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PROPOSED SUBSTITUTE B

..Reference

..Sponsor

ALD. DIMITRIJEVIC, BROWER, STAMPER, JACKSON, BURGELIS, BAUMAN,
CHAMBERS, JR. AND MOORE

..Title

A substitute ordinance relating to the building of data centers.

..Section

295-201-136	cr
295-201-239	am
295-201-651	am
295-201-653	am
295-203-5-a	am
295-203-13-c	rn
295-203-13-c	cr
295-203-13-d	rn
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Table 295-403-2-a	am
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Table 295-803-1	am
295-803-2-mm	rn
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295-803-2-rr	rn
295-803-2-ss	rn
295-803-3-d	cr
Table 295-903-2-a	am
Table 295-905-2-a	am

..Analysis

This ordinance creates a new land use type called “data center,” amends related land use definitions to distinguish data centers from general office and substation/distribution equipment uses, and establishes parking requirements for data centers. Data centers are prohibited in all zoning districts except Industrial-Heavy (IH), where a data center is a limited use if it meets standards relating to cooling systems, setbacks, generators, fuel storage, screening of exterior equipment, energy benchmarking, and submittal of electrical-load, acoustical-analysis, and environmental impact reports. An attestation that the applicant has not entered into a non-disclosure agreement with any city officer, employee, board member, or consultant acting for the city with respect to the data center shall be submitted at the time of building permit application. A data center shall comply with the resident-hiring, apprenticeship, and other standards of Chapter 355, Community Participation in Development Agreements. A data center shall be powered only by renewable energy, and within 30 days of submission of a building permit application for a data center, the applicant shall attend three community meetings, scheduled in coordination with the department of city development and the alderperson representing the district in which the proposed data center is located.

A data center is a limited use if it does not exceed 20,000 square feet of total floor area and 5 megawatts of peak power demand. If it does not meet that standard but does not exceed 60,000 square feet of total floor area and does not exceed 20 megawatts of peak power demand, it may be permitted only as a special use, subject to submission of specified information and a written statement to the Board of Zoning Appeals. A data center is prohibited if it exceeds 60,000 square feet of total floor area or 20 megawatts of peak power demand.

..Body

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 295-201-136 is created to read:

295-201. Definitions.

136. DATA CENTER means a facility, other than a transmission tower, used primarily to operate, maintain, or provide access to computer and network facilities for the transmission of voice, data, text, internet, sound, or full-motion-picture video between network termination points, together with accessory uses and facilities such as offices, air handlers, power generators, generator fuel storage, water cooling and storage facilities, and utility infrastructure that supports sustained operation of the data center.

Part 2. Section 295-201-239 is amended to read:

239. GENERAL OFFICE means use of a building for business, professional or administrative office. A general office is characterized by a low proportion of vehicle trips attributable to visitors or clients in relationship to employees. Examples include ~~[[, but are not limited to,]]~~ offices of firms or organizations providing architectural, computer software consulting, data management, engineering, interior design, graphic design, real estate, insurance, investment or legal services. This term does not include a bank

or other financial institution >>, a data center<< or the office of a physician, dentist, optometrist or chiropractor. Accessory uses may include ~~[[, but are not limited to,]]~~ common areas, >>computer server rooms or data facilities that serve the principal office use on the same premises,<< break rooms and lounge areas, including kitchens, coffee bars, outdoor spaces, pet-friendly areas, game rooms, fitness centers, locker and shower rooms, meeting rooms and conference centers. Accessory conference or meeting spaces may be occasionally used by outside groups. Accessory uses and functions may be related to an individual building occupant or may be common resources available to all occupants in a multi-tenant office building.

Part 3. Section 295-201-651 is amended to read:

651. SUBSTATION/DISTRIBUTION EQUIPMENT, INDOOR means a facility, other than a transmission tower >>or data center<< and contained entirely within a building, which ~~[[performs either of the following functions:~~
a. ~~Aids]]~~ >>aids<< in the distribution of a utility, including but not limited to electric power or telephone service.
~~[[b. Is used to operate, maintain or provide access to facilities for the transmission of voice, data, text, internet, sound or full-motion-picture video between network termination points.]]~~

Part 4. Section 295-201-653 is amended to read:

653. SUBSTATION/DISTRIBUTION EQUIPMENT, OUTDOOR means a facility, other than a transmission tower >>or data center<< and not contained entirely within a building, which ~~[[performs either of the following functions:~~
a. ~~Aids]]~~ >>aids<< in the distribution of a utility, including but not limited to electric power or telephone service.
~~[[b. Is used to operate, maintain or provide access to facilities for the transmission of voice, data, text, internet, sound or full-motion-picture video between network termination points.]]~~

Part 5. Section 295-203-5-a is amended to read:

295-203. Use Definitions.

