



# MEMO

## PLANNING AND COMMUNITY DEVELOPMENT

To: Common Council  
From: Dave Kittel, Director of Planning and Community Development  
Date: 9/10/2025  
Re: Adding Data Center for Permitted use in Industrial Zoning district

### Background information:

Technology continues to evolve rapidly, leading to the emergence of new industries and land use needs. One such growing industry is data centers. While there is currently no active proposal for a data center development, staff recognizes the importance of proactively updating our zoning regulations to attract future opportunities.

### Proposal

Staff recommends updating the City's Industrial Zoning Code (Section 17.25) to include data centers as a permitted use. This change would position the City to accommodate a modern and growing industry, helping diversify our commercial base and remain competitive. Additionally, staff suggests allowing data centers as a **conditional use** in the **Commercial Highway** and **Business Districts**. This flexibility acknowledges that data centers vary significantly in size and infrastructure needs—some may require large tracts of land and heavy utilities, while others may resemble small office buildings.

### Benefits of This Use (if one is built)

- **Increased tax base**, helping offset the overall tax burden.
- **Diversification of the commercial base**, ensuring long-term economic relevance.
- **Attraction of support industries**, such as IT services and maintenance.
- **Job creation**, including both technical and operational roles.

**Considerations & Challenges** While data centers offer many benefits, they also present challenges that must be addressed collaboratively:

- **High power demand**: Requires coordination with utility providers but can lead to long-term infrastructure improvements.

- **Water usage for cooling:** Modern cooling technologies have significantly reduced this concern, though it remains a consideration for larger facilities.

**Next Steps**

Staff is seeking feedback and direction from the Council on whether to proceed with drafting zoning amendments to accommodate data centers. This would lay the groundwork for future discussions with stakeholders and potential developers.

**Strategic Plan:**

This aligns with part of the foundation of the strategic plan of innovation by providing new types of opportunities. This would align with the mission of the plan by offering new opportunities and the Vision of the plan as a community of choice and offering new economic opportunities.

**Budget:**

Not applicable

**Recommendation:**

For discussion and direction.

