CHESTER TOWNSHIP
PLANNING COMMISSION

www.chester-twp.org

August 24, 2026

AGENDA

CALL TO ORDER

APPROVAL OF AGENDA

PUBLIC COMMENT

APPROVAL OF MINUTES
July 20, 2026

NEW BUSINESS

- Battery Energy Storage Systems Review- Utility Scale

OLD BUSINESS

- Data Center Review (Tabled at previous meeting after discussion)

PLANNING COMMISSION DISCUSSION

- Board report – Trustee Dale Fedewa
- Zoning Board of Appeals report - PC Rep Jon Denhof
- Zoning Report

ADJOURNMENT

Next Meeting

September 28, 2026
7pm

MEETING POLICY RULES ARE POSTED ON THE BOARD NEXT TO THE DOOR

CHESTER TOWNSHIP PLANNING COMMISSION MINUTES July 20, 2026

Commissioner Denhof called the meeting to order at 7:00 p.m. Other members present: Paul Herremans, Charles Lane, Kyle Rasch and Norm VanDyke. Zoning Administrator Aaron Bigelow and attorney Redick were also present. The meeting was available remotely.

Agenda Approval-

Motion by Herremans to approve the agenda as presented. Second Lane, motion carries.

Public Comment- **none**

Approval of Minutes-

Motion by VanDyke to adopt the minutes of June 22, 2026. Second-Herremans, motion carries.

New Business-

Conklin Rezoning-Public Hearing-Planner Bigelow gave an overview of the changes. Rezoning Conklin will better match the sub area recommendations. Changes will include rezoning certain areas of Sehler St. from high to low density, parcels of Maple St. will be rezoned to high density in their entirety. And parcel 70-01-32-100-024 will be rezoned to low-density residential. Motion to open Public Hearing by Lane, second by Raasch. Motion carries. No public comment was offered. Motion to close public hearing by Herremans, second by Lane. Motion carries. All Commissioners vote yes to approve the rezonings in a roll call vote.

Battery Energy Storage Systems Review-The Commission conducted a detailed review of draft ordinance language for accessory use battery energy storage systems, focusing on definitions, zoning distinctions, technical requirements, and regulatory standards, with plans to continue the discussion for larger systems at the next meeting.

Data Center Review- The Commission reviewed current zoning limitations, the legal risks of exclusionary ordinances, and the need to balance readiness with caution, ultimately deciding to table the issue for further discussion.

Old Business-
None

Planning Commission Discussion-

Discussion was held regarding revisiting lot area requirements for Conklin based off the subarea plan. The Commission decided to not pursue these requirements unless requested to by the Township Board.

Board Report-None
Zoning Board of Appeals report-PC Rep Jon Denhof-No report
Zoning Report- Included

DRAFT

 Approved_____

Adjournment- Motion by Denhof second by Herremans to adjourn at 8:26 p.m.

Helen Dietrich

Chester Township Clerk

DRAFT

Approved_____

Fresh Coast Planning

119 ½ Washington Avenue, Studio B
Grand Haven, MI 49417
www.freshcoastplanning.com

Gregory L. Ransford, MPA
616-638-1240
greg@freshcoastplanning.com

Kevin Yeomans
616-349-0223
kevin@freshcoastplanning.com

Alexis Gulker
616-773-4638
alexis@freshcoastplanning.com

Aaron Bigelow
616-919-2370
aaron@freshcoastplanning.com

Andrea Goodell
616-313-9333
andrea@freshcoastplanning.com

MEMORANDUM

To: Chester Township Planning Commission
From: Aaron Bigelow
Date: August 17, 2026
Re: Battery Energy Storage Systems (BESS) Review

At your July 20 meeting, the Planning Commission reviewed on-site, accessory use Battery Energy Storage Systems (BESS). The direction given by the Planning Commission at that meeting has been reflected in the redline document attached to this memorandum.

In addition, as directed by the Planning Commission, for your August 24 meeting we have prepared the attached ordinance text amendment for off-site BESS, modeled from provisions included in Chester Townships small and utility scale solar ordinances. In addition, we integrated additional BESS specific language from the MTA sample ordinance document where applicable.

We seek the Planning Commission's review of this draft ordinance amendment to consider what important items should be included or removed to best meet the requirements of Chester Township. Following Planning Commission deliberations of the potential ordinance language, we can return with an updated draft ordinance text amendment.

Items for Consideration

In using the solar energy systems ordinances as a guide in drafting the ordinance amendment for BESS, there were many solar items that were not applicable to BESS, and additional BESS considerations that were not present in the existing solar language. Therefore, the presented amendment includes guiding solar language from Chester Townships solar energy systems Sections 346 and 1912 in addition to language recommended by MTA in their "Workable Sample BESS Ordinance."

Major considerations that require attention by the Planning Commission are as follows:

Solar regulations vs. Battery Energy Storage regulations

Many specific regulations that currently exist in the solar language in the Township Zoning Ordinance may not be appropriate for BESS. Items that MTA has specific recommendations for Utility Scale, such as height, have been revised in the draft language to be more applicable to BESS. However, for all sized systems, Township specific items such as lot coverage and minimum lot area will require review by the Planning Commission to determine what the appropriate regulations may be.

At your August 24, 2026 meeting, we are prepared to go through each item in the proposed ordinance amendment to determine if the proposed regulations are appropriate for the Township or if different language is preferred.

Small Offsite BESS

MTA recommended language includes regulations for small scale (accessory use) on-site systems, small off-site (principal use) systems, and utility scale systems.

Chester Township does not have solar language regarding small offsite, principal use systems. As shown in the attached amendment, MTA defines small offsite battery energy storage

systems as principal use systems with a nameplate capacity of less than 50 megawatts, while Utility Scale systems are those over 50 megawatts.

Limitation by zoning district is the only regulatory difference between "small" and "utility-scale" off-site BESS in the samples shared by MTA and MSU. Chester Township does not have large-scale solar limited by district; the only area limitations are that the systems cannot be located on prime farmland.

The Planning Commission should consider:

- If these small offsite, principal use systems should be separated from utility scale systems, or
- If it would be best to combine all principal use systems
- Should the separate definitions for small off-site and utility-scale off-site systems be combined?
- If small offsite principal use systems should be their own category, what regulations would be appropriate to best fit Chester Township's community preferences?

Community Host Agreement

One recommendation from MTA as well as Township legal counsel is to have a community host agreement in which the developer pays the Township a certain amount per megawatt. MPSC currently requires $2,000 per megawatt, but with a workable non-compatible ordinance the local jurisdiction could require more.

In order for a host community agreement to be enforceable, the Township needs to have provided a service to the development using the funds. For example, the Township could pay for road improvements, pay for the installation of one of the utility lines, or pay for water/ sewer extension. These services will be included in the Community Host Agreement.

Utility Scale Renewable Energy

As a reminder, The Michigan Public Service Commission (MPSC) may review and approve utility scale renewable energy projects. BESS utility scale projects include:

- Battery energy storage facilities with a capacity of 50 megawatts or more and an energy discharge capability of 200 megawatt hours or more

State Regulations: Battery Energy Storage

As a reminder, Chester Township does not have any other language that directly addresses BESS as a standalone system. For reference in regards to the proposed language for Chester Township, below we have included the state's requirements for utility scale BESS.

Energy Storage	State Requirements
Setback: Non-participating buildings	300 feet
Setback: Public road right-of-way	50 feet
Setback: Non-participating property lines	50 feet
Noise	55 dBa
Lighting	Dark sky friendly

Planning Commission Review

For your review we have attached the draft ordinance created by MTA. As a reminder, additional review resources were submitted in the last few months regarding BESS.

Following Planning Commission deliberations of the potential ordinance language, we can return with an updated draft Ordinance Text Amendment.

AB

Planner

Definitions:

Battery Energy Storage System: One or more devices, assembled, capable of storing energy to supply electrical energy at a future time, not to include a stand-alone car battery, an electric motor vehicle, or small store-bought batteries designed and used purely for household electronic items.

Battery Energy Storage System, On-Site: A Battery Energy Storage System that is an accessory use that is intended to primarily serve the needs of contiguous properties of common ownership. ~~the consumer on-site.~~

Battery Energy Storage System, Small Off-Site: A Battery Energy Storage System that is a principal use (or co-located with a second principal use) and that is designed and built to connect into the distribution or transmission grid with a nameplate capacity less than 50 megawatts.

Battery Energy Storage System, Utility Scale Off-Site: A Battery Energy Storage System (BESS) that is a principal use (or co-located with a second principal use) and that is designed and built to connect to the transmission grid with a nameplate capacity of 50 megawatts or more.

Battery Energy Storage System, Ground Mounted: A Battery Energy Storage System that is not attached to and is separate from any building on the parcel of land on which the Battery Energy Storage System is located.

Battery Energy Storage System, Building Mounted: A Battery Energy Storage System attached to the roof or wall of a building, or which serves as the roof, wall, or other element in whole or in part of a building.

Section 350- On-Site Battery Storage Systems

A. Applicability

This Section applies to any system of on-site battery energy storage systems where permitted. This Section does not apply to utility-scale battery energy storage systems.

B. General Requirements

1. APPLICATIONS. In addition to all other required application contents as required by this Ordinance, equipment and unit renderings, elevation drawings, and site plans depicting the location and distances from lot lines and adjacent structures shall be submitted for review. No small-scale battery energy storage system shall be installed or operated except in compliance with this Chapter.

2. INSTALLATION

a. A battery energy storage system shall be permanently and safely attached to the ground or structure. Battery energy storage systems, and their installation and use, shall comply with building codes, electrical codes, and other applicable Township and State requirements.

b. Battery energy storage systems shall be installed, maintained, and used only in accordance with the manufacturer's directions. Upon request, a copy shall be submitted to the Township prior to installation. The applicant shall certify that the construction and installation meet or exceed the manufacturer's construction and installation standards.

3. POWER LINES. On site power lines between battery energy storage systems and other applicable equipment and buildings shall be placed underground.

4. FIRE RISK. All battery energy storage systems require review and approval by the Township Fire Inspector. Fuel sources such as vegetation shall be removed from the immediate vicinity of electrical equipment and connections.

5. ABANDONMENT AND REMOVAL. A battery energy storage system that ceases to produce energy on a continuous basis for twelve (12) months will be considered abandoned unless the responsible party with ownership interest in the system provides substantial evidence to the Township every six (6) months after the twelve (12) months of no energy storage of the intent to maintain and reinstate the operation of that system. The responsible party shall remove all equipment and facilities and restore the lot to its condition prior to the development of the system within one (1) year of abandonment.

C. Building Mounted Battery Energy Storage Systems- ~~These~~ Roof mounted systems are prohibited. Wall mounted systems may be established as accessory uses to principal uses in all Zoning Districts. ~~subject to the following conditions.~~

~~1. MAXIMUM HEIGHT. Building-mounted battery energy storage systems shall not exceed the maximum height of the Zoning District.~~

D. Ground-mounted Battery Energy Storage Systems - When not physically attached to a building, these systems may be established as accessory uses to principal uses in all Zoning Districts subject to the following conditions.

1. LOCATION

a. Rear and Side Yards. The unit may be located in the rear yard or the side yard but shall be subject to the setbacks for accessory structures.

b. Front Yard. The unit may be located in the front yard only if located no less than one hundred fifty (150) feet from the front lot line.

c. Adjacent Buildings. The unit must be a minimum of 10 feet from any adjacent building unless a greater setback is required by the Township Fire Inspector.

