Data Centers and the Tug Hill Region

Understanding Industry Activity and Planning Considerations in Your Community

NEW YORK STATE TUG HILL COMMISSION

camoin associates

June 25, 2026

Tug Hill Region Facts and Figures

- 2,100 square miles, or 1.2 million acres
- 41 towns containing 18 villages
- 104,000 residents, 50 people per square mile

Introductions

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NEW YORK STATE TUG HILL COMMISSION

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Entrepreneurship and Innovation

Economic and Fiscal Impact Analysis

Business Retention and Expansion

Workforce Development and Talent Retention

Prospecting and Business Attraction

ProspectEngage CRM

By the end of this webinar, participants will be able to:

- Understand why data center interest is increasing in rural counties and smaller communities.
- Identify the key factors data center developers and operators consider when evaluating locations.
- Recognize how the data center industry is evolving and what trends may influence future development.
- Understand how to evaluate data center proposals based on *your* community, and where the Tug Hill Commission can support.
- Identify 5 proactive planning and preparedness actions your community can take today.

Join at slido.com
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Which best describes your community's current experience with data centers? (Choose up to 3)

Which best describes your experience with land use and zoning codes in New York State?

Defining Data Centers

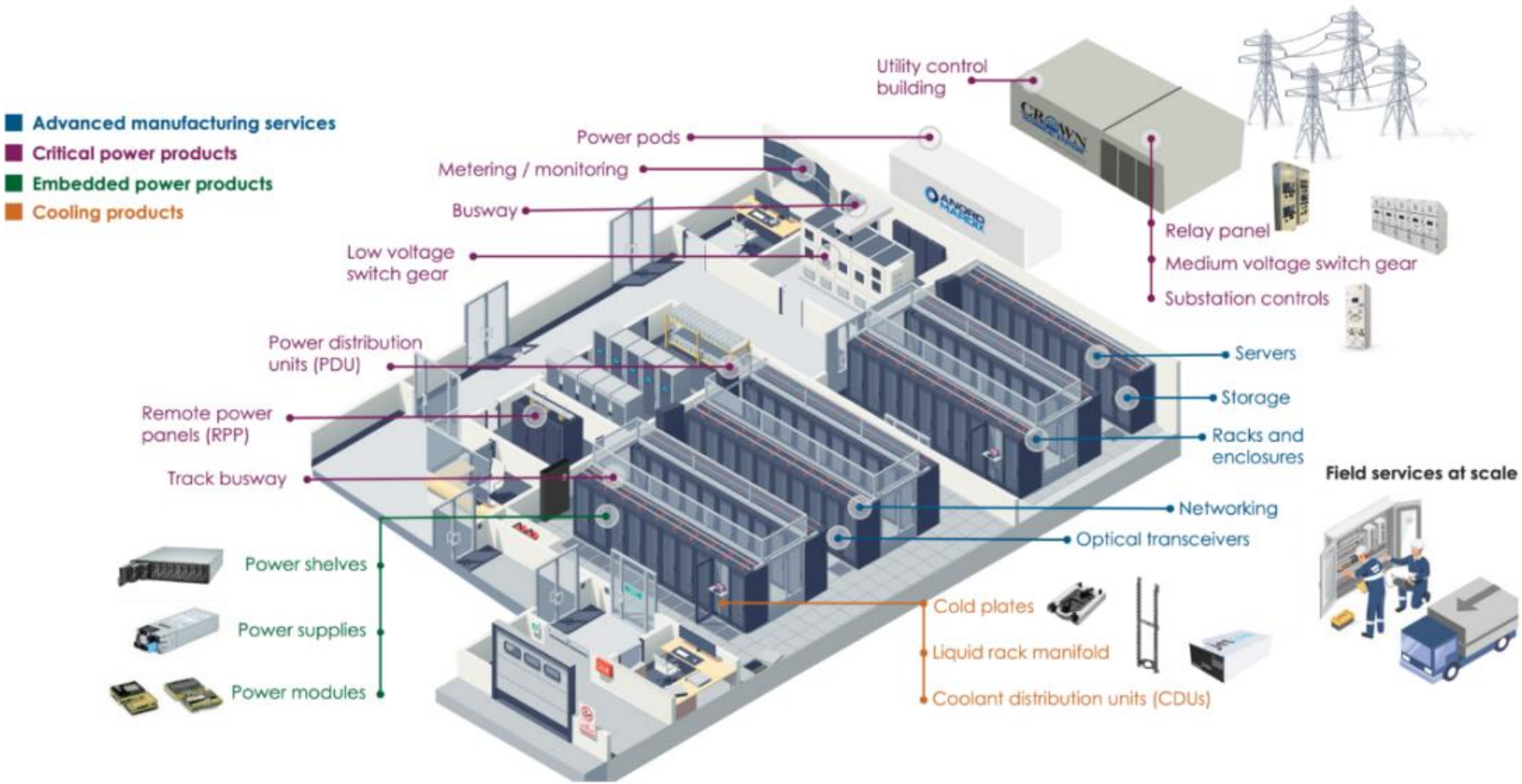
Data centers function as…

- Large scale data repositories
- Computational power for processing and analyzing data
- Hosts for networking infrastructure
- Security and compliance for sensitive or classified materials
- A backup or replication source for data

How you may have interacted with a data center today

- Communication – email, Zoom/Teams, text, social media
- Navigation – maps, ride share apps, flight information
- Health and education – checking medical records, online course, accessing a school system
- Banking and shopping – mobile banking, online shopping

FIGURE 1 | Data Center Diagram



SOURCE: Christopher Butler and Rob Campbell, "Unlocking data center growth through the convergence of power and compute," Flex Industries, July 15, 2025, https://flex.com/resources/unlocking-data-center-growth-through-the-convergence-of-power-and-compute.

