ORDINANCE NO. _____ - 2026

AN ORDINANCE RECOGNIZING THE NEED TO REGULATE DATA CENTERS AS AN EMERGING LAND USE IN LEXINGTON-FAYETTE COUNTY BY AMENDING THE LEXINGTON-FAYETTE COUNTY ZONING ORDINANCE, AS FOLLOWS: AMENDING SECTION 1-11 TO CREATE DEFINITIONS FOR DATA CENTER, DATA CENTER MAJOR, DATA CENTER MINOR, AND SERVER ROOM; CLARIFYING USES BY DELETING REFERENCES TO COMPUTER AND DATA PROCESSING CENTERS IN SECTIONS 8-15, 8-19, 8-21, 8-24, 23A-9 AND 23A-10; AMENDING SECTION 8-1 RELATING TO THE AGRICULTURAL-RURAL (A-R) ZONE TO CLASSIFY MAJOR AND MINOR DATA CENTERS AS A PROHIBITED USE; AMENDING SECTION 8-2 RELATING TO THE AGRICULTURAL-BUFFER (A-B) ZONE TO CLASSIFY MAJOR AND MINOR DATA CENTERS AS A PROHIBITED USE; AMENDING SECTION 8-3 RELATING TO THE AGRICULTURAL-NATURAL AREAS (A-N) ZONE TO CLASSIFY MAJOR AND MINOR DATA CENTERS AS A PROHIBITED USE; AMENDING SECTION 8-15 RELATING TO THE PROFESSIONAL OFFICE (P-1) ZONE TO CLASSIFY SERVER ROOMS AS AN ACCESSORY USE; AMENDING SECTION 8-16 RELATING TO THE NEIGHBORHOOD BUSINESS (B-1) ZONE TO CLASSIFY SERVER ROOMS AS AN ACCESSORY USE AND TO CLASSIFY MAJOR AND MINOR DATA CENTERS AS A PROHIBITED USE; AMENDING SECTION 8-17 RELATING TO THE DOWNTOWN BUSINESS (B-2) ZONE TO CLASSIFY SERVER ROOMS AS AN ACCESSORY USE; AMENDING SECTION 8-19 RELATING TO THE DOWNTOWN FRAME BUSINESS (B-2B) ZONE TO CLASSIFY SERVER ROOMS AS AN ACCESSORY USE AND TO CLASSIFY MAJOR AND MINOR DATA CENTERS AS A PROHIBITED USE; AMENDING SECTION 8-20 RELATING TO THE CORRIDOR BUSINESS (B-3) ZONE TO CLASSIFY SERVER ROOMS AS AN ACCESSORY USE; AMENDING SECTION 8-21 RELATING TO THE WHOLESALE AND WAREHOUSE BUSINESS (B-4) ZONE TO CLASSIFY SERVER ROOMS AS AN ACCESSORY USE, TO CLASSIFY MINOR DATA CENTERS AS A CONDITIONAL USE, TO CLASSIFY MAJOR DATA CENTERS AS A PROHIBITED USE, AND TO PROVIDE CONDITIONS AND CONSIDERATIONS FOR THE BOARD OF ADJUSTMENT WHEN IT CONSIDERS ANY CONDITIONAL USE APPLICATION FOR A DATA CENTER; AMENDING SECTION 8-22 RELATING TO THE LIGHT INDUSTRIAL (I-1) ZONE, TO CLASSIFY SERVER ROOMS AS AN ACCESSORY USE, TO CLASSIFY MINOR DATA CENTERS AS A CONDITIONAL USE, TO CLASSIFY MAJOR DATA CENTERS AS A PROHIBITED USE, AND TO PROVIDE CONDITIONS AND CONSIDERATIONS FOR THE BOARD OF ADJUSTMENT WHEN IT CONSIDERS ANY CONDITIONAL USE APPLICATION FOR A DATA CENTER; AMENDING SECTION 8-23 RELATING TO THE HEAVY INDUSTRIAL (I-2) ZONE TO CLASSIFY MAJOR AND MINOR DATA CENTERS AS A PROHIBITED USE; AMENDING SECTION 8-24 RELATING TO THE UNIVERSITY RESEARCH CAMPUS (P-2) ZONE TO CLASSIFY MAJOR AND MINOR DATA CENTERS AS A PROHIBITED USE; AMENDING SECTION 22C-4 RELATING TO THE INDUSTRIAL REDEVELOPMENT PLANNED UNIT DEVELOPMENT (PUD-3) ZONE TO CLASSIFY SERVER ROOMS AS AN ACCESSORY USE; AMENDING SECTION 23A-9 RELATING TO THE COMMUNITY CENTER (CC) ZONE TO CLASSIFY SERVER ROOMS AS AN ACCESSORY USE; AND AMENDING SECTION 23A-10 RELATING TO THE ECONOMIC DEVELOPMENT (ED) ZONE TO CLASSIFY SERVER ROOMS AS AN ACCESSORY USE (URBAN COUNTY COUNCIL).

