

DRAFT

ORDINANCE NO. \_\_\_ – 2026

*An Ordinance Amending the Valparaiso Zoning Ordinance to Add Data Center Regulations*

WHEREAS, the City of Valparaiso recognizes the need to establish clear zoning standards and review procedures for data centers, as defined herein, to protect public health, safety, and general welfare; and

WHEREAS, the Valparaiso Plan Commission (the “Plan Commission”) and Valparaiso Common Council (the “Common Council”) find that appropriate land use standards for data centers promote economic development while ensuring compatibility with surrounding land uses and infrastructure capacity; and

WHEREAS, the Common Council finds it necessary to establish regulations for data centers that promoted environmental Stewardship, protect natural resources, and minimize adverse impacts on air quality, water resources, and surrounding neighborhoods; and

NOW, THEREFORE, BE IT ORDAINED by the Common Council of the City of Valparaiso, Indiana, that the Valparaiso Zoning Ordinance is hereby amended as follows:

**Section 1 – Definitions**

**Data Center.** A facility used predominantly for the storage, management, processing, and transmission of data, including server farms, cloud computing facilities, artificial intelligence processing facilities, and related digital infrastructure. Data centers include buildings and related mechanical and electrical equipment designed to support these activities.

**Section 2 – Zoning District Use Table Amendment**

In the City of Valparaiso Zoning Ordinance Use Tables (Article 2.201.B), insert the following under “Industrial-Heavy (INH)”.

Use	Light Industrial	Heavy Industrial	Commercial General	Residential
Data Center	<i>Prohibited</i>	Special Use	<i>Prohibited</i>	<i>Prohibited</i>

Data centers shall be prohibited in residential, business (commercial), and light industrial zoning districts and allowed only by special exception in heavy industrial zones.

**Section 3 – Special Use Use Regulations for Data Centers**

**A. Special Use Permit Required (Article 2.557)**

1. No data center shall be constructed or operated in the City of Valparaiso except upon approval of a *special use* by the Valparaiso Board of Zoning Appeals.
2. Applications shall include all standard special use materials plus the specific items listed below.
3. The Board of Zoning Appeals shall review:

- a. The compatibility of the proposed use with existing and anticipated development;
- b. The potential use of adjoining land for uses permitted in the district;
- c. The current trends of development of lands in the vicinity;
- d. The effect of the proposed use on the natural features of the site and the current use of adjoining lands;
- e. The quality and capacity of existing or proposed access roads to accommodate traffic generated by the proposed use.

## **B. Required Application Materials**

Applicants for a data center special use must submit:

1. Site Plan showing property lines, setbacks, rights-of-way, buildings, utility lines, proposed landscaping, fencing, and stormwater controls. The plan should include physical features including but not limited to roads, special flood hazard areas, wetlands, existing and proposed buildings, equipment, proposed locations of underground or overhead electric lines and utility poles, landscaping and fencing.
2. Construction and Maintenance Schedule with access routes for construction vehicles and emergency response.
3. Verification of Utility Capacity, including written confirmation from utility providers (e.g., electricity, water, telecommunications) that sufficient service is available without adverse impacts. Must indicate if additional power substation is required. Include written verification from NIPSCO indicating adequate capacity is available
4. Operation & Maintenance Plan addressing stormwater management, landscaping care, and general operating procedures.
5. Emergency Services Plan addressing electrical schematics and procedures for facility shutdown if necessary.
6. Proof of Insurance covering liability related to facility operations.
7. Decommissioning Plan outlining the procedures for the orderly shutdown, dismantling, and removal of the data center. The decommissioning plan must not limit future use of the property.
8. Redacted copy of lease for the subject property (if leased).

## **C. Development Standards**

1. Setbacks: All buildings and equipment associated with a data center shall be set back no less than 1000 feet from adjoining residential or agricultural zoning districts.
2. Minimum lot size: 100 acres
3. Vibration: Vibration shall not exceed 0.05 inches per second peak particle velocity (PPV) at any residential property boundary.
4. Noise: Maximum operational sound levels shall not exceed 55 decibels (dB) at the property line.
5. Lighting: Lighting shall meet UDO requirements as outlined in Section 9.501 Nonresidential Lighting Standards.
6. Utilities: All on-site utility lines (electric, communications) must be placed underground where feasible and permitted by the serving utility.

7. Mechanical Screening: All mechanical equipment (including backup generators, HVAC, and power supply units) shall be enclosed or screened from public view.
8. Backup Generators: Generators are permitted for emergency use only and must comply with Indiana Department of Environmental Management (IDEM) regulations.
9. Security Fencing: Perimeter fencing or approved security barriers shall be at least 6 feet in height and compliant with applicable safety codes.

#### **D. Fire & Emergency Training**

Data center operators shall provide annual training for Valparaiso fire and emergency services on facility layout, equipment operation, and emergency response procedures prior to opening as well as annually.

#### **E. Decommissioning**

Facilities that remain inactive for more than 15 consecutive months shall be decommissioned and the site restored to an approved condition unless an extension is granted by the Board of Zoning Appeals following a public hearing.

