Executive Summary

Village Board Meeting of January 26, 2026

Approval of 2700 International Drive Site Plan Review; SP-25-13

BACKGROUND

The applicant submitted a site plan for Plan Commission review and recommendation to the Village Board. The village zoned the property business park (now General Industrial) in 2017, and the applicant purchased the property in early 2024. If the Village Board approves this site plan, Microsoft Corporation may submit civil engineering plans for review, followed by applications for building permits to start construction on the individual buildings. This site plan covers enough detail that the applicant could apply for grading permits in the meantime as delineated in the conditions below.

The site plan shows six data centers with a related office space, each 568,103 square feet. It also shows a 74,000 square foot office and storage building, a 265 square foot guard house, and the narrative mentions additional, minor accessory buildings. This equals approximately 3,553,041 square feet of building area across the approximately 530-acres of subject properties. The applicant narrative contains additional information regarding the project.

The Plan Commission unanimously recommends that the Village Board moves to approve the site plan subject to the following conditions before the applicant may apply for grading permits:

1. The applicant shall submit a Certified Survey Map to merge the subject properties for staff review, Plan Commission recommendation, and Village Board consideration before the village issues any permits for the subject properties.
2. The applicant shall modify the Parking and Access Plan to show a multi-use pathway along the north side of Old Highway 11 connecting northwards to Louis Sorenson Road, along either side of Hood's Creek, subject to final engineering plans, and southeastwards to the county trail per § 90-420.70(a) and the village's adopted Bicycle Plan.
3. The applicant shall follow all procedures listed within Division 90-490: Flood Protection if they wish to modify those areas delineated as Floodway or Floodfringe on the FIRM panels for the subject properties.

The Plan Commission unanimously recommends that the Village Board moves to approve the site plan subject to the following conditions before the applicant may apply for building permits:

1. The applicant shall modify the architectural elevations to show a minimum 20% street-facing ground-story transparency and 10% upper-story transparency per § 90-130.40(a).
2. The applicant shall comply with all Racine Water Utility, Mount Pleasant Sanitary Sewer Utility, and Wisconsin Department of Natural Resources rules and permissions regarding consuming and returning water to the applicable utility systems and watersheds.
3. The applicant shall modify the architectural elevations to pitch rooms no less than 5:12 or, if flat, enclose with parapets at least 36 inches high per § 90-405.30 Building roofs. Instead, the applicant may also apply for alternative compliance per § 90-405.40 if they identify three of the five elements listed in § 90-405.40(b).
4. The applicant shall modify the Parking and Access Plan to show a multi-use pathway along the north side and a sidewalk along the south side of Louis Sorenson Road per § 90-420.70(a). If the applicant applies to discontinue a portion of Louis Sorenson Road, they shall show the applicable multi-use pathway and

sidewalks within the remaining right-of-way and culs-de-sac.

5. The applicant shall modify the Parking and Access Plan to reduce the stall width from 18.0 to 17.0 feet for standard parking stalls or apply for alternative dimensions per § 90-420.100(m).
6. The applicant shall provide a traffic impact analysis because the development would result in average daily traffic counts of 1,000 or more vehicles per day (ADT) or 100 plus trips during peak traffic hours (PHT) based on the latest version of the Institute of Transportation Engineers (ITE) Trip Generation Manual. The applicant shall modify their site and civil plans to incorporate any analysis-recommended changes and required by the Public Works Director or Wisconsin Department of Transportation.
7. The applicant shall modify the Outdoor Lighting Plans to show the outdoor lighting levels at all property lines, which shall not exceed 3 lux measured 20 feet past the property line per § 90-425.60(b).
8. The applicant shall provide the lighting cut sheets for village staff review to ensure all lighting fixtures emitting more than 1,000 lumens are fully shielded and emit no more than 5% of their total lumen output above 80° from nadir.
9. The applicant shall modify the Outdoor Lighting Plans to eliminate all building-mounted lighting used to illuminate vehicular use areas, outdoor storage and work areas, or pedestrian walkways. The applicant may only use building-mounted lighting to illuminate entrances to a building, such as doors or loading docks.
10. The applicant shall update the landscaping plan to denote the ground cover for all non-impervious areas, including the areas subject to shoreland setbacks at the southwest portion of the site, the areas between the electrical substations, the areas surrounding stormwater detention facilities, the areas subject to utility easement restrictions, and the areas adjacent to public rights-of-way. The village staff strongly recommend the applicant prioritize the pre-settlement landscaping cover, as denoted by the Wisconsin Department of Natural Resources Surface Water Data Viewer, which is prairie for the entirety of the subject properties.
11. The applicant shall update the landscaping plan to show vehicular use area screening for all areas within 50 feet of a right-of-way, including, but not limited to, the driveways parallel to Louis Sorenson Road on the west side of the subject property.
12. The applicant shall modify the landscaping plan to identify the species of proposed planting species and sizes so the village staff may review them for compliance with § 90-430.70.
13. The applicant shall modify the landscaping plan to denote the installation and maintenance procedures for all plantings and seeding areas per § 90-430.80.
14. The applicant shall update the site plans to show the height and detail of the proposed sound wall or apply for separate administrative site plan review for this improvement per § 90-435.50.
15. The applicant shall follow all procedures listed within Division 90-490: Flood Protection if they wish to place structures within areas delineated as Floodway or Floodfringe on the FIRM panels for the subject properties.
16. The applicant shall modify the architectural elevations to show the 1-story office and storage building, or submit them for separate site plan review. This building requires Plan Commission Site Plan Review per § 90-540.50(d).
17. The applicant shall modify the architectural elevations to show the guard house building or submit them for separate site plan review. This building qualifies for administrative site plan review per § 90-540.50(c).

