

AGENDA

SPARTA TOWNSHIP PLANNING COMMISSION

August 11, 2026
7 P.M.

Sparta Township Hall
160 East Division Street
Sparta, MI 49345

This meeting can be viewed live or recorded at
<https://www.youtube.com/channel/UCu9bOagfR6m02k7rdmX3TLA>

- I. Call to Order
- II. Pledge of Allegiance
- III. Additions or Corrections to Agenda
- IV. Minutes of June 9, 2026, Regular Meeting
- V. Public Comment (for items on the agenda)
- VI. Business Items
 - A. Public Hearing: Home Based Business Regulations Review
 - B. Data Center Regulations Review
 - C. Mixed Use Residential Commercial – Sparta Avenue Discussion
- VII. Public Comment (for items on or not on the agenda)
- VIII. Staff and Commissioner Comments
- IX. Adjournment

MINUTES OF THE SPARTA TOWNSHIP PLANNING COMMISSION
Regular Meeting of Tuesday, June 9, 2026, 7 PM
Sparta Township Hall, 160 E. Division St., Sparta MI

This meeting could be viewed live or recorded at <https://www.youtube.com/channel/UCu9bOagfR6m02k7rdmX3TLA>.

Present: Chairperson Terry Hartman (9/28); Vice Chairperson Tim Driscoll (9/28);
Secretary Linda Anderson (9/28); Township Board Trustee Barb Johnson (12/28);
Commissioners Don Doyle (9/27), and Ken Humphreys (9/27)
Also Present: Zoning Administrator/Planner Kevin Yeomans of Fresh Coast Planning,
Township Supervisor Dale Bergman, and Recording Secretary Toni Potes
Absent: Commissioner Dale Flanery (9/27)

I. / II. Call to Order / Pledge of Allegiance: Chairperson Hartman called the meeting to order at 7:00 PM, followed by the Pledge of Allegiance.

III. Additions or Corrections to Agenda: Motion by Doyle, second by Humphreys, to approve the Agenda as presented. Motion carried unanimously.

IV. Minutes of May 12, 2026, Regular Meeting: Motion by Johnson, second by Anderson, to approve the Minutes. Motion carried unanimously.

V. Public Comment (for items on the Agenda): None.

VI. Business Items

A. Home Occupation Regulations Review: Zoning Administrator/Planner Yeomans reviewed the changes in the draft presented and asked for Planning Commission input. Storage and hazardous waste disposal compliance with state regulations will be added. Zoning Administrator/Planner Yeomans will put the draft in ordinance format, legal counsel will review, and the matter can be scheduled for public hearing.

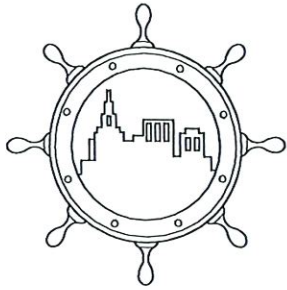
B. Data Center Regulations Review: The Planning Commission will continue to work on and fine tune the regulations. Zoning Administrator/Planner Yeomans may take a look at Dowagiac's ordinance to see what they may have missed; they consequently are being sued.

VII. Public Comment (for items on or not on the Agenda): Township Supervisor Bergman shared that he was out east and saw about 1,000 windmills, mile after mile; it was eye opening. It is not the right thing for Michigan. The windmill scale is handled by the State.

VIII. Staff and Commissioner Comments: Zoning Administrator/Planner Yeomans will follow up with Chairperson Hartman regarding the home occupation regulations and whether the Planning Commission will meet in July. There is no update on the trailer park. Zoning Administrator/Planner Yeomans updated on the Camp Lake/Division project, the fence issue between Zavala and Roede, and the landscape company brothers regarding wood. Doyle shared that Kent County Parks is hosting on June 27 a grand opening of a dog park. Johnson shared that cemetery work will start up again on Wednesday afternoon.

IX. Adjournment: Motion by Johnson, second by Driscoll, to adjourn at 7:27 PM. Motion carried unanimously. The next regular meeting of the Sparta Township Planning Commission will be Tuesday, August 11, 2026, at 7 PM.

Respectfully submitted,
—Toni Potes
Recording Secretary



Fresh Coast Planning

119 1/2 Washington Avenue, Studio B
Grand Haven, MI 49417
www.freshcoastplanning.com

Gregory L. Ransford, MPA

Kevin Yeomans

Alexis Gulker

Aaron Bigelow

MEMORANDUM

To: Sparta Township Planning Commission
From: Kevin Yeomans
Date: 8/3/2026
Re: Home Based Business Regulations – Public Hearing

After your June 2026 meeting, the draft amendment for adding Home Based Business regulations to the Sparta Township Zoning Ordinance (the "Zoning Ordinance") was sent to legal counsel for review. A copy of the amendment with Legal's and Fresh Coast Planning's redlines and comments is attached.

A clean copy of the amendment is also attached.

A public hearing for the proposed amendment has been scheduled for June 11, 2026. The Planning Commission must determine whether to make a recommendation to the Board or if further changes are needed.

Summary

The amendment will expand existing home occupation regulations to allow for home based business to be operated in a home or accessory building as a special land use. Regulations allow for clear guidelines that must be met to protect the character of the surrounding area, while also providing the Planning Commission with flexibility in reviewing such applications.

Next Steps

If the Planning Commission determines to recommend adoption as presented the following motion may be used.

Motion to recommend adoption of the home based businesses ordinance, as presented.

Alternatively, the Planning Commission may:

1. Make changes and recommend adoption, as amended.
2. Make changes and schedule for further review by the Commission
3. Other direction as determined by the Commission

Please let us know if you have any questions.

Kevin Yeomans
Kevin Yeomans
Planner

Attachments

cc: Dale Bergman, Township Supervisor

**SPARTA TOWNSHIP
KENT COUNTY, MICHIGAN**

ORDINANCE NO. ____

**AN ORDINANCE TO AMEND THE ZONING ORDINANCE REGARDING
ACCESSORY DWELLING UNITS/HOME BASED BUSINESSES**

THE TOWNSHIP OF SPARTA ORDAINS:

Section 1. Amendment of Section 154.006 of the Sparta Township Zoning Ordinance.

Section 154.006 of the Sparta Township Zoning Ordinance is amended by the addition of the following definitions, which shall be inserted in alphabetical order:

HOME BASED BUSINESS. This is similar to a Home Occupation but can be conducted both in a single-family residential dwelling and an accessory building if approved as a special land use by the Planning Commission.

Section 2. Amendment of Section 154.208 of the Sparta Township Zoning Ordinance.

Section 154.208 of the Sparta Township Zoning Ordinance is amended in its entirety, as follows:

§ 154.208 HOME OCCUPATIONS AND HOME BASED BUSINESSES.

(A) Home occupations, as defined in this chapter, are permitted as a use-by-right as an accessory use as provided in § 154.247 of this chapter; provided that, all of the following regulations shall control.

- (1) No other than members of the family residing in the dwelling shall be engaged in connection with such home occupation at the same time.
- (2) The use of the dwelling unit for the home occupation shall be clearly incidental and subordinate to its use for residential purposes by its occupants and not more than 25% of the floor area of the dwelling unit shall be used in the conduct of the home occupation.
- (3) There shall be no change in the outside appearance of the building, no variation from the residential character of the dwelling, and no visible evidence of the conduct of such home occupation other than one sign, not exceeding two square feet in area, non-illuminated and mounted flat against the wall of the main building.
- (4) No home occupation shall be conducted outdoors or in any accessory building.
- (5) There shall be no sale of products or services, except as are produced on the premises by such home occupation.
- (6) No traffic shall be generated by such home occupation in greater volumes than would normally be expected in a residential neighborhood, and any need for parking generated by the conduct of such home occupation shall be met off the street and other than in a required front yard.

(7) No equipment or process shall be used in such home occupation that creates noise, vibration, glare, fumes, odors or electrical interference detectable to the normal senses off the premises if the occupation is conducted in a single-family dwelling. If conducted in other than a single-family dwelling, such nuisance shall not be detectable outside the dwelling unit. In the case of electrical interference, no equipment or process shall be used that creates visual or audible interference in any radio or television receivers off the premises or cause fluctuations in line voltage off the premises.

(8) In particular, a home occupation can be, but is not limited to: art studio; dressmaking; teacher, with musical or dancing instruction limited to a maximum of four to six pupils at a time; contractor's office; professional office or studio or a physician, dentist, author, artist, musician, lawyer, engineer, architect, community planner, realtor, accountant, one-chair salon or similar use; but shall not include animal hospital, automotive repair service, restaurant, tearoom, tavern or similar use.

(B) Home Based Businesses, as defined in this Chapter, are permitted as a special land use as an accessory use as provided in § 154.247 of this chapter; provided that, all of the following regulations shall control.

~~(1) Home based businesses shall meet all of the requirements for a Home Occupation.~~

~~(2)~~(1) In particular, a home based business can be, but is not limited to: electrical, plumbing, heating, landscaping, building contractors, and excavators or similar use; but shall not include warehousing or distribution. For home based automotive repair businesses additional requirements as shown in subsection (C) shall apply.

~~(3)~~(2) Sketch Plan: In place of a site plan a sketch plan may be submitted. The sketch plan shall be drawn to scale. The sketch plan shall include the location, dimensions, and area, of all structures and parking areas on the site. The sketch plan shall include a scale, north arrow, date of drawing, property owner's name and address, and description of the nature of the home based business. Section 154.162 – Standards for Review and Approval shall still apply.

(a) The Planning Commission may require a site plan meeting the requirements of Section 154.170 if deemed necessary. In making this determination the Planning Commission shall consider the following:

1. The scale of the proposed home based business.
2. Distance to the nearest non-participating structure.
3. Nature of the home based business and its potential impact to nearby properties.
4. The magnitude of proposed changes to existing grades and the natural landscape.

Commented [MR1]: This would limit it to the dwelling only, which contradicts the definition. I would remove this catch-all and instead put the exact requirements from home occupations that also apply to home businesses.

Commented [KY1R2]: Removed because applicable provisions have already been included elsewhere in the HBB subsection.

(4)(3) Non-transferability: No home based business shall be assigned, transferred, or otherwise conveyed to another person or business entity. Any change in the ownership of the home based business shall require the filing of a new application and a full compliance review.

(5)(4) Inspection: The home based business shall be subject to periodic inspections by the Zoning Administrator or other designated officials to determine that the home based business is proceeding in accordance with the conditions and requirements of the approved sketch plan and special land use approval.

(6)(5) The home based business shall be conducted primarily by one or more persons residing in a dwelling on the same lot where the home based business is located.

(7)(6) A home based business shall not employ persons who do not reside on the premises, unless specifically approved by the Planning Commission. The Commission shall only grant such approvals if it determines that the addition of non-resident employees will not adversely impact the health, safety, and welfare, nor diminish the character of the area. In making this determination the Planning Commission shall consider the following:

- (a) Nature of the Operation: The type of business activity, including the frequency of client visits, the necessity of on-site staff for the specific service provided, and the hours during which employees will be present.
- (b) Lot Dimensions and Separation: The size of the subject parcel and the physical distance between the primary structure (or area of business activity) and the nearest non-participating residential dwellings. Larger setbacks may be required to mitigate the perceived intensity of the business.
- (c) Site Mitigation and Buffering: The adequacy of existing or proposed physical characteristics of the lot, including natural topography, professional landscaping, fencing, and screening—to effectively shield neighboring properties from parking areas, increased activity, or light spillover.
- (d) Zoning Intent and Land Use Compatibility: The degree to which the proposed employment density aligns with the stated intent of the underlying Zoning District. The Commission shall ensure the activity remains secondary to the residential use and is harmonious with the scale and intensity of the surrounding land uses.

(8)(7) Conditions of Approval: In granting approval for non-resident employees the Planning Commission may impose reasonable conditions, including but not limited to:

- (a) Caps on Headcount: A strict limit on the total number of non-resident employees allowed on-site simultaneously.

(b) Parking Requirements: Mandatory off-street parking configurations to prevent employee overflow onto public rights-of-way.

(c) Time Limitations: Restricted hours of operation and/or restricted hours of arrival and departure for staff to minimize disruptions during sensitive morning or evening hours.

~~(9)~~(8) There shall be no sale of products or services, except as are produced on the premises by such home based business and only if permitted by the Planning Commission.

~~(10)~~(9) There shall be no change in the outside appearance of the building, no variation from the residential character of the dwelling, and no visible evidence of the conduct of such home based business other than one sign, not exceeding two square feet in area, non-illuminated and mounted flat against the wall of the main building.

~~(11)~~(10) No traffic shall be generated by such home based business in greater volumes than would normally be expected in a residential neighborhood, and any need for parking generated by the conduct of such home based business shall be met off the street and other than in a required front yard.

~~(12)~~(11) No equipment or process shall be used in such home based business that creates noise, vibration, glare, fumes, odors or electrical interference detectable to the normal senses off the premises.

~~(13)~~(12) Districts Allowed:

(a) Ag-1

(b) Ag-2

(c) R-1

~~(14)~~ Minimum Lot Area

~~(a)~~ Ag-1

~~(b)~~ Ag-2

~~(c)~~ R-1

~~(15)~~(13) A Home Based Business may occur within the single-family dwelling and not more than one accessory building located on the same lot as the single-family dwelling.

~~(16)~~(14) The use of the dwelling unit or accessory building for the home based business shall be clearly incidental and subordinate to its use for residential purposes by its occupants.

~~(17)~~(15) Maximum Floor Area

Commented [MR2]: Should this be filled in with square footage minimums, or are you saying the minimum lot for those districts still applies?

Commented [KY2R2]: Removed because the PC determined not to require lot area greater than the minimum for the district it's in.