Categories of Data Centers

Source: Data Center Demand and What it Means for Your Community, Camoin Associates, April 2026 and 2024 United States Data Center Energy Usage Report, Energy Analysis and Environmental Impacts Division, Lawrence Berkeley National Laboratory,

Hyperscale

Data centers built by companies that deploy internet services and platforms at massive scale. *5,000-100k+ servers.*

Managed Services Data Centers

Managed by a third party on behalf of a company.

Cloud Data Centers

Data is hosted by a cloud services provider such as Amazon Web Services (AWS).

Enterprise Data Centers

Typically located on corporate campuses and tailored to serve internal users. *2,000-5,000 servers.*

Colocation Data Centers

A company rents space within a data center owned by others and located off the company's premises.

Edge Data Centers

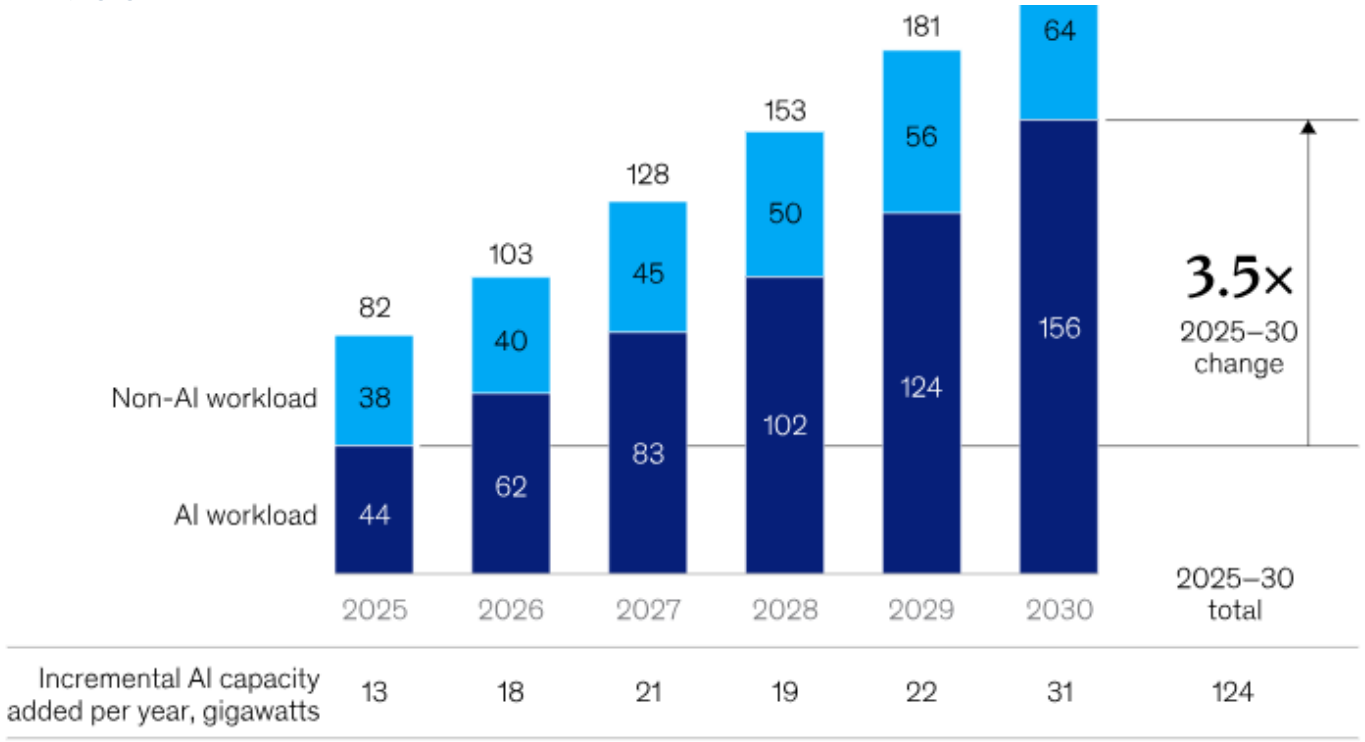
Smaller, decentralized facility located closer to end users and devices.

Driving Forces of Demand

- AI growth creates demand as large models require significant computational power continuously.
- Cloud-based services expand across healthcare, finance, entertainment, and social media.
- IoT integrates digital technology with robotics, vehicles, drones, and machinery.
- These forces create exponentially surging infrastructure and data movement demands.

