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Proposal created by Alderman Tamir Bell

A RESOLUTION ESTABLISHING MINIMUM STANDARDS, PERFORMANCE REQUIREMENTS, AND COMMUNITY BENEFIT OBLIGATIONS FOR DATA CENTER DEVELOPMENT WITHIN THE CITY OF ROCKFORD, ILLINOIS

PREAMBLE

WHEREAS, the City of Rockford is committed to responsible economic growth that balances investment opportunity with the protection of residents' health, safety, and quality of life, consistent with the City's Guiding Principles adopted by City Council in January 2022, which affirm that Rockford "practices meaningful collaboration through engaged and transparent leadership" and "attracts and retains a wide range of industry, business, and professional services";

WHEREAS, the City of Rockford 2040 Comprehensive Plan, adopted October 2, 2023, guides physical development with a 10-to-20-year horizon and directs the City to coordinate land-use, economic development investment, natural resource protection, and community needs when evaluating major development proposals;

WHEREAS, data centers represent a significant and growing category of industrial development that can bring meaningful economic benefit to a community, including construction employment, permanent skilled-trade jobs, real estate tax revenue, and ancillary economic activity, as demonstrated by comparable projects in Illinois and across the nation;

WHEREAS, data center facilities also present community impacts that must be carefully managed, including elevated noise from cooling equipment and generators, high consumption of potable water, significant demands on the regional electrical grid, and potential concerns regarding biometric data privacy;

WHEREAS, the City of Aurora, Illinois enacted the first-of-its-kind data center ordinance in March 2026 following a 180-day moratorium and extensive research into national best practices, establishing performance standards for noise, vibration, water use, energy use, renewable energy generation, biometric data privacy, and public reporting that have been recognized as among the most protective in the country;

WHEREAS, communities across the United States, including in Loudoun County, Virginia; Marana and Chandler, Arizona; Prince George's County, Maryland; and Altoona, Iowa, have established development agreements and community benefit agreements that require data center developers to make binding commitments on local hiring, workforce development, educational investment, infrastructure contributions, and environmental responsibility;

WHEREAS, the City of Rockford has a demonstrated commitment to workforce development, as evidenced by programs including the Rockford Promise NIU Scholarship, the LT Construction Minority Contractor Mentorship Program, the Minority and Women Small Business Incubator, and the City's Community Development Financial Institution, all of which reflect the City's intent to grow inclusive economic opportunity;

WHEREAS, the City Council finds that it is in the public interest to establish clear, consistent, and enforceable standards for data center development that protect Rockford residents and the environment while establishing a transparent and predictable pathway for developers who are prepared to be responsible community partners; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Rockford, Winnebago County, Illinois, as follows:

ARTICLE I: PURPOSE AND FINDINGS

- 1.1. Purpose.** This Resolution establishes the standards and requirements that govern data center development within the City of Rockford. These standards are intended to ensure that data center facilities contribute to the economic vitality of the community while protecting residents from noise, environmental degradation, and utility cost increases, and while advancing the City's goals for workforce development, educational opportunity, and inclusive growth.
- 1.2. Definitions.** For purposes of this Resolution, "Data Center" means any facility, or portion thereof, whose primary function is to house computer servers, networking equipment, data storage equipment, and associated support infrastructure used to process, store, or distribute digital data. "Developer" means any person, entity, or organization proposing to construct, expand, or operate a data center within the City of Rockford. "Expansion" means any increase in total floor area, power capacity, or cooling capacity of an existing data center by ten percent (10%) or more.
- 1.3. Applicability.** This Resolution applies to all new data center facilities proposed within the City of Rockford and to any expansions of existing data center facilities. Existing facilities in operation as of the effective date of this Resolution are encouraged to comply with the transparency and reporting provisions of Article VI but are not subject to the pre-development study, performance standard, or community benefit requirements unless they seek expansion approval.