3. MAXIMUM SIZE.

a. Residential uses. There shall be no more than one percent (1%) of the lot area up to one hundred (100) ~~thousand five hundred (1,500)~~ square feet of battery energy storage systems when not physically attached to a building.

b. Agricultural, Commercial, and Industrial uses. There shall be no more than five hundred (500) ~~ten thousand (10,000)~~ square feet of battery energy storage systems when not physically attached to a building.

c. Applications for oversized battery energy storage systems greater than the permitted area in this Section shall be reviewed by the Planning Commission and may be approved as a site plan review. In addition to any other conditions that may be appropriate, the Planning Commission may increase minimum setbacks or require adjustment to the proposed location of the oversized battery energy storage systems as a condition of approval.

4. MAXIMUM HEIGHT.

a. Residential uses. The maximum height shall be six (6) ~~fourteen (14)~~ feet, measured from the average grade below the unit.

b. Agricultural, Commercial, and Industrial uses. The maximum height shall be twelve (12) ~~sixteen (16)~~ feet, measured from the natural grade below the unit.

c. Applications for oversized battery energy storage systems greater than the permitted height in this Section shall be reviewed by the Planning Commission and may be approved as a site plan review. In addition to any other conditions that may be appropriate, the Planning Commission may increase minimum setbacks or require adjustment to the proposed location of the oversized battery energy storage systems as a condition of approval.

~~5. MINIMUM LOT AREA. A lot must have at least eighty-two thousand, five hundred (82,500) square feet in lot area to establish a battery energy storage system when not physically attached to a building.~~

~~6.~~ 5. SCREENING. When not physically attached to a building, screening shall be required in cases where a unit impacts views from adjacent residential properties. Screening methods may include the use of material, colors, textures, screening walls, and landscaping that will blend the unit into the natural setting and existing environment.

Definitions:

Battery Energy Storage System: One or more devices, assembled, capable of storing energy to supply electrical energy at a future time, not to include a stand-alone car battery, an electric motor vehicle, or small store-bought batteries designed and used purely for household electronic items.

Battery Energy Storage System, On-Site: A Battery Energy Storage System that is an accessory use that is intended to primarily serve the needs of contiguous properties of common ownership. ~~the consumer on-site.~~

Battery Energy Storage System, Small Off-Site: A Battery Energy Storage System that is a principal use (or co-located with a second principal use) and that is designed and built to connect into the distribution or transmission grid with a nameplate capacity less than 50 megawatts.

Battery Energy Storage System, Utility Scale Off-Site: A Battery Energy Storage System (BESS) that is a principal use (or co-located with a second principal use) and that is designed and built to connect to the transmission grid with a nameplate capacity of 50 megawatts or more.

Battery Energy Storage System, Ground Mounted: A Battery Energy Storage System that is not attached to and is separate from any building on the parcel of land on which the Battery Energy Storage System is located.

Battery Energy Storage System, Building Mounted: A Battery Energy Storage System attached to the roof or wall of a building, or which serves as the roof, wall, or other element in whole or in part of a building.

Section 1913 Utility-Scale Battery Energy Storage Systems

A. APPLICABILTY

This Section applies to utility-scale battery energy storage systems and does not apply to accessory use battery energy storage systems primarily intended for on-site usage.

B. APPLICATION AND SUBMISSION REQUIREMENTS.

An application for special use approval for a utility-scale battery energy storage system shall include a site plan in accordance with Chapter 13 and meet all applicable criteria of Special Uses in accordance with Chapter 19. No utility-scale battery energy storage system shall be installed or operated except in compliance with this Section. Additionally, applications must include equipment and unit renderings, elevation drawings, and distances from lot lines and adjacent structures, in addition to the following submission requirements:

1. Expected public benefits of the proposed system.
2. The expected direct impacts of the proposed system on the environment and natural resources and how the applicant intends to address and mitigate these impacts.
3. Information on the effects of the proposed system on public health and safety.
4. A description of the portion of the community where the system will be located.
5. A statement and reasonable evidence that the proposed system will not commence commercial operation until it complies with applicable state and federal environmental laws, including, but not limited to, the Natural Resources and Environmental Protection Act, 1994 PA 451, MCL 324.101 to 324.90106.
6. Evidence of consultation, before submission of the application, with the Department of Environment, Great Lakes, and Energy and other relevant state and federal agencies before submitting the application, including, but not limited to, the Department of Natural Resources and the Department of Agriculture and Rural Development.
7. The Soil and Economic Survey Report under Section 60303 of the Natural Resources and Environmental Protection Act, 1994 PA 451, MCL 324.60303, for the county where the proposed system will be located.
8. Interconnection queue information for the applicable regional transmission organization.
9. If the proposed site of the system is undeveloped land, a description of feasible alternative developed locations, including, but not limited to, vacant industrial property and brownfields, and an explanation of why they were not chosen.
10. If the system is reasonably expected to have an impact on television signals, microwave signals, agricultural global position systems, military defense radar, radio reception, or weather and doppler radio, a plan to minimize and mitigate that impact. Information in the plan concerning military defense radar is exempt from disclosure under the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246, and shall not be disclosed by the commission or the electric provider or independent power producer except pursuant to court order.
11. A stormwater assessment and a plan to minimize, mitigate, and repair any drainage impacts at the expense of the applicant. The applicant shall make reasonable efforts

to consult with the county drain commissioner before submitting the application and shall include evidence of those efforts in its application.

12. A fire response plan. The fire response plan (FRP) shall include:
    a. Evidence of consultation or a good faith effort to consult with local fire department representatives to ensure that the FRP is in alignment with acceptable operating procedures, capabilities, resources, etc.
    b. A description of all on-site equipment and systems to be provided to prevent or handle fire emergencies.
    c. A description of all contingency plans to be implemented in response to the occurrence of a fire emergency.
    d. A commitment to review and update the FRP with fire departments, first responders, and county emergency managers at least once every three (3) years.
    e. An analysis of whether plans to be implemented in response to a fire emergency can be fulfilled by existing local emergency response capacity. The analysis should include identification of any specific equipment or training deficiencies in local emergency response capacity and recommendations for measures to mitigate deficiencies.
    f. Other information the applicants finds relevant.
13. The emergency response plan (ERP) shall include:
    a. Evidence of consultation or a good faith effort to consult with local first responders and county emergency managers to ensure that the ERP is in alignment with acceptable operating procedures, capabilities, resources, etc.
    b. An identification of contingencies that would constitute a safety or security emergency (fire emergencies are to be addressed in a separate fire response plan);
    c. Emergency response measures by contingency;
    d. Evacuation control measures by contingency;
    e. Community notification procedures by contingency;
    f. An identification of potential approach and departure routes to and from the facility site for police, fire, ambulance, and other emergency vehicles;

g. A commitment to review and update the ERP with fire departments, first responders, and county emergency managers at least once every three (3) years;

h. An analysis of whether plans to be implemented in response to an emergency can be fulfilled by existing local emergency response capacity, and identification of any specific equipment or training deficiencies in local emergency response capacity; and

i. Other information the applicants finds relevant.

14. A report detailing the sound modeling results along with mitigation plans to ensure that sound emitted from the system will remain below the statutory limit throughout the operational life of the system.

15. Any other information regarding compliance with the requirements herein.

C. GENERAL REQUIREMENTS.

Utility-scale battery energy storage systems may be established as a special use subject to the following requirements.

1. LOCATION. Utility scale battery energy storage systems shall only be located in an area determined to be "not prime farmland" by the U.S. Department of Agriculture (USDA), per the USDA's Farmland Classification Map as of the date of Special Use Application for a Utility-Scale Battery Energy Storage System.

2. MINIMUM SETBACKS. The minimum setback for all yards shall be one hundred (100) feet; however, as a condition of approval, the Township may require increased setbacks if it is determined that greater separation is necessary to adequately protect adjacent residents and property owners.

3. MAXIMUM HEIGHT. The height of battery energy storage system structures, except for electric distribution and transmission poles, shall not exceed a height of twenty (20) feet as measured from the natural grade of the property beneath the structure. Stacking of battery storage system components is prohibited.

4. MINIMUM LOT ACREAGE. Twenty (20) acres shall be the minimum lot area to establish a utility-scale battery energy storage system.

5. MAXIMUM NOISE. The system may not generate a maximum sound in excess of 55 average hourly decibels as measured at the property line of an adjacent non-participating property. Decibel modeling shall use the A- weighted scale designed by

the American National Standards Institute. The Planning Commission may require the applicant to provide a sounds study as part of the special land use review process.

6. SCREENING. Appropriate screening, to be approved by the Planning Commission, shall be erected and maintained around the entire battery energy storage system.
7. INSTALLATION AND OPERATIONAL SAFETY. The system shall comply with all of the following requirements:
    a. The system shall be designed and constructed for interconnection to a Michigan Public Service Commission or Midcontinent Independent System Operator regulated utility electrical power grid and shall be operated with such interconnection.
    b. The system and all foundation elements shall comply with all applicable building and electrical code requirements, and any applicable federal/state regulations. The manufacturer's engineer or another qualified engineer shall provide written certification that the design, installation (including foundations), and interconnection is compliant with the manufacturer and industry standards, all applicable local construction and electrical codes, and any applicable federal/state regulations.
    c. Other than transmission or distribution lines for interconnection to the electric power grid, all electrical wiring shall be buried underground; except where the manufacturer's engineer or a qualified engineer employed by the utility that owns/operates the electrical power grid to which the system shall be interconnected certifies an underground wiring installation is not permitted by an applicable code and/or applicable federal/state regulation, with attached complete documentation supporting any such certification.
    d. The system shall be designed, located, and maintained so as to comply with all applicable codes and regulations.
8. PUBLIC SAFETY. The Emergency Response Plan and Fire Response Plan shall provide reasonable protection of the public health, welfare and safety including but not limited to an emergency shutdown procedure in place and shall provide the local fire department site safety plans to include electrical, fire, smoke, and hazardous materials release, emergency response protocols and identification of typical hazards related to,

electrical, fire, smoke and hazardous materials pertinent to the facility. Upon request, all systems shall provide first responder training at the site.