Both AI and non-AI workloads will be key drivers of global data center capacity demand growth through 2030

Estimated global data center capacity demand, 'continued momentum' scenario, gigawatts



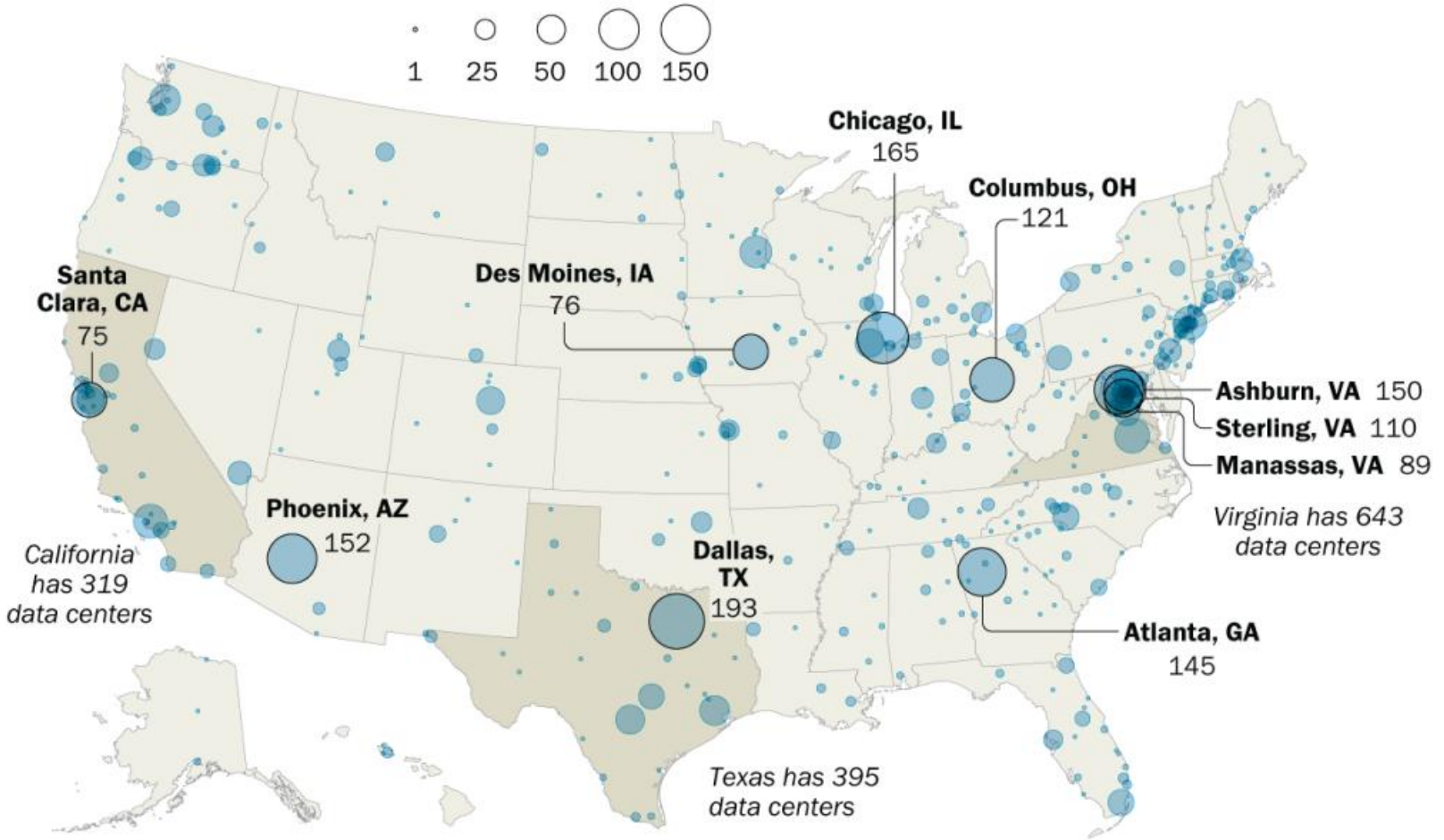
	2025	2026	2027	2028	2029	2030	2025–30 total
Incremental AI capacity added per year, gigawatts	13	18	21	19	22	31	124

Note: Figures may not sum to totals, because of rounding.
Source: McKinsey Data Center Demand Model; Gartner reports; IDC reports; Nvidia capital markets reports

McKinsey & Company

Virginia, Texas, and California lead in number of data centers

Number of Data Centers, by market



Note: Includes operational data centers and those in development. Refer to the Data Center Map methodology for more details.
Source: Data Center Map, accessed Oct. 20, 2025.

PEW RESEARCH CENTER

Current Status in NYS

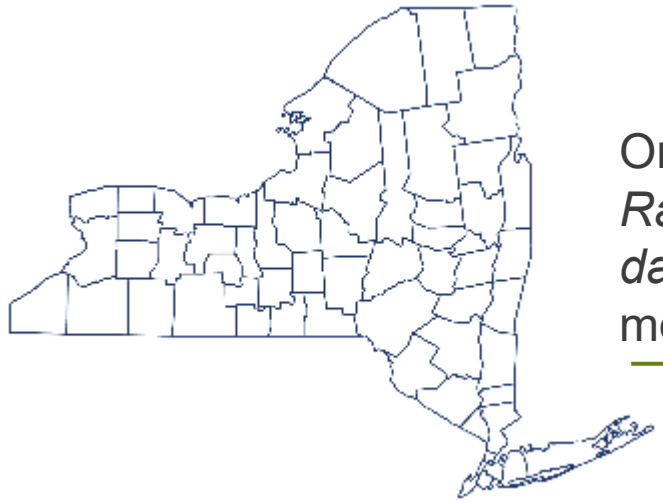
- As of June 24th – Senate and Assembly signed a 1-year moratorium, has not yet gone to Gov's desk.
- Municipalities have taken action in some cases.

