

MEMORANDUM



TO: VICTOR CARDENAS, CITY MANAGER
FROM: BARBARA MCBETH, AICP, CITY PLANNER
SUBJECT: DATA CENTERS
DATE: JANUARY 8, 2026

Mayor and Council –

I've heard from most of you regarding the "hot topic" of Data Centers, especially with the added attention of an approval for a new one in Lyon Township. To that end, please see a brief memo from our Planning Division on the matter.

- Victor

The question was raised regarding whether data centers are permitted in the City of Novi. The short answer is likely "yes," but with the caveat that the Zoning Ordinance has a land use referred to as *Data Processing and Computer Centers* that could be identified as consistent with (or at least similar to) the term *Data Centers* of the type that are currently showing increased interest and development.

The City of Novi's Zoning Ordinance allows *Data Processing and Computer Centers* in the I-1, Light Industrial, I-2, General Industrial and OST, Office Service Technology Districts. In the I-1 District, such uses are a Principal Permitted Use when property does not abut a residential districts, and a Special Land Use if the property abuts a residential district. *Data Processing and Computer Centers* are a Principal Permitted Use in the I-2 and OST districts.

However, the term *Data Processing and Computer Centers* is not specifically defined in Novi's Zoning Ordinance. Staff would apply the generally understood meaning of the term and depending on the details and scope of the actual proposed use the term *Data Processing and Computer Centers* could very well be found to encompass a proposed use described by the more recent term *Data Center*.

If proposed in Novi, and assuming that the interpretation would be that the proposed *Data Center* would fall under Novi's term *Data Processing and Computer Centers*, the typical Zoning Ordinance standards would apply for building setback, landscaping, engineering, façade, etc. The Planning Commission would review and potentially approve a Preliminary Site Plan for such uses. A public hearing would be required only if the property is in the I-1 District and abuts a residential district or if the plan impacts regulated woodlands and/or wetlands. City Council approval would not be necessary under the current ordinance standards, unless the request is part of a rezoning, Planned Rezoning Overlay, or similar request.

If directed, staff and the City Attorney's office would be able to provide a more in-depth review of the different types of data centers that are currently being built in other communities and potentially recommend updated Zoning Ordinance standards based on best practices and updated ordinance standards from similar communities.