5. COMMERCIAL AND OFFICE USES.

a. "General office" means use of a building for business, professional or administrative offices. A general office is characterized by a low proportion of vehicle trips attributable to visitors or clients in relationship to employees. Examples include ~~[[, but are not limited to,]]~~ offices of firms or organizations providing architectural, computer software consulting, data management, engineering, interior design, graphic design, real estate, insurance, investment or legal services. This term does not include a bank or other financial institution >>, a data center<< or the office of a physician, dentist, optometrist or chiropractor. Accessory uses may include ~~[[, but are not limited to,]]~~ >>computer server rooms or data facilities that serve the principal office use on the same

premises, << common areas, break rooms and lounge areas, including kitchens, coffee bars, outdoor spaces, pet-friendly areas, game rooms, fitness centers, locker and shower rooms, meeting rooms and conference centers. Accessory conference or meeting spaces may be occasionally used by outside groups. Accessory uses and functions may be related to an individual building occupant or may be common resources available to all occupants in a multi-tenant office building.

Part 6. Section 295-203-13-c to k of the code is renumbered 295-203-13-d to L.

Part 7. Section 295-203-13-c is created to read:

13. INDUSTRIAL USES.

c. "Data center" means a facility, other than a transmission tower, used primarily to operate, maintain, or provide access to computer and network facilities for the transmission of voice, data, text, internet, sound, or full-motion-picture video between network termination points, together with accessory uses and facilities such as offices, air handlers, power generators, generator fuel storage, water cooling and storage facilities, and utility infrastructure that supports sustained operation of the data center.

Part 8. Section 295-203-15-j is amended to read:

15. UTILITY AND PUBLIC SERVICE USES.

j. "Substation/distribution equipment, indoor" means a facility, other than a transmission tower >>or data center<< and contained entirely within a building, which ~~[[performs either of the following functions:~~

~~j-1. Aids]] >>aids<< in the distribution of a utility, including but not limited to electric power or telephone service.~~

~~[[j-2. Is used to operate, maintain or provide access to facilities for the transmission of voice, data, text, internet, sound or full motion picture video between network termination points.]]~~

Part 9. Section 295-203-15-k is amended to read:

k. "Substation/distribution equipment, outdoor" means a facility, other than a transmission tower >>or data center<< and not contained entirely within a building, which ~~[[performs either of the following functions:~~

~~k-1. Aids]] >>aids<< in the distribution of a utility, including but not limited to electric power or telephone service.~~

~~[[k-2. Is used to operate, maintain or provide access to facilities for the transmission of voice, data, text, internet, sound or full motion picture video between network termination points.]]~~

Part 10. Table 295-403-2-a is amended to read:

295-403. Motor Vehicle Parking.

2. NUMBER OF SPACES.

a. Number Required.

Table 295-403-2-a NUMBER OF PARKING SPACES REQUIRED, BY USE	
Uses	No. of Parking Spaces Required
.	.
.	.
.	.
Railroad switching, classification yard or freight terminal	none
INDUSTRIAL USES	
Alcohol beverage facility, micro	none
Alcohol beverage facility, large	none
>>Data center	none<<
Food processing	none
Manufacturing, light	none
Manufacturing, heavy	none
.	.
.	.
.	.

Part 11. Table 295-404-1 is amended to read:

295-404. Bicycle Parking.