9. REPAIR AND AUGMENTATION. In addition to repairing or replacing facility components to maintain the system, the facility may at any time be augmented without the need to submit a new site plan so long as the augmentation is within the same footprint (e.g., same dedicated use building or on footings/foundations in the same location) as the original permit. If there is a change in the battery chemistry, an updated Hazard Mitigation Analysis and Emergency Operation Plan shall be provided. When a facility is anticipated to be augmented over its lifetime by adding additional components, the applicant should apply for the final/augmented site arrangement. A proposal to increase the size the project footprint may be considered a new application, subject to the ordinance standards at the time of the request.
10. TRANSPORTATION PLAN. A proposed access plan during construction and operational phases shall be provided, and shall comply with the requirements of Section 330C of the Zoning Ordinance. The plan shall show proposed service road ingress and egress locations onto adjacent streets and the layout of the internal road system.
11. COMMUNITY HOST AGREEMENT. An executed Community Host Agreement in the amount of $_____ per megawatt.
12. ABANDONMENT. A battery energy storage system that ceases to store energy on a continuous basis for twelve (12) months will be considered abandoned unless the responsible party with ownership interest in the system provides substantial evidence to the Township every six (6) months after the twelve (12) months of no energy storage of the intent to maintain and reinstate the operation of that system. The responsible party shall remove all equipment and facilities and restore the lot to its condition prior to the development of the system within one (1) year of abandonment.
13. DECOMMISSIONING. A decommissioning plan signed by the responsible party and the land owner (if different) addressing the following shall be submitted prior to approval of a utility-scale battery energy storage system. The plan shall include the following:
    a. Defined conditions upon which decommission will be initiated (e.g., end of land lease, no power production for twelve [12] months, abandonment, etc.)

b. Removal of utility-owned equipment and non-utility-owned equipment, which may include but not be limited to conduit, structures, fencing, and foundations.
c. Restoration of property condition which existed prior to the development of the system. Restoration shall include bringing soil and topography of the land to their predevelopment composition to ensure permitted uses upon restoration. Soil tests shall be required as part of the decommissioning plan both before development and prior to the decommissioning.
d. Specification of the timeframe from completion of decommissioning activities.
e. Description of any agreement (i.e., lease) with landowner regarding decommissioning, if applicable.
f. Identity of the entity or individual responsible for decommissioning.
g. Plans for updating the decommissioning plan.
h. A performance guarantee shall be posted in the form of a bond, or other form acceptable to the Township, to ensure removal upon abandonment. As a part of the decommissioning plan, the responsible party shall provide at least two (2) cost estimates from qualified contractors for full removal and disposal of equipment, foundations, and structures associated with the system. These amounts will assist the Township when establishing the initial performance guarantee amount. The performance guarantee amount shall be valid throughout the lifetime of the system, and it shall be adjusted by the Township every five (5) years based upon at least two (2) new cost estimates from qualified contractors obtained by the responsible party. Bonds and letters of credit shall be extended on a regular basis with expiration dates never less than two (2) years from the annual anniversary of special use approval.

14. TRANSFER OF OWNERSHIP. Prior to a change in the ownership or operation of a battery energy storage system, including but not limited to the sale or lease of that system or the underlying property, the current owner or operator shall provide written notice to the Township at least sixty (60) days prior to that change becoming effective. This notice shall inform the Township of the intended transfer of control of the battery energy storage system or the underlying property, and shall include a copy of the instrument or agreement effecting that transfer. Such an instrument or agreement shall

include an express statement that the new owner or operator of the battery energy storage system or the underlying property shall not be permitted to operate that system until compliance with the terms of this Ordinance, including requirements for continuing security and escrow funds, has been established.

15. WAIVER. Because of the ever-changing technical capabilities of battery storage infrastructure and of new technology in general, the Planning Commission shall have the authority to review and consider alternatives in both the dimensional and physical requirements contained in this ordinance as part of the special land use review process, and other requirements.

Fresh Coast Planning

119 ½ Washington Avenue, Studio B
Grand Haven, MI 49417
www.freshcoastplanning.com

Gregory L. Ransford, MPA
616-638-1240
greg@freshcoastplanning.com

Kevin Yeomans
616-349-0223
kevin@freshcoastplanning.com

Alexis Gulker
616-773-4638
alexis@freshcoastplanning.com

Aaron Bigelow
616-919-2370
aaron@freshcoastplanning.com

Andrea Goodell
616-313-9333
andrea@freshcoastplanning.com

MEMORANDUM

To: Chester Township Planning Commission
From: Aaron Bigelow
Date: August 17, 2026
Re: Data Center Review

Throughout the last few months, the Planning Commission has reviewed background research and held discussions regarding data centers. At your July meeting, the Planning Commission decided to table the matter for additional review at a later date.

Following discussion at your July meeting, Township Legal Counsel shared the attached two ordinance drafts that have been prepared for other communities.

We seek the Planning Commission's review of the example ordinance amendments to consider what important items should be included or removed to best meet the requirements of Chester Township. Following Planning Commission deliberations of the potential ordinance language, we can return with an updated draft ordinance text amendment if desired.

AB

Planner

TOWNSHIP OF _____

COUNTY OF _____, MICHIGAN

At a regular meeting of the Township Board of the Township of_____, held in the _____ Township Hall, _____, within the Township, on the ___ day of _____, 2026, at 7:00 p.m.

PRESENT: _____

ABSENT: _____

The following Ordinance was offered by _____ and seconded by _____.

ORDINANCE NO. ___

AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE TOWNSHIP OF _____

[Data Centers and Digital Mining]

THE TOWNSHIP OF _____ ORDAINS:

Section 1. **Data Centers and Digital Mining**. Chapter ___ of the _____ Township Zoning Ordinance (the "Zoning Ordinance") is amended by the addition of a new Section ____ regarding data centers and digital mining, which shall read in its entirety as follows:

Section ____ Data Centers and Digital Mining.

(a) **Purpose**. The purpose of this section is to provide regulations for data centers and digital mining within the Township in a manner that creates opportunities for the economic development benefits of data centers while limiting the impacts on the property values of adjacent and nearby properties and the health, safety and general welfare of the Township and its residents.

(b) **Definitions**.

(1) **Accessory Data Center**. A data center that is ancillary to the principal use of a lot or parcel, which is typically used

solely to store or otherwise support an individual business's data and information technology needs. A data center is not considered an accessory data center if it requires more than one-hundred kilowatts (100kW) of power to operate, even if it otherwise meets this definition.

(2) **Closed-Loop Cooling System**. A sealed system where coolant circulates continuously, absorbing heat from a source, and then transfers that heat to a heat exchanger for removal, without the coolant ever being exposed to the environment.

(3) **Colocation Data Center**. A data center that is rented out by the owner to provide space to other businesses for their servers and other computing hardware. In addition to providing physical space, colocation facilities may offer additional services including maintenance, backup power systems, and multiple network connections. A colocation data center may be a small-scale or medium-scale data center but not a hyperscale data center.

(4) **Data Center**. A use involving a building or other structure that is primarily occupied by computers and/or telecommunications equipment and related equipment, including supporting equipment, where information is processed, transferred, or stored. A data center use shall not include a digital mining use. A data center which includes on-site solar or wind energy generation facilities used or intended to be used to supply power to the data center shall comply with the requirements of the zoning ordinance and any other ordinances regulating those uses.

(5) **Digital Currency**. Currency in a digital format that involves the use of encryption techniques to regulate the generation of units of the digital currency and verify the transfer of funds, operating independently from a central bank.

(6) **Digital Mining**. The process whereby computers (also referred to as "nodes" or "mining rigs") validate blockchain transactions for a specific item of digital currency (commonly known as "bitcoin" or "cryptocurrency") for a financial benefit.

(7) **Digital Mining Use**. A use involving a building or structure that is primarily occupied by computers used for digital currency mining purposes. Typical physical characteristics of a digital mining use include, but are not limited to,

specialized computer hardware or data centers with a non-diverse electrical use for mining operations as well as equipment to cool the hardware and operating space.

(8) **Hyperscale Data Center**. A data center that is typically located in a warehouse-sized facility that stores servers to handle very large processing workloads, and typically host 5,000 or more servers and requires one hundred megawatts (100 MW) or more of power to operate.

(9) **Medium-Scale Data Center**. A data center that requires more than one megawatt (1 MW) and one hundred megawatts (100 MW) of power to operate.

(10) **Megawatts (MW)**. A unit of power that is used for the measurement of bulk electricity, and is equal to one million watts.

(11) **Residential Zoning District**. "Residential zoning district" means the following zoning districts: R-A Rural Agricultural, R-R Rural Residential, R-1 Suburban Residential, R-2 Low Density Multi-Family Residential, R-3 Lake Residential, and R-4 MHC Manufactured Housing Community Districts.

(12) **Small-Scale Data Center**. A data center that requires less than one megawatt (1 MW) of power to operate.

(c) **Application**. A site plan shall be submitted and reviewed prior to the approval of a data center or an expansion or change of use for a data center under the provisions of Chapter __, except where special land use approval is required, in which case special land use approval under Chapter __ shall be required. An application for a proposed data center or digital mining use shall include all of the information required for site plan review under Chapter __, and the following additional information:

(1) The site plan for the proposed use shall include the location of proposed buildings, structures and other improvements, floodplains, wetlands, any bodies of water, and the zoning districts for all adjacent properties and any existing dwellings within ½ mile of the proposed use.

(2) A description of the proposed plan to obtain water required for the data center or digital mining use, including whether the water would be taken from groundwater or surface water, whether private or public utilities are proposed, and indicating the quantity of water required. The description

shall specify if non-potable or recycled water is proposed to be used.

(3) Evidence of preliminary contact with the proposed electrical service provider regarding whether there is capacity for the proposed use and whether the existing infrastructure and facilities can accommodate the proposed use.

(4) A noise mitigation plan shall be submitted, including, at a minimum, a detailed acoustic study showing the amount of noise that would be produced by normal operations of the data center and strategies to minimize noise and achieve a neutral impact on adjacent and nearby properties.

(5) The submittal shall contain a detailed narrative of the arrangements to be made for storm water discharge, water supply and sewage disposal service, including approximate capacity, source of water supply, discharge points for sewage disposal, and description of storm water management facilities.

(6) A project development timeline, including information regarding how the applicant will inform adjacent property owners and members of the community regarding the status of the project.

(7) A decommissioning plan, which shall include details regarding the planned method of safe removal and recycling or disposal of server infrastructure, any hazardous materials, batteries, electronic waste and related products.

(8) An agreement by the applicant to allow for periodic inspections to ensure compliance with the applicable regulations.

(d) **Environmental Impact Assessment**. The Applicant shall also provide an environmental impact assessment with the application materials. This assessment shall describe the effect and impact that the proposed data center or digital mining use will or may have upon or with respect to the following matters:

(1) The lands involved and the adjacent and nearby lands; streams, rivers, wetlands, and the quality and volume of surface and groundwater; wildlife and trees, and other significant vegetation; the effect, if any, on surrounding property values.

(2) A traffic impact study.

(3) Additional costs to governmental units; police and fire protection; storm water drainage; water supply and sewage disposal.

(4) Evidence that the disposal of wastewater and other materials will be accomplished in a manner that complies with local, state and federal regulations.

(5) Noise, vibration, dust and dirt, litter, smoke, odor, light, and glare.

(6) A community impact analysis.

(7) An analysis of the nature and effect of any private utility systems, including septic tanks and drain fields, storm water control and retention facilities, and water supply and distribution systems. This analysis shall include any impact on private utility systems located on adjacent or nearby properties up to ½ mile away from the proposed data center.

(8) Such other matters as the Planning Commission may request to be included. If requested by the Planning Commission, the environmental impact assessment shall include statements or comments from the following public agencies or officials concerning those aspects of the proposed data center within their respective responsibilities and jurisdictions: _____ County Health Department; _____ County Road Commission; _____ County Drain Commissioner; Michigan Department of Environment, Great Lakes, and Energy; local school district(s); local board(s) of education; _____ County Sheriff's Department; the Township Fire Department; Consumers Energy; DTE; local internet providers; and the surrounding public water and sewer authorities and providers if applicable, along with other appropriate agencies.

(e) **Reports**. The Township shall have the right to require supplemental or amended reports related to matters including but not limited to impacts of the proposed development prior to any zoning approval.

