

## Community Questions

### Prairie Horizon Data Campus

### Pottawatomie County, Kansas

### FAQs Round # 3 | June 10, 2026

#### **1. Who is the final user of the data center?**

That is a fair question. The County should know who is applying, who is developing the project, and, to the extent known, who will operate the facility.

In large data-center projects, the developer that secures land-use approval and the eventual operator or end user are often not the same entity. For that reason, the County should not rely only on the identity of the first applicant. The more important protection is that any commitments we make to the County are binding, assignable, and enforceable against successors, operators, affiliates, and future owners.

The County can address this in three ways:

1. Require disclosure of the applicant, developer, and operator where known and at the point it is disclosable.
2. Require notice to the County when project ownership or operational control changes.
3. Require any development agreement, Host Investment Agreement, or Memorandum of Understanding (MOU) to bind successors and assigns.

That approach protects the County regardless of whether the operator changes before construction or during operation. The binding, assignable MOU contemplated in the draft Data Center Overlay is intended to address this: it would keep the County's negotiated terms intact across changes in ownership.

#### **2. How can the County regulate water use long term?**

Water regulation in Kansas has two layers, and each does something different.

The State of Kansas regulates water rights and withdrawals through the Division of Water Resources (DWR) under the Kansas Water Appropriation Act (K.S.A. §§82a-701 to 82a-745). Kansas is a prior-appropriation state: first in time, first in right. The County does not allocate water rights and does not replace state water-right review.

The County's role is at the land-use layer. The County can regulate development conditions,

reporting obligations, utility connection requirements, and compliance with the Data Center Overlay. The County can require us to identify water sources, document projected demand, report ongoing use, and demonstrate compliance with state water approvals, and we expect to meet those requirements. If adopted, the draft Overlay would also allow the County to prohibit on-site wells that would compete with existing agricultural water users.

Long-term protection is typically handled through a combination of:

- Overlay standards (including water-source disclosure and demand documentation at the rezoning stage);
- water-use reporting (annual reporting to the planning department);
- utility agreements (including reclaimed-water agreements where applicable);
- state water-right approvals (DWR);
- enforceable development or Host Investment Agreements that bind successors.

The County can also condition future permits and inspections on compliance with those requirements.

### **3. Can the County require closed-loop cooling?**

The County should be careful about how it frames cooling requirements.

A county is strongest when it regulates outcomes: water-use limits, conservation standards, reporting, prohibition on unauthorized withdrawals, and protection of existing water users. A county is on less certain ground when it attempts to select the engineering design itself. The current draft Data Center Overlay reflects this principle: it contemplates water-conservation mitigation and limits on water sources, but the choice of cooling technology is an engineering decision made during the design phase, not at the zoning hearing.

The cleaner regulatory approach is to set the performance standard the project must meet (for example, prohibiting wells that compete with agricultural users, requiring water-source disclosure, requiring metering and reporting) and then require us to demonstrate how our chosen design meets those standards. That way the County gets the outcome it wants without mandating a specific technology that may not be the best solution for a particular site or may become outdated as cooling technology evolves.

The draft Overlay's water-mitigation-plan provision at the rezoning stage is an example of this approach: if adopted, it would require us to address water conservation as a condition of approval, while leaving the engineering solution to the design phase.

#### **4. Will this make homebuilding more expensive in an already constrained housing market?**

Construction activity can affect local labor, contractor availability, rental demand, and short-term housing pressure. That concern is legitimate.

The County should separate two issues:

1. Whether the project is an appropriate land use at the proposed location.
2. Whether project-related workforce demand creates impacts that should be mitigated.

We are prepared to address the second issue through negotiated commitments in a Host Investment Agreement (HIA). Examples include local workforce coordination, temporary workforce housing planning, construction traffic management, local contractor reporting, and community-benefit funding targeted to affected areas.

The cost pressure is concentrated in the construction phase. Once operational, the project would employ only 20 to 50 on-site staff per building, so the permanent workforce is small. Potential housing impacts depend on project phasing, workforce composition, and regional housing conditions: the concern is most relevant during construction and diminishes once the facility is operational. Pressure on the local rental supply during construction is addressed separately in Question 9.