1. NUMBER OF SPACES.

Table 295-404-1 NUMBER OF BICYCLE PARKING SPACES REQUIRED, BY USE		
Use	Long-Term Bicycle Parking Spaces Required	Short-Term Bicycle Parking Spaces Required
.	.	.
.	.	.
.	.	.
Railroad switching, classification yard or freight terminal	none	none
INDUSTRIAL USES		
Alcohol beverage facility, micro	for office space, see general office; no requirement for non-office areas	one for every 24,000 sq. ft. of gross floor area; min. of 2 spaces
Alcohol beverage facility, large	for office space, see general office; no requirement for non-office areas	one for every 24,000 sq. ft. of gross floor area; min. of 2 spaces

Table 295-404-1 NUMBER OF BICYCLE PARKING SPACES REQUIRED, BY USE		
Use	Long-Term Bicycle Parking Spaces Required	Short-Term Bicycle Parking Spaces Required
>> <u>Data center</u>	for office space, see general office; no requirement for non-office areas	one for every 24,000 sq. ft. of gross floor area; min. of 2 spaces<<
Food processing	for office space, see general office; no requirement for non-office areas	one for every 24,000 sq. ft. of gross floor area; min. of 2 spaces
Manufacturing, light	for office space, see general office; no requirement for non-office areas	one for every 24,000 sq. ft. of gross floor area; min. of 2 spaces
Manufacturing, heavy	for office space, see general office; no requirement for non-office areas	one for every 24,000 sq. ft. of gross floor area; min. of 2 spaces
.	.	.
.	.	.
.	.	.

Part 12: Table 295-503-1 is amended to read:

295-503. Uses.

1. USE TABLE.

Table 295-503-1 RESIDENTIAL DISTRICTS USE TABLE									
Y = Permitted Use L = Limited Use S = Special Use N = Prohibited Use				Zoning Districts					
Uses	RS1-RS5	RS6	RT1-RT2	RT3	RT4-RT5	RM1-RM2	RM3-RM7	RO1	RO2
.	.	.	.	.	.	.	.	.	.
.	.	.	.	.	.	.	.	.	.
.	.	.	.	.	.	.	.	.	.
Railroad switching, classification yard or freight terminal	N	N	N	N	N	N	N	N	N
INDUSTRIAL USES									
Alcohol beverage facility, micro	N	N	N	N	N	N	N	N	N
Alcohol beverage facility, large	N	N	N	N	N	N	N	N	N
>> <u>Data center</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N<<</u>

Table 295-503-1 RESIDENTIAL DISTRICTS USE TABLE									
Y = Permitted Use L = Limited Use S = Special Use N = Prohibited Use	Zoning Districts								
Uses	RS1-RS5	RS6	RT1-RT2	RT3	RT4-RT5	RM1-RM2	RM3-RM7	RO1	RO2
Food processing	N	N	N	N	N	N	N	N	N
Manufacturing, light	N	N	N	N	N	N	N	N	N
Manufacturing, heavy	N	N	N	N	N	N	N	N	N
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.	.	.	.	.	.	.	.	.	.
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Part 13: Table 295-603-1 is amended to read:

295-603. Uses.

1. USE TABLE.

Table 295-603-1 COMMERCIAL DISTRICTS USE TABLE								
Y = Permitted Use S = Special Use		L = Limited Use N = Prohibited Use		Zoning Districts				
Uses	NS1	NS2	LB1	LB2	LB3	RB1	RB2	CS
.	.	.	.	.	.	.	.	.
.	.	.	.	.	.	.	.	.
.	.	.	.	.	.	.	.	.
Railroad switching, classification yard or freight terminal	N	N	N	N	N	N	N	N
INDUSTRIAL USES								
Alcohol beverage facility, micro	N	N	L	L	L	L	L	Y
Alcohol beverage facility, large	N	N	N	N	N	N	N	N
>>Data center	N	N	N	N	N	N	N	N<<
Food processing	N	N	L	L	L	L	L	L
Manufacturing, light	N	N	L	L	L	L	L	L
Manufacturing, heavy	N	N	N	N	N	N	N	N
.	.	.	.	.	.	.	.	.
.	.	.	.	.	.	.	.	.
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Part 14: Table 295-703-1 is amended to read:

295-703. Uses.

1. USE TABLE.

Table 295-703-1 DOWNTOWN DISTRICTS USE TABLE								
Y = Permitted Use L = Limited Use S = Special Use N = Prohibited Use			Zoning Districts					
Uses	C9A	C9B	C9C	C9D	C9E	C9F	C9G	C9H
.	.	.	.	.	.	.	.	.
.	.	.	.	.	.	.	.	.
.	.	.	.	.	.	.	.	.
Railroad switching, classification yard or freight terminal	N	N	N	N	N	N	Y	Y
INDUSTRIAL USES								
Alcohol beverage facility, micro	N	L	L	L	L	L	Y	Y
Alcohol beverage facility, large	N	N	N	N	N	N	L	L
>> <u>Data center</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u> <<
Food processing	N	L	L	N	L	L	Y	Y
Manufacturing, light	N	L	L	N	L	L	Y	Y
Manufacturing, heavy	N	N	N	N	N	N	N	N
.	.	.	.	.	.	.	.	.
.	.	.	.	.	.	.	.	.
.	.	.	.	.	.	.	.	.

