

**TOWN OF PALMER LAKE, COLORADO
RESOLUTION NO. 31-2026**

**A RESOLUTION IMPOSING A TEMPORARY SIX-MONTH MORATORIUM ON THE
ACCEPTANCE, PROCESSING, CONSIDERATION, AND APPROVAL OF TOWN LAND USE AND
DEVELOPMENT APPLICATIONS FOR DATA CENTER FACILITIES WITHIN THE TOWN OF
PALMER LAKE, COLORADO**

WHEREAS, the Board of Trustees of the Town of Palmer Lake (the “Board”) is the legislative body of the Town and, pursuant to Colorado law and the Palmer Lake Municipal Code, possesses authority to adopt ordinances and resolutions and to plan for and regulate the use of land in furtherance of the public health, safety, and welfare; and

WHEREAS, the Colorado Local Government Land Use Control Enabling Act, C.R.S. §§ 29-20-101 et seq., declares a state policy of providing broad authority to local governments to plan for and regulate land use in order to promote planned and orderly development, and expressly recognizes the authority of local governments to phase services and facilities and regulate land uses based upon their impacts on the community and surrounding areas; and

WHEREAS, the Palmer Lake Municipal Code establishes a Planning Commission with the powers provided by Colorado law and contains subdivision and land use regulations intended, among other purposes, to promote public health, safety and welfare, provide for adequate and efficient public utilities and services, implement adopted plans, protect natural resources and environmental qualities, and encourage compatible and orderly development; and

WHEREAS, data center facilities are specialized facilities whose primary purpose is to house information technology equipment used for data processing, data storage, cloud computing, artificial intelligence, machine learning, telecommunications, high-performance computing, or other computational services; and

WHEREAS, depending upon their scale, design, and operating model, data center facilities may require substantial and continuous electrical capacity; may use significant quantities of water directly or indirectly for cooling or related operations; and may involve large structures, exterior mechanical equipment, cooling systems, energy-storage systems, backup generators, fuel storage, security facilities, and other infrastructure with potential land use and community impacts; and

WHEREAS, the Board desires additional information concerning the potential effect of data center development on the Town’s municipal water system, including available water supply, water rights and system yield, storage and distribution capacity, peak and annual demand, fire-flow requirements, drought and water-conservation conditions, cooling technologies, wastewater impacts, and the extent to which a proposed facility could affect the Town’s ability to serve existing and future customers; and

WHEREAS, the Town’s municipal water system is presently operating under significant supply constraints, and the Town’s Water System Superintendent reported in August 2026 that production from the A2 well was declining with aquifer drawdown approaching the point of reduced production, that Monument Creek had been dry since mid-June with no flow available from Glen Park Reservoir so that the Town’s surface water treatment plant could not operate, and that the D2 Denver well alone was insufficient to meet Town demand; and

WHEREAS, the Town has adopted water conservation guidelines at Section 13.24.020 of the Palmer Lake Municipal Code, as amended by Ordinance No. 05-2026 adopted May 14, 2026, and has restricted the days and hours during which existing customers may irrigate outdoors, and the Board finds that approving a new use with substantial and continuous water demand before the Town understands the effect of that demand on system supply and yield would be inconsistent with the restrictions the Town has imposed on its existing customers; and

WHEREAS, Title 17 of the Palmer Lake Municipal Code neither defines nor expressly classifies data center facilities, and the Board finds that approving a use of this scale and intensity before the Town adopts a

use classification and corresponding development standards would be inconsistent with orderly land use planning; and

WHEREAS, the Board further desires consultation with CORE Electric Cooperative regarding the electrical characteristics of potential data center development, including existing and reasonably anticipated system capacity, service and interconnection requirements, substation, transformer, feeder or other system upgrades, reliability considerations, expected lead times, and the allocation of infrastructure and service costs; and

