

Staff researched case studies from our 8 or more benchmark cities in the region including: Pearland, Missouri City, Richmond, Lake Jackson, Rosenberg, Sugar Land, and Manvel. From that list, only two (2) had definitive regulations for inner-city Data Center uses.

Missouri City, most recently adopted Zoning Ordinances that allow for Data Centers as a Specific Use Permit within their Business Park Zoning District, Industrial District or as part of a Planned District Development, earlier this month. The City of Richmond provides a specific definition of Data Centers and server farms, as an Industrial Land Use, within its UDO, with general site, lighting, screening and building standards defined.

A more broader search around the State of Texas, yielded additional ordinances that have been adopted with some of the same approaches of Specific Use Permits and Planned District Development allowances (See Table 1 attached). A power point slide show is also provided to guide the discussions of this worksession.

Proposed Future Schedule:

BOARD OR COUNCIL	ITEM	DATE
City Council	Initial requested Workshop	May 26, 2026
Planning and Zoning Commission	1 st Worksession with Legal Review	June 4, 2026
Written Update: Council Staff Report	Update on Progress and Schedule with Legal Review	June 9, 2026
Planning and Zoning Commission	Public Hearing	July 2, 2026
City Council	Public Hearing/ Final Ordinance Adoption	July 14, 2026

Staff has attached a letter from the Texas Municipal League, which supports Texas efforts to study data center development while stressing the importance of local government involvement.

Data centers create economic opportunities but also increase demands on water, electricity, and infrastructure.

TML supports requiring detailed impact information so cities can better plan for growth.

The letter references Virginia’s experience, where rapid data center expansion led to major revenue losses and infrastructure concerns.

TML requests that cities be included on any advisory boards or commissions related to data center regulation.

Local governments are viewed as essential for representing residents, managing infrastructure, and ensuring accountability.

The letter concludes by offering city support in developing balanced regulations that encourage growth while protecting local communities.

RECOMMENDATION:

Staff recommends that City Council conduct the initial workshop on Data Center Regulations and provide Staff and Legal with further direction.