



STAFF REPORT

Planning Commission Meeting Date:	May 20, 2025
Agenda Title:	ZOTA-25-1 – A Text Amendment to Remove Data Centers as a Permissible Use within the Industrial District
Requested Action:	Hold a Public Hearing
Department / Agency Lead:	Community Development
Staff Lead:	Heather Jenkins, Zoning Administrator

EXECUTIVE SUMMARY

On March 22, 2025, Town Council adopted a Resolution to initiate a text amendment to Articles 3, 9, and 12 of the Town of Warrenton Zoning Ordinance. This text amendment is for the purpose of removing Data Centers as a Permissible Use within the Industrial District, and therefore make Data Centers an impermissible Use within the Town of Warrenton.

On April 22, 2025, the Planning Commission held a work session to discuss this text amendment, where staff was directed to bring this item back the following month for a public hearing. Additionally, the Planning Commission indicated their intent to leave the May 20, 2025, public hearing open for an additional month, so as to allow for sufficient time for public input and comment. Per Zoning Ordinance Section 11-3.9.8, the Planning Commission is required to make a final recommendation to Town Council within 100 days of the April 22, 2025 work session. The 100-day deadline falls on Thursday, July 31, 2025.

BACKGROUND

On August 10, 2021, Town Council adopted an Ordinance to add Data Centers as a Permissible Use within the Industrial District with the approval of a Special Use Permit by Town Council. This text amendment added Data Centers as an allowable use under Section 3-4.12.3 *Permissible Uses*, as defined in Article 12 *Definitions*, and subject to the standards listed in Section 9-26 *Data Centers*. A copy of the adopted text amendment is included with this staff report as Attachment A – Ordinance to Adopt ZNG 2021-0321. A brief timeline of the text amendment process for the previous Data Center text amendment is as follows:

Data Center Text Amendment (ZNG 2021-0321) Timeline:

- July 11, 2017 – Town Council initiates a Zoning Ordinance Text Amendment to research industrial areas and the possibility of adding data centers.
- The originally initiated Text Amendment was not pursued with the Planning Commission or Town Council.
- April 13, 2021 – Town Council initiates a Zoning Ordinance Text Amendment to allow data centers within the Industrial District with the approval of a Special Use Permit.
- May 25, 2021- Planning Commission holds a work session on the Text Amendment.
- June 15, 2021 – Planning Commission holds a public hearing on the Text Amendment.

- July 20, 2021 – Planning Commission holds a public hearing on the Text Amendment, and recommends approval 5-1.
 - August 10, 2021 – Town Council holds a public hearing on the Text Amendment, and approves the Text Amendment 7-0.
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Following approval of this text amendment on August 10, 2021, one Special Use Permit application for a Data Center was submitted for consideration by the Planning Commission and Town Council, application number SUP-22-3, located at 719 Blackwell Road (PIN 6984-69-2419-000). On February 14, 2023, Town Council approved this Special Use Permit application subject to the associated Conditions of Approval. The Special Use Permit SUP-22-3 and the associated Site Development Plan, case number SDP-23-6 approved on April 18, 2024, remains the sole approved Data Center Use within the Town. A copy of the resolution to approve SUP-22-3 is included with this staff report as Attachment B – Resolution to Approve SUP-22-3.

On March 22, 2025, Town Council adopted a Resolution to initiate a text amendment to Articles 3, 9, and 12 of the Town of Warrenton Zoning Ordinance. This Resolution includes the statement that a Data Center is a Use that does not further the health, safety and welfare of the public, nor does a Data Center Use promote public necessity or public convenience within the Town of Warrenton. A copy of this Resolution is included with this staff report as Attachment C – Resolution to Initiate ZOTA-25-1.

During the April 22, 2025, work session, Planning Commission members requested information on the possible impacts of data centers on communities. Staff has provided a copy of the *Data Centers in Virginia* report provided to the Governor and General Assembly of Virginia by the Joint Legislative Audit and Review Commission (JLARC), dated December 9, 2024, which provides an in-depth report of the impact data centers can have on local communities, to include economic, fiscal, energy, natural and historic resource impacts, as well as potential impacts on residential areas adjacent to data centers. This report is included with this staff report as Attachment D – JLARC Data Center Report. A briefing of this report, as presented to the General Assembly and other bodies, is included with this staff report as Attachment E – JLARC Data Center Presentation, where this briefing summarizes the findings of the JLARC report.

