

THE CITY OF SUMMIT

N E W J E R S E Y

CITY HALL 512 SPRINGFIELD AVENUE SUMMIT, NJ 07901

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July 7, 2026

VIA EMAIL COMMUNICATION

MEMO TO MUNICIPAL CLERKS OF:

Berkeley Heights Township
Chatham Borough
Chatham Township
Millburn Township
Mountainside Borough
New Providence Borough
Springfield Township

Re: Pending Ordinance No. 26-3393 - ORDINANCE OF THE CITY OF SUMMIT, COUNTY OF UNION, NEW JERSEY, AMENDING AND SUPPLEMENTING CHAPTER 35 OF THE CITY CODE, ENTITLED "DEVELOPMENT REGULATIONS," SUBSECTION 35-9.2 "PROHIBITED USES" (AI Data Center Facilities)

FROM: Rosemary Licatese, City Clerk

COPY: Union County Bureau of Planning and Transportation

Dear Municipal Clerks:

Attached are copies of the above referenced ordinances - #26-3390 was introduced on June 3 and passed on June 16, 2026 and was subsequently amended by the above referenced pending ordinance #26-3393.

Pending Ordinance 26-3393 was introduced at the regular meeting of Summit Common Council, held Tuesday, July 7, 2026 and is scheduled for hearing and final consideration on Tuesday, July 28, 2026 at 7:30 pm in the Council Chamber at Summit City Hall, 512 Springfield Avenue, Summit, NJ.

These ordinances are being transmitted to you in electronic format in lieu of a paper copy.

Final Passage

Ordinance #:	26-3390
Introduction Date:	6/3/26 (<i>Wed.</i>)
Hearing Date:	6/16/26
Passage Date:	6/16/26
Effective Date:	6/16/26

**ORDINANCE OF THE CITY OF SUMMIT, COUNTY OF UNION, NEW JERSEY,
AMENDING AND SUPPLEMENTING CHAPTER 35 OF THE CITY CODE, ENTITLED
“DEVELOPMENT REGULATIONS,” SUBSECTION 35-9.2 "PROHIBITED USES"**
(*Prohibit AI Data Center Facilities*)

Ordinance Summary: The purpose of this ordinance is to confirm the City’s prohibition of new construction of AI Data center facilities within the City.

WHEREAS, the City of Summit (the “City”) has determined that it would be appropriate to undertake amendments to align its Development Regulations with the recommendations of the City’s 2000 Master Plan and the City’s 2016 Master Plan Re-Examination Report; and

WHEREAS, the City’s 2000 Master Plan and the City’s 2016 Master Plan Re-Examination Report establish that the City is a small residential community with a policy of protecting neighborhoods from the intrusion of high-intensity, incompatible, or inappropriate land uses; and

WHEREAS, the City’s 2000 Master Plan includes a recommendation that consideration should be given to establish ordinance standards regulating the location, placement and screening of outdoor noise-producing equipment; and

WHEREAS, the City’s 2016 Master Plan Re-Examination Report further includes a Goal to preserve and enhance natural beauty, open space and community facility assets for future generations; and

WHEREAS, the City’s 2016 Master Plan Re-Examination Report recommends that focus should be directed on the adequacy, resiliency, and functionality of the utility infrastructure in the City, including the power grid, gas, sewer and water systems; and

WHEREAS, the City finds that data centers, by nature, present an intense and unique form of land use and development, posing significant challenges related to electricity consumption, noise, air quality, water use, community character and long-term planning objectives; and

WHEREAS, the City further finds that data center facilities, create an undue and unnecessary burden on the City’s critical infrastructure, including but not limited to the water supply; and

WHEREAS, the City’s 2016 Master Plan Re-Examination Report did not anticipate or address the modern surge in data center development, as its land-use goals prioritize maintaining the pedestrian-friendly character of the city and expanding diverse housing options rather than accommodating high-power-demand utility footprints; and

WHEREAS, data center facilities were never contemplated by the City Master Plan or Re-Examination Report and are fundamentally inconsistent with community standards and established neighborhood character; and

WHEREAS, the proposed revisions will reduce ambiguity, promote the uniform application of the Development Regulations, and provide certainty in the regulation of property development within the City; and

WHEREAS, the Common Council believes that amending the Development Regulations is in the best interest of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF SUMMIT, IN THE COUNTY OF UNION AND STATE OF NEW JERSEY, AS FOLLOWS:

SECTION 1. The aforementioned recitals are incorporated in their entirety, as if restated herein.

