CITY OF GROVEPORT

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MEMORANDUM

Date: June 15, 2026

To: Mayor Lance Westcamp
Groveport City Council Members
Benjamin ("BJ") King, City Administrator
Jason Carr, Asst. City Administrator/Finance Director

From: Michael Loges, Development Director

Re: Local and Regional Impact of Data Centers

DATA CENTER BASICS & PERCEIVED IMPACTS

1. **What are data centers and why are they in the news?**

   Data centers are large facilities filled with servers that store, process, and transmit digital information. They are critical for artificial intelligence, cloud storage, streaming videos, financial systems, and more. Running thousands of servers 24/7 requires huge amounts of electricity, and regulating their temperature often requires large amounts of water. The artificial intelligence (AI) boom has driven rapid expansion of new data centers across the country. Ohio is among the states with the most existing and planned data centers.

2. **How are communities impacted and what are their concerns?**

   As data center development continues to expand across Ohio, communities, policymakers, utilities, and residents are evaluating the potential economic, infrastructure, and environmental implications of these projects. Areas of discussion include impacts on electricity demand and energy costs, water usage and wastewater management, land use patterns, noise generation, and the role of various energy sources in supporting increased power needs.

   Because the data center industry is evolving rapidly, many of its long-term economic and environmental impacts are still being assessed. In some cases, the pace and scale of proposed projects have raised questions about how local governments and residents can effectively participate in planning and decision-making processes.

   Ohio currently offers tax incentives to encourage data center investment. These incentives are intended to attract capital investment, strengthen the state's technology infrastructure, and support economic development objectives. At the same time, policymakers and stakeholders continue to debate the costs and benefits of such incentives, including their impact on state and local tax revenues and the return on public investment.

   Data center projects often generate significant construction activity and create demand for skilled trades during the development phase. Once operational, facilities typically employ fewer workers than many traditional industrial or commercial developments, leading some

analysts to examine the cost-per-job associated with incentive programs and compare them to alternative economic development investments.

As Ohio's data center sector continues to grow, communities are increasingly focused on balancing economic development opportunities with infrastructure capacity, fiscal considerations, environmental stewardship, and quality-of-life objectives.

Why a Land Use Entitlement Campaign Now Decides Approval

For years, an entitlement was a legal process. Today it is a political one. The legal work still matters. Zoning compliance, traffic studies, and environmental review remain necessary. However, they are no longer enough. A project can be legally unimpeachable and still lose.

Opponents have learned a simple lesson. You do not need to win the legal argument. Instead, you need to win the room. Economic developers must learn that same lesson, because the public hearing has shifted from a formality into a battleground. Zoning commissions and county commissioners once deferred to technical staff. Now they respond to constituents who show up in force and vote.

3. **Do data centers create "good jobs"?**

Data center construction projects generate substantial work for skilled tradespeople, like construction and electrical workers, which opens pathways to jobs. Once they are up and running, however, data centers directly employ a relatively small number of workers to carry out their core operations. For example, in 2024, Gov. DeWine announced nearly $1.1 billion in private investment coming to Ohio, creating 415 new jobs. New Microsoft data center facilities represented 90.9% of that investment but only 4.8% of new full-time-equivalent jobs created.

Communities can partner work to secure long-term commitments to strong labor standards for direct and indirect jobs involved in data center operations and maintenance by negotiating a Project Labor Agreements (PLAs) or by including provisions for good job standards in other development agreements. These agreements are often pursued in conjunction with labor unions. PLAs can ensure data center companies use union labor and invest in apprenticeship training opportunities to connect workers to jobs in the trades with good wages, benefits, and strong worker protections.

4. **What effect do data centers have on my electricity bill?**

Utility companies are scrambling to keep up with data centers' demands, investing heavily in grid improvements and new or upgraded transmission infrastructure. Since the costs of utilities' transmission spending are borne by residential and industrial customers alike, lawmakers are exploring policy proposals to ensure these costs aren't passed on to Ohio families and other everyday ratepayers.