STAFF RECOMMENDATION

Staff requests that the Planning Commission hold a public hearing to discuss this matter, and then provide guidance to staff. As per the discussion held by the Planning Commission during the April 22, 2025 work session, it is understood by staff that the Planning Commission intends to hold the public hearing open, and hold a second public hearing on this matter during the regularly-scheduled June meeting, so as to provide sufficient notice to the public and gather as much public input as possible. A draft copy of the proposed text amendment is included with this staff report as Attachment E – Draft Text Amendment.

Service Level/Collaborative Impact

There are no known service level or collaborative impacts.

Policy Direction/Warrenton Plan 2040

The Zoning Ordinance currently allows for Data Centers as a Permissible Use within the Industrial District. Industrial Zoned parcels within the Town are located along the eastern boundary of the Town jurisdictional limits, adjacent to the Eastern Bypass and Route 17 Spur. The Comprehensive Plan, Future Land Use Map

shows that Industrial Zoned properties are located within the New Town Mixed Use/New Town Character District, Old Town Mixed Use/Old Town Character District, and Greenway and Wellness Mixed Use/Greenway and Makers District. The desired development for these character districts is described in the Comprehensive Plan, Town Warrenton 2040, in Goals L2, L3, and L5, predominantly as mixed-use and walkable.

While the New Town Character District, Goal L3, calls for the establishment of a major employer, a Data Center was not specifically listed in any of the Future Land Use or Character Districts. This issue was raised during the initial Zoning Ordinance Text Amendment public hearing process for ZNG 2021-0321. As such, Town Council has asked staff to prepare a Text Amendment to remove Data Centers as a Permissible Use within the Industrial District.

Fiscal Impact

The potential fiscal impacts associated with data center development are highly individualized as to the circumstances of the locality and the proposed site-specific data center development conditions, so that a generalized quantitative analysis is not feasible, other than what has been provided as a part of the JLARC Data Center Report (Attachment D). Generalized fiscal impacts are summarized in the JLARC Data Center Report, and this report finds that the greatest amount of revenue generation from data centers to a locality comes during the initial construction phase, due both to the large number of construction-related jobs that are generated and the purchase of building materials, as well as secondary revenue generators such as hotel stays, food purchases, and other service-sector related transactions.

As the Planning Commission members requested an example of a cost/benefit analysis for a locality that currently contains data center development, included with this staff report is a copy of the *Prince William County, Virginia Data Center Fiscal Impact Analysis*, prepared by PFM Group Consulting, dated July 7, 2022. This fiscal impact analysis looks at both existing and proposed data center developments within the County, and provides a fiscal cost/benefit analysis. However, staff cautions that this analysis is specific to Prince William County, and may not translate well to Warrenton-specific conditions. A copy of this report is included as Attachment G – Prince William County Fiscal Impact Analysis.

Per Zoning Ordinance Section 11-3.9.1 – *Authority for Change* – zoning ordinance text amendments are meant to *further the public necessity, convenience, general welfare, or good zoning practice*; additionally, Ordinance Section 11-3.9.13 – *Criteria for Consideration of Text Amendments* includes the two considerations of *whether the proposed text amendment is consistent with the Comprehensive Plan* and *whether the text amendment is consistent with the intent of Zoning Ordinance*. Therefore, staff recommends that the Planning Commission base any final recommendation to Town Council on **land-use considerations**, and not on potential tax revenues.

Legal Impact

Should a text amendment be approved to remove Data Centers as a Permissible Use within the Industrial District, the Data Center approved as a part of case number SUP-22-3 **may** become a non-conforming use, subject to the standards found in Zoning Ordinance Section 11-4 *Non-Conforming Uses and Structures*. A determination of non-conformity requires the concurrence of the Zoning Administrator and the Town

Attorney; however, staff defers to the Town Attorney for any questions as to how this text amendment may or may not affect any existing Data Center approvals.

There are multiple court cases currently filed within the Circuit Court that may or may not be impacted by this proposed text amendment to remove Data Centers as a Permissible Use. Staff defers to the Town Attorney for all questions related to on-going litigation.

ATTACHMENTS

- Attachment A – *Ordinance to Adopt ZNG 2021-0321*
- Attachment B – *Resolution to Approve SUP-22-3*
- Attachment C – *Resolution to Initiate ZOTA-25-1*
- Attachment D – *JLARC Data Center Report*
- Attachment E – *JLARC Data Center Presentation*
- Attachment F – *Draft Text Amendment*
- Attachment G – *Prince William County Fiscal Impact Analysis.*