

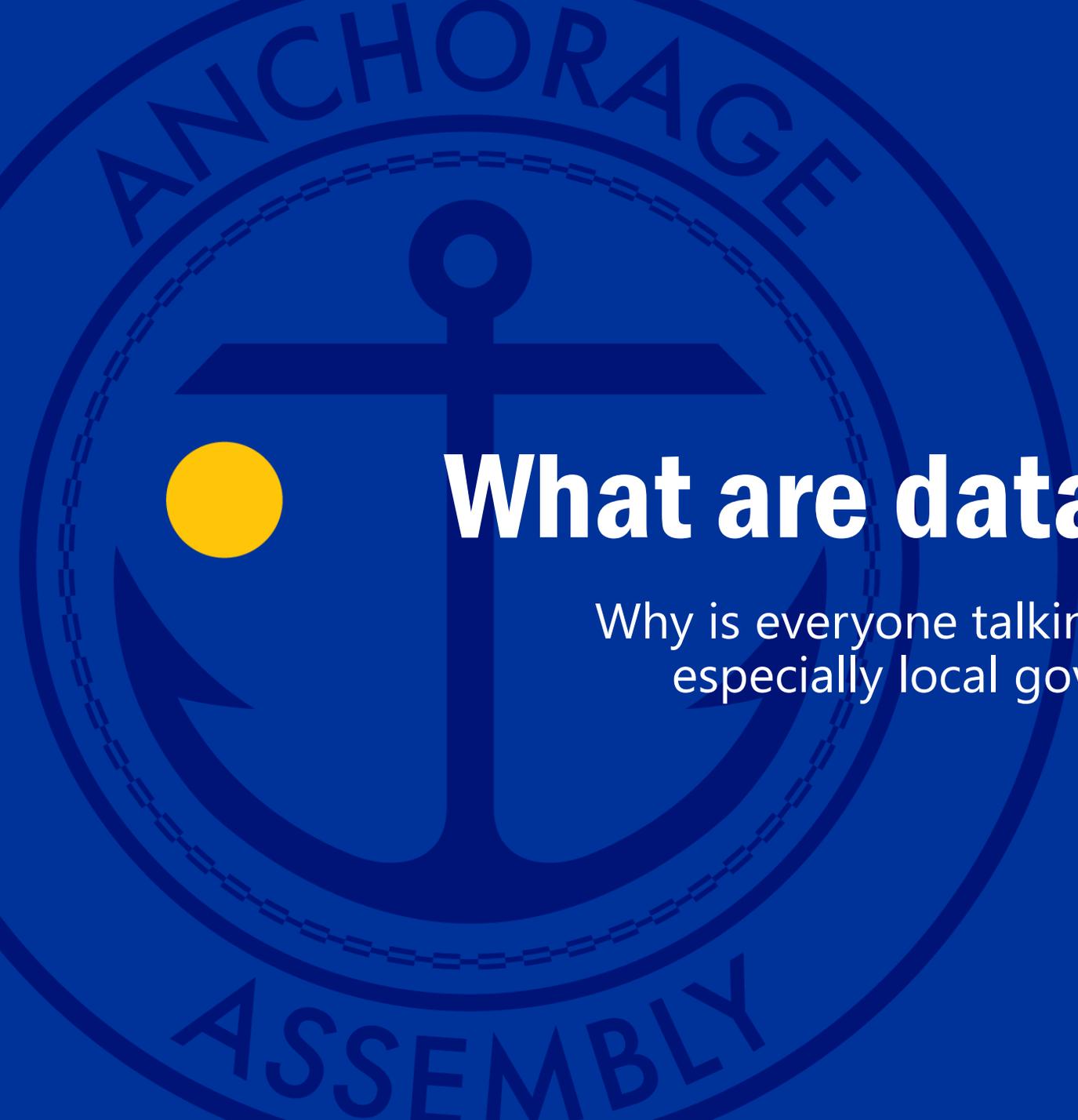
**ASSEMBLY VICE CHAIR BRAWLEY
ASSEMBLY MEMBER VOLLAND**

AO 2026-27

Clarifying the Land
Use Review Process
for Data Centers

www.muni.org/assembly





What are data centers?

Why is everyone talking about them,
especially local governments?

A Data Center is...