Data centers are among the most electricity-intensive forms of commercial and industrial development, and their continued expansion is contributing to increased demand for power across Ohio and other regions of the country. As electricity demand grows, utilities, grid operators, policymakers, and consumers are evaluating the implications for generation capacity, transmission infrastructure, grid reliability, and electricity costs. While

data centers are a significant source of projected load growth in Ohio, other factors — including economic development attraction efforts, manufacturing expansion, and electrification trends — also contribute to increasing demand.

Ohio is part of the regional transmission system managed by PJM Interconnection, which coordinates the movement of electricity across all or portions of 13 states and the District of Columbia. PJM conducts capacity auctions to ensure sufficient electricity generation is available to meet future peak demand and maintain system reliability. In recent years, these auctions have produced higher capacity prices, reflecting a combination of growing demand, generator retirements, transmission constraints, and evolving market conditions. These costs can ultimately influence retail electricity rates paid by residential, commercial, and industrial customers.

Meeting projected demand growth may require substantial investment in generation resources, transmission lines, substations, and other grid infrastructure. Utilities, regulators, and policymakers continue to examine how these investments should be funded and how costs should be allocated among customer classes. Some stakeholders have argued that large-load users, including data centers, should bear a greater share of infrastructure costs directly attributable to their projects, while others emphasize the broader economic development benefits that such investments can provide.

As Ohio considers future data center development, policymakers face the challenge of balancing economic growth opportunities with grid reliability, infrastructure needs, and the long-term affordability of electricity for all customers.

5. In what ways are data centers beneficial to a community?

Data centers can provide significant economic and fiscal benefits to a host community, although the extent of those benefits varies based on the size of the facility, the business model of the operator, local tax policies, and the terms negotiated between the company and the community.

One of the most commonly cited benefits of data center development is the increase in local property tax revenue. Modern data centers represent substantial private-sector investment, often ranging from hundreds of millions to several billion dollars. This investment can significantly expand a community's tax base and generate revenues that support public services, infrastructure improvements, parks and recreation facilities, and other local priorities. In some cases, increased commercial tax revenues can help reduce pressure on residential taxpayers.

Data centers can also serve as catalysts for broader economic development. The presence of a major technology investment can enhance a community's visibility among site selectors and investors, demonstrating that the area possesses the infrastructure and business climate necessary to support sophisticated operations. This can help attract additional employers, encourage industrial park development, and strengthen the community's position in regional economic development efforts.

Although data centers are not typically large employers once operational, their construction phases can generate substantial economic activity. Large facilities often

require multi-year construction efforts involving hundreds of workers across a variety of skilled trades, including electrical, mechanical, engineering, and construction professions. These projects can also create demand for local suppliers, contractors, hotels, restaurants, and other service providers during the development period.

Once operational, data centers create a smaller but generally well-compensated workforce. Positions may include facility managers, network and information technology specialists, data center technicians, security personnel, and maintenance professionals. While employment levels are generally lower than those associated with manufacturing facilities of similar size, the jobs that are created often require specialized skills and offer competitive wages and benefits.

The infrastructure improvements associated with data center development can also provide long-term value to a community. Data centers often require upgrades to electrical transmission and distribution systems, fiber-optic networks, roadways, and, in some cases, water and wastewater infrastructure. When planned strategically, these improvements can support future commercial and industrial growth beyond the data center itself.

Communities may also negotiate additional benefits through development agreements or Community Benefit Agreements. Depending on market conditions and local leverage, these agreements can provide direct investments in public infrastructure, workforce development programs, educational initiatives, public safety equipment, parks, broadband expansion, or other community priorities. In highly competitive markets, local governments may be able to secure commitments that extend well beyond the standard tax revenues generated by the project.

In regions where multiple facilities are developed, data centers can contribute to the growth of a broader technology ecosystem. Clusters of data centers may attract related technology companies, encourage workforce development initiatives, and strengthen partnerships with colleges, universities, and technical training providers. Central Ohio's emergence as a nationally significant data center market is one example of how digital infrastructure investments can help establish a region's reputation within the technology sector.