The County should not assume that the project will automatically worsen housing costs, but it also should not ignore the issue. One common response to this community concern is to require our project to identify expected construction workforce timing, duration, and local-housing impacts and to negotiate mitigation where impacts are likely.

#### **5. Does this create a double standard with the quarter-quarter rule?**

The quarter-quarter rule is generally used to manage rural residential density and preserve rural land-use patterns. A Data Center Overlay is a different tool. It is a legislative zoning decision for a specific class of large-scale nonresidential use, authorized under the Kansas Planning and Zoning Act (K.S.A. §§12-741 to 12-776).

That does not mean agricultural preservation becomes irrelevant. It means the County must evaluate the data center through the standards applicable to rezoning and overlay approval, including:

- character of the area;
- suitability of the site;
- surrounding land uses;
- Comprehensive Plan consistency;

- infrastructure capacity;
- effect on nearby property;
- public health, safety, and welfare.

Plan Pottawatomie County 2040, the County's adopted comprehensive plan, directly addresses this balance. Guiding Principle GP4 states that the County will be "ADAPTABLE as it plans for its future by continuing to build on its historic industries, including farming and ranching, while investing in elements that will make the County stronger and resilient to economic trends and other changes." Economic Opportunity Goal 6 calls for ensuring "the necessary infrastructure is available to meet demand for retail as well as growth sectors such as manufacturing and light industry."

If the County approves a Data Center Overlay on agricultural land, it would need to explain why that site is suitable for this use and why the decision is consistent with the County's broader land-use goals. The answer should not be that agricultural land is unimportant. The answer should be that the County has made a site-specific policy judgment based on infrastructure, location, buffering, and economic-development considerations, consistent with the Comprehensive Plan's own adaptability and diversification goals. We believe the Prairie Horizon site supports that judgment.

## **6. If the project brings tax revenue, who receives it?**

Tax revenue follows the taxing districts that apply to the parcel. The County should prepare a parcel-specific tax distribution analysis before making revenue claims.

In general, property-tax revenue is distributed among the taxing jurisdictions whose levies apply to the property. Depending on the project location, that may include the County, school district, fire district, township, and other applicable local taxing entities.

This is where the structure of a negotiated incentive matters. Under straight ad valorem taxation, revenue is distributed among the taxing jurisdictions according to the levies that apply to the parcel, and the County cannot redirect it toward one district over another. A negotiated structure, such as a locally adopted Industrial Revenue Bond (IRB) under K.S.A. §§12-1740 et seq. with a negotiated PILOT (Payment in Lieu of Taxes) schedule, gives the County more control over how resources are directed: it can channel them toward identified community priorities rather than relying on the existing mill levy allocation that applies regardless of need.

This is a separate undertaking from our Host Investment Agreement (HIA), which addresses the investments we would commit to make in the community (for example, emergency services, roads, workforce training, infrastructure). The two are distinct undertakings negotiated in parallel: the Discretionary Incentive — the tax or financing benefit, such as an IRB/PILOT

structure — is what the municipality may extend to the project, and the HIA is what we may commit to the community to augment and expand the infrastructure and municipal services needed to serve our project and maximize community alignment.

If the community concern is that St. Marys, Emmett, or the immediately affected area should receive a greater share of benefits, that issue could be addressed through a directed Discretionary Incentive Agreement and a negotiated HIA. Those tools can direct project commitments toward local priorities in the affected area, such as public safety, roads, workforce training, parks, libraries, emergency services, or other community needs.

### **7. Will residents' property taxes go down?**

The project could increase the tax base. Whether that results in lower property-tax bills depends on budget decisions by each taxing jurisdiction.

A larger tax base can reduce pressure on existing taxpayers, but it does not automatically guarantee a tax-rate reduction. Mill levies are set through public budget processes. If the County, school district, or other taxing bodies choose to hold spending constant, a larger tax base may allow rates to decline. If budgets increase, rates may not decline.

In short, the project will broaden the tax base and create an opportunity to reduce pressure on existing taxpayers, but it does not automatically guarantee lower individual tax bills.

### **8. How does the St. Marys area benefit if many families use private schools?**

That concern is important because school-district revenue is only one part of community benefit.

