

AN ORDINANCE OF THE CITY OF MILLWOOD, SPOKANE COUNTY, WASHINGTON, ADOPTING A MORATORIUM ON THE FILING, ACCEPTANCE, PROCESSING, REVIEW, DENIAL AND/OR APPROVAL OF APPLICATIONS TO PERMIT, SITE, ESTABLISH, OR MAINTAIN DATA CENTERS IN THE CITY AND ANY BUSINESS LICENSE OR LICENSE APPLICATIONS RELATED TO DATA CENTERS; DEFINING TERMINOLOGY; SETTING SIX (6) MONTHS AS THE EFFECTIVE PERIOD OF THE MORATORIUM, UNLESS OTHERWISE EXTENDED; SETTING A DATE FOR A PUBLIC HEARING ON THE MORATORIUM; PROVIDING FOR SEVERABILITY; DECLARING AN EMERGENCY; ESTABLISHING AN EFFECTIVE DATE; AND PROVIDING FOR OTHER MATTERS RELATED THERETO

WHEREAS, the City of Millwood (the “City”), Spokane Washington, is a non-charter code city, by virtue of the Constitution and the laws of the State of Washington;

WHEREAS, pursuant to chapter 35A.11 RCW, the City Council (the “Council”) may adopt and enforce ordinances of all kinds relating to and regulating its local or municipal affairs and appropriate to the good government of the City; and

WHEREAS, data centers have the potential to significantly impact the City’s water and energy infrastructure, utility reliability, economic development, public health, and environment; and

WHEREAS, data centers consume large amounts of electricity and use significant amounts of water as a condition of operations of the data center; and

WHEREAS, data centers can produce a significant amount of noise and heat, which can negatively impact the health and wellbeing of surrounding communities and citizens; and

WHEREAS, the Washington State Department of Revenue’s Data Center Workgroup Preliminary Report, published in December 2025, found “[t]he direct water requirements of data centers can be substantial, depending on the size and type of cooling system used. This can affect water resources, such as water availability and water quality, through discharges of pollutants and effects on water temperatures. There could be potential impacts to public infrastructure, such as municipal water facilities, habitats, species, critical areas, and to Tribal rights, interests, and resources;” and

WHEREAS, the City is situated over the Spokane-Valley-Rathdrum Prairie Aquifer, which serves as the sole source of drinking water for the City, as well as over half a million residents in Spokane County and Kootenai County, Idaho; and

WHEREAS, the voters of Spokane County overwhelmingly approved the Aquifer

Protection Area Renewal and Expansion Ballot Measure on August 5, 2025, with 73.82% of the votes in favor of the ballot measure to vital protections for the region's drinking water for another 20 years and voters in the City substantially voting in favor of the ballot measure; and

WHEREAS, Policy P.14 of the City's Comprehensive Plan 2026-2046 calls for the City to "[p]rotect the sole source Spokane Rathdrum Prairie Aquifer through appropriate siting of land uses and implementation of stormwater management regulations;" and

WHEREAS, Policy P.25 of the City's Comprehensive Plan 2026-2046 calls for the City to "[p]rotect groundwater quality and quantity from development impacts;"

WHEREAS, the northern portion of the City is adjacent to the beautiful Spokane River, which the City seeks to protect and preserve through its adoption of the City's Shoreline Master Program; and

WHEREAS, Goal G.09 of the City's Comprehensive Plan 2026-2046 calls for "[p]reservation and stewardship of our natural environment and resources, including but not limited to: water quality, clean air, native species protection, geological landforms, and habitat connectivity;" and

WHEREAS, Policy P.53 of the City's Comprehensive Plan 2026-2046 calls for the City to "[s]upport the preservation, protection, and restoration of the Spokane River corridor, adjacent riparian areas, and connected habitat corridors to maintain and improve water quality, restore natural hydrologic and ecological functions, enhance drought and flood resilience, and protect critical salmon habitat and wildlife movement;" and

WHEREAS, Policy P.23 of the City's Comprehensive Plan 2026-2046 calls for the City to "[c]onserve fish and wildlife habitat areas to ensure no net loss of ecological functions and values, maintain public safety, and prevent the degradation of natural resources;" and

WHEREAS, Goal G.17 of the City's Comprehensive Plan 2026-2046 calls for the City to "[e]nhance Millwood's natural and built areas such as parks, streetscapes, and local waterways through tree planting, water conservation, and native landscaping to build resilience to climate hazards (Ecosystems);" and

WHEREAS, Policy P.52 of the City's Comprehensive Plan 2026-2046 calls for the City to "[e]stablish water-efficient landscaping and irrigation practices for City properties, and partner with local utilities to help property owners, homeowners, renters and businesses reduce outdoor water use and prepare for drought;" and

WHEREAS, Policy P.17 of the City's Comprehensive Plan 2026-2046 calls for the City to "[e]nsure development aligns with and protects natural features and wildlife habitat;" and

