



BOARD REPORT

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: DANIELLE MARION, COMMUNITY DEVELOPMENT DIRECTOR
SCOTT KOEPEL, VILLAGE ADMINISTRATOR
SUBJECT: DISCUSSION: DATA CENTER DISTRICT REQUIREMENTS
AGENDA: March 31, 2026
DATE: March 6, 2026

ISSUE

Shall the Village Board amend the requirements for the Villages Data Center District.

DISCUSSION

In 2022 the Village Board approved a text amendment to the Village Code that created a specific Data Center zoning district and added Data Centers to the table of permitted uses as a permitted use with additional conditions in the DC- Data Center District, M-1- Limited Manufacturing District, and I-1 – Light Industrial District. The reasoning behind this text amendment was in response after the Village being approached by a data center, the text amendments intent was to clean up the process for permitted data centers and incorporate strict requirements that must be met for any data centers wishing to locate within the Village.

Community Development:

Currently, data centers are a permitted use with additional conditions in the above 3 mentioned zoning districts. What this means, is that if a data center were to come to the Village and they were looking to locate on property that was zoned either DC- Data Center, M-1 – Limited Manufacturing, or I-1 – Light Industrial, if they comply with all of the additional standards outlined in the code for data centers it is a straight permitted use and no additional board approvals are required. There are a number of additional standards that must be met, to include lot size regulations, yard and setback requirements, lot coverage, structure height, building design, Landscaping, Illumination, and performance standards. There is also a wastewater standard that was established. This wastewater standard limits the permitted wastewater flow rates to six population equivalents per acre. This was a standard the board felt was necessary to help to control the water usage by any data centers locating within the Village. The complete document outlining all of the additional requirements is attached to this report.

At this time, the Village does not have any property that is zoned DC-Data Center or I-1 – Light Manufacturing. If a data center were to want to locate on existing property that is not already zoned M1- limited manufacturing, they would need to apply to rezone the property to one of the three permitted zoning districts. This would require a public hearing before the plan commission and approval by the Village Board.

While the M1, I1, and DC Districts are similar there are some differences in some of the key regulations. The table below compares some of the requirements in these districts.

	M1	I1	DC
Max. Building Height	40ft	35ft	65ft
Max. Lot Coverage	75%	65%	75%
Minimum Lot Size	40,000 sf	40,000 sf	217,800 sf

Economic Development:

The development of data centers in Sugar Grove represents a significant economic opportunity for the region. These projects generate substantial immediate and long-term financial benefits, beginning with major capital investment, often exceeding \$250 million, that supports thousands of high-paying construction and skilled-trade jobs during the buildout phase. Once operational, data centers introduce a powerful new source of property tax revenue, which can help ease the tax burden on local homeowners. A notable example is the Meta facility in DeKalb, which paid almost \$31.5 million in taxes in 2024 alone, enabling increased support for schools and public services while lowering property tax rates for residents. Data centers also provide an unusually high amount of utility taxes to the community.

While data centers offer significant economic incentives, they sometimes face opposition from residents and advocacy groups concerned about their massive consumption of local resources. A primary point of contention is the strain on the electrical grid, which critics argue forces up utility bills for residential ratepayers to fund necessary infrastructure upgrades. Water usage is also a common topic, to counter this concern data centers built in recent years have drastically reduced their water usage. Recently, residents of Aurora have raised concerns about the constant noise created by the CyrusOne data centers.

Next Steps:

The Board has 4 options when discussing how they would like to move forward with data centers within the Village. The first option would be to not change anything and continue to permit them as they are currently outlined. The second option would be to adjust some of the additional requirements currently outline in our code, such as building height, etc. The third option would be to amend the code in relation to the permitted use table, such as eliminating the Data Center District from the code and just keeping data centers as a listed use under M1 and I1 and either keeping its as permitted with additional conditions or possibly making it a special use in these districts. The final option would be to remove data centers all together from the Village code and making them not permitted at all. It should be noted that any changes that are made to the Village Code in regards to data centers would not apply to any already PDD’s such as The Grove, that specifically list data centers in their use tables.

COST

There is no cost for the Village Board to discuss this item.