(f) **Staff Review**. The Site Plan Review Committee shall prepare a report on the proposed site plan for the Planning Commission. The Township Planner and the Township Engineer may also prepare reports. The Township may also contract with other consultants to provide reports necessary to evaluate the proposed data center and its potential impacts.

(g) **Fees**. The applicant shall pay all fees and charges required by Section 31.6, including the required escrow deposit set by the Township Board for site plan review and special land use approval, if applicable. In addition, the Township reserves the right to require the applicant to deposit an increased or additional escrow deposit if necessary for the Township to review the application and related materials.

(h) **General Regulations**. The following general requirements apply to all data centers and digital mining uses within the Township.

(1) **Noise**. The sound pressure level of the construction, use, operation, or decommissioning of a data center or a digital mining use shall not exceed the decibel levels stated below at any point on a lot line of the property on which the data center is located:

(i) Daytime noise emanating from the construction, use, operation, or decommissioning of a data center or a digital mining use shall not exceed fifty-five (55) decibels (dBA) as measured from any property line.

(ii) Nighttime noise (from 10:00 p.m. to 7:00 a.m. daily) emanating from the construction, use, operation, or decommissioning of a data center or a digital mining use shall not exceed forty-eight (48) decibels (dBA) as measured from any property line.

(iii) The maximum noise levels provided above shall not apply to emergency alerts or emergency alarms.

(iv) In the event that there is an audible noise due to the operation of a data center or digital mining use at adjacent property line(s), which contains a steady pure tone such as a whine, screech or hum, the maximum noise levels permitted for that data center or digital mining use shall be reduced by five (5) dB from the maximum noise levels contained above.

(2) **Mechanical Equipment**. To reduce the impact of additional noise on surrounding properties, any equipment necessary for cooling, ventilating, or otherwise related to operations of the data center or digital mining use, including power generators or other power supply equipment, shall be located within an enclosed building or structure.

(i) The Planning Commission may waive this requirement for specified equipment if it finds that it

is not mechanically feasible to fully enclose such equipment. If it does so, the specified equipment that has been approved to be located outside of an enclosed building or structure shall be screened by a wall or similar barrier.

(3) **Setbacks**. The minimum setbacks for data centers and/or digital mining uses shall be as provided below; provided, however, that the Planning Commission may decrease or modify such setback requirements in its discretion, if a decrease or modification would be consistent with the intent of this Section.

(i) **Setbacks from Residential Properties**. Any building or structure that is used for a data center or digital mining use shall be located at least 500 feet from the lot line of any property located in a residential zoning district.

(ii) **Setbacks from Non-Residential Properties**. Any building or structure that is used for a data center or digital mining use shall be located at least 250 feet from the lot line of any property not located in a residential zoning district.

(iii) **Setbacks for Equipment**. Any equipment necessary for cooling, ventilating, or otherwise related to operations of the data center or digital mining use, including power generators or other power supply equipment, shall be setback the same as the building setback above.

(iv) **Setbacks for Accessory Data Centers**. A small scale or Accessory Data Center shall comply with the applicable building and any other setback requirements for the district in which the small scale Accessory Data Center is located.

(4) **Outdoor Storage**. Outdoor storage of materials, equipment, and supplies shall be as provided in the applicable zoning district regulations, unless modified by the Planning Commission as part of special land use approval.

(5) **Hazardous Materials**. Due to the nature of a data center or digital mining use, hazardous waste and storage of hazardous materials is anticipated. If the proposed data center or digital mining use includes storage or disposal of

hazardous materials or waste, the following is required:

(i) The applicant shall describe the nature of the storage and processing of hazardous materials and waste as part of the application for site plan review. This shall include proposed safety measures and protocols to prevent the spread of hazardous materials outside of designated containment areas and procedures in the event that hazardous materials or waste are released and have the potential to damage persons, property or the environment. This information shall be provided to provide the Township with notice that hazardous materials or waste are present to coordinate in the event that hazardous materials or waste is released, and to inform public safety officials.

(ii) All storage and/or processing of hazardous materials and waste shall comply in all respects with state and federal law and regulations and the requirements of the Michigan Department of Environment, Great Lakes, and Energy and any other applicable agency. Storage and/or processing of hazardous materials and waste shall not commence until all necessary permits have been obtained and copies of such permits have been provided to the Township.

(iii) Storage and/or processing of hazardous materials and waste shall not occur within 500 feet of any lot line.

(iv) If storage and/or processing is proposed outside of a building or structure, those activities shall be screened from view of adjacent public or private rights-of-way and any property that is zoned in a residential district.

(6) **Air Quality and Water Quality**. The equipment, including but not limited to any power generators, used in the operation of the data center or digital mining use shall minimize air pollutant emissions and water pollutant discharges and meet or exceed applicable state and federal laws regarding emissions and discharges. An owner or operator or applicant for a data center shall provide affirmative proof of EGLE approval or EPA approval upon request of the Township.

(7) **Storm Water Management**. A Township storm water permit is required for a proposed data center or digital mining use. Measures for control of storm water drainage shall be provided under the terms of the Township Storm Water Ordinance and any other applicable ordinances, regulations or statutes.

(8) **Cooling Methods**. To reduce the potential impact on nearby potable water resources, any data center or digital mining use that proposes to use water cooling must use a closed-loop cooling system or recycled water system. The Township reserves the right to require the use of a more efficient water cooling method should such a method be developed in the future.

(9) **Power**. Before the issuance of any building permits, the applicant shall provide written verification from the applicable energy service provider that states the following:

(i) There is adequate capacity available on the applicable supply lines and substation for the data center or digital mining use and to ensure that there is sufficient capacity available to serve the needs of other customers within the service area, consistent with the normal projected load growth envisioned by the provider;

(ii) The utility supply equipment and related electrical infrastructure are sufficiently sized and can safely accommodate the proposed data center or digital mining use during the power provider's peak consumption hours;

(iii) Any system designed for cooling and operation of the facility (electricity, water, or other means) will be adequate and will not negatively impact the surrounding area; and

(iv) The use will not cause electrical interference or fluctuations in the line voltage on and off the operating premises.

(10) **Electric Utilities**.

(i) Integration of renewable energy to power data centers is preferred, if feasible. Data centers that are required to obtain power from renewable sources as part of eligibility for the sales and use tax exemptions

under Public Act 181 of 2024, as amended, and Public Act 207 of 2024, as amended, shall comply with state laws and regulations. The applicant shall provide proof of compliance with this section.

(ii) To the extent feasible, electrical utilities shall be located underground.

(iii) Prior to the issuance of a certificate of occupancy, the applicant shall provide the Township with written verification that the electrical work has passed a third-party final inspection.

(iv) Any on-site power generation requires separate special land use approval, except for solar power related to the operation of the data center, including Rooftop or Wall-Mounted Solar Facility or Freestanding Private Solar Facility, which shall not require separate special land use approval, but may be approved as part of a site plan approval for a small-scale data center or accessory data center, and may also be approved as part of the same special land use application for medium-scale or hyperscale data centers.

(11) **Lighting**. Any proposed outdoor lighting for a data center or digital mining use shall comply with the requirements of Section 4.32. Notwithstanding the foregoing, the Planning Commission may require compliance with the more stringent lighting standards set forth in Section ___, as if the data center and/or digital mining use was located in the Ten Mile Road Corridor Overlay District, as well as the general requirements for lighting under Section ___, if it finds that:

(i) The proposed outdoor lighting would create excessive light pollution; and

(ii) The level of illumination allowed under Section ___ is not reasonably necessary for security purposes based on the nature and design of the facility.

(12) **Fencing**. Fencing may be required for a data center or digital mining use if necessary for safety or security purposes. The Planning Commission shall have discretion to approve the height, location and type of fencing.

(13) **Parking**. Data centers and digital mining uses shall provide parking at 1 space per 100,000 square feet of building area.

(14) **Safety**.

(i) A detailed emergency response plan shall be submitted with the zoning application, showing at a minimum that the data center has a plan in effect to address emergencies resulting from flood, fire, explosion, and catastrophic weather events. The emergency response plan is subject to review and comments by the Township, including the Township Fire Chief, and may also be subject to review of the _____ County Sheriff's Department or other applicable law enforcement agency.

(ii) The equipment used in any data center or digital mining use shall be housed in a metered, electrically grounded, and metal-encased structure with a fire rating designed to resist an internal electrical fire for at least thirty (30) minutes. The containment space for the equipment shall contain baffles that automatically close in the event of fire, independent of a possible electrical system failure.

(iii) Any data center or digital mining use that is proposed to include battery storage or any other device or group of devices capable of storing energy in order to supply electrical energy at a later time shall demonstrate compliance with the National Fire Protection Association (NFPA) Standard 855, Installation of Stationary Energy Storage Systems, or similar standards and must include fire suppression systems specifically designed for battery storage.

(iv) The proposed data center or digital mining use shall include a fire suppression system that complies with the Michigan Construction Code, as amended, and any other applicable local, state or federal laws, rules or regulations. Compliance with all requirements of the Township Fire Chief related to fire suppression shall be required.

(15) **Sewer and Water Utilities**. If a data center and/or digital mining use is required to connect to public water and sewer, such connections shall be subject to approval of all applicable agencies, including the applicable water and/or sewer authority, the _____ County Drain Commissioner, and the _____ County Health Department. Approval of all applicable agencies shall be

provided to the Township. Should improvements to the existing sewer and/or water infrastructure be required to accommodate a proposed data center and/or digital mining use, the applicant shall bear the full costs of the required improvements.

(16) **Emergency Contact Information**. Each data center or digital mining use shall provide 24-hour emergency contact signage visible at each access entrance. The signs shall include the company name (if applicable), the owner or representative's name, the telephone number for the emergency contact person, and the local power company's name and telephone number.

(17) **Nuisance Prohibited**. The data center or digital mining use shall be designed, constructed and operated at all times in a manner that does not create a nuisance by reason of heat, glare, fumes, dust, noise, vibration, or odor beyond the property on which the data center is located.

(18) **Modular Data Centers Prohibited**. Pre-fabricated or "modular" data centers and shipping containers and similar prefab structures are prohibited. All data center uses shall be within site-built buildings.

(19) **Compliance with Other Laws**. The design, construction, operation use and decommissioning of a data center or digital mining use shall comply with all other applicable local, state or federal laws or regulations, including but not limited to laws or regulations regarding the environment, pollution, and mitigation of potential impacts on threatened or endangered species.

(i) **Decommissioning Requirements**. The application shall include a decommissioning plan that describes the anticipated life of the data center or digital mining facility and the manner in which the project will be decommissioned, actions that will be taken to restore the site, the removal of all buildings and equipment, the estimated cost of the decommissioning process, and the method for ensuring that the owner and/or operator will have sufficient funds available for decommissioning and restoration, including but not limited to the posting of an appropriate bond, letter of credit or other security. The amount of the bond, letter of credit or other security is subject to annual review and adjustment by the Zoning Administrator to ensure that such bond, letter of credit or other security remains an adequate amount to ensure that the owner and/or operator will have sufficient funds available for decommissioning and restoration. If a

data center or digital mining use is not operational for a continuous one-year period, or if substantial action on the project is discontinued for a period of one year, the project shall be deemed abandoned and must be decommissioned. The owner, operator, permit holder and/or their successor(s) in interest shall have one year to complete decommissioning of the facility. The decommissioning shall be in compliance with the approved decommissioning plan, and the owner, operator, permit holder and/or their successor(s) in interest shall notify the Township when the project has been decommissioned.

