

ORDINANCE ADOPTION

O-1

Moved by Council Member _____, seconded by Council Member _____
_____ to adopt an Ordinance entitled and reading as follows:

O- _____

AN ORDINANCE TO AMEND § 153-2.2 “DEFINITIONS,” §153-3.1.J(3) “LIGHT INDUSTRIAL,” §153-3.1.K(3) “GENERAL INDUSTRIAL,” AND ADD §153-4.34 “DATA CENTERS” TO CHAPTER 153 “ZONING CODE,” TITLE XV “LAND USAGE,” OF THE CITY OF SAGINAW CODE OF ORDINANCES, O-1.

The City of Saginaw Ordains:

Section 1: An ordinance to amend §153-2.2 “Definitions.” §153-3.1.J(3) “Light Industrial,” §153-3.1.K(3) “General Industrial,” and add §153-4.34 “Data Centers” to Chapter 153 “Zoning Code,” Title XV “Land Usage,” of the City of Saginaw Code of Ordinances, O-1.

§153-2.2 – Add Data Center definition.

Data Center

A facility used primarily for the storage, management, processing, and transmission of digital data. This includes, but is not limited to, server farms, cloud computing hubs, colocation centers, telecommunications switching hubs, cryptocurrency mining/cryptocurrency data centers. Data Centers typically house computer or network equipment, systems, servers, appliances and other associated components related to digital data operations, and may also include air handlers, power generators, water cooling and storage facilities, utility substations, and other associated utility infrastructure to support sustained operations.

§153-3.1.J(3) – Add Data Centers to the list of Special Land Uses under I-1, Light Industrial.

§153-3.1.K(3) – Add Data Centers to the list of Special Land Uses under I-2, General Industrial.

§153-4.34 Data Centers

A. This section shall be known as the Data Center Zoning Ordinance.

B. Applicability.

1. *Data Center as an Accessory Use.* A Data Center that meets all of the criteria (a through d below) may be considered an accessory use and is not subject to the requirements of this Section.
 - a. The Data Center exclusively serves the enterprise functions of the on-site property owner or tenant.
 - b. The Data Center does not lease data storage or processing services to off-site or third parties.
 - c. The Data Center occupies no more than 10% of the building footprint.
 - d. The Data Center shall not be housed in a separate, standalone building.
2. *Data Center as a Principal Use.* All Data Centers as a principal use shall be located, developed, and operated in compliance with the standards established in this Section, in addition to those development standards set forth elsewhere in this Chapter.

C. **Purpose.** Data Centers are an increasingly prominent land use that presents unique considerations related to land use compatibility, infrastructure demand, and environmental impact. Data Centers are frequently heavy utility users and may require substantial utility infrastructure, including electrical power, cooling systems, and broadband capacity, which can significantly affect surrounding development and municipal services, including the availability and distribution of utilities to other City customers. The operation of Data Centers can generate impacts such as noise from mechanical equipment, heat discharge, 24-hour activity, and large-scale building footprints, all of which require appropriate development standards to ensure compatibility with nearby uses. The City seeks to support technological innovation and economic development while maintaining land use compatibility, environmental stewardship, and high-quality design. Establishing zoning regulations and development standards specific to Data Centers will provide clarity to applicants, promote the public health, safety, and general welfare, and ensure Data Centers are appropriately sited and designed within the community.

