



FROM	NAME & TITLE	Eric W. Tiso,  Director of Development Oversight and Project Support	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Planning 8 th Floor, 417 East Fayette Street		
	SUBJECT	City Council Bill #26-0158 / Data Centers – Moratorium		

DATE:

TO

The Honorable President and
Members of the City Council
City Hall, Room 400
100 North Holliday Street

April 27, 2026

At its regular meeting of April 23, 2026, the Planning Commission considered City Council Bill #26-0158, for the purpose of establishing a data center as a prohibited use Citywide; defining certain terms; making conforming changes; providing for a special effective date; and providing for the termination of certain provisions of this Ordinance.

In its consideration of this Bill, the Planning Commission reviewed the attached staff report, which recommended amendment and approval of City Council Bill #26-0158 and adopted the following resolution:

RESOLVED, That the Planning Commission concurs with the recommendation of its departmental staff, and recommends that City Council Bill #26-0158 be **amended and approved** with the following amendments and considerations:

- That the Department of Planning, in coordination with the Department of Public Works, Department of Housing and Community Development, Commission on Sustainability, and the Department of Finance, conduct a comprehensive Data Center Impact Study during the moratorium period, and return to the Planning Commission and City Council with findings and proposed zoning regulations prior to the bill's sunset.
- That the bill is amended to abrogate the entire moratorium bill upon expiration of the one-year period. The Commission notes that by rescinding Section 2 of the bill alone, the specific definitions created or amended in Section 3 will functionally create a permanent prohibition at the end of the one-year period unless the use tables are also amended designating where Data Centers may exist. The Commission also believes that the prospect of full abrogation is more likely to lead to a successful study period and supplemental legislation thereafter.
- That the bill specify that, during the moratorium, the City will accept and process development proposals for Data Centers but that no building permits will be granted while the moratorium remains in place. The amendments should specify that any development, design, or pre-permitting work would be at the sole risk and expense of the applicant.

If you have any questions, please contact me at eric.tiso@baltimorecity.gov or by phone at 410-396-8358.

attachment

cc: Ms. Nina Themelis, Mayor's Office
The Honorable John Bullock, Council Rep. to Planning Commission
Mr. Justin Williams, BMZA
Mr. Geoffrey Veale, Zoning Administrator
Ms. Stephanie Murdock, DHCD
Ms. Hilary Ruley, Law Dept.
Mr. Francis Burnszynski, PABC
Mr. Luciano Diaz, DOT
Ms. Nancy Mead, Council Services



Brandon M. Scott
Mayor

PLANNING COMMISSION

Jon Laria, Chair; Eric Stephenson, Vice Chair

STAFF REPORT



Renata Southard
Acting Director

April 23, 2026

LEGISLATION: City Council Bill 26-0158 / Zoning – Data Centers – Moratorium

FOR the purpose of establishing a data center as a prohibited use Citywide; defining certain terms; making conforming changes; providing for a special effective date; and providing for the termination of certain provisions of this Ordinance.

RECOMMENDATION: Approval with a recommendation that the City Council direct the Department of Planning, in coordination with the Department of Public Works, Department of Housing and Community Development, Commission on Sustainability, and Department of Finance, to conduct a comprehensive Data Center Impact Study during the moratorium period and return to the Planning Commission and City Council with findings and proposed zoning regulations prior to the bill’s sunset.

If legislation establishing permanent zoning regulations for data centers has not been enacted prior to the termination of Section 2 of this Ordinance, the prohibition on data centers established by § 1-209(b) shall remain in effect until such legislation is enacted.

STAFF: Austin C. Davis

PETITIONER: Council President Cohen, cosponsored by Councilmembers Parker, Dorsey, Conway, Middleton, Porter, Jones, Glover, Ramos, Gray, Bullock, Blanchard

HISTORY

Council Bill 26-0158 was introduced on March 23, 2026 and proposes to add “data centers” to the list of uses prohibited citywide under Article 32 – Zoning of the Baltimore City Code. The bill defines a “data center” as a facility or portion of a facility used for remote storage, processing, and distribution of data that is capable of using 10 megawatts (MW) or more of electricity. The prohibition is structured as a temporary moratorium: Section 2 of the bill automatically sunsets one year after enactment.

