



Meeting Date:	July 27, 2026
Submitter:	Daniel Ritter, Community Development Director
Department:	Community Development
Agenda Item:	Direction on Zoning Ordinance Use Amendment – Data Centers

Summary:

City staff periodically reviews the Zoning Ordinance and other development regulations to ensure they remain effective in advancing the City's goals related to economic development, land use compatibility, community appearance, and quality of life. As part of this ongoing review, staff has identified data centers as an emerging land use that is not currently defined or specifically addressed within the City's Zoning Ordinance. Staff is seeking preliminary policy direction from the Plan Commission and City Council as updates to the Zoning Ordinance use table are prepared.

At this time, the City has not received any proposals or inquiries regarding the development of a data center. Additionally, the limited availability of large development sites within Crest Hill may make this type of development unlikely, given the substantial land area typically required along with distances from residential development. However, staff believes it is appropriate to proactively establish a definition for data centers and determine how the use should be regulated before a development proposal is received.

Data centers are a relatively new land use, and information regarding their overall community impacts continues to evolve. Demand for these facilities has increased significantly due to the rapid growth of cloud computing, digital services, and artificial intelligence (AI). While data centers can provide economic benefits to communities, they also present unique planning and infrastructure considerations.

Potential benefits of data centers include increased property tax revenue, private investment in public infrastructure such as roads, water, and sewer systems, redevelopment opportunities for challenging or contaminated sites, and relatively low demand for municipal services and schools due to limited employment and the absence of residential uses. Conversely, data centers typically require substantial electrical capacity and cooling systems, which creates concerns regarding energy consumption, water usage, infrastructure capacity, noise from mechanical equipment and backup generators, and potential impacts on utility costs. Because the industry is evolving rapidly, long-term impacts remain uncertain, and available research often presents differing or unclear conclusions.

Several large-scale data center developments have recently been approved or are under construction in neighboring communities in the region, including Joliet, Minooka, and Yorkville. At the state level, the Illinois General Assembly has also considered legislation addressing data center development, including proposals related to utility demand, environmental impacts, and statewide development standards.

STAFF RECOMMENDATION

Given the limited amount of land suitable for data center development within Crest Hill, the evolving nature of the industry, and the uncertainty regarding its long-term impacts, staff recommends amending the Zoning Ordinance to establish a definition for data centers, while prohibiting the use in all zoning districts.

This approach provides clarity within the Zoning Ordinance and ensures that the City has a clear regulatory framework in place should a proposal be submitted in the future. If additional information becomes available, market conditions change, or the City determines that data centers may be appropriate under certain circumstances, the Zoning Ordinance can be amended through the standard text amendment process following public review and consideration by the Plan Commission and City Council.

With an upcoming proposal, staff will be evaluating multiple uses across all zoning districts, and this change will be coordinated with that overall Zoning Ordinance text amendment.

Recommended Council Action: Direct staff to conduct any additional necessary research and prepare draft amendments to the Zoning Ordinance defining data centers and prohibiting their use in all zoning districts for consideration at a future Plan Commission public hearing.