WHEREAS, the Lexington-Fayette Urban County Government has been examining data centers as an emerging land use and has been working on developing appropriate regulations relating thereto in order to promote the public interest implicated by data centers; and

WHEREAS, the Urban County Council recognized the need to regulate data centers as an emerging land use in Lexington-Fayette County and previously initiated

zoning ordinance text amendments to provide and clarify definitions with regard to data center uses, to adopt regulations regarding data centers as a land use in certain zones, and to provide clarity on appropriate considerations for development of data centers as an emerging land use in certain zones, as part of development plans, conditional use restrictions, or otherwise, all in order to ensure proper integration of this land use in the Lexington-Fayette County planning and zoning scheme; and

WHEREAS, at a Public Hearing held on July 30, 2026, a proposed text amendment relating to the regulation of data centers was presented to the Urban County Planning Commission; said Commission recommending approval of its proposed alternative text by a vote of 7-2; and

WHEREAS, the Urban County Council agrees with the recommendation of the Planning Commission; and

WHEREAS, the recommendation form of the Planning Commission is attached hereto and incorporated herein by reference.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 – That Section 1-11 of the Lexington-Fayette Urban County Government Zoning Ordinance (“Zoning Ordinance”) be and hereby is amended, in pertinent part, and shall read as follows:

Section 1-11: Definitions

…

Data center means all or a portion of a permanent building primarily engaged in the storage, management, processing, and transmission of digital data, housing computer and network equipment, systems, servers, appliances and other associated components related to digital data operations, regardless of whether such facility serves on- or off-site users. Data centers 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. The term excludes server rooms.

Data center, major means a data center with more than 40,000 square feet of total floor area and/or an energy capacity of 25 mw or grater, and which may include one or more electrical substations.

Data center, minor means a data center with up to 40,000 square feet of total floor area, with a maximum energy capacity of 25 mw, and which may include one electrical substation

…

Server room means one or more designated areas within a principal use, except a data center, housing computer and network equipment, systems, servers,

appliances, and other associated hardware components related to digital data operations for its own use.

Section 2 – That Section 8-1(e)(36) of the Zoning Ordinance be and hereby is created, and shall read as follows:

Section 8-1 Agricultural Rural (A-R) Zone

e) Prohibited Uses. (Other uses substantially similar to those listed herein shall also be deemed prohibited.)

…

36. Major and minor data centers

Section 3 – That Section 8-2(e)(36) of the Zoning Ordinance be and hereby is created, and shall read as follows:

Section 8-2 Agricultural Buffer (A-B) Zone

e) Prohibited Uses. (Other uses substantially similar to those listed herein shall also be deemed prohibited.)

…

36. Major and minor data centers

Section 4 – That Section 8-3(e)(36) of the Zoning Ordinance be and hereby is created, and shall read as follows:

Section 8-3 Agricultural- Natural Areas (A-N) Zone

e) Prohibited Uses. (Other uses substantially similar to those listed herein shall also be deemed prohibited.)

