

# Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

## ZTA 26-01: Commercial Uses – Data Center

### SUMMARY

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The County Council has asked the Office of Legislative Oversight (OLO) to write a report on data centers. OLO's report will include a more detailed analysis of how new data centers in the County could impact racial equity and social justice (RESJ) than would be able to be included here. As such, OLO will not offer an analysis of the anticipated RESJ impacts of ZTA 26-01 with this RESJ impact statement.

### PURPOSE OF RESJ STATEMENTS

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RESJ impact statements (RESJIS) for zoning text amendments (ZTAs) evaluate the anticipated impact of ZTAs on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other People of Color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is essential to achieve RESJ.<sup>1</sup> This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.<sup>2</sup>

### PURPOSE OF ZTA 26-01

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Data centers house networks of servers that store, manage, and process digital information. Data centers are essential for internet sites, streaming services, global communications, and more.<sup>3</sup> Recently, demand for data centers has grown by 20 percent each year. This is due to increased internet traffic, widespread cloud storage use, and the rapid adoption of artificial intelligence (AI) models that require significant computing power.<sup>4</sup> Regionally, Loudoun County, Virginia is nicknamed the “data center capital of the world” with approximately 200 data centers and another 117 planned for development.<sup>5</sup> In Maryland, Prince George’s County and Frederick County have both created task forces to study the impact of data center development and provide recommendations on building location and design standards.

According to its lead sponsors, the purpose of ZTA 26-01 is to create “responsible rules for data center development in the County that reflect community input without stifling economic growth.”<sup>6</sup> ZTA 26-01 seeks to accomplish this by:

- 1) Defining data centers as a new land use;
- 2) Specifying where data centers may be built in the County; and
- 3) Establishing minimum standards for their approval through the conditional use process.<sup>7</sup>

ZTA 26-01 defines a data center as “a building or group of buildings used to house computer or network systems, computer storage equipment, servers, and associated infrastructure to store, manage, process, and transmit digital data.”<sup>8</sup> At present, data centers are considered a communications facility, which is allowed by conditional use in all zones in the County. If enacted, ZTA 26-01 will update the zoning code to only allow new data centers in industrial zones in the County.

Figures 1 and 2 in the Appendix map where data centers could potentially be sited under ZTA 26-01. Developers will still have to follow the conditional use application process to build a data center. Table 1 in the Appendix summarizes the standards outlined in ZTA 26-01 that an application for a data center should meet to be approved by the Office of Zoning and Administrative Hearings (OZAH), which approves or denies conditional use applications.

# RESJ Impact Statement

## Zoning Text Amendment 26-01

The Council introduced ZTA 26-01 on January 20, 2026.<sup>9</sup>

### **ANTICIPATED RESJ IMPACTS**

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The County Council has asked OLO to write a report on data centers, which will include a more detailed analysis of how the building of data centers in the County could impact RESJ than would be able to be included here. As such, this RESJIS does not offer an analysis of anticipated RESJ impacts of ZTA 26-01.

### **RECOMMENDED AMENDMENTS**

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The County's RESJ Act requires OLO to consider whether to recommend amendments to ZTAs that could reduce racial and social inequities and advance RESJ.<sup>10</sup> The County Council has asked OLO to write a report on data centers, which will include recommendations to advance RESJ for potential legislation related to the building of data centers in the County. Given that this RESJIS does not offer an analysis of the anticipated impact of ZTA 26-01 on RESJ in the County, it also neither considers nor offers recommended amendments for improving the RESJ impact of ZTA 26-01.