Select Activity in NYS (Proposed)

Genesee County – *500 MW*

St. Lawrence County – *635 MW at former Reynolds site*

Erie County – *300 MW at the Tonawanda Coke Corp*



Onondaga County *Ranalli Lysander data center,* 6-month moratorium

Town of Perth (Fulton Co.) – 1 year moratorium

Albany County – *180 MW at former school site*

Site Selection Factors

$3.57 B

AMOUNT SPENT IN DECEMBER 2025 ON DATA CENTER DEVELOPMENT IN THE US

“U.S. SPENDING ON DATA CENTER CONSTRUCTION SURPASSED OFFICE CONSTRUCTION FOR THE FIRST TIME IN LATE 2025”

Source: Bloomberg

Energy

"Speed to power"

Water

Land

Digital Infrastructure

Labor Capacity

Community Support

Community Concerns

Noise
Cooling towers, air handling units, air-cooled chillers, server, back-up generators

Water
Drawing from natural resources, quantity and quality, potential contaminants

Economic impact + jobs/ tax base
Construction vs. long-term jobs

Energy
Massive pressures on energy systems, how/if taxpayers are on the hook

Pushback against AI
Question on long-term implications and economic stability

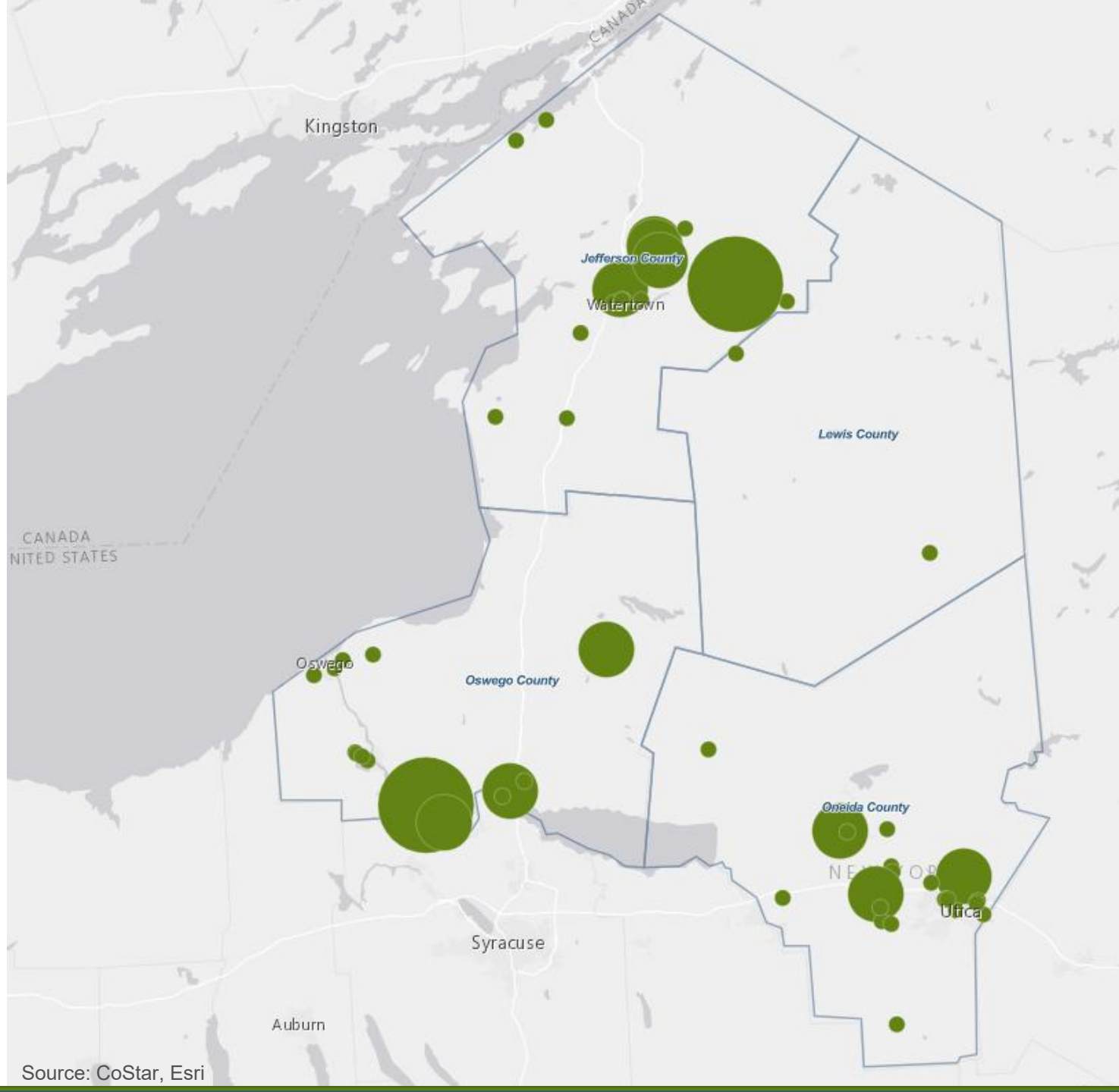
Decommission and closure
Planning for future site reuse, if necessary