(j) **Colocation Data Centers**. Colocation data centers shall be permitted. The owner(s) and/or operator(s) of colocation data centers shall be responsible for ensuring that lessees and users of the data center or digital mining use facilities comply with the terms of this section and other applicable provisions of the Zoning Ordinance and other applicable local, state and federal laws, rules and regulations. The owner(s) and/or operator(s) of colocation data centers shall provide information regarding their plan to ensure that all of the lessees and users of the proposed data center or digital mining use will remain in compliance.

(k) **Accessory Data Centers**.

(1) An accessory data center is permitted only in those zoning districts where an accessory data center is a permitted accessory use.

(2) Accessory data centers must be located on the same lot or parcel as the principal use.

(3) All equipment necessary for the operation of the accessory data center, including any equipment necessary for cooling, ventilating, or otherwise related to operations of the data center or digital mining use, including power generators or other power supply equipment, shall be located within an enclosed building or structure.

(l) **Digital Mining Uses**. Where a digital mining use is allowed as a permitted use or special land use in a zoning district, the following additional requirements apply:

(1) All activities related to the digital mining use must be conducted within an enclosed building.

(2) The applicant must provide evidence to the Township, certified by a professional engineer, that the proposed use

will not have an adverse effect on electrical or digital internet services in neighboring properties or the Township.

(3) All digital mining operations shall be designed, erected, and installed in accordance with all applicable local, state or federal laws, codes, rules and regulations.

(4) Digital mining shall not occur in any accessory building or temporary structure. The use of ISO shipping containers or other similar containers for digital mining shall be prohibited.

(5) No data center engaging in digital mining shall exceed one hundred (100) MW energy usage at any given time. Digital mining uses and digital mining businesses may not exceed the requirements and regulations for medium-scale data centers. Digital mining is not permitted in a hyperscale data center.

Section 2. **Amendment of Section ___.** Section ___ of the Zoning Ordinance is hereby amended by the amendment of Section _____ to allow small-scale data centers as a permitted use in the C-1 District, to read in its entirety as follows:

(ff) Small-Scale Data Centers.

Section 3. **Amendment of Section ___**. Section ___ of the Zoning Ordinance is amended by the addition of a new Section _____ to allow accessory data centers as a permitted accessory use in the C-1 District, to read in its entirety as follows:

(k) Accessory Data Centers as regulated under Section ____.

Section 4. **Amendment of Section ____**. Section ____ of the Zoning Ordinance is hereby amended by the amendment of Section ____, to allow small-scale data centers as a permitted use in the C-2 District, to read in its entirety as follows:

(j) Small-Scale Data Centers.

Section 5. **Amendment of Section ____.** Section ___ of the Zoning Ordinance is hereby amended by the amendment of a new Section ___ to allow accessory data centers as a permitted use in the C-2 District, to read in its entirety as follows:

(k) Accessory Data Centers as regulated under Section _____.

Section 6. **Amendment of Section ___.** Section ___ of the Zoning Ordinance is amended by the amendment of Section ____ to allow small-scale data centers as a permitted use in the C-2 District, to read in its entirety as follows:

(h) Small-Scale Data Centers.

Section 7. **Amendment of Section ____.** Section ____ of the Zoning Ordinance is amended by the addition of a new Section _____ to allow accessory data centers as a permitted accessory use in the C-3 District, to read in its entirety as follows:

(k) Accessory Data Centers as regulated under Section ___.

Section 8. **Amendment of Section ___.** Section ____ of the Zoning Ordinance is hereby amended by the amendment of Section ____, to allow small-scale data centers as a permitted use in the Industrial District, to read in its entirety as follows:

(i) Small-Scale Data Centers.

Section 9. **Amendment of Section ___.** Section ___ of the Zoning Ordinance is amended by the addition of a new Section __ to allow medium-scale and hyperscale data centers and/or digital mining businesses as a special land use in the Industrial District, to read in its entirety as follows:

(r) Medium-Scale Data Centers and Hyperscale Data Centers and Digital Mining Use businesses.

Section 10. **Amendment of Section ___.** Section ___ of the Zoning Ordinance is amended by the addition of a new Section ___ to allow accessory data centers as a permitted

accessory use in the Industrial District, to read in its entirety as follows:

(k) Accessory Data Centers as regulated under Section ___.

Section 11. **Data Centers and Digital Mining as a Special Land Use**. Chapter __ of the Zoning Ordinance is amended by the addition of a new Section ___ regarding special land use standards for data centers and digital mining, which shall read in its entirety as follows:

Section ____ Medium-Scale and Hyperscale Data Centers and Digital Mining.

(a) Medium-scale data centers may be permitted by the Planning Commission as a special land use. Digital mining uses may be permitted by the Planning Commission for medium-scale data centers as a special land use. Hyperscale data that do not engage in digital mining uses may be permitted by the Planning Commission as a special land use. All data centers and digital uses which are permitted by the Planning Commission as a special land use must comply with all the terms and conditions of this section.

(b) **Definitions**. The definitions provided for data centers in Section __ shall apply.

(c) **Compliance with Section ___**. Proposed medium-scale or hyperscale data centers and/or digital mining businesses must comply with the requirements for all data centers under Section ___, except as provided in this section.

(d) **Application**. In addition to the application materials and environmental impact study required for data centers under Section ___(c) and ___(d), applications for medium-scale or hyperscale data centers and/or digital mining businesses shall include the following:

(1) A separate noise impact study which includes information on the noise levels to be generated by the construction, use and operation of the data center, measured in dB(A).

(2) A separate analysis of the impact on rates for other users and on the use of the required water for the data center or digital mining business on the capacity of water available from public utilities or from groundwater or surface water sources. If water is proposed to be from public sources, the applicant shall demonstrate that the public source has the capacity to provide water for the proposed data center or

digital mining use or if infrastructure or facilities improvements would be required.

(3) The applicant shall also provide a water feasibility study regarding the use of public water and any use of nonpublic sources of water. Private wells shall not be used for general cooling or processing purposes. The water feasibility study shall include the following:

(i) Calculations of the projected water needs of the data center during normal operations and at peak operations.

(ii) A hydrogeologic map of the area with a radius of at least one mile from the property.

(iii) The location of all existing and proposed wells within 1 mile of the site, with a notation of the capacity of all high-yield wells.

(iv) The location of all rivers, streams and lakes within 1 mile of the site.

(v) A determination of the long-term safe yield of groundwater based on the geologic formation(s) underlying the site.

(vi) A determination of the effects of the proposed water supply system and water discharge system on the quantity and quality of water in nearby wells and bodies of water.

(vii) A statement of the qualifications and the signature(s) of the person(s) preparing the study.

(viii) An analysis of the potential impacts of the construction of the data center on the groundwater of the site in an area within a 1-mile radius of the site, including any need for dewatering during construction, and the method for recharging the groundwater following construction-based dewatering. The report shall include information on any contamination of nearby groundwater that could impact the quality of the recharged groundwater on the site, or on sites within a 1-mile radius.

(4) The applicant shall provide an analysis of the impact of storm water discharged from the proposed data center and

the impact on groundwater, surface water or other water sources.

(5) The applicant shall also provide information regarding any preliminary review of the Michigan Department of Environment, Great Lakes, and Energy.

(6) The applicant shall provide information regarding discussions with the electric service provider indicating that capacity is available to serve the proposed data center or digital mining use.

(7) The site plan shall include a future parking area, as described in Section ____

(8) The traffic impact study required in Section ____ shall include in addition to the impacts of the ongoing operation of the medium or hyperscale data center, the impacts of construction traffic, including trucks and heavy machinery.

(e) **Location and Infrastructure Requirements**. No special use permit shall be approved for a data center unless the Planning Commission determines that sufficient infrastructure is in place, or can be constructed, to support the data center, without imposing costs onto the Township or other public entities. Specifically, no special use permit shall be approved unless the following requirements are met.

(1) **Water and Sewer.** Medium-scale and hyperscale data centers and/or digital mining businesses shall be required to connect to public water and public sewer.

(i) If extensions to the water and/or sewer systems are necessary, they shall be completed at the sole cost of the applicant. Such costs shall include all necessary repairs to public and private property along the route of the extensions to return them to a condition consistent with their condition prior to construction.

(ii) The water and/or sewer system must have sufficient capacity to serve 125% of the data center's anticipated maximum need, plus 150% of the average daily usage of all existing properties served by the water and/or sewer system. If the existing systems do not have sufficient capacity, upgrades

must be made to ensure sufficient capacity, at the sole cost of the applicant.

(2) **Electricity**. Electricity generation and transmission capacity.

(i) The applicant must submit written verification from the applicable energy service provider that there is adequate capacity available on the applicable supply lines and substation for the data center or digital mining use and to ensure that there is sufficient capacity available to serve the needs of other customers within the Township, plus sufficient excess capacity that can be utilized within _____ Township to accommodate future growth, up to 150% of current electrical usage within the Township (including the anticipated needs of the proposed data center). Such capacity must exist prior to the data center beginning operation. All necessary expansions or extensions shall be completed at the sole cost of the applicant.

(ii) The applicant must submit written verification from the applicable energy service provider that related electrical infrastructure are sufficiently sized and can safely accommodate the proposed data center or digital mining use during the power provider's peak consumption hours.

(iii) The Township may obtain the services of a third-party expert to review the documentation submitted by the applicant to demonstrate compliance with the electricity requirements of this section and this ordinance. In addition to all other escrows, the Township may require an escrow payment from the applicant to cover the cost of such review.

(3) **Public Safety.** The applicant must submit written verification from the local public safety entities with jurisdiction that their existing equipment and resources can adequately protect the data center from fire, vandalism, theft, and other security concerns. If the local public safety entities find deficiencies in their existing equipment and resources, the Township may require the applicant to invest in upgraded equipment or other increased capacity in order ensure safety and security.

(4) **Roadways.** No special use permit shall be approved for a data center unless the lot in question meets the minimum width requirement applicable in the zoning district, along a paved, public road, and the applicant obtains approval from MDOT and/or the _____ County Road Commission to construct a driveway to that public road. If there is no paved road adjacent to the property in question, the applicant may, at its sole cost, pave the road. Such pavement must extend continuously to an intersection with another paved, public road in at least one direction.

(5) **Communications Infrastructure.** The applicant must provide a report stating that existing wired and wireless communications infrastructure is sufficient to handle the inbound and outbound data from the proposed data center, without slowing speeds or reliability to existing data users in the vicinity. If upgrades are required, they shall be completed at the sole cost of the applicant. Such costs shall include all necessary repairs to public and private property along the route of the extensions to return them to a condition consistent with their condition prior to construction.

(f) **Lot Size, Coverage, Setbacks and Height Requirements for Medium-scale or Hyperscale Data Centers and/or Digital Mining Businesses**.

(1) **Minimum Lot Area**. The minimum lot area shall be 20 acres.

(2) **Lot Coverage**. Not more than 40 percent of the area of a lot or parcel or combination of lots or parcels used for a data center or digital mining use shall be occupied by buildings, structures or equipment. Areas used for parking lots shall not be used in determining lot coverage, but such areas shall comply with all minimum building setbacks.