ARTICLE II: PRE-DEVELOPMENT STUDIES REQUIRED

No development agreement shall be entered into, no special use permit shall be issued, and no building permit shall be approved for a data center or data center expansion until the Developer has submitted all of the following studies to the City's Department of Community and Economic Development for review and approval:

- 2.1. Baseline Pre-Development Sound Study.** A study measuring existing ambient sound levels at the proposed site boundary and at the nearest residential, institutional, and commercially sensitive receptors, conducted by a qualified acoustical engineer prior to any site preparation activity.
- 2.2. Noise Modeling Study.** A predictive noise modeling report demonstrating that the proposed facility, including all cooling equipment, backup generators, and support machinery operating at full capacity, will comply with the noise performance standards set forth in Article III. The study must be prepared by a third-party acoustical engineer independent of the Developer and must identify proposed mitigation measures.
- 2.3. Water Consumption and Quality Modeling Report.** A report prepared by a licensed third-party civil or environmental engineer projecting the facility's daily and annual potable water consumption, the anticipated impact on the City's water distribution system and the Rock

River Reclamation District's wastewater treatment capacity, and any proposed water recycling, recapture, or reclaimed water strategies.

- 2.4. Energy Consumption Modeling Report.** A report projecting the facility's peak and annual electricity demand, its anticipated impact on local ComEd transmission infrastructure and regional PJM grid capacity, and the Developer's plan for meeting the renewable energy requirement set forth in Article III, Section 3.5.
- 2.5. Review Period.** The City shall complete its review of all required pre-development studies within ninety (90) days of receipt of a complete submission. The City may engage independent technical reviewers at the Developer's expense, subject to a fee schedule approved by the City Council.

ARTICLE III: PERFORMANCE STANDARDS

3.1. Noise Standards. All data centers shall be designed, constructed, and operated so that noise emanating from the facility, measured at the property line nearest any residential zone, does not exceed:

- 55 dBA (Leq) between the hours of 7:00 a.m. and 10:00 p.m., Monday through Saturday;
- 50 dBA (Leq) between the hours of 10:00 p.m. and 7:00 a.m. and all day Sunday and recognized City holidays.

Appropriate noise mitigation measures shall include, but are not limited to, acoustic barriers or enclosures around the loudest equipment, selection of lower-noise equipment where feasible, and strategic orientation of buildings and mechanical equipment away from residential receptors.

3.2. Vibration Standards. All mechanical equipment, including cooling towers, chillers, and generators, shall be mounted on vibration-isolation systems sufficient to prevent any perceptible vibration at the nearest occupied structure. The Developer shall demonstrate compliance through a vibration analysis submitted with the noise modeling study required under Section 2.2.

3.3. Setback Requirements. All backup generators, emergency diesel generators, cooling towers, and chillers associated with any data center shall be located no less than one thousand five hundred (1,500) feet from the nearest residential dwelling unit, residential zoning district boundary, school, or childcare facility. The City's Zoning Division shall verify compliance with this setback requirement prior to issuance of any building permit.

3.4. Generator Testing Hours. Routine and preventive maintenance testing of backup generators is permitted only between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday. Generator testing shall not occur on any recognized City, state, or federal holiday. No more than two (2) generators may be tested simultaneously at any facility. These restrictions do not apply to emergency operation of generators during an actual utility power outage. Violations of this section shall constitute a municipal ordinance violation subject to fines as established by the City of Rockford Municipal Code.

3.5. Renewable Energy Requirement. All new data centers and expanded data center facilities shall install and operate at least one of the following prior to or concurrent with the commencement of operations:

- On-site or off-site (within the City of Rockford) renewable energy generation, such as solar photovoltaic arrays, wind turbines, or fuel cell systems, sized to offset a minimum of twenty-five percent (25%) of the facility's projected annual electricity consumption; or

- On-site energy resilience storage systems, including battery storage, capable of supplying emergency and peak-shaving power independent of the utility grid.

Developers are encouraged to pursue Power Purchase Agreements for renewable energy and to engage with ComEd and the Illinois Environmental Protection Agency regarding available incentive programs.

3.6. Water Usage Standards. No data center shall utilize potable City of Rockford water for once-through evaporative cooling without prior written approval from the City's Public Works Department and the Rock River Water Reclamation District. All data centers are required to meet a WUE (Water Usage Effectiveness) of no greater than 0.5 liters per kilowatt-hour — well below the industry average of 1.8. This is achievable with closed-loop and immersion cooling technology. Developers shall prioritize water recycling, heat exchanger-based cooling, or other water-efficient technology and shall report actual water consumption annually as provided in Article VI.

ARTICLE IV: BIOMETRIC DATA PRIVACY SAFEGUARDS

4.1. Prohibition on Sale of Biometric Data. No data center operating within the City of Rockford shall sell, lease, trade, profit from, or otherwise receive consideration in exchange for any biometric identifier or biometric information, as those terms are defined under the Illinois Biometric Information Privacy Act (BIPA), 740 ILCS 14/1 et seq., collected from any individual in connection with the facility's operations.