…

36. Major and minor data centers

Section 5 – That Section 8-15(b)(12) of the Zoning Ordinance be and hereby is deleted and the remaining provisions of Section 8-15(b) be sequentially renumbered accordingly, and that Section 8-15(c)(11) of the Zoning Ordinance be and hereby is created, and shall read as follows:

Section 8-15 Professional Office (P-1) Zone

c) Accessory Uses (Uses and structures which are customarily accessory, clearly incidental and subordinate to permitted uses.)

…

11. Server rooms

Section 6 – That Section 8-16(c)(11) of the Zoning Ordinance be and hereby is created, and that Section 8-16(e)(2) of the Zoning Ordinance be and hereby is amended, in pertinent part, and shall read as follows:

Section 8-16 Neighborhood Business (B-1) Zone

c) Accessory Uses (Uses and structures which are customarily accessory, clearly incidental and subordinate to permitted uses.)

…

11. Server rooms

e) Prohibited Uses. (Other uses substantially similar to those listed herein shall also be deemed prohibited.)

…

2. Major and minor data centers, warehouses, and storage uses, except as accessory uses herein.

Section 7 – That Section 8-17(c)(11) of the Zoning Ordinance be and hereby is created, and shall read as follows:

Section 8-17 Downtown Business (B-2) Zone

c) Accessory Uses (Uses and structures which are customarily accessory, clearly incidental and subordinate to permitted uses.)

…

11. Server rooms

Section 8 – That Section 8-19(b)(23) of the Zoning Ordinance be and hereby is deleted and the remaining provisions of Section 8-19(b) be sequentially renumbered accordingly, that Section 8-19(c)(7) of the Zoning Ordinance be and hereby is created, and that Section 8-19(e)(2) of the Zoning Ordinance be and hereby is amended, in pertinent part, and shall read as follows:

Section 8-19 Downtown Frame Business (B-2B) Zone

c) Accessory Uses (Uses and structures which are customarily accessory, clearly incidental and subordinate to permitted uses.)

…

7. Server rooms

e) Prohibited Uses. (Other uses substantially similar to those listed herein shall also be deemed prohibited.)

…

2. Major and minor data centers, warehouses, and storage uses, except as

accessory uses herein.

Section 9 – That Section 8-20(c)(12) of the Zoning Ordinance be and hereby is created, and shall read as follows:

Section 8-20 Corridor Business (B-3) Zone

c) Accessory Uses (Uses and structures which are customarily accessory, clearly incidental and subordinate to permitted uses.)

…

12. Server rooms

Section 10 – That Sections 8-21(c)(11), (d)(8) and (e)(18) of the Zoning Ordinance be and hereby are created, and Section 8-21(o) of the Zoning Ordinance be and hereby is amended, in pertinent part, and shall read as follows:

Section 8-21 Wholesale and Warehouse Business (B-4) Zone

c) Accessory Uses (Uses and structures which are customarily accessory, clearly incidental and subordinate to permitted uses.)

…

11. Server rooms

d) Conditional Uses

…

8. Minor data centers, but only when the following conditions are met:
   a. Applications shall provide the following information:
      1) A water consumption plan outlining the total water requirements of the data center, including cooling needs, and any strategies to reduce or mitigate excessive water usage. The plan shall demonstrate that the water usage will not significantly strain Lexington-Fayette County's water supply.
      2) A water conservation and sustainability plan which includes measures to minimize the data center's impact on water resources, such as the use of water-efficient cooling technologies and closed-loop systems.
      3) An energy consumption plan outlining estimates of peak electricity demand and strategies for mitigating strain on local power infrastructure, including proposed improvements or alternatives to minimize the need for additional transmission lines.
      4) Transmission line impact assessment identifying the need for new or upgraded transmission lines to meet the data center's electricity requirements. This assessment shall include the potential environmental impact on public land, including tree removal from public land and rights-of-way.
      5) Noise plan which includes measures to comply with the noise standards specified in subsection (b)(2) below.