(3) **Building Size**. Buildings for medium-scale data centers and digital mining uses and businesses shall not exceed 100,000 square feet in total area. Buildings for hyperscale data centers shall not exceed 500,000 square feet in total area. The total square foot area for all combined buildings in a hyperscale data center complex shall not exceed 1,000,000 square feet in total area.

(4) **Building Height**. The maximum building height shall be 40 feet.

(5) **Setbacks**.

(i) The minimum setback from adjoining property lines that are zoned in residential districts shall be 500 feet.

(ii) The minimum setback from adjoining property lines that are zoned in non-residential districts shall be 250 feet.

(g) **Additional Cooling Requirements.** All special use data centers and digital mining use businesses shall utilize a closed-loop, dry-cooling, or other resource-conserving form of cooling system that results in near-zero wastewater discharge for heat exchange in all equipment. For the purposes of this section, closed-loop shall mean a system where water or coolant is recirculated in a sealed system to remove heat without evaporation. The Planning Commission shall review and approve of any proposed cooling system, and the owner and/or operator shall submit testing and review by independent or third-party documentation of the system annually for review by the Planning Commission. The Township shall be notified of any faults or failures in the system within twenty-four (24) hours and all repairs shall be completed within thirty (30) days. Should an exceptional discharge of water be necessary at any time, the owner/operator shall obtain all necessary discharge permits and approvals from local, state, or federal agencies. Such discharge approvals shall be provided to the Township prior to the discharge of any water.

(h) **Landscaping and Buffering.**

(1) Landscaping shall be provided in accordance with the requirements of Chapter __.

(2) An additional berm with buffering landscaping shall be required along any property line shared with an adjacent property that is zoned in a residential district.

(i) All required berms shall comply with the requirements of Section ___.

(ii) The Planning Commission may require additional screening it is discretion.

(3) The owner(s) and/or operator(s) of the data center shall continuously maintain the required landscaping, including the berm buffers for adjacent parcels that are zoned residential, including but not limited to replacement of any dead or diseased plantings.

(i) **Open Space.** In addition to required landscaping areas, at least 20% of the site must be maintained as permanent open space. The space in question must be maintained in its natural state, or as active agricultural cultivation.

(1) Required setback areas, required landscape buffers, and the future parking area shall not count towards the required open space.

(2) The Planning Commission may permit an open space area smaller than 20% of the site upon finding that the proposed open space meets all of the following requirements:

(i) The open space is at least 10% of the total land, including in the data center proposal.

(ii) The open space is a contiguous, connected area, with no gaps where buildings, parking, or other aspects of the data center are proposed, or could be constructed in the future.

(iii) The open space contains significant natural features such as wetlands, flood plains, dense woodlands, and/or steep slopes, and the natural features will be maintained in pristine condition without negative impacts from the data center.

(iv) The open space creates a buffer zone that mitigates negative impacts of the data center on nearby residents, agricultural uses, and/or the environment.

(j) **Future Parking Area.** In order to ensure that buildings constructed as medium and hyperscale data centers can be re-used for other uses permissible in the Industrial District, a future parking area must be designated on the site plan. The future parking area shall meet all requirements, including, but not limited to, setbacks, dimensions, and number of spaces, applicable to a parking lot serving a manufacturing use within the data center building. The future parking area shall not be constructed but shall during the life of the data center remain as undeveloped open space.

(1) A vegetative ground cover, approved by the Planning Commission, shall be planted throughout the future parking area. The Planning Commission may, alternatively, approve existing vegetation in the future parking area to remain in place.

(2) No new trees or shrubs shall be planted in the future parking area.

(3) The future parking area shall not count towards the required dedicated open space in Section ____.

(k) **Construction Requirements.** The construction of medium-scale and hyperscale data centers are subject to special construction restrictions. The construction must be conducted in phases and only during such days of the week and hours as may be specifically approved by the Planning Commission as part of special land use. The Planning Commission may require additional reports, such as traffic reports, environmental impact reports, and the like related to the construction process. The construction shall not take place in a way which allows for unreasonable noise, dust, or other negative impacts on nearby or adjoining properties, lands or water. The Planning Commission may impose specific restrictions or conditions on the construction methods, storage, or disposal.

(l) **Generators.** Generators shall not be used for grid support services, peak-shaving demand response programs, or participation in energy markets. Generators may only be operated for the purpose of supplying electricity during an emergency disruption in supply from the normal electricity supplier. Under no circumstances shall any generator be operated for the purpose of supplying electricity for ongoing operations except during an emergency disruption in supply.

(1) Generators may be operated for the purpose of performing testing of the generators at dates and times approved by the Planning Commission or Township in writing. Generators must be housed within a building or within sound-attenuating enclosures to mitigate noise as approved as part of special land use approval.

(2) Generators must be permanent installations included in the approved site plan and shall not be portable or temporary in nature, nor shall any generator not included in the site plan be added to the property without an approved site plan revision under this ordinance.

(m) **Decommissioning Financial Security.** To ensure the proper decommissioning of a special land use data center upon abandonment or dormancy, the owner and/or operator must post financial security with the Township in the form of a security bond, irrevocable letter of credit or escrow payment in an amount equal to 125% of the total estimated cost of decommissioning, code

enforcement, demolition, and reclamation, which cost estimate must be approved by the Township. The owner and operator and the Township will review the amount of the financial security every two (2) years to ensure that the amount remains adequate. This financial security must be posted within thirty (30) days after approval of the special land use application. The financial security must be approved by the Township as to type, wording, amount, and the financial institution involved, and must be irrevocable for at least 30 years.

(n) **County, State, and Federal Compliance.** The Township may request proof of compliance and/or approval from all applicable county, state, and federal regulatory bodies, and pertaining to all applicable county, state, and federal laws and regulations. The Township may reject any application deemed in violation of a county, state, or federal law or regulation, even if the application otherwise meets the requirements of this ordinance.

(o) **Nuisance Prohibited.** All special land use data centers and digital mining uses shall be designed, maintained, constructed and operated at all times in a manner that does not create a nuisance by reason of heat, glare, fumes, dust, noise, vibration or odor beyond the property on which the data center is located.

Section 12. **Publication and Effective Date**. This Ordinance, or a summary of its provisions, shall be published in a local newspaper of general circulation within the Township. This Ordinance shall take effect seven days following such publication.

AYES: _____

NAYS: _____

ABSENT: _____

ORDINANCE DECLARED ADOPTED.

_____
Township Clerk

I hereby certify that the foregoing is a true and complete copy of an Ordinance adopted by the Township Board of the Township of _____ at a regular meeting held on the date first stated above, and I further certify that public notice of such meeting was given as provided by law.

_____
Township Clerk

As Recommended to the Township Board by the Planning Commission

TOWNSHIP OF SPENCER

COUNTY OF KENT, MICHIGAN

At a regular meeting of the Township Board of the Township of Spencer, held in the Spencer Township Hall, 14960 Meddler Avenue NE, within the Township, on the ___ day of _____, 2026, at 7:30 p.m.

PRESENT: _____

ABSENT: _____

The following Ordinance was offered by _____ and seconded by _____.

ORDINANCE NO. ___

AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE TOWNSHIP OF SPENCER

[Data Centers and Digital Mining Uses]

THE TOWNSHIP OF SPENCER ORDAINS:

Section 1. **Data Centers and Data Mining Uses**. Chapter 4 of the Spencer Township Zoning Ordinance (the "Zoning Ordinance") is amended by the addition of a new Section 4.42 regarding data centers and digital mining uses, which shall read in its entirety as follows:

Section 4.42 Data Centers and Digital Mining Uses.

(a) **Purpose**. The purpose of this section is to provide regulations for data centers within the Township in a manner that creates opportunities for the economic development benefits of data centers while limiting the impacts on the property values of adjacent and nearby properties and the health, safety and general welfare of the Township and its residents.

(b) **Definitions**.

(1) **Accessory Data Center**. A data center that is ancillary to the principal use of a lot of parcel, which is typically used solely to store or otherwise support an individual business's data and information

technology needs. A data center is not considered an accessory data center if it requires more than five megawatts (5 MW) of power to operate.

(2) **Closed-Loop Cooling System**. A sealed system where coolant circulates continuously, absorbing heat from a source, and then transfers that heat to a heat exchanger for removal, without the coolant ever being exposed to the environment.

(3) **Colocation Data Center**. A data center that is rented out by the owner to provide space to other businesses for their servers and other computing hardware. In addition to providing physical space, colocation facilities may offer additional services including maintenance, backup power systems, and multiple network connections. A colocation data center may be a small-scale, medium-scale or hyperscale data center.

(4) **Data Center**. A use involving a building or other structure that is primarily occupied by computers and/or telecommunications equipment and related equipment, including supporting equipment, where information is processed, transferred, or stored. A data center use shall not include a digital mining use. A data center which includes on-site solar or wind energy generation facilities used or intended to be used to supply power to the data center shall comply with the requirements of the zoning ordinance and any other ordinances regulating those uses.

(5) **Digital Currency**. Currency in a digital format that involves the use of encryption techniques to regulate the generation of units of the digital currency and verify the transfer of funds, operating independently from a central bank.

(6) **Digital Mining**. The process whereby computers (also referred to as "nodes" or "mining rigs") validate blockchain transactions for a specific item of digital currency (commonly known as "bitcoin" or "cryptocurrency") for a financial benefit.

(7) **Digital Mining Use**. A use involving a building or structure that is primarily occupied by computers used for digital currency mining purposes. Typical physical characteristics of a digital mining use include, but are not limited to, specialized computer hardware or data centers with a non-diverse electrical use for mining operations as well as equipment to cool the hardware and operating space. For the purposes of this Zoning Ordinance, the scale of a digital mining use that is not connected to a data center is determined by the same

power measurements provided in the definition of small-scale, medium scale, and hyperscale data centers in this Section 4.42.

(8) **Hyperscale Data Center**. A data center that is typically located in a warehouse-sized facility that stores servers to handle very large processing workloads, and typically host 5,000 or more servers. requires one hundred megawatts (100 MW) or more of power to operate.

(9) **Medium-Scale Data Center**. A data center that requires between five megawatts (5 MW) and ninety-nine megawatts (99 MW) of power to operate.

(10) **Megawatts (MW)**. A unit of power that is used for the measurement of bulk electricity, and is equal to one million watts.

(11) **Small-Scale Data Center**. A data center that requires less than five megawatts (5 MW) of power to operate.

(c) **Application**. A site plan shall be submitted and reviewed prior to the approval of a data center or an expansion or change of use for a data center under the provisions of Chapter 17, except where special land use approval is required, in which case special land use approval under Chapter 15 shall be required. An application for a proposed data center or digital mining use shall include all of the information required for site plan review under Chapter 17, and the following additional information:

(1) The site plan for the proposed use shall include the location of proposed buildings, structures and other improvements, floodplains, wetlands, any bodies of water, and the zoning districts for all adjacent properties and any existing dwellings within ½ mile of the proposed use.

(2) Evidence of preliminary contact with the proposed electrical service provider regarding whether there is capacity for the proposed use and whether the existing infrastructure and facilities can accommodate the proposed use.

(3) A noise mitigation plan shall be submitted, including, at a minimum, a detailed acoustic study showing the amount of noise that would be produced by normal operations of the data center and strategies to minimize noise and achieve a neutral impact on adjacent and nearby properties.

