

Ordinance No. 556-2026

By Council Members Slife, Kazy, Santana and Griffin

AN EMERGENCY ORDINANCE

Declaring a moratorium on the review and issuance of zoning permits, certificates of occupancy, and other license or permit applications, including licenses or permits issued by the Department of Public Utilities, for data centers in the City of Cleveland.

WHEREAS, a “data center” is a large physical facility that houses the infrastructure that supports the world’s computing functions; it is a large building filled with multiple computer servers, data storage devices, and network equipment that provides information technology infrastructure service; these computers store, process and move information that supports everyday services like cloud storage, streaming videos, apps, websites, artificial intelligence (AI) and online business operations; and

WHEREAS, the growth of artificial intelligence has coincided with a rapid growth of large data centers across Ohio and the United States; and

WHEREAS, data centers are extremely energy- and water- intensive: before they can operate, they often require major investments in infrastructure, including upgrades to electric transmission lines and substations to handle their large electricity needs; and

WHEREAS, according to the Ohio Consumers’ Council, a large or “hyperscale” data center can use as much electricity as 100,000 homes; in 2023, data centers nationwide used 176 terawatt-hours (TWh) of electricity, roughly 4% of all U.S. electricity use that year; that share is expected to grow to 9% by 2030; and

WHEREAS, to put that in perspective, 176 TWh is roughly equal to the total amount of electricity used by the entire state of Ohio in 2023; and

WHEREAS, some data centers use millions of gallons of fresh water per day for cooling; a study by the International Energy Agency estimates that a 100-megawatt U.S. data center would consume roughly the same amount of water as 2,600 households; and

WHEREAS, the rapid growth of data centers is driving higher electricity demand nationwide, which can put upward pressure on prices for residential consumers and in June 2025, many Ohio consumers saw electric supply price increases of 10% to 35%; and

WHEREAS, connecting data centers to the grid often requires new or upgraded transmission infrastructure, costs that have historically been shared by all consumers. one study estimated that transmission upgrades cost U.S. consumers about \$4 billion in 2024; and

WHEREAS, although not explicitly defined in the Zoning Code, the City’s Chief Zoning Administrator has said that data centers are likely permitted in semi-industry zones, in which residential uses are also permissible; and

WHEREAS, Cleveland’s primary source of tax revenue is local income tax and data centers create few jobs relative to total investment and academic research indicates that data centers create relatively few jobs compared to other industrial uses; and

WHEREAS, this Council has reasonable concerns that new data centers will have an adverse effect by shifting costs to utility consumers and that the potential economic benefits of data centers are outweighed by adverse consequences, including harmful environmental impacts; and

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WHEREAS, this ordinance constitutes an emergency measure for the immediate preservation of the public peace, property, health, safety, or welfare in that a moratorium on the review and issuance of zoning permits, certificates of occupancy, and other license or permit applications, including licenses or permits issued by the Department of Public Utilities, for data centers is necessary to enable this Council to consider reasonable regulations or prohibitions of the operation of data centers in the City, and to review the Codified Ordinances to consider the impact of data centers on utility infrastructure; now therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CLEVELAND:

Section 1. That, for the reasons stated in the preamble, this Council declares a moratorium on the review and issuance of zoning permits, certificates of occupancy, and other license or permit applications, including licenses or permits issued by the Department of Public Utilities, for data centers for a period commencing on the effective date of this ordinance and ending on either the effective date of an ordinance regulating or prohibiting data centers or May 1, 2027, whichever date occurs first.

Section 2. That this ordinance is hereby declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all the members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

CS:rns
4/27/26

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READ FIRST TIME on APRIL 27, 2026

REPORTS

and referred to **DIRECTORS of Public Utilities, City Planning Commission, Finance, Law;**

COMMITTEES on Utilities, Development Planning and Sustainability, Finance Diversity Equity and Inclusion

CITY CLERK

READ SECOND TIME

CITY CLERK

READ THIRD TIME

PRESIDENT

CITY CLERK

APPROVED

MAYOR

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REPORT after second Reading

FILED WITH COMMITTEE	PASSAGE RECOMMENDED BY COMMITTEE ON UTILITIES

FILED WITH COMMITTEE	PASSAGE RECOMMENDED BY COMMITTEE ON DEVELOPMENT, PLANNING AND SUSTAINABILITY

FILED WITH COMMITTEE	PASSAGE RECOMMENDED BY COMMITTEE ON FINANCE, DIVERSITY, EQUITY and INCLUSION