Land use pressures
Compatibility with ag lands and other industries

Real Estate Assets

Industrial Land in Tug Hill

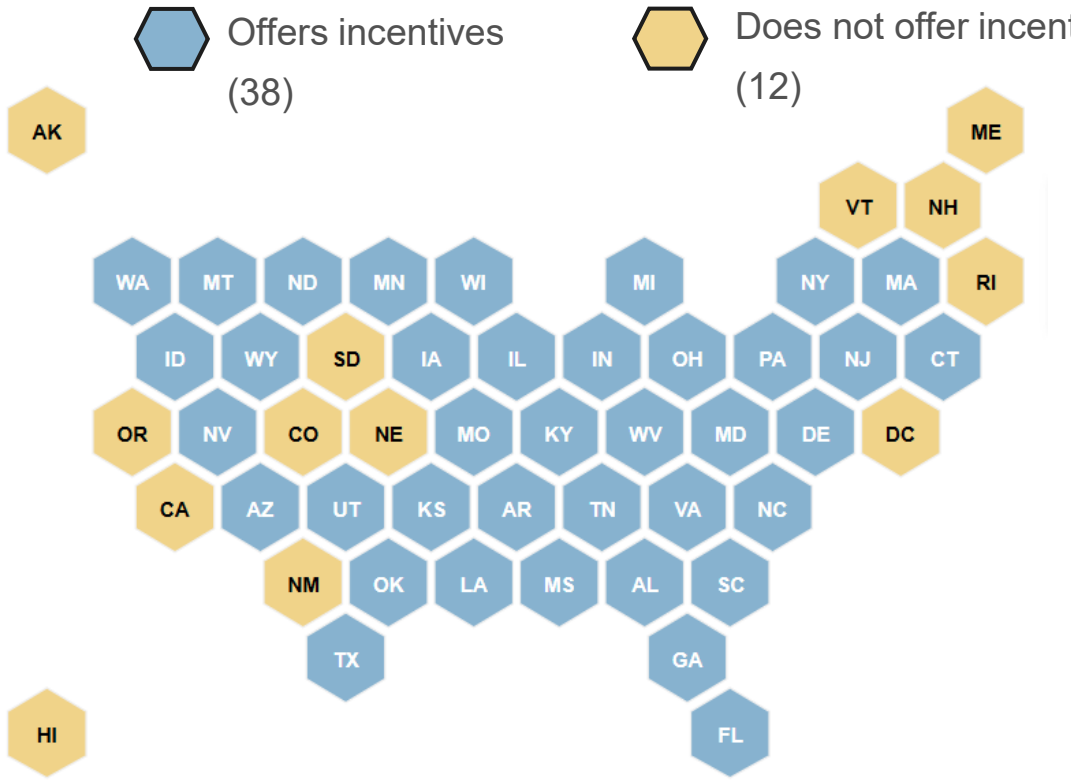
- ~ 285 acres (2 sites)
- 50 – 150 acres
- 0 – 50 acres



Source: CoStar, Esri

Evolving US Policy Landscape

Map of States that Offer Data Center Incentives, as of April 2026



Source: National Conference of State Legislatures

- **Community Benefit Agreements vs. Incentives**
- **Moratoriums**
- **Studies on impacts**
- **Infrastructure investment**
- **Public involvement**

Industry Innovation

Energy Solutions

Geothermal, bridge-to-grid options, hydrogen, battery solutions, fuel cell technology, biomass, bring your own energy

Water Reduction Strategies

Immersion-cooling technology, air-cooled chillers (use no water, but use more energy)

Community Benefit Conversations

Legally binding document, provides community-centered benefits for hosts communities: jobs, taxes, renewable energy resources, educational opportunities

Now what?

Now what?

Can you answer this question for your community...

- Does data center development align with our economic development goals and/or the vision in our comprehensive plan?

5 Steps for Communities to Plan for Data Centers

#1 Establish and document community priorities

Hold public conversations on the trade-offs around large-scale developments, what infrastructure improvements matter the most, what benefits are expected, how environmental considerations must be addressed, and how your community's stance aligns with state priorities

Seek support from: Public engagement, local officials, County Planning Departments, Tug Hill Commission

#2 Build internal decision-making capacity

Know what questions to ask developers and investors, understand application of tax incentives, PILOTs, and other incentive structures, coordinate regionally with neighboring communities, develop standard review process

Seek support from: Tug Hill Commission, Industrial Development Agencies, County Planning Departments, local municipalities

#3 Update land use and zoning codes

Define data centers, determine what zone they match with, address setbacks, buffering, noise, height, and expectations as a community

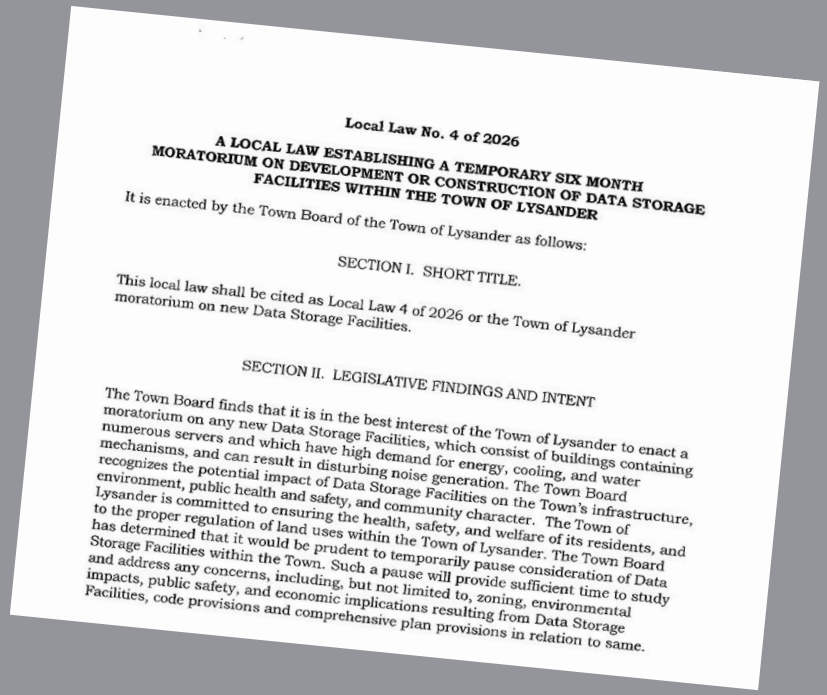
Seek support from: Tug Hill Commission, County Planning Departments, Regional Planning Boards, Department of State, specialized consultants