Part 15: Table 295-803-1 is amended to read:

295-803. Uses.

1. USE TABLE.

Table 295-803-1 INDUSTRIAL DISTRICTS USE TABLE					
Y = Permitted Use L = Limited Use S = Special Use N = Prohibited Use			Zoning Districts		
Uses	IO1/ IO2	IL1/ IL2	IC	IM	IH
.	.	.	.	.	.
.	.	.	.	.	.
.	.	.	.	.	.
Railroad switching, classification yard or freight terminal	N	Y	Y	Y	Y
INDUSTRIAL USES					
Alcohol beverage facility, micro	Y	Y	Y	Y	Y
Alcohol beverage facility, large	S	L	Y	S	Y
>> <u>Data center</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>L</u> <<
Food processing	Y	Y	Y	Y	Y
Manufacturing, light	Y	Y	Y	Y	Y
Manufacturing, heavy	N	S	S	S	Y
.	.	.	.	.	.
.	.	.	.	.	.
.	.	.	.	.	.

Part 16: Section 295-803-2-mm to ss is renumbered 295-803-2-nn to tt.

Part 17: Section 295-803-2-mm is created to read:

2. LIMITED USE STANDARDS

mm. Data Center.

mm-1. A data center shall not use evaporative cooling or other evaporative heat-rejection equipment. If a water-based cooling system is used, it shall be a non-evaporative closed-loop system. If this standard is not met, the use shall be a special use, and a report comparing the environmental impact of the proposed cooling system to a typical non-evaporative closed-loop system shall be submitted to the board.

mm-2. In a single structure or among a collection of structures on the premises, the data center shall not exceed 20,000 square feet of total floor area and shall not exceed a peak power demand of 5 megawatts. If these standards are not met and the data center does not exceed 60,000 square feet of total floor area and does not exceed a peak power demand of 20 megawatts, the data center shall be classified as a special use. If the data center exceeds 60,000 square feet of total floor area or exceeds a peak power demand of 20 megawatts, the data center shall be classified as a prohibited use.

mm-3. A data center shall have a minimum setback of 200 feet from the property line of any parcel not zoned IH, any parcel that contains a residential use, and any existing data center. If this standard is not met, the use shall be a prohibited use.

mm-4. A backup generator shall be powered by propane, natural gas, a hydrogen fuel cell, or a battery. If the generator does not meet this requirement, it shall meet the standards of a tier 4 diesel generator under the US environmental protection agency emissions standards as defined in 40 CFR Part 1039. A generator located outside of a building shall not be tested more than once per week, and testing may only occur between the hours of 8 a.m. and 5 p.m. If this standard is not met, the use shall be a special use, and a report detailing the environmental impact of the proposed generator type or testing schedule shall be submitted to the board.

mm-5. On-site fuel storage equipment shall be located at least 50 feet from any property line. If this standard is not met, the use shall be a prohibited use.

mm-6. Exterior equipment shall be adequately screened so as not to be visible from any abutting property or street at grade level. Mechanical equipment, including generators and cooling equipment, shall be enclosed within building courtyards, surrounded by walls designed for sound attenuation. If this standard is not met, the use shall be a prohibited use.

mm-7. A data center shall comply with the energy benchmarking standards under s. 200-62-2.

mm-8. An electrical load report shall be submitted at the time of building permit application. The report shall be prepared by a professional engineer licensed in Wisconsin with demonstrated experience in electrical load and power-demand analysis for large commercial or industrial facilities. Failure to submit this report shall result in denial of the application. The report shall include:

mm-8-a. The projected annual energy consumption of the data center, measured in kilowatt-hours.

mm-8-b. The projected peak power demand of the data center, measured in megawatts.

