Executive Summary

Village Board Meeting of January 26, 2026

Approval of 12023 Durand Avenue Site Plan Review; SP-25-12

BACKGROUND

The applicant submitted an updated site plan for Plan Commission review and recommendation to the Village Board. The village zoned the property Business Park (now titled General Industrial) in 2017, and the applicant purchased the property in early 2024. The Plan Commission previously reviewed and approved a preliminary site plan for the subject property in August 2024 (see SP-24-17). The Plan Commission and Village Board's approval of SP-24-17, and subsequent issuance of a grading permit by the Public Works Department, permitted Microsoft Corporation to begin mass grading on the subject property. If the Village Board approves this site plan, Microsoft Corporation may submit final civil engineering plans for review, followed by applications for building permits to start construction on the individual buildings.

The site plan shows nine data centers with a related office space, each 579,796 square feet. It also shows a 96,000 square foot office and storage building, a 265 square foot guard house, and the narrative mentions additional, minor accessory buildings. This equals approximately 5,218,164 square feet of building area across the 791.3090-acre parcel. The applicant narrative contains additional information regarding the project.

At its January 21, 2026, meeting, the Plan Commission unanimously recommended that the Village Board approve the site plan subject to the following conditions:

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.
3. The applicant shall modify the Parking and Access Plan to show multi-use pathways along Durand Avenue (S.T.H. “11”) per § 90-420.70(a).
4. 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).
5. 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.
6. 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).
7. 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.
8. 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.
9. 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 includes white, black, and bur oak forest surrounding the Kilbourn Road Ditch (WBIC 736900) and prairie for the remaining site areas.

10. 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.
11. The applicant shall modify the landscaping plan to denote the installation and maintenance procedures for all plantings and seeding areas per § 90-430.80.
12. 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.
13. 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).
14. The applicant shall modify the architectural elevations to show the guard house building and any other minor accessory building or submit them for separate site plan review. These buildings qualify for administrative site plan review per § 90-540.50(c).

Note: The applicant already began to address some of the village conditions, as shown in the site plan with the red bubbles within the packet. The staff recommend keeping all conditions above for consistency throughout this application review process.

COMPREHENSIVE PLAN

This application complies with the Comprehensive Plan, which lists the property as Business Park. The Bicycle Plan does not show any recommended improvements adjacent to the subject property. The Park and Open Space Plan shows minor, farmed wetlands within the subject property, some of which the Wisconsin Department of Natural Resources permitted the applicant to fill. It also depicts Braun Road as a corridor recommended for an enhanced bicycle facility. The Wisconsin Department of Transportation constructed an off-street multi-purpose pathway in line with this recommendation when they last reconstructed Braun Road in a multi-road reconstruction project with the village and Racine County.

LAND DIVISION

This property was created by Certified Survey Map #3625 in 2025. No other land division regulations pertain to this application.

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 that the Village Board approves the site plan subject to the recommended conditions.

FISCAL IMPACT

Cost/Benefit			
Estimated Taxable Value per Acre	$ 10,076,517		*The total Estimated Taxable Value divided by the Developed Acres.*
Estimate Net Value Per Acre	$ 10,067,638		*The total Estimated Taxable Value minus the Infrastructure Replacement Cost (NPV) divided by the Developed Acres.*
TID Open Net Revenue	$ 135,238,349		*The Tax Incremental Revenues minus the TID Open Annual Cost.*
TID Closed Net Revenue	$ 44,193,032		*The Annual Tax Contributions (NPV) minus the TID Closed Annual Cost.*
Gain/(Loss) over 40-year period	$ 7,319,703,611		*The Escalated Tax Contributions minus the Total Escalated Cost.*
TID Open Revenue to Cost Ratio	135	: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	45	: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	100	:1	*The Escalated Tax Contributions divided by the Total Escalated Cost.*
Private to Public Ratio	1,135	:1	*The Total Taxable Value divided by the Infrastructure Replacement Cost (NPV). 40:1 is net positive ratio.*

Public Liability Repayment (years)	2	*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 $7,973,638,329, which would generate approximately $136,249,581 in incremental tax revenues while TID 5 remains open, and $45,204,264 in village revenues once TID 5 closes. Once fully constructed, the project would generate an estimated $10,067,638 per acre. Over a 40-year period, the Total Revenue to Cost Ratio is projected at 100:1. 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

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