(4) The submittal shall contain a detailed narrative of the arrangements to be made for stormwater discharge, water supply and sewage disposal service, including approximate capacity, source of water supply, discharge points for sewage disposal, and description of

storm water management facilities.

(5) A project development timeline, including information regarding how the applicant will inform adjacent property owners and members of the community regarding the status of the project.

(6) A decommissioning plan, which shall include details regarding the planned method of safe removal and recycling or disposal of server infrastructure, any hazardous materials, batteries, electronic waste and related products.

(7) An agreement by the applicant to allow for periodic inspections to ensure compliance with the applicable regulations.

(d) **Environmental Impact Assessment**. The Applicant shall also provide an environmental impact assessment with the application materials. This assessment shall describe the effect and impact that the proposed data center or digital mining use will or may have upon or with respect to the following matters:

(1) The lands involved and the adjacent and nearby lands; streams, rivers, wetlands, and the quality and volume of surface and groundwater; wildlife and trees, and other significant vegetation; the effect, if any, on surrounding property values.

(2) A traffic impact study.

(3) Additional costs to governmental units; police and fire protection; storm water drainage; water supply and sewage disposal.

(4) Evidence that the disposal of wastewater and other materials will be accomplished in a manner that complies with local, state and federal regulations.

(5) Noise, vibration, dust and dirt, litter, smoke, odor, light, and glare.

(6) A community impact analysis.

(7) An analysis of the nature and effect of any private utility systems, including septic tanks and drain fields, storm water control and retention facilities, and water supply and distribution systems. This analysis shall include any impact on private utility systems located on adjacent or nearby properties up to one mile away from the proposed data center.

(8) Such other matters as the Planning Commission may request to be included. If requested by the Planning Commission, the environmental impact assessment shall include statements or comments from the following public agencies or officials

concerning those aspects of the proposed data center within their respective responsibilities and jurisdictions: Kent County Health Department; Kent County Road Kent Commission, Kent County Drain Commissioner, Michigan Department of Environment, Great Lakes, and Energy, local school district(s); local board(s) of education, Kent County Sheriff's Department, the Township Fire Department Consumer's Energy, DTE, and the surrounding public water and sewer authorities and providers if applicable, along with other appropriate agencies.

(e) **Reports**. The Township shall have the right to require supplemental or amended reports related to matters including but not limited to impacts of the proposed development, prior to any zoning approval.

(f) **Staff Review.** The Zoning Administrator shall prepare a report on the proposed site plan for the Planning Commission. The Township Engineer may also prepare reports. The Township may also contract with other consultants to provide reports necessary to evaluate the proposed data center and its potential impacts.

(g) **Review Expenses**. In addition to any application fees, all Township expenses with respect to the zoning approval of a data center or digital mining use shall be paid by the applicant. An escrow fee may be requested by the Zoning Administrator, Planning Commission or Township Board. The amount of the escrow fee shall be based on an estimate of the Township's expenses, and shall be maintained or reestablished until all expenses have been paid in full. In addition, the Township reserves the right to require the applicant to deposit an increased or additional escrow deposit if necessary for the Township to review the application and related materials. The applicant shall be entitled to a refund of any unused escrow fees and shall pay any balance due which exceeds the escrow fees.

(h) **General Regulations**. The following general requirements apply to all data centers and digital mining uses within the Township.

(1) **Noise**. Noise emanating from the construction, use, operation, or decommissioning of a data center or a digital mining use shall not exceed forty-five (45) decibels (dBA) Lmax as measured from any property line.

a. The maximum noise levels provided above shall not apply to emergency alerts or emergency alerts.

b. The Planning Commission may reduce the maximum noise level for any data center and/or particular mining use if necessary to protect adjacent residents and property owners, including but not limited to in the event that there is an audible noise due to the operation of a data center or digital mining use at adjacent property lines(s), which contains a

steady pure tone such as a whine, screech or hum.

(2) **Mechanical Equipment**. To reduce the impact of additional noise on surrounding properties, any equipment necessary for cooling, ventilating, or otherwise related to operations of the data center or digital mining use, including power generators or other power supply equipment, shall be located within an enclosed building or structure.

a. The Planning Commission may waive this requirement for specified equipment if it finds that it is not mechanically feasible to fully enclose such equipment. If it does so, the specified equipment that has been approved to be located outside of an enclosed building or structure shall be screened by a wall or similar barrier.

(3) **Setbacks**.

a. **Setbacks from Residential Properties**. Any building or structure that is used for a data center or digital mining use shall be located at least 500 feet from the lot line of any property located in a residential zoning district.

b. **Setbacks from Non-Residential Properties**. Any building or structure that is used for a data center or digital mining use shall be located at least 250 feet from the lot line of any property not located in a residential zoning district.

c. **Setbacks for Equipment**. Any equipment necessary for cooling, ventilating, or otherwise related to operations of the data center or digital mining use, including power generators or other power supply equipment, shall be setback the same as the building setback above.

d. **Setbacks for Accessory Data Centers**. An Accessory Data Center shall comply with the applicable building and any other setback requirements for the district in which the small-scale Accessory Data Center is located.

(4) **Outdoor Storage**. Outdoor storage of materials, equipment, and supplies shall be prohibited.

(5) **Hazardous Materials**. Due to the nature of a data center or digital mining use, hazardous waste and storage of hazardous materials is anticipated. If the proposed data center or digital mining use includes storage or disposal of hazardous materials or waste, the following is required:

a. The applicant shall describe the nature of the storage and processing of hazardous materials and waste as part of the application for site plan review. This shall include proposed safety measures and protocols to prevent the spread of hazardous materials outside of designated containment areas and procedures in the event that hazardous materials or waste are released and have the potential to damage persons, property or the environment. This information shall be provided to provide the Township with notice that hazardous materials or waste are present to coordinate in the event that hazardous materials or waste is released, and to inform public safety officials.

b. All storage and/or processing of hazardous materials and waste shall comply in all respects with state and federal law and regulations and the requirements of the Michigan Department of Environment, Great Lakes and Energy and any other applicable agency. Storage and/or processing of hazardous materials and waste shall not commence until all necessary permits have been obtained and copies of such permits have been provided to the Township.

c. Storage and/or processing of hazardous materials and waste shall not occur within 500 feet of any lot line.

d. If storage and/or processing is proposed outside of a building or structure, those activities shall be screened from view of adjacent public or private rights-of-way and any property that is zoned in a residential district.

(6) **Air Quality and Water Quality**. The equipment, including but not limited to any power generators, used in the operation of the data center or digital mining use shall minimize air pollutant emissions and water pollutant discharges and meet or exceed applicable state and federal laws regarding emissions and discharges. An owner or operator or applicant for a date center shall provide affirmative proof of EGLE approval or EPA approval upon request of the Township.

(7) **Storm Water Management**. A Township storm water permit is required for a proposed data center or digital mining use. Measures for control of storm water drainage shall be provided under the terms of the Township Storm Water Ordinance and any other applicable ordinances, regulations or statues.

(8) **Cooling Methods**. To reduce the potential impact on nearby potable water resources, any data center or digital mining use that proposes to use water cooling must used a closed-loop cooling

system or recycled water system.

(9) **Power**. Before the issuance of any building permits, the applicant shall provide written verification from the applicable energy service provider that states the following:

a. There is adequate capacity available on the applicable supply lines and substation for the data center or digital mining use and to ensure that there is sufficient capacity available to serve the needs of other customers within the service area, consistent with the normal projected load growth envisioned by the provider;

b. The utility supply equipment and related electrical infrastructure are sufficiently sized and can safely accommodate the proposed data center or digital mining use during the power provider's peak consumption hours;

c. Any system designed for cooling and operation of the facility (electricity, water, or other means) will be adequate and will not negatively impact the surrounding area; and

d. The use will not cause electrical interference or fluctuations in the line voltage on and off the operating premises.

(10) **Electric Utilities**.

a. Integration of renewable energy to power data centers is preferred, if feasible. Data centers that are required to obtain power from renewable sources as part of eligibility for the sales and use tax exemptions under Public Act 181 of 2024, as amended, and Public Act 207 of 2024, as amended, shall comply with state laws and regulations. The applicant shall provide proof of compliance with this section.

b. To the extent feasible, electrical utilities shall be located underground.

c. The Applicant shall provide proof that the data center or digital mining use will not cause an increase in electricity costs for Township residents.

d. Prior to the issuance of a certificate of occupancy, the applicant shall provide the Township with written verification that the electrical work has passed a third-party final inspection.

(11) **Lighting**. Any proposed outdoor lighting for a data center or digital

mining use shall comply with the requirements of Section 3.21.

(12) **Fencing**. Fencing may be required for a data center or digital mining use if necessary for safety or security purposes. The Planning Commission shall have discretion to approve the height, location and type of fencing.

(13) **Parking**. Data centers and digital mining uses shall provide a minimum of one (1) off-street parking space for each employee of the data center, and an additional three (3) visitor parking spaces. In the alterative the Planning Commission may allow parking at 1 space per 100,000 square feet of building area.

(14) **Safety**.

a. A detailed emergency response plan shall be submitted with the zoning application, showing at a minimum that the data center has a plan in effect to address emergencies resulting from flood, fire, explosion and catastrophic weather events. The emergency response plan is subject to review and comments by the Township, including the Township Fire Chief, and may also be subject to review of the Kent County Sheriff's Department or other applicable law enforcement agency.

b. The equipment used in any data center or digital mining use shall be housed in a metered, electrically grounded, and metal-encased structure with a fire rating designed to resist an internal electrical fire for at least thirty (30) minutes. The containment space for the equipment shall contain baffles that automatically close in the event of fire, independent of a possible electrical system failure.

c. Any data center or digital mining use that is proposed to include battery storage or any other device or group of devices capable of storing energy in order to supply electrical energy at a later time shall demonstrate compliance with the National Fire Protection Association (NFPA) Standard 855, Installation of Stationary Energy Storage Systems, or similar standards and must include fire suppression systems specifically designed for battery storage.

d. The proposed data center or digital mining use shall include a fire suppression system that complies with the Michigan Construction Code, as amended, and any other applicable local, state or federal laws, rules or regulations. Compliance

with all requirements of the Township Fire Chief related to fire suppression shall be required.

(15) **Emergency Contact Information**. Each data center or digital mining use shall provide 24-hour emergency contact signage visible at each access entrance. The signs shall include the company name (if applicable), the owner or representative's name, the telephone number for the emergency contact person, and the local power company's name and telephone number.

(16) **Nuisance Prohibited**. The data center or digital mining use shall be designed, constructed and operated at all times in manner that does not create a nuisance by reason of heat, glare, fumes, dust, noise, vibration or odor beyond the property on which the data center is located.

(17) **Modular Data Centers Prohibited**. Pre-fabricated or "modular" data centers and shipping containers and similar prefab structures are prohibited. All data center uses shall be within site-built buildings.

(18) **Compliance with Other Laws**. The design, construction, operation use and decommissioning of a data center or digital mining use shall comply with all other applicable local, state or federal laws or regulations, including but not limited to laws or regulations regarding the environment, pollution, and mitigation of potential impacts on threatened or endangered species.

