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MEMORANDUM

To: Seguin Planning & Zoning Commission
From: Pamela Centeno, Director of Planning & Codes
Subject: **Amendments to Section 3.4.3 Land Use Matrix- Industrial Uses and to Chapter 7- Definitions, to add and define a data center as a new use**
Date: June 2, 2026

In March, the Planning & Zoning Commission approved a recommendation to amend the Unified Development Code (UDC) to add data centers to the Land Use Matrix with a requirement for a Specific Use Permit. The Commission also approved a recommendation to add a definition for data centers. Staff is bringing the proposed UDC amendments back to the Commission to consider changing the requirement for a Specific Use Permit to a Conditional Use Permit. A Conditional Use Permit is a new type of zoning permit being proposed by staff that adds a second level of approval, with final action taken by City Council following a recommendation by the Planning & Zoning Commission. Staff recommends that land uses that have a higher potential of creating impacts to surrounding areas, such as data centers, should require a Conditional Use Permit. Staff is also proposing to expand the definition to specifically exclude server rooms no larger than 2,000 square feet that are housed within an organization’s building for internal operations of that facility.

While data centers are vital to today’s digital economy, careful consideration must be given to where they are permitted within city limits. To ensure that such facilities are developed in appropriate locations and that adequate safeguards are in place to protect surrounding properties, the Seguin Planning Department is proposing to amend the Unified Development Code (UDC) to add data centers as an industrial use in the Land Use Matrix with a requirement for a Conditional Use Permit. Staff is also proposing to add a definition for a data center to the UDC. The proposed amendments to Section 3.4.3 and to Chapter 7- definitions, are as follows:

Section 3.4.3 Land Use Matrix- Industrial Uses

Industrial Uses

| | A-R | R-R | S-R | R-1 R-2 | DP-1 | DP-2 | ZL | MF 1,2,3 | MR | MHP | NC | C | P | LI | I | DHD |
|-------------|-----|-----|-----|------------|------|------|----|-------------|----|-----|----|---|---|----|---|-----|
| Data Center | - | - | - | - | - | - | - | - | - | - | - | - | - | C | C | - |

Chapter 7- Definitions

Data Center – A facility consisting of a single building, multiple buildings, or a portion of a building, that houses servers, computing systems, networking equipment and other related infrastructure for processing, storing or distributing digital data. This definition excludes server rooms no larger than 2,000 square feet within an organization’s building that house information technology (IT) equipment for internal operations.