- (a) Dwelling: Not more than 25% of the floor area of the dwelling unit shall be used in the conduct of the home based business.
- (b) Accessory Building: Not more than 1,200 square feet of floor area within an accessory building shall be used in the conduct of the home based business, unless a larger floor area is approved by the Planning Commission.

1. The Commission shall only grant an expansion of floor area if the applicant demonstrates the increased scale of the operation will not adversely impact the health, safety, and welfare, nor diminish the character of the area. In making this determination the Planning Commission shall consider the following:

- a. Nature of the Operation: The intensity of the use, including the type of equipment utilized, storage requirements, and the frequency of vehicular trips (deliveries or clients) generated by the larger footprint.
- b. Lot Dimensions and Separation: The size of the subject lot and the setbacks between the accessory building and adjacent non-participating dwellings. The Commission shall determine if the lot is of sufficient size to absorb the increased intensity of the business use.
- c. Site Mitigation and Buffering: The effectiveness of existing or proposed screening, including landscaping, berms, or fencing—to obscure the business activity and minimize its visual and auditory impact on neighboring properties.
- d. Zoning Intent and Land Use Compatibility: The degree to which the expanded use maintains the primary purpose of the property and remains consistent with the intent of the underlying Zoning District and the character of surrounding land uses.

2. Conditions of Approval: In granting approval for a larger floor area, the Planning Commission may impose reasonable conditions related to noise reduction, hours of operation, or enhanced landscaping to ensure continued compatibility with the character of the area.

~~(18)~~(16) Setbacks

- (a) Dwelling: Shall meet the setback requirements for a single-family dwelling as required by the zoning district.
- (b) Accessory Building: Shall meet the setback requirements for an accessory building as required by the zoning district. However, in their review of the special land use the Planning Commission may ~~required~~require greater setbacks and/or additional landscaping and/or screening between the

accessory building and adjoining properties and/or road to ensure that home based business will have no substantial adverse impacts by reason of noise, fumes, vibration, lights, or views.

~~(19)~~(17) No toxic or hazardous materials may be used or stored on the premises to support such home based business except in a safe manner and in full compliance with federal, state, and local requirements as to use, handling, storage, transport, and disposal of any such materials.

(a) If hazardous materials are proposed ~~are~~ and expected to be stored on the premises, a hazardous material storage and disposal plan shall be submitted as part of the application for a home based business.

~~(20)~~(18) All machinery and other equipment, associated with the home based business must, at all times, be located within a completely enclosed accessory building, accessory to the residential dwelling which is on the same parcel as the business or within an outdoor storage area that is screened from public view.

(a) Outdoor Storage Screening: Visual buffers, such as year-round greenery, decorative fencing, or earthen berms, shall be utilized to maintain a continuous screen of all outdoor storage from public view in all seasons.

(C) Home Based Automotive Repair Businesses

(1) Home based automotive repair businesses shall not be permitted in any residential zoning district.

(2) Home based automotive repair businesses may be permitted as a special land use in the Ag-1 and Ag-2 zoning districts, provided all requirements of a Home Based Business and Home Occupation are met.

~~(3) Customer Vehicles: No more than four (4) vehicles not owned by or registered to the property owner, or another individual residing on the property, may be stored outdoors.~~

~~(3) No more than four (4) vehicles not registered to the property owner may be stored outdoors.~~

(4) Customer vehicles that are stored outdoors must be stored in an outdoor storage area that is located in the Rear Yard.

(5) No customer vehicle may remain on the property for more than thirty (30) ~~calendar~~ consecutive days.

(6) Customers drop-off of vehicles shall be restricted to hours approved by the Planning Commission.

(7) No "parts vehicles," heavily wrecked vehicles, or permanently inoperable vehicles are allowed on the property.

(8) The repair and service of commercial vehicles over 10,000 pounds is prohibited.

(9) All mechanical work, diagnostics, and repairs must be conducted entirely within an enclosed permanent structure.

(10) Noise: Any structure in which mechanical work, diagnostics, or repairs are conducted must be insulated, designed, or located so that noise generated by the use is not detectable to the normal senses off the premises.

Section 3. Amendment of Section 154.253 of the Sparta Township Zoning Ordinance.

Section 154.253 of the Sparta Township Zoning Ordinance is amended by the addition of the following subsection, which shall be inserted in alphabetical order:

(T) Sketch Plan: In place of a site plan a sketch plan may be submitted. The sketch plan shall be drawn to scale. The sketch plan shall include the location, dimensions, and area, of all structures and parking areas on the site. The sketch plan shall include a scale, north arrow, date of drawing, and the property owner's name and address. Section 154.162 – Standards for Review and Approval shall still apply.

Section 4. Severability.

If any provision of this Ordinance is declared invalid for any reason, that declaration does not affect the validity of all other sections of this Ordinance.

Section 5. Repealer.

This Ordinance expressly repeals all other Township ordinances and parts of ordinances in conflict with this Ordinance.

Section 6. Effective Date.

This Ordinance takes effect seven (7) days after publication of this Ordinance or of a summary of it as permitted by law.

ADOPTED.

YEAS: _____

NAYS: _____

STATE OF MICHIGAN)

Commented [MR3]: I don't believe this is the correct section. 154.253 address exceptions to height regulations.

Commented [KY3R2]: 154.253 is now the ADU section. The ADU amendment made ADUs Section 154.253 so that it is located next to Section 154.252 - Accessory Buildings and Uses. Height exemption was changed to 154.254. The amendment has been adopted but not included in the online codification.

COUNTY OF KENT) ss
)

Clerk's Certification

I, the undersigned, the duly qualified and acting Clerk of the Township of Sparta, Kent County, Michigan, certify that the above Ordinance was adopted at a regular meeting of the Sparta Township Board on the ____ day of _____, 2025, by a majority of the members of the board members present and voting.

Marcy Savage
Sparta Township Clerk

Redline

**SPARTA TOWNSHIP
KENT COUNTY, MICHIGAN**

ORDINANCE NO. ____

**AN ORDINANCE TO AMEND THE ZONING ORDINANCE REGARDING
HOME BASED BUSINESSES**

THE TOWNSHIP OF SPARTA ORDAINS:

Section 1. Amendment of Section 154.006 of the Sparta Township Zoning Ordinance.

Section 154.006 of the Sparta Township Zoning Ordinance is amended by the addition of the following definitions, which shall be inserted in alphabetical order:

HOME BASED BUSINESS. This is similar to a Home Occupation but can be conducted both in a single-family residential dwelling and an accessory building if approved as a special land use by the Planning Commission.

Section 2. Amendment of Section 154.208 of the Sparta Township Zoning Ordinance.

Section 154.208 of the Sparta Township Zoning Ordinance is amended in its entirety, as follows:

§ 154.208 HOME OCCUPATIONS AND HOME BASED BUSINESSES.

(A) Home occupations, as defined in this chapter, are permitted as a use-by-right as an accessory use as provided in § 154.247 of this chapter; provided that, all of the following regulations shall control.

- (1) No other than members of the family residing in the dwelling shall be engaged in connection with such home occupation at the same time.
- (2) The use of the dwelling unit for the home occupation shall be clearly incidental and subordinate to its use for residential purposes by its occupants and not more than 25% of the floor area of the dwelling unit shall be used in the conduct of the home occupation.
- (3) There shall be no change in the outside appearance of the building, no variation from the residential character of the dwelling, and no visible evidence of the conduct of such home occupation other than one sign, not exceeding two square feet in area, non-illuminated and mounted flat against the wall of the main building.
- (4) No home occupation shall be conducted outdoors or in any accessory building.
- (5) There shall be no sale of products or services, except as are produced on the premises by such home occupation.
- (6) No traffic shall be generated by such home occupation in greater volumes than would normally be expected in a residential neighborhood, and any need for parking generated by the conduct of such home occupation shall be met off the street and other than in a required front yard.

(7) No equipment or process shall be used in such home occupation that creates noise, vibration, glare, fumes, odors or electrical interference detectable to the normal senses off the premises if the occupation is conducted in a single-family dwelling. If conducted in other than a single-family dwelling, such nuisance shall not be detectable outside the dwelling unit. In the case of electrical interference, no equipment or process shall be used that creates visual or audible interference in any radio or television receivers off the premises or cause fluctuations in line voltage off the premises.

(8) In particular, a home occupation can be, but is not limited to: art studio; dressmaking; teacher, with musical or dancing instruction limited to a maximum of six pupils at a time; contractor's office; professional office or studio or a physician, dentist, author, artist, musician, lawyer, engineer, architect, community planner, realtor, accountant, one-chair salon or similar use; but shall not include animal hospital, automotive repair service, restaurant, tearoom, tavern or similar use.

(B) Home Based Businesses, as defined in this Chapter, are permitted as a special land use as an accessory use as provided in § 154.247 of this chapter; provided that, all of the following regulations shall control.

(1) In particular, a home based business can be, but is not limited to: electrical, plumbing, heating, landscaping, building contractors, and excavators or similar use; but shall not include warehousing or distribution. For home based automotive repair businesses additional requirements as shown in subsection (C) shall apply.

(2) Sketch Plan: In place of a site plan a sketch plan may be submitted. The sketch plan shall be drawn to scale. The sketch plan shall include the location, dimensions, and area, of all structures and parking areas on the site. The sketch plan shall include a scale, north arrow, date of drawing, property owner's name and address, and description of the nature of the home based business. Section 154.162 – Standards for Review and Approval shall apply.

(a) The Planning Commission may require a site plan meeting the requirements of Section 154.170 if deemed necessary. In making this determination the Planning Commission shall consider the following:

1. The scale of the proposed home based business.
2. Distance to the nearest non-participating structure.
3. Nature of the home based business and its potential impact to nearby properties.
4. The magnitude of proposed changes to existing grades and the natural landscape.

(3) Non-transferability: No home based business shall be assigned, transferred, or otherwise conveyed to another person or business entity. Any change in the ownership of the home based business shall require the filing of a new application and a full compliance review.

(4) Inspection: The home based business shall be subject to periodic inspections by the Zoning Administrator or other designated officials to determine that the home based business is proceeding in accordance with the conditions and requirements of the approved sketch plan and special land use approval.

(5) The home based business shall be conducted primarily by one or more persons residing in a dwelling on the lot where the home based business is located.

(6) A home based business shall not employ persons who do not reside on the premises, unless specifically approved by the Planning Commission. The Commission shall only grant such approvals if it determines that the addition of non-resident employees will not adversely impact the health, safety, and welfare, nor diminish the character of the area. In making this determination the Planning Commission shall consider the following:

(a) Nature of the Operation: The type of business activity, including the frequency of client visits, the necessity of on-site staff for the specific service provided, and the hours during which employees will be present.

(b) Lot Dimensions and Separation: The size of the subject parcel and the physical distance between the primary structure (or area of business activity) and the nearest non-participating residential dwellings. Larger setbacks may be required to mitigate the perceived intensity of the business.

(c) Site Mitigation and Buffering: The adequacy of existing or proposed physical characteristics of the lot, including natural topography, professional landscaping, fencing, and screening—to effectively shield neighboring properties from parking areas, increased activity, or light spillover.

(d) Zoning Intent and Land Use Compatibility: The degree to which the proposed employment density aligns with the stated intent of the underlying Zoning District. The Commission shall ensure the activity remains secondary to the residential use and is harmonious with the scale and intensity of the surrounding land uses.

(7) Conditions of Approval: In granting approval for non-resident employees the Planning Commission may impose reasonable conditions, including but not limited to:

(a) Caps on Headcount: A strict limit on the total number of non-resident employees allowed on-site simultaneously.

(b) Parking Requirements: Mandatory off-street parking configurations to prevent employee overflow onto public rights-of-way.

(c) Time Limitations: Restricted hours of operation and/or restricted hours of arrival and departure for staff to minimize disruptions during sensitive morning or evening hours.

(8) There shall be no sale of products or services, except as are produced on the premises by such home based business and only if permitted by the Planning Commission.

(9) There shall be no change in the outside appearance of the building, no variation from the residential character of the dwelling, and no visible evidence of the conduct of such home based business other than one sign, not exceeding two square feet in area, non-illuminated and mounted flat against the wall of the main building.

(10) No traffic shall be generated by such home based business in greater volumes than would normally be expected in a residential neighborhood, and any need for parking generated by the conduct of such home based business shall be met off the street and other than in a required front yard.

(11) No equipment or process shall be used in such home based business that creates noise, vibration, glare, fumes, odors or electrical interference detectable to the normal senses off the premises.

(12) Districts Allowed:

(a) Ag-1

(b) Ag-2

(c) R-1

(13) A Home Based Business may occur within the single-family dwelling and not more than one accessory building located on the same lot as the single-family dwelling.

(14) The use of the dwelling unit or accessory building for the home based business shall be clearly incidental and subordinate to its use for residential purposes by its occupants.

(15) Maximum Floor Area

(a) Dwelling: Not more than 25% of the floor area of the dwelling unit shall be used in the conduct of the home based business.

(b) Accessory Building: Not more than 1,200 square feet of floor area within an accessory building shall be used in the conduct of the home based business, unless a larger floor area is approved by the Planning Commission.

1. The Commission shall only grant an expansion of floor area if the applicant demonstrates the increased scale of the operation will not adversely impact the health, safety, and welfare, nor diminish the character of the area. In making this determination the Planning Commission shall consider the following:

- a. Nature of the Operation: The intensity of the use, including the type of equipment utilized, storage requirements, and the frequency of vehicular trips (deliveries or clients) generated by the larger footprint.
 - b. Lot Dimensions and Separation: The size of the subject lot and the setbacks between the accessory building and adjacent non-participating dwellings. The Commission shall determine if the lot is of sufficient size to absorb the increased intensity of the business use.
 - c. Site Mitigation and Buffering: The effectiveness of existing or proposed screening, including landscaping, berms, or fencing—to obscure the business activity and minimize its visual and auditory impact on neighboring properties.
 - d. Zoning Intent and Land Use Compatibility: The degree to which the expanded use maintains the primary purpose of the property and remains consistent with the intent of the underlying Zoning District and the character of surrounding land uses.
2. Conditions of Approval: In granting approval for a larger floor area, the Planning Commission may impose reasonable conditions related to noise reduction, hours of operation, or enhanced landscaping to ensure continued compatibility with the character of the area.