### **CAVEATS**

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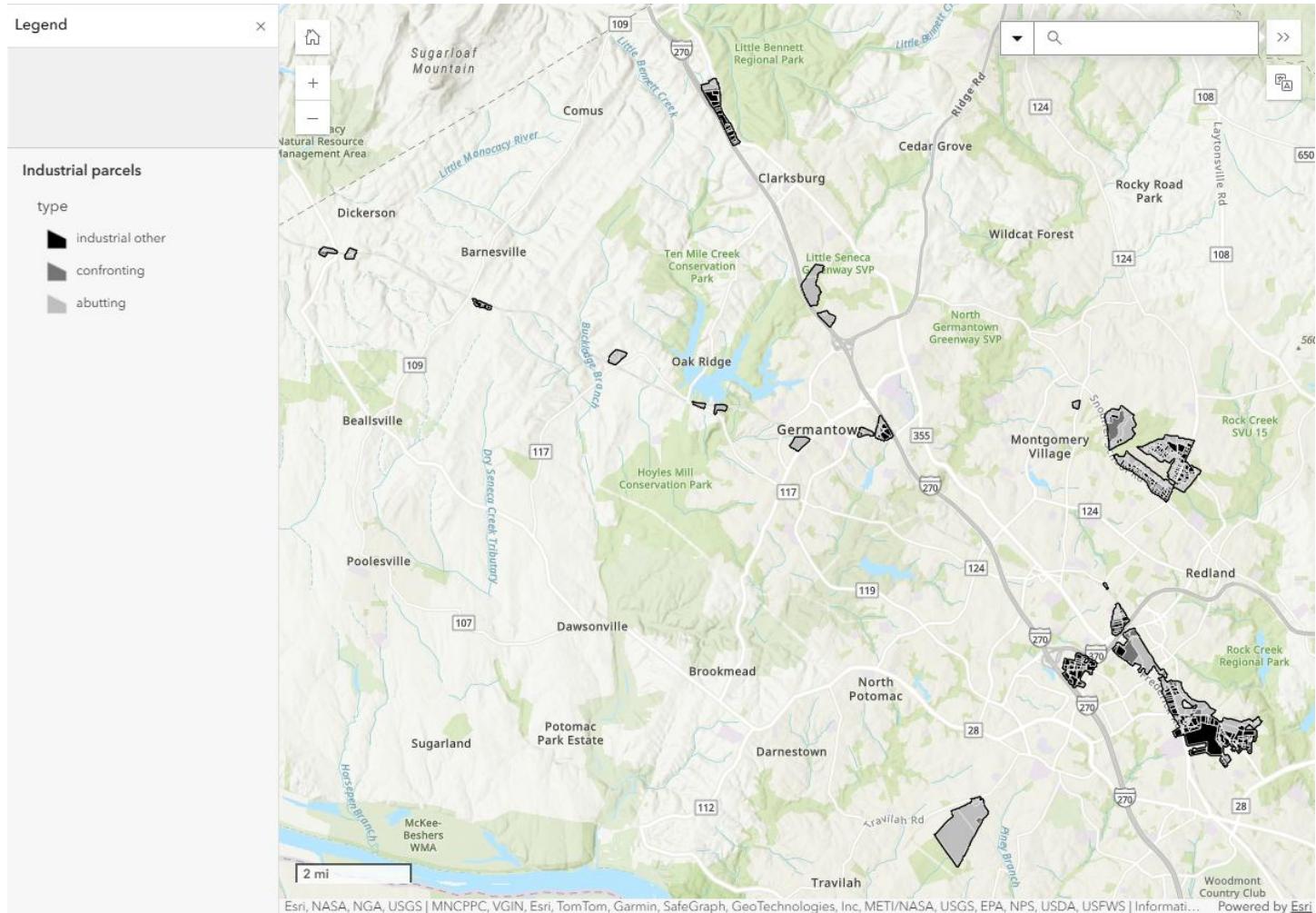
Two caveats to this RESJIS should be noted. First, predicting the impact of ZTAs on RESJ is challenging due to data limitations, uncertainty, and other factors. Second, this RESJIS is intended to inform the Council's decision-making process rather than determine it. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the ZTA under consideration.