WHEREAS, the Washington State Department of Revenue’s Data Center Workgroup Preliminary Report found “[t]he global electricity requirements of data centers are substantial and growing rapidly in response to businesses and consumers demanding more data services. Data centers are the largest source of expected load growth in the Pacific Northwest. Potential growth in data centers in Washington would require significant electric power grid expansion, including generating resources, substations, and local and regional transmission capacity;” and

WHEREAS, Goal G.11 of the City’s Comprehensive Plan 2026-2046 calls for the City to have “[a]dequate public facilities and utility services that align with desired growth and land use types;”

WHEREAS, Policy P.30 of the City’s Comprehensive Plan 2026-2046 calls for the City to “[e]nsure levels of public services and public facilities are adequate to satisfy the community’s needs now and as new development occurs;” and

WHEREAS, Policy P.47 of the City’s Comprehensive Plan 2026-2046 calls for the City to “[e]ncourage new and existing development to include features that improve comfort, save resources, and manage heat and stormwater through trees, green spaces, and efficient design;” and

WHEREAS, Policy P.48 of the City’s Comprehensive Plan 2026-2046 calls for the City to “[s]upport expansion of energy resilience by developing microgrids, integrating renewable energy, strategically undergrounding power lines, and backup power systems for critical facilities;” and

WHEREAS, the combined and cumulative impacts of large electrical loads, emissions, and water use associated with new or expanded data centers may exceed available infrastructure capacity and resources; may require substantial unplanned capital investments by the City; may affect environmental quality, water quality and quantity, and wastewater treatment; may impair the City’s ability to meet environmental, climate and resource management goals, and may affect the health and wellbeing of residents from air pollution, noise, and heat emissions; and

WHEREAS, at this point in time, the City is uncertain whether it has sufficient resources and regulations in place to address siting, establishment, or maintenance of data centers in the City; and

WHEREAS, the City recognizes that data centers have the potential to contribute to the local economy, but require consideration for potential impacts to the City and potential contradictions to the City’s policies, including but not limited to the City’s Comprehensive Plan, Water System Plan, and Shoreline Management Program; and

WHEREAS, the Millwood Municipal Code does not currently have a definition for data centers, nor does the Millwood Municipal Code have current regulations and processes to adequately consider the unique and potentially substantial impacts of data centers; and

WHEREAS, the City has been engaged in its Comprehensive Plan periodic update and a review and modernization of its development regulations; however, regulation of data centers was not included as part of the periodic update process and therefore needs to be considered separately; and

WHEREAS, the City intends to evaluate the impacts of data centers in the context of the City's Comprehensive Plan, Water Conservation Plan, Water System Plan, and Shoreline Management Program, and economic development strategy; and

WHEREAS, the City desires to develop consistent processes for mitigating the impacts of data centers, recognizing their potential economic benefit, establishing transparency and opportunities for public comment in review, and upholding private property rights as required under state and federal law; and

WHEREAS, recent local media reports have identified the Spokane region is being considered for potential location of one or more data centers; and

WHEREAS, the prospect of siting or locating a data center in the City is sudden and unexpected, and requires immediate action to prevent or mitigate the threat of vesting of applications under the current Millwood City Code; and

WHEREAS, the normal course of legislative procedures of the Council cannot timely prevent the vesting of applications for data centers, and, this Ordinance needs immediate effect to prevent harm to the community or government functions;

WHEREAS, moratoriums enacted under RCW 36.70A.390 and/or RCW 35.63.200 are methods by which local governments may preserve the status quo so that new plans, policies and regulations will not be rendered moot by intervening development; and

WHEREAS, RCW 36.70A.390 and RCW 35.63.200 authorize the Council to adopt an immediate moratorium for a period no longer than six (6) months, but may be effective for up to one year if a work plan is developed for related studies providing for such a longer period, without first holding a public hearing on the proposal, provided that a public hearing is subsequently held within at least sixty (60) days of its adoption; and

WHEREAS, pursuant to WAC 197-11-880, the adoption of this emergency moratorium is exempt from the requirements of a threshold determination under the State Environmental Policy Act (SEPA) and future permanent zoning regulations will be reviewed in accordance with SEPA Rules; and

WHEREAS, a moratorium will preserve the status quo that is necessary to allow the City a reasonable opportunity to study any impacts of data centers and to determine an appropriate regulatory framework, if any, for data centers in the City; and

WHEREAS, the Council concludes that the City is authorized to establish a moratorium and that the City must adopt a moratorium concerning the filing, acceptance, processing, review, denial and/or approval of applications to permit, site, establish, or maintain data centers in the City and any business license or license applications related to data centers in the City to protect the health, safety and welfare of the citizens of Millwood; and

WHEREAS, the Council adopts the foregoing as its findings of facts justifying the adoption of this Ordinance; and

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MILLWOOD, SPOKANE COUNTY, WASHINGTON, AS FOLLOWS:

**Section 1. Findings of Fact.** The recitals set forth above are hereby adopted as findings of the Council in support of the moratorium imposed by this Ordinance pursuant to and in support of its action as required by RCW 36.70A.390 and RCW 35.63.200. The Council may, in its discretion, adopt additional findings at the conclusion of the public hearing referenced in Section 5 below.