(16) Setbacks

- (a) Dwelling: Shall meet the setback requirements for a single-family dwelling as required by the zoning district.
- (b) Accessory Building: Shall meet the setback requirements for an accessory building as required by the zoning district. However, in their review of the special land use the Planning Commission may require greater setbacks and/or additional landscaping and/or screening between the accessory building and adjoining properties and/or road to ensure that home based business will have no substantial adverse impacts by reason of noise, fumes, vibration, lights, or views.

(17) No toxic or hazardous materials may be used or stored on the premises to support such home based business except in a safe manner and in full compliance with federal, state, and local requirements as to use, handling, storage, transport, and disposal of any such materials.

- (a) If hazardous materials are proposed and expected to be stored on the premises, a hazardous material storage and disposal plan shall be submitted as part of the application for a home based business.

(18) All machinery and other equipment, associated with the home based business must, at all times, be located within a completely enclosed accessory building, accessory to the residential dwelling which is on the same parcel as the business or within an outdoor storage area that is screened from public view.

- (a) Outdoor Storage Screening: Visual buffers, such as year-round greenery, decorative fencing, or earthen berms, shall be utilized to maintain a continuous screen of all outdoor storage from public view in all seasons.

(C) Home Based Automotive Repair Businesses

(1) Home based automotive repair businesses shall not be permitted in any residential zoning district.

(2) Home based automotive repair businesses may be permitted as a special land use in the Ag-1 and Ag-2 zoning districts, provided all requirements of a Home Based Business and Home Occupation are met.

(3) Customer Vehicles: No more than four (4) vehicles not owned by or registered to the property owner, or another individual residing on the property, may be stored outdoors.

(4) Customer vehicles that are stored outdoors must be stored in an outdoor storage area that is located in the Rear Yard.

(5) No customer vehicle may remain on the property for more than thirty (30) consecutive days.

(6) Customer drop-off of vehicles shall be restricted to hours approved by the Planning Commission.

(7) No "parts vehicles," heavily wrecked vehicles, or permanently inoperable vehicles are allowed on the property.

(8) The repair and service of commercial vehicles over 10,000 pounds is prohibited.

(9) All mechanical work, diagnostics, and repairs must be conducted entirely within an enclosed permanent structure.

(10) Noise: Any structure in which mechanical work, diagnostics, or repairs are conducted must be insulated, designed, or located so that noise generated by the use is not detectable to the normal senses off the premises.

Section 3. Amendment of Section 154.253 of the Sparta Township Zoning Ordinance.

Section 154.253 of the Sparta Township Zoning Ordinance is amended by the addition of the following subsection, which shall be inserted in alphabetical order:

(T) Sketch Plan: In place of a site plan a sketch plan may be submitted. The sketch plan shall be drawn to scale. The sketch plan shall include the location, dimensions, and area, of all structures and parking areas on the site. The sketch plan shall include a scale, north arrow, date of drawing, and the property owner's name and address. Section 154.162 – Standards for Review and Approval shall still apply.

Section 4. Severability.

If any provision of this Ordinance is declared invalid for any reason, that declaration does not affect the validity of all other sections of this Ordinance.

Section 5. Repealer.

This Ordinance expressly repeals all other Township ordinances and parts of ordinances in conflict with this Ordinance.

Section 6. Effective Date.

This Ordinance takes effect seven (7) days after publication of this Ordinance or of a summary of it as permitted by law.

ADOPTED.

YEAS: _____

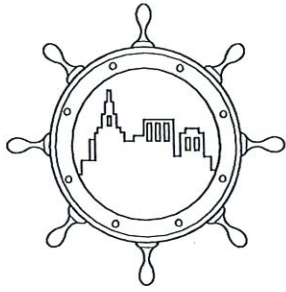
NAYS: _____

STATE OF MICHIGAN)
) ss
COUNTY OF KENT)

Clerk's Certification

I, the undersigned, the duly qualified and acting Clerk of the Township of Sparta, Kent County, Michigan, certify that the above Ordinance was adopted at a regular meeting of the Sparta Township Board on the ____ day of _____, 2025, by a majority of the members of the board members present and voting.

Marcy Savage
Sparta Township Clerk



Fresh Coast Planning

119 1/2 Washington Avenue, Studio B
Grand Haven, MI 49417
www.freshcoastplanning.com

Gregory L. Ransford, MPA

Kevin Yeomans

Alexis Gulker

Aaron Bigelow

MEMORANDUM

To: Sparta Township Planning Commission
From: Kevin Yeomans
Date: 8/3/2026
Re: Data Centers

On July 17, 2026 we emailed the Planning Commission the following documents for your review and consideration.

- News article regarding the Dowagiac Data Center.
- Another news article regarding the Dowagiac Data Center.
- An article from U.S. News which broadly addresses Data Centers.
- A copy of the recent Zoning Ordinance Amendment that was passed by Dowagiac

Additionally, we are currently working with Jamestown Charter Township to prepare Data Center regulations for their community. While neither Sparta nor Jamestown currently have any pending applications or inquires, and the characteristics of each community are different, both communities have determined to only permit data centers as a special land use in industrial districts. Given this, we have provided a copy of their current draft data center amendment.

The Jamestown draft contains some language that is similar or the same as what is included in the Sparta Township's current draft. However, as you'll see they have expanded on many items and provide very detailed regulations for data centers.

Please note, the Jamestown draft is still a work in progress and has not yet been reviewed by their legal counsel.

Next Steps

We seek the Planning Commission's direction on how to proceed with preparing data center regulations for Sparta Township.

- ☐ Would you like more detailed regulations similar to Jamestown Charter Township?
- ☐ Are there any remaining concerns that have not yet been addressed?
- ☐ Any additional items you would like us to research?

This matter is scheduled for review at your August 11, 2026, meeting.

Kevin Yeomans

Kevin Yeomans
Planner

Attachments

cc: Dale Bergman, Township Supervisor

Section 3.40 – Data Centers and Digital Mining Uses

A. Definitions

1. Closed-Loop Cooling System. A sealed system where coolant circulates continuously, absorbing heat from a source, and then transfers that heat to a heat exchanger for removal, without the coolant ever being exposed to the environment.
2. Data Center. A use involving a building or other structure that is primarily occupied by computers and/or telecommunications equipment and related equipment, including supporting equipment, where information is processed, transferred, or stored. A data center use shall include a digital mining use. A data center which includes on-site solar or wind energy generation facilities used or intended to be used to supply power to the data center shall comply with the requirements of the zoning ordinance and any other ordinances regulating those uses.
3. Digital Currency. Currency in a digital format that involves the use of encryption techniques to regulate the generation of units of the digital currency and verify the transfer of funds, operating independently from a central bank.
4. Digital Mining. The process whereby computers (also referred to as “nodes” or “mining rigs”) validate blockchain transactions for a specific item of digital currency (commonly known as “bitcoin” or “cryptocurrency”) for a financial benefit.
5. Large-Scale Data Center. A data center that requires ~~twenty-five~~ megawatts (205 MW) or more power to operate or has a physical footprint of five-thousand (5,000) square feet or greater.
6. Megawatts (MW). A unit of power that is used for the measurement of bulk electricity, and is equal to one million watts.
7. Small-Scale Data Center. A data center that requires less than five megawatts (5 MW) of power to operate and has a physical footprint of less than 5,000 square feet.

8. Qualified Acoustical Professional. An individual possessing the academic credentials, professional certifications, and technical experience necessary to measure, analyze, model, and evaluate environmental sound, noise impacts, and vibration. To be recognized as a Qualified Acoustical Professional under this Ordinance, the individual shall meet at least one (1) of the following criteria:

- a. Licensed Professional Engineer: A registered Professional Engineer (P.E.) in good standing in the State of [State Name], with demonstrated professional specialization and at least three (3) years of experience in environmental acoustics, noise assessment, or sound mitigation design.
- b. Board-Certified Specialist: A Board-Certified Member of the Institute of Noise Control Engineering (INCE Bd. Cert.) or a full Member of the National Council of Acoustical Consultants (NCAC).
- a-c. Education & Experience Equivalent: An individual holding a Bachelor of Science (or higher) degree in acoustics, physics, mechanical or civil engineering, or a closely related physical science field from an accredited institution, with a minimum of five (5) years of documented, direct professional experience conducting environmental noise studies, baseline sound monitoring, and predictive sound propagation modeling.

B. General Requirements

The following general requirements apply to all data centers and digital mining uses within the Township.

- 1. Noise. ~~Noise emanating from the use, operation, or maintenance, of a data center shall not exceed forty-five (45) dBA Lmax nor sixty (60) dBC Lmax as measured from any property line.~~
 - a. A noise mitigation plan shall be submitted, including, at a minimum, a detailed acoustic study showing the amount of noise that would be produced by normal operations of the data center and strategies to minimize noise and achieve a neutral impact on adjacent and nearby properties.

b. ~~The maximum noise levels provided above shall not apply to emergency alerts or emergency alarms.~~ Continuous Noise Limit. Noise emanating from the use, operation, or maintenance of a data center or digital mining use, including all mechanical and electrical equipment, shall not exceed the following equivalent continuous sound levels, measured as a one-hour average (Leq(1h)):

i. i. At any property line of a lot zoned or used for residential purposes: [45] dBA between 7:00 a.m. and 10:00 p.m. (daytime), and [40] dBA between 10:00 p.m. and 7:00 a.m. (nighttime).

ii. ii. At any other property line: [55] dBA at all times.

c. Maximum Instantaneous Noise Limit. In addition to the limits in subsection (a), noise from the use shall not exceed [60] dBA Lmax nor [75] dBC Lmax at any property line of a lot zoned or used for residential purposes, and [70] dBA Lmax at any other property line. This limit applies to intermittent and short-duration events, including but not limited to generator testing, load-bank testing, and equipment cycling.

d. Low-Frequency and Tonal Noise. The use shall not produce a prominent discrete tone, as defined by ANSI S12.9, or low-frequency noise perceptible as a hum, drone, or vibration, at any property line of a lot zoned or used for residential purposes. Where the C-weighted level exceeds the A-weighted level by more than [20] dB at such a property line, the Township may require additional low-frequency mitigation as a condition of continued operation.

e. Measurement Protocol. All measurements under this section shall be conducted: (i) in accordance with ANSI S12.9 (or its successor standard) using a sound level meter meeting ANSI S1.4 Type 1 or Type 2 specifications, calibrated before and after each measurement session; (ii) at a height of approximately five (5) feet above grade at the applicable property line; (iii) under conditions free of precipitation with wind speeds below [12] mph; and (iv) by a Qualified

Acoustical Professional. Measurements for purposes of determining compliance shall exclude transient noise from sources unrelated to the data center or digital mining use.

- f. Pre-Construction Compliance Demonstration. As part of the application, the applicant shall submit an acoustic study prepared by a Qualified Acoustical Professional, at the applicant's expense, that (i) documents existing ambient sound levels at the property lines of the subject parcel, (ii) models the projected sound levels of the proposed use at full operational load under the metrics in subsections (a) through (c), and (iii) identifies all mitigation measures necessary to achieve compliance.
- g. Post-Construction Verification. Within [90] days after commencement of operations, and thereafter upon reasonable request of the Township or in response to a complaint, the owner or operator shall provide compliance measurements conducted in accordance with subsection (d), at the owner or operator's expense. Verification measurements shall be conducted while the facility is operating at or near full load, and the report shall state the facility's operational load at the time of measurement.
- h. Independence and Conflict of Interest. When required by the Planning Commission or Zoning Administrator, the Qualified Acoustical Professional shall operate as an independent third party with no direct financial or beneficial interest in the project applicant, property owner, or development outcome.
- a-i. Exemptions. The limits of this section shall not apply to (i) emergency alerts or emergency alarms, or (ii) operation of emergency generators during an actual emergency disruption of electrical supply. Generator testing is not exempt and shall occur only during daytime hours as approved under Section 3.40.B.3.

- 2. Mechanical Equipment: To reduce the impact of additional noise on surrounding properties, any equipment necessary for cooling, ventilating, or otherwise related to operations of the data center ~~or~~

~~digital mining use~~, including power generators or other power supply equipment, shall be located within an enclosed building or structure.

- a. The Planning Commission may waive this requirement for specified equipment if it finds that it is not mechanically feasible to fully enclose such equipment. If it does so, the specified equipment that has been approved to be located outside of an enclosed building or structure shall be screened by a wall or similar barrier.

3. ~~Generators~~Standby Generator Operational Restrictions. In addition to all other requirements of the Zoning Ordinance, the following additional requirements:

- ~~a. Generators shall not be operated for ongoing operations except during an emergency disruption of supply.~~

- ~~b. Generators shall not be used for grid support services, peak shaving demand, response programs, or participation in energy markets.~~

- ~~c. All generators, including temporary or emergency generators, must be housed in sound-mitigating enclosures to mitigate noise. Testing of generators may only take place during times approved as part of the application.~~

- a. Permitted Operational Scope. On-site emergency generators and secondary power infrastructure shall be utilized strictly for emergency backup power during utility power outages, grid instability events, or system maintenance.

- i. Prohibition on Commercial Power Generation / Peak-Shaving: Generators shall not be operated for commercial power generation, market dispatch, base-load energy supply, or "peak-shaving" (operating generators during high-demand grid periods solely to reduce utility capacity charges).