The bill reflects a growing national policy environment. Data centers have experienced large growth in the United States, driven by demand for cloud computing, artificial intelligence (AI) infrastructure, and digital services. While Virginia’s Loudoun County has emerged as the largest data center cluster in the world, development pressure is moving to neighboring states including Maryland. Baltimore City is designated as a Tier 1 Area under Maryland’s Data Center Sales and Use Tax Exemption Incentive Program, making it eligible for the most favorable state incentives for data center investment.

The 10 MW threshold used in the bill to define a “data center” is significant. It deliberately targets large, commercial-scale or hyperscale facilities, those consuming the equivalent of

thousands of homes worth of energy, and would not affect smaller in-building server rooms or institutional information technology infrastructure commonly found in offices, hospitals, and universities.

CONFORMITY TO PLANS

The 2024 Comprehensive Master Plan for the City of Baltimore was enacted by Ordinance #24-426, dated December 2, 2024. The Plan emphasizes equitable economic development, environmental resilience, energy affordability for residents, and neighborhood-serving land uses. The Plan does not specifically address data centers. The absence of a clear policy framework in the Comprehensive Master Plan supports the need for the study period contemplated by the moratorium.

The Commission on Sustainability’s climate action framework prioritizes reducing the City’s carbon footprint and protecting low-income residents from rising utility costs. These goals are directly implicated by large-scale energy-intensive development that has the potential to affect PJM grid dynamics and BGE rate structures.

ANALYSIS AND RECOMMENDATION:

Staff has evaluated the proposal in light of its public health, environmental, fiscal, and economic implications. Because this bill functions as a temporary moratorium staff presents the following analysis to support an informed, balanced public deliberation. The analysis considers both the rationale for protective action and the potential costs of foregone development.

COMPARABLE JURISDICTIONS

Jurisdiction	Action Taken	Key Concerns / Outcome
Dayton, Ohio	City Plan Board recommended prohibition; 180-day moratorium proposed (April 2026)	Zoning code lacked regulation; focused on large facilities with high water/electric use; smaller server rooms explicitly exempted
Prince George's County, MD	180-day moratorium (2025)	Community opposition; task force created to study energy, water, and revenue impacts
St. Charles, Missouri	One-year moratorium (2025)	Resident concerns about water contamination and lack of transparency from developers
St. Louis, Missouri	Planning Director proposed moratorium (2025)	City's 70-year-old zoning code inadequate to manage complex land use concerns
Detroit, Michigan	City Council resolution urging 2-year moratorium (2026)	Stakeholder working group formed; city studying peer approaches and zoning policy
Singapore	Full moratorium 2019–2022; reopened with strict requirements	After pause, adopted energy efficiency standards and green energy requirements as conditions of approval
Apex, North Carolina	12-month moratorium (2026)	One of at least seven North Carolina jurisdictions imposing pauses since January 2026
Fayetteville, NC (Cumberland County)	City Council voted to consider moratorium (2026)	33 speakers and 96 written comments at public forum; residents sought 1–3 year pause

A. Environmental and Public Health Considerations

POTENTIAL BENEFITS	POTENTIAL CONCERNS / TRADE-OFFS
Protects residential ratepayers: In the PJM grid region, ratepayers in seven states were billed \$4.3 billion in infrastructure costs in 2024 solely to connect data centers. A moratorium creates time to establish cost-causation protections.	Maryland produces 6%–71% fewer carbon emissions per MWh than neighboring states; hosting data centers here may reduce net regional emissions compared to allowing development elsewhere.
Prevents rate increases: Maine, Michigan, and other states have cited electricity price spikes as a primary driver for moratoriums. A pause allows the City to assess whether BGE/Exelon ratepayers would bear upgrade costs.	A well-regulated, renewably powered data center could produce net environmental benefits over the grid average if paired with on-site solar, battery storage, or a Power Purchase Agreement (PPA) with a dedicated renewable generator.
Water resource protection: Large data centers use millions of gallons of water annually for cooling. The moratorium allows time to assess cumulative water impact on Baltimore’s aging infrastructure.	Foregone leverage: Without a development in process, the City has less negotiating power to require green energy commitments, community benefit agreements, or environmental offsets.
Air quality: Data centers often rely on diesel backup generators and natural gas, contributing to localized air quality concerns in communities adjacent to industrial corridors.	A blanket prohibition may deter facilities that have already committed to 100% carbon-free energy, treating low-impact and high-impact operations identically.
Allows for development of green energy standards: Singapore’s experience shows a moratorium can lead to meaningful energy efficiency requirements rather than unregulated growth.	The 10 MW threshold may not fully capture cumulative impact of multiple co-located sub-10 MW facilities.