4.2. Compliance with BIPA. All data centers shall operate in full compliance with the Illinois Biometric Information Privacy Act. Nothing in this Resolution shall be construed to limit or supersede any obligation imposed by state law.

4.3. Annual Certificate of Compliance. Each data center operating within the City shall submit to the City Clerk's Office, on or before January 31 of each year, a signed certification by an authorized officer of the facility that the facility is in compliance with all applicable biometric data privacy requirements. The certificate shall be a public record available for inspection upon request.

4.4. Enforcement. Failure to submit the annual certificate of compliance shall constitute a municipal code violation. The City Attorney is authorized to pursue all available remedies, including injunctive relief, to enforce the provisions of this Article.

ARTICLE V: PUBLIC APPROVAL PROCESS AND DEVELOPMENT AGREEMENT

5.1. City Council Approval Required. No data center development or expansion shall proceed within the City of Rockford without prior approval of the City Council. The City Council shall not take final action on any data center proposal until all pre-development studies required under Article II have been reviewed, a public hearing has been held, and a development agreement has been negotiated and presented for approval.

5.2. Public Notice Requirements. Prior to any City Council vote on a proposed data center, the City Clerk shall provide public notice as follows:

- Publication of notice in a newspaper of general circulation in Winnebago County no less than fifteen (15) days prior to the public hearing;
- Mailed notice to all property owners within one (1) mile of the proposed site no less than fifteen (15) days prior to the public hearing;

- Posting of notice on the City’s official website at rockfordil.gov and on the City’s social media platforms; and
- Community meeting hosted by the City’s Department of Community and Economic Development in the neighborhood nearest the proposed site prior to the public hearing.
- The Community Relations Commission will host a hearing encouraging public comment and a presentation by any company proposing a Data Center. The hearing will allow up to 20 public speakers. A recommendation of the project will be provided to the Planning and Development Committee, along with City of Rockford staff recommendations.

5.3. Development Agreement Required. Any developer proposing to construct or expand a data center within the City of Rockford must enter into a Development Agreement with the City prior to the issuance of any land use, zoning, or building approvals. The Development Agreement shall be negotiated by the City Manager’s Office in consultation with the Department of Community and Economic Development and shall incorporate all applicable performance standards, community benefit obligations, and reporting requirements of this Resolution. The Agreement shall be approved by the City Council and shall be recorded with the Winnebago County Recorder’s Office.

5.4. No Non-Disclosure Agreements and OMA. Development Agreements and all pre-development study reports submitted to the City shall be public documents not subject to confidentiality or non-disclosure provisions, except for narrowly defined proprietary technical information approved for protection by the City Attorney. Any request for trade secret protection shall be evaluated on a case-by-case basis and shall not extend to environmental, water, energy, or noise data. This requirement will include documents working in collaboration with the City of Rockford including Winnebago County, R1 Planning, the State of Illinois, non-government agencies, and other organizations working with or through the city of Rockford. Inquiries from data centers and companies looking to host an initial application with the city must have a hearing with city council members within 1 month of their application following the Opens Meeting Act of Illinois

ARTICLE VI: TRANSPARENCY AND PUBLIC REPORTING

6.1. Annual Public Report. Each data center operating within the City of Rockford shall submit an annual operational report to the Department of Community and Economic Development, on or before March 1 of each year, covering the prior calendar year. The annual report shall include:

- Total gallons of potable water consumed, including cooling water, and documentation of any water recycling or reclaim measures employed;
- Total kilowatt-hours of electricity consumed and percentage supplied by on-site or contracted renewable energy sources;
- Noise monitoring data from at least two (2) monitoring points located at the site boundary nearest residential uses, including any exceedances of the standards in Section 3.1 and corrective actions taken;
- Number of construction and permanent jobs created during the reporting year, disaggregated by Rockford residents, Winnebago County residents, and out-of-region workers;
- Status of all community benefit commitments required under Article VII; and
- Biometric data compliance certification as required under Section 4.3.
- Annual inspection report of closed loop systems performed by the City of Rockford.