☑ UPDATING LAND USE AND ZONING CODES

- MORATORIA
- COMPREHENSIVE PLANS
- ZONING
  - Site plan review
  - Special use permit review

MORATORIA

- **Adopted as local law**
- **Prohibits development of certain defined land use projects for a set period of time**
- **6 to 12 months is common**



Local Law No. 4 of 2026

A LOCAL LAW ESTABLISHING A TEMPORARY SIX MONTH MORATORIUM ON DEVELOPMENT OR CONSTRUCTION OF DATA STORAGE FACILITIES WITHIN THE TOWN OF LYSANDER

It is enacted by the Town Board of the Town of Lysander as follows:

SECTION I. SHORT TITLE.

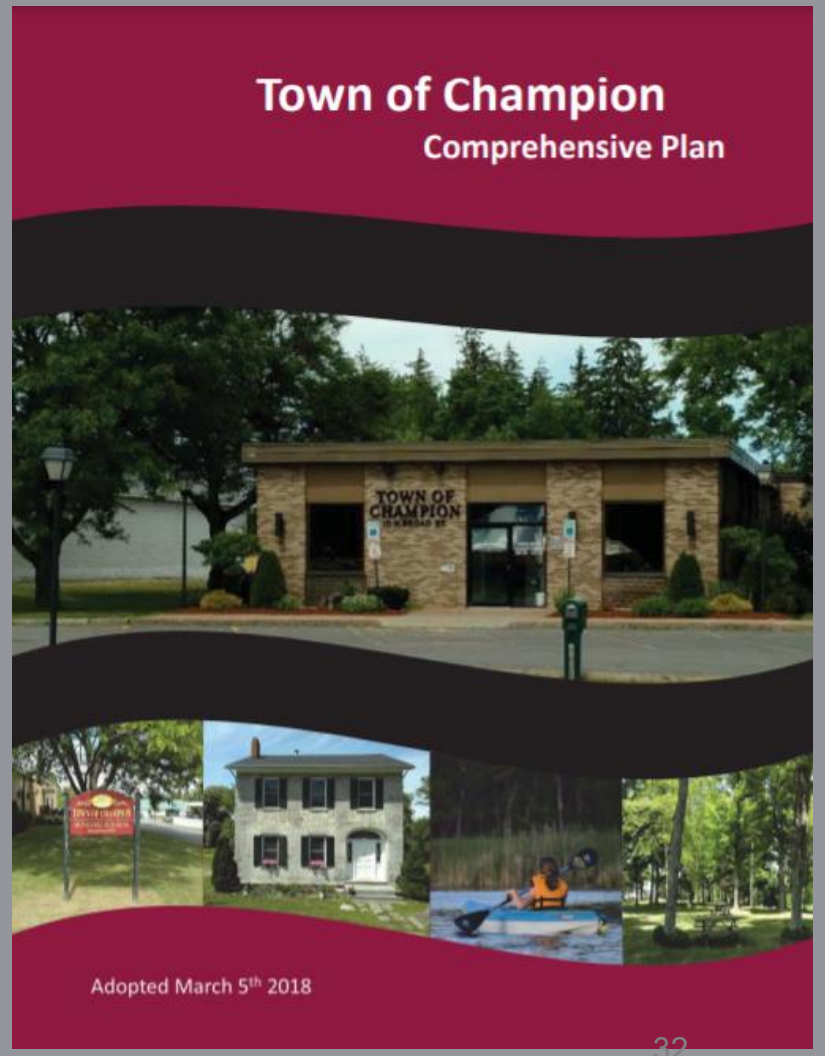
This local law shall be cited as Local Law 4 of 2026 or the Town of Lysander moratorium on new Data Storage Facilities.

SECTION II. LEGISLATIVE FINDINGS AND INTENT

The Town Board finds that it is in the best interest of the Town of Lysander to enact a moratorium on any new Data Storage Facilities, which consist of buildings containing numerous servers and which have high demand for energy, cooling, and water mechanisms, and can result in disturbing noise generation. The Town Board recognizes the potential impact of Data Storage Facilities on the Town's infrastructure, environment, public health and safety, and community character. The Town of Lysander is committed to ensuring the health, safety, and welfare of its residents, and to the proper regulation of land uses within the Town of Lysander. The Town Board has determined that it would be prudent to temporarily pause consideration of Data Storage Facilities within the Town. Such a pause will provide sufficient time to study and address any concerns, including, but not limited to, zoning, environmental impacts, public safety, and economic implications resulting from Data Storage Facilities, code provisions and comprehensive plan provisions in relation to same.