From a land-use perspective, data centers may also offer advantages compared to certain other industrial developments. After construction is complete, they generally generate relatively low levels of truck traffic, produce limited air emissions, and can often operate with minimal impacts on surrounding properties when properly designed and screened. For communities seeking commercial tax base growth without the traffic and operational impacts associated with warehousing, logistics, or heavy manufacturing, data centers may represent an attractive development option. For example, 15 companies employ approximately 2,700 people in New Albany’s Personal Care and Beauty Campus near the geographic center of the New Albany International Business Park. The resulting daily traffic patterns in and around this area are manageable, but if all the adjacent land were to develop into similar advanced manufacturing uses, the existing five-lane roadways could be overwhelmed by commuter and logistics traffic at rush hour.

Ultimately, the key consideration for local governments is not simply whether data centers provide benefits, but whether those benefits align with the community's long-term goals and justify the use of land, utility capacity, public infrastructure, and any incentives that may be offered. Communities are often best served by carefully evaluating both the benefits and costs of proposed projects and by negotiating agreements that ensure residents and businesses share in the value created by these investments.

6. **Generally, what is the current public sentiment regarding new data center investments?**

   Public opinion has turned fast. In early 2025, national polling showed roughly 60% of Americans supported data center construction. By April 2026, that number had flipped. According to Change Research, 53% of voters now oppose it, with only 36% in favor.

   The trend holds across the political spectrum. Gallup found that seven in ten Americans oppose data center construction near where they live. Among Democrats, 75% oppose local data center projects. Among Republicans, 63% do as well. Morning Consult also tracked support for an outright construction ban, which grew from 37% to 41% in a single month in late 2025.

   Moreover, the opposition is not abstract. It is rooted in specific fears: electricity bills, water consumption, industrial character imposed on rural land, and a sense that distant corporations decide without community input. A POLITICO survey found that most Americans report low familiarity with how data centers operate. In the absence of knowledge, communities default to perceived risk. That knowledge gap is where opposition takes root.

   Data centers are simply the highest-profile example. The same dynamics now reshape entitlement battles for warehouses, solar farms, manufacturing facilities, and large residential developments. As a result, communities are better organized, better informed by social media, and more politically sophisticated than they were a decade ago.

###

ECONOMIC DEVELOPMENT & BUSINESS ATTRACTION EFFORTS

1. **What has JobsOhio and the State of Ohio done to attract new data center investments?**

   JobsOhio and the State of Ohio have aggressively attracted data center and AI infrastructure investments through a combination of targeted legislative tax exemptions, robust site development, and public-private workforce initiatives. These measures have secured tens of billions in commitments from tech giants like AWS, Meta, Google, Cologix and more.

   - **Sales Tax Exemptions:** Ohio's Data Center Tax Exemption is a state economic incentive that provides full or partial waivers of Ohio’s 5.75% sales and use tax on computer equipment, software, cooling systems, power infrastructure, and construction materials. Under Ohio Revised Code Section 122.175, eligible data centers are exempt from state sales and use taxes on equipment purchases.

Despite legislative pushes to scale this back, Governor Mike DeWine has actively defended and maintained this exemption to keep Ohio competitive.

- **Local Property Tax Abatements:** JobsOhio coordinates with local governments to offer customized tax abatements (e.g., 100% real property tax exemptions for up to 15 years) on top of the state sales tax exemption.

- **Available Land & Fiber:** JobsOhio maps out and markets large, fiber-rich, and shovel-ready land parcels — particularly in Central and Northwest Ohio.

- **Power & Partnerships:** The state is collaborating heavily with utility providers like AEP Ohio and federal agencies to ensure robust energy capacity for heavy power-reliant hyperscale and AI data centers.

- **AI-Ready Ohio:** JobsOhio and the Enterprise Technology Association launched this pilot program to accelerate statewide AI adoption and upskill the local workforce to meet the operational demands of new tech hubs.

- **Education Integration:** State institutions like The Ohio State University have rolled out localized AI initiatives, such as the AI(X) Hub, while expanding curriculum and GenAI workshops to feed STEM talent to the booming tech and cloud infrastructure sectors.

