

ANCHORAGE, ALASKA
AO No. 2026-27

1 **AN ORDINANCE OF THE ANCHORAGE ASSEMBLY AMENDING ANCHORAGE**
2 **MUNICIPAL CODE CHAPTER 21.05, 21.40 (OLD CODE), AND 21.50 (OLD**
3 **CODE) AND SECTIONS 21.09.050, 21.10.050, AND 21.35.020 (OLD CODE) TO**
4 **CLARIFY THE LAND USE REVIEW PROCESS FOR DATA CENTERS AND**
5 **SIMILAR ENERGY-INTENSIVE FACILITIES AND REQUESTING THE**
6 **PLANNING DEPARTMENT DEVELOP USE-SPECIFIC CRITERIA FOR ENERGY-**
7 **INTENSIVE USES AND WAIVING PLANNING AND ZONING COMMISSION**
8 **REVIEW.**

9
10 **WHEREAS**, data centers are facilities that house computer servers for processing
11 and storing data, either for a single enterprise or multiple enterprises, that serve as
12 critical infrastructure for Internet-based storage, complex software and language
13 models, artificial intelligence (AI) functions, and other computing needs; and

14
15 **WHEREAS**, data centers are increasingly common in communities across the U.S.,
16 with over 3,000 in operation as of 2025 and more being built in order to meet
17 projected demand for processing and storage capacity;¹ and

18
19 **WHEREAS**, data center facilities of all sizes have intensive energy needs, and may
20 be served by onsite power generation or connected to a larger electrical grid; these
21 facilities also require robust cooling systems, typically using water to remove excess
22 heat from servers in a closed-loop water recycling system or discharging heated
23 water, which may include other contaminants, as waste; and

24
25 **WHEREAS**, communities that are now home to data center facilities have identified
26 additional operational impacts to surrounding properties, primarily noise generation
27 and visual impacts of large warehouse-like facilities and campuses; and

28
29 **WHEREAS**, data centers may be large or small in scale, and small-scale facilities
30 are already being permitted and developed in Alaska communities including
31 Wrangell and Cordova; and

32
33 **WHEREAS**, current Title 21 does not specifically contemplate this use type, with the
34 closest use type being “data processing facility,” which refers to an operation of
35 employees processing data, does not address potential impacts of facilities of this
36 type, and is currently a permitted use in certain zoning districts; and

37
38 **WHEREAS**, emerging best practices from other communities include land use
39 regulation of data centers through a clearly-defined use type, development
40 standards such as visual screening and noise control, and utilizing the development
41 review process to identify and mitigate impacts on surrounding properties, local

¹ National League of Cities and Center for Scientific Evidence in Public Issues (EPI Center), “A primer for local governments: Understanding data centers,” April 28, 2025. <https://www.nlc.org/resource/fact-sheet-understanding-data-centers/>

1 energy infrastructure, and water systems; now, therefore,
2

3 **THE ANCHORAGE ASSEMBLY ORDAINS:**
4

5 **Section 1.** Anchorage Municipal Code section 21.05.060 is hereby amended to
6 read as follows (*the remainder of the section is not affected and therefore not set*
7 *out*):
8

9 **21.05.060 Industrial uses: Definitions and use-specific standards.**
10

11 This section defines the general industrial use categories and specific
12 industrial use types listed in Table 21.05-1. This section also contains use-
13 specific standards that apply to specific use types. The use-specific
14 standards apply regardless of whether the use type is permitted as a matter
15 of right, subject to a site plan review process, or subject to the conditional
16 use process.
17

18 A. Industrial service. This category includes establishments engaged in
19 the repair or servicing of agricultural, industrial, business, or consumer
20 machinery, equipment, products, or by-products. Firms that service
21 consumer goods do so by mainly providing centralized services for
22 separate retail outlets. Contractors and building maintenance services
23 and similar uses perform services off-site. Few customers, especially
24 the general public, come to the site. Accessory activities may include
25 retail sales, offices, parking, and storage. Specific use types include:
26

27 *** *** ***

28 2. Data Center.
29

30 a. Definition. A facility or co-located facilities that house
31 computer servers for processing and storing data and
32 requires at least 20 megawatts of electrical demand at
33 peak operation. There is minimal onsite human activity
34 during normal operations. Accessory uses may include
35 offices, power generation and storage, water storage
36 and treatment, maintenance areas, vehicle and
37 equipment parking and storage.
38

39 i. Geographically dispersed buildings, equipment,
40 structures, and other stationary infrastructure
41 used for the same purpose and owned or
42 operated by the same entity may be considered
43 single facility for the purposes of this section.
44

45 ii. A facility with less than 2,000 servers shall be
46 considered a small data center. A facility with
47 2,000 or more servers shall be considered a large
48 data center.
49

50 b. Use-specific standards.
51

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50

i. Design standards. A data center facility must be designed to minimize adverse visual impacts on surrounding development as demonstrated by the submission of elevations, architectural sketches, or sight line studies.

(A) Designs shall provide visual screening and reduce noise levels, any equipment necessary for cooling, ventilating, or otherwise operating the facility, including power generators or other power supply equipment, must be fully enclosed, except where determined by the Director not to be mechanically feasible based on the manufacturer specifications.

(B) If the Director determines it is not mechanically feasible to fully enclose the equipment, it must be screened by a wall or similar barrier. In addition, any equipment as referenced above that is located on the ground and any accessory electrical substation must be screened from view from abutting lots and from rights-of-way by a visually solid wall or a building. This standard does not apply to solar panels.”

(C) A data center facility must include a main entrance feature that is differentiated from the remainder of the building façade by a change in building material, pattern, texture, color, or accent material. The entrance feature must also either project or recess from the adjoining building plane.

ii. Landscaping. If the specific development is considered a large data center, L3 screening landscaping is required where adjacent to residential zones. Otherwise, L2 buffer landscaping is required where adjacent to residential zones. The planning and zoning commission, through the conditional use review, may require additional screening.

iii. Setbacks. Where the property is adjacent to residential or any other sound-sensitive use, a data center facility or ancillary equipment must be located at least 200 feet from the residential or

1 noise-sensitive use. The Director may waive this
2 requirement only for small data centers.

3
4 iv. These standards do not apply to accessory
5 uses.

6
7 c. Additional submittal requirements for a conditional use
8 permit.

9
10 i. Completion of a noise mitigation study for
11 projected operational noise levels, including at
12 peak operation, demonstrating that the operation
13 of the data center will not exceed the standards
14 stated in AMC subsection 15.70.080A.

