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# KRC Summary of Revisions to Louisville Data Center Ordinance

This document reviews the changes in the provisions of the proposed Louisville Metro Government ("LMG") Draft Data Center Land Development Code Text Amendment (Case No. 25-LDC-0014, June 9, 2026, Draft, revised following comment period on July 20, 2026. The text of the revised proposed regulations, public comment form, and schedule for the public hearing dates for the Planning Commission to hear public comment are at: https://louisvilleky.gov/government/office-planning/data-centers

## Summary

The revisions proposed to the draft Louisville Metro data center ordinance do not materially improve on the original draft, and the recommendations of KRC for a fundamental revision of the proposed code revisions remain largely unchanged.

**These problematic aspects of the initial proposal are not changed. The revised proposal still:**

- Allows for review of data centers including telecommunications data centers, of up to 250,000 square feet with no public notice and comment in most cases.

- Differentiates standards that apply and create categories based on square footage of data center instead of the potential intensity of impacts.

- Creates an arbitrary and legally questionable ban on data centers over a certain square footage in size, without a stated planning rationale tied to infrastructure demands or land-use impacts, or any explanation of why a ban on an otherwise lawful use is required as a matter of public health safety, or general welfare, which may provoke legal challenge.

- Fails to create a new industrial category for data centers, and to require a rezoning in all cases, and a conditional use permit issued by the Planning Commission. The review process remains at Director level or below for data centers of up to 250,000 sq. ft. in size unless a waiver is needed. BOZA, instead of Planning Commission, hears conditional use permit applications.

- Fails to impose noise restrictions that are sufficiently protective of other land uses. Standards are neither restrictive nor broad enough to prevent off-site nuisance impacts particularly at low noise frequencies.

- Fails to define and protect prime and productive farmland and sensitive land uses such as churches, parks, and community centers, and fails to define data center energy systems.

- Fails to eliminate the overbroad category of "Data Center, Accessory." Attempts to limit size of "accessory" data center by stating that the "Data Center White Space shall not exceed the lesser of 25,000 square feet or 49.9% of the total square footage associated with its Principal Use." This attempt to rein in the accessory use has two problems – first, it attempts to control size relative to the principal use, but not intensity, and second, the revised ordinance defines "Data Center White Space" as only the "usable area within a data center specifically allocated for housing IT equipment," meaning that the other aspects of the Data Center, including generators, hazardous material storage, parking, cooling equipment, and other infrastructure would not be counted in the limits.

- Fails to eliminate separate category for telecommunications data center. Revised proposal instead weakens the initial LMG proposal by eliminating conditional use permit requirement for telecommunications data centers except for those 50,001 to 250,000 that can't meet special standards. Otherwise, only registration required for telecommunications data centers of up to 250,000 sq ft.

- Fails to narrow generator testing to weekdays from noon to 5 pm.

- Fails to require a decommissioning plan and financial assurance.

- Fails to set an enforceable and measurable waste heat standard.

- Fails to require specific lighting and fencing standards.

- Fails to require written verification from providers of utility services that servicing the data center will not have current or future adverse effects on other customers, including service availability, reliability, quality, cost, and safety. Fails to require that applicant-funded upgrades should be required to be in place before operation.

- Fails to require a nuisance-avoidance standard be adopted to provide backup for the individual standards required of a facility.

- Fails to establish setbacks sufficient to protect sensitive uses and to protect all uses of adjoining lands, not merely existing uses.

- Fails to eliminate requirements concerning local hiring and prevailing wage that are laudable goals but inappropriate for zoning regulation.

- Fails to strengthen setbacks to require 500 feet from all perimeter property lines, 1,500 feet from any Sensitive Use or any Residential-, Commercial-, or Agricultural-district boundary, and 1,000 feet to 2,000 feet for any emission point or exhaust stack.

- Fails to adequately protect potential of other lands, since LMG's separations protect only structures *existing* at the time of approval.

