

PETERSBURG, ALASKA

AN ORDINANCE AMENDING TITLE 19 ZONING, OF THE PETERSBURG MUNICIPAL CODE
TO REGULATE DATA CENTERS

Citizens of Petersburg do not have protections against the potential environmental, health, privacy, and economic impacts of data center development. A modern, effective data center ordinance balances economic benefits with strict resource protections. This ordinance not only accomplishes this but also builds in a conditional use process to allow public oversight in the development of data centers in Petersburg.

WHEREAS, data centers are facilities that house computer servers for processing and storing data, either for a single enterprise or multiple enterprises, that serve as critical infrastructure for Internet-based storage, complex software and language models, artificial intelligence (AI) functions, and other computing needs; and

WHEREAS, data centers are increasingly common in communities across the U.S., with over 4,000 in operation as of 2026 and more being built to meet projected demand for processing and storage capacity; and

WHEREAS, data center facilities of all sizes have intensive energy needs, and may be served by onsite power generation or connected to a larger electrical grid; these facilities also require robust cooling systems, typically using water to remove excess heat from servers in a closed-loop water recycling system or discharging heated water, which may include other contaminants, as waste; and

WHEREAS, communities that are now home to data center facilities have identified additional operational impacts to surrounding properties, primarily noise generation

and visual impacts of facilities and campuses; and

WHEREAS, data centers may be large or small in scale, and are already being permitted and developed in Alaska communities; and

WHEREAS, current Title 19 does not specifically contemplate this use type and does not address potential impacts of facilities of this type, and is currently permitted; and

WHEREAS, emerging best practices from other communities in Alaska include land use regulation of data centers through a clearly-defined use type, development standards such as noise control, and utilizing the development review process to identify and mitigate impacts on surrounding properties and potential uses; and

WHEREAS, Alaska Constitution, Article 1 Section 22 explicitly provides for “The right of the people to be secure in their persons, houses and other property, papers, and effects, against unreasonable searches and seizures, shall not be violated.”; and

WHEREAS, Alaska Constitution, Article I, Section 22. The right to privacy is not specifically mentioned in the U.S. Constitution, but the United States Supreme Court has recognized several constitutional amendments that create this right, to include the First, Fourth, Ninth, and Fourteenth amendments of the Bill of Rights.

Conditional use standards – Data centers.

The following standards shall apply to data centers:

A. Design standards. A data center facility must be designed to minimize adverse visual impacts and noise levels on surrounding development as demonstrated by the submission of elevations, architectural sketches, or sight line studies.

1. Designs shall provide visual screening and reduce noise levels, any equipment necessary for cooling, ventilating, or otherwise operating the facility, including power generators or other power supply equipment, must be fully enclosed, except where determined by the director not to be mechanically feasible based on the manufacturer specifications.

2. If the director determines it is not mechanically feasible to fully enclose the equipment, it must be screened by a wall or similar barrier. In addition, any equipment as referenced above that is located on the ground and any accessory electrical substation must be screened from view from abutting lots and from rights-of-way by a visually solid wall or a building. This standard does not apply to solar panels.

B. Landscaping. The planning commission, through the conditional use review, may require additional landscaping screening when the project is adjacent to residential zones or would affect the harbor view.

C. Setbacks. Where the property is adjacent to residential or any other sound-sensitive use, a data center facility or ancillary equipment must be located at least 1,500 feet from residential or noise-sensitive use areas.

D. Additional submittal requirements for a conditional use permit.

1. Completion of a noise mitigation study for projected operational noise levels, including at peak operation, demonstrating that the operation of the data center will not exceed the level that emitted noise can be heard from residential or noise-sensitive areas as follows:

a. The study must include consideration of sound source location and directivity, and barrier effects of buildings and topography, for all proposed development on a lot or site plan.

b. If the development will be completed in phases, the study must address both the proposed phase and the ultimate buildout of the proposed development.

2. If the facility requires connecting to and drawing power from the surrounding electrical grid, the application must include a written statement from the electrical utility or utilities demonstrating that there is sufficient system capacity to meet the facility's projected demand at peak operation. The project application shall document estimated electrical demand

at peak operation. The statement must also demonstrate the limiting effect of the project on power supply for future community growth.

3. If the facility requires connecting to the public water system, the application must include a written statement from the water utility that there is sufficient water at adequate pressure to meet the facility's projected daily water demand at peak operation. The project application shall include all information the water utility deems necessary to make these determinations. The water utility may write that sufficient water quantity and pressure may be made available through privately constructed and funded upgrades to the water system, the construction of which shall be a condition on the land use permit.

4. If the facility will discharge wastewater into the public sewage system, the application must include a written statement from the wastewater utility that there is adequate capacity in the sewer system for the facility's discharge at peak operation and that the applicant has provided the wastewater utility with reliable information adequate for the wastewater utility to determine the facility's ability to comply with the Clean Water Act (33 U.S.C. Sec. 1251 et seq. (1972)), title 19 of this Code, and all other applicable laws and regulations. The project application shall include all information the wastewater utility deems necessary to make these determinations. In its written statement, the wastewater utility may state, additionally or

alternatively to concluding that sufficient capacity exists in the sewer system:

a. That sufficient sewer capacity may be achieved through privately constructed and funded upgrades to the public sewer system, the construction of which shall be a condition on the land use permit, or

b. That based on the information provided by the applicant, the project's discharge is likely to result in significant adverse impacts on the public sewer system or human health. Such a statement by the wastewater utility creates a presumption that the approval criterion is not met. This presumption may only be overcome by clear and convincing evidence presented to the commission.

5. If the facility utilizes an onsite water and wastewater system, the application must demonstrate that the project complies with all applicable Alaska Department of Environmental Conservation requirements.

6. Evidence of adequate fire detection and suppression systems at the facility, including for any onsite power generation and storage infrastructure.

7. Documentation of anticipated onsite power generation including energy source(s) and whether any power generated at the facility in excess of its operational need may be returned to the grid, water recycling, reclamation of waste heat, treatment of contaminants, and any other strategies to prevent, reduce, or mitigate potential impacts of the facility on the surrounding community.

E. Data centers may only be placed in industrial zoned subdivisions that:

1. Are not in downtown waterfront areas as described in the Petersburg Borough Waterfront Master Plan,
2. Areas that are not reasonably needed for: seafood processing, marine repair, harbor expansion, or maritime commerce,
3. are not adjacent to wetlands, anadromous streams, shorelines, tidal lands, or areas frequented by migratory birds.

F. Data collection standards. Data centers must comply with strict biometric data and other privacy safeguards, including the prohibition of the sale or profit of biometric data and Social Security numbers and the issuance of an annual certificate of compliance from the Borough.

G. Revenue Sharing. To offset the cost of providing electricity, water, and community impacts, the Borough of Petersburg shall charge a percentage of data collection revenue into a permanent fund investment account similar to the Alaska Permanent Fund Dividend program. The earnings will be distributed annually as a direct dividend to every qualifying Petersburg Borough resident

H. Definitions.

1. “Data center” means a facility or co-located facilities that house multiple computer servers for processing and storing data and requires at least 0.25 megawatts of electrical demand at peak operation. There is minimal onsite human activity during normal operations. Accessory uses may include offices, power generation and storage, water storage and treatment, maintenance areas, vehicle and equipment parking and storage.

2. Geographically dispersed buildings, equipment, structures, and other stationary infrastructure used for the same purpose and owned or operated by the same entity may be considered single facility for the purposes of this section.

3. “minor” A facility with less than 100 servers shall be considered a minor data center.