Recent Sales Tax Exemption Activity: Reporting from Signal Ohio shows the data center sales tax exemption cost the state more than $1.5 billion in 2025 alone, almost 12 times the state's $136 million forecast. And that is only the state loss; Ohio still has not disclosed how much sales tax local governments have lost.

On May 27, Ohio Governor Mike DeWine directed the Ohio Tax Credit Authority to stop considering new data center exemption requests while a legislative committee (Ohio General Assembly's Joint Data Center Committee) studies the industry's impact on energy, the environment, and local communities. The pause raises questions about how Ohio will stay competitive with other states that still offer tax incentives for technology investment.

Until recently, governors across the country have mostly played a moderating role on state data center policy, with several vetoing bills that would have imposed new restrictions or fees on the industry. The actions by Ohio and Utah suggest that posture may be shifting. Utah Governor Cox issued an executive order establishing a new framework for data center development, directing state agencies to weigh water use, air quality, wildlife impacts, and ratepayer protections alongside economic growth. The order comes as Utah is already navigating a high-profile dispute over a large, proposed data center project.

Not all governors are moving in the same direction. New York's governor has signaled opposition to a statewide data center moratorium, suggesting that gubernatorial attitudes on this issue vary considerably by state. Virginia offers a useful contrast, where lawmakers passed a wave of data center bills this session even as tax exemption debates continued, showing that some states are still actively courting the industry.

2. **Do data centers receive tax incentives?**

Sometimes “tax incentives” are referred to as “tax breaks,” which implies that a company might have no tax obligation at all. This is not the case. Communities in Ohio, however, often grants real property tax abatements as tax incentives for new and expanding companies. A tax abatement reduces a company’s tax responsibilities for a set period to encourage investment. Tax abatements never permanently excuse a corporation from paying taxes. Tax abatements are usually applied to a company’s first 10 or 15 operational years to shorten the timeline to profitability. They are primarily used to level the playing field when competing with other states across the nation that offer economic incentives to induce economic development opportunity.

Under the Ohio Revised Code, municipalities may establish Community Reinvestment Areas (CRAs), which allow local governments to grant real property tax exemptions on qualifying improvements. The Ohio Revised Code permits municipalities to offer real property tax exemptions of varying percentages for up to 15 years, or up to 30 years if a project is designated a “mega-project” by the State of Ohio. Mega-project designation requires investment exceeding $1 billion and/or the creation of more than 1,000 jobs and is subject to state-level review and approval.

When development occurs within a CRA, the value of newly constructed buildings may be exempted from real property taxation for the term of the abatement, subject to the conditions of the agreement. The increase in value assessed on the land is not abated under the CRA statute. Abatement agreements are often negotiated before construction begins – though not always – and are not enacted until a building is complete

3. **What oversight mechanisms exist for real property tax abatements?**

Each year, every active CRA real property tax abatement is evaluated by the Tax Incentive Review Council (TIRC), a statutory board that engages all stakeholders in local tax revenue, including the applicable county auditor, the City of Groveport, school superintendents and/or treasurers, and township trustees.

Every spring, the City’s Finance and Development departments partner to collect performance data from every company with an active CRA real property tax abatement in the City of Groveport. This information is assembled and presented to the TIRC in the early summer. If there is a property tax abatement agreement in place, the report compares the terms of each company’s abatement agreement with that company’s actual performance against those variables during the past tax year. Each county’s TIRC recommendations are delivered to City Council as a resolution through which the City makes its formal decision to maintain, terminate, or modify the continuation of real property tax abatements.

4. **What are Community Benefits Agreements**

Data center development is accelerating faster than any infrastructure buildout in a generation, bringing significant capital investment, tax revenue, and digital infrastructure to communities across the country. As these projects scale, developers and local leaders have a real opportunity to shape how that growth lands — ensuring host communities

share in the upside through job creation, infrastructure improvements, environmental stewardship, and direct community investment.

Community Benefits Agreements (CBAs) have emerged as the most practical tool to bridge the gap between communities and developers. These legally binding contracts translate developer promises into specific, measurable commitments on local hiring, environmental safeguards, infrastructure, and direct investment. Done well, a CBA can turn an adversarial permitting fight into a structured negotiation that both protects residents and gives developers a credible path to approval and on-time delivery.