- ii. Emergency Operation: Generators may operate without time or duration restrictions during grid outages, brownouts, or direct physical failures of the primary electrical supply, subject to post-event reporting requirements under Section 3.40.B.3.f.

b. Routine Maintenance and Testing Restrictions. Routine exercising, load-bank testing, and preventative maintenance of backup generators shall be governed by the following operational constraints to minimize noise and air quality impacts on surrounding properties:

- i. Allowed Hours: Routine testing and exercising shall be permitted only between 9:00 AM and 5:00 PM, Monday through Friday. Testing is strictly prohibited on weekends and state or federally recognized holidays.
- ii. Staggered Testing Schedule: Simultaneous testing of all facility generators is prohibited except during mandatory annual full-load capacity testing required by industry or insurance standards. For routine maintenance, generators shall be tested sequentially in bank groups to minimize cumulative noise and emissions.
- iii. Advance Notice for Full-Load Testing: The facility operator shall provide written or electronic notice to the Zoning Administrator, Fire Chief, and neighboring property owners within [500 / 1,000 feet] at least forty-eight (48) hours prior to conducting full-load array or load-bank testing that involves running more than [25%] of the facility's total generator capacity simultaneously.

c. Acoustic Enclosures & Noise Standards

- i. Equipment Attenuation: All stationary generators shall be housed inside sound-attenuating enclosures or within sound-dampened building structures. Enclosures shall be equipped with hospital-grade, critical-grade, or equivalent advanced exhaust silencers.
- ii. Property Line Noise Limits: Noise generated during routine generator testing shall not exceed [60 dBA] (or [5 dBA] above ambient baseline levels, whichever is lower) as measured at any adjacent residential or commercial property boundary.

iii. Vibration Isolation: Generators shall be installed on vibration-dampening pads or isolation mounts engineered to eliminate structural vibration transmission to adjacent off-site properties.

d. Air Quality & Emissions Standards

- i. EPA & EGLE Compliance: All generators shall comply with US Environmental Protection Agency (EPA) emissions standards for stationary compression-ignition or spark-ignition engines (e.g., Tier 4 Final standards or Best Available Control Technology [BACT]).
- ii. State Air Permits: Prior to site plan approval or building permit issuance, the applicant shall submit proof of a valid Permit to Install (PTI) or Title V Renewable Operating Permit issued by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) Air Quality Division, where required by state law.
- iii. Exhaust Stack Design: Generator exhaust stacks shall be oriented vertically, directed away from adjacent properties and fresh-air intake ducts, and extend to a height determined by air dispersion modeling to prevent localized fume entrapment.

e. Fuel Delivery & Operational Protocols

- i. Delivery Hours: Fuel delivery and bulk transfers shall occur exclusively between 7:00 AM and 7:00 PM, except during active, prolonged emergency grid outages.
- ii. Spill Containment during Transfer: Fuel transfer operations shall take place on designated, impervious containment pads designed to catch hose ruptures or drips in compliance with the facility's federal SPCC Plan.

f. Operational Logs & Annual Reporting

- i. Maintenance Logs: The facility owner or operator shall maintain an accurate, electronic log of all generator operations. The log shall record:
 - 1. Date, time, and duration of operation;
 - 2. Identification of specific generator unit(s) operated;

3. Purpose of operation (e.g., routine testing, maintenance, emergency power outage); and

4. Total cumulative operating hours for each engine per calendar year.

ii. Annual Submittal: A summary of generator run-time logs shall be submitted to the Zoning Administrator and Clerk annually no later than January 15th of each calendar year to verify compliance with non-emergency operational limits.

4. Electrical Utilities.

a. The applicant shall provide written verification from the applicable energy service provider that states the following:

i. There is adequate capacity available on the applicable supply lines and substation for the data center ~~or digital mining use and~~ to ensure that there is sufficient capacity available to serve the needs of other customers within the service area, consistent with the normal projected load growth envisioned by the provider;

ii. That connection to the electrical system will not increase cost for other users of the system;

iii. The utility supply equipment and related electrical infrastructure are sufficiently sized and can safely accommodate the proposed data center during the power provider's peak consumption hours;

iv. The use will not cause electrical interference or fluctuations in the line voltage on and off the operating premises.

b. To the extent feasible, electrical utilities shall be located underground.

c. Integration of renewable energy to power data centers is preferred, if feasible.

e.d. Issuance of Building Permit. No building permit shall be issued until the applicant submits to the Zoning Administrator a fully executed interconnection agreement, electrical service

agreement, or alternative proof of binding utility capacity commitment deemed acceptable by the Township's Legal Counsel.

5. Impact on Internet Services.

- a. The Applicant shall provide proof from the applicable utility provider that the system has sufficient capability to handle the needs of the data center.
- b. The Applicant shall provide proof that connection to the internet system will not have an adverse effect on other users of the system.

6. Water Usage and Wastewater Discharge.

- a. Data Centers shall be required to connect to public water and sanitary sewer systems.
- b. The Applicant shall provide proof from the applicable agency that the public water and/or sanitary sewer system has sufficient capability to handle the needs of the data center.
- c. The Applicant shall provide proof that connection to the public water or sanitary system will not have an adverse effect on other users of the system.

7. Cooling Methods. To reduce the potential impact on nearby potable water resources, any data center ~~or digital mining use~~ that proposes to use water cooling must comply with the following requirements:

- a. Use of a closed-loop cooling system shall be required.
- b. In recognition of rapidly evolving technology, the Planning Commission may approve alternative cooling methods if the Applicant can demonstrate that the alternative cooling method is as effective or more effective than a closed loop cooling system. This shall include, but not be limited to, a review of water usage, power usage, and environmental impact.
- c. The Planning Commission may require the use of geothermal, air_cooling, ~~electrical-~~
~~cooling~~electric-powered cooling, waste heat recovery systems, or other more advanced cooling methods which may become available. Use of open, evaporative cooling towers is prohibited unless specifically permitted as part of special land use approval.

8. The applicant shall submit a written plan for maintaining the subject property, including a plan for maintaining and inspecting drain tiles and addressing stormwater management, which is subject to the Township's review and approval.
9. Digital Mining Restrictions. Digital mining shall not occur in any accessory building or temporary structure. The use of ISO shipping containers or other similar containers for digital mining shall be prohibited.
 - a. Digital mining operations shall only be permitted between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday. The Planning Commission may authorize additional hours if appropriate noise, light, screening and other protective measures are included.
10. Hazardous Materials. Due to the nature of a data center or digital mining use, hazardous waste and storage of hazardous materials is anticipated. If the proposed data center or digital mining use includes storage or disposal of hazardous materials or waste, the following is required:
 - a. The applicant shall describe the nature of the storage and processing of hazardous materials and waste as part of the application for site plan review. This shall include proposed safety measures and protocols to prevent the spread of hazardous materials outside of designated containment areas and procedures in the event that hazardous materials or waste are released and have the potential to damage persons, property or the environment. This information shall be provided to provide the Township with notice that hazardous materials or waste are present to coordinate in the event that hazardous materials or waste is released, and to inform public safety officials.
 - b. All storage and/or processing of hazardous materials and waste shall comply in all respects with state and federal law and regulations and the requirements of the Michigan Department of Environment, Great Lakes and Energy and any other applicable agency. Storage and/or processing of hazardous materials and waste shall not commence until all necessary permits have been obtained and copies of such permits have been provided to the Township.

~~c. Storage and/or processing of hazardous materials and waste shall not occur within 500 feet of any lot line.~~

~~d.c.~~ If storage and/or processing is proposed outside of a building or structure, those activities shall be screened from view of adjacent public or private rights-of-way and any property that is zoned in a residential district.

11. Lighting. The lighting of the ~~Cryptocurrency Data Mining Facility or~~ Data Center is limited to the minimum light necessary for safe operation. Illumination from any lighting must not extend beyond the perimeter of the lot(s) used for the ~~Cryptocurrency Data Mining Facility or~~ Data Center. The ~~Cryptocurrency Data Mining Facility or~~ Data Center must not produce any glare that is visible to neighboring lots or persons traveling on public or private roads.
12. Modular Data Centers Prohibited. Except during the construction phase, prefabricated or "modular" data centers and shipping containers and similar prefab structures are prohibited. All data center uses shall be within site-built buildings.
13. Emergency Response. A detailed emergency response plan shall be submitted, showing at a minimum that the data center has a plan in effect to address emergencies resulting from flood, fire, explosion and catastrophic weather events. The plan shall include a study which details the type, size and quantity of firefighting equipment that is needed to serve the size of facility and equipment used in the facility. The emergency response plan is subject to review and comments by the Township, including the Township Fire Chief, and may also be subject to review of the Kent County Sheriff's Department or other applicable agencies.
 - a. Annual Review. The emergency response plan shall be reviewed and amended, as necessary, to ensure continued compliance with and effectiveness of the plan, as well as emergency responders ability to safely respond to emergencies.
 - ~~b. Applicant must provide all Township Fire Department contractors with the appropriate equipment and training to address fires in the Cryptocurrency Data Mining Facility or Data~~

Center. Emergency Response Training and Equipment. Prior to the issuance of any Certificate of Occupancy, the applicant shall, at its sole expense, provide the Township Fire Department and its designated emergency response contractors with specialized equipment and training deemed necessary by the Fire Chief.

Such training and equipment shall specifically address hazards unique to the data center facility, including high-voltage electrical infrastructure, battery energy storage systems (BESS), and specialized fire suppression systems. The applicant shall coordinate and fund annual refresher training and site orientation for local emergency response personnel.

14. Emergency Contact Information. Each data center ~~or digital mining use~~ shall provide 24-hour emergency contact signage visible at each access entrance. The signs shall include the company name (if applicable), the owner or representative's name, the telephone number for the emergency contact person, and the local power company's name and telephone number.
15. Complaint Resolution. The applicant shall provide a plan for resolving complaints from the public or other property owners concerning the construction and operation of the ~~Cryptocurrency Data Mining Facility or~~ Data Center, which is subject to the Township's review and approval.
16. Security Fencing. Security fencing must be installed around all electrical equipment related to the Data Center. Such fencing must be a minimum seven (7) feet tall and must use materials, colors, textures, screening and landscaping, that will blend the facility into the natural setting and existing environment.
17. Cost Responsibility. The applicant shall be responsible for all additional costs associated with necessary improvements to and maintenance of all utilities, roads, public facilities, vehicles, or equipment necessary to provide services to the data center.
18. Annual Report and Inspection. As a condition of approval, the facility owner and/or operator shall agree to reimburse the Township for annual professional and independent inspection of the operations, including the use of third parties. In addition to allowing for inspections, the owner and/or operator may

be required to provide additional reports as requested by the Township on annual operations, including but not limited to:

- a. Emergency Response Plan Review
- b. Water Usage
- c. Sanitary Sewer Discharges
- d. Noise
- e. Power Usage
- f. Maintenance
- g. Proof of Insurance
- h. A summary of all complaints, complaint resolutions, and extraordinary events.

The purpose of the inspections and reports is to determine compliance with the Zoning Ordinance, site plan and special land use approval. The applicant, owner and/or operator may be required to post an additional bond, security, or escrow to pay for the annual inspections and reports.

19. Decommissioning. If a Data Center is abandoned or otherwise nonoperational for a period of one year, the property owner or the operator must notify the Township and must remove the system or provide a repurposing plan, acceptable to the Township, within six (6) months after the date of abandonment.

- i.a. Financial Security. To ensure proper decommissioning of a Data Center upon abandonment, the applicant must post financial security in the form of a security bond or escrow payment in an amount equal to 125% of the total estimated cost of decommissioning, code enforcement, and reclamation, which cost estimate must be approved by the Township. The operator and the Township will review the amount of the financial security every two (2) years to ensure that the amount remains adequate. This financial security must be posted within fifteen (15) business days after approval of the special use application.

~~j.b.~~ Removal requires receipt of a demolition permit from the Building Official and full restoration of the site to the satisfaction of the Zoning Administrator. The site must be filled and covered with top soil and restored to a state compatible with the surrounding vegetation. The requirements of this subsection also apply to a ~~Cryptocurrency Data Mining Facility or~~ Data Center that is never fully completed or operational if construction has been halted for a period of one (1) year.

~~k.c.~~ Repurposing requires an evaluation of the structural integrity and capacity of the buildings to support another industrial use, an evaluation of the utilities ability to support another industrial use, an environmental site assessment, a "clean building" certification proving all hazardous materials have been fully remediated, and an approved zoning permit transferring the ~~Cryptocurrency Data Mining Facility or~~ Data Center to another approved industrial use.

20. ~~Transferability~~ Transfer of Ownership or Operational Control. ~~A conditional land use permit for a Cryptocurrency Data Mining Facility or Data Center is transferable to a new owner. The new owner must register their name and business address with the Township and must comply with this Ordinance and all approvals and conditions issued by the Township. No permit, facility, or land use authorized under this Section shall be transferred, assigned, or leased to a new owner or operator without prior written notification to and approval by the Township.~~

a. Notice Requirement: The current owner or proposed transferee shall submit a formal transfer application to the Zoning Administrator and Township Clerk at least sixty (60) days prior to any contemplated transfer.

b. Submission Requirements: The proposed transferee shall demonstrate, to the Township's satisfaction, that:

i. All existing bonds, decommissioning funds, financial assurances, escrow accounts, and insurance policies required under this Section are fully executed, funded, and assumed by the transferee in forms acceptable to the Township; and

ii. The transferee agrees in writing to assume all ongoing conditions of approval, obligations, and liabilities associated with the facility.

1.c. Review Fees: The transferee shall reimburse the Township for all reasonable legal, technical, and administrative costs incurred in reviewing and processing the transfer request.

21. Insurance Requirements. Prior to site plan approval, issuance of any building permit, or commencement of operations, the applicant, owner, and operator of a Data Center facility shall obtain and maintain, at their sole expense, insurance coverage meeting or exceeding the requirements of this Section. Coverage shall remain continuously in force throughout the operational life of the facility and through the completion of any required decommissioning or site restoration.