**Section 2. Definition of Data Center.** For the purposes of this Ordinance, the term “Data Center” is defined as a business or commercial activity: (1) Used primarily for the housing, operation, or co-location of computer and networking equipment and the handling, storing, managing, processing, and backing up of digital data; (2) requiring electrical capacity in excess of 20 Megavolt-Amperes (MVA); and generally requiring uninterruptible power supplies and associated infrastructure such as cooling systems, backup power systems, and battery storage.

**Section 3. Moratorium Imposed.** Pursuant to RCW 35A.63.220 and RCW 36.70A.390, a moratorium is hereby enacted within the City regarding the filing, acceptance, processing, review, denial and/or approval of applications to permit, site, establish, or maintain data centers in the City and any business license or license applications related to data centers in the City. No building permit, occupancy permit, development permit, business license or approval for any of the purposes or activities identified in this Section 3 shall be granted or accepted while this moratorium is in effect. Any land uses permits, business licenses or other permits or approvals for any of the purposes or activities identified in this Section 3 that are issued as result of error, misunderstanding or by vague or deceptive means during the moratorium are null and void and without legal force and effect.

**Section 4. Duration of Moratorium.** This moratorium shall be in effect for six (6) months, beginning on July 15, 2026, and ending on January 16, 2027, unless an ordinance is adopted amending the Millwood Municipal Code and rescinding the moratorium in accordance with applicable law, or unless the moratorium is otherwise extended in accordance with applicable law.

**Section 5. Public Hearing Required.** As required by RCW 36.70A.390 and RCW 35.63.200, the Council will hold a public hearing on August 25, 2026, at 6:00 p.m. or as soon as the business of the Council shall permit and which date is within sixty (60) days of passage of this Ordinance to take public testimony and to consider adopting further findings.

**Section 6. Work Plan.** During the moratorium period, City staff will study the issues concerning data centers in the City. City staff will prepare appropriate revisions to the City's codes and regulations and conduct the public review process as required for amendments to the Millwood Municipal Code.

**Section 7. Declaration of Emergency.** The Council hereby finds and declares that an urgency and emergency exists such that this Ordinance is needed for the preservation of the public peace, health, or safety, and/or for the immediate support of City government and its existing public institutions, and that because of such need, this Ordinance shall be effective immediately, upon the affirmative vote of a majority plus one of the entire membership of the Council, as required by RCW 35A.12.130.

**Section 8. Effective Date.** This Ordinance shall take effect and be in full force and effect immediately upon passage, as set forth herein, as long as it is approved by an affirmative vote of a majority plus one of the entire membership of the Council, as required by RCW 35A.12.130.

**Section 9. Repeal.** All ordinances, resolutions, laws, and regulations, or parts thereof in conflict with this Ordinance are, to the extent of said conflict, hereby repealed.

**Section 10. Severability.** If any section, sentence, clause or phrase of this Ordinance should be held to be unconstitutional or unlawful by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

PASSED AND APPROVED on this 14th day of July, 2026.

---

Shawna Beese, Mayor

ATTEST:

---

Bridget Gill, City Clerk

[illegible]

Bridget Gill, being first duly sworn on oath deposes and says:

I am the Clerk of the City of Millwood, Washington, and the foregoing ordinance entitled “AN ORDINANCE OF THE CITY OF MILLWOOD, SPOKANE COUNTY, WASHINGTON, ADOPTING A MORATORIUM ON THE FILING, ACCEPTANCE, PROCESSING, REVIEW, DENIAL AND/OR APPROVAL OF APPLICATIONS TO PERMIT, SITE, ESTABLISH, OR MAINTAIN DATA CENTERS IN THE CITY AND ANY BUSINESS LICENSE OR LICENSE APPLICATIONS RELATED TO DATA CENTERS; DEFINING TERMINOLOGY; SETTING SIX (6) MONTHS AS THE EFFECTIVE PERIOD OF THE MORATORIUM, UNLESS OTHERWISE EXTENDED; SETTING A DATE FOR A PUBLIC HEARING ON THE MORATORIUM; PROVIDING FOR SEVERABILITY; DECLARING AN EMERGENCY; ESTABLISHING AN EFFECTIVE DATE; AND PROVIDING FOR OTHER MATTERS RELATED THERETO” is the true and correct copy of the City of Millwood’s Ordinance numbered 476 and that the same was posted and published according to law.

Bridget Gill

SUBSCRIBED AND SWORN TO BEFORE ME THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2026.

Notary Public in and for the  
State of Washington, residing at \_\_\_\_\_.  
My Commission expires \_\_\_\_\_.