- 6.2. Public Dashboard.** The City’s Department of Community and Economic Development shall maintain a publicly accessible data dashboard on the City’s website (rockfordil.gov) displaying key metrics from the annual reports of all operating data centers, updated no less than annually.
- 6.3. Enforcement for Non-Reporting.** Failure to submit a complete annual report by the deadline shall subject the operator to a fine as established by the City’s fee schedule and may result in suspension of any tax benefits associated with a Development Agreement until compliance is achieved.

ARTICLE VII: COMMUNITY BENEFIT AGREEMENT REQUIREMENTS

All Development Agreements for data center facilities within the City of Rockford shall include a Community Benefit Agreement (CBA) negotiated between the Developer and the City, with meaningful input from residents, neighborhood associations, labor organizations, educational institutions, and other community stakeholders. The CBA shall address each of the following categories:

7.1. Local Hiring and Workforce Development.

- A first-source hiring policy requiring that Rockford residents and Winnebago County residents be given first consideration for all construction, installation, and permanent operations positions at the facility, with a target of no less than thirty-five percent (35%) of construction labor hours performed by Rockford residents.
- A binding commitment to partner with the Workforce Connection, the region’s WIOA (Workforce Innovation and Opportunity Act) provider, to co-develop a pre-hire training pipeline for skilled trades relevant to data center construction and operations, including electricians, fiber technicians, HVAC mechanics, pipefitters, and network engineers.
- An apprenticeship program, developed in coordination with local trade unions and established apprenticeship programs recognized under the Illinois Department of Labor, providing paid on-the-job training opportunities for Rockford residents entering data center-related trades.
- A priority hiring commitment for graduates of Rockford Public Schools District 205 Career and Technical Education (CTE) programs and Rock Valley College technical programs for permanent operations positions.
- Under the current data center proposal under Monarch, a mandated Project Labor Agreement must be secured for development approval.
- All workers hired by Monarch for the proposed development, its subsidiaries, contractors, and subcontractors must be paid following the Prevailing Wage Act (820 ILCS 130).
- Worker guarantees of 200 onsite individuals must be guaranteed, or provide Technology Displacement using a Worker Transition Fund that is administered by a local Workforce Development company to retrain and redeploy affected workers.

7.2. Educational Investment.

- An annual grant program, administered by a community advisory committee with representation from Rockford Public Schools District 205, Rock Valley College, and Rockford University, providing not less than \$500,000 per year in direct grants to local schools, community colleges, nonprofits, and public institutions for STEM education, digital equity, and skilled trades programming. The annual grant amount shall be indexed to the facility’s growth and shall increase proportionally with any expansion.

- A one-time capital contribution of not less than \$1,000,000 (500K each) toward equipment of a skilled trades facility known as the QUAD (RPS 205) and Rock Valley College, in a format to be determined in consultation with the respective institution.
- A contribution to the Rockford Promise NIU Scholarship Program, which provides free tuition at Northern Illinois University to qualifying Rockford Public Schools graduates with a 3.0 GPA. Seventy percent of current Rockford Promise participants are students of color and first-generation college students. The Developer shall contribute not less than \$250,000 to the Rockford Promise endowment as a condition of the Development Agreement.
- Annual \$50,000 dollar STEM grants and internship or mentorship opportunities for students at Rockford University, consistent with the model established by Meta's Data Center Community Action Grants program in DeKalb, Illinois.

7.3. Financial Contributions and Infrastructure Investment.

- The Developer shall pay all real and personal property taxes at the full assessed rate and shall not seek, accept, or request from the City any property tax abatement, Tax Increment Financing (TIF) benefit, or Enterprise Zone tax credit in excess of what is authorized by State law and proportionate to the verified community benefit provided, as determined by an independent fiscal analysis.
- A Community Relief Fund contribution of not less than \$250,000 in the first year of operations, and \$100,000 per year thereafter, to assist Rockford residents in managing any increases in residential electric utility rates attributable to data center demand on the regional grid. The Fund shall be administered by the City's Department of Community and Economic Development with oversight from the Community Relations Commission or other citizens represented commission.
- A contribution toward digital equity, including expanded broadband or fiber internet access for underserved Rockford neighborhoods and/or device and digital literacy programs for Rockford Public Schools students, valued at not less than \$150,000 in the first year of operations.
- If the data center's proposed operations require upgrades to City water, sewer, or stormwater infrastructure, the Developer shall bear one hundred percent (100%) of the cost of those infrastructure improvements, consistent with the model established by Meta's data center in Altoona, Iowa, where the company funded \$11 million in water and sewer infrastructure.
- A first responder readiness contribution of not less than \$50,000 to the Rockford Fire Department for training and equipment relevant to industrial fire suppression, chemical hazard response, or high-voltage electrical emergency response associated with data center operations.

