

## Frequently Asked Questions (FAQ)

Sequitior Edge – Brookings, South Dakota

### **What is Sequitor Edge?**

Sequitior Edge is a Tier III+ edge computing and colocation data center designed to provide secure, reliable digital infrastructure close to where data is created and used.

### **Why locate this project in Brookings?**

Brookings is a strategic location that supports research, healthcare, ag-technology, manufacturing, and education while benefiting from strong utilities, workforce, and regional connectivity.

### **Where is the project going to be in Brookings?**

Location selected is the vacant building at 2324 Research Park Way, Brookings, SD in the Research Park at South Dakota State University. Officially approved as a tenant of the Research Park in late October 2025.

### **How much power will the data center use?**

The facility will start at a smaller scale and is planned to grow gradually to a maximum of approximately 10 megawatts over time—significantly smaller than hyperscale data centers.

### **Will this project strain local utilities?**

No. Brookings Municipal Utilities has worked with Sequitor Edge for nearly a year. A Distribution Study has been completed with no concerns identified, and a Transmission Study is nearing completion with preliminary findings showing no issues supporting the project.

### **How much water will the data center use?**

Sequitior Edge uses a closed-loop cooling system requiring a one-time fill of approximately 19–20 thousand gallons, followed by normal office-level water usage.

### **Will the facility create noise issues for nearby areas?**

No. Noise levels will be comparable to existing manufacturing facilities in Brookings, primarily from chillers and backup generators, and will comply with local noise standards.

### **Is this the same as a hyperscale data center?**

No. Sequitor Edge is intentionally right-sized. Hyperscale data centers often require hundreds of megawatts of power and millions of gallons of water per day; Sequitor Edge does not.

### **Has the City been involved in site selection?**

Yes. Sequitor Edge has met twice with the City of Brookings Development Review Team—in August 2025 and January 2026—whose input was instrumental in identifying an appropriate site location.

### **What are the benefits to the Brookings community?**

The project supports high-wage jobs, strengthens digital infrastructure, attracts research and business investment, and helps position Brookings for long-term economic growth.

## What happens next?

Sequitur Edge will continue working with the City of Brookings, Brookings Municipal Utilities, and other stakeholders through the normal permitting, planning, and development process.

## Will the City receive sales tax revenue from the data center?

Yes. Revenues generated by the Sequitor Edge data center in Brookings will be subject to the City of Brookings' 2% municipal sales tax, creating an ongoing local revenue stream that helps support city services and infrastructure.

## What is the land ownership and tax status of the site?

Sequitur Edge will initially operate under a 75-year ground lease with an option to purchase the five-plus-acre site. Once purchased, the land will become property-tax assessed, adding directly to the Brookings County tax base.

## How does the project impact property tax revenues?

The project includes approximately \$41 million in building renovation and expansion to convert the existing facility into a Tier III+ edge computing center. This investment will immediately increase the property's assessed value. The existing building currently generates more than \$29,000 per year in property taxes, which is expected to increase substantially as improvements are completed.

## What sales tax revenue could the project generate once operational?

Once the Sequitor Edge data center is operational, revenues generated in Brookings will be subject to the City's 2% municipal sales tax. Based on current projections, estimated gross revenues and corresponding taxable activity are as follows:

- 2027: Approximately \$1.9 million (operations beginning in Q2 2027)
- 2028: Approximately \$6.8 million
- 2029: Approximately \$8.8 million
- 2030: Approximately \$9.8 million
- 2031: Approximately \$10.0 million
- 2032: Approximately \$10.2 million

These revenues translate into a recurring municipal sales tax benefit that grows as the facility reaches full operational scale, providing a long-term revenue source to support city services and infrastructure.

## Projected City of Brookings Sales Tax Revenue (2%)

Year	Projected Gross Revenue	Estimated 2% City Sales Tax
2027*	\$1.9 million	\$38,000
2028	\$6.8 million	\$136,000
2029	\$8.8 million	\$176,000
2030	\$9.8 million	\$196,000
2031	\$10.0 million	\$200,000
2032	\$10.2 million	\$204,000

\*2027 reflects partial-year operations beginning in the second quarter.