15
16 (A) The study must include consideration of
17 sound source location and directivity, and
18 barrier effects of buildings and
19 topography, for all proposed development
20 on a lot or site plan.

21
22 (B) If the development will be completed in
23 phases, the study must address both the
24 proposed phase and the ultimate buildout
25 of the proposed development.

26
27 ii. If the facility requires connecting to and drawing
28 power from the surrounding electrical grid, the
29 application must include a written statement from
30 the electrical utility or utilities demonstrating that
31 there is sufficient system capacity to meet the
32 facility's projected demand at peak operation.
33 The project application shall document estimated
34 electrical demand at peak operation.

35
36 iii. If the facility requires connecting to the public
37 water system, the application must include a
38 written statement from the water utility that there
39 is sufficient water at adequate pressure to meet
40 the facility's projected daily water demand at peak
41 operation. The project application shall include all
42 information the water utility deems necessary to
43 make these determinations. The water utility may
44 write that sufficient water quantity and pressure
45 may be made available through privately
46 constructed and funded upgrades to the water
47 system, the construction of which shall be a
48 condition on the land use permit.

49
50 iv. If the facility will discharge wastewater into the
51 public sewage system, the application must

1 include a written statement from the wastewater
2 utility that there is adequate capacity in the sewer
3 system for the facility's discharge at peak
4 operation and that the applicant has provided the
5 wastewater utility with reliable information
6 adequate for the wastewater utility to determine
7 the facility's ability to comply with the Clean Water
8 Act (33 U.S.C. Sec. 1251 et seq. (1972)), title 26
9 of this Code, and all other applicable laws and
10 regulations. The project application shall include
11 all information the wastewater utility deems
12 necessary to make these determinations. In its
13 written statement, the wastewater utility may
14 state, additionally or alternatively to concluding
15 that sufficient capacity exists in the sewer
16 system.:

17
18 (A) That sufficient sewer capacity may be
19 achieved through privately constructed
20 and funded upgrades to the public sewer
21 system, the construction of which shall be
22 a condition on the land use permit, or

23
24 (B) That based on the information provided by
25 the applicant, the project's discharge is
26 likely to result in significant adverse
27 impacts on the public sewer system or
28 human health. Such a statement by the
29 wastewater utility creates a presumption
30 that the approval criterion at 21.03.080D.7
31 is not met. This presumption may only be
32 overcome by clear and convincing
33 evidence presented to the commission.

34
35 v. If the facility utilizes an onsite water and
36 wastewater system, the application must
37 demonstrate that the project complies with all
38 applicable Alaska Department of Environmental
39 Conservation requirements.

40
41 vi. Evidence of adequate fire detection and
42 suppression systems at the facility, including for
43 any onsite power generation and storage
44 infrastructure.

45
46 vii. Documentation of anticipated onsite power
47 generation including energy source(s) and
48 whether any power generated at the facility in
49 excess of its operational need may be returned to
50 the grid, water recycling, reclamation of waste
51 heat, treatment of contaminants, and any other

strategies to prevent, reduce, or mitigate potential impacts of the facility on the surrounding community.

3. *Data processing facility.*

- a. *Definition.* An establishment where electronic data is processed by employees, including, without limitation, data entry, storage, conversion, or analysis; and subscription and credit card transaction processing.

*** *** ***

(AO 2012-124(S), 2-26-13; AO 2013-117, 12-3-13; AO No. 2013-139, § 1, 1-28-14; AO No. 2014-58, § 2(Att. A), 5-20-14; AO No. 2015-133(S), § 3(Exh. A), 2-23-16; AO No. 2015-142(S-1), § 3(Exh. B), 6-21-16; AO No. 2016-3(S), §§ 6, 7, 2-23-16; AO No. 2016-131, § 1, 11-15-16; AO No. 2016-136am, § 2, 11-15-16; AO No. 2016-156, § 1, 12-20-16; AO No. 2017-10, § 1, 1-24-17; AO No. 2017-57, § 1, 4-11-17; AO No. 2017-74, § 1, 5-23-17; AO No. 2017-176, § 4, 1-9-18; AO No. 2017-175(S), § 3(Exh. A), 2-13-18; AO No. 2020-38, § 6, 5-28-20; AO No. 2020-56, § 2, 6-23-20; AO No. 2021-54, § 1, 6-22-21; AO No. 2023-77, §§ 5, 18, 7-25-23; AO No. 2023-42, § 2, 8-22-23; AO No. 2023-87(S-1), § 2(Exh. B), 6-25-24; AO No. 2025-36, § 1, 4-16-25)

Section 2. Anchorage Municipal Code section 21.05.010 is hereby amended to read as follows (*the remainder of the section is not affected and therefore not set out*):

21.05.010 Table of allowed uses.

Table 21.05-1 below lists the uses allowed within all base zoning districts in the Anchorage Bowl except for the Downtown (DT) Districts. (See Chapters 21.09, 21.10, and 21.11 for regulations specific to Girdwood, Chugiak-Eagle River, and the Downtown (DT) Districts, respectively.) Each of the listed uses is defined in Sections 21.05.030 through 21.05.060.

*** *** ***

E. Table of Allowed Uses - Residential, Commercial, Industrial, and Other Districts

[See Exhibit A for amendments to the Table]

(AO 2012-124(S), 2-26-13; AO 2013-117, 12-3-13; AO No. 2013-139, § 1, 1-28-14; AO No. 2014-58, § 2(Att. A), 5-20-14; AO No. 2015-133(S), § 3(Exh. A), 2-23-16; AO No. 2015-142(S-1), § 3(Exh. B), 6-21-16; AO No. 2016-3(S), §§ 6, 7, 2-23-16; AO No. 2016-131, § 1, 11-15-16; AO No. 2016-136am, § 2, 11-15-16; AO No. 2016-156, § 1, 12-20-16; AO No. 2017-10, § 1, 1-24-17; AO No. 2017-57, § 1, 4-11-17; AO No. 2017-74, § 1, 5-23-17; AO No. 2017-176, § 4, 1-9-18; AO No. 2017-175(S), § 3(Exh. A), 2-13-18; AO No. 2020-38, § 6, 5-28-20; AO No. 2020-56, § 2, 6-23-20; AO No. 2021-54, § 1, 6-22-21; AO No. 2023-77, §§ 5, 18, 7-25-23; AO No. 2023-42, § 2, 8-22-23; AO No. 2023-87(S-1), § 2(Exh. B), 6-25-24; AO No. 2025-36, § 1, 4-16-25)

1 **Section 3.** Anchorage Municipal Code section 21.09.050 is hereby amended to
 2 read as follows (*the remainder of the section is not affected and therefore not set*
 3 *out*):

4 **21.09.050 Use regulations.**

5
 6 A. *Table of allowed uses.* Table 21.09-2 below lists the uses allowed
 7 within the base zoning districts in Girdwood. If a use is not defined in
 8 this chapter, the definition in Chapter 21.05 shall apply. When the uses
 9 in a district are determined through a master planning process per
 10 subsections 21.09.030E. and F., this table shall not apply.