6) A stormwater management plan that the stormwater manual and sewer capacity assurance permit issued by the Division of Water Quality.

7) Information relating to the energy efficiency of the proposed design. Such facilities should demonstrate compliance with recognized energy efficiency metrics, including a Power Utilization Efficiency (PUE) target between 1.1. and 1.3, as well as a LEED certification for Data Centers at the silver level or higher.

8) Information relating to the utilization of water, baseline water conditions, and water quality measures.

9) A decommissioning plan prepared by a registered professional engineer shall be provided, containing the following:

   i. The estimated decommissioning timeframe and cost of removal of all structures, foundations, conduit, equipment, and interconnection facilities, and roads;

   ii. The salvage value of any equipment in current dollars and the calculations supporting the decommissioning estimate. The estimated salvage value of the material using current, publicly available material indices and/or firm quotes from a decommissioning or recycling company experienced in the decommissioning of data centers shall be provided.

   iii. The manner in which the Data Center will be decommissioned, including provision and a timetable for the removal of all structures, foundations, conduit, equipment, and interconnection facilities and for the revegetation and restoration of the property to its original condition or preparation of the site in a condition compatible with the prior zoning of the parcel(s); and

   iv. If approved, the applicant shall provide a performance bond, letter of credit, or other financial assurance payable to the LFUCG, sufficient to assure that decommissioning of the site can be achieved by a third party in the event that the applicant defaults in that obligation, which financial assurance shall be provided prior to commencement of construction.

b. The use shall comply with the following noise standards, in addition to the standards of Sections 14-70 through 14-80 of the Code of Ordinances:

   1) Mechanical equipment, including generators, utility substations, and other power supply equipment, shall be fully enclosed and vertically screened on all sides by 100% opaque walls with sound attenuation properties.

   2) The use shall not produce continuous sound that exceeds an average of 30 decibels over any 30-minute period for 24 hours per day, measured at any adjacent property boundary between the data center site and a residential zone or use.

   3) After issuance of the certificate of occupancy for each data center building, the Urban County Government may obtain sound studies or require the data center operator to provide a sound study to verify that the operation is in compliance with the requirements of subsection (b)(2) above. If a data center is found to be in violation of these requirements, the Urban County Government shall issue a notice of violation, and proceed through the zoning enforcement process established by Section 5.

c. No data center building, air handlers, power generators, water cooling and storage facilities, utility substations, or other associated utility

infrastructures shall be located within 1,500 feet of a residential zone or use, or an agricultural zone located outside the urban service area.

d. No data center shall be located within 1,500 feet of a school, daycare center or other childcare service, hospital, healthcare facility, rehabilitation center, or park

e. The use shall provide the same 50-foot-wide perimeter landscaping that is required in Section 18-3(A)(1)(10) along all common boundaries, except street frontage, that abut a residential zone.

f. Generators associated with the use shall be tested no more than once per week per unit. Such testing shall only occur during the hours of 12:00 PM to 6:00 PM, Monday through Friday. Except for generator testing or commissioning activities, generator use shall be limited to backup and emergency use only when the primary source of electricity is interrupted or unavailable. Continuous generator use outside of power outages or interruptions is prohibited.

g. All external ventilation on structures associated with the data center shall be designed in a manner that does not result in waste heat, or heat generated as a byproduct of data center operations, adversely impacting adjacent properties. Exhausts, chimneys, and other sources of waste heat should be designed in a manner that directs waste heat away from adjacent properties.

h. All data centers shall utilize a closed-loop cooling system or other available systems, excluding evaporation-based systems.

i. The Board of Adjustment shall specifically consider and be able to find:

1) That the proposed use will not constitute a public nuisance by creating excessive noise, odor, traffic, dust, or damage to the environment or surrounding properties; and

2) That the proposed use will not overburden public infrastructure or utilities.

e) Prohibited Uses

…

18. Major data centers

o) Special Provisions

…

In addition to the uses permitted in Subsection (b) of this section, the following uses shall also be permitted in an Office/Warehouse Project:

As principal permitted uses:

a. Offices and laboratories, limited to a maximum of seventy-five percent (75%) of the floor area of the building or project. This square footage limitation shall not apply if the project is located within the defined Infill and Redevelopment Area.