Facility scale shall be determined by the total maximum design power capacity (in Megawatts, MW) approved under the site plan, including all planned expansion phases.

a. Tiered Minimum Coverage Schedule. Insurance minimums shall be maintained in accordance with the facility capacity tiers set forth in Table B.1 below:

Table B.1: Required Insurance Minimums by Facility Scale (MW)

Facility Tier	Power Capacity (MW)	Commercial General Liability (Per Occ / Agg)	Environmental & Pollution Liability (Per Occ / Agg)	Excess / Umbrella Liability (Per Occ / Agg)
Tier 1: Small / Edge	Less than 10 MW	\$2,000,000 / \$5,000,000	\$5,000,000 / \$5,000,000	\$10,000,000
Tier 2: Mid-Scale	10 MW up to 50 MW	\$5,000,000 / \$10,000,000	\$10,000,000 / \$10,000,000	\$25,000,000
Tier 3: Hyperscale	50 MW up to 100 MW	\$10,000,000 / \$20,000,000	\$20,000,000 / \$20,000,000	\$50,000,000
Tier 4: Mega-Hyperscale	100 MW or greater	\$10,000,000 / \$20,000,000	\$35,000,000 / \$35,000,000	\$100,000,000

b. Standard Coverage Requirements. In addition to the tiered coverage minimums established in Table B.1, all facilities regardless of size shall maintain the following coverages issued by carriers licensed in Michigan with an A.M. Best rating of A- VII or better:

- i. Environmental & Pollution Liability Scope: Must explicitly cover first- and third-party claims for bodily injury, property damage, environmental cleanup, containment, and site remediation resulting from sudden, accidental, or gradual releases of pollutants, diesel fuel, battery hazardous substances (including lithium-ion thermal event contaminants), or chemical cooling agents.
 - ii. Commercial Automobile Liability: Minimum \$2,000,000 combined single limit for bodily injury and property damage covering all owned, hired, and non-owned vehicles. Must comply with statutory requirements under the Michigan No-Fault Insurance Act.
 - iii. Workers' Compensation & Employer's Liability: Workers' Compensation: Statutory limits under the Michigan Workers' Disability Compensation Act (PA 317 of 1969, as amended). Employer's Liability: Minimum \$1,000,000 per accident / \$1,000,000 disease policy limit / \$1,000,000 disease each employee.
 - c. Property & Decommissioning Casualty Coverage: Special Form / All Risk property insurance covering 100% of the full replacement cost of all structures, equipment, and on-site improvements. Policy proceeds shall be dedicated to site restoration or reconstruction in the event of major casualty.
 - d. Mandatory Policy Endorsements All required insurance policies shall include the following provisions:
 - i. Additional Insured Status: The Township, including its elected and appointed officials, officers, employees, agents, and contractors, shall be named as an Additional Insured on a primary and non-contributory basis on CGL, Auto, Environmental, and Excess/Umbrella policies.
 - ii. Waiver of Subrogation: The insurer shall waive all rights of subrogation against the Township and its officials for losses arising from operations.

iii. Notice of Cancellation: Each policy shall contain an endorsement requiring written notice to the Zoning Administrator and Clerk at least thirty (30) calendar days prior to policy cancellation, non-renewal, or material reduction in coverage (or 10 days for non-payment of premium).

e. Administration & Compliance

i. Initial Proof of Coverage: Certificates of Insurance (ACORD form) verifying all required coverages shall be submitted to the [Zoning Administrator] prior to final site plan signature or building permit issuance.

ii. Annual Compliance Certification: The facility owner or operator shall submit updated Certificates of Insurance annually to the Zoning Administrator and Clerk no later than January 15th of each calendar year.

iii. Facility Expansion Re-evaluation: If a facility increases its power capacity (MW) into a higher tier, updated insurance certificates reflecting the higher coverage thresholds shall be submitted prior to the installation or energization of the expanded capacity.

iv. Lapse in Coverage: Failure to maintain required insurance constitutes a violation of this Ordinance and grounds for summary revocation of the Special Land Use Permit or Certificate of Occupancy.

~~19.22.~~ Indemnity. The applicant shall provide an attestation that the applicant will indemnify and hold the Township harmless from any costs or liability arising from the approval, installation, construction, maintenance, use, repair, or removal of the Data Center, which is subject to the Township's review and approval.

~~20.23.~~ Proof of environmental compliance, including compliance with Part 31, Water Resources Protection, of the Natural Resources and Environmental Protection Act; (MCL 324.3101 et. seq.; Part 91, Soil Erosion and Sedimentation Control (MCL 324.9101 et. seq.) and any corresponding County ordinances; Part 301, Inland Lakes and Streams, (MCL 324.30101 et. seq.); Part 303, Wetlands (MCL

324.30301 et. seq.); Part 365, Endangered Species Protection (MCL324.36501 et. seq.); and any other applicable laws and rules in force at the time the Township considers the application.

~~21-24.~~ Extraordinary Events. If the ~~Cryptocurrency Data Mining Facility or~~ Data Center experiences a failure, fire, leakage of hazardous materials, personal injury, or other extraordinary or catastrophic event, the applicant or operator must notify the Township within 24 hours.

~~22-25.~~ Compliance with Other Laws. The design, construction, operation use and decommissioning of a data center ~~or digital mining use~~ shall comply with all applicable provisions of this Ordinance and all other applicable local, state or federal laws or regulations, including but not limited to laws or regulations regarding the environment, pollution, and mitigation of potential impacts on threatened or endangered species.

~~23-26.~~ Remedies. If an applicant or operator fails to comply with this Ordinance, the Township, may pursue any remedy or enforcement, including but not limited to the removal of any ~~Cryptocurrency Data Mining Facility or~~ Data Center pursuant to the Zoning Ordinance or as otherwise authorized by law. Additionally, the Township may pursue any legal or equitable action to abate a violation and recover any and all costs, including the Township's actual attorney fees and costs.

C. Small-Scale Data Centers

1. A small-scale data center is only permitted as a special land use only in the Industrial zoning district(s).
2. A small-scale data center shall comply with Section 3.40.B – General Requirements and all applicable sections of this Ordinance.
3. Minimum Lot Area: 20 acres
4. Setbacks: All buildings and structures shall comply with Industrial District setbacks.
 - a. The Planning Commission may increase setbacks if necessary to ensure compliance with requirements of this section or other applicable provisions of this Ordinance.

D. Large-Scale Data Centers

1. A large-scale data center is only permitted as a special land use only in the Industrial zoning district(s).
2. A large-scale data center shall comply with Section 3.40.B – General Requirements and all applicable sections of this Ordinance.
3. Minimum Lot Area Requirements. 40 acres
5. Setbacks. All buildings and structures shall comply with Industrial District setbacks.
 - a. The Planning Commission may increase setbacks if necessary to ensure compliance with requirements of this section or other applicable provisions of this Ordinance.
6. Location Requirements: Large-scale data centers shall be located on a lot that abuts a highway or roads able to service the construction and use of the data center.

7. Fiscal Impact Analysis (FIA) Requirements. A comprehensive Fiscal Impact Analysis (FIA) shall be submitted with any application for a large-scale data center.

The purpose of the FIA is to evaluate the direct, indirect, and long-term financial impacts of the proposed development on the Township local emergency service providers, road authorities, and public utility systems, ensuring the development does not create an unmitigated financial deficit for local taxpayers.

a. Consultant Qualifications & Peer Review Escrow

i. Preparation: The FIA shall be prepared at the applicant's sole expense by an independent qualified economist, municipal finance consultant, or urban planning professional possessing demonstrated experience in municipal fiscal modeling.

ii. Independent Peer Review: The Township reserves the right to select and retain an independent third-party municipal finance consultant to review and evaluate the applicant's FIA submittal. The applicant shall deposit funds into a municipal escrow account, as established by resolution of the Township Board, to cover all expenses associated with the independent peer review.

b. Required Scope and Methodology. The FIA shall cover a minimum projection period of fifteen (15) years from the anticipated date of project commissioning. The analysis shall utilize conservative, baseline financial assumptions and explicitly detail the following components:

- i. Real Property Taxes: Tax revenues generated by real property improvements based on taxable value projections.
- ii. Personal Property Taxes: Projected personal property tax revenue, explicitly factoring in all applicable state or local tax exemptions, depreciation schedules, and statutory incentive programs (e.g., PA 198 Industrial Facilities Exemption or state-level data center personal property tax exemptions).
- iii. Utility & Service Fees: Anticipated municipal water, sewer, or franchise fees generated by the facility.
- iv. Special Assessments & Local Fees: Any applicable building permit fees, site plan review fees, or local development fees.

c. Public Expenditure & Cost Projections. An itemized annual projection of all direct and indirect public operating and capital expenditures incurred by local units of government to service the facility, including:

- i. Public Safety & Emergency Services: Operational and capital costs for the local Fire Department, Police/Sheriff, and EMS, including specialized high-voltage and hazard training, dedicated equipment acquisition, and additional personnel demands.
- ii. Transportation Infrastructure: Projected impact on local municipal roads, including road wear, baseline pavement degradation from heavy construction/equipment transport, and necessary intersection or signalization upgrades.
- iii. Municipal Water & Wastewater Utilities: Capital upgrade costs, ongoing operational maintenance, and capacity consumption impacts on municipal water treatment and sewer infrastructure.

iv. Administrative & Code Enforcement: Projected costs for ongoing ordinance administration, environmental monitoring, building inspections, and noise/performance standard compliance enforcement.

d. Employment & Economic Multipliers

i. Direct construction-phase employment, timeline, and estimated payroll.

ii. Long-term permanent full-time equivalent (FTE) employment, job classifications, and average wage scales.

iii. Secondary economic impacts (indirect and induced spending) evaluated separately from direct municipal cash flows.

e. Net Fiscal Impact Summary. A year-by-year comparative schedule calculating the Net Fiscal Impact (Total Projected Revenues minus Total Projected Public Expenditures). The report shall include sensitivity analyses evaluating:

i. Best-Case Scenario: Full project buildout and maximum tax generation.

ii. Incentive/Abatement Scenario: Projected revenues assuming the granting of maximum requested tax abatements or state tax exemptions.

iii. Phase-In/Delay Scenario: Delayed construction or partial buildout scenarios.

f. Fiscal Mitigation Agreement. If the FIA or the independent peer review indicates that the proposed data center will result in a net negative fiscal impact (operational or capital deficit) on the Township or local emergency service districts during any point in the 15-year projection period, the applicant shall be required to enter into a legally binding Development and Fiscal Mitigation Agreement as a condition of Special Land Use approval. Mitigation measures may include, but are not limited to:

i. Annual Payments-in-Lieu-of-Taxes (PILOT) or host community impact fees to offset projected revenue shortfalls.

- ii. Capital cost contributions or upfront funding for specialized fire/EMS equipment, station expansions, or public utility infrastructure upgrades.
- iii. Pre-funding of dedicated municipal code enforcement and monitoring escrow accounts.

8. Mandatory FIA Updates and Re-evaluation Triggers. After initial Special Land Use or Site Plan approval, an updated Fiscal Impact Analysis (FIA) shall be submitted to the [Township / City / Village] prior to municipal consideration or approval of any of the following events:

a. Major Facility Expansion. An updated FIA shall be required whenever the applicant, owner, or operator proposes a facility expansion, site modification, or additional development phase that meets or exceeds any of the following thresholds:

- i. An increase in total design electrical capacity by ten percent (10%) or five (5) Megawatts (MW), whichever is less, beyond the capacity approved in the baseline FIA;
- ii. An increase in total gross building floor area by fifteen percent (15%) or twenty thousand (20,000) square feet, whichever is less; or
- iii. The addition of major high-demand physical infrastructure not analyzed in the baseline FIA, such as new on-site utility substations, utility-scale Battery Energy Storage Systems (BESS), or expanded backup generator fuel storage facilities.

b. Subsequent Applications for Tax Abatements or Exemptions. If the baseline FIA was evaluated under the assumption of standard, non-abated tax assessments, an updated FIA shall be required prior to municipal review or recommendation of any subsequent tax incentive request filed after initial site plan or Special Land Use approval. This includes, but is not limited to:

- i. Applications for an Industrial Facilities Exemption Certificate under Public Act 198 of 1974 (MCL 207.551 et seq.);
- ii. Requests for local or state personal property tax exemptions, Commercial Redevelopment Act exemptions, or Renaissance Zone designations; or

iii. Any statutory tax relief request or modified assessment agreement that reduces projected annual municipal revenues below the baseline revenue figures accepted in the original FIA.

c. Review Procedure & Peer-Review Escrow

i. Escrow Deposit: Submittal of an updated FIA shall be accompanied by the establishment or replenishment of a peer-review escrow account pursuant to Section [X].[XX].B to cover all third-party legal, financial, and planning review costs.

ii. Review Body: The updated FIA and third-party peer review report shall be submitted to the Planning Commission for recommendation and to the Township Board for final review.

d. Mandatory Mitigation Adjustment. If the updated FIA demonstrates that the proposed facility expansion or requested tax abatement/exemption creates a net negative fiscal impact (operational or capital deficit) on the Township, emergency service districts, or road authorities:

i. The applicant shall execute an amended or supplemental Development and Fiscal Mitigation Agreement (which may include annual Payment-in-Lieu-of-Taxes [PILOT] schedules, host community fees, or dedicated capital contributions) to fully neutralize the projected fiscal deficit.

ii. Approval of the amended Fiscal Mitigation Agreement shall be a mandatory prerequisite prior to:

1. The issuance of any building permits or site plan signatures for the facility expansion; or

2. The adoption, endorsement, or approval of any municipal resolution granting or recommending a tax abatement, exemption, or incentive agreement.

7.9. Air Quality and Water Quality. The equipment, including but not limited to any power generators, used in the operation of the large-scale data center use shall minimize air pollutant emissions and water

pollutant discharges and meet or exceed applicable state and federal laws regarding emissions and discharges. An owner or operator or applicant for a data-center shall provide affirmative proof of EGLE approval or EPA approval upon request of the Township.