- Fails to include as protected many Sensitive Uses: places of worship, parks, community centers, and agricultural operations.

- Fails to prohibit development on slopes over 20%, karst-affected terrain, in floodplains, wetlands (and a 50-foot buffer), on prime farmland and farmland of statewide importance, or where threatened or endangered species or critical habitat would be affected.

- Fails to require emissions profiles and air permit applications, and consider diesel fuel delivery timing, secondary containment, and NFPA 855 compliance for battery storage.

- Fails to mandate closed-loop cooling systems; and to require a Water and Wastewater Management Plan with projected daily/peak demand disclosure; to prohibit siting within a wellhead protection area; to require best-available-technology water efficiency requirement, plus cooling discharge and pretreatment provisions, and to require the "will serve letters" from public utilities to confirm not just capacity, but also address pretreatment requirements and impacts on existing customers' water availability, quality, and rates.

- Fails to require the application for a conditional use permit to require plans demonstrating how each of the substantive standards will be met during construction and operation, and how that compliance will be measured and

monitored. The applicant is not required to submit plans as part of the application, demonstrating how each of the substantive standards (noise, lighting, waste heat, water use, and waste management) will be met in the construction and operation of the data center.

- Fails to require monitoring during construction and operation to validate the planning and mitigation projections and to demonstrate compliance. Compliance demonstration monitoring and sampling should be required.

- Fails to require as part of the application for a conditional use permit, studies and assessments to demonstrate compliance with standards. LMG requires none of the following elements—a traffic study, one-mile property value appraisal, scenic compatibility evaluation, fire and explosion risks assessment with fire department capacity certification, a waste management plan (solid waste, e-waste, hazardous materials and cooling byproducts), and assessment of construction and operational emissions. All of these components should be required.

- Fails to identify standards for review and approval. Lacking are specific standards for approval or denial of a data center CUP. The lack of such standards is problematic. Without them, predictable and defensive outcomes in permit review and issuance become more unlikely, as does the assurance that permits will not be issued without adequate and sufficient findings of fact to support the decision to issue.

- Fails to provide for the Planning Commission to retain a consultant to assist in Commission review of the application—at the applicant's expense. The study should be available for public review prior to the public comment/hearing.

**What do the revisions accomplish?**

- Underground space would no longer be usable for a data center.

- Broadens setbacks to include nursing homes, hospitals, residential care facility, rehabilitation home, traditional housing, homeless shelter. Increases setbacks from 100 to 200 feet for certain existing land uses, for 50,001 – 250,000 sq ft data centers.

- Clarifies that generators are for emergency use only.

- Requires street trees as part of landscaping along public ROWs.

- Clarifies that a power plant or alternative energy system needs to be separately permitted.

- Provides more detail on what the low-impact site design standards require when they say to "maximize" or "minimize," but in so doing reduces the obligations to the specified minimum or maximum percentages of existing tree canopy, impervious surface, and land slope. Also weakens nuisance provision by making compliance with the inadequate noise standards the extent of the obligation.

- Adds this language to "data center, accessory" providing that "Data Center White Space shall not exceed the lesser of 25,000 square feet or 49.9% of the total square footage associated with its Principal Use." This attempt to rein in the accessory use has two problems – first, it attempts to control size relative to the principal use, but not intensity, and second, the ordinance defines "Data Center White Space" as only the "usable area within a data center specifically allocated for housing IT equipment," meaning that the other aspects of the Data Center, including generators, hazardous material storage, parking, cooling equipment, and other infrastructure would not be counted in the limits.

- Weakens scrutiny and public input on telecommunications data centers of up to 250,000 sq. ft. by eliminating conditional use permit requirement for telecommunications data centers except for those 50,001 to 250,000 that can't meet special standards. Otherwise, only registration would be required for telecommunications data centers of up to 250,000 sq ft, with no public notice or comment.