###

NEW ALBANY, OHIO CASE STUDY

New Albany has been home to data centers since 2010. Today, 15 companies operate 40+ facilities, generating tax revenue that funds roads, schools, and public services. Data centers in New Albany are held to strict local standards for noise, water, air quality, and zoning — protecting the community's quality of life. Data center operators and developers pay taxes under strict formulas that guarantee stable, predictable revenue for New Albany year after year.

New Albany Data Center Statistics

- Investment: $19+ Billion
- Jobs: 2,700+
- Square Feet: 15 Million

Data centers have been part of the New Albany community since 2010 and are a key part of the City's long-term, strategic approach to economic development. Data centers also play an important role in protecting America's national security and technological independence. As demand for computing power continues to grow, it is critical that the United States maintains the infrastructure needed to support military operations, cybersecurity, and essential services here at home rather than relying on servers located overseas.

These facilities contribute to a diversified tax base that supports public works aligned with New Albany's core planning principles: health and wellness, arts and culture, lifelong learning, and environmental sustainability. Their presence has helped generate significant private investment, strengthen the City's financial stability, and support infrastructure like roads, water and sewer systems, and fiber connectivity.

In addition to increasing the City's tax base, New Albany data centers serve as critical "economic base" operations that support other industries throughout the community. Their investment has helped unlock land for further development, fund major infrastructure improvements, and attract additional employers in sectors like health and life sciences and advanced manufacturing. As a result, data centers continue to play an important role in supporting New Albany's growth, resilience, and high quality of life.

Resident Frequently Asked Questions

1) Do New Albany data centers use too much water?

   The City carefully plans and monitors water use. New Albany data centers do not use large amounts every day, and some reuse or store water. The City has not needed additional water capacity because of them.

2) Are data centers noisy?

   New Albany data centers must meet strict local noise limits. Day-to-day operations are quiet. Occasional testing may create temporary noise, usually scheduled during daytime hours.

3) Do New Albany data centers pollute water or harm the environment?

   No. Wastewater is regulated and treated before release. In some cases, water is returned cleaner than it started. The City of New Albany and City of Columbus monitor this closely to ensure safety.

4) How do data centers benefit residents of New Albany?

   New Albany data centers generate tax revenue that helps fund roads, parks, schools, and public services. Many companies also support local nonprofits, schools, and community programs.

   The City has preapproved school compensation agreements in place. We have standardized revenue generation formulas for each industry cluster, thereby ensuring that revenue from new development projects is predictable for both the City and the school districts.

5) Why did New Albany attract data centers?

   New Albany attracts data centers to strengthen and diversify the local economy. These facilities provide stable, long-term revenue and help fund infrastructure that supports residents and businesses.

   Data centers are one piece of New Albany's diversified economic development strategy, which includes five other industry clusters. Development in those other clusters has resulted in job-dense manufacturing, corporate office, or health and life sciences investment throughout the community. Data centers support the IT necessities of these other businesses, making them a critical "economic base" operation insulated from industry-specific volatility.

   As established in more detail throughout this webpage, data center development has significantly increased the City's tax base through income and property taxes, payment in Lieu of Taxes (PILOT) payments, contributions to the New Community Authority, and more. As development has continued in New Albany, the City has observed hyperscaler data centers acquiring large tracts of agricultural land at significantly higher prices. These purchases result in increased land valuations, generating greater property tax revenue for all three school districts and both career technical schools in New Albany.

   The extraordinary concentration of capital associated with data center investments has enabled the City to fund critical infrastructure for other industries. For example, Meta began

its growth in New Albany on a now 600+ acre site south of SR-161. This area had been a part of the City's growth corridor since the 2008 update to the New Albany Strategic Plan, but New Albany lacked the funding to bring infrastructure to the region. The City was able to utilize revenue streams from the Meta project to support the debt service for an expansion of road, water, and sewer along the Beech Road corridor, opening more than 800 acres of ground for economic development purposes. In subsequent years, acreage from those "unlocked" tracts of land was acquired by Amgen, a global health and life sciences manufacturer that researches and produces cancer medications in New Albany.