WHEREAS, the Board desires the Planning Commission, Town staff, and appropriate technical advisers to evaluate whether the Town's current Land Use Code and related regulations adequately address data center facilities and, if not, to recommend appropriate definitions, zoning classifications, review procedures, performance standards, infrastructure requirements, and other regulations; and

WHEREAS, the Board also desires that this review consider the relationship of data center development to the Town's overall land use planning, community character, economic development, public infrastructure, emergency services, transportation system, environmental conditions, fiscal position, and adopted or pending plans and policies; and

WHEREAS, acceptance or approval of new land use or development applications for data center facilities before completion of this focused review could result in development that is inconsistent with regulations or plans ultimately recommended by the Planning Commission and adopted by the Board, or could create uncertainty regarding the application of existing use classifications and development standards; and

WHEREAS, a temporary moratorium of six (6) months is a limited and reasonable period to preserve the status quo while the Town conducts the studies, consultation, public planning process, and legislative review described in this Resolution; and

WHEREAS, the Board intends this temporary moratorium to address new or expanded principal-use data center development and not ordinary computer servers, network equipment, telecommunications equipment, or similar technology that is merely accessory and incidental to another lawful principal use; and

WHEREAS, the Board finds that adoption of this Resolution is in the best interests of the Town and is reasonably related to the protection of public health, safety, welfare, municipal infrastructure, and orderly land use planning.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF PALMER LAKE, COLORADO, AS FOLLOWS:

Section 1. Purpose and Findings.

The recitals set forth above are incorporated into this Resolution as findings of the Board. The purpose of this Resolution is to preserve the status quo for a reasonable and limited period while the Town studies the potential land use, water, electrical, infrastructure, environmental, fiscal, public-safety, and community impacts of Data Center Facilities and considers whether amendments to the Palmer Lake Municipal Code or other Town policies are appropriate. Nothing in this Resolution constitutes a determination that a Data Center Facility is presently a permitted, prohibited, conditional, special, or otherwise recognized use under the existing Palmer Lake Municipal Code.

Section 2. Definitions.

- A.** "Data Center Facility" means a building, structure, group of buildings or structures, or a portion thereof, whose primary or principal use is to house computer servers, data-storage systems, networking equipment, or related information technology equipment for data processing, data storage, cloud computing, artificial intelligence, machine learning, telecommunications, high-performance computing, or other computational services, together with associated cooling, electrical, mechanical, energy-storage, backup-power, security, and support systems.

- B. “Covered Data Center Development” means the establishment, construction, expansion, conversion, change of use, or material intensification of a Data Center Facility within the Town. A material intensification includes a material increase in building area, electrical service capacity or demand, cooling capacity, water demand, backup-generation capacity, or other operational capacity associated with the Data Center Facility.
- C. A Data Center Facility does not include computer servers, network rooms, telecommunications equipment, data-storage equipment, or similar technology that is accessory and incidental to another lawful principal use of the property and is not itself operated as a principal data processing, storage, cloud-computing, artificial-intelligence, telecommunications, or computational facility.

Section 3. Temporary Moratorium.

For a period of six (6) months beginning on the effective date of this Resolution, a temporary moratorium is imposed upon the acceptance, processing, scheduling, consideration, or approval by the Town of any new application or request for a Town land use or development approval for Covered Data Center Development.

During the moratorium, no Town officer, employee, board, commission, committee, or other Town body shall accept as complete, process for decision, schedule for hearing, consider for approval, or approve a rezoning, planned development, conditional or special use, subdivision or plat, site plan, development plan, variance, Town land-use clearance, or other discretionary Town land use or development authorization whose purpose is to establish or materially expand Covered Data Center Development. The moratorium applies regardless of the zoning district in which the proposed facility would be located and regardless of whether an applicant contends that the proposed facility fits within an existing use classification.