- “Powering the Internet!”
 - Cloud storage for data
 - Large language models (LLM)
 - Artificial intelligence (AI)
 - Proprietary company data
- A building, or complex of structures, that has:
 - Many computer servers
 - Cooling systems
 - Possible energy generation and/or storage onsite
 - Other: office building, parking, storage buildings



DATA CENTERS CAN BE LARGE OR SMALL

Google Data Center

Council Bluffs, IA "Hyperscale" facility



https://en.wikipedia.org/wiki/Hyperscale_computing

Greensparc Data Center

Cordova, AK "Edge computing" (closer to users)



<https://www.akbizmag.com/industry/energy/virtuouscircuit/>

SOME KEY CHARACTERISTICS

- Intensive energy use (primarily electricity)
- Intensive water use for cooling, including wastewater
- May have onsite power generation and storage: battery back-up, generator, possibly renewable energy systems
- Typically little human activity onsite, few employees

"A typical AI-focused hyperscaler [data center] annually consumes as much electricity as **100,000 households**. The **larger ones** currently under construction are expected to use **20 times as much**."

~ Pew Research Center, October 2025

<https://www.pewresearch.org/short-reads/2025/10/24/what-we-know-about-energy-use-at-us-data-centers-amid-the-ai-boom/>

Data Centers' U.S. footprint is quickly expanding

Estimated number in 2025:

5,388

(About 4,000 the year before)

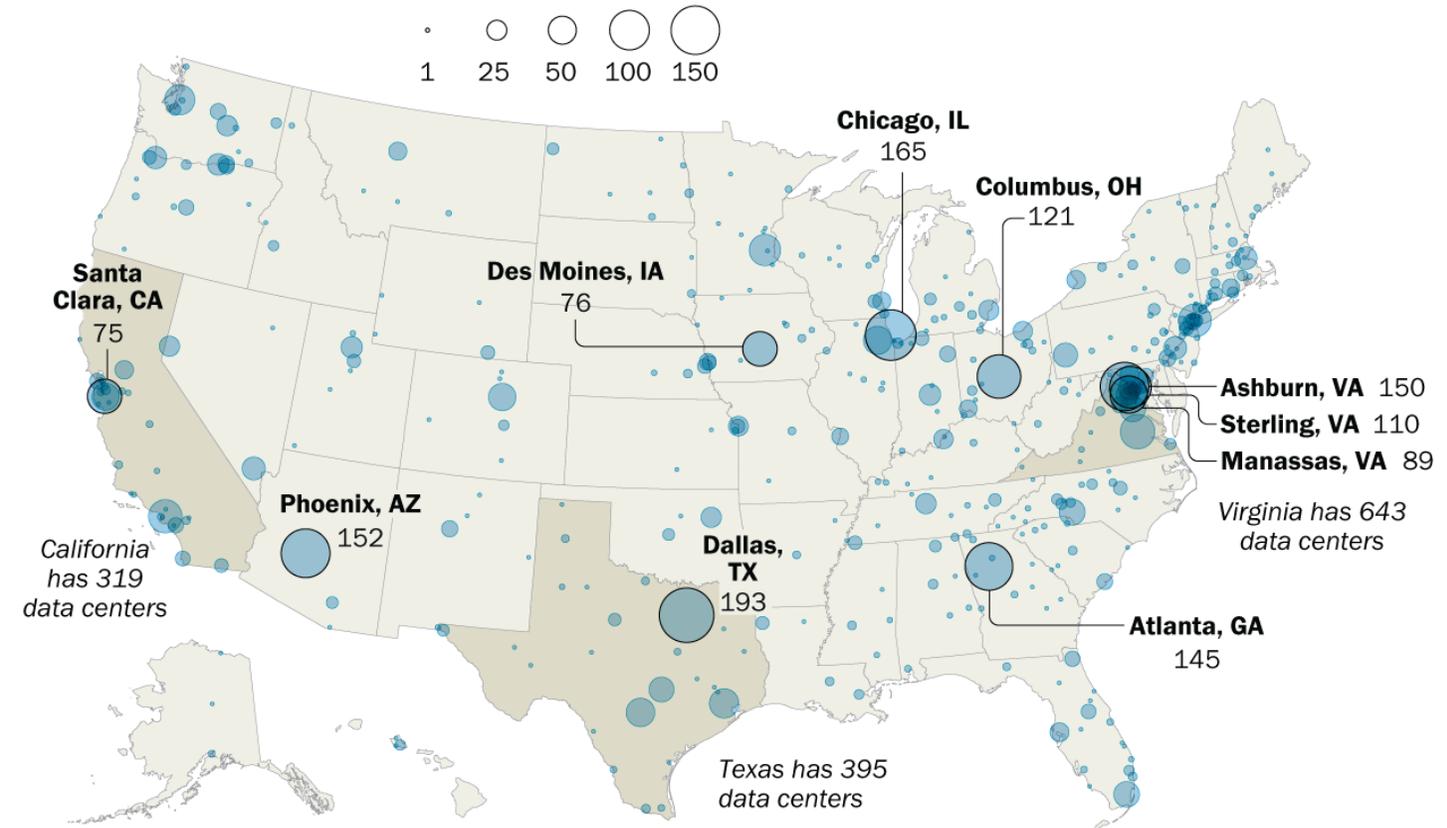
Estimated electricity use in 2023:

