May 12, 2026

Director's Report and Recommendation for Data Center Moratorium Legislation

Introduction and Summary of Proposed Legislation

The City Council is considering legislation to adopt a temporary one-year moratorium on the filing, acceptance, processing, or approval of permit applications for new or expanded data centers. The proposal defines "data center" as follows:

> *"Data center" means a facility:*
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> *(1) used primarily for the housing, operation, or co-location of computer and networking equipment and handling, storing, managing, processing, and backing up of digital data;*
> *(2) having capacity in excess of 20 Megavolt-Amperes (MVA); and*
> *(3) generally requiring uninterruptible power supplies and associated infrastructure such as cooling systems, backup power systems, and battery storage."*

The legislation includes findings of fact in support of a declaration of a public health, safety, and welfare emergency. It is proposed to go into effect immediately upon a vote of approval.

The temporary moratorium would lapse one year after passage unless it is renewed. The ordinance contains a work program and schedule for the City to develop and consider ongoing, permanent regulations for data centers.

Analysis

Several companies have indicated interest in building large-scale data centers in Seattle[1]. Seattle's economy is in large part driven by a robust technology sector that may rely on data centers for server capacity both now and, increasingly, in the future, as the artificial intelligence sector grows. Data centers contribute to economic growth by enabling businesses to access much-needed processing and storage capacity; several smaller-scale data centers

[1] Five Large Data Centers Eyed for Seattle

exist in Seattle today. However, a further proliferation of data centers would have the potential to significantly affect Seattle's energy and water infrastructure, utility affordability and reliability, jobs and economic development, public health, and the environment. Data centers are power-intensive and require significant water supplies for cooling equipment.[2] Data centers may also be emissions-intensive if using fossil fuels. Additionally, data centers can produce a significant amount of noise and heat that can negatively impact the health and wellbeing of surrounding communities.

Data centers are a novel, as-yet-undefined land use type in the City's codes. For example, the Land Use Code does not define this use nor are there currently any development regulations. The City needs time to analyze and determine how best to update its regulations to specifically address data centers.

Comprehensive Plan Goals and Policies

The following describes the proposed legislation's relationship to relevant City goals and policies that are expressed in the One Seattle Comprehensive Plan.

General guidance about defining and regulating types of land uses in the Comprehensive Plan includes:

LU 3.1 *Allow or prohibit uses in each zone based on the zone's intended function and on the expected impacts of a use on other properties in the zone and the surrounding area. Generally, allow a broad mix of compatible uses in centers.*

Data center developers may be interested in locating large scale facilities in industrial zones. Comprehensive Plan guidance related to industrial lands policy provides:

LU 13.2 *Preserve industrial land for industrial uses, especially where industrial land is near rail- or water-transportation facilities to allow marine- and rail-related industries that rely on that transportation infrastructure to continue to function in the city.*

LU 13.3 *Ensure predictability and permanence for industrial activities in industrial areas by limiting changes in industrial land use designation. There should be no reclassification of industrial land to a non-industrial land use category except as part of a City-initiated comprehensive study and review of industrial land use policies or as part of a major update to the Comprehensive Plan.*

[2] Data Center Power Demands Are Contributing to Higher Energy Bills

Data centers use significant energy and water utility resources, and may have impacts on City utilities, including the potential to drive up costs for other customers. Comprehensive Plan guidance related to utility impacts provides:

U 1.1 *Establish and maintain performance metrics that can be used to monitor and evaluate capacity of City-owned utilities to meet the need for utility services as the city grows.*

U 1.3 *Ensure that new private development provides adequate connections to the existing utility infrastructure and is water and energy efficient. Consider programs to equitably balance the costs of infrastructure improvements needed to accommodate growth.*

U G2 *Safe and reliable utility services are accessible and affordable to community members regardless of economic, racial, or housing status, or ability to pay.*

U G4 *Water is treated as an essential resource and managed in a sustainable and integrated way to support healthy natural environment and communities.*

U G6 *Future energy needs are met with safe, affordable, reliable, and environmentally responsible power.*

U 6.5 *Deploy new technology and infrastructure to better manage increased electrical loads from building and transportation decarbonization.*

U 6.6 *Improve demand-side management and energy efficiency options to serve customers while meeting our sustainability goals.*

Data centers may provide economic benefits through supporting a thriving technology business sector. However, they may also take up land that could be utilized for more employment-intensive uses. The Comprehensive Plan guidance related to economic development provides:

ED 2.3 *Promote, support, and improve linkages between industry clusters and research institutions, hospitals, educational institutions, and other technology-based businesses.*

ED 2.7 *Promote and lead coordination of economic development and community development among City departments, as well as with all levels of government, the business community, and nonprofits, to strengthen industry clusters.*

ED 3.2 *Support a stable and more competitive business climate through policies and planning that are implemented with transparent, predictable, and efficient regulations and approval processes.*

ED 3.9 *Implement zoning and other tools to encourage business growth and development that uses and promotes sustainable technologies.*

ED 3.11 *Assist businesses in identifying locations that suit their needs by tracking appropriate and available sites for business attraction or expansion.*

Data centers may contribute to emissions and other types of pollution, without adequate controls. Comprehensive Plan guidance on climate and environment provides:

CE 1.4 *Partner with regional agencies, local jurisdictions, frontline communities, the state, academic institutions, community leaders, industry, Tribes, and public, private, and not-for-profit groups to promote programs and policies that achieve GHG emission reduction targets and increase the awareness and transparency of GHG emissions inventories.*

CE 5.8 *Encourage the use of clean energy sources, such as renewables or waste heat, in both existing and new buildings.*

Siting of new data centers would require an analysis of appropriate development regulations and utility, environmental, and workforce development considerations to ensure that data centers could be sited and operated consistent with the public health, safety, and welfare.

Public Comment, Engagement and Notice

The Council will hear public comment on the ordinance on May 20, 2026, at the Land Use and Sustainability Committee, and on June 2, 2026, when the full Council will vote. Additionally, the Council will hold a public hearing on the ordinance after passage.

Recommendation

The SDCI Director recommends that the City Council pass a moratorium until such time as regulations can be adopted that address the potential public health, safety, and welfare impacts of data centers.