



City Council Memorandum

To: Mayor Fasbender and City Council
From: John Hinzman, Community Development Director
Date: August 3, 2026
Item: 1st Reading\Schedule Public Hearing: Interim Moratorium Ordinance – Data Centers

Council Action Requested:

Consider 1st Reading and schedule a public hearing for the adoption of the attached Interim Moratorium Ordinance related to data centers. Upon approval by the Council, the 2nd Reading, public hearing, and adoption would be considered at the August 17th City Council meeting. Approval requires a simple majority of City Council.

Background:

The City is concerned about potentially unknown or adverse impacts that the increased siting, development, re-development or expansion of data centers might have on the City as a whole and the neighborhoods and zoning districts in which such uses are located. The City's official controls do not currently define or permit data centers as a separate use category although the prevalence of such facilities is expanding on a national, regional, and local basis.

Adoption of the interim moratorium ordinance would prohibit the consideration of data centers for a period of one year while the City studies the impact and considers amendments to the City Code.

Advisory Commission Review:

On July 27, 2026 the Planning Commission voted 4-0 to recommend adoption of a moratorium ordinance on data centers. Commissioners discussed changing technology and impacts, differing scales of data centers, effects, lessons learned from other cities with data centers, that the moratorium should only impact primary use of a data center and not prohibit potential accessory uses of data centers for existing businesses, and potential obsolescence of data centers building in the future if technology changes.

Advisory Committee Review:

The Planning Committee of City Council (Chair Lawrence, Haus, and Vihrachoff) met on July 13th to review the impacts of data centers and determine if changes to the City Code should be considered. The Committee requested input from the Planning Commission on the potential adoption of a data center moratorium to review potential changes to City Code.

Attachments:

- Interim Ordinance
- Planning Commission Staff Report – July 27, 2026

ORDINANCE NO. _____**AN INTERIM ORDINANCE FOR THE CITY OF HASTINGS, MINNESOTA,
PROVIDING FOR A MORATORIUM ON THE ESTABLISHMENT OF
DATA CENTERS WITHIN THE CITY**

**THE CITY COUNCIL OF THE CITY OF HASTINGS, MINNESOTA, ORDAINS AS
FOLLOWS:**

SECTION 1: Authority. Pursuant to Minnesota Statutes, section 462.355, subdivision 4, the City of Hastings, Minnesota (“City”) is authorized to adopt an interim ordinance for the purpose of protecting the planning process and the health, safety and welfare of its citizens. The interim ordinance may regulate, restrict, or prohibit any use or development in all or a part of the City while the City is conducting studies, or has authorized a study to be conducted, or has scheduled a hearing to consider adoption or amendment of the comprehensive plan, or official zoning controls. The City Council declares that this Interim Ordinance (“Ordinance”) is adopted pursuant to this statutory authority.

SECTION 2. Findings. The City Council is concerned about potentially unknown or adverse impacts that the increased siting, development, re-development or expansion of data centers might have on the City as a whole and the neighborhoods and zoning districts in which such uses are located. The City’s official controls do not currently define or permit data centers as a separate use category although the prevalence of such facilities is expanding on a national, regional, and local basis. The City Council finds that this Ordinance should be adopted to protect the planning process and the health, safety and welfare of the citizens.

SECTION 3. Definition. For purposes of this Ordinance, the term “data center” means a building or other facility used principally for the storage, management, processing, and/or transmission of digital data, which houses computer or network equipment, systems, services, appliances, and/or other associated components related to digital data operations. A data center may also include accessory and appurtenant facilities, such as offices, air handlers, power generators, water cooling systems and water storage facilities, utility substations, and other associated infrastructure necessary to support sustained digital data operations. The term “data center” shall not include computing facilities which are not the principal use of a building or other facility in extent or area, but which may perform similar functions in a manner that is merely accessory to a separate and lawful principal use.

SECTION 4. Study. The Community Development Department, in cooperation with other applicable departments, is authorized to conduct a study to evaluate the impact of data centers citywide and to propose amendments to the City of Hastings City Code that it deems necessary and advisable. The study area is the entire City.

SECTION 5. Restrictions. A moratorium is hereby imposed on data centers, which during the term of this Ordinance shall be considered a prohibited use within each zoning district in the City. No data center shall be established, re-established, or expanded. No zoning approval, building permit, construction permit, demolition permit, or other City permit for the establishment, reestablishment, or expansion of any data center shall be allowed or granted by the City.

SECTION 6. Duration. Unless rescinded by action of the City Council, the moratorium established by this Interim Ordinance shall remain in full force and effect until August 17, 2027. The

moratorium may be extended as provided in Minn. Stat. §462.355, subd. 4(d).