- D. **Approval Procedures for Data Centers.** Zoning Administrator review shall confirm the use of the property conforms to the building and zoning requirements of the City Code and shall be transmitted with a recommendation for approval or disapproval to the Planning Commission. Planning Commission review shall be conducted in accordance with §153-6.1 and §153-6.3 for special land uses and subject to the applicable site standards set forth in this Chapter. Except as otherwise provided herein, neither the Planning Commission nor the Zoning Administrator shall waive any requirement of this Chapter.
- E. **Application Requirements.** In addition to the application requirements otherwise set forth in this Chapter, all development applications for a Data Center shall include the following:
1. *Project Narrative.* A project narrative that describes how the Data Center is consistent with the City's Master Plan, any other applicable City plan or policies, and is compatible with surrounding uses.
 2. *Operational Plan.* An operational plan that provides evidence of compliance with all zoning, building, and fire safety regulations.
 3. *Good Neighbor Policy.* A good neighbor policy describing all the following:
 - a. The measures that will be taken to ensure ongoing compatibility with adjacent uses, including sound attenuation, lighting control measures, vehicular access and traffic control, and litter control measures.
 - b. Complaint response procedures, including the name and telephone number of the person responsible for the operation of the facility; and procedures for investigation, remedial action, and follow-up.
 4. *Water Consumption and Thermal Management Report.* A water consumption and thermal management report which describes the following:
 - a. *Cooling System.* The proposed cooling system for the Data Center, including whether the Data Center will utilize a water-cooled, air-cooled, closed loop, dry cooled, evaporative, or other cooling method.
 - b. *Water Usage.*
 - i. The estimated amount of total water in acre feet that will be used by the proposed project and associated land use for a calendar year, along with a monthly breakdown of projected water demand for each month within that year.

- ii. The estimated amount of water in million gallons per day that will be used by the proposed project during a typical 24-hour operational period under normal conditions, including anticipated usage patterns.
 - iii. The estimated amount of water in million gallons per day to be used by the proposed project in a 24-hour period on its highest water consumption day.
 - iv. The estimated highest instantaneous flow rate in million gallons per day that will be used by the project along with the minimum, average, and maximum durations and frequencies of these flow conditions.
 - v. Indicate high consumption operational flexibility. Identify if high water demands can be aligned with the City's low-demand periods.
 - vi. The number of the proposed water meters and the size of each water meter for the proposed project.
 - vii. Planned use of sustainable practices to limit or offset the Data Center's use of water, including, but not limited to wastewater reuse.
- c. In conjunction with the renewal of any business license required by Chapter 110 of this Code, the Data Center operator shall submit an annual compliance report that details any changes to and continuation of all assessments submitted with an application.
- i. For purposes of this requirement, where the facility is a colocation center, the owner of the property (or their designee) shall be considered the Data Center operator and shall be responsible for any required reporting.
- d. Any cost of increasing conveyance or capacity in the public water system necessary of a Data Center shall be borne by the Data Center.

5. *Wastewater Report.*

- a. Proof that the applicant or property owner submitted a wastewater discharge permit and pre-operational wastewater analysis report as referenced in Chapter 51 of this Code.
- b. A report detailing whether wastewater will be directly discharged into surface water, discharged onto the ground or into groundwater, or discharging into the municipal wastewater treatment facility via sanitary sewer, as well as proof that all permitting requirements for same have been met. Such plan shall detail:

- i. Expected daily wastewater discharge;
 - ii. An on-site treatment plan, including any necessary equipment to conduct trace analyses and consistent monitoring of chemical use for on-site water preparation and treatment;
 - iii. Pipe size, material type, percent grade, and length of pipes;
 - iv. Direction of flow.
 - c. In conjunction with the renewal of any business license required by Chapter 110 of this Code, the Data Center operator shall submit an annual compliance report that details any changes to and continuation of all assessments submitted with an application.
 - i. For purposes of this requirement, where the facility is a colocation center, the owner of the property (or their designee) shall be considered the Data Center operator and shall be responsible for any required reporting.
 - d. Any cost of increasing conveyance or capacity in the public wastewater system necessary of a Data Center shall be borne by the Data Center.
- 6. *Electric and Natural Gas (Energy) Service Report.* A report including the estimated annual and monthly demand for electric and natural gas utility services, an assessment of future energy needs for the proposed project, and planned use of sustainable practices and renewable energy sources to limit or offset the Data Center's use of water and power.
- 7. *Initial Sound Study.* An initial sound study performed by a third-party acoustic engineer which documents all the following:
 - a. The baseline sound levels on the project site.
 - b. The baseline sound levels measured at the property line of the nearest residential zoning district, residential use, or other sensitive uses as reasonably determined by the Zoning Administrator.
- 8. *Tree Preservation and Reforestation Plan.* A plan outlining the efforts to minimize tree removal and enhance urban forestry efforts where transmission lines cross public land or park areas and require tree removal as a result.
- 9. *Waste Disposal/Decommissioning Plan.* A waste disposal/decommissioning plan which thoroughly outlines the following:
 - a. A plan outlining the procedures for safe removal and recycling or disposal of server infrastructure, hazardous materials, batteries,