COMPREHENSIVE PLANS

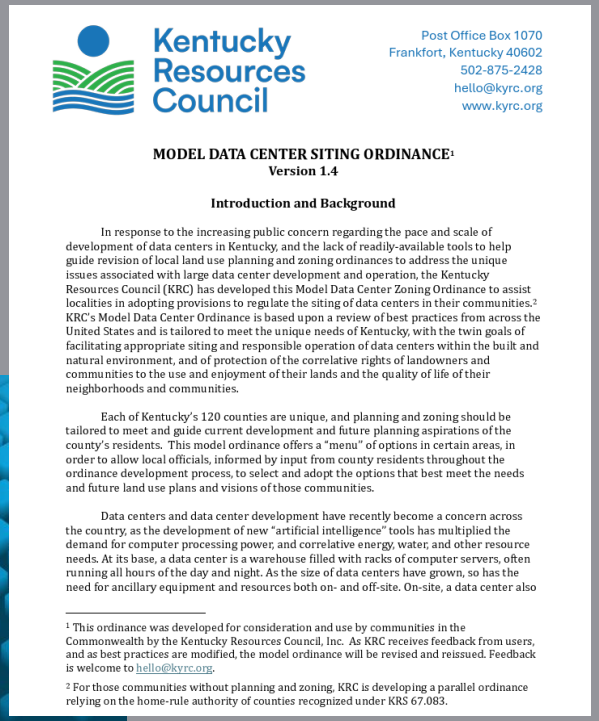
- **The materials, written and/or graphic, including but not limited to maps, charts, studies, resolutions, reports and other descriptive material that identify the *goals, objectives, principles, guidelines, policies, standards, devices and instruments* for the immediate and long-range protection, enhancement, growth and development of the municipality.**



ZONING

- Protects public health, safety, and welfare
- Regulates use, density, placement of structures on lots
- In NYS, zoning is administered by local governments – towns, villages, and cities
  - NO COUNTY ZONING

MODEL ZONING LANGUAGE



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MODEL DATA CENTER SITING ORDINANCE[1]
Version 1.4

Introduction and Background

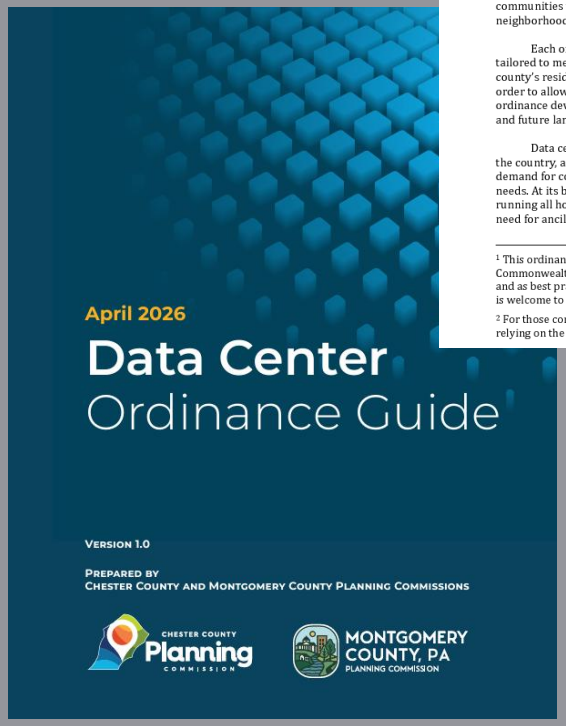
In response to the increasing public concern regarding the pace and scale of development of data centers in Kentucky, and the lack of readily-available tools to help guide revision of local land use planning and zoning ordinances to address the unique issues associated with large data center development and operation, the Kentucky Resources Council (KRC) has developed this Model Data Center Zoning Ordinance to assist localities in adopting provisions to regulate the siting of data centers in their communities.[2] KRC's Model Data Center Ordinance is based upon a review of best practices from across the United States and is tailored to meet the unique needs of Kentucky, with the twin goals of facilitating appropriate siting and responsible operation of data centers within the built and natural environment, and of protection of the correlative rights of landowners and communities to the use and enjoyment of their lands and the quality of life of their neighborhoods and communities.

Each of Kentucky's 120 counties are unique, and planning and zoning should be tailored to meet and guide current development and future planning aspirations of the county's residents. This model ordinance offers a "menu" of options in certain areas, in order to allow local officials, informed by input from county residents throughout the ordinance development process, to select and adopt the options that best meet the needs and future land use plans and visions of those communities.

Data centers and data center development have recently become a concern across the country, as the development of new "artificial intelligence" tools has multiplied the demand for computer processing power, and correlative energy, water, and other resource needs. At its base, a data center is a warehouse filled with racks of computer servers, often running all hours of the day and night. As the size of data centers have grown, so has the need for ancillary equipment and resources both on- and off-site. On-site, a data center also

[1] This ordinance was developed for consideration and use by communities in the Commonwealth by the Kentucky Resources Council, Inc. As KRC receives feedback from users, and as best practices are modified, the model ordinance will be revised and reissued. Feedback is welcome to hello@kyrc.org.

