans as arbitrary, capricious, and in violation of Minnesota law;
2. Enjoin the City from further development approvals in this matter until further judicial review through a scheduled hearing on the matter;
3. Prohibit the City and Tract from executing a contract before comprehensive water sustainability analyses are completed and the DNR is able to approve the analyses;
4. Prohibit the City and Tract from executing a contract until necessary permits are obtained;
5. Prohibit the City and Tract from executing a contract until environmental risks and public health impacts are fully addressed;

6. Prohibit the City and Tract from executing a contract until the dispute with Castle Rock Township is addressed regarding the City's breach of the 2017 OAA; and

7. Grants such other and further relief as the Court deems just and equitable.

Dated: November 29, 2024

/s/ Drea Doffing

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