SECTION 2: Chapter 35-9.2 of the City Code entitled “Prohibited uses”, is hereby amended and supplemented as follows

35-9.2 Prohibited uses.

E. AI Data Center facilities, as defined herein, are expressly prohibited in all zones.

SECTION 3. Chapter 35-7.2 of the City Code entitled “Definitions”, is hereby amended and supplemented as follows

35-7.2 Definitions.

AI DATA CENTER

“AI Data Center”, as commonly known and as sometimes referred to as “Artificial Intelligence Data Centers”, “Internet Data Centers”, or “Cloud Data Centers” (and any and all functionally-equivalent but differently named uses, structures and facilities) means any building, structure, facility or connected facilities, where the principal use is the training, developing, storing, deploying, delivering or hosting Artificial Intelligence Models at scale for off-site users, such as but not limited to; “Large Language Models”, “Neural Networks”, “Machine Learning”, and or any other forms, models, categories, or types of information systems which aggregate collective computing demands from and to cloud services, video streaming, blockchain and crypto mining, artificial intelligence, virtual reality, and other internet, telecommunication, computing, data storage, maintenance, and data processing for transmission purposes. An AI Data Center is not a warehouse. A use that meets the criteria stated herein and generates a total peak power load in excess of 20MW or has a measurable and distinct impact on water utility consumption compared to other aggregate land uses shall be considered an AI Data Center. Necessary ancillary uses to an AI Data Center may include high-performance server racks or liquid cooling systems, environmental controls, fire suppression, generators, redundant power supplies and security facilities. Typical operations of an AI Data Center may include the need for separate transformers, electrical substations, and utility infrastructure that shall be considered separate uses.

COMPUTER CENTERS

“Computer Centers”, also commonly known as a “Data Center” or “Conventional Data Center” refers to a facility or portion of a facility used primarily for office, research, administrative, educational, institutional, or business-support computing activities, including computer rooms, information technology support rooms, network rooms, software development spaces, data processing rooms, telecommunications rooms, or similar facilities that are accessory or subordinate to a permitted principal use on the same lot. A computer center shall be characterized by occupancy and staffing consistent with an office, research, institutional, or business-support use and shall not be primarily designed or operated for the large-scale housing of servers, cryptocurrency mining equipment, artificial intelligence computing equipment, cloud-computing infrastructure, colocation equipment, or other high-density computing systems for off-site users.

SECTION 4. The City Clerk is directed to give notice at least ten (10) days prior to a hearing on the adoption of this Ordinance to the City of Summit Planning Board and to all other persons or entities entitled thereto pursuant to N.J.S.A. 40:55D-26 and N.J.S.A. 40:55D-64. The Planning Board is directed to make and transmit to the City Council, within thirty-five (35) days after referral, a report including identification of any provisions in the proposed Ordinance that are inconsistent with the City Master Plan and recommendations concerning any inconsistencies and any other matter as deemed appropriate.

SECTION 5. If any section, paragraph, subdivision, clause or provision of this Ordinance shall be judged invalid, such adjudication shall apply only to that section, paragraph, subdivision, clause or provision, and the remainder of this Ordinance shall be deemed valid and effective.

SECTION 6. All ordinances or parts of ordinances inconsistent with or in conflict with this Ordinance are hereby repealed to the extent of such inconsistency.

SECTION 7. This Ordinance shall take effect according to law.

(Last additions in text indicated by underline; deletions by ~~strikeouts~~.)