- ~~8. A noise mitigation plan shall be submitted, including, at a minimum, a detailed acoustic study showing the amount of noise that would be produced by normal operations of the data center and strategies to minimize noise and achieve a neutral impact on adjacent and nearby properties.~~
- ~~9. Liability Insurance. The facility owner or operator shall maintain a current general liability policy covering bodily injury and property damage with limits of at least \$5 million per occurrence and \$5 million in the aggregate. Certificates shall be made available to the Township upon request.~~

10. Construction Plan:

- a. A project development timeline, including information regarding how the applicant will inform adjacent property owners and members of the community regarding the status of the project, shall be provided.
- b. A transportation plan for construction and operation phases, including any applicable agreements with the County Road Commission and Michigan Department of Transportation, which is subject to the Township's review and approval.
- c. Construction Phasing Requirements. The construction of large-scale data centers are subject to special construction restrictions. The construction must be conducted in phases and only during such days of the week and hours as may be specifically approved by the Planning Commission as part of special land use approval. The construction shall not take place in a way which allows for unreasonable noise, dust or other negative impacts on nearby or adjoining properties or lands or water. In addition, although the construction is not subject to the operational noise restrictions for data centers and digital mining uses, the Planning Commission may place special noise restrictions on each phase of the construction.

11. Special Escrows. In addition to all of the escrows provided herein, the owner and operator of any large-scale data center shall pay or reimburse the Township for all inspections, analyses, reports and expenses incurred by the Township in not only monitoring the construction of the large-scale data center, but also the ongoing cost of inspections and monitoring and enforcement, including decommissioning, of the large-scale. In addition to the escrows provided elsewhere in the Zoning Ordinance, the Township may establish separate and special escrows to cover these costs and expenses.

Section 3.40 – Data Centers and Digital Mining Uses

A. Definitions

1. Closed-Loop Cooling System. A sealed system where coolant circulates continuously, absorbing heat from a source, and then transfers that heat to a heat exchanger for removal, without the coolant ever being exposed to the environment.
2. Data Center. A use involving a building or other structure that is primarily occupied by computers and/or telecommunications equipment and related equipment, including supporting equipment, where information is processed, transferred, or stored. A data center use shall include a digital mining use. A data center which includes on-site solar or wind energy generation facilities used or intended to be used to supply power to the data center shall comply with the requirements of the zoning ordinance and any other ordinances regulating those uses.
3. Digital Currency. Currency in a digital format that involves the use of encryption techniques to regulate the generation of units of the digital currency and verify the transfer of funds, operating independently from a central bank.
4. Digital Mining. The process whereby computers (also referred to as “nodes” or “mining rigs”) validate blockchain transactions for a specific item of digital currency (commonly known as “bitcoin” or “cryptocurrency”) for a financial benefit.
5. Large-Scale Data Center. A data center that requires ~~twenty-five~~ megawatts (~~205~~ MW) or more power to operate or has a physical footprint of five-thousand (5,000) square feet or greater.
6. Megawatts (MW). A unit of power that is used for the measurement of bulk electricity, and is equal to one million watts.
7. Small-Scale Data Center. A data center that requires less than five megawatts (5 MW) of power to operate and has a physical footprint of less than 5,000 square feet.

8. Qualified Acoustical Professional. An individual possessing the academic credentials, professional certifications, and technical experience necessary to measure, analyze, model, and evaluate environmental sound, noise impacts, and vibration. To be recognized as a Qualified Acoustical Professional under this Ordinance, the individual shall meet at least one (1) of the following criteria:
- a. Licensed Professional Engineer: A registered Professional Engineer (P.E.) in good standing in the State of [State Name], with demonstrated professional specialization and at least three (3) years of experience in environmental acoustics, noise assessment, or sound mitigation design.
 - b. Board-Certified Specialist: A Board-Certified Member of the Institute of Noise Control Engineering (INCE Bd. Cert.) or a full Member of the National Council of Acoustical Consultants (NCAC).
 - a-c. Education & Experience Equivalent: An individual holding a Bachelor of Science (or higher) degree in acoustics, physics, mechanical or civil engineering, or a closely related physical science field from an accredited institution, with a minimum of five (5) years of documented, direct professional experience conducting environmental noise studies, baseline sound monitoring, and predictive sound propagation modeling.

B. General Requirements

The following general requirements apply to all data centers and digital mining uses within the Township.

1. Noise. ~~Noise emanating from the use, operation, or maintenance, of a data center shall not exceed forty-five (45) dBA Lmax nor sixty (60) dBC Lmax as measured from any property line.~~
 - a. A noise mitigation plan shall be submitted, including, at a minimum, a detailed acoustic study showing the amount of noise that would be produced by normal operations of the data center and strategies to minimize noise and achieve a neutral impact on adjacent and nearby properties.

b. The maximum noise levels provided above shall not apply to emergency alerts or emergency alarms. Continuous Noise Limit. Noise emanating from the use, operation, or maintenance of a data center or digital mining use, including all mechanical and electrical equipment, shall not exceed the following equivalent continuous sound levels, measured as a one-hour average (Leq(1h)):

- i. i. At any property line of a lot zoned or used for residential purposes: [45] dBA between 7:00 a.m. and 10:00 p.m. (daytime), and [40] dBA between 10:00 p.m. and 7:00 a.m. (nighttime).
- ii. ii. At any other property line: [55] dBA at all times.

c. Maximum Instantaneous Noise Limit. In addition to the limits in subsection (a), noise from the use shall not exceed [60] dBA Lmax nor [75] dBC Lmax at any property line of a lot zoned or used for residential purposes, and [70] dBA Lmax at any other property line. This limit applies to intermittent and short-duration events, including but not limited to generator testing, load-bank testing, and equipment cycling.

d. Low-Frequency and Tonal Noise. The use shall not produce a prominent discrete tone, as defined by ANSI S12.9, or low-frequency noise perceptible as a hum, drone, or vibration, at any property line of a lot zoned or used for residential purposes. Where the C-weighted level exceeds the A-weighted level by more than [20] dB at such a property line, the Township may require additional low-frequency mitigation as a condition of continued operation.

e. Measurement Protocol. All measurements under this section shall be conducted: (i) in accordance with ANSI S12.9 (or its successor standard) using a sound level meter meeting ANSI S1.4 Type 1 or Type 2 specifications, calibrated before and after each measurement session; (ii) at a height of approximately five (5) feet above grade at the applicable property line; (iii) under conditions free of precipitation with wind speeds below [12] mph; and (iv) by a Qualified

Acoustical Professional. Measurements for purposes of determining compliance shall exclude transient noise from sources unrelated to the data center or digital mining use.

f. Pre-Construction Compliance Demonstration. As part of the application, the applicant shall submit an acoustic study prepared by a Qualified Acoustical Professional, at the applicant's expense, that (i) documents existing ambient sound levels at the property lines of the subject parcel, (ii) models the projected sound levels of the proposed use at full operational load under the metrics in subsections (a) through (c), and (iii) identifies all mitigation measures necessary to achieve compliance.

g. Post-Construction Verification. Within [90] days after commencement of operations, and thereafter upon reasonable request of the Township or in response to a complaint, the owner or operator shall provide compliance measurements conducted in accordance with subsection (d), at the owner or operator's expense. Verification measurements shall be conducted while the facility is operating at or near full load, and the report shall state the facility's operational load at the time of measurement.

h. Independence and Conflict of Interest. When required by the Planning Commission or Zoning Administrator, the Qualified Acoustical Professional shall operate as an independent third party with no direct financial or beneficial interest in the project applicant, property owner, or development outcome.

~~a.i.~~ Exemptions. The limits of this section shall not apply to (i) emergency alerts or emergency alarms, or (ii) operation of emergency generators during an actual emergency disruption of electrical supply. Generator testing is not exempt and shall occur only during daytime hours as approved under Section 3.40.B.3.

2. Mechanical Equipment: To reduce the impact of additional noise on surrounding properties, any equipment necessary for cooling, ventilating, or otherwise related to operations of the data center ~~or~~

~~digital mining use~~, including power generators or other power supply equipment, shall be located within an enclosed building or structure.

- a. The Planning Commission may waive this requirement for specified equipment if it finds that it is not mechanically feasible to fully enclose such equipment. If it does so, the specified equipment that has been approved to be located outside of an enclosed building or structure shall be screened by a wall or similar barrier.

3. ~~Generators~~Standby Generator Operational Restrictions. ~~In addition to all other requirements of the Zoning Ordinance, the following additional requirements:~~

- ~~a. Generators shall not be operated for ongoing operations except during an emergency disruption of supply.~~
- ~~b. Generators shall not be used for grid support services, peak shaving demand, response programs, or participation in energy markets.~~
- ~~c. All generators, including temporary or emergency generators, must be housed in sound-mitigating enclosures to mitigate noise. Testing of generators may only take place during times approved as part of the application.~~

- a. Permitted Operational Scope. On-site emergency generators and secondary power infrastructure shall be utilized strictly for emergency backup power during utility power outages, grid instability events, or system maintenance.

- i. Prohibition on Commercial Power Generation / Peak-Shaving: Generators shall not be operated for commercial power generation, market dispatch, base-load energy supply, or "peak-shaving" (operating generators during high-demand grid periods solely to reduce utility capacity charges).

- ii. Emergency Operation: Generators may operate without time or duration restrictions during grid outages, brownouts, or direct physical failures of the primary electrical supply, subject to post-event reporting requirements under Section 3.40.B.3.f.

b. Routine Maintenance and Testing Restrictions. Routine exercising, load-bank testing, and preventative maintenance of backup generators shall be governed by the following operational constraints to minimize noise and air quality impacts on surrounding properties:

- i. Allowed Hours: Routine testing and exercising shall be permitted only between 9:00 AM and 5:00 PM, Monday through Friday. Testing is strictly prohibited on weekends and state or federally recognized holidays.
- ii. Staggered Testing Schedule: Simultaneous testing of all facility generators is prohibited except during mandatory annual full-load capacity testing required by industry or insurance standards. For routine maintenance, generators shall be tested sequentially in bank groups to minimize cumulative noise and emissions.
- iii. Advance Notice for Full-Load Testing: The facility operator shall provide written or electronic notice to the Zoning Administrator, Fire Chief, and neighboring property owners within [500 / 1,000 feet] at least forty-eight (48) hours prior to conducting full-load array or load-bank testing that involves running more than [25%] of the facility's total generator capacity simultaneously.

c. Acoustic Enclosures & Noise Standards

- i. Equipment Attenuation: All stationary generators shall be housed inside sound-attenuating enclosures or within sound-dampened building structures. Enclosures shall be equipped with hospital-grade, critical-grade, or equivalent advanced exhaust silencers.
- ii. Property Line Noise Limits: Noise generated during routine generator testing shall not exceed [60 dBA] (or [5 dBA] above ambient baseline levels, whichever is lower) as measured at any adjacent residential or commercial property boundary.

iii. Vibration Isolation: Generators shall be installed on vibration-dampening pads or isolation mounts engineered to eliminate structural vibration transmission to adjacent off-site properties.

d. Air Quality & Emissions Standards

i. EPA & EGLE Compliance: All generators shall comply with US Environmental Protection Agency (EPA) emissions standards for stationary compression-ignition or spark-ignition engines (e.g., Tier 4 Final standards or Best Available Control Technology (BACT)).

ii. State Air Permits: Prior to site plan approval or building permit issuance, the applicant shall submit proof of a valid Permit to Install (PTI) or Title V Renewable Operating Permit issued by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) Air Quality Division, where required by state law.

iii. Exhaust Stack Design: Generator exhaust stacks shall be oriented vertically, directed away from adjacent properties and fresh-air intake ducts, and extend to a height determined by air dispersion modeling to prevent localized fume entrapment.

e. Fuel Delivery & Operational Protocols

i. Delivery Hours: Fuel delivery and bulk transfers shall occur exclusively between 7:00 AM and 7:00 PM, except during active, prolonged emergency grid outages.

ii. Spill Containment during Transfer: Fuel transfer operations shall take place on designated, impervious containment pads designed to catch hose ruptures or drips in compliance with the facility's federal SPCC Plan.

f. Operational Logs & Annual Reporting

i. Maintenance Logs: The facility owner or operator shall maintain an accurate, electronic log of all generator operations. The log shall record:

1. Date, time, and duration of operation;

2. Identification of specific generator unit(s) operated;

3. Purpose of operation (e.g., routine testing, maintenance, emergency power outage); and

4. Total cumulative operating hours for each engine per calendar year.

ii. Annual Submittal: A summary of generator run-time logs shall be submitted to the Zoning Administrator and Clerk annually no later than January 15th of each calendar year to verify compliance with non-emergency operational limits.

4. Electrical Utilities.

a. The applicant shall provide written verification from the applicable energy service provider that states the following:

- i. There is adequate capacity available on the applicable supply lines and substation for the data center ~~or digital mining use and~~ to ensure that there is sufficient capacity available to serve the needs of other customers within the service area, consistent with the normal projected load growth envisioned by the provider;
- ii. That connection to the electrical system will not increase cost for other users of the system;
- iii. The utility supply equipment and related electrical infrastructure are sufficiently sized and can safely accommodate the proposed data center during the power provider's peak consumption hours;
- iv. The use will not cause electrical interference or fluctuations in the line voltage on and off the operating premises.

b. To the extent feasible, electrical utilities shall be located underground.

c. Integration of renewable energy to power data centers is preferred, if feasible.

e.d. Issuance of Building Permit. No building permit shall be issued until the applicant submits to the Zoning Administrator a fully executed interconnection agreement, electrical service

agreement, or alternative proof of binding utility capacity commitment deemed acceptable by the Township's Legal Counsel.