Section 11 – That Sections 8-22(c)(11), (d)(8) and (e)(18) of the Zoning Ordinance be and hereby are created, and shall read as follows:

Section 8-22 Light Industrial (I-1) Zone

c) Accessory Uses (Uses and structures which are customarily accessory, clearly incidental and subordinate to permitted uses.)

…

11. Server rooms

d) Conditional Uses

…

8. Minor data centers, but only when the following conditions are met:
    a. Applications shall provide the following information:
        1) A water consumption plan outlining the total water requirements of the data center, including cooling needs, and any strategies to reduce or mitigate excessive water usage. The plan shall demonstrate that the water usage will not significantly strain Lexington-Fayette County's water supply.
        2) A water conservation and sustainability plan which includes measures to minimize the data center's impact on water resources, such as the use of water-efficient cooling technologies and closed-loop systems.
        3) An energy consumption plan outlining estimates of peak electricity demand and strategies for mitigating strain on local power infrastructure, including proposed improvements or alternatives to minimize the need for additional transmission lines.
        4) Transmission line impact assessment identifying the need for new or upgraded transmission lines to meet the data center's electricity requirements. This assessment shall include the potential environmental impact on public land, including tree removal from public land and rights-of-way.
        5) Noise plan which includes measures to comply with the noise standards specified in subsection (b)(2) below.
        6) A stormwater management plan that the stormwater manual and sewer capacity assurance permit issued by the Division of Water Quality.
        7) Information relating to the energy efficiency of the proposed design. Such facilities should demonstrate compliance with recognized energy efficiency metrics, including a Power Utilization Efficiency (PUE) target between 1.1. and 1.3, as well as a LEED certification for Data Centers at the silver level or higher.
        8) Information relating to the utilization of water, baseline water conditions, and water quality measures.
        9) A decommissioning plan prepared by a registered professional engineer shall be provided, containing the following:
            i. The estimated decommissioning timeframe and cost of removal of all structures, foundations, conduit, equipment, and interconnection facilities, and roads;
            ii. The salvage value of any equipment in current dollars and the calculations supporting the decommissioning estimate. The estimated salvage value of the material using current, publicly available material indices and/or firm quotes from a decommissioning or recycling company experienced in the decommissioning of Data Centers shall be provided.
            iii. The manner in which the Data Center will be decommissioned, including provision and a timetable for the removal of all structures, foundations, conduit, equipment, and interconnection facilities and for the

revegetation and restoration of the property to its original condition or preparation of the site in a condition compatible with the prior zoning of the parcel(s); and

iv. If approved, the applicant shall provide a performance bond, letter of credit, or other financial assurance payable to the LFUCG, sufficient to assure that decommissioning of the site can be achieved by a third party in the event that the applicant defaults in that obligation, which financial assurance shall be provided prior to commencement of construction.

b. The use shall comply with the following noise standards, in addition to the standards of Sections 14-70 through 14-80 of the Code of Ordinances:

1) Mechanical equipment, including generators, utility substations, and other power supply equipment, shall be fully enclosed and vertically screened on all sides by 100% opaque walls with sound attenuation properties.

2) The use shall not produce continuous sound that exceeds an average of 30 decibels over any 30-minute period for 24 hours per day, measured at any adjacent property boundary between the data center site and a residential zone or use.