Dated: June 16, 2026

I, Rosalia M. Licatase, City Clerk of the City of Summit, do hereby certify that the foregoing ordinance was duly passed by the Common Council of said City at regular meeting held on Tuesday evening, June 16, 2026

Approved:

Dr. Elizabeth Fagan, Mayor

City Clerk

Pending Ordinance

ORDINANCE #	26-3393
Introduction Date:	7/7/2026
Hearing Date:	7/28/2026
Passage Date:	
Effective Date:	

ORDINANCE OF THE CITY OF SUMMIT, COUNTY OF UNION, NEW JERSEY, AMENDING AND SUPPLEMENTING CHAPTER 35 OF THE CITY CODE, ENTITLED “DEVELOPMENT REGULATIONS,” SUBSECTION 35-9.2 "PROHIBITED USES"

Ordinance Summary: The purpose of this ordinance is to amend and replace the definition of AI Data Center facilities and Computer Centers.

WHEREAS, the City of Summit (the “City”) has determined that it would be appropriate to undertake amendments to align its Development Regulations with the recommendations of the City’s 2000 Master Plan and the City’s 2016 Master Plan Re-Examination Report; and

WHEREAS, the City’s 2000 Master Plan and the City’s 2016 Master Plan Re-Examination Report establish that the City is a small residential community with a policy of protecting neighborhoods from the intrusion of high-intensity, incompatible, or inappropriate land uses; and

WHEREAS, the City finds that data centers, by nature, present an intense and unique form of land use and development, posing significant challenges related to electricity consumption, noise, air quality, water use, community character, and long-term planning objectives; and

WHEREAS, Chapter 35 of the City Code currently regulates and prohibits AI Data Center facilities to protect the City's critical infrastructure, utility capacities, and established neighborhood character; and

WHEREAS, the City has determined that the existing definition of "AI Data Center" within Subsection 35-7.2 requires revision to ensure greater clarity, accurately capture evolving technological frameworks, and ensure effective enforcement of the City's development policies; and

WHEREAS, the proposed revisions will reduce ambiguity, promote the uniform application of the Development Regulations, and provide certainty in the regulation of property development within the City; and

WHEREAS, the Common Council believes that replacing the definition of “AI Data Center” and revising the definition of “Computer Center” within Development Regulations is in the best interest of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF SUMMIT, IN THE COUNTY OF UNION AND STATE OF NEW JERSEY, AS FOLLOWS:

SECTION 1. The aforementioned recitals are incorporated in their entirety, as if restated herein.

SECTION 2. Chapter 35-7.2 of the City Code entitled “Definitions”, is hereby amended and supplemented as follows: (Last additions in text indicated by underline; deletions by ~~strikeouts~~.)

35-7.2 Definitions.

AI DATA CENTER

~~“AI Data Center”, as commonly known and as sometimes referred to as “Artificial Intelligence Data Centers”, “Internet Data Centers”, or “Cloud Data Centers” (and any and all functionally equivalent but differently named uses, structures and facilities) means any building, structure, facility or connected facilities, where the principal use is the training, developing, storing, deploying, delivering or hosting Artificial Intelligence Models at scale for off-site users, such as but not limited to; “Large Language Models”, “Neural Networks”, “Machine Learning”, and or any other forms, models, categories, or types of information systems which aggregate collective computing demands from and to cloud services, video streaming, blockchain and crypto mining, artificial intelligence, virtual reality, and other internet, telecommunication, computing, data storage, maintenance, and data processing for transmission purposes. An AI Data Center is not a warehouse. A use that meets the criteria stated herein and generates a total peak power load in excess of 20MW or has a measurable and distinct impact on water utility consumption compared to other aggregate land uses shall be considered an AI Data Center. Necessary ancillary uses to an AI Data Center may include high-performance server racks or liquid cooling systems, environmental controls, fire suppression, generators, redundant power supplies and security facilities. Typical operations of an AI Data Center may include the need for separate transformers, electrical substations, and utility infrastructure that shall be considered separate uses.~~

A. 35-7.2 Definitions – DATA CENTER

“Data Center” – Shall mean a building, structure, or premises used for the storage, management, processing, routing, transmission, or hosting of digital data, applications, or computing services through the use of servers, networking equipment, or similar electronic infrastructure, including commercial colocation facilities, cloud computing facilities, server farms, cryptocurrency mining operations, and wholesale digital infrastructure uses, and which shall be deemed a principal use which, as set forth in 35-9.2, is prohibited in all zone districts of the City of Summit.