# RESJ Impact Statement

## Zoning Text Amendment 26-01

### APPENDIX

Figure 1: Map of Where Data Centers Would Be Allowed in Upcounty Under ZTA 26-01



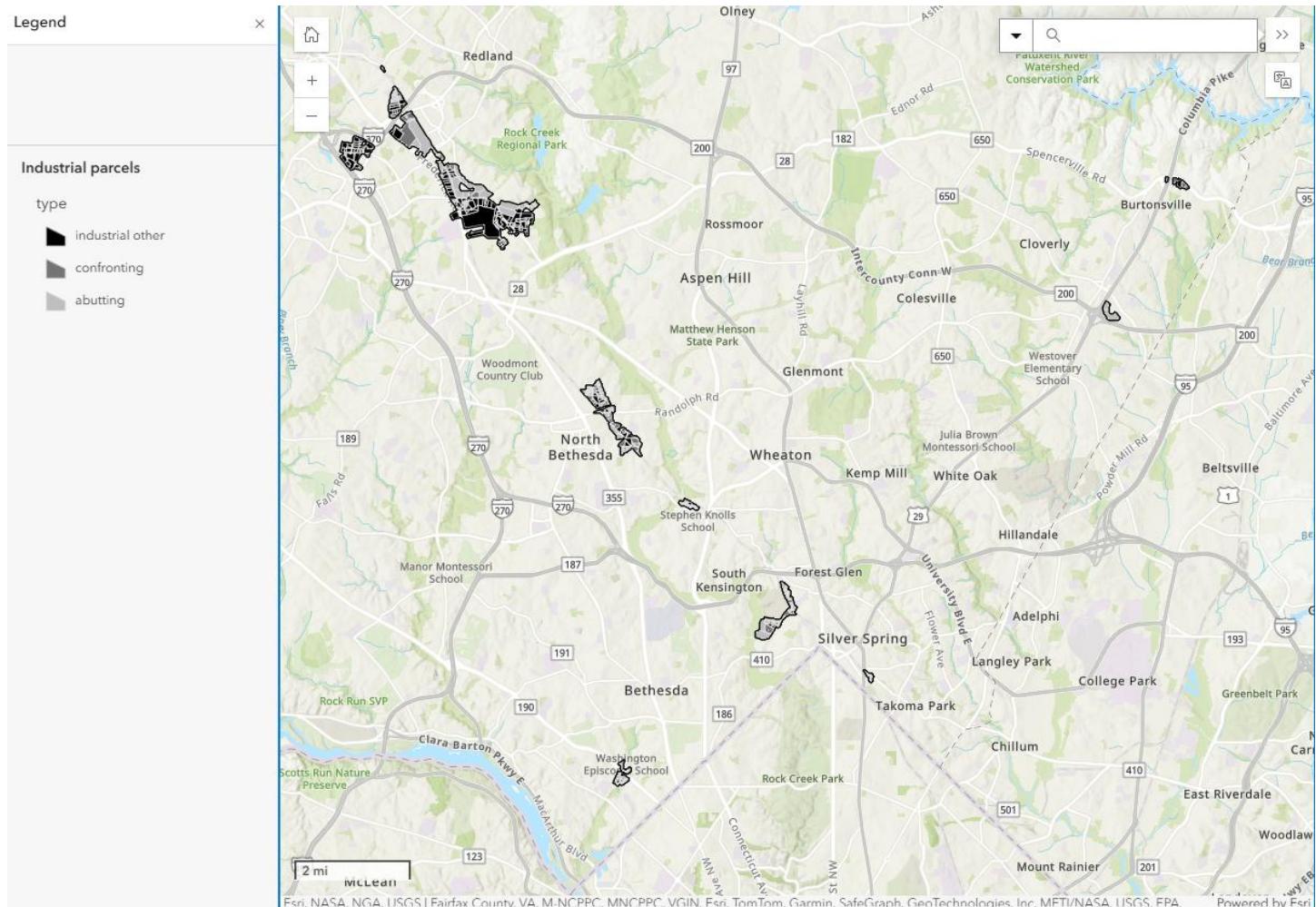
The map shows a cluster of industrial zones in Clarksburg, Germantown, Montgomery Village, Derwood, and North Bethesda. Data centers may be allowed by conditional use in the gray industrial zones outlined in black if the project meets all requirements outlined in ZTA 26-01.

Source: Montgomery Planning staff.

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Figure 2: Map of Where Data Centers Would Be Allowed in Downcounty Under ZTA 26-01



The map shows a cluster of industrial zones in North Bethesda, Lyttonsville, and Bethesda. Data centers may be allowed by conditional use in the gray industrial zones outlined in black if the project meets all requirements outlined in ZTA 26-01.