Ordinance 2022-1206B Amending the Village Code Title 11, Zoning District Regulations (Data Center Zoning District Regulations)

RECOMMENDATION

That the Village Board discuss the Data Center Regulations and provide staff with direction on any next steps.

CHAPTER 10B

DC, DATA CENTER DISTRICT

SECTION:

11-10B-1: Purpose

11-10B-2: Definition

11-10B-3: Uses

11-10B-4: Lot Size Regulations

11-10B-5: Yard And Setback Regulations

11-10B-6: Maximum Lot Coverage

11-10B-7: Structure Height

11-10B-8: Other Standards

11-10B-9: Performance Standards

11-10B-10: Submittal Requirements

11-10B-1: PURPOSE:

The DC Data Center District is intended to provide for a physical environment conducive to the establishment and operation of data centers. (Ord. 2022-1206B, 12-6-2022)

11-10B-2: DEFINITION:

DATA CENTER:	A facility used primarily for the storage, management, processing, and transmission of digital data, which houses computer and/or network equipment, systems, servers, appliances and other associated components related to digital data operations. Such 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 a data center. (Ord. 2022-1206B, 12-6-2022)
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11-10B-3: USES:

- A. Permitted uses: See section 11-4-22 of this title.
- B. Special uses: See section 11-4-22 of this title.
- C. Permitted accessory uses: Please refer to section 11-4-7 of this title.
- D. Additional standards and criteria for specific uses: See section 11-4-23 of this title. (Ord. 2022-1206B, 12-6-2022)

11-10B-4: LOT SIZE REGULATIONS:

- A. Minimum lot size: Not less than five (5) acres.
- B. Minimum lot width: Not less than three hundred fifty (350) feet shall be maintained at the building setback line. (Ord. 2022-1206B, 12-6-2022)

11-10B-5: YARD AND SETBACK REGULATIONS:

Every building hereafter erected or enlarged in this district shall provide and maintain a setback in accordance with the following:

- A. Setback from the boundary lines of the district: Not less than seventy five feet (75') from streets forming the boundary line of the DC District.
- B. Minimum front and corner side yards: Not less than forty feet (40') from a front or corner side lot line of a public or private street that is interior to the DC District.
- C. Minimum interior side yards: Not less than twenty five feet (25') from an interior side lot line.
- D. Minimum rear yards: Not less than fifty feet (50') from a rear lot line, unless the lot line forms the boundary line of the DC District. In that case, not less than seventy five feet (75') shall be provided.
- E. Yards adjacent residential zoning districts: Where a lot line in the DC District coincides with a front, side or rear lot line of a residential or institutional use or district, or forms the boundary line of the DC District, the minimum yard requirement in the DC District shall be an additional one foot for each foot of building height. (Ord. 2022-1206B, 12-6-2022)

11-10B-6: MAXIMUM LOT COVERAGE:

No more than seventy five percent (75%) of a lot shall be occupied with buildings, accessory structures and impervious surfaces. (Ord. 2022-1206B, 12-6-2022)

11-10B-7: STRUCTURE HEIGHT:

Not more than sixty-five feet (65'). (Ord. 2022-1206B, 12-6-2022)

11-10B-8: OTHER STANDARDS:**A. Pedestrian and Bicycle Facilities.**

1. Provision of Sidewalks and/or Trails. Sidewalks and/or trails for pedestrian and/or bicycle access shall be provided, at a minimum, along any side of a public road that abuts the property upon which the data center is located as required by the Village Engineer.

B. Building Design/Materials:

1. One hundred percent (100%) of building facades in the DC District facing a public right-of-way and fifty percent (50%) of other facades shall be constructed of masonry, brick, stone, or decorative concrete block (excluding plain concrete block), architectural steel and glass, or precast panels. Aluminum or vinyl siding shall not be allowed as a primary building material.

2. Principal building facades (all building facades that face adjacent public roads) shall avoid the use of undifferentiated surfaces by including at least two (2) of the following design elements: change in building height, building step-backs or recesses, fenestration, change in building material, pattern, texture, color, or use of accent materials.

3. When a building has more than one principal facade, such principal building facades shall be consistent in terms of design, materials, details, and treatment.