electronic waste, and related products, which will apply in cases when the Data Center is updated or decommissioned.

- b. A plan outlining the closure and disposal of wastewater treatment systems, chemical waste, and related infrastructure, which will apply in cases when the Data Center is decommissioned.
- c. The method of ensuring funds will be available for site decommissioning and stabilization in the form of surety bond or cash deposit to the City.

10. *Heat Mitigation Plan.* A plan outlining the strategies for waste heat reuse or dissipation and vegetative or green roof and/or site design to offset urban heat island effects.

11. *Emergency Management Plan.* A plan outlining procedures for dealing with emergencies resulting from flood, fire, explosion, or catastrophic weather events.

12. *Citizen Participation.* All the following citizen participation measures are required:

- a. Neighborhood Meeting.
 - i. The applicant shall hold a minimum of two (2) public neighborhood meetings with residents to describe the project, including the project design, proposed sound-mitigation, lighting control measures, vehicular access and traffic control, and litter control measures.
 - ii. A representative of the developer or owner with decision-making authority on the design of the Data Center shall attend the neighborhood meetings.
- b. Neighborhood Meeting Notification.
 - i. Mailed Notice. The applicant shall notify by mail all property owners and homeowners' associations within a half-mile radius of the exterior boundary of the property that is the subject of the application, based on the last assessment.
 - ii. Notice Timeframe. Written notice shall be provided by first class mail a minimum of 15-days prior to each neighborhood meeting.
- c. Site Posting.
 - i. The applicant shall post a sign on the proposed Data Center site at least 15- days before each neighborhood meeting.

- ii. The sign shall be located along an arterial street or other high-visibility location as reasonably determined by the Zoning Administrator.
- iii. The sign shall include the following content and shall be reviewed and approved by the Zoning Administrator before installation: the applicant's name and contact information; a brief description of the Data Center project; and the date, time, and location of the neighborhood meeting.
- iv. The applicant shall remove the sign after the neighborhood meeting(s), but not sooner.
- d. Online Posting. The applicant shall maintain a project website and post all meeting notices and other public documents, including the developer's application and all reports associated therewith, to such website 15 days in advance of any neighborhood meeting.
- e. Newspaper Posting. The applicant shall advertise notice of the neighborhood meeting in a newspaper of general circulation serving the residents of the City of Saginaw. The advertisement shall appear at least one (1) week prior to any neighborhood meeting.

F. **Development Standards.** In addition to those development standards set forth elsewhere in this Chapter, the following standards shall apply. Where a conflict may occur between the provisions of this Section and any other provision of the City Code, the more restrictive provision shall control.

1. *Separation from Residential Zoning Districts and Residential Uses.* A Data Center and all associated mechanical equipment, including but not limited to battery storage, power generation, cooling, ventilating, or other equipment that supports the Data Center, shall be located at least 500 feet from the property line of the nearest residential zoning district, residential use, or other sensitive use as reasonably determined by the Zoning Administrator.
 - a. This setback may be waived by the Planning Commission in relation to solar power facilities developed in concert with a Data Center. Such solar power facilities remain subject to the requirements of §153-4.29 of the Code.