11 *** **

12 5. *Table of Allowed Uses*

13 [See Exhibit B for amendments to the Table]

14 *** **

15 (AO 2012-124(S), 2-26-13; AO 2013-117, 12-3-13; AO No. 2015-142(S-1),
 16 §§ 6, 7, 6-21-16; AO No. 2016-3(S), §§ 12—14, 2-23-16; AO No. 2017-68, §
 17 1, 4-25-17; AO No. 2020-53, § 1, 6-2-20; AO No. 2021-89(S), § 16, 2-15-22;
 18 AO No. 2021-112, § 1, 3-1-22; AO No. 2022-67, § 1, 7-26-22; AO No. 2023-
 19 24, § 1, 3-21-23; AO No. 2024-24, § 7, 4-23-24; AO No. 2024-121, § 2, 1-7-
 20 25)

21
 22
 23
 24
 25 **Section 4.** Anchorage Municipal Code section 21.10.050 is hereby amended to
 26 read as follows (*the remainder of the section is not affected and therefore not set*
 27 *out*):

28
 29 **21.10.050 Use regulations.**

30
 31 A. *Table of Allowed Uses.* Table 21.10-4 below lists the uses allowed
 32 within the base zoning districts in Chugiak-Eagle River. Each of the
 33 listed uses is defined in Chapter 21.05. When the uses in a district are
 34 determined through a CE-PCD district this table shall not apply.

35 *** **

36 5. *Table of Allowed Uses*

37 [See Exhibit C for amendments to the Table]

38 *** **

39 (AO 2012-124(S), 2-26-13; AO 2013-117, 12-3-13; AO 2013-139, § 2, 1-28-
 40 14; AO No. 2014-40(S), §§ 2(Att. A), 3, 4, 5-20-14; AO No. 2014-58, § 4(Att.
 41 C), 5-20-14; AO No. 2015-133(S), § 5, 2-23-16; AO No. 2015-142(S-1), §§
 42 8, 9, 6-21-16; AO No. 2016-3(S), §§ 15—17, 2-23-16; AO No. 2016-54, § 1,
 43 6-7-16; AO No. 2016-136, § 4, 11-15-16; AO No. 2017-10, § 2, 1-24-17; AO
 44 No. 2017-57, § 2, 4-1-17 AO No. 2017-160, § 6, 12-19-17; AO No. 2019-11,
 45 § 5, 2-12-19; AO No. 2021-89(S), § 17, 2-15-22; AO No. 2022-107, § 2, 2-7-
 46 23; AO No. 2023-77, § 16, 7-25-23; AO No. 2024-24, § 8, 4-23-24; AO No.
 47 2025-41(S), § 2, 4-22-25)

Section 5. Anchorage Municipal Code section 21.35.020 (Old Code) is hereby amended to read as follows (*the remainder of the section is not affected and therefore not set out*):

21.35.020 Definitions and rules of construction.

*** *** ***

B. The following words, terms and phrases, when used in this title, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*** *** ***

Coverage, building means that percentage of the total lot area covered by buildings. For the purpose of floor area ratio (FAR) calculations, building coverage excludes 100 percent of the gross floor area which is completely below grade and used exclusively for required vehicle parking and loading.

Data Center means facility or co-located facilities that house computer servers for processing and storing data and requires at least 20 megawatts of electrical demand at peak operation. There is minimal onsite human activity during normal operations. Accessory uses may include offices, power generation and storage, water storage and treatment, maintenance areas, vehicle and equipment parking and storage.

a. Geographically dispersed buildings, equipment, structures, and other stationary infrastructure used for the same purpose and owned or operated by the same entity may be considered single facility for the purposes of this section.

b. A facility with less than 2,000 servers shall be considered a small data center. A facility with 2,000 or more servers shall be considered a large data center.

Density means the number of dwelling units per gross acre in any residential development.

*** *** ***

(GAAB 21.05.020; AO No. 77-355; AO No. 78-16; AO No. 78-28; AO No. 78-171; AO No. 78-231; AO No. 79-214; AO No. 80-42; AO No. 81-67(S); AO No. 81-97; AO No. 81-180; AO No. 82-54; AO No. 82-167; AO No. 83-91(S); AO No. 84-14; AO No. 84-52; AO No. 85-58; AO No. 85-159; AO No. 85-91, 10-1-85; AO No. 85-216; AO No. 86-19; AO No. 86-78; AO No. 86-90; AO No. 86-171; AO No. 88-172; AO No. 88-171(S-1), 12-31-88; AO No. 89-35, 4-7-89; AO No. 88-147(S-2); AO No. 90-50(S); AO No. 91-35; AO No. 90-152(S); AO No. 91-90(S); AO No. 91-184; AO No. 92-7(S-2); AO No. 92-26; AO No. 92-93; AO No. 92-128(S); AO No. 92-129(S); AO No. 93-58; AO No. 93-148, § 1, 11-16-93; AO No. 94-62, § 2, 4-12-94; AO No. 95-68(S-1), §§ 2, 3, 8-8-95; AO No. 95-173, § 1, 11-14-95; AO No. 96-41, § 1, 3-5-96; AO No. 96-131(S), § 1, 10-22-96; AO No. 98-106, § 1, 7-21-98; AO No. 98-160, § 3, 12-8-98; AO No. 99-62, § 2, 5-11-99; AO No. 2000-119(S), § 8, 2-20-01; AO No. 2001-79(S), § 1, 5-8-01; AO No. 2001-80, § 1, 5-8-01; AO No. 2001-