4. Walls that exceed a length of two hundred fifty feet (250') shall be articulated through changes in the plane of the facade, installation of windows, installation of landscaping, or any combination thereof.

5. Building facades sixty feet (60') or greater in length should include plane changes, projections, and/or recesses of two feet (2') or greater to provide visual interest, identity, character, and scale.

C. Mechanical Equipment and Utilities: All heating, ventilating and air conditioning equipment, generators, utility services, storage yards, satellite antennas, and mechanical equipment shall be screened on all sides of the building that are exposed to public view, as follows:

1. Roof-Mounted Mechanical Equipment:

a. Roof screens and/or parapet wall screens shall be allowed in this district, provided they are designed to blend with the architectural style, materials and color of the building. The height of the approved screening shall be equal to the height of the tallest rooftop unit installed on the building.

b. Flues, goosenecks or other equipment that is mounted on the roof shall also be screened when heights exceed four feet (4').

2. Ground-Mounted Mechanical Equipment:

a. Enclosure fences to screen service and utility areas (such as HVAC, mechanical equipment, utility services, storage yards, or satellite antennas) shall not exceed eight (8) feet in height. Landscaping may be an appropriate screening.

b. Enclosure fences to screen service and utility areas shall be designed to blend with the architectural style, materials and color of the building.

D. Landscaping Requirements: Where a Data Center shares a common lot line with a property zoned in a more restrictive zoning district, landscape screening shall be provided at the rate of three (3) shrubs per each twenty five (25) linear feet of data center property lines.

1. Street Trees: One (1) 2 1/2-inch caliper shade tree shall be installed in the right-of-way per each fifty (50) linear feet of frontage, as required by the Village Engineer.

2. Tree Preservation/Mitigation: The intent of this provision is to mitigate the loss of healthy, mature trees in the Village, by requiring replacement trees:

a. Existing trees, six inches (6") in diameter or greater, as measured at breast height (dbh), shall be preserved, when possible, according to a tree preservation plan prepared by the developer with input from the Community Development Director or designee. The tree preservation plan shall show:

b. Protective fencing planned to be installed around the critical root zone of those trees identified for preservation, on both grading and landscape plans.

c. Trees that will have their roots pruned by a certified arborist, to avoid tearing and other damage during construction.

d. Locations where limestone and other materials that might negatively affect trees planned to be preserved will be stored on the property.

3. Tree Replacement: Where it is determined that trees six inches (6") dbh or greater must be removed to allow for proposed development, tree replacement will be required:

a. Not less than one (1) 3-inch caliper tree shall be required for each six inches (6") of tree proposed to be removed, as measured at breast height. However, in no instance shall more than three (3) 3-inch caliper replacement trees be required for any tree removed.

b. Replacement trees shall be required in addition to any other landscaping that may be required by this title, except landscape screening. In this instance replacement trees can be used to count toward screening between DC development and properties planned, zoned or used for residential or institutional purposes.

c. The number of trees that an individual property can support, according to good forestry practices, shall determine the number of replacement trees that will be required on an individual lot.

E. Waste Materials: No materials or wastes shall be deposited upon a lot in such a form that they might be transferred off the property by natural causes or forces, such as water, wind or snow.

F. Security Fencing: The establishment of fences in the DC District shall be regulated as follows, and conform with the provisions of chapters 6, 9, 9A, 10, and 10A of this title:

1. Fences shall be constructed and maintained along the perimeter of the property at a height of eight feet (8').

2. Fences shall be positioned so that the finished side faces away from the lot on which it is constructed.

3. Fences shall be located and landscaped in order to meet the screening standards required in chapters 9 and 10 of this title.

4. Permitted fence materials include wood, vinyl, aluminum, and iron. No chain link or mesh type fence with inserted screening slats or screening fabric shall be acceptable. No fence shall contain barbed wire, razor wire, electrified elements, but not including motorized gates, or any components determined by the Village to constitute a public safety hazard.