(i) **Decommissioning Requirements**. The application shall include a decommissioning plan that describes the anticipated life of the data center or digital mining facility and the manner in which the project will be decommissioned, actions that will be taken to restore the site, the removal of the data center and equipment, the estimated cost of the decommissioning process, and the method for ensuring that the owner and/or operator will have sufficient funds available for decommissioning and restoration including but not limited to the posting of an appropriate bond, letter of credit or other security. If a data center or digital mining use is not operational for a continuous one-year period, or if substantial action on the project is discontinued for a period of one year, the project shall be deemed abandoned and must be decommissioned. The owner, operator, permit holder and/or their successor(s) in interest shall have one year to complete decommissioning of the facility. The decommissioning shall be in compliance with the approved decommissioning plan, and the owner, operator, permit holder and/or their successor(s) in interest shall notify the Township when the project has been decommissioned.

(j) **Colocation Data Centers**. Colocation data centers shall be permitted. The owner(s) and/or operator(s) of colocation data centers shall be responsible for

ensuring that lessees and users of the data center or digital mining use facilities comply with the terms of this section and other applicable provisions of the Zoning Ordinance and other applicable local, state and federal laws, rules and regulations. The owner(s) and/or operator(s) of colocation data centers shall provide information regarding their plan to ensure that all of the lessees and users of the proposed data center or digital mining use will remain in compliance.

(k) **Accessory Data Centers**.

(1) An accessory data center is permitted only in those zoning districts where an accessory data center is a permitted accessory use.

(2) Accessory data centers must be located on the same lot or parcel as the principal use.

(3) All equipment necessary for the operation of the accessory data center, including any equipment necessary for cooling, ventilating, or otherwise related to operations of the data center or digital mining use, including power generators or other power supply equipment, shall be located within an enclosed building or structure.

(l) **Digital Mining Uses**. Where a digital mining use is allowed as a permitted use or special land use in a zoning district, the following additional requirements apply:

(1) All activities related to the digital mining use must be conducted within an enclosed building.

(2) The applicant must provide evidence to the Township, certified by a professional engineer, that the proposed use will not have an adverse effect on electrical or digital internet services in neighboring properties or the Township.

(3) All digital mining operations shall be designed, erected, and installed in accordance with all applicable local, state or federal laws, codes, rules and regulations.

(4) Digital mining shall not occur in any accessory building or temporary structure. The use of ISO shipping containers or other similar containers for digital mining shall be prohibited.

(5) Digital mining operations shall only be permitted between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday. The Planning Commission may authorize additional hours if appropriate noise, light, screening and other protective measures are included.

Section 2. **Amendment of Section 13.02.** Section 13.02 of the Zoning Ordinance is amended by the addition of a new Section 13.02(o) to accessory data centers and/or digital mining

uses as a permitted use in the C-2 General Business District, to read in its entirety as follows:

(o) Data centers and/or digital mining uses as accessory uses, as regulated under Section 4.42.

Section 3. **Amendment of Section 14.02**. Section 14.02 of the Zoning Ordinance is amended by the addition of a new Section 14.02(m) to allow medium-scale and hyperscale data centers and/or digital mining uses as a special land use in the I - Industrial District, to read in its entirety as follows:

(m) Medium-scale and hyperscale data centers and/or digital mining uses, as regulated by Section 4.42 and Section 15.51.

Section 4. **Data Centers and Data Mining as a Special Land Use**. Chapter 15 of the Zoning Ordinance is amended by the addition of a new Section 15.51 regarding special land use specific requirements for data centers and digital mining uses, which shall read in its entirety as follows:

Section 15.51 Data Centers and Digital Mining.

(a) Medium-scale and hyperscale data centers and/or digital mining uses may be permitted by the Planning Commission as a special land use upon compliance with all of the terms and conditions of this section.

(a) **Definitions**. The definitions provided for data centers in Section 4.42 shall apply.

(b) **Compliance with Section 4.42**. Proposed medium-scale or hyperscale data centers and/or digital mining uses must comply with the requirements for all data centers under Section 4.42, except as provided in this section.

(c) **Application**. In addition to the application materials and environmental impact study required for data centers under Section 4.42(c) and 4.42(d), applications for medium-scale or hyperscale data centers and/or digital mining uses shall include the following:

(1) A separate noise impact study which includes information on the noise levels to be generated by the construction, use and operation of the data center, measured in dB(A).

(2) A description of the proposed plan to obtain water required for the data center or digital mining use, including whether the water would

be taken from groundwater or surface water, whether private or public utilities are proposed, and indicating the quantity of water required. The description shall specify if non-potable or recycled water is proposed to be used.

(3) A separate analysis of the impact on the use of the required water for the data center or digital mining use on the capacity of water available from public utilities or from groundwater or surface water sources. If water is proposed to be from public sources, the applicant shall demonstrate that the public source has the capacity to provide water for the proposed data center or digital mining use or if infrastructure or facilities improvements would be required.

(4) The applicant shall also provide a water feasibility study regarding the use of public water and any use of nonpublic sources of water. Private wells shall not be used for general cooling or processing purposes. The water feasibility study shall include the following:

a. Calculations of the projected water needs of the data center during normal operations and at peak operations.

b. A geologic map of the area with a radius of at least one mile from the property.

c. The location of all existing and proposed wells within one mile of the site, with a notation of the capacity of all high-yield wells.

d. The location of all rivers, streams and lakes within one mile of the site.

e. A determination of the long-term safe yield of groundwater based on the geologic formation(s) underlying the site.

f. A determination of the effects of the proposed water supply system and water discharge system on the quantity and quality of water in nearby wells and bodies of water.

g. A plan for installing monitoring wells to ensure there is no impact on the groundwater or nearby wells.

h. A statement of the qualifications and the signature(s) of the person(s) preparing the study.

(5) The applicant shall provide an analysis of the impact of stormwater discharged from the proposed data center and the impact on groundwater, surface water or other water sources.

(6) The applicant shall also provide information regarding any preliminary review of the Michigan Department of Environment, Great Lakes and Energy.

(7) The applicant shall provide information regarding discussions with the electric service provider indicating that capacity is available to serve the proposed data center or digital mining use.

(e) **Location Requirements**. Medium-scale and hyperscale data centers and/or digital mining uses shall be permitted as special land uses in the I – Industrial District; provided, however, that medium-scale and hyperscale data centers and/or digital mining uses shall not be permitted in areas of the Township that do not have sufficient infrastructure or facilities to support those uses, and that the data or digital mining use will not raise utility rates for Township residents.

(1) Medium-scale and hyperscale data centers and/or digital mining uses shall be required to connect to public water and public sewer.

(2) In addition, medium-scale and hyperscale data centers and/or digital mining uses shall not be located in areas that do not have existing electrical infrastructure and facilities that are sufficient to support medium-scale or hyperscale data centers or digital mining uses.

(3) Accordingly, medium-scale and hyperscale data centers and/or digital mining uses must be located near the power lines in the southern part of the Township and in a place where public water is available.

(f) **Minimum Requirements for Medium-scale or Hyperscale Data Centers and/or Digital mining Uses**.

(1) **Minimum Lot Area**. The minimum lot area shall be 20 acres.

(2) **Building Height**. The maximum building height shall be 35 feet.

(3) **Setbacks**.

a. The minimum setback from adjoining property lines that are zoned in residential districts shall be 500 feet.

b. The minimum setback from adjoining property lines that are zoned in non-residential districts shall be 250 feet.

(4) **Greenbelts, Landscaping and Buffering**.

a. A berm with buffering landscaping shall be required along any property line shared with an adjacent property that is zoned in a residential district.

b. The Planning Commission shall have the discretion to require that that landscaping, buffers, or greenbelts be preserved or provided to ensure that the proposed data center and/or digital mining use will be adequately buffered from surrounding land uses.

c. The owner(s) and/or operator(s) of the data center shall continuously maintain the required landscaping, including the berm buffers for adjacent parcels that are zoned residential, including but not limited to replacement of any dead or diseased plantings.

(5) **Monitoring Wells.** The Planning Commission may require monitoring wells as part of special land use approval.

(6) **Construction Phasing Requirements**. The construction of medium-scale and hyperscale data centers and/or digital mining uses are subject to special construction restrictions. The construction must be conducted in phases and only during such days of the week and hours as may be specifically approved by the Planning Commission as part of special land use approval. The construction shall not take place in a way which allows for unreasonable noise, dust or other negative impacts on nearby or adjoining properties or lands or water. Roads utilized for construction shall be maintained and repaired at the owner's and operator's expense. In addition, although the construction is not subject to the operational noise restrictions for data centers and digital mining uses, the Planning Commission may place special noise restrictions on each phase of the construction.

(7) **Generators.** In addition to all other requirements of the Zoning Ordinance, medium-scale or hyperscale data centers and/or digital mining uses shall comply with the following additional requirements.

a. Generators shall not be operated for ongoing operations except during an emergency disruption of supply.

b. Generators shall not be used for grid support services, peak shaving demand, response programs, or participation in energy markets.

c. All generators, including temporary or emergency generators, must be housed in sound-mitigating enclosures to mitigate noise. Testing of generators may only take place

during times approved by the Planning Commission as part of special land use approval.

d. The Planning Commission may require generators to be powered by natural gas or other green energy as part of special land use approval.

(8) **Utilities, Roads and Township Services.** Applicants and facility operators and owners of medium-scale and hyperscale datacenters and/or digital mining uses shall provide the Township with an initial study, and with annual studies as requested by the Township, of all utilities, roads, and the type, size and quantity of firefighting equipment that will be used or need to be added to serve a facility of this size and for this particular use. The applicant, facility operator or owner shall pay for all extensions, additions, repairs, improvements or additional facilities, vehicles, or equipment needed to provide or maintain the additional utilities, roads, and/or Township services.

(9) **General Compatibility.** No use, activity or operation of a special land use medium-scale or hyperscale data center and/or digital mining use shall be conducted in a manner that is injurious, noxious, or offensive to adjacent or neighboring land uses; interferes with the reasonable use or enjoyment of life or property, or tends to depreciate the value of surrounding property due to noise, vibration, glare, lighting, omissions, traffic, visual impact, or other nuisance conditions.

Section 5. **Publication and Effective Date**. This Ordinance, or a summary of its provisions, shall be published in a local newspaper of general circulation within the Township. This Ordinance shall take effect seven days following such publication.

AYES: _____

NAYS: _____

ABSENT: _____

ORDINANCE DECLARED ADOPTED.

_____
Lisa Wright, Township Clerk

I hereby certify that the foregoing is a true and complete copy of an Ordinance adopted by the Township Board of the Township of Spencer at a regular meeting held on the date first stated

above, and I further certify that public notice of such meeting was given as provided by law.

_____

Lisa Wright, Township Clerk

Chester Township

3509 Sehler St. P.O. Box 115 Conklin, MI 49403

"Chester Township is an Equal Opportunity Provider"

Zoning Administrator **July 2026** Report

Zoning Permits

Kyle and Jenna Stevenson	21641 Centennial Dr.	40' x 80' pole barn
Rio Grande Farm LLC	994 Coolidge St.	Migrant Housing
Richard Cnossen	19235 40th Ave	Temporary Dwelling

Zoning Enforcement

Phelps/Kluting	23915 36th Ave.	Unpermitted Demo/Burning	Ongoing

ZBA

None.

Aaron Bigelow
Planner & Zoning Administrator