5. Impact on Internet Services.

- a. The Applicant shall provide proof from the applicable utility provider that the system has sufficient capability to handle the needs of the data center.
- b. The Applicant shall provide proof that connection to the internet system will not have an adverse effect on other users of the system.

6. Water Usage and Wastewater Discharge.

- a. Data Centers shall be required to connect to public water and sanitary sewer systems.
- b. The Applicant shall provide proof from the applicable agency that the public water and/or sanitary sewer system has sufficient capability to handle the needs of the data center.
- c. The Applicant shall provide proof that connection to the public water or sanitary system will not have an adverse effect on other users of the system.

7. Cooling Methods. To reduce the potential impact on nearby potable water resources, any data center ~~or digital mining use~~ that proposes to use water cooling must comply with the following requirements:

- a. Use of a closed-loop cooling system shall be required.
- b. In recognition of rapidly evolving technology, the Planning Commission may approve alternative cooling methods if the Applicant can demonstrate that the alternative cooling method is as effective or more effective than a closed loop cooling system. This shall include, but not be limited to, a review of water usage, power usage, and environmental impact.
- c. The Planning Commission may require the use of geothermal, air_cooling, ~~electrical-cooling~~electric-powered cooling, waste heat recovery systems, or other more advanced cooling methods which may become available. Use of open, evaporative cooling towers is prohibited unless specifically permitted as part of special land use approval.

8. The applicant shall submit a written plan for maintaining the subject property, including a plan for maintaining and inspecting drain tiles and addressing stormwater management, which is subject to the Township's review and approval.
9. Digital Mining Restrictions. Digital mining shall not occur in any accessory building or temporary structure. The use of ISO shipping containers or other similar containers for digital mining shall be prohibited.
 - a. Digital mining operations shall only be permitted between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday. The Planning Commission may authorize additional hours if appropriate noise, light, screening and other protective measures are included.
10. Hazardous Materials. Due to the nature of a data center or digital mining use, hazardous waste and storage of hazardous materials is anticipated. If the proposed data center or digital mining use includes storage or disposal of hazardous materials or waste, the following is required:
 - a. The applicant shall describe the nature of the storage and processing of hazardous materials and waste as part of the application for site plan review. This shall include proposed safety measures and protocols to prevent the spread of hazardous materials outside of designated containment areas and procedures in the event that hazardous materials or waste are released and have the potential to damage persons, property or the environment. This information shall be provided to provide the Township with notice that hazardous materials or waste are present to coordinate in the event that hazardous materials or waste is released, and to inform public safety officials.
 - b. All storage and/or processing of hazardous materials and waste shall comply in all respects with state and federal law and regulations and the requirements of the Michigan Department of Environment, Great Lakes and Energy and any other applicable agency. Storage and/or processing of hazardous materials and waste shall not commence until all necessary permits have been obtained and copies of such permits have been provided to the Township.

~~c. Storage and/or processing of hazardous materials and waste shall not occur within 500 feet of any lot line.~~

~~d.c.~~ If storage and/or processing is proposed outside of a building or structure, those activities shall be screened from view of adjacent public or private rights-of-way and any property that is zoned in a residential district.

11. Lighting. The lighting of the ~~Cryptocurrency Data Mining Facility or~~ Data Center is limited to the minimum light necessary for safe operation. Illumination from any lighting must not extend beyond the perimeter of the lot(s) used for the ~~Cryptocurrency Data Mining Facility or~~ Data Center. The ~~Cryptocurrency Data Mining Facility or~~ Data Center must not produce any glare that is visible to neighboring lots or persons traveling on public or private roads.
12. Modular Data Centers Prohibited. Except during the construction phase, prefabricated or "modular" data centers and shipping containers and similar prefab structures are prohibited. All data center uses shall be within site-built buildings.
13. Emergency Response. A detailed emergency response plan shall be submitted, showing at a minimum that the data center has a plan in effect to address emergencies resulting from flood, fire, explosion and catastrophic weather events. The plan shall include a study which details the type, size and quantity of firefighting equipment that is needed to serve the size of facility and equipment used in the facility. The emergency response plan is subject to review and comments by the Township, including the Township Fire Chief, and may also be subject to review of the Kent County Sheriff's Department or other applicable agencies.
- a. Annual Review. The emergency response plan shall be reviewed and amended, as necessary, to ensure continued compliance with and effectiveness of the plan, as well as emergency responders ability to safely respond to emergencies.
- ~~b. Applicant must provide all Township Fire Department contractors with the appropriate equipment and training to address fires in the Cryptocurrency Data Mining Facility or Data~~

Center. Emergency Response Training and Equipment. Prior to the issuance of any Certificate of Occupancy, the applicant shall, at its sole expense, provide the Township Fire Department and its designated emergency response contractors with specialized equipment and training deemed necessary by the Fire Chief.

Such training and equipment shall specifically address hazards unique to the data center facility, including high-voltage electrical infrastructure, battery energy storage systems (BESS), and specialized fire suppression systems. The applicant shall coordinate and fund annual refresher training and site orientation for local emergency response personnel.

14. Emergency Contact Information. Each data center ~~or digital mining use~~ shall provide 24-hour emergency contact signage visible at each access entrance. The signs shall include the company name (if applicable), the owner or representative's name, the telephone number for the emergency contact person, and the local power company's name and telephone number.
15. Complaint Resolution. The applicant shall provide a plan for resolving complaints from the public or other property owners concerning the construction and operation of the ~~Cryptocurrency Data Mining Facility or~~ Data Center, which is subject to the Township's review and approval.
16. Security Fencing. Security fencing must be installed around all electrical equipment related to the Data Center. Such fencing must be a minimum seven (7) feet tall and must use materials, colors, textures, screening and landscaping, that will blend the facility into the natural setting and existing environment.
17. Cost Responsibility. The applicant shall be responsible for all additional costs associated with necessary improvements to and maintenance of all utilities, roads, public facilities, vehicles, or equipment necessary to provide services to the data center.
18. Annual Report and Inspection. As a condition of approval, the facility owner and/or operator shall agree to reimburse the Township for annual professional and independent inspection of the operations, including the use of third parties. In addition to allowing for inspections, the owner and/or operator may

be required to provide additional reports as requested by the Township on annual operations, including but not limited to:

- a. Emergency Response Plan Review
- b. Water Usage
- c. Sanitary Sewer Discharges
- d. Noise
- e. Power Usage
- f. Maintenance
- g. Proof of Insurance
- h. A summary of all complaints, complaint resolutions, and extraordinary events.

The purpose of the inspections and reports is to determine compliance with the Zoning Ordinance, site plan and special land use approval. The applicant, owner and/or operator may be required to post an additional bond, security, or escrow to pay for the annual inspections and reports.

19. Decommissioning. If a Data Center is abandoned or otherwise nonoperational for a period of one year, the property owner or the operator must notify the Township and must remove the system or provide a repurposing plan, acceptable to the Township, within six (6) months after the date of abandonment.

i.a. Financial Security. To ensure proper decommissioning of a Data Center upon abandonment, the applicant must post financial security in the form of a security bond or escrow payment in an amount equal to 125% of the total estimated cost of decommissioning, code enforcement, and reclamation, which cost estimate must be approved by the Township. The operator and the Township will review the amount of the financial security every two (2) years to ensure that the amount remains adequate. This financial security must be posted within fifteen (15) business days after approval of the special use application.

~~j.b.~~ Removal requires receipt of a demolition permit from the Building Official and full restoration of the site to the satisfaction of the Zoning Administrator. The site must be filled and covered with top soil and restored to a state compatible with the surrounding vegetation. The requirements of this subsection also apply to a ~~Cryptocurrency Data Mining Facility or~~ Data Center that is never fully completed or operational if construction has been halted for a period of one (1) year.

~~k.c.~~ Repurposing requires an evaluation of the structural integrity and capacity of the buildings to support another industrial use, an evaluation of the utilities ability to support another industrial use, an environmental site assessment, a "clean building" certification proving all hazardous materials have been fully remediated, and an approved zoning permit transferring the ~~Cryptocurrency Data Mining Facility or~~ Data Center to another approved industrial use.

~~20. Transferability~~Transfer of Ownership or Operational Control. A conditional land use permit for a Cryptocurrency Data Mining Facility or Data Center is transferable to a new owner. The new owner must register their name and business address with the Township and must comply with this Ordinance and all approvals and conditions issued by the Township. No permit, facility, or land use authorized under this Section shall be transferred, assigned, or leased to a new owner or operator without prior written notification to and approval by the Township.

~~a. Notice Requirement: The current owner or proposed transferee shall submit a formal transfer application to the Zoning Administrator and Township Clerk at least sixty (60) days prior to any contemplated transfer.~~

~~b. Submission Requirements: The proposed transferee shall demonstrate, to the Township's satisfaction, that:~~

~~i. All existing bonds, decommissioning funds, financial assurances, escrow accounts, and insurance policies required under this Section are fully executed, funded, and assumed by the transferee in forms acceptable to the Township; and~~

ii. The transferee agrees in writing to assume all ongoing conditions of approval, obligations, and liabilities associated with the facility.

h.c. Review Fees: The transferee shall reimburse the Township for all reasonable legal, technical, and administrative costs incurred in reviewing and processing the transfer request.

21. Insurance Requirements. Prior to site plan approval, issuance of any building permit, or commencement of operations, the applicant, owner, and operator of a Data Center facility shall obtain and maintain, at their sole expense, insurance coverage meeting or exceeding the requirements of this Section. Coverage shall remain continuously in force throughout the operational life of the facility and through the completion of any required decommissioning or site restoration.

Facility scale shall be determined by the total maximum design power capacity (in Megawatts, MW) approved under the site plan, including all planned expansion phases.

a. Tiered Minimum Coverage Schedule. Insurance minimums shall be maintained in accordance with the facility capacity tiers set forth in Table B.1 below:

Table B.1: Required Insurance Minimums by Facility Scale (MW)

Facility Tier	Power Capacity (MW)	Commercial General Liability (Per Occ / Agg)	Environmental & Pollution Liability (Per Occ / Agg)	Excess / Umbrella Liability (Per Occ / Agg)
Tier 1: Small/ Edge	Less than 10 MW	\$2,000,000 / \$5,000,000	\$5,000,000 / \$5,000,000	\$10,000,000
Tier 2: Mid-Scale	10 MW up to 50 MW	\$5,000,000 / \$10,000,000	\$10,000,000 / \$10,000,000	\$25,000,000
Tier 3: Hyperscale	50 MW up to 100 MW	\$10,000,000 / \$20,000,000	\$20,000,000 / \$20,000,000	\$50,000,000
Tier 4: Mega-Hyperscale	100 MW or greater	\$10,000,000 / \$20,000,000	\$35,000,000 / \$35,000,000	\$100,000,000

b. Standard Coverage Requirements. In addition to the tiered coverage minimums established in Table B.1, all facilities regardless of size shall maintain the following coverages issued by carriers licensed in Michigan with an A.M. Best rating of A- VII or better:

- i. Environmental & Pollution Liability Scope: Must explicitly cover first- and third-party claims for bodily injury, property damage, environmental cleanup, containment, and site remediation resulting from sudden, accidental, or gradual releases of pollutants, diesel fuel, battery hazardous substances (including lithium-ion thermal event contaminants), or chemical cooling agents.
 - ii. Commercial Automobile Liability: Minimum \$2,000,000 combined single limit for bodily injury and property damage covering all owned, hired, and non-owned vehicles. Must comply with statutory requirements under the Michigan No-Fault Insurance Act.
 - iii. Workers' Compensation & Employer's Liability: Workers' Compensation: Statutory limits under the Michigan Workers' Disability Compensation Act (PA 317 of 1969, as amended). Employer's Liability: Minimum \$1,000,000 per accident / \$1,000,000 disease policy limit / \$1,000,000 disease each employee.
 - c. Property & Decommissioning Casualty Coverage: Special Form / All Risk property insurance covering 100% of the full replacement cost of all structures, equipment, and on-site improvements. Policy proceeds shall be dedicated to site restoration or reconstruction in the event of major casualty.
 - d. Mandatory Policy Endorsements All required insurance policies shall include the following provisions:
 - i. Additional Insured Status: The Township, including its elected and appointed officials, officers, employees, agents, and contractors, shall be named as an Additional Insured on a primary and non-contributory basis on CGL, Auto, Environmental, and Excess/Umbrella policies.
 - ii. Waiver of Subrogation: The insurer shall waive all rights of subrogation against the Township and its officials for losses arising from operations.

iii. Notice of Cancellation: Each policy shall contain an endorsement requiring written notice to the Zoning Administrator and Clerk at least thirty (30) calendar days prior to policy cancellation, non-renewal, or material reduction in coverage (or 10 days for non-payment of premium).

e. Administration & Compliance

i. Initial Proof of Coverage: Certificates of Insurance (ACORD form) verifying all required coverages shall be submitted to the [Zoning Administrator] prior to final site plan signature or building permit issuance.

ii. Annual Compliance Certification: The facility owner or operator shall submit updated Certificates of Insurance annually to the Zoning Administrator and Clerk no later than January 15th of each calendar year.

iii. Facility Expansion Re-evaluation: If a facility increases its power capacity (MW) into a higher tier, updated insurance certificates reflecting the higher coverage thresholds shall be submitted prior to the installation or energization of the expanded capacity.

iv. Lapse in Coverage: Failure to maintain required insurance constitutes a violation of this Ordinance and grounds for summary revocation of the Special Land Use Permit or Certificate of Occupancy.

19.22. Indemnity. The applicant shall provide an attestation that the applicant will indemnify and hold the Township harmless from any costs or liability arising from the approval, installation, construction, maintenance, use, repair, or removal of the Data Center, which is subject to the Township's review and approval.