6) Do New Albany data centers get tax breaks?

   Some New Albany data centers receive temporary tax abatements to support development, but they still pay taxes and fees. Agreements require consistent payments that support City services and local schools.

7) How are data centers taxed in New Albany?

   Data centers are subject to all non-abated taxes and must meet the City's minimum revenue generation formula, which can be satisfied through a combination of municipal income tax revenue, TIF service payments, New Community Authority (NCA) charges, and, where applicable, a direct payment in lieu of taxes.

   While NCA charges are collected by a separate legal entity, the New Albany East Community Authority, the City retains control over the use of those funds through a cooperative agreement. State law outlines how these funds may be used for public purposes. A portion of the revenue is applied to annual loan payments for infrastructure serving the business park, while the remainder supports public amenities such as municipal facilities, parks, and infrastructure projects that directly benefit community residents and support the strategic plan.

   Some data center campuses in New Albany are utilizing tensile structures to scale data facilities faster than traditional construction projects allow. Under certain newer data center abatement agreements, semi-permanent tensile structures are valued at the same rate as permanent data center buildings for purposes of calculating New Community Authority (NCA) charges. The City's minimum payment formula was designed to offset any payroll or property tax shortfalls regardless of building type, ensuring consistent revenue to the City and schools. Exact annual taxes paid to local entities by any commercial development can be found on the applicable county auditor's website.

   Recent financial analysis proves that operational data centers generate revenue equivalent to (and often surpassing) established corporate office developments in New Albany. For example, in tax year 2024 (payable in 2025), a single hyperscaler data center investment generated revenue equivalent to $178,000,000 of payroll earned in New Albany at the city's 2.0% income tax rate. This revenue is not only significant, but stable; per the terms of the City's abatement agreements, minimum payment amounts are guaranteed over the course of the abatement. This insulates the City's financial future from unexpected industry downturns.

   As CRA real property tax abatements "burn off" over time, the taxable value of data center real property will increase, creating significant long-term revenue potential. Moreover, New Community Authority payments will be collected in perpetuity. The resulting financial security

has enabled the City of New Albany to attain a AAA bond rating from both Moody's and S&P. Revenues from resulting City bond issuances are currently being deployed toward the construction of a new park, the expansion of the New Albany Police Department, and more. Data center investment in New Albany enables the City to build tangible assets that enhance the quality of life for our residents.

8) How does New Albany's minimum annual service payment formula work?

New Albany uses a consistent formula to establish a minimum annual service payment that data centers must make to the City to maintain a real property tax abatement. To address the relatively low job creation in a typical data center, the City benchmarks data center developments against the average payroll generated by a like-sized office or manufacturing campus. Per the terms of the City's CRA agreements, data center companies can generate revenue for the City to meet their minimum annual service payment through four potential revenue streams defined in each agreement:

i. **TIF collections:** "TIF" refers to tax increment financing, whereby the incremental assessed value generated by new improvements and land value increases is captured and allocated to a designated fund for the financing of public infrastructure.

ii. **New Community Authority payments:** A New Community Authority (NCA) in Ohio is a public/private entity, created by developers and local governments (like cities or townships), to manage and fund large-scale, mixed-use community developments, allowing for focused economic growth, infrastructure, and facilities through special charges (like property fees or retail surcharges) and bonds, essentially acting as a public-private partnership for planned development. Although the New Albany East Community Authority (NAECA) collects the NCA charge, the City maintains control over how those funds are used through a cooperative agreement. State law outlines how these funds may be used for public purposes. A portion of the revenue is applied to annual loan payments for infrastructure serving the business park, while the remainder supports public amenities such as municipal facilities, parks, and infrastructure projects that directly benefit community residents and support the strategic plan. For tax year 2024, collected in 2025, data center projects generated approximately $10 million in community development charge revenue.

iii. **Municipal income tax:** New Albany assesses a 2% employee withholding income tax on all employees within city limits. Most New Albany residents pay no income tax to New Albany because they are provided with a 100% credit for income taxes paid to the communities where they are employed.

iv. **PILOT cash payment:** If the three revenue streams above do not add up to the minimum annual service payment, a company can preserve its abatement via a cash payment in lieu of taxes (PILOT). Once they have completed construction, many data center companies pay a PILOT every year to maintain their real property tax abatements.

