

Village Board Summary and Recommendation Sheet

Meeting Date: February 3, 2026

The Item: Discussion and Potential Action to Reject Petition for Direct Annexation by One-Half Approval of 1,572.5 Acres (MBR #14821).

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Requested Village Board Focus: Action

Summary of Issue: A Petition for Direct Annexation by One-Half Approval was submitted to the Village Clerk and received on December 29, 2025. The Village may accept or reject the annexation petition within 60 days of that filing.

If the petition is rejected, the process is stopped. If the annexation petition is accepted, then Wis. Stat §66.0217(8)(a) states that an ordinance approving the annexation may be enacted by two-thirds vote of the elected members of the governing board not less than 20 days after the publication of the notice of intention to circulate the petition and not later than 120 days after the date of filing the petition with the village clerk.

If the annexation is subject to Department of Administration review, the governing body must first review the reasons given by the department for its determination that the proposed annexation is or is not in the public interest.

In this case, the Village should accept or reject the petition before February 27, 2026. If the petition is rejected, the land subject to the annexation petition will remain in the Town of Vienna. If the petition is accepted, the Village Board would then need to vote on an annexation ordinance prior to April 28, 2026. If the 120 days pass and there is no action, then the petition fails.

Background: The current Petition for Direct Annexation was submitted to support a substantial data center campus development project proposed by QTS Data Centers (“Developer”). The Developer has also submitted applications for Comprehensive Plan Amendment and Rezoning.

In March of 2025, Staff met with representatives of the Developer (whose identity was undisclosed to the Village at the time) to understand the project scope. At the time, the Developer was in the process of determining the feasibility of the project in the area (i.e., exploring several potential locations with varying impacts on the Village of DeForest, either as the location for the development or as a location near the development and potentially providing service to the development site). Staff provided the Developer with insight into the Village’s entitlement process and requirements for connecting to Village utilities. No further action was taken by Village staff at that time.

Over the course of the next several months, Staff became aware through media releases that the Developer was seemingly moving forward with the project within the Town of Vienna. The Developer reengaged with Village Staff in late summer 2025 to confirm the Village's entitlement process and annexation steps needed to connect to the Village's water system.

On October 31, 2025, a Notice of Intent to Circulate Petition for Annexation of Territory from Town of Vienna to Village of DeForest was published by Peter E. Snyder and Alla Snyder Revocable Living Trust.

On November 12, 2025, the Vienna Town Board voted against an agreement with QTS Data Centers, formally ending QTS's exploration of development in the Town.

A Petition for Direct Annexation by One-Half Approval of 1,135 acres was submitted to the DeForest Village Clerk on November 14, 2025. Additionally, Village Staff received a Comprehensive Plan Amendment Application and a Rezoning Application limited to the land area in that petition.

On November 21, 2025, the Village received a copy of a Notice of Intent to Circulate Petition for Annexation of Territory from Town of Vienna to Village of DeForest that was published by Stewart L. Harris and Cheryl A Harris. A corresponding Petition for Direct Annexation by One-Half Approval of 435 acres was submitted to the Village Clerk on December 3, 2025.

On December 4, 2025, the Village Board rejected both annexation petitions and recommended the petitioners resubmit a single petition which would provide staff a better understanding of the full project and the ability to more efficiently review applications.

On December 12, 2025, a new Notice of Intent to Circulate Petition for Annexation of Territory from Town of Vienna to Village of DeForest of 1,572.5 acres was published by Peter E. Snyder and Alla Snyder Revocable Living Trust. The annexation petition for the same properties was filed with the Village on December 29, 2025.

Upon learning the Developer was serious about annexing to the Village of DeForest and following receipt of its complete applications for Comprehensive Plan Amendment and Rezoning, Staff was intentional about putting together a deliberate review process that sought to incorporate technical expertise alongside public input.

Because decision-making on the annexation petition and the Comprehensive Plan amendment allow for wide discretion by the Village Board and Planning and Zoning Commission, Staff felt it critical to get a complete picture of the project in advance of action on either item. It was illogical to have either the annexation, the Comprehensive Plan amendment, and, subsequently, the Rezoning of land, be potentially approved without approval of the other items as well. A rejection of one of these items would, likewise, also indicate a rejection of the other items. The information informing one of these decisions would also serve to inform the others.

