



July 2, 2026

Dear Mayor West, Members of the City Council, and Members of the Planning Commission:

The Chesapeake Alliance recognizes that data centers have become a significant component of the digital infrastructure we rely on at work and at home.

When thoughtfully designed and managed, data centers can operate efficiently, use resources responsibly, and deliver enduring benefits to the community. They have the potential to bring significant tax revenue to the city while placing limited strain on the city's public resources such as schools, emergency services, and transportation infrastructure.

Developing a balanced ordinance that protects neighborhoods while encouraging responsible investment is no easy task.

We commend the thoughtful work of the City's Planning Department to engage diverse perspectives and input from multiple stakeholder groups as they worked to craft the proposed data center ordinance (PLN-TXT-2026-001).

Creating clear guidelines for data center development will help to ensure Chesapeake remains open for business while avoiding some of the issues now being faced in Northern Virginia.

While we agree with most of the guidelines set forth in the proposed ordinance, we do have concerns that some requirements may go too far and will quietly drive beneficial data center development to other areas of the Commonwealth.

To strengthen the proposed ordinance while maintaining appropriate safeguards, we respectfully offer the following recommendations:

Recommendation 1: Create a Technology Overlay District (TOD)

Obtaining a Conditional Use Permit (CUP) is a lengthy and resource-intensive process for both the applicant and the City.

We believe requiring a CUP for all data center development outside of Coastal Virginia Commerce Park could discourage investment in Chesapeake and push developers toward localities with more predictable approval pathways.

Consistent with recommendations from industry experts, Chesapeake should encourage intentional development by proactively identifying sites that meet clear guidelines, minimize impacts on surrounding communities, and have access to critical services or a defined pathway to obtain those services.

To remain a viable locality for future development and attract projects to preferred sites, we recommend creating a Technology Overlay District (TOD) that would allow by-right data center development in specifically targeted areas.

Developers would still be required to meet or exceed all established criteria within the proposed ordinance, but they would avoid the costly and time-consuming CUP process for sites located within the TOD.

Recommendation 2: Allow Small-Scale Data Centers in Commercial Districts

The proposed ordinance also limits potential data center development to the Coastal Virginia Commerce Park, M1, M2, and the Fentress Overlay District.

Not all data centers are alike and smaller facilities, such as edge data centers, may be a great redevelopment opportunity for commercially zoned areas where the City is trying to encourage investment.

We recommend the City allow small-scale (less than 100,000 square feet) data center development in commercial districts.

These projects may have significantly fewer resource needs, but they would still be required to meet all applicable guidelines set forth for larger developments.

Recommendation 3: Allow Flexible On-Site Power Solutions

Speed to market is essential for any industry but that is especially critical for data centers.

Access to available energy has become the gating factor for future development.

The construction of new substations and transmission lines needed to deliver the necessary power can often take years to complete.

New technologies and applications such as fuel cells continue to be developed to help address this growing power demand.

To provide flexibility for powering future data center projects, we recommend that the City allow developers to use onsite power generation if a CUP is approved.

This provides developers the flexibility to find viable alternative power solutions while preserving the City's right to approve any new proposals through an open and transparent process.

Recommendation 4: Dedicate Future Data Center Tax Revenue to Community Priorities

Finally, we know that data centers can generate significant tax revenue for a locality, and it is important that Chesapeake residents experience visible, lasting benefits from these new revenues.

Mecklenburg County has used funds to modernize their schools, while Henrico County has used tax revenue to start an innovative Affordable Housing Trust Fund.

We recommend that Chesapeake establish a clear and definitive structure for ensuring any future tax revenue is committed to projects that will have a direct benefit to our residents, such as school construction and affordable housing.

Committing these funds now guarantees a clear understanding of how data centers will improve the quality of life for our residents and their families.

The Chesapeake Alliance strives to create a business-friendly environment in Chesapeake, ensuring our great city continues to grow and thrive for future generations.

We recognize that many residents have legitimate questions about data center development, and that public discussion often includes outdated or inaccurate information.

By focusing on facts and establishing clear, predictable standards for responsible development, Chesapeake can achieve outcomes that benefit residents, businesses, and future generations.

On behalf of our members, we thank you for your consideration, and we stand ready to continue assisting the City as it works to finalize this critical ordinance.

Sincerely,

A handwritten signature in black ink, appearing to read "David K. Ropp". The signature is fluid and cursive, with the first name "David" being the most prominent.

David K. Ropp, Chairman
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