

# PLANNING DIVISION STAFF REPORT

January 12, 2026



PREPARED FOR THE PLAN COMMISSION

**Proposal:** Zoning Text Amendment

**Legistar File ID #:** [91135](#) (Moratorium on Zoning Certificates for Data Centers & Telecommunications Centers)

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## Background and Purpose

This proposed ordinance creates a temporary moratorium, for up to 12 months, on the issuance of zoning certificates for data centers and telecommunications centers with a floor area greater than 10,000 sq.ft. as a principal and primary use. This is achieved both by issuing a moratorium on the issuance of zoning certificates (zoning approvals) for these uses, as well as by adding a supplemental regulation to the zoning code where telecommunications centers are currently an allowed use to reference the moratorium language.

A moratorium is a planning tool that will give the City time to set responsible rules for a new land use category. While our community and economy can benefit from data storage, research studies and experience from other communities show that certain large-scale data centers may pose a significant strain on energy and water use, emergency services, traffic, noise, air quality and urban development challenges that require planning and consideration. Without a zoning regulation that reflects current best practices to responsibly manage this use, the construction of new data centers may impact the implementation of the City's long-range land use plans, affect property values, or be detrimental to the public health, safety and general welfare. A moratorium is necessary to research and establish well-informed, consistent zoning and/or other local regulatory standards to be applied to data centers and telecommunications centers.

The moratorium will allow the City of Madison agencies, including the Office of the City Attorney ("OCA") and the Department of Planning and Economic Development ("DPCED"), to research best practices and safeguards, including creating a permanent definition of data centers and/or creating or updating other use types if needed; identifying the specific planning and development considerations relevant to our community for the responsible operation of data centers in the future; and proposing potential zoning or other local ordinance standards for the operation of these uses within the city. It is anticipated that this will involve consultation with other municipalities, experts and stakeholders; include a review of relevant available studies and research pertaining to effective municipal regulation of data centers; and provide opportunities for public participation. Additionally, a 12-month moratorium will allow the City of Madison to gain insights from the newly created Dane County Advisory Committee on Data Centers for regional coordination.

## Scope of Moratorium

### *Moratorium on New Data Centers or Telecommunications Centers*

This ordinance pertains to zoning certificates for new data centers or telecommunications centers of greater than 10,000 sq.ft. in floor area within the City of Madison. Currently, Madison's zoning code (Madison General Ordinance, Chapter 28) does not include a definition or specific standards for 'data centers' as a use category. In MGO 28.211, the 'telecommunications centers' use has historically encompassed this type of business but is outdated given the evolving nature and range of data centers across the US and in Wisconsin.

For the purposes of this temporary moratorium, data centers are defined as “a facility whose primary and principal use is for the storage, management, processing, and transmission of digital data, which houses computer or network equipment, systems, servers, appliances and other associated components related to digital data operations. The facility may also include air handlers, power generators, water cooling and storage facilities, utility substations, and other associated utility infrastructure to support sustained operations at the data center. Data centers may also contain accessory office uses necessary to monitor and manage sustained operations at the data center.” (MGO 28.140) For the purposes of this moratorium, telecommunications centers are defined as they currently are in the zoning code, as “an office facility that is responsible for transmission, receipt, acceptance, processing, and distribution of incoming and outgoing communications.” (28.140 and 28.211)

This moratorium does not apply to data centers or telecommunications centers that serve another principal or primary use allowed on the zoning lot.

### **How the Moratorium will be Administered**

All new uses are required to receive a zoning certificate (zoning approval) before they can occupy land, a tenant space, or an entire building. The effect of this moratorium is that no zoning certificates can be granted for new principal use data centers or telecommunications centers over 10,000 sq.ft. in floor area. Because zoning approval is required before a building permit may be issued for any new use of a building or tenant space, the moratorium will also mean that no building permits or certificates of occupancy will be issued for new principal use data centers or telecommunications centers if they are over 10,000 sq.ft. in floor area. The floor area measurement includes only the space occupied by the data center or telecommunications center principal use. It does not include other tenant spaces in a building that are separate principal uses.

The zoning code establishes a series of zoning districts and identifies allowable land uses and development standards for development within each district. Each district includes a list of permitted uses and conditional uses allowed within the zoning district. Permitted uses are reviewed by City staff and zoning certificates are issued for applications meeting the ordinance requirements. Conditional uses additionally require review and approval by the Plan Commission before a zoning certificate can be issued.

