

City Council Agenda Item Memo

From: Sequitor Edge, LLC

Council Meeting: February 24, 2026

Subject: Presentation and recommendation to approve a Sales Tax Incentive Grant to support the redevelopment and expansion of an existing facility into a Tier III+ edge computing and colocation data storage facility within the SDSU Research Park.

Presenters: Victoria Blatchford, VP Business Development, Sequitor Edge, LLC
Stephanie Mason, Business Development Director, Brookings Regional Growth Alliance

Summary and Recommended Action:

Sequitor Edge, LLC requests City Council approval of a Sales Tax Incentive Grant to support the redevelopment and expansion of an existing facility into a Tier III+ edge computing and colocation data storage facility within the SDSU Research Park. The project represents an over \$41 million private investment and will generate long-term property tax growth, new municipal sales and property tax revenue, and high-wage technology employment. Sequitor Edge is requesting Sales Tax Incentives of \$644,280 for the project.

Item Details:

Sequitor Edge is making a long-term infrastructure investment in Brookings to support secure digital services for regional research, healthcare, ag-technology, and advanced manufacturing users. As earlier as November 2025 the project has received formal support from the Research Park at SDSU Board of Directors and aligns with the City's economic development goals related to technology diversification, tax base growth, and infrastructure-ready development.

Sequitor Edge, LLC proposes the redevelopment and expansion of an existing facility located at 2324 Research Park Way, within the Research Park at South Dakota State University, into a Tier III+ edge computing and colocation data storage facility.

The facility will provide secure, resilient, and low-latency digital infrastructure serving research institutions, healthcare systems, ag-technology firms, advanced manufacturing operations, and enterprise users. Initial Phase 1 buildout will support over 250 data cabinets, with infrastructure designed for phased expansion.

The project represents an estimated \$41 million private capital investment, including substantial upgrades to electrical, mechanical, cooling, security, and redundant systems required to meet Tier III+ standards. Initial operations will require approximately 2 MW of power, with long-term scalability up to 10 MW as demand increases. Cooling

systems require a one-time fill of approximately 19,000–20,000 gallons, with minimal ongoing water use thereafter.

Sequitur Edge will initially operate under a 75-year ground lease with an option to purchase. Upon purchase, the land and improvements will become fully assessed for property tax purposes.

The requested incentive is a rebate of City sales tax paid on eligible construction and equipment purchases. The incentive does not involve upfront City expenditures and is reimbursed only after sales tax payments are verified.

	COSTS	CITY TAX (2%)
Building:	\$	<i>Property Tax Rates</i>
Construction/ Renovations:	\$20,843,975	\$416,880
Equipment:	\$11,370,000	\$227,400
Other		
TOTAL:	\$41,697,617	\$644,280

Legal Consideration:

South Dakota Codified Law Chapter 10-46 authorizes municipalities to appropriate municipal sales tax revenues for economic development purposes, including the use of performance-based sales tax incentive grants, as implemented locally through City Policy CC-309.

Strategic Plan Consideration:

The project supports the City’s Economic Development Master Plan by:

- Diversifying the local economy
- Increasing the long-term property tax base
- Attracting technology-based, non-retail investment
- Supporting infrastructure-intensive development within the Research Park

Financial Consideration:

The incentive is funded solely from City sales tax revenue generated by the project. The City retains ongoing fiscal benefits beyond the incentive term through continued sales tax generation and increased property tax valuation.

Supporting Documentation:

- Memo
- Proposal
- Presentation
- FAQs