101(S), § 2, 4-9-02; AO No. 2002-109, § 2, 9-10-02; AO No. 2002-117, § 4, 1-28-03; AO No. 2003-62(S-1), § 3, 10-1-03; AO No. 2003-97, § 1, 9-30-03; AO No. 2003-132, § 1, 10-7-03; AO No. 2003-124(S), § 1, 1-20-04; AO No. 2004-108(S), § 2, 10-26-04; AO No. 2005-9, § 1, 3-1-05; AO No. 2005-150(S-1), § 1, 2-28-06; AO No. 2005-185(S), § 1, 2-28-06; AO No. 2005-124(S-1A), § 4, 4-18-06; AO No. 2006-121, § 1, 9-26-06; AO No. 2006-64(S-1), § 1, 12-12-06; AO No. 2007-62, § 1, 5-15-07; AO No. 2008-80, § 1, 9-16-08; AO No. 2009-22, § 1, 4-14-09; AO No. 2010-3, § 1, 3-23-10; AO No. 2010-50(S), § 1, 8-31-10; AO No. 2011-93(S), § 1, 9-27-11; AO No. 2014-58, § 5, 5-20-14; AO No. 2016-3(S), § 20, 2-23-16; AO No. 2018-118, § 2, 1-1-19; AO No. 2020-24, § 1, 3-10-20)

Section 6. Anchorage Municipal Code chapter 21.40 (Old Code) is hereby amended to read as follows (*the remainder of the chapter is not affected and therefore not set out*):

Chapter 21.40 ZONING DISTRICTS (OLD CODE - Expires December 31, 2015)^[1]

*** *** ***

21.40.200 I-1 light industrial district.

The following statement of intent and use regulations shall apply in the I-1 district:

*** *** ***

D. *Conditional uses.* Subject to the requirements of the conditional use standards and procedures of this title, the following uses may be permitted:

1. Mobile home parks on sites of at least ten acres in area.
2. Airstrips and heliports.
3. Planned unit developments.
4. Natural resource extraction on tracts of not less than five acres.
5. Camper parks.
6. Marquees, overpasses and similar substantial projections into public airspace, together with any signs to be mounted thereon.
7. Motels, hotels and lodging.
8. Impound yards.
9. Correctional community residential centers.
10. Motorized sports on parcels with a minimum of 20 acres, maximum engine size of 250 cc's for wheeled vehicles and 550

1 cc's for snow machines, hours of operation shall be 7:00 a.m.
 2 to 10:00 p.m. Monday through Saturday and 12:00 p.m. to
 3 10:00 p.m. on Sunday.

4
 5 11. Public, private and parochial academic schools.

6
 7 12. Business colleges and universities.

8
 9 13. Type 1, 2, 3, or 4 community interest and local interest towers
 10 that do not meet the supplementary district regulations for a
 11 permitted or accessory use.

12
 13 14. Dormitories.

14
 15 15. Child care centers and child care homes.

16
 17 16. Tower, high voltage transmission, exceeding maximum
 18 average tower height of 70 feet. Towers exceeding the
 19 maximum average of 70 feet in height may be replaced with a
 20 like tower, or a shorter tower, without the requirement for a
 21 conditional use. When a road project or other public works
 22 project causes a utility to modify its existing facilities to
 23 accommodate the design of the public works project, a
 24 maximum of four structures of an existing transmission line may
 25 be replaced with structures exceeding the maximum average
 26 of 70 feet in height without the requirement for a conditional
 27 use.

28
 29 17. Two or three free-standing small wind energy conversion
 30 systems, subject to the requirements of section 21.50.470.

31
 32 18. Data centers.

33
 34 *** **

35 (GAAB 21.05.050.O; AO No. 77-355; AO No. 79-95; AO No. 81-67(S); AO
 36 No. 82-105; AO No. 84-57; AO No. 85-91, 10-1-85; AO No. 85-95; AO No.
 37 86-50; AO No. 86-90; AO No. 87-32; AO No. 88-147(S-2); AO No. 90-50(S);
 38 AO No. 92-114; AO No. 95-68(S-1), § 11, 8-8-95; AO No. 95-76, § 1, 4-4-95;
 39 AO No. 95-194, § 1, 1-2-96; AO No. 98-160, § 9, 12-8-98; AO No. 98-173, §
 40 5, 11-3-98; AO No. 99-62, § 24, 5-11-99; AO No. 2001-80, § 8, 5-8-01; AO
 41 No. 2004-5, § 1, 1-20-04; AO No. 2004-108(S), § 5, 10-26-04; AO No. 2004-
 42 178(am), § 1, 1-25-05; AO No. 2005-9, § 3, 3-1-05; AO No. 2005-185(S), §
 43 23, 2-28-06; AO No. 2006-64(S-1), §§ 2, 3, 12-12-06; AO No. 2007-121(S-
 44 1), § 10, 10-23-07; AO No. 2010-3, § 8, 3-23-10; AO No. 2010-50(S), § 21,
 45 8-31-10; AO No. 2014-58, § 12, 5-20-14; AO No. 2018-118, § 2, 1-1-19)

46
 47 **21.40.210 I-2 heavy industrial district.**

48
 49 The following statement of intent and use regulations shall apply in the I-2
 50 district:

51

1 *** *** ***

2 D. *Conditional uses.* Subject to the requirements of the conditional use
3 and site plan standards and procedures of this title, the following uses
4 may be permitted:

- 5
- 6 1. Junkyards and salvage yards.
- 7
- 8 2. Airstrips and heliports.
- 9
- 10 3. Planned unit developments.
- 11
- 12 4. Natural resource extraction on tracts of not less than five acres.
- 13
- 14 5. Uses which involve the sale or dispensing of alcoholic
15 beverages may be permitted in accordance with
16 section 21.50.160. Alcoholic beverage license use for a
17 restaurant or eating place licensed by the State Alcoholic
18 Beverages Control Board to sell beer and wine for consumption
19 only on the licensed premises is permitted subject to the
20 administrative site plan review standards in section 21.50.500.
- 21
- 22 6. Incinerator facilities and thermal desorption units.
- 23
- 24 7. Type 1, 2, 3, or 4 community interest and local interest towers
25 that do not meet the supplementary district regulations for a
26 permitted or accessory use.
- 27
- 28 8. Tower, high voltage transmission, exceeding maximum
29 average tower height of 70 feet. Towers exceeding the
30 maximum average of 70 feet in height may be replaced with a
31 like tower, or a shorter tower, without the requirement for a
32 conditional use. When a road project or other public works
33 project causes a utility to modify its existing facilities to
34 accommodate the design of the public works project, a
35 maximum of four structures of an existing transmission line may
36 be replaced with structures exceeding the maximum average
37 of 70 feet in height without the requirement for a conditional
38 use.
- 39
- 40 9. Two or three free-standing small wind energy conversion
41 systems, subject to the requirements of section 21.50.470.
- 42
- 43 10. Utility wind energy conversion systems, subject to the
44 requirements of section 21.50.480.