mm-9. An acoustic analysis report shall be submitted at the time of building permit application demonstrating projected compliance with all applicable noise regulations. The report shall be prepared by a professional engineer licensed in Wisconsin with demonstrated experience in environmental noise modeling and mitigation for mechanical and power equipment. Failure to submit this report shall result in denial of the application. This report shall include:

mm-9-a. A baseline analysis, demonstrating the existing noise conditions of the site prior to construction and a description of the surrounding land uses.

mm-9-b. A post-construction noise model, demonstrating the expected noise impact of the development during normal operations and during the testing of backup generators, as measured at each property line.

mm-9-c. A description of all planned noise-mitigation techniques necessary to ensure that the development complies with all applicable noise regulations.

mm-10. An environmental impact report shall be submitted at the time of building permit application. The report shall be prepared by a professional engineer licensed in Wisconsin with demonstrated experience in environmental engineering. This report shall include anticipated emissions, air and water quality impacts including wastewater impacts, and plans to mitigate impacts. Failure to submit this report shall result in denial of the application.

mm-11. An attestation that the applicant has not entered into a non-disclosure agreement with any city officer, employee, board member, or consultant acting for the city with respect to the data center shall be submitted at the time of building permit application. If this standard is not met, the use shall be a prohibited use.

mm-12. Notwithstanding s. 355-3, a data center shall comply with the requirements for recipients of direct financial assistance under ch. 355.

mm-13. A data center shall be powered only by renewable energy sources. Compliance with this standard shall be demonstrated by enrollment in the We Energies Energy for Tomorrow or Renewable Pathway programs at the 100% threshold, or a substantially similar agreement with an electricity or natural gas provider, or through a combination of

on-site and off-site wind or solar energy generation. A report detailing the method of compliance with this standard shall be submitted at the time of building permit application. If this standard is not met, the use shall be a prohibited use.

mm-14. Within 30 days of submission of a building permit application for a data center, the applicant shall attend three community meetings, scheduled in coordination with the department of city development and the alderperson representing the district in which the proposed data center is located.

Part 18. Section 295-803-3-d is created to read:

3. ADDITIONAL SPECIAL USE STANDARDS

d. Data Center. In addition to the findings required by s. 295-311-2-d, no special use permit for a data center shall be granted by the board unless the applicant submits a written statement to the board describing how the proposed data center will provide community benefit and advance one or more applicable goals, policies, or strategies of the city's comprehensive plan, including the climate and equity plan and the industrial land analysis, and how the proposal will avoid, minimize, or mitigate adverse impacts on surrounding properties and neighborhoods.

Part 19: Table 295-903-2-a is amended to read:

295-903. Parks District (PK).

2. USES

a. Use Table.

Table 295-903-2-a PARKS DISTRICT USE TABLE	
Y = Permitted Use S = Special Use	L = Limited Use N = Prohibited Use
Uses	Zoning District
	PK
.	.
.	.
.	.
Railroad switching, classification yard or freight terminal	N
INDUSTRIAL USES	
Alcohol beverage facility, micro	N
Alcohol beverage facility, large	N
>>Data Center	N<<
Food processing	N
Manufacturing, light	N
Manufacturing, heavy	N
.	.

Table 295-903-2-a PARKS DISTRICT USE TABLE	
Y = Permitted Use L = Limited Use S = Special Use N = Prohibited Use	Zoning District
Uses	PK
.	.
.	.

Part 20: Table 295-905-2-a is amended to read:

295-905. Institutional District (TL).

2. USES.

a. Use Table.

Table 295-905-2-a INSTITUTIONAL DISTRICT USE TABLE	
Y = Permitted Use L = Limited Use S = Special Use N = Prohibited Use	Zoning District
Uses	TL
.	.
.	.
.	.
Railroad switching, classification yard or freight terminal	N
INDUSTRIAL USES	
Alcohol beverage facility, micro	N
Alcohol beverage facility, large	N
>>Data Center	N<<
Food processing	N
Manufacturing, light	N
Manufacturing, heavy	N
.	.
.	.
.	.

..LRB

APPROVED AS TO FORM

K. Broadnax

Legislative Reference Bureau

Date: July 13, 2026

..Attorney
IT IS OUR OPINION THAT THE ORDINANCE
IS LEGAL AND ENFORCEABLE

Office of the City Attorney

Date: _____

..Requestor

..Drafter
LRB181292-7
Dave Gelting
July 6, 2026