COMPREHENSIVE PLAN

This application complies with the Comprehensive Plan, which lists the property as Business Park and, for one parcel on the western side of the subject property, mixed Industrial/Business Park. The transportation element of the comprehensive plan shows a future roadway titled Nations Drive to the north of the subject properties. The applicant is not responsible to construct this off-site improvement as a part of this application; however, they could use this roadway for secondary access in the future upon proper permitting at that time. The Bicycle Plan recommends off-street bicycle trails along Old Highway 11, SE Frontage Road, Louis Sorenson Road, and Hoods Creek. The Park and Open Space Plan shows minor, farmed wetlands within the subject property, which are subject to Wisconsin Department of Natural Resources determination and regulations. It also shows an isolated natural resource area in the southern portion of the site, which the site plan avoids impacting.

LAND DIVISION

Any land divisions, combinations, or reconfigurations for the subject properties are subject to the land division regulations of Code of Ordinances Chapter 74. The staff, Plan Commission, and Village Board must review and consider any certified survey map or plat for the subject properties.

ZONING

The Village Board zoned this property C-4 General Industrial, previously titled BP Business Park, in 2017. Both the proposed *Office, business or professional* and *Warehousing, wholesaling, freight movement* uses contained within this application are permitted as-of-right within the C-4 district, subject to compliance with all other applicable regulations of the zoning chapter. The application meets the zoning ordinance, except for the items listed as recommended conditions for approval in the Background section of this report.

The Village Board typically delegates the Plan Commission site plan review authority per § 90-540.40(b); however, an adopted redevelopment plan that includes the subject property requires the Village Board approve all new major developments. Therefore, the Plan Commission is a recommending body for this application.

STRATEGIC PLAN

The application meets the following Key Strategies and Outcomes of the Strategic Plan.

- Safe Community
  - Outcome: Safety in the public right-of-way for all modes of transportation.
    - The Village's public infrastructure allows a smooth flow of vehicle traffic and offers safe routes for bicyclists and pedestrians.
- Balance Growth and Development
  - Outcome: Welcoming and competitive community for a variety of housing types and commercial development.
    - Development processes are streamlined, fair, and predictable for both developers and citizens, encouraging companies and individuals to invest in the Village.
  - Outcome: Long-term local and regional benefits of Tax Incremental District No. 5.
    - Growth of jobs and tax base continues in TID No. 5, creating resources to support initiatives that will benefit the Village and entire region for generations.

RECOMMENDATION

The Plan Commission recommends the Village Board approve the site plan subject to the recommended conditions.

FISCAL IMPACT

Cost/Benefit			
Estimated Taxable Value per Acre	$ 10,240,476		The total Estimated Taxable Value divided by the Developed Acres.
Estimate Net Value Per Acre	$ 10,217,918		The total Estimated Taxable Value minus the Infrastructure Replacement Cost (NPV) divided by the Developed Acres.
TID Open Net Revenue	$ 91,883,065		The Tax Incremental Revenues minus the TID Open Annual Cost.
TID Closed Net Revenue	$ 29,910,837		The Annual Tax Contributions (NPV) minus the TID Closed Annual Cost.
Gain/(Loss) over 40-year period	$ 4,969,908,909		The Escalated Tax Contributions minus the Total Escalated Cost.
TID Open Revenue to Cost Ratio	108	:1	The Annual Tax Contributions (NPV) divided by the Total Annual Cost. Greater than 1:1 is a net positive ratio.

TID Closed Revenue to Cost Ratio	36	:1	The Tax Incremental Revenues divided by the TID Closed Annual Cost. Greater than 1:1 is a net positive ratio.
Total Revenue to Cost Ratio	80	:1	The Escalated Tax Contributions divided by the Total Escalated Cost.
Private to Public Ratio	454	:1	The Total Taxable Value divided by the Infrastructure Replacement Cost (NPV). 40:1 is net positive ratio.
Public Liability Repayment (years)	1		The number of years until the Escalated Tax Contributions are greater than the Escalated Infrastructure Replacement Cost.

The total taxable value for the proposed development is $5,329,561,500, which would generate approximately $92,741,619 in incremental tax revenues while TID 5 remains open, and $30,769,391 in village revenues once TID 5 closes. Once fully constructed, the project would generate an estimated $10,240,476 per acre. Over a 40-year period, the Total Revenue to Cost Ratio is projected at 80:1. This projection assumes a full buildout in year one, which is unlikely, and revenues will likely moderate with a phased construction schedule over many years. That said, the project, as presented, would likely still contribute far more tax revenue than require in adjacent public infrastructure liability and public service costs to the village.

PREPARED BY

Samuel Schultz, Community Development Director