9) What role do data centers play in the community once they are built?

In New Albany, data centers have proven to be strong partners to the City and a variety of nonprofit organizations. As a condition of most of the City's tax abatement agreements, businesses receiving incentives are required to submit an annual community participation statement and become members of the New Albany Chamber of Commerce. Companies also regularly partner with The New Albany Community Foundation or nonprofits like Healthy New Albany to volunteer time or make donations to causes that support New Albany's four key planning principles: Health and Wellness, Arts and Culture, Lifelong Learning, and Environmental Sustainability.

Some data centers have sponsored community grants or educational initiatives like STEM courses and Girls Tech Day. In one instance, a data center company provided an entire school district with 1-to-1 electronic devices, enabling education to continue throughout the COVID-19 pandemic. Data center operators continue to raise the bar for corporate community participation in New Albany; QTS, a data center company, recently won the City's "business volunteer of the year" award

10) How much zoning regulation is involved with data centers in New Albany?

Zoning is the local legal regulation of how property is used and can be developed. The City of New Albany's zoning framework for data centers reflects the same thoughtful and intentional approach that guides all development in our community. By requiring thoughtful site planning, coordinated architecture, and enhanced buffering, the City ensures that large-scale facilities such as data centers are seamlessly integrated into their surroundings. By incorporating data centers into pre-zoned, shovel-ready sites within the New Albany International Business Park, the City ensures these facilities align with long-term land use goals and minimize potential impacts on surrounding neighborhoods. This approach reflects a strong commitment to balancing economic growth with community character and reinforces the principles outlined in the city's comprehensive strategic plan.

Data centers are a permitted use in the General Employment (Codified Ordinances § 1153) and Technology Manufacturing District (TMD) (Codified Ordinances § 1154). Over time developers, landowners, City staff, the Planning Commission and City Council have identified and implemented best practices into each of these zoning texts and base code to facilitate well-planned development and mitigate impacts to adjoining areas. The TMD zoning district was the product of a 2021 City-led effort to consolidate all the best practices from these prior zonings. Whether it be within the TMD zoning district or the GE zoning district with a Limited Overlay commercial zoning text, data centers in New Albany are subject to heightened standards that go beyond basic zoning ordinance requirements found in other communities.

These heightened standards include:

i. Enhanced landscaping
   a) Wherever possible, existing natural features must be incorporated into future development.
   b) Installation of white four-rail horse fence that preserves the agrarian character of the community. Paint color, fence rail and post dimensions, and species of wood to be used in the construction of the fence are predetermined and standardized.
   c) Installation of standardized blacktop leisure trail to provide pedestrian

d) connections that enable walking, biking, and other recreation. The placement of this pathway is consistent relative to the nearest curb, as is the width of the path, strips of grass on either side, and street tree placement.
e) Specific size, gradient, and undulation criteria for swales, berms, and gateway water features that screen development from roadways.
f) Preapproved native species lists with specified tree installation sizes, spacings, and required underplanted shrubs and seeded meadow mix. In the case that berm height is unable to be met around the entirety of a site, plantings that provide 100% screening coverage at full foliage can be deployed within these criteria.
g) Pond shapes, plantings, and gradings that aesthetically integrate into the surrounding landscape; wetland plant mixes must be developed in consultation with a wetland ecologist.
h) Consistent campus entrance signage, roadway and wayfinding/address signage, and street light standards including specifications for the size, frequency, color, graphics, fonts, construction materials and placement proximate to paths, fences, bridges, and roadways.
i) Preapproved primary entry drive widths, radii of curbing, skirt and drive materials, and roadway paint schemas.
j) Specific bridge requirements with consideration for architecture, materials, height, wall width and aesthetic, and surrounding culvert size and shape.