Source: Montgomery Planning staff.

# RESJ Impact Statement

## Zoning Text Amendment 26-01

**Table 1: Conditional Use Application Standards for Data Centers as Outlined in ZTA 26-01**

Category	Standards
Building setbacks	An additional 500-foot setback (distance from property line) on top of existing setbacks is required for a data center's principal buildings and accessory structures that abut (share a boundary with) residentially zoned property (residential, rural residential, and commercial/residential).
Visual	Minimize the visual impact to surrounding sites as much as possible.
Neighboring properties	Minimize or avoid impacts to neighboring properties with non-industrial uses as much as possible.
Environmental	Minimize negative impacts to wetlands, streams, and environmentally sensitive areas as much as possible.  Minimize negative impacts to park and recreation facilities as much as possible.
Racial equity and social justice	Demonstrate that the siting of the proposed use will not have a negative impact that disproportionately affects <u>overburdened communities</u> or <u>underserved communities</u> as those terms are defined under Section 1-701 of the Environmental Article of the Maryland Code, as amended. An underserved community means any census tract in which, according to the most recent U.S. Census Bureau Survey: 1) At least 25% of the residents qualify as low-income; 2) At least 50% of the residents identify as nonwhite; or 3) At least 15% of the residents have limited English proficiency.
Landscaping	Side and rear yards must include a landscaped buffer, including a four-season visual screen resulting in multi-layered, staggered rows of overstory and understory trees and shrubs that are a mix of evergreen and deciduous vegetation, with an emphasis on species that are native to Montgomery County.
Fencing	If security fencing is proposed, vegetative screening must be placed between the fence and the public view. Chain link or similar woven metal or plastic fencing must not be used.
Lighting	Lighting must include elements that reduce negative impacts to wildlife migration, nocturnal habits, and circadian rhythms, such as the utilization of lights with amber or yellow tints instead of blue or white light and the use of timers, motion detectors, and light-sensitive switches to actively regulate the emission of light from light fixtures.
Noise	An application for a data center must provide a noise analysis conducted by a qualified engineer with experience in environmental acoustics  The analysis must assess the impact of all noise sources and determine the appropriate layout, design, and measures to ensure ongoing operations minimize noise in conformance with the County's Noise Ordinance.

Source: [Introduction Staff Report for Zoning Text Amendment \(ZTA\) 26-01, Commercial Uses – Data Center](#), Montgomery County, Introduced December 20, 2026.

# RESJ Impact Statement

## Zoning Text Amendment 26-01

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<sup>1</sup> Definition of racial equity and social justice adopted from [Marlysa Gamblin et.al., "Applying a Racial Equity Lens into Federal Nutrition Programs," Bread for the World](#) and from [Racial Equity Tools](#).

<sup>2</sup> Ibid.

<sup>3</sup> [What is a Data Center? Meaning, Definition, Operations & Types | Fortinet](#)

<sup>4</sup> [What's Fueling the Data Center Boom? 5 Key Industry Insights | BOMA International](#), May 21, 2025.

<sup>5</sup> Mike Turner, [Loudoun County, Virginia: Data Center Capital of the World](#), October 20, 2025.

<sup>6</sup> [Introduction Staff Report for Zoning Text Amendment \(ZTA\) 26-01, Commercial Uses – Data Center](#), Montgomery County, Introduced December 20, 2026.

<sup>7</sup> As described by Montgomery Planning, the conditional use process requires an application to the Planning Department, a careful review of potential impacts from building on the site, a period of public notice and input, and a semi-judicial hearing by the Office of Zoning and Administrative Hearings (OZAH), which approves or denies the conditional use application.

[Conditional Use Applications - Montgomery Planning](#)

<sup>8</sup> [Introduction Staff Report for Zoning Text Amendment \(ZTA\) 26-01, Commercial Uses – Data Center](#), Montgomery County, Introduced December 20, 2026.

<sup>9</sup> Of note, this ZTA becomes effective 20 days after the date of Council adoption.

<sup>10</sup> [Bill 44-20, Racial Equity and Social Justice – Impact Statements – Advisory Committee – Amendments, Montgomery County Council](#).