3) After issuance of the certificate of occupancy for each data center building, the Urban County Government may obtain sound studies or require the data center operator to provide a sound study to verify that the operation is in compliance with the requirements of subsection (b)(2) above. If a data center is found to be in violation of these requirements, the Urban County Government shall issue a notice of violation, and proceed through the zoning enforcement process established by Section 5.

c. No data center building, air handlers, power generators, water cooling and storage facilities, utility substations, or other associated utility infrastructures shall be located within 1,500 feet of a residential zone or use, or an agricultural zone located outside the urban service area.

d. No data center shall be located within 1,500 feet of a school, daycare center or other childcare service, hospital, healthcare facility, rehabilitation center, or park

e. The use shall provide the same 50-foot-wide perimeter landscaping that is required in Section 18-3(A)(1)(10) along all common boundaries, except street frontage, that abut a residential zone.

f. Generators associated with the use shall be tested no more than once per week per unit. Such testing shall only occur during the hours of 12:00 PM to 6:00 PM, Monday through Friday. Except for generator testing or commissioning activities, generator use shall be limited to backup and emergency use only when the primary source of electricity is interrupted or unavailable. Continuous generator use outside of power outages or interruptions is prohibited.

g. All external ventilation on structures associated with the data center shall be designed in a manner that does not result in waste heat, or heat generated as a byproduct of data center operations, adversely impacting adjacent properties. Exhausts, chimneys, and other sources of waste heat should be designed in a manner that directs waste heat away from adjacent properties.

h. All data centers shall utilize a closed-loop cooling system or other available systems, excluding evaporation-based systems.

i. The Board of Adjustment shall specifically consider and be able to find:

1) That the proposed use will not constitute a public nuisance by creating excessive noise, odor, traffic, dust, or damage to the environment or surrounding properties; and
2) That the proposed use will not overburden public infrastructure or utilities.

e) Prohibited Uses

…

18. Major data centers

Section 12 – That Section 8-23(e)(2) of the Zoning Ordinance be and hereby is created, and shall read as follows:

Section 8-23 Heavy Industrial (I-2) Zone

e) Prohibited Uses

…

2. Major and minor data centers

Section 13 – That Section 8-24(b)(10) of the Zoning Ordinance be and hereby is deleted and the remaining provisions of Section 8-24(b) be sequentially renumbered accordingly, and that Section 8-24(e)(10) of the Zoning Ordinance be and hereby is created, and shall read as follows:

Section 8-24 University Research Campus (P-2) Zone

e) Prohibited Uses. (All uses other than those listed as principal, accessory, or conditional uses, or substantially similar to principal, accessory, or conditional uses shall be prohibited. The uses below are provided for illustration purposes and for the purpose of limiting permitted uses and are not intended to be a total listing of all the uses that are prohibited.)

…

10. Major and minor data centers

Section 14 – That Section 22C-4(c)(4) of Appendix 22C to the Zoning Ordinance be and hereby is created, and shall read as follows:

Section 22C-4 – Permitted Uses.

c) Accessory Uses (Uses and structures which are customarily accessory, clearly incidental and subordinate to permitted uses.)

…

4. Server rooms

Section 15 – That Section 23A-9(b)(10) of Appendix 23A to the Zoning Ordinance be and hereby is deleted and the remaining provisions of Section 23A-9(b) be sequentially renumbered accordingly, and that Section 23A-9(c)(15) of Appendix 23A to the Zoning Ordinance be and hereby is created, and shall read as follows:

Section 23A-9 Community Center (CC) Zone

c) Accessory Uses.

…

15. Server rooms

Section 16 – That Section 23A-10(b)(2) of Appendix 23A to the Zoning Ordinance be and hereby is deleted and the remaining provisions of Section 23A-10(b) be sequentially renumbered accordingly, and that Section 23A-10(c)(11) of Appendix 23A to the Zoning Ordinance be and hereby is created, and shall read as follows:

Section 23A-10 Economic Development Zone

c) Accessory Uses.

…

11. Server rooms

Section 17 – That if any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unlawful by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof

Section 18 – That this Ordinance shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL:

_____
MAYOR

ATTEST:

_____
CLERK OF URBAN COUNTY COUNCIL
PUBLISHED:

0711-26:BGS:4932-2828-9482, v. 1