ii. Architectural standards
a) Accessory or ancillary buildings, whether attached or detached, must be of similar design, materials and construction as the primary structure if they are visible from a public street right-of-way.
b) Building façade colors and materials are coordinated to complement each other.
c) Building elevations shall be designed to be compatible with each other and to reflect a consistent design approach.
d) Elements such as meter boxes, utility conduits, roof and wall projections such as vent and exhaust pipes, basement window enclosures, and trash containers must be located so as to minimize their visibility and visual impact from off-site. For more information, please reference The New Albany Technology Manufacturing District Landscape and Architecture Standards Plan.

iii. Screening elements that are complementary to primary buildings
a) Mechanical equipment and service areas that cannot be located out of sight of public right of way must be screened using materials and design treatments that match the building's architecture, reinforcing a cohesive and high-quality visual environment. Special attention has been given to design requirements within setbacks along major public streets to balance site and facility needs with the rural aesthetic throughout the business park.

iv. Noise mitigation standards to minimize off-site impacts
a) Rather than establishing a specific decibel limit, the City's noise ordinance prohibits the sound on an industrial parcel from exceeding "exceed the average intensity of street traffic noise in the nearest residential districts." Furthermore, "no sound shall be objectionable due to intermittence, best frequency or shrillness" (Codified Ordinances § 1153.07).

New Albany's strategic planning process demonstrates that clearly defined standards can successfully accommodate complex, large-scale developments like data centers without compromising community character.

###

ECONOMIC & COMMUNITY DEVELOPMENT POLICY OPTIONS

The rapid growth of the data center industry in Central Ohio presents a significant opportunity for the City of Groveport to proactively establish a clear framework for evaluating and attracting these investments. Rather than responding to projects on a case-by-case basis, Groveport can define a comprehensive policy that aligns zoning regulations, infrastructure planning, and economic development objectives with community priorities. Such a framework can identify appropriate locations for data center development, establish performance expectations, and provide certainty for both residents and prospective investors.

At the same time, Groveport has an opportunity to create an incentive and community benefits strategy that ensures data center projects contribute meaningfully to the community. This may include expectations related to utility infrastructure improvements, workforce development partnerships, public safety investments, tax revenue generation, environmental stewardship, and other community priorities. By establishing clear policies in advance, the City can position itself to attract high-quality investment while protecting community interests and maximizing the long-term benefits of this emerging industry sector.

For instance, the Village of Plain City recently adopted zoning regulations and community safeguards for data center development. While the village does not actively pursue these projects, it established a framework requiring any future data center to undergo a "conditional use" case-by-case review.

Key Components of Plain City's Policy

- **Conditional Use Requirement:** Developers do not have an automatic right to build; they must pass rigorous, case-by-case municipal review.
- **Strict Setbacks:** Facilities must be located at least 750 feet from residential neighborhoods.
- **Environmental Protections:** A 1,000-foot buffer is mandated to protect Big Darby Creek.
- **Noise and Visual Mitigation:** Builders must construct tall earthen mounds, install thick tree lines, and pass noise/vibration studies.
- **Decommissioning Plans:** Companies are required to outline exactly how the site will be restored and equipment removed if the center closes, ensuring funds are set aside to prevent abandonment.

###

BOTTOM LINE

State and local legislators are responsible for making policy to ensure data center development benefits Ohio's workforce and does not come at the expense of Ohio families, electric grid stability, public resources, or environmental health. They are responsible for regulating data center development across the state, mitigating harms, and ensuring Ohioans have the power to determine what the data center landscape looks in their communities.

Data centers can be exceptional tax-base generators and infrastructure catalysts, but they are not major job creators. For communities like Groveport, the most successful approach is generally not to compete solely on incentives, but to leverage available land, utility access, and regional location advantages to negotiate meaningful Community Benefit Agreements.

The strongest data center deals are those where the community receives not only increased valuation, but also lasting investments in infrastructure, utility resilience, workforce development, and quality-of-life improvements that directly benefit residents long after construction is complete.