- Virginia: **26%** of total supply
- North Dakota: **15%** of total
- Oregon and Iowa: **11%**

<https://techjury.net/industry-analysis/how-many-data-centers-are-there/>

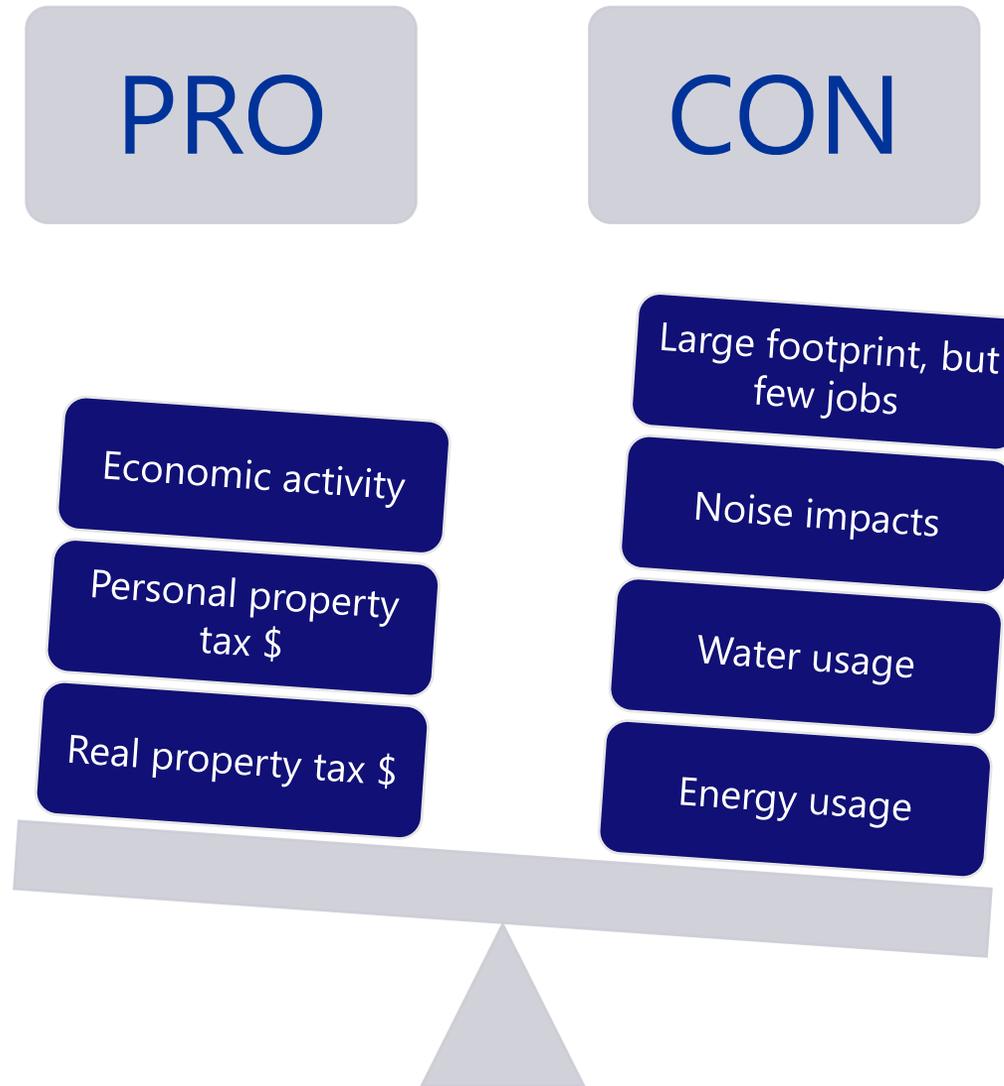
Virginia, Texas and California lead in number of data centers

Number of data centers, by market



Note: Includes operational data centers and those in development. Refer to the Data Center Map methodology for more details. Source: Data Center Map, accessed Oct. 20, 2025.