45

46 11. Data centers.

47 *** *** ***

48

49 (GAAB 21.05.050.P; AO No. 77-355; AO No. 85-91, 10-1-85; AO No. 87-32;
50 AO No. 91-184; AO No. 93-148, § 4, 11-16-93; AO No. 96-60, § 1, 8-6-96;
51 AO No. 96-125, § 1, 11-12-96; AO No. 97-78, § 2, 6-3-97; AO No. 99-62, §

25, 5-11-99; AO No. 2001-80, § 9, 5-8-01; AO No. 2005-185(S), § 24, 2-28-06; AO No. 2005-124(S-1A), § 26, 4-18-06; AO No. 2006-64(S-1), §§ 2, 3, 12-12-06; AO No. 2007-121(S-1), § 11, 10-23-07; AO No. 2010-50(S), § 22, 8-31-10)

21.40.220 I-3 rural industrial district.

The following statement of intent and use regulations shall apply in the I-3 district:

*** *** ***

D. *Conditional uses.* Subject to the requirements of the conditional use provisions of this title, the following uses may be permitted:

1. Junkyards and salvage yards.
2. Airports and heliports.
3. Planned unit developments.
4. Tanning, curing, processing or storing of raw hides and skins.
5. Natural resource extraction on tracts of not less than five acres.
6. Type 1, 2, 3, or 4 community interest and local interest towers that do not meet the supplementary district regulations for a permitted or accessory use.
7. Tower, high voltage transmission, exceeding maximum average tower height of 70 feet. Towers exceeding the maximum average of 70 feet in height may be replaced with a like tower, or a shorter tower, without the requirement for a conditional use. When a road project or other public works project causes a utility to modify its existing facilities to accommodate the design of the public works project, a maximum of four structures of an existing transmission line may be replaced with structures exceeding the maximum average of 70 feet in height without the requirement for a conditional use.

8. Data centers.

*** *** ***

(GAAB 21.05.050.Q; AO No. 77-355; AO No. 85-91, 10-1-85; AO No. 87-32; AO No. 93-148, § 2, 11-16-93; AO No. 99-62, § 26, 5-11-99; AO No. 2001-80, § 10, 5-8-01; AO No. 2005-185(S), § 25, 2-28-06; AO No. 2005-124(S-1A), § 27, 4-18-06; AO No. 2006-64(S-1), §§ 2, 3, 12-12-06)

*** *** ***

Section 7. Anchorage Municipal Code chapter 21.50 (Old Code) is hereby amended insert a new section 21.50.515 (*requiring no legislative drafting*):

1
2 **21.50.515 Conditional use standards – Data centers.**
3

4 The following standards shall apply to data centers:
5

6 A. *Design standards.* A data center facility must be designed to minimize
7 adverse visual impacts on surrounding development as demonstrated
8 by the submission of elevations, architectural sketches, or sight line
9 studies.

10
11 1. Designs shall provide visual screening and reduce noise levels,
12 any equipment necessary for cooling, ventilating, or otherwise
13 operating the facility, including power generators or other
14 power supply equipment, must be fully enclosed, except where
15 determined by the Director not to be mechanically feasible
16 based on the manufacturer specifications.

17
18 2. If the Director determines it is not mechanically feasible to fully
19 enclose the equipment, it must be screened by a wall or similar
20 barrier. In addition, any equipment as referenced above that is
21 located on the ground and any accessory electrical substation
22 must be screened from view from abutting lots and from rights-
23 of-way by a visually solid wall or a building. This standard does
24 not apply to solar panels.”

25
26 3. A data center facility must include a main entrance feature that
27 is differentiated from the remainder of the building façade by a
28 change in building material, pattern, texture, color, or accent
29 material. The entrance feature must also either project or
30 recess from the adjoining building plane.

31
32 B. *Landscaping.* If the specific development is considered a large data
33 center, L3 screening landscaping is required where adjacent to
34 residential zones. Otherwise, L2 buffer landscaping is required
35 where adjacent to residential zones. The planning and zoning
36 commission, through the conditional use review, may require
37 additional screening.

38
39 C. *Setbacks.* Where the property is adjacent to residential or any other
40 sound-sensitive use, a data center facility or ancillary equipment must
41 be located at least 200 feet from the residential or noise-sensitive use.
42 The Director may waive this requirement only for small data centers.

43
44 D. *Additional submittal requirements for a conditional use permit.*

45
46
47 1. Completion of a noise mitigation study for projected operational
48 noise levels, including at peak operation, demonstrating that
49 the operation of the data center will not exceed the standards
50 stated in AMC subsection 15.70.080A.
51

- 1 a. The study must include consideration of sound source
2 location and directivity, and barrier effects of buildings
3 and topography, for all proposed development on a lot
4 or site plan.
5
6 b. If the development will be completed in phases, the
7 study must address both the proposed phase and the
8 ultimate buildout of the proposed development.
9
- 10 2. If the facility requires connecting to and drawing power from the
11 surrounding electrical grid, the application must include a
12 written statement from the electrical utility or utilities
13 demonstrating that there is sufficient system capacity to meet
14 the facility's projected demand at peak operation. The project
15 application shall document estimated electrical demand at peak
16 operation.
17
- 18 3. If the facility requires connecting to the public water system, the
19 application must include a written statement from the water
20 utility that there is sufficient water at adequate pressure to meet
21 the facility's projected daily water demand at peak operation.
22 The project application shall include all information the water
23 utility deems necessary to make these determinations. The
24 water utility may write that sufficient water quantity and
25 pressure may be made available through privately constructed
26 and funded upgrades to the water system, the construction of
27 which shall be a condition on the land use permit.
28
- 29 4. If the facility will discharge wastewater into the public sewage
30 system, the application must include a written statement from
31 the wastewater utility that there is adequate capacity in the
32 sewer system for the facility's discharge at peak operation and
33 that the applicant has provided the wastewater utility with
34 reliable information adequate for the wastewater utility to
35 determine the facility's ability to comply with the Clean Water
36 Act (33 U.S.C. Sec. 1251 et seq. (1972)), title 26 of this Code,
37 and all other applicable laws and regulations. The project
38 application shall include all information the wastewater utility
39 deems necessary to make these determinations. In its written
40 statement, the wastewater utility may state, additionally or
41 alternatively to concluding that sufficient capacity exists in the
42 sewer system,:
43
- 44 a. That sufficient sewer capacity may be achieved through
45 privately constructed and funded upgrades to the public
46 sewer system, the construction of which shall be a
47 condition on the land use permit, or
48
- 49 b. That based on the information provided by the applicant,
50 the project's discharge is likely to result in significant
51 adverse impacts on the public sewer system or human

health. Such a statement by the wastewater utility creates a presumption that the approval criterion at 21.03.080D.7 is not met. This presumption may only be overcome by clear and convincing evidence presented to the commission.