The Town shall not issue or provide a Town land-use approval, clearance, or authorization to another permitting agency for Covered Data Center Development during the moratorium. Nothing in this Resolution purports to exercise authority directly vested in the Pikes Peak Regional Building Department or another separate permitting agency; rather, this Resolution governs Town approvals and Town actions required as part of the development process.

Town staff may conduct nonbinding pre-application discussions, receive general inquiries, collect technical information, or meet with property owners, utilities, agencies, or prospective applicants during the moratorium. No such discussion, inquiry, meeting, or submission creates an entitlement, approval, vested right, complete application, or representation that a Data Center Facility will ultimately be permitted.

Section 4. Applicability and Exceptions.

The moratorium is intended to be limited to new or materially expanded principal-use data center development. Accordingly, it does not prohibit:

- A. routine maintenance, repair, replacement in kind, emergency work, or life-safety work at a lawfully existing facility, provided the work does not materially increase the scope or operational capacity of a Data Center Facility;
- B. ordinary server rooms, network equipment, data-storage equipment, or similar technology that is accessory and incidental to another lawful principal use, as described in Section 2.C;
- C. Town-owned or public-safety communications, dispatch, emergency-management, utility-control, or information-technology equipment whose principal purpose is governmental or essential public service; or
- D. an application or development right that, before the effective date of this Resolution, was complete and formally accepted by the Town and is legally protected from application of this moratorium by a vested property right, statutory requirement, court order, or other controlling law, as determined by the Town Attorney.

The Town Administrator, in consultation with the Town Attorney and applicable staff, shall administer this Resolution and may make written administrative determinations regarding whether a proposed activity falls within the definition of Covered Data Center Development or an exception stated above. Any such determination shall be consistent with the purpose of this Resolution and shall not authorize an activity otherwise requiring Board approval.

Section 5. Planning Commission and Staff Work Program.

The Board directs the Planning Commission, with assistance from the Town Administrator, Town staff, Town consultants, legal counsel, the Town's water personnel and engineers, and other appropriate agencies and technical experts, to study Data Center Facilities and provide recommendations to the Board. The review should be proportionate to the Town's size and resources and shall address the subjects in paragraphs A through C below, and shall address the subjects in paragraphs D through J as time and resources permit:

- A. Land Use Classification and Location.** Appropriate definitions; whether Data Center Facilities should be permitted, conditional, special, or prohibited uses in particular zoning districts; minimum site area; separation or buffering from residential, commercial, civic, recreational, or environmentally sensitive uses; and consistency with the Town's adopted or pending comprehensive, land use, and community plans.
- B. Water Supply and System Capacity.** Expected annual and peak water demand; cooling technologies and whether water is consumptively used; municipal water availability and dependability; water rights and physical supply; treatment, storage, pumping, distribution and pressure limitations; fire-flow requirements; drought and conservation restrictions; wastewater implications; opportunities for closed-loop or other water-efficient cooling; and the effect of a large new demand on existing and reasonably anticipated Town customers.
- C. Electrical Service and CORE Electric Cooperative Coordination.** Consultation with CORE Electric Cooperative concerning existing and reasonably anticipated electrical capacity; interconnection and service requirements; substations, feeders, transformers, transmission or distribution improvements; system reliability and redundancy; expected lead times; construction sequencing; power-quality or peak-load considerations; and responsibility for infrastructure, connection, and upgrade costs, including whether costs could be shifted to existing customers.
- D. Site and Operational Standards.** Building height, bulk, massing, architecture, screening, landscaping, exterior mechanical equipment, lighting, heat rejection, noise and vibration, hours of construction, security features, fencing, and visual impacts.
- E. Backup Power, Energy Storage, and Hazardous Materials.** Backup generators, battery energy-storage systems, fuels, chemicals, fire-suppression systems, hazardous materials, spill prevention, air-quality permitting where applicable, and appropriate setbacks, containment, inspection, and emergency-response standards.
- F. Fire, Emergency Response, and Building Safety.** Fire-flow and water-storage needs; access for emergency apparatus; specialized suppression and response needs; hazardous-material response; coordination with the Palmer Lake Fire Department and, as appropriate, the Pikes Peak Regional Building Department and regional response partners; and the extent to which a facility could create additional staffing, equipment, training, or mutual-aid demands.
- G. Transportation and Public Infrastructure.** Construction traffic, long-term vehicle trips, heavy-haul routes, road and intersection impacts, stormwater and drainage, utility corridors, excavation, restoration, and responsibility for infrastructure improvements attributable to the development.
- H. Fiscal and Community Effects.** Expected employment and economic benefits; municipal revenues; direct and indirect public costs; infrastructure lifecycle costs; cost-recovery mechanisms lawfully available to the Town; potential development-agreement provisions; decommissioning or site-restoration considerations; and effects on surrounding property and community character.
- I. Application Requirements and Review Standards.** Information that should accompany an application, including independently verifiable water and electrical demand projections, utility correspondence, infrastructure plans, noise studies, emergency-response plans, construction phasing, and other information reasonably necessary for informed Town review.