2. *Building Design Based on Sound Study.*

- a. Based on the results of the initial sound study, the Data Center shall be designed and built to incorporate sound mitigation methods sufficient to prevent the sound levels emanating from the Data Center (as determined by a third-party acoustic engineer) from exceeding the ambient noise levels at the property line of the nearest residential zoning district, residential use, or other sensitive use as determined by the Zoning Administrator that were observed in the studies provided upon application.
 - i. In no instance shall the ambient noise level of any Data Center exceed 55 decibels at the property line of the nearest residential zoning district, residential use, or other sensitive use as determined by the Zoning Administrator. Violations of this provision shall constitute a public nuisance in accordance with Chapter 94 of this Code.
 - b. Design specifications for such sound mitigation shall be provided to the City and incorporated into the building design before building permit approval.
3. *Utilities.* The Data Center shall bear the full cost of undergrounding any adjacent or on-site electrical infrastructure that would otherwise be provided via overhead distribution and/or transmission as deemed necessary by the City in its sole discretion and approved by the applicable utility.

G. Operational Requirements.

1. *Sound Study at Certificate of Occupancy or Certificate of Completion Stage.* Within 30 days of the issuance of a certificate of occupancy or certificate of completion, whichever occurs first, the Data Center operator shall conduct a sound study performed by a third-party acoustic engineer. The study shall document noise levels emanating from the Data Center measured at the property line of the nearest residential zoning district, residential use, or other sensitive uses as reasonably determined by the Zoning Administrator, during peak routine operation of the Data Center mechanical equipment.
2. *Annual Sound Study Required.* The Data Center operator shall conduct an annual sound study performed by a third-party acoustic engineer during peak routine operation of the Data Center mechanical equipment for five (5) years after completion of the initial post-construction sound study. The study shall document noise levels emanating from the Data Center as measured at the

property line of the nearest residential zoning district, residential use, or other sensitive uses as reasonably determined by the Zoning Administrator. In conjunction with the renewal of any business license required by Chapter 110 of this Code, the Data Center operator shall provide the results of the sound study to the City.

- a. For purposes of this requirement. where the facility is a colocation center, the owner of the property (or their designee) shall be considered the Data Center operator and shall be responsible for any required reporting.
3. *Backup Generators.* If the Data Center operator intends to use backup power generators on the parcel, the operator shall maintain a public website announcing the times when the generators will be in operation. Any routine operation of the backup generators, including for testing purposes, shall be announced on the website at least 72 hours in advance. Unless the generators are supplying backup electrical supply during a power outage or an electric utility demand response event, backup generators may only operate between the hours of 9:00 am and 5:00 pm, Monday through Friday, excluding holidays. Upon request by City staff, the Data Center operator shall provide the address of the website where the notices required by this Section are published. In all instances, the Data Center operator shall be responsible for all interconnection costs related to the operation of the generating system.
4. *Reporting Requirements.* No business license required to be renewed under Chapter 110 of this Code shall be issued until such time as the reports required under §153-4.34(E)(4)(c), §153-4.34(E)(5)(c), and §153-4.34(G)(2) are submitted as required herein. Failure to obtain a business license may subject a Data Center operator to penalties as outlined in §110.98 and §110.99.

Section 2: This ordinance shall take effect October 9, 2026. Enacted: September 28, 2026.

Yeas:

Nays:

Absent:

Brenda F. Moore
Mayor

Kristine Bolzman, MiPMC/CMC
City Clerk

ORDINANCE DECLARED ADOPTED

I, Kristine Bolzman, City Clerk of the City of Saginaw, Michigan, do hereby certify that the foregoing is a true and complete copy of the ordinance adopted by the City of Saginaw, Saginaw County, State of Michigan, at a public meeting held on September 28, 2026, the original thereof is on file in the records of my office; the meeting was conducted and public notice of said meeting was given pursuant to Act No. 267, Public Acts of Michigan, 1976, as amended, and minutes of this meeting were kept and will be made available as required.

Kristine Bolzman, MiPMC/CMC
City Clerk