20.23. Proof of environmental compliance, including compliance with Part 31, Water Resources Protection, of the Natural Resources and Environmental Protection Act; (MCL 324.3101 et. seq.; Part 91, Soil Erosion and Sedimentation Control (MCL 324.9101 et. seq.) and any corresponding County ordinances; Part 301, Inland Lakes and Streams, (MCL 324.30101 et. seq.); Part 303, Wetlands (MCL

324.30301 et. seq.); Part 365, Endangered Species Protection (MCL324.36501 et. seq.); and any other applicable laws and rules in force at the time the Township considers the application.

~~21-24.~~ Extraordinary Events. If the ~~Cryptocurrency Data Mining Facility or~~ Data Center experiences a failure, fire, leakage of hazardous materials, personal injury, or other extraordinary or catastrophic event, the applicant or operator must notify the Township within 24 hours.

~~22-25.~~ Compliance with Other Laws. The design, construction, operation use and decommissioning of a data center ~~or digital mining use~~ shall comply with all applicable provisions of this Ordinance and all other applicable local, state or federal laws or regulations, including but not limited to laws or regulations regarding the environment, pollution, and mitigation of potential impacts on threatened or endangered species.

~~23-26.~~ Remedies. If an applicant or operator fails to comply with this Ordinance, the Township, may pursue any remedy or enforcement, including but not limited to the removal of any ~~Cryptocurrency Data Mining Facility or~~ Data Center pursuant to the Zoning Ordinance or as otherwise authorized by law. Additionally, the Township may pursue any legal or equitable action to abate a violation and recover any and all costs, including the Township's actual attorney fees and costs.

C. Small-Scale Data Centers

1. A small-scale data center is only permitted as a special land use only in the Industrial zoning district(s).
2. A small-scale data center shall comply with Section 3.40.B – General Requirements and all applicable sections of this Ordinance.
3. Minimum Lot Area: 20 acres
4. Setbacks: All buildings and structures shall comply with Industrial District setbacks.
 - a. The Planning Commission may increase setbacks if necessary to ensure compliance with requirements of this section or other applicable provisions of this Ordinance.

D. Large-Scale Data Centers

1. A large-scale data center is only permitted as a special land use only in the Industrial zoning district(s).
2. A large-scale data center shall comply with Section 3.40.B – General Requirements and all applicable sections of this Ordinance.
3. Minimum Lot Area Requirements. 40 acres
5. Setbacks. All buildings and structures shall comply with Industrial District setbacks.
 - a. The Planning Commission may increase setbacks if necessary to ensure compliance with requirements of this section or other applicable provisions of this Ordinance.
6. Location Requirements: Large-scale data centers shall be located on a lot that abuts a highway or roads able to service the construction and use of the data center.

7. Fiscal Impact Analysis (FIA) Requirements. A comprehensive Fiscal Impact Analysis (FIA) shall be submitted with any application for a large-scale data center.

The purpose of the FIA is to evaluate the direct, indirect, and long-term financial impacts of the proposed development on the Township local emergency service providers, road authorities, and public utility systems, ensuring the development does not create an unmitigated financial deficit for local taxpayers.

a. Consultant Qualifications & Peer Review Escrow

- i. Preparation: The FIA shall be prepared at the applicant's sole expense by an independent qualified economist, municipal finance consultant, or urban planning professional possessing demonstrated experience in municipal fiscal modeling.
- ii. Independent Peer Review: The Township reserves the right to select and retain an independent third-party municipal finance consultant to review and evaluate the applicant's FIA submittal. The applicant shall deposit funds into a municipal escrow account, as established by resolution of the Township Board, to cover all expenses associated with the independent peer review.

b. Required Scope and Methodology. The FIA shall cover a minimum projection period of fifteen (15) years from the anticipated date of project commissioning. The analysis shall utilize conservative, baseline financial assumptions and explicitly detail the following components:

- i. Real Property Taxes: Tax revenues generated by real property improvements based on taxable value projections.
- ii. Personal Property Taxes: Projected personal property tax revenue, explicitly factoring in all applicable state or local tax exemptions, depreciation schedules, and statutory incentive programs (e.g., PA 198 Industrial Facilities Exemption or state-level data center personal property tax exemptions).
- iii. Utility & Service Fees: Anticipated municipal water, sewer, or franchise fees generated by the facility.
- iv. Special Assessments & Local Fees: Any applicable building permit fees, site plan review fees, or local development fees.

c. Public Expenditure & Cost Projections. An itemized annual projection of all direct and indirect public operating and capital expenditures incurred by local units of government to service the facility, including:

- i. Public Safety & Emergency Services: Operational and capital costs for the local Fire Department, Police/Sheriff, and EMS, including specialized high-voltage and hazard training, dedicated equipment acquisition, and additional personnel demands.
- ii. Transportation Infrastructure: Projected impact on local municipal roads, including road wear, baseline pavement degradation from heavy construction/equipment transport, and necessary intersection or signalization upgrades.
- iii. Municipal Water & Wastewater Utilities: Capital upgrade costs, ongoing operational maintenance, and capacity consumption impacts on municipal water treatment and sewer infrastructure.

iv. Administrative & Code Enforcement: Projected costs for ongoing ordinance administration, environmental monitoring, building inspections, and noise/performance standard compliance enforcement.

d. Employment & Economic Multipliers

i. Direct construction-phase employment, timeline, and estimated payroll.

ii. Long-term permanent full-time equivalent (FTE) employment, job classifications, and average wage scales.

iii. Secondary economic impacts (indirect and induced spending) evaluated separately from direct municipal cash flows.

e. Net Fiscal Impact Summary. A year-by-year comparative schedule calculating the Net Fiscal Impact (Total Projected Revenues minus Total Projected Public Expenditures). The report shall include sensitivity analyses evaluating:

i. Best-Case Scenario: Full project buildout and maximum tax generation.

ii. Incentive/Abatement Scenario: Projected revenues assuming the granting of maximum requested tax abatements or state tax exemptions.

iii. Phase-In/Delay Scenario: Delayed construction or partial buildout scenarios.

f. Fiscal Mitigation Agreement. If the FIA or the independent peer review indicates that the proposed data center will result in a net negative fiscal impact (operational or capital deficit) on the Township or local emergency service districts during any point in the 15-year projection period, the applicant shall be required to enter into a legally binding Development and Fiscal Mitigation Agreement as a condition of Special Land Use approval. Mitigation measures may include, but are not limited to:

i. Annual Payments-in-Lieu-of-Taxes (PILOT) or host community impact fees to offset projected revenue shortfalls.

- ii. Capital cost contributions or upfront funding for specialized fire/EMS equipment, station expansions, or public utility infrastructure upgrades.
- iii. Pre-funding of dedicated municipal code enforcement and monitoring escrow accounts.

8. Mandatory FIA Updates and Re-evaluation Triggers. After initial Special Land Use or Site Plan approval, an updated Fiscal Impact Analysis (FIA) shall be submitted to the [Township / City / Village] prior to municipal consideration or approval of any of the following events:

a. Major Facility Expansion. An updated FIA shall be required whenever the applicant, owner, or operator proposes a facility expansion, site modification, or additional development phase that meets or exceeds any of the following thresholds:

- i. An increase in total design electrical capacity by ten percent (10%) or five (5) Megawatts (MW), whichever is less, beyond the capacity approved in the baseline FIA;
- ii. An increase in total gross building floor area by fifteen percent (15%) or twenty thousand (20,000) square feet, whichever is less; or
- iii. The addition of major high-demand physical infrastructure not analyzed in the baseline FIA, such as new on-site utility substations, utility-scale Battery Energy Storage Systems (BESS), or expanded backup generator fuel storage facilities.

b. Subsequent Applications for Tax Abatements or Exemptions. If the baseline FIA was evaluated under the assumption of standard, non-abated tax assessments, an updated FIA shall be required prior to municipal review or recommendation of any subsequent tax incentive request filed after initial site plan or Special Land Use approval. This includes, but is not limited to:

- i. Applications for an Industrial Facilities Exemption Certificate under Public Act 198 of 1974 (MCL 207.551 et seq.);
- ii. Requests for local or state personal property tax exemptions, Commercial Redevelopment Act exemptions, or Renaissance Zone designations; or

iii. Any statutory tax relief request or modified assessment agreement that reduces projected annual municipal revenues below the baseline revenue figures accepted in the original FIA.

c. Review Procedure & Peer-Review Escrow

i. Escrow Deposit: Submittal of an updated FIA shall be accompanied by the establishment or replenishment of a peer-review escrow account pursuant to Section [X].[XX].B to cover all third-party legal, financial, and planning review costs.

ii. Review Body: The updated FIA and third-party peer review report shall be submitted to the Planning Commission for recommendation and to the Township Board for final review.

d. Mandatory Mitigation Adjustment. If the updated FIA demonstrates that the proposed facility expansion or requested tax abatement/exemption creates a net negative fiscal impact (operational or capital deficit) on the Township, emergency service districts, or road authorities:

i. The applicant shall execute an amended or supplemental Development and Fiscal Mitigation Agreement (which may include annual Payment-in-Lieu-of-Taxes [PILOT] schedules, host community fees, or dedicated capital contributions) to fully neutralize the projected fiscal deficit.

ii. Approval of the amended Fiscal Mitigation Agreement shall be a mandatory prerequisite prior to:

1. The issuance of any building permits or site plan signatures for the facility expansion; or

2. The adoption, endorsement, or approval of any municipal resolution granting or recommending a tax abatement, exemption, or incentive agreement.

7.9. Air Quality and Water Quality. The equipment, including but not limited to any power generators, used in the operation of the large-scale data center use shall minimize air pollutant emissions and water

pollutant discharges and meet or exceed applicable state and federal laws regarding emissions and discharges. An owner or operator or applicant for a data-center shall provide affirmative proof of EGLE approval or EPA approval upon request of the Township.

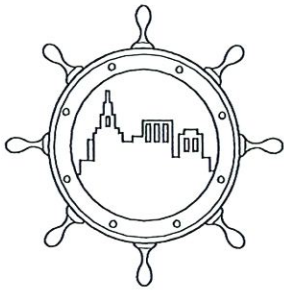
~~8. A noise mitigation plan shall be submitted, including, at a minimum, a detailed acoustic study showing the amount of noise that would be produced by normal operations of the data center and strategies to minimize noise and achieve a neutral impact on adjacent and nearby properties.~~

~~9. Liability Insurance. The facility owner or operator shall maintain a current general liability policy covering bodily injury and property damage with limits of at least \$5 million per occurrence and \$5 million in the aggregate. Certificates shall be made available to the Township upon request.~~

10. Construction Plan:

- a. A project development timeline, including information regarding how the applicant will inform adjacent property owners and members of the community regarding the status of the project, shall be provided.
- b. A transportation plan for construction and operation phases, including any applicable agreements with the County Road Commission and Michigan Department of Transportation, which is subject to the Township's review and approval.
- c. Construction Phasing Requirements. The construction of large-scale data centers are subject to special construction restrictions. The construction must be conducted in phases and only during such days of the week and hours as may be specifically approved by the Planning Commission as part of special land use approval. The construction shall not take place in a way which allows for unreasonable noise, dust or other negative impacts on nearby or adjoining properties or lands or water. In addition, although the construction is not subject to the operational noise restrictions for data centers and digital mining uses, the Planning Commission may place special noise restrictions on each phase of the construction.

11. Special Escrows. In addition to all of the escrows provided herein, the owner and operator of any large-scale data center shall pay or reimburse the Township for all inspections, analyses, reports and expenses incurred by the Township in not only monitoring the construction of the large-scale data center, but also the ongoing cost of inspections and monitoring and enforcement, including decommissioning, of the large-scale. In addition to the escrows provided elsewhere in the Zoning Ordinance, the Township may establish separate and special escrows to cover these costs and expenses.



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MEMORANDUM

To: Sparta Township Planning Commission
From: Kevin Yeomans
Date: 8/3/2026
Re: Sparta Avenue – Future Land Uses - Rezoning

As the Planning Commission is aware, lands along the west and east sides of Sparta Avenue are primarily zoned commercial to a depth of 300 feet. Additionally, the recently adopted Master Plan calls for a new zoning district to be created (Mixed Use Residential Commercial (MURC)) with the new district able to be expanded to a depth of 500 feet.

Additionally, there are many homes along Sparta Avenue that lie within the Commercial District and are considered legally non-conforming. This legal non-conformity restricts how/if these homes can be expanded, rebuilt, and used.

Some property owners have recently made inquiries on potentially rezoning their properties to bring their homes out of non-conforming status. We seek the Planning Commission's feedback on what the appropriate next steps may be.

While this matter is scheduled for review at your August 11, 2026, meeting, the Commission's feedback is not binding. We seek your feedback so that we can better direct property owners and better advise the Planning Commission on potential next steps.

Lastly, we realize there are many factors which may impact your current feedback and decisions regarding future rezoning. Instead of writing a twenty-page memorandum on the matter we provide some high-level details below and will be prepared to discuss the matter in more detail at your meeting.

More Details

Over the last few years, we've seen commercial development along Sparta Avenue continue (e.g. Rent Smart, Dollar General, X-pert Truck and Trailer). This type of development was consistent with the previous Master Plan and appears to be consistent with the new Master Plan.

However, with the new Master Plan changing the Commercial/Light Industrial Classification to MURC it brings into question how request to rezone to Ag-2 or other residential districts should be handled.

Depending on the particulars of how development will be allowed in the future mixed-use district this could be beneficial or detrimental. For example:

Future 1: Low density housing mixed with single story commercial. In this case we would have no major concerns with rezoning to R-1 or R-2.

Future 2: Medium to high density housing mixed with multi-story commercial/offices or first floor commercial with second/third story residential. In this case, allowing land to be developed for low density housing may result in multi-generational obstacles in developing lands along Sparta Avenue as intended.

A copy of the current zoning map and master plan map have been attached to aid in your review.

Kevin Yeomans

Kevin Yeomans
Planner

Attachments

cc: Dale Bergman, Township Supervisor

