

Zoning

ORDINANCE

WHEREAS, the City of Chicago is home to approximately 39 data centers, most of which are relatively small- to medium-sized facilities located in the central business district or along major utility corridors leading into the central business district; and

WHEREAS, Chicago's existing data center policies and regulations were designed for an earlier generation of facilities and do not adequately address the operational characteristics, environmental impacts, or community concerns associated with current data centers; and

WHEREAS, noise generated by cooling systems, diesel generators, and other equipment is among the most common community concerns related to data center operations and has resulted in numerous 311 complaints from nearby residents; and

WHEREAS, air emissions from diesel generators are an additional significant concern raised by residents and other stakeholders; and

WHEREAS, growing national demand for data center capacity has increased pressure on regional electric systems, contributing to concerns regarding electricity costs, grid capacity, and the City's ability to meet greenhouse gas reduction goals; and

WHEREAS, rapid data center growth may contribute to increased electricity demand and higher utility costs, and the City aims to mitigate potential price burdens on working families and businesses; and

WHEREAS, water consumption by data centers varies widely by facility size and design, with typical facilities using approximately 300,000 gallons per day; and

WHEREAS, data center development creates significant short-term construction employment but supports relatively few permanent on-site operational jobs compared to other commercial or industrial uses; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. *Temporary moratorium established.* A temporary moratorium is hereby established on the receipt of new applications, as described in Section 3, below, for the zoning or licensing of new or substantially expanded electronic data storage centers, as defined in City of Chicago Zoning Code Section 17-17-0104-U(1), including any applications for the processing and approval of zoning map amendments, applications for a planned development or amendments to a planned development, and applications for a new business license issued by the Department of Business Affairs and Consumer Protection, related to a new or substantially expanded electronic data storage center.

SECTION 2. *Duration.* This temporary moratorium shall be established upon the effective date of this ordinance and shall expire six months after the effective date of this ordinance without further action from the City Council.

SECTION 3. *Application.* This ordinance shall apply to the processing and approval of:
(1) zoning applications duly submitted to the Department of Planning and Development, as

determined by the City's Zoning Administrator or their designee, or (2) business license applications, for electronic data storage centers duly submitted to the Department of Business Affairs and Consumer Protection, after the effective date of this ordinance. Zoning or licensing applications for the establishment or expansion of electronic data centers commenced prior to the effective date of this ordinance shall not be subject to the temporary moratorium established by this ordinance.

SECTION 4. *Hardship approval of new applications.* Notwithstanding the temporary moratorium established by this ordinance, a person may seek approval of any zoning proposal or license for an electronic data storage center if the applicant proves to the satisfaction of the Department of Planning and Development and the Department of Business Affairs and Consumer Protection, by a process the Commissioner of Planning and Development and the Commissioner of Business Affairs and Consumer Protection jointly so promulgates by rule, that:

- (a) the applicant cannot yield a reasonable return on the property if an electronic data storage center is not allowed;
- (b) the applicant has made substantial investment in the development of an electronic data storage center that is affected by the temporary moratorium, which investment was made in reasonable reliance on the provisions of the Code in effect prior to the temporary moratorium, and based on a reasonable probability of zoning and license approval by the City;
- (c) the electronic data storage center would have been allowed under the Zoning Ordinance; and
- (d) the building and operation of the electronic data storage center as proposed complies with all other applicable City ordinances and rules.

If the Department of Planning and Development and the Commissioner of Business Affairs and Consumer Protection find that an applicant is eligible for a hardship approval on the basis of such aforementioned criteria, the applicant may be approved, conditioned upon the applicant's continued compliance with Chapter 4-4 and all other relevant requirements in the Municipal Code of Chicago, for the zoning or licensing of an electronic data storage center regardless of the temporary moratorium.

If the temporary moratorium is extended or made permanent, no new hardship applications for approval may be made after the extension or permanent law goes into effect.

SECTION 5. *Vested Rights.* Notwithstanding Section 4, the moratorium established in Section 1 shall not apply to projects that include an electronic data storage center that prior to the introduction of this ordinance:

- (a) an applicant submitted any permit application, including, without limitation, building, excavation or foundation permits, interior demolition permits, and other phased construction; or
- (b) received Site Plan approval pursuant to Section 17-13-0800 et seq. of the Municipal Code; or
- (c) is located in a zoning district under the land use control of a political subdivision, unit of local government, body politic and corporate or agency of the State of Illinois, and has received preliminary land use approval for a specific development project; or
- (d) has received authorization and agreements from other units of local government or agencies of the State of Illinois for such project.

SECTION 6. *Contracted Power.* Notwithstanding Section 5, the moratorium established in Section 1 shall not apply to projects that include an electronic data storage center that prior to the introduction of this ordinance signed a definitive agreement with

SECTION 7. *Effective date.* This ordinance shall be in full force and effect upon passage and approval.

Nicholas Spoto
ALDERMAN 38th WARD