SECTION 7. Enforcement. The City may enforce this Ordinance through criminal prosecution or by undertaking such civil actions or proceedings, including, without limitation, injunctive relief, as it determines appropriate to prevent, restrain, correct, or abate any violation or threatened violation of this Ordinance. The initiation of one type of enforcement action shall not preclude the City from instituting any other action or proceeding available to it under law to enforce this Ordinance. Any person, firm, partnership, corporation, or other entity violating any provision of this Ordinance shall be guilty of a misdemeanor and, upon conviction thereof, shall be subject to imprisonment for up to 90 days, a fine of up to \$1,000, or both, plus the costs of prosecution. Each day that a violation occurs shall be considered a separate offense.

SECTION 8. Severability. Every section, provision and part of this Ordinance is declared severable from every other section, provision and part thereof. If any section, provision or part of this Ordinance is held to be invalid by a court of competent jurisdiction, such judgment shall not invalidate any other section, provision or part of this Ordinance.

SECTION 9. Summary publication. Pursuant to Minnesota Statutes Section 412.191, in the case of a lengthy ordinance, a summary may be published. While a copy of the entire ordinance is available without cost at the office of the City Clerk, the following summary is approved by the City Council and shall be published in lieu of publishing the entire ordinance.

On August 17, 2026, the City Council of the City of Hastings adopted Ordinance No. ____ an interim ordinance providing for a moratorium on the establishment of data centers within the City of Hastings. Ordinance No. ____ authorizes a study to be conducted on data centers to evaluate the impact of data centers citywide and establishes a citywide moratorium on data centers until August 17, 2027, unless rescinded by the City Council. During the moratorium, a data center shall be considered a prohibited use within each zoning district in the City and no data center shall be established, re-established, or expanded.

SECTION 10. Effective Date. This Ordinance shall be effective upon seven (7) days after its passage and publication.

PASSED this 17th day of August, 2026.

Mary Fasbender, Mayor

Attest:

Kelly Murtaugh, City Clerk

Published in the *Hastings Journal* on August 20th and 27th, 2026



Planning Commission Memorandum

To: Planning Commission

From: John Hinzman, Community Development Director

Date: July 27, 2026

Item: Consider Moratorium for Data Centers

REQUEST

Consider enacting a moratorium on the approval of data centers within the City

BACKGROUND INFORMATION

Planning Committee of City Council

The Planning Committee of City Council (Chair Lawrence, Haus, and Vihrachoff) met on July 13th to review the impacts of data centers and determine if changes to the City Code should be considered. The Committee requested input from the Planning Commission on the potential adoption of a data center moratorium to review potential changes to City Code.

Data Centers

A data center is a physical facility that houses computer systems, servers, storage devices, networking equipment, and supporting infrastructure used to store, process, and distribute data and applications.

Key Components of a Data Center

- **Servers** – Perform computing tasks and run applications.
- **Storage Systems** – Store data, databases, and backups.
- **Networking Equipment** – Connects servers and users through routers, switches, and firewalls.
- **Power Systems** – Includes backup generators and uninterruptible power supplies (UPS) to ensure continuous operation.
- **Cooling Systems** – Prevent equipment from overheating.
- **Security Systems** – Protect physical and digital assets through surveillance, access controls, and cybersecurity measures.

What Data Centers Are Used For

- Hosting websites and applications
- Cloud computing services

- Data storage and backup
- Artificial intelligence and machine learning workloads
- Business operations such as email, databases, and enterprise software

Types of Data Centers

Data centers vary dramatically in size, power demand, and community impact. Looking at power demand (megawatts, or MW) is often more useful than building size because it drives the impacts on utilities and infrastructure.

Type	Typical Power Demand	Approximate Building Size	Typical Employees	Primary Community Impacts
Enterprise	0.5–5 MW	10,000–50,000 sq ft	10–50	Limited traffic, modest utility demand
Colocation	5–30 MW	50,000–200,000 sq ft	20–100	Moderate power demand, some generator and cooling noise
Regional Cloud	20–75 MW	100,000–400,000 sq ft	30–150	Significant electric and water demand, major construction
Hyperscale	75–300+ MW	250,000–1,000,000+ sq ft	50–300	Major utility infrastructure, substations, transmission upgrades
AI/GPU Campus	200 MW–1+ GW	Multiple buildings	100–500+	Extremely high electricity demand, intensive cooling, phased expansion

Impacts of Data Centers

Data centers vary dramatically in size, power demand, and community impact. Looking at power demand (megawatts, or MW) is often more useful than building size because it drives the impacts on utilities and infrastructure.

- Electricity Demand
- Water Use
- Land Use Compatibility
- Noise
- Emergency Generators Air Quality
- Traffic
- Economic Benefits
- Public Infrastructure Costs
- Environmental Impacts

Hastings Zoning Code

- No distinct definition of Data Center in Zoning Code
 - Larger facilities would likely be allowed in the I-1 Industrial Park Zone
 - Smaller facilities may be considered office and allowed in Commercial Zones.
- Would likely be considered “Permitted Uses”
 - Allowed by right.
 - Limited opportunity to impose conditions of approval

Moratorium

State statutes allow cities to adopt a moratorium ordinance prohibiting certain development activities for up to one year in order to study impacts and evaluate changes to local development regulations.