In the zoning districts where telecommunications centers are currently allowable, the use is often a permitted use and any such application for the use would be reviewed and approved at a staff level. These districts include the Commercial Corridor-Transitional (CC-T), Commercial Center (CC), Suburban Employment Center (SEC), Employment Campus (EC), Industrial-Limited (IL), and Industrial-General (IG) districts. The use is also allowed as a conditional use, requiring Plan Commission approval, in the Traditional Employment (TE) and Suburban Employment (SE) districts.

In some instances, development proposals, including some permitted uses that will ultimately be reviewed at a staff level, include requests to rezone property from one zoning district to another. The moratorium will not prohibit the rezoning of property, including to a zoning district that may currently allow a telecommunications center. However, following any potential approved rezoning, as long as the moratorium is in effect, zoning certificates will not be issued for new data centers or telecommunications centers over 10,000 sq.ft. in floor area in these zoning districts.

It is possible that zoning certificates were issued for telecommunications centers under prior iterations of the City’s zoning code, which may have handled the use differently than the current ordinance, or properties may

have been located in different zoning districts at the time a use was established, thus creating lawful nonconforming uses that may be operating today.

#### *Maintenance of Existing Facilities*

During the duration of the temporary moratorium, legally existing telecommunications centers will be lawful nonconforming uses in accordance with MGO Sec. 28.191. As such, these facilities may continue to operate in accordance with previous approvals as long as they are not discontinued for a period of 12 months or more. Additionally, these facilities may undergo structural repairs or structural alterations to the building or structure provided such repairs/alterations do not exceed 50% of the total assessed value of the building or structure.

This moratorium does not impact data centers or telecommunications centers that serve another principal or primary use on a zoning lot, unless such facilities are expanded or altered in such a way that would cause them to become a separate principal or primary use. Expansions or alterations that would cause these facilities to be considered a principal or primary use in excess of 10,000 sq.ft. shall not be permitted.

#### *Duration*

This moratorium shall be in effect for 12 months following the effective date of the temporary moratorium ordinance or until an amendment to Chapter 28 related to data centers and/or telecommunications centers is adopted and takes effect, whichever is earlier. The moratorium will apply to new applications for data center or telecommunications center principal uses received after the effective date of the ordinance amendment.

#### *Violations*

As mentioned above, ordinary maintenance and repairs of existing establishments are allowed, as long as the repairs do not increase the assessed value of the building or structure by more than 50%.

Violations of this temporary moratorium are violations of the City's zoning code and will be enforced by the Building Inspection Division and Office of the City Attorney through Municipal Court.

#### *Non-Zoning Approvals, Benefits and Impacts*

While zoning approvals are a prerequisite to the establishment of a business and securing other types of permits, licenses, or other approvals by the City, this temporary moratorium only impacts the issuance of zoning certificates.

It is the intention of the City to amend Chapter 28 to create appropriate land use and zoning standards for data center uses. It is anticipated that in its efforts to develop such standards, the City will identify information and receive feedback that relates to the benefits of or impacts resulting from data centers that do not pertain directly to land use or to standards that are permissible to regulate in the zoning code. Where these issues address the City's long-term objectives, are not covered by other applicable City or State laws or policies and relate to other permissible municipal regulatory authorities in Wisconsin, other complementary local ordinances may also be recommended for consideration.

#### **Background on Current Data Centers in the City**

The City does not keep a list of land use approvals going back in time, so learning of existing data centers can only be sourced from institutional staff knowledge or other information that can be discovered from public searchable data. In an initial, high-level review of possible data centers that currently exist within the City,

staff found two that would likely meet the new definition of data center under the moratorium and would not be able to be newly established under the temporary moratorium if over 10,000 sq.ft. in floor area.

<b>Address</b>	<b>Name</b>	<b>Zoning District</b>	<b>Approximate Floor Area</b>
4916 E. Broadway	Dane County Data Exchange 1	Industrial Limited (IL)	75,000 sq. ft.
315 W. Mifflin	AT&T Building	Urban Mixed-Use (UMX)	unknown

The City is aware of some additional businesses that may be operating data center functions either below this threshold, in such a way that does not meet the new data center definition, or as part of another principal land use. Additional research into the range of existing data centers will be conducted during the moratorium in support of forthcoming ordinance proposals.