OPPORTUNITY & BENEFITS VS COSTS & IMPACTS



Local updates from other communities

- Some states (like Ohio) offer tax incentives, which accelerated building. Utilities & cities are dealing with increased water and power demand.
- Residents report continual noise during normal operations.
- Communities with water scarcity concerned about water usage: California, Arizona ... even Ohio



<https://www.businessinsider.com/data-center-noise-disruptions-loudoun-county-virginia-2023-11>

A large new ratepayer: pros and cons

“Data centers are seen as the main cause and driver of utility costs for water & electric. . . . If rate increases are approved, an average customer would pay an extra \$36 a month by 2027.”

“Columbus Water and Power Deputy Director of Finance Jon Lee said some costs driving the water rate increase are outside the city’s control. The city hopes to build a new \$2 billion water treatment plant to account for population growth and expects more industrial development from data centers.”

<https://www.wosu.org/politics-government/2025-12-23/columbus-may-see-higher-electric-gas-and-water-costs-caused-by-data-center-energy-demands>

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Columbus may see higher electric, gas and water costs caused by data center energy demands

WOSU 89.7 NPR News | By [George Shillcock](#)
Published December 23, 2025 at 5:00 AM EST



▶ LISTEN • 4:45



George Shillcock / WOSU

A man speaks before the Public Utilities Commission of Ohio, opposing a rate hike proposed by American Electric Power of Ohio on December 9, 2025.

Examples for Sensible Local Regulation

- Emerging best practices from ULI, NLC
- Several counties in Virginia are leading the way on reasonable land use regulations:
 - Conditional or special land use permits
 - Special districts for multiple facilities
 - Overlay zones

<https://knowledge.uli.org/en/reports/research-reports/2024/local-guidelines-for-data-center-development>

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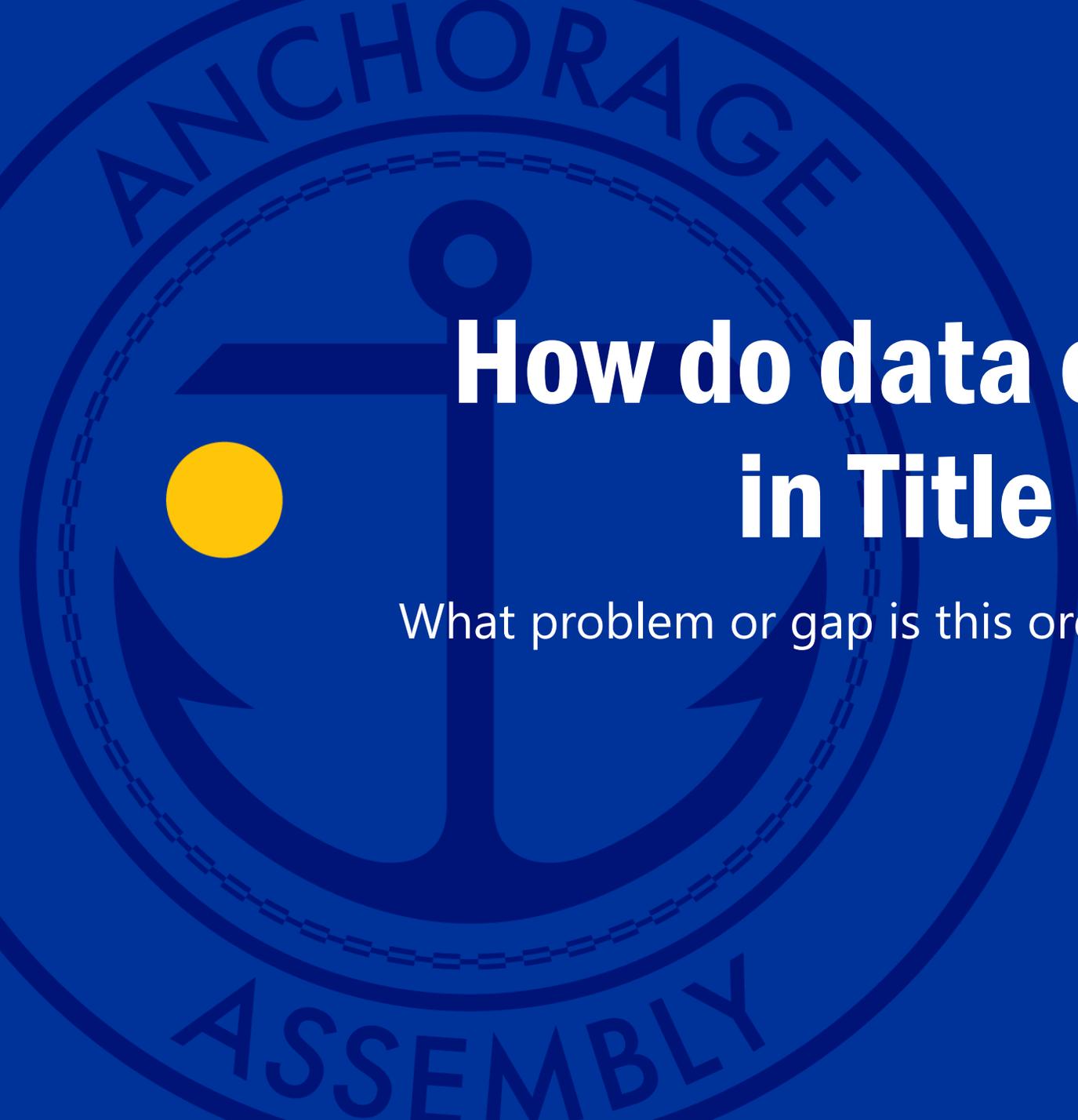
Local Guidelines for Data Center Development