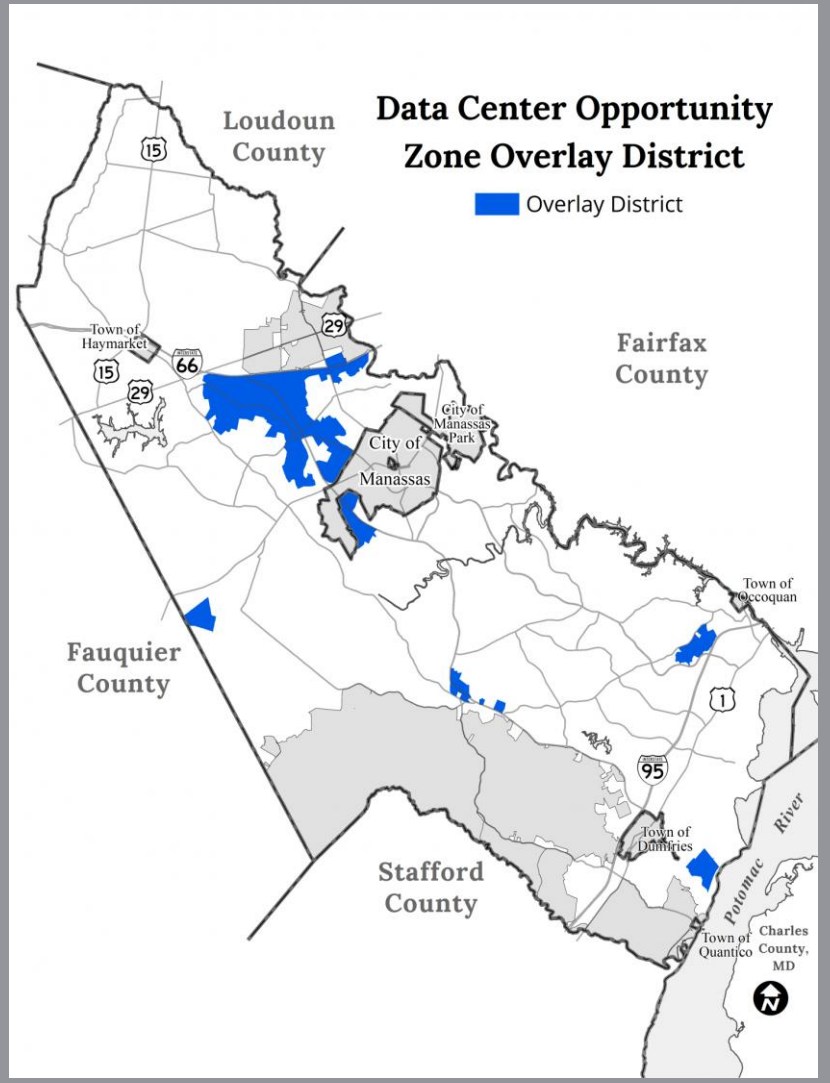
[2] For those communities without planning and zoning, KRC is developing a parallel ordinance relying on the home-rule authority of counties recognized under KRS 67.083.



- **Models available online**
- **Help available from county planning departments, regional planning agencies, private consultants**
- **We urge municipalities to ask for help incorporating!**

WHERE CAN THEY GO?

- Districts (ex. Industrial)
- Overlay zones
- Floating zones
- *Avoid prime ag land*



DIMENSIONAL STANDARDS

Limits on number of DCs per district	***ex. 1 per district***
Minimum lot size	***ex. 2 acres/5 acres***
Maximum square footage of building	***ex. 5,000 sq. ft.***
Setback from property lines	***100 feet** (1,000 feet from residences)*
Maximum height restrictions	***ex. 35 feet/60 feet***

SITING/DESIGN STANDARDS

Noise limits	ex. *Maximum 40-60 decibels at the property line*
Architectural controls	*ex. No blank walls / multiple textures or colors required*
Screening	*ex. Mechanical equipment must be screened*
Landscaping	*ex. Vegetation or berms required*

OTHER REQUIREMENTS

Proof of power availability/impacts study

Water availability/impacts study

Thermal/heat impact study

Fire department consultation/training

Decommissioning

TOTAL PROHIBITION OF USE?

Document reasoning in comprehensive plan and zoning law.

Make the case that the use is detrimental to the public welfare based on circumstances within the community and prohibiting is in reasonable relation to the police power.

SPECIAL USE PERMIT REVIEW

- An authorization of a particular land use which is permitted in a zoning ordinance or local law, subject to requirements imposed by such zoning ordinance or local law to assure that the proposed use is in harmony with such zoning ordinance or local law and will not adversely affect the neighborhood if such requirements are met.

- Typically overseen by Planning Boards

- PUBLIC HEARING REQUIRED

- BOARD APPROVES, APPROVES WITH CONDITIONS, OR DISAPPROVES

COUNTY 239-m REVIEW

If the application involves property within 500 feet of the following geographic triggers, it is subject to county referral:

- A municipal boundary
- The boundary of a state or county park or recreation area
- The right-of-way of a state or county road
- The right-of-way of a county-owned stream or drainage channel
- A boundary of state or county land on which a public building is located
- A boundary of a farm operation that is located in a state agricultural district

SEQR –State Environmental Quality Review

SEQR requires all local, regional, and state government agencies to equally examine the environmental impacts along with the social and economic considerations for a certain project, or *action*, during their discretionary review.

Type I, II, or unlisted action

Short or Long EAF

Determination of Significance

NEGDEC or DRAFT ENVIRONMENTAL IMPACT STATEMENT required as part of complete application

#3 Update land use and zoning codes

Define data centers, determine what zone they match with, address setbacks, buffering, noise, height, and expectations as a community

Seek support from: County Planning Departments, Regional Planning Boards, Tug Hill Commission, Department of State, specialized consultants

#4 Evaluate infrastructure capacity

Water and wastewater planning, transportation impacts, broadband mapping, energy assessment

Seek support from: County Planning Departments, Industrial Development Agencies, Regional Planning Boards, Utility Providers,

#5 Identify and engage property owners

Identify potential sites of interest, understand owners' expectations and future land use goals, clarify community vision

Seek support from: Local municipalities, County Planning Departments, Industrial Development Agencies, Regional Planning Boards

Questions?

Closing Remarks

Thank you!

Slides will be posted on the Tug Hill Commission website: https://tughill.org/

Stay tuned to their webpage for additional webinars and other events.

More on Camoin Associates can be found here: https://camoinassociates.com/

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