The term “Data Center” shall not include:

- (1) Server rooms, network facilities, or computer processing facilities that are clearly incidental and subordinate to the permitted use on the property and that are operated solely for the internal business, administrative, communications, cybersecurity, operational, or utility functions of the use/occupant.
- (2) Accessory data processing facilities operated by financial institutions, public utilities, hospitals, educational institutions, governmental agencies, research facilities, or similar entities, provided that:
 - (a) The floor area devoted to such use does not exceed twenty (20) percent of the gross floor area of the principal building or 1,000 square feet, whichever is less. For purposes of this sub-section, the 1,000 square foot cap shall apply in the aggregate across all buildings on contiguous parcels that comprise a development.
 - (b) The data center does not constitute the principal use of the property.
 - (c) No portion of the facility is used for cryptocurrency mining, high density computational processing, or wholesale digital infrastructure services.
 - (d) The facility is not served by a dedicated utility transmission substation, exclusive of those uses identified #2 above and which are installed primarily for the facility.
 - (e) No dedicated electric utility substation, switching station, or comparable major electrical infrastructure shall be constructed primarily to serve the use.

- B. 35-7.2 Definitions – COMPUTER CENTER. The Definition of Computer Centers is hereby amended as follows: (Last additions in text indicated by underline; deletions by ~~strikeouts~~.)

COMPUTER CENTERS

“Computer Centers”, also commonly known as a “Data Center” or “Conventional Data Center” refers to a facility or portion of a facility used primarily for office, research, administrative, educational, institutional, or business support computing activities, including computer rooms, information technology support rooms, network rooms, software development spaces, data processing rooms, telecommunications rooms, or similar facilities that are accessory or subordinate to a permitted principal use on the

~~same lot. A computer center shall be characterized by occupancy and staffing consistent with an office, research, institutional, or business support use and shall not be primarily designed or operated for the large-scale housing of servers, cryptocurrency mining equipment, artificial intelligence computing equipment, cloud computing infrastructure, colocation equipment, or other high-density computing systems for off-site users.~~

The term ‘Computer Center’ as utilized in the zoning regulations of the City of Summit are designed to identify those server rooms, network facilities, or computer processing facilities that are clearly incidental and subordinate to the principal permitted use on the property and that are operated solely for the internal business, administrative, communications, cybersecurity, operational, or utility functions of the principal use/occupant, and not as a ‘Data Center’ as defined herein.

SECTION 3. Chapter 35-9.2 Prohibited Uses: This section is hereby amended as follows: (Last additions in text indicated by underline; deletions by ~~strikeouts~~.)

35-9.2 Prohibited uses.

~~E. AI Data Center facilities, as defined herein, are expressly prohibited in all zones. Data Centers as defined herein are expressly prohibited as a permitted use in all zone districts in the City of Summit.~~

SECTION 4. The City Clerk is directed to give notice at least ten (10) days prior to a hearing on the adoption of this Ordinance to the City of Summit Planning Board and to all other persons or entities entitled thereto pursuant to N.J.S.A. 40:55D-26 and N.J.S.A. 40:55D-64. The Planning Board is directed to make and transmit to the City Council, within thirty-five (35) days after referral, a report including identification of any provisions in the proposed Ordinance that are inconsistent with the City Master Plan and recommendations concerning any inconsistencies and any other matter as deemed appropriate.

SECTION 5. If any section, paragraph, subdivision, clause or provision of this Ordinance shall be judged invalid, such adjudication shall apply only to that section, paragraph, subdivision, clause or provision, and the remainder of this Ordinance shall be deemed valid and effective.

SECTION 6. All ordinances or parts of ordinances inconsistent with or in conflict with this Ordinance are hereby repealed to the extent of such inconsistency.

SECTION 7. This Ordinance shall take effect according to law.

(Last additions in text indicated by underline; deletions by ~~strikeouts~~.)

Dated:

I, Rosalia M. Licatase, City Clerk of the City of Summit, do hereby certify that the foregoing ordinance was duly passed by the Common Council of said City at regular meeting held on

Approved:

Dr. Elizabeth Fagan, Mayor

City Clerk