A local-benefit package need not rely only on public-school funding. A negotiated Host Investment Agreement (HIA) with us could be structured to benefit the broader community, including services and infrastructure used by all residents, not just public-school families. The County could seek commitments such as:

- emergency services;
- roads and drainage;
- workforce training and technical education;
- public safety equipment;
- local infrastructure improvements;
- community facilities;
- scholarships or training programs (which can include both public and private school

students).

If the affected community includes many families who do not use the public school system, the County should ensure that negotiated commitments also address services and infrastructure used by the whole community.

### **9. How will the community deal with rental and housing pressure from workers?**

Construction-phase pressure on the local rental and lodging supply should be evaluated separately from long-term operations, and from the construction-cost question addressed in Question 4.

Construction workforces are temporary and may create short-term demand for rentals, lodging, and services. The County can ask us to provide a construction workforce plan identifying expected worker counts, timing, duration, lodging assumptions, and traffic impacts.

Possible mitigation tools include:

- construction workforce phasing;
- worker transportation plans;
- coordination with regional lodging providers;
- local hiring and training commitments;
- reporting on workforce numbers;
- community-benefit funding for housing or infrastructure priorities.

Once operational, a data center's on-site workforce is small (typically 20 to 50 staff per building), and the long-term housing impact is correspondingly modest. The County should not treat construction-phase housing as an afterthought. We are prepared to address it in a negotiated Host Investment Agreement (HIA) before construction begins.

### **10. How will waste contamination be prevented and monitored?**

Waste and hazardous materials are regulated through several overlapping systems at three levels of government.

At the federal and state level, hazardous waste is regulated under the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. §6901 et seq.) and administered in Kansas by the Kansas Department of Health and Environment (KDHE) under the Kansas Hazardous Waste Management Act (K.S.A. §§65-3430 et seq.). Stormwater discharges are regulated under the Clean Water Act through KDHE-issued permits. Air quality for backup generators is regulated

under the New Source Performance Standards (NSPS) and the National Emission Standards for Hazardous Air Pollutants (NESHAP), also administered by KDHE.

At the local level, the County and local fire authority can require emergency-response planning, Tier II hazardous-materials inventory reporting under the Emergency Planning and Community Right-to-Know Act (EPCRA), fire-code compliance, inspections, and coordination with the Local Emergency Planning Committee (LEPC).

The County can strengthen oversight by requiring:

- a hazardous-materials inventory at the building-permit stage;
- annual updates;
- fire-department review;
- emergency-response and fire-mitigation plans;
- stormwater compliance documentation;
- copies of state permits on file with the County;
- public reporting of compliance status where legally appropriate.

If adopted, the draft Data Center Overlay would require an emergency-services impact assessment and fire-mitigation response plan, which addresses both fire originating within the project area and fire originating from outside (including prescribed and range burning common in the Flint Hills).

## **11. How does the County prevent more data centers from developing?**

The County controls this through zoning.

The County is not required to allow data centers everywhere. It can limit them to specific districts, require an Overlay, require public hearings, require site-specific approval, impose spacing or separation standards, and require each project to satisfy the applicable review criteria. Under the Kansas Planning and Zoning Act (K.S.A. §§12-741 to 12-776), the County has the authority to make these decisions.

The draft Data Center Overlay itself is a control mechanism: if adopted, it would require overlay rezoning for each project, meaning each data center would go through a public legislative process with Planning Commission and Board of County Commissioners review. Approval of our project does not automatically authorize additional projects elsewhere.

If the County wants to limit cumulative impacts, it can consider:

- district limitations;

- Overlay-only approval (already proposed);
- minimum acreage thresholds;
- separation requirements;
- infrastructure capacity findings;
- cumulative water and power review;
- public-hearing requirements for each project.

## 12. What is the decommissioning process?

The County should require a facility-end-of-use plan before construction.

A proper decommissioning framework should address:

- removal of hazardous materials;
- removal or securing of battery systems (per NFPA 855 requirements);
- fire-department notification;
- utility disconnection;
- site restoration;
- disposition of equipment;
- reuse or repurposing of buildings.