7.4. Minority, Women, and Local Business Contracting.

- The Developer shall implement a contracting plan requiring that not less than twenty percent (20%) of the total construction contract value be awarded to Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs), or Veteran Business Enterprises (VBEs) certified by the State of Illinois or the City of Rockford.
- The Developer shall partner with the City's Minority and Women Small Business Incubator (Think Big) at 1311 N. Main Street and the Rockford Local Development Corporation CDFI to provide procurement opportunities and mentorship to local small businesses that may serve as subcontractors, suppliers, or service providers.

7.5. Environmental Responsibility and Good Neighbor Commitments.

- The Developer shall establish a Community Liaison Program with a dedicated point of contact available to Rockford residents and neighborhood associations for the duration of the facility's operations. The liaison shall attend no less than two (2) public community meetings per year in the neighborhoods nearest the facility. This process would allow neighboring community members adjacent to the project from Davis Junction and Ogle County to participate in community outreach activities.
- The Developer shall fund an independent noise and environmental monitoring program, with results reported quarterly to the City and posted publicly on the City's data dashboard, for a minimum of five (5) years following the commencement of operations.
- The Developer shall participate in the City's Sustainability initiatives and shall submit a Climate Action Plan demonstrating how the facility will reduce its carbon footprint over a ten-year period, consistent with the City's commitment to green initiatives as articulated in the City's Guiding Principles.

7.6. CBA Enforcement and Accountability.

- The City Manager's Office shall designate a staff liaison responsible for monitoring Developer compliance with all CBA commitments. Non-compliance with CBA obligations shall be reported to the City Council and may result in suspension of any City-granted benefits, referral to the City Attorney for legal action, or public notice of non-compliance on the City's website.
- The CBA shall include a binding dispute resolution process, including mediation and arbitration as alternatives to litigation. The City shall retain the right to seek injunctive relief and specific performance in the Circuit Court of Winnebago County for material CBA violations.

ARTICLE VIII: ADMINISTRATION AND IMPLEMENTATION

8.1. Lead Department. The City of Rockford Department of Community and Economic Development shall serve as the lead department for receiving, reviewing, and coordinating City response to data center development applications, with support from the Planning and Zoning Division, the Public Works Department, and the City Attorney's Office.

8.2. Technical Review Panel. The City Manager, in collaboration with the Community Relations Commission, is directed to convene a Data Center Technical Review Panel, consisting of representatives from Community and Economic Development, Public Works, the City Attorney's Office, the Fire Department, and the Community Relations Commission, to review pre-development study submissions, recommend terms for Development Agreements, and monitor ongoing compliance, including annual inspections.

8.3. Fee Schedule. The City Council shall establish, by separate ordinance, a fee schedule for data center application review, independent technical review services, and annual compliance monitoring, calibrated to recover the City's reasonable administrative costs without creating a deterrent to responsible development.

8.4. Alignment with 2040 Comprehensive Plan. All data center development approved pursuant to this Resolution shall be consistent with the land use, economic development, natural resources, and community goals established in the City of Rockford 2040 Comprehensive Plan adopted October 2, 2023, and any future amendments thereto.

8.5. Review and Update. This Resolution shall be reviewed by the City Council no later than two (2) years from the date of adoption, and every three (3) years thereafter, to ensure that standards remain current with evolving technology, industry practices, and community needs.

ARTICLE IX: EFFECTIVE DATE AND SEVERABILITY

- 9.1. Effective Date.** This Resolution shall take effect immediately upon adoption by the City Council of the City of Rockford.
- 9.2. Severability.** If any provision of this Resolution or the application thereof to any person or circumstance is found invalid by a court of competent jurisdiction, the remainder of this Resolution and the application of its provisions to other persons or circumstances shall not be affected thereby.
- 9.3. Savings Clause.** Nothing in this Resolution shall be construed to limit, abridge, or supersede any right or protection established by the Illinois Biometric Information Privacy Act, the Illinois Environmental Protection Act, the Illinois Human Rights Act, or any other applicable state or federal law.

PREPARED BY: Tamir Bell, 13th Ward Alderman