#### **Section 4 – Public Notice**

In addition to existing special use notice requirements, the applicant shall mail notice of the proposed data center to all property owners within 1,000 feet of the site and to adjacent municipalities, official city boards, and emergency providers at least 30 days prior to the hearing.

#### **Section 5 – Compliance With Comprehensive Plan**

All data center development must demonstrate compatibility with the Valparaiso Comprehensive Plan and applicable capital improvement planning for utility and transportation infrastructure.

### **SECTION 1. Amendment to Article 2 – Permitted Uses Table**

**Section 2.201** – Use Table is hereby amended to add the following use classification:

**Data Center (Primary Use)** – A facility used primarily for the storage, management, processing, and transmission of digital data, including associated equipment, cooling systems, emergency backup generators, substations, and security infrastructure.

Such use shall be designated as “S” (Special Use) in the following zoning districts:

- INH- Heavy Industrial

### **SECTION 2. Creation of Section 2.5XX – Data Center Supplemental Standards**

A new section, **Section 2.5XX – Data Centers**, is hereby created to read as follows:

**Sec. 2.5XX – Data Centers**

**A. Purpose.**

The purpose of this section is to ensure that data centers are developed and operated in a manner that protects public health, safety, and welfare; minimizes environmental impacts; ensures compatibility with surrounding land uses; and promotes sustainable resource management.

**B. Special Use Approval Required.**

Data centers shall require Special Use approval pursuant to Article 15.

**C. Environmental Performance Standards.**

**1. Energy Efficiency.**

- a. Facilities shall demonstrate compliance with current industry standards for energy efficiency, including but not limited to Power Usage Effectiveness (PUE) reporting.
- b. Energy Use Study: a study of both nominal and peak energy usage for any proposed site.
- c. Applicants shall submit an energy management plan describing measures to reduce overall electricity demand and peak load impacts.
- d. The Plan Commission may require on-site renewable energy generation or participation in renewable energy procurement programs where feasible.

**2. Water Resource Protection.**

- a. Applicants shall submit a water usage and conservation plan identifying anticipated daily and peak water demand.
- b. Cooling systems shall utilize water-efficient technologies where practicable.
- c. Withdrawal of groundwater shall not adversely impact surrounding properties or municipal water supply infrastructure.
  - i. Submit a groundwater study in project application.
  - ii. Letter of approval from the Indiana Department of Health and local health department and the sanitary sewer utility (VCS) regarding management of waste and wastewater for the project
  - iii. Letter of approval from Valparaiso City Utilities that the proposed data center will comply with the county stormwater management plans

**3. Air Quality and Emissions.**

- a. Emergency generators shall comply with all applicable federal and state air quality standards.
- b. Routine generator testing shall be limited in frequency and duration to the minimum required for safe operation.
- c. The City may require additional emissions mitigation measures where necessary to protect nearby residential areas.

**4. Noise.**

- a. Mechanical equipment, cooling systems, and generators shall comply with the City's noise standards at the property line.
- b. Acoustic screening or sound attenuation measures shall be required to maintain 55 decibels at residential and agricultural zoning districts.

**5. Heat and Microclimate Impacts.**

- a. Applicants shall demonstrate measures to mitigate excessive heat generation, including heat recovery, vegetative buffering, or other design solutions.

**6. Stormwater and Site Design.**

- a. Development shall comply with all stormwater management requirements of the UDO.
- b. Impervious surface coverage shall be minimized to the extent practicable.

**7. Lighting.**

- a. Downcast lighting where light is emitted below the horizontal plane of the fixture; light source is not visible from above or the side; and minimized light trespass and skyglow.
- b. Shielded lighting where fixtures include a cover element that blocks light in certain directions; can be fully or partially shielded; and focuses illumination
- c. Lighting shall meet UDO requirements as outlined in Sec. 9.501, “Nonresidential Lighting Standards.”

**D. Infrastructure Impact Analysis.**

Applicants shall submit documentation demonstrating that adequate electric, water, sewer, and transportation infrastructure capacity exists or will be provided without adverse impact to existing users. (will this project need an additional electrical substation to support the facility)

**E. Landscaping Plan**

Landscaping and buffering of a minimum of Class E bufferyard per table 10.402.

**F Decommissioning Plan.**

A decommissioning plan shall be submitted as part of the Special Use application to address removal of equipment, environmental remediation if necessary, and site restoration in the event of facility closure.

**G. Reporting**

Transparent Operation Requirements to ensure the facility continues to meet all special use provisions. The following reports shall be submitted annually to the City of Valparaiso Planning Department.

- a. Annual energy consumption report
- b. Annual water use report
- c. Annual lighting report
- d. Annual noise testing report
- e. Annual generator testing report
- f. Annual biometric data protection compliance certificate report
- g. Annual continuous vibration monitoring report

**Severability**

If any section, subsection, sentence, clause, or phrase of this ordinance is held invalid by a court of competent jurisdiction, the remainder shall not be affected.

**Effective Date**

This ordinance shall take effect upon its passage and publication as provided by law.