B. Fiscal and Economic Considerations

POTENTIAL BENEFITS	POTENTIAL CONCERNS / TRADE-OFFS
Allows the City to establish a negotiating framework before approvals are granted, potentially securing community benefit agreements, local hiring commitments, and infrastructure contributions.	A typical 800,000 sq. ft. data center generates approximately \$18 million in state tax revenue and supports 5,000 construction jobs, according to the Maryland Tech Council’s Sage Policy Group analysis.
Provides time to assess net fiscal impact, including whether state sales tax exemptions offered under Maryland’s Data Center Incentive Program result in a net loss to Baltimore City versus property tax revenue.	Once operational, a data center supports approximately 500 permanent jobs paying well above median wages and generates \$14 million in annual state tax revenue.
Protects existing industries and uses from being displaced; data centers are low-employment and generate limited demand for local retail, restaurants, or services.	Baltimore City is a Tier 1 Area under the state incentive program, requiring only a \$2 million minimum investment; a moratorium while Frederick County and others are open for development could redirect significant investment.
Prevents premature commitments: A moratorium avoids locking in development on sites that may be better suited to higher-employment uses given Baltimore’s neighborhood revitalization goals.	Maryland faces a \$1.5+ billion budget deficit; data center tax revenue could contribute materially to state and local fiscal stability without requiring new taxes on residents.
	The national data center investment environment is intensely competitive; execution risk rises significantly during even a temporary moratorium, with investors noting roughly 6:1 negative public sentiment ratios can lead to permanent capital reallocation.

C. The Self-Supply Energy Question

The bill's core concern is energy consumption specifically, the grid impact of a facility capable of drawing 10 MW or more. A critical question raised by this bill is: if a data center operator could demonstrate that its facility would be powered entirely by self-supplied or dedicated renewable energy, does the rationale for the prohibition still hold?

Staff finds this question is not fully resolved by the current bill, and recommends it be addressed during the moratorium study period. The following factors are relevant:

- **Behind-the-meter self-supply:** A number of states permit data centers to install on-site generation; solar, wind, battery storage, or co-located gas paired with carbon capture, that is physically disconnected from the grid for primary operations. Under this model, the data center does not draw from the grid and therefore does not contribute to rate increases or transmission congestion. States with favorable frameworks for this model include Texas, North Dakota, Oklahoma, and Wyoming.
- **Power Purchase Agreements (PPAs):** Even where full self-supply is not feasible, a dedicated PPA with a new renewable energy generator which can be physically matched to the data center's hourly consumption can greatly reduce grid impact. This is distinct from purchasing Renewable Energy Certificates (RECs), which are considered an offset tool but do not address physical grid demand.
- **Hybrid models:** California, Colorado, and other states have established regulatory frameworks requiring renewable-powered hybrid models as a condition of approval. Maryland has not yet established such a framework for data centers.
- **Remaining concerns under self-supply:** Even with self-supply, data centers retain significant water use, noise impacts, land consumption, and emergency generator emissions. These impacts would require separate regulatory treatment.

Staff concludes that self-supply and dedicated renewables represent a potentially viable pathway for some data center operators, but that Baltimore City currently lacks the zoning, environmental review, and contractual frameworks necessary to evaluate and enforce such commitments. This reinforces the case for using the moratorium period to develop those standards.

D. What Adequate Offsets Would Require

For a data center to mitigate the concerns underlying this bill, staff identifies the following as the minimum elements of an adequate offset or mitigation framework, which would need to be developed during the moratorium period:

- *Energy offset standard:* 100% of grid electricity consumed must be matched on an hourly basis (not annual basis) by a dedicated renewable energy generator or verified self-supply system. Annual average matching via RECs alone is insufficient.