- 5. If the facility utilizes an onsite water and wastewater system, the application must demonstrate that the project complies with all applicable Alaska Department of Environmental Conservation requirements.
- 6. Evidence of adequate fire detection and suppression systems at the facility, including for any onsite power generation and storage infrastructure.
- 7. Documentation of anticipated onsite power generation including energy source(s) and whether any power generated at the facility in excess of its operational need may be returned to the grid, water recycling, reclamation of waste heat, treatment of contaminants, and any other strategies to prevent, reduce, or mitigate potential impacts of the facility on the surrounding community.

Section 8. The Assembly requests the Planning Department on other communities' use standards and mitigation of impacts of energy-intensive data facilities, and recommend any revised or additional land use regulations such as overlay districts, special land use permits, or revised use standards in a brief report to the Planning and Zoning Commission, Mayor and Assembly via AIM.

Section 9. Pursuant to AMC subsection 21.03.210C., this ordinance shall not require planning and zoning commission review prior to assembly action, and the 21-day published notice requirement of AMC subsection 21.03.020H.4. is waived; this ordinance shall comply with charter § 10.01(b) notice requirements.

Section 10. This ordinance shall be effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____, 2026.

ATTEST:

Chair

Municipal Clerk



MUNICIPALITY OF ANCHORAGE ASSEMBLY MEMORANDUM

No. AM 116-2026

Meeting Date: February 17, 2026

1 **From: Assembly Vice-Chair Brawley**

2
3 **Subject: AN ORDINANCE OF THE ANCHORAGE ASSEMBLY AMENDING**
4 **ANCHORAGE MUNICIPAL CODE CHAPTER 21.05, 21.40 (OLD**
5 **CODE), AND 21.50 (OLD CODE) AND SECTIONS 21.09.050,**
6 **21.10.050, AND 21.35.020 (OLD CODE) TO CLARIFY THE LAND**
7 **USE REVIEW PROCESS FOR DATA CENTERS AND SIMILAR**
8 **ENERGY-INTENSIVE FACILITIES AND REQUESTING THE**
9 **PLANNING DEPARTMENT DEVELOP USE-SPECIFIC CRITERIA**
10 **FOR ENERGY-INTENSIVE USES AND WAIVING PLANNING AND**
11 **ZONING COMMISSION REVIEW.**

12
13 This ordinance addresses a current gap in the Municipality’s zoning code regarding
14 use standards and land use review process for data centers and proposes a
15 proactive approach to ensure that facilities built within the Municipality undergo a
16 robust review process and consider mitigation of known and potential impacts for
17 these facilities.

18
19 **Data Centers: A Growing Sector with Many Opportunities but Growing**
20 **Resource Demand.**

21
22 Data centers are a rapidly-growing type of infrastructure for the Internet and complex
23 computing needs such as artificial intelligence (AI). A data center is an energy-
24 intensive industrial use that is essentially a large warehouse (or small facility)
25 housing many data servers, which use electricity and generate a great deal of heat
26 that requires cooling to protect the electronics operating in the facility, typically
27 water-based cooling systems that either recycle water and dispose of waste heat,
28 or discharge heated water into the larger water system. Once constructed, there are
29 typically only a small number of employees onsite during normal operations,
30 primarily staff for maintenance, janitorial, and to monitor any onsite power
31 generation or other systems: this makes them distinct from other similar uses such
32 as warehouses, which are characterized as storing physical goods and materials,
33 with regular employee activity onsite to manage inventory, package and ship goods,
34 and manage wholesale or direct-to-consumer sales. Current estimates have
35 identified at least 4,000 data centers operating in the United States, with many more
36 planned for construction (see map).

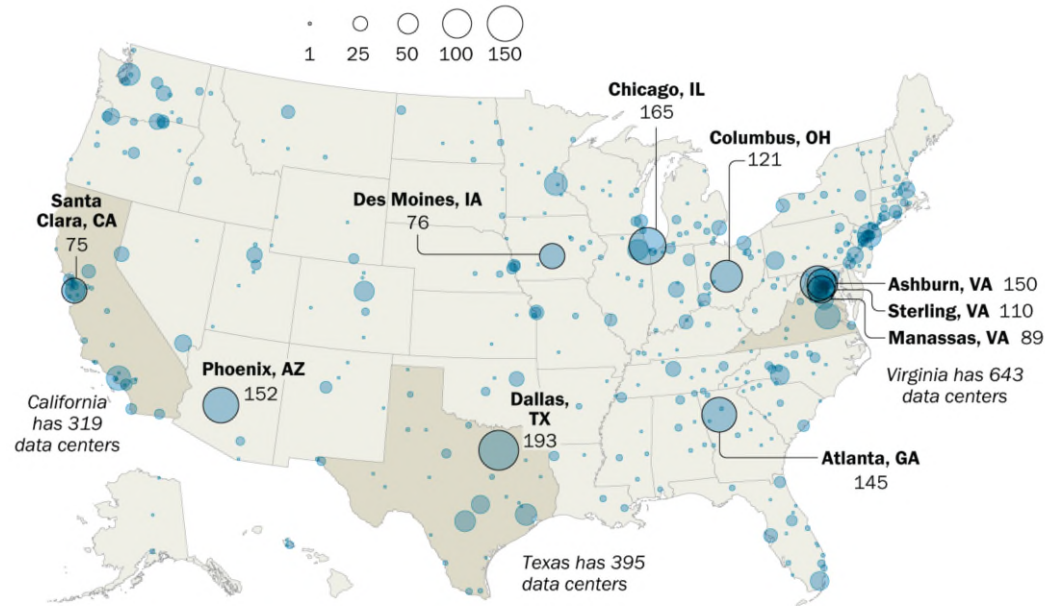
37
38 While data centers have existed for at least two decades, this sector is experiencing
39 rapid growth and expansion due to increased demand for computing power and data
40 storage; this has also resulted in significant investment in these facilities across the
41 United States, and put increased demand on local energy and water supply
42 systems, particularly by large facilities called “hyperscaler” data centers: “A typical
43 AI-focused hyperscaler [data center] annually consumes as much electricity as

1 100,000 households. The larger ones currently under construction are expected to
 2 use 20 times as much.”¹ In states that have seen significant development of these
 3 facilities in recent years, data centers may utilize more than 10% of total electricity
 4 supply, and over 25% in Virginia.² Water usage is also significant, primarily for large
 5 facilities, creating large demand on a local water supply, as well as need to dispose
 6 of large amounts of waste heat.