G. Construction of Additional Buildings and Improvements: The Owner shall have the right, but not the obligation, to construct Additional Buildings and Improvements on the Property as part of the Planned Development, without further zoning review or approval by the corporate authorities of the Village, if:

1. The Owner submits to the Community Development Director site plans, elevations, and landscape plans depicting the Additional Buildings and Improvements; and

2. The Community Development Director determines, in his reasonable judgment, that the Additional Buildings and Improvements depicted on such plans comply with the Development Standards set forth.

H. Outdoor Illumination: All exterior lighting shall be designed and constructed as set forth in Section 11-8-5 of the Zoning Code.

I. Parking: All parking shall be designed and constructed as set forth in Section 11-12 of the Zoning Code.

J. Wastewater: Wastewater flow rates are limited to six (6) population equivalents per acre. (Ord. 2022-1206B, 12-6-2022)

11-10B-9: PERFORMANCE STANDARDS:

All uses in the DC District shall comply with the performance standards in Section 11-4-24. (Ord. 2022-1206B, 12-6-2022; amd. Ord. 2023-0516A, 5-16-2023)

11-10B-10: SUBMITTAL REQUIREMENTS:

Three (3) sets of drawings that include the information set forth below are required for processing permitted uses on the individual lot in the DC, Data Center District. Chapter 13 of this title includes requirements for processing special uses and planned developments.

A. Site information, including:

1. Name and address of the owner, applicant, planner, architect, engineer, and landscape architect.

2. Date, scale and north arrow.

3. Total acreage of the site.

4. Title by which the property or project is to be referred.

5. Proof of ownership.

B. A copy of a survey, prepared by a registered land surveyor, including a legal description of the subject property.

C. Existing and proposed zoning of the subject property.

D. Existing zoning of adjacent parcels.

E. Adjacent development, including buildings, drives, fences, walls, parking lots, etc., within a minimum of one hundred feet (100') of the subject property.

- F. Location and size of all buildings and structures, both existing and proposed.
- G. Ground elevations of the property, both existing and proposed.
- H. Locations of floodplain, floodway, wetlands and existing vegetation.
- I. Soil analysis, if required by the Village Engineer.
- J. Building setbacks from street rights-of-way and all property lines.
- K. Yards and spaces between all structures.
- L. Location and dimensions of all fences and walls.
- M. A landscape plan, prepared by a qualified landscape architect, which includes spot elevations, or is superimposed on a half-toned grading plan to show the relationship between proposed plantings and final grades.
- N. Identification of vehicular, pedestrian and service access, including:
 - 1. Distance from the driveway opening at the curb to the prolongation of the property line of the nearest intersecting street.
 - 2. Width of proposed access drives and drive aisles.
 - 3. Identification and location of:
 - a. Curb lines.
 - b. Property lines.
 - c. Sidewalks.
 - d. Existing driveways, if any.
 - e. Parking regulations and signs.
 - f. Traffic signals.
 - g. Utility poles.
 - h. Light standards.
 - i. Fire hydrants.
- K. Off street parking and loading facilities, including the number of spaces and dimensions of spaces, drive aisles and loading zones.
- L. Location, area and height of all freestanding signs, all elevations of the proposed structure or addition, and which include:
 - 1. Proposed materials and colors for all elements of the building.
 - 2. Cross sections of the building, showing the relationships between all roof mounted mechanical equipment and the top of the screen wall.
 - 3. Location of utility meters and ground supported transformers, and proposed method of screening these elements when visible to the public.
 - 4. Location, area, and dimensions for all wall mounted signs.
- M. Photometric plan, superimposed on the site plan, showing:
 - 1. Point by point foot-candle intensities, extended to all property lines.
 - 2. Locations of light standards.
 - 3. Average maintained foot-candle intensities.
 - 4. Method of illumination.
 - 5. Catalog cuts and specifications for light standards and luminaries.
- N. Outdoor storage areas, if any, and proposed method of screening of these areas from public view.
- O. Waste disposal facilities, including trash bins, compactors, etc., and provision for screening these elements from public view.
- P. Preliminary engineering, drainage, and grading plans, if required by the Village Engineer. Final engineering plans shall, however, be approved by the Village Engineer prior to the issuance of a building permit. (Ord. 2022-1206B, 12-6-2022)