- J. Other Matters.** Any additional topic the Planning Commission or Town staff determines is reasonably necessary to evaluate whether, where, and under what standards Data Center Facilities should be allowed within the Town.

Section 6. Coordination and Public Process.

The Town Administrator is authorized and directed to seek reasonably available technical information from CORE Electric Cooperative, the Town's water professionals and engineers, the Palmer Lake Fire Department, the Pikes Peak Regional Building Department, regional agencies, and other knowledgeable entities. The Planning Commission may conduct work sessions and public meetings or hearings as appropriate to receive information and public comment and to develop recommendations. Nothing in this Resolution requires CORE Electric Cooperative or any outside agency to provide confidential, proprietary, security-sensitive, or otherwise protected information.

The Planning Commission should transmit its recommendations to the Board sufficiently before expiration of the moratorium to allow Board consideration and, if warranted, initiation or completion of appropriate code amendments. The target date for a Planning Commission recommendation is no later than thirty (30) days before the scheduled expiration of the moratorium, unless the Board establishes a different schedule.

Section 7. No Creation of Rights or Predetermination; No Amendment of the Municipal Code.

The moratorium is a temporary planning measure and is not a final determination concerning the legality, desirability, location, or conditions of any future Data Center Facility. No person acquires a vested right, entitlement, or expectation of approval by making an inquiry, participating in a pre-application meeting, submitting preliminary materials, or incurring costs during the moratorium. Nothing in this Resolution shall be construed to impair a legally vested property right or other right that controlling law requires the Town to recognize.

This Resolution does not amend, repeal, or suspend any provision of the Palmer Lake Municipal Code. Where the Code imposes a nondiscretionary duty on a Town officer, this Resolution directs deferral of Board and Town action on the application as provided in Section 3 rather than refusal of that duty.

Section 8. Duration; Earlier Termination.

This moratorium shall take effect immediately upon adoption of this Resolution and shall remain in effect for six (6) months, expiring automatically at 11:59 p.m. on the date that is six calendar months after adoption, unless earlier repealed or terminated by the Board or superseded by duly adopted regulations. Any extension of the moratorium shall require separate action of the Board and shall be subject to applicable law.

Section 9. Severability.

If any section, subsection, sentence, clause, phrase, or provision of this Resolution is held invalid or unenforceable by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution. The Board declares that it would have adopted this Resolution and each part thereof irrespective of the fact that any one part is declared invalid or unenforceable.

Section 10. Effective Date.

This Resolution shall become effective immediately upon adoption.

INTRODUCED, RESOLVED, AND PASSED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF PALMER LAKE ON THIS 9th DAY OF JULY 2026.

ATTEST:

TOWN OF PALMER LAKE, COLORADO

Erica N. Romero, CMC
Town Clerk

BY: _____
Dennis Stern
Mayor