7
 8 **Map: Data Centers in the United States, October 2025**

Virginia, Texas and California lead in number of data centers

Number of data centers, by market



Note: Includes operational data centers and those in development. Refer to the Data Center Map methodology for more details.
 Source: Data Center Map, accessed Oct. 20, 2025.

PEW RESEARCH CENTER

9
 10
 11 **Potential Benefits, Known Land Use and Infrastructure Impacts.**

12
 13 Development of these centers has spurred greater interest in renewable energy
 14 systems, self-contained electrical generation systems and use of closed-loop water
 15 recycling systems; some communities have actually seen significant benefit as it
 16 makes renewable energy systems more economically feasible, if it is possible to
 17 develop these facilities to meet demand beyond that of the data center itself.
 18 However, if the data center does not have its own onsite power source, it is designed
 19 to draw a large electrical load from the existing grid; even if it pays a higher rate, it
 20 can cause significant supply issues for residents and other businesses during peak
 21 demand periods, requiring significant system expansion which ends up being paid
 22 by all ratepayers or requiring significant public investment. The issue of cost-shifting
 23 needed infrastructure upgrades (electrical and water systems) to other ratepayers

¹ Pew Research, 2025. (All references listed at end of memo)

² Electric Power Research Institute, quoted in Pew (2025).

1 is happening in other states: “Utilities often must make expensive upgrades to power
2 grids so they can handle increased energy demands from new data centers. Smaller
3 businesses and U.S. households often shoulder these costs unless ratepayer
4 protections are put in place.”

5
6 As noted above, one large facility can require the equivalent energy load of 100,000
7 households—which is about the size of Anchorage’s population. While there
8 continue to be local investments in renewable energy by utilities, private parties, and
9 critical infrastructure like the microgrid and battery storage project at the Port, the
10 primary fuel source for both electricity and heat continues to be natural gas, which
11 has seen a shift from relying on less-expensive local supply, to having to import and
12 store to meet projected need throughout the year. While a large “hyperscaler” center
13 is unlikely to be constructed in Anchorage given the current economics, the state is
14 encouraging more data center facilities to locate in Alaska, due in part to our cold
15 temperatures and plentiful water sources for cooling. And construction of new,
16 energy-intensive data centers is not simply a hypothetical in Alaska: at least two
17 small-scale facilities are being built in Wrangell and Cordova, both projects of
18 Greensparc, with discussions about the impacts outlined above: energy needs,
19 noise generated, and how it may impact overall electric grid capacity; both
20 communities rely on hydroelectric power.³

21
22 While data centers do provide critical infrastructure for the Internet and many
23 technologies we have come to rely on, and can create economic benefits, including
24 short-term construction employment, operating revenue from adding a major user
25 to an existing utility’s customer base, and potential to expand renewable energy
26 infrastructure. However, it should also give residents pause when considering the
27 fact that one single facility has the same energy demand as the population of an
28 entire mid-sized city.

29
30 There is already some discussion of data center energy needs and impacts in the
31 Alaska Legislature, with House Bill 259 introduced by Rep. Mears at the beginning
32 of the 2026 legislative session, attempting to define how data centers interact with
33 utilities and communities, particularly on the issue of energy needs and utilizing the
34 existing system capacity. It is appropriate to focus discussions about our energy
35 grid, utility and regulatory considerations, and other big-picture policy questions at
36 the state level. In the meantime, what can cities do to evaluate and mitigate impacts
37 of these facilities? What is the local government’s role?

38 39 **Importance of Land Use Regulation and Impact Mitigation.**

40
41 Cities have long contended with commercial and industrial land uses that generate
42 negative external impacts, such as the byproducts of agriculture, livestock
43 management, and noise and dust from quarry operations. During the Industrial
44 Revolution of the 18th and 19th centuries, as urban centers grew more dense,
45 industrial uses were often noxious and increasingly incompatible with city life:

³ Wrangell Sentinel, “Proposed small-scale data center in Wrangell raises questions,” reprinted in Juneau Independent, January 14, 2026. <https://www.juneauindependent.com/post/proposed-small-scale-data-center-in-wrangell-raises-questions>

1 leather tanning factories, brick production yards,⁴ coal plants, and industrial-scale
2 agricultural and meat production facilities. As local health and safety impacts
3 surfaced in people and surrounding areas, from noise pollution to groundwater
4 contamination, there developed a body of case law that it is within cities' purview to
5 address, regulate, and even prohibit certain land uses that generate significant
6 impacts to surrounding properties, residents, and communities.

7 While data centers, do not generate impacts like the industrial and chemical
8 pollutants of centuries past, they have shown to have significant impacts on a
9 community: their intensive energy (primarily electricity) usage, need for large
10 volumes of water for cooling, operational impacts such as light and noise, and the
11 broader opportunity cost for this type of land use being located in the urban core.
12 This ordinance does not propose prohibiting data centers, or "zoning them out of
13 existence," but does address what is currently a large gap for these facilities in both
14 the review and approval process, and setting out clear standards and requirements
15 for this use type, which many other industrial uses already have in code, from
16 warehouse and storage to manufacturing.

17
18 In short, "data center" as a land use is not specifically contemplated in current zoning
19 code. The closest use, "data processing facility," describes onsite data processing
20 activities by employees; "warehouse and storage" describes "the storage or
21 movement of goods" and focuses on physical inventory.

22
23 AMC 21.05.060.A.2 Data processing facility.

24 a) Definition. Establishment where electronic data is processed by
25 employees, including, without limitation, data entry, storage,
26 conversion, or analysis; subscription and credit card transaction
27 processing.

28
29 "Data processing facility" is also currently a by-right use in commercial and industrial
30 zones; absent any change, if this other use type is the closest analogue to a data
31 center, then a facility of that type could be built without additional review beyond
32 structural building permits.

33 34 **Substantive Amendments to Code Proposed by this Ordinance.**

35
36 This ordinance sets rules for businesses that provide industrial services, and it
37 specifically defines what counts as a data center and how those facilities must be
38 built and operated. A data center is a building or group of buildings that house large
39 numbers of computer servers and use a significant amount of electricity—at least
40 20 megawatts. These facilities usually have very little human activity on-site and
41 may include offices, power equipment, and parking areas.