Data center buildings are typically reusable for commercial, industrial, or technology uses, so decommissioning does not necessarily mean demolition. The objective is to ensure that if the facility stops operating, the site does not become abandoned, unsafe, or contaminated. Battery-system decommissioning is distinct from building demolition; the structure itself is typically repurposed.

We are prepared to make our decommissioning obligations binding on successors and backed by financial assurance, as the County should require. If adopted, the draft Data Center Overlay would require a battery-system decommissioning plan at end of use.

## 13. How does the County protect citizens as AI and the industry evolve?

The County should not try to predict every future technology. It should build a regulatory structure that remains durable as technology changes.

That means regulating impacts rather than specific technologies. The current draft Data Center

Overlay is built on this principle: it contemplates performance standards (property-line noise limits, setbacks, water-conservation requirements, lighting controls) rather than mandating particular equipment or designs. As technology evolves, the performance standards remain enforceable regardless of what hardware is inside the building.

Drawing together the tools described in the earlier answers, the County can protect residents through:

- water-source disclosure and water-use reporting;
- utility verification before building permits;
- property-line sound limits (the current draft Overlay contemplates a 65 dBA daytime / 55 dBA nighttime standard at the residential property line);
- lighting controls (full cut-off, downcast fixtures);
- setbacks and buffering (the current draft Overlay contemplates 500-foot setbacks from property lines and 1,000-foot setbacks from existing residential structures);
- stormwater controls;
- hazardous-materials reporting;
- emergency-response planning;
- decommissioning/repurposing requirements;
- enforceable development agreements that bind successors.

We also support requiring future material changes, such as new on-site generation, battery storage expansion, major facility expansion, or a new water source, to return for additional review where appropriate.

#### **14. What about eminent domain for transmission lines?**

For this project, eminent domain for new transmission lines is not anticipated. Beltline has sited the Prairie Horizon Data Campus at a location that already has access to the transmission infrastructure needed to interconnect with the grid. Because the project can grid-connect using existing infrastructure, it does not depend on condemning private land to build new transmission lines. This siting decision was a gating factor for the project, because Beltline does not have the power of eminent domain and, in our experience, utility companies typically do not exercise their power of eminent domain to serve the needs of a third-party developer.

This siting choice is consistent with Plan Pottawatomie County 2040, which encourages concentrating new growth along existing infrastructure corridors and clustering uses near established facilities rather than dispersing development across the County. Locating the project

where adequate transmission capacity already exists reflects that corridor-focused approach.

As a general matter, transmission planning and siting are governed by state-regulated utilities, regional transmission planning through the Southwest Power Pool (SPP), and separate legal processes overseen by the Federal Energy Regulatory Commission (FERC) at the wholesale level and the Kansas Corporation Commission (KCC) at the retail level — not by the County zoning hearing. The County can still require us to disclose anticipated transmission needs, confirm how the project will interconnect using existing infrastructure, and evaluate the local land-use impacts of any project-related infrastructure within its jurisdiction.

Should any new transmission infrastructure ever be proposed, affected landowners would be entitled to clear information about who is proposing it, what approvals are required, and what rights they have in that separate process. For this project, however, the interconnection approach relies on existing infrastructure and does not require eminent domain.

### **15. Should the County bring in outside counsel?**

Yes. For a project of this size and complexity, we believe the County should evaluate bringing in outside counsel or other specialized advisors.

The County does not need to rely only on general local experience. A data center project of this scale involves zoning, utility infrastructure, water rights, environmental compliance, tax incentives, development agreements, emergency services, decommissioning, and long-term enforcement. The Kansas two-tier incentive framework (SB 98 at the state level, locally negotiated Industrial Revenue Bond (IRB) and Payment in Lieu of Taxes (PILOT) structures at the local level) and the draft Data Center Overlay's contemplated requirements add additional complexity.

Outside counsel can assist with:

- development agreements and Host Investment Agreements;
- IRB and PILOT structuring;
- financial assurance and decommissioning provisions;
- public-record and transparency procedures;
- enforcement mechanisms;
- successor and assignment provisions.

Engaging outside counsel reflects the County matching the complexity of the project with appropriate technical and legal resources, rather than relying solely on the experience and knowledge of local County officials.