- *Ratepayer protection agreement*: Operators must demonstrate, through a binding agreement with BGE/Exelon and the Maryland Public Service Commission, that no portion of transmission upgrade costs attributable to their interconnection will be passed to residential or small commercial ratepayers.
- *Water use disclosure and mitigation plan*: Operators must disclose projected annual water consumption and submit a plan for water recycling, reuse, or offset to reduce net demand on the City’s water infrastructure.
- *Noise and air quality standards*: Facilities must comply with noise ordinance standards applicable to residential adjacency and must limit diesel generator runtime to emergency use only, with emissions monitoring during extended outages.
- *Community benefit agreement*: Large-scale facilities should be subject to a community benefit agreement committing to local hiring benchmarks, workforce training contributions, and a community impact fund proportional to facility revenue.
- *Transparency and disclosure*: Development applications must include a full disclosure of the end user or tenant, energy sourcing plan, projected water use, and financing structure.

RECOMMENDATION: Staff recommends that the Planning Commission adopt findings supporting approval of Council Bill 26-0158, with the additional recommendation that the City Council formally authorize and fund a comprehensive Data Center Impact Study to be completed within the one-year moratorium period.

The study should be conducted by the Department of Planning in coordination with the Department of Public Works, Department of Finance, Commission on Sustainability, and Department of Housing and Community Development, with input from the Maryland Public Service Commission, BGE/Exelon, and community stakeholders. Staff recommends the study address the following:

1. Energy and Grid Impact Analysis

- Projected grid impact of potential data center development in Baltimore City on BGE service territory, including transmission upgrade costs and residential rate effects
- Feasibility and enforceability of self-supply and PPA-based energy models under Maryland regulatory frameworks
- Whether the 10 MW threshold is the appropriate definitional threshold, or whether a lower or tiered threshold would better address cumulative impacts

2. Fiscal Impact Analysis

- Net fiscal impact of data center development in Baltimore City, accounting for state sales tax exemptions and offsetting property tax and energy tax revenues

- Comparison of data center fiscal returns relative to alternative uses of target industrial and commercial sites
- Review of community benefit agreement structures used in comparable jurisdictions

3. Environmental and Public Health Review

- Water consumption modeling for potential data center development in Baltimore City
- Air quality implications of diesel backup generator use
- Noise and land use compatibility standards for data center siting relative to residential neighborhoods and environmental justice communities

4. Zoning and Regulatory Framework Options

- Review of regulatory approaches in comparable jurisdictions, including conditional use frameworks, overlay districts, energy efficiency performance standards, and community benefit requirements
- Assessment of whether a conditional use framework with robust standards would be preferable to a permanent prohibition
- Recommendations for zoning code amendments to be presented to the Planning Commission and City Council prior to the bill’s sunset

Staff anticipates that upon completion of the study, the City Council will be positioned to make a fully informed decision: either to allow the moratorium to expire; to re-enact or extend the moratorium; or to adopt zoning text amendments establishing a permanent regulatory framework, including placement of “data centers” within the Article 32 use tables and associated standards for energy supply, environmental mitigation, community benefit, and transparency. Absent such action, the expiration of the moratorium would remove “data centers” from the list of prohibited uses in § 1-209 while retaining the definition in § 1-304, resulting in a use that is defined but not permitted in any zoning district because it is not included in the use tables. If this outcome is not intended, additional legislative action establishing use table placement, such as classification as a conditional use in the I-2 General Industrial District and MI Maritime Industrial District and prohibition in all other districts, would be necessary to ensure clarity and consistency in administration of the Zoning Code.

EQUITY:

Impact:

Data centers present a bifurcated equity profile. On one hand, they offer potential tax revenue and employment opportunities to the city. On the other hand, the energy, water, and land use impacts of large data centers tend to be disproportionately felt by communities that are already overburdened by redlining, industrial uses, utility infrastructure, and environmental hazards. Baltimore’s history of concentrating industrial uses in low-income communities and communities of color makes this an especially important consideration.

The moratorium is consistent with an equity-centered approach: it provides time to ensure that any future development is structured to provide genuine community benefit rather than primarily external shareholder value.

Engagement:

Staff recommends that the Data Center Impact Study include a robust community engagement component, with targeted outreach to neighborhood associations, environmental justice organizations, labor unions, and small business stakeholders in areas most likely to be considered for data center siting. The study should be structured so that community feedback informs the development of any future regulatory framework.

Internal Operations:

The proposed legislation does not create significant immediate operational impacts for the Department of Planning. The recommended study will require staff time and may require supplemental appropriations or consultant engagement, which staff recommends be authorized as part of the City Council’s action on this bill.

NOTIFICATION:

Staff sent notice of this action to approximately 17,000 subscribers via GovDelivery



Renata Southard
Acting Director