42
43 The ordinance divides data centers into two sizes: small (fewer than 2,000 servers)
44 and large (2,000 or more servers). It requires data centers to be designed in a way

⁴ *Hadacheck v. Sebastian* (1915), a foundational Supreme Court case for local land use laws, which found that a city can lawfully restrict the location and use of property for activities that are economically valid enterprises, but create nuisances when conducted adjacent to uses such as homes.

<https://supreme.justia.com/cases/federal/us/239/394/#opinions>

1 that reduces visual and noise impacts on surrounding properties. For example,
2 cooling and power equipment must be enclosed or screened, and the building must
3 have an entrance that stands out from the rest of the façade. Landscaping buffers
4 are required, especially next to residential areas, and large data centers need more
5 substantial screening than smaller ones. There are also setback requirements to
6 keep noisy equipment at least 200 feet away from homes, unless waived for small
7 facilities.

8
9 Additionally, these proposed changes to AMC 20.05.050A.3. define clear use
10 standards and requirements for design and operations, to be evaluated during the
11 review and approval process. It requires demonstration from both electrical and
12 water utilities that there is sufficient system capacity to support this use, if it does
13 not solely rely on a closed-system for power generation and water supply. Before a
14 data center can be approved, the developer must provide studies and
15 documentation showing that the facility will not exceed noise limits, that utilities can
16 supply enough power and water, and that wastewater and heat won't harm the
17 environment. Fire safety systems must be in place, and the application must include
18 details about power generation, heat recycling, and other measures to reduce
19 impacts on the community.

20
21 Sections 2-4 of the ordinance amend the tables of allowable uses for Chugiak Eagle
22 River, Girdwood, and the Anchorage Bowl to make data center a conditional use
23 certain zones, none of which are residential.

24
25 Sections 5-7 make conforming changes to Title 21 (Old Code) to update these
26 provisions to ensure internal consistency within the code.

27 **Additional Land Use Policy Research Needed, and Requested.**

28
29 Section 8 of the ordinance also requests Planning Department staff to conduct
30 follow-up research and analysis of other ways to improve the land use review
31 process and use standards for these facilities, including comparison with other
32 jurisdictions who have grappling with impacts of these facilities, and working to
33 update their own zoning code and processes to clarify the rules for new data
34 centers. The table below illustrates some examples of emerging best practices and
35 how other communities have approached this from a zoning perspective, using tools
36 such as overlay zones, special permits, and tighter adherence to noise ordinances.
37 As more facilities like this are built and more communities refine their processes, the
38 Municipality can potentially learn a lot from peer cities. The expectation set in the
39 ordinance is that staff will produce a brief report with summary findings, relevant
40 comparable communities to look at, and recommendations for any additional code
41 changes or process changes to make, based on what is effective in other
42 communities.
43

44 **Table: Examples of Zoning Approaches in Other Jurisdictions**

45

Jurisdiction	Zoning Approach and Key Features
Fairfax County, VA	By-right in some zones, with thresholds and additional restrictions. Triggers special review above 40,000 sq ft (commercial) or 80,000 sq ft (industrial); prohibited within 1 mile of Metro stations; performance standards for cooling and noise.
Harrisonburg, VA	Special-use permitting. Requires public hearings and city council approval for data centers in industrial zones.
Prince William County, VA	Overlay zone. Includes Digital Gateway; applies 24-hour noise limits, architectural screening, and buffer standards.
Loudoun County, VA	Overlay zone. Would require discretionary review for all new facilities; restricts development in transit zones
Chandler, AZ	Overlay zone. Requires public hearings, noise mitigation studies, and generator use restrictions.
Mesa, AZ	Overlay zone. Encourages clustering in advanced manufacturing zone; requires infrastructure capacity review and often includes design or noise provisions in development agreements.

Adapted from NLC Data Center fact sheet #3

Expedited Process: Being Proactive, Not Reactive to the First New Application

This ordinance waives Planning and Zoning Commission review for two reasons:

First, these facilities and the criteria for reviewing development applications for them are not currently contemplated in code, and are already being proposed in other Alaska communities, which has generated these same conversations about proper review process and approval criteria. Ensuring the process for review and approval of these facilities is clear in Title 21 is timely. Another community taking lead in developing land use regulations for these facilities (Loudon County, Virginia) has had to be reactive to multiple facilities being built within their boundaries, and

1
2
3
4
5
6
7
8
9
10
11
12

1 pursued a two-phase process which established grandfather rights for pre-existing
2 facilities. While this is practical in situations where projects have already been
3 approved under prior rules, it will create long-term inequity in property rights. Our
4 community can take advantage of others' lessons learned, and take steps to put a
5 framework in place proactively before a future project applications are submitted.

6
7 Second, this simply adds a use type specific to data centers, and includes this use
8 type in the existing processes outlined for conditional uses, along with use-specific
9 standards based on what other communities have identified as biggest impacts. This
10 does not change rules for other existing use types, or change the underlying
11 process, but clearly defines this new use type.

12
13 **I request your support for the ordinance.**

14 Reviewed by: Assembly Counsel's Office

15
16
17 Respectfully submitted: Anna Brawley, Assembly Vice Chair
18 District 3, West Anchorage

Additional Resources:

American Planning Association (APA), “Data Centers Evolved: a Primer for Planners” (July 2021)

<https://www.planning.org/planning/2021/summer/data-centers-evolved-a-primer-for-planners/>

National League of Cities (NLC), “Fact Sheet Series: Understanding Data Centers”

<https://www.nlc.org/resource/fact-sheet-understanding-data-centers/>

3-part series: About data centers, Environmental Impacts, Land Use Approaches

Pew Research Center, “What we know about energy use at U.S. data centers amid the AI boom” (October 2025)

<https://www.pewresearch.org/short-reads/2025/10/24/what-we-know-about-energy-use-at-us-data-centers-amid-the-ai-boom/>

Urban Land Institute (ULI), “Local Guidelines for Data Center Development” (October 2024)

<https://knowledge.uli.org/en/reports/research-reports/2024/local-guidelines-for-data-center-development>

Includes model ordinance language, some of which was adapted in this ordinance.

Map of current data centers:

<https://www.datacentermap.com/usa/>

As of February 2026, there are some operating in Alaska including two in Anchorage owned by telecommunications companies.