For example, as the Planning and Zoning Commission receives and reviews land use, site plan, and environmental impacts, that information is also important for the Village Board to consider while negotiating a Pre-Annexation Agreement. Hence, if there is land use regulation or concern that goes above and beyond what the Village ordinance requires, but is desired by the Village, the Village can then negotiate the regulation into the agreement. Similarly, we anticipated that the Planning and Zoning Commission members may want to better understand how the Village Board proposes to address certain topics related to the development that may not directly fall within the authority of the Planning and Zoning Commission.

The timeframe laid out in December was intended to provide several opportunities for the Village Board, Planning and Zoning Commissioners, and the public to hear about the subject matter and comment on the specific impacts. The timeline proposed was as follows:

December 16

- Village Board: Introducing Pre-Annexation Agreement

January 6

- Village Board: Subject matter - Finance/Taxes

January 20

- Work Session: Subject matter – PSC Process and Electric Transmission/Generation
- Village Board: Subject matter - Village Utility Impacts

January 27

- Planning and Zoning Commission Meeting: Presentation of Full Concept Plan
(Concept plan presentation was postponed by Developer)

February 3

- Work Session: Subject matter – DASD Finance and Tax Impact Presentation
- Village Board: Subject matter – Land Use and Environmental Impacts

February 9

- Planning and Zoning Commission: Public Hearing for Comprehensive Plan and Rezoning

February 19

- Village Board: Subject matter – Public Safety, Pre-Annexation Agreement

February 24

- Consider Recommendation of Comprehensive Plan Amendments
- Consider Recommendation of Rezoning
- Consider Recommendation of Application to CARPC

March 3

- Consider Pre-Annexation Agreement
- Consider Annexation Petition
- Consider Comprehensive Plan Amendment
- Consider Rezoning
- Consider Resolution to approve Application to CARPC

On January 6, 2026, the Wisconsin Department of Administration (“DOA”) completed its review of the annexation petition and rendered a finding of “Against Public Interest.” The DOA based its finding solely on the property’s inclusion, or lack thereof, in the Urban Service Area stating,

“The Department notes that at this time, the entire proposed annexation territory remains outside of the Village of DeForest’s approved sewer service area as shown by the attached map (Exhibit A). This means that provision of these key municipal services first requires application for a sewer service area amendment through Capital Area Regional Planning Commission and the Wisconsin Department of Natural Resources. Wisconsin Stat. § 66.0821 limits provision of municipal sewer services to State approved sewer service area plans. Given the size of the annexation territory, its location outside the approved sewer service area, and the remaining steps necessary to make provision of services feasible, the Department believes the petition does not adequately address this statutory consideration in its current form.”

This criterion represents a significant shift from previous DOA public interest determinations and was unknown to staff and the petitioners at the time of filing. In fact, DOA has recently (as recently as February 2025) found other annexations to DeForest, that were not in the Urban Service Area (“USA”), to be in the “Public Interest.”

Recommendation (including rationale): Staff recommends that the Village Board reject the Petition for Direct Annexation by One-Half Approval for 1,572.5 acres that was submitted to the Village Clerk and received on December 29, 2025.

The rationale for Staff’s recommendation at this time is twofold. First, the intent and purpose of the Pre-Annexation Agreement is to provide guardrails and protections for the Village and its residents. While staff were able to lock several protections into drafts, there were other Village requirements that have fallen short during negotiations. For example, a request for 70% of

energy used on the site to be sourced from renewable energy. Since negotiations have stalled, we do not know if QTS would have been able to commit to that level of renewables, but we assume this was a tall order. We believe this and other items would prevent concurrence on a comprehensive agreement and set of regulations.

Second, it became clear that Village Board sentiment was not in favor of continued exploration of the proposed development and its potential impacts. Rather than continue spending staff time and Village resources to complete the outlined review process, it makes sense to consider the annexation petition at this point.

Anticipated Next Steps: The Developer has requested to withdraw its applications for Comprehensive Plan Amendment and Rezoning. The remaining public hearings and meetings related to those applications will be cancelled.

Upon rejecting the annexation petition, no further action is necessary from the Village Board. The Pre-Annexation agreement technically dies in negotiation.