A Resource Guide by the ULI Americas Data Center Product Council

October 30, 2024 | Americas





How do data centers fit in Title 21?

What problem or gap is this ordinance trying to solve?

OUR GOALS

Data centers support modern life, and are here to stay.

However, other communities' experience shows that these facilities have impacts, are very resource-intensive, and can have a large footprint.

1. Balance **economic potential** & benefits of new technology investments with **known impacts** of these facilities.
2. Create a **clear and predictable process** for zoning review and approval of a data center.
3. Be **proactive**, before the first project application shows up in Anchorage.
4. Conduct **more research** as other communities also develop rules.

ZONING REGULATES NUISANCES & EXTERNAL IMPACTS

Industrial Facility in 1890s

Acme brick factory, Texas



Industrial Facility in 2020s

Amazon facilities in Stone Ridge, VA



CURRENT TITLE 21: A CLEAR GAP

“Data Processing Facility”

21.05.60.A.2

Definition:

“An establishment where electronic data is **processed by employees**, including, without limitation, data entry, storage, conversion, or analysis; and subscription and credit card transaction processing.”

- *Allowed by-right in B3, I-1, and RO*
- *Considered an office-building use*

“Warehouse / Wholesale”

21.05.60.D.6

Definition:

“An establishment primarily engaged in **sale or distribution of goods and materials** in large quantity to other businesses for resale to individual or business customers. Activities may include assembling, sorting, and grading goods into large lots and breaking bulk for redistribution into smaller lots.”

- *Allowed by-right in industrial zones*

WHAT THIS ORDINANCE PROPOSES

- Defines “data center” as a distinct use type, with small and large varieties (small = less than 2,000 servers)
- Clarifies that a multi-property campus can be one project
- Amends use table to allow data centers only in certain zones, as a conditional use
 - Includes Port, Airport, PLI: possible co-located facilities
 - Also amends “old Title 21” for zoning districts not yet re-zoned to new code, which still apply to some properties
- Requests Planning staff research best practices & other cities, make recommendations for future code changes

PROPOSED CONDITIONS FOR PROJECTS TO MEET

- Requires some basic design standards:
 - Visual screening buildings, enclosure for power generators
 - Front entrance that is visually distinct
 - Landscaping requirements for large centers & adjacent to residential
- 200' setbacks from residential & sound-sensitive uses
- Noise mitigation study for peak & normal operations
- Documentation of onsite power generation and storage
- Sufficient fire suppression system planned for onsite power generation, storage facilities
- Statements from water, power utilities that project can be serviced with existing system capacity

WHY WAIVE PLANNING & ZONING REVIEW?

1. This is a new use, we're looking to precedent in other communities to help craft our local rules.
2. This does not alter existing process, or impact existing uses. It is fitting a new use into existing code.
3. This is timely: facilities being built across the U.S. and even in Alaska. Opportunity to be proactive.
4. PZC has multiple months' worth of projects already: this would not come back until significantly later in the year.