COMMENTS FROM APPLE

From:	<u>Alexis Wagner</u>
To:	<u>Alexis Wagner</u>
Subject:	FW: Mesa Data Center Feedback Form
Date:	Tuesday, June 24, 2025 9:55:20 AM
Attachments:	image001.png

From: Stuart Goodman <<u>sgoodman@goodmanschwartz.com</u>>
Sent: Monday, June 23, 2025 1:55 PM
To: Rachel Phillips <<u>Rachel.Phillips@MesaAZ.gov</u>>
Cc: Scott Butler <<u>Scott.Butler@MesaAZ.gov</u>>; Jaye O'Donnell <Jaye.O'Donnell@MesaAZ.gov>; Nana Appiah <<u>Nana.Appiah@mesaaz.gov</u>>; Mary Kopaskie-Brown <<u>Mary.Kopaskie-Brown@mesaaz.gov</u>>
Subject: Re: Mesa Data Center Feedback Form

This Message Is From an External Sender		
Use caution when clicking links, attachments, or responding to information reque	ests.	_
	Report Suspicious	?

Rachel,

Thank you for the note. I believe Apple likely had been reviewing an earlier draft.

Accordingly, Apple is currently satisfied with the provision you referenced in your email.

Thank you for your patience and consideration.

Stuart

Stuart Goodman Goodman Schwartz Public Affairs 3300 North Central Avenue, Suite 1130 Phoenix, Arizona 85012

602-277-0911 Office 602-277-3506 Facsimile 602-617-5708 Mobile

sgoodman@goodmanschwartz.com

www.goodmanschwartz.com

*Our new address is 3300 N. Central Ave. Suite1130 Phoenix, AZ 85012. Please update your records.

GOODMAN • SCHWARTZ

On Jun 22, 2025, at 7:11 AM, Rachel Phillips <<u>Rachel.Phillips@MesaAZ.gov</u>> wrote:

Hi Stuart,

Attached is the draft ordinance. Section 14 contains language very similar to what is proposed below clarifying that Eastmark is not subject to Section 11-31-36.

Staff is happy to meet to discuss the proposed amendments if you have any questions or would like to discuss how the text amendments apply to Apple.

Best Regards, Rachel

Rachel Phillips, AICP Assistant Planning Director 480-644-2762 Rachel.Phillips@MesaAZ.gov

<image001.png>

From: Stuart Goodman <<u>sgoodman@goodmanschwartz.com</u>>
Sent: Friday, June 20, 2025 1:56 PM
To: Rachel Phillips <<u>Rachel.Phillips@MesaAZ.gov</u>>
Cc: Scott Butler <<u>Scott.J.Butler@mesaaz.gov</u>>; Jaye O'Donnell
<<u>Jaye.O'Donnell@MesaAZ.gov</u>>
Subject: Re: Mesa Data Center Feedback Form

Rachel,

Thank you for your response to my comments relating to the proposed data center ordinance.

While I appreciate the technical approach to your recommendation, Apple

continues to have concerns about future interpretations of the ordinance and the corresponding uncertainty that brings to decision making about growth, expansion and other enhancements within or adjacent to the existing facility.

Given your comments about Eastmark, it would be Apple's preference to have ordinance include the following provision:

"Data centers located within the Eastmark (Mesa Proving Grounds) Planned Community will not be required to comply with Section 11-31-36 of the Zoning Ordinance." If too broad, perhaps have the above language apply to existing data centers operating in Eastmark prior to the adoption of the proposed ordinance as way to further narrow the applicability.

Thank you, in advance, for your consideration. I look forward to working with you to find a solution that is satisfactory to all parties.

Stuart

Stuart Goodman Goodman Schwartz Public Affairs 3300 North Central Avenue, Suite 1130 Phoenix, Arizona 85012

602-277-0911 Office 602-277-3506 Facsimile 602-617-5708 Mobile

sgoodman@goodmanschwartz.com

www.goodmanschwartz.com

*Our new address is 3300 N. Central Ave. Suite1130 Phoenix, AZ 85012. Please update your records.

<image002.png>

On Jun 17, 2025, at 4:10 PM, Rachel Phillips

<<u>Rachel.Phillips@MesaAZ.gov</u>> wrote:

Mr. Goodman,

The City of Mesa's Planning Division received your comments on the proposed Data Center and PAD text amendments. I know we haven't had the chance to talk and I'm not sure if you reached out to other City staff previously, but I wanted to respond to your comments and provide some insight on how the amendments would affect Apple.

Current Entitlements: Your client is within the Eastmark Community and zoned PC. The Eastmark Community Plan established the development standards applicable within the Eastmark Community. Data centers located within the Eastmark (Mesa Proving Grounds) Planned Community will not be required to comply with Section 11-31-36 of the Zoning Ordinance. Your client may want to submit a Waiver to address land use rights so that if any modification was proposed they would follow the same process as today rather than the new land use requirements which require approval of a PAD.

Site Plan Modification Review: If a waiver is submitted, any future modification to the approved plans would be in accordance with the process outlined in the Eastmark Community Plan. The amendment process can be found in Section 6.1(I) of the Eastmark Community Plan.

Please let me know if you have any questions.

Best Regards, Rachel

Rachel Phillips, AICP Assistant Planning Director 480-644-2762 <u>Rachel.Phillips@MesaAZ.gov</u>

<image003.png>

<Exhibit 1 - Data Center and PAD Ordinance.pdf>

ARIZONA TECHNOLOGY COUNCIL

From:	Rachel Phillips
То:	Cepand Alizadeh; Mary Kopaskie-Brown
Cc:	Alexis Wagner
Subject:	RE: Mesa Zoning Ordinance Amendments and Data Centers
Date:	Monday, June 23, 2025 3:28:01 PM
Attachments:	image001.png
	image002.png
	image003.png
	image004.png
	image005.png
	image006.png

Cepand,

Thank you for providing feedback on the proposed text amendments. I wanted to take a minute to respond to some of the points mentioned in your letter to clarify some points or notify you of proposed revisions. See responses in <u>blue</u> below.

1. Zoning Districts

Limiting data centers to only General Industrial (GI) and Heavy Industrial (HI) zoning districts is unnecessarily restrictive, especially given that less than 1% of land in Mesa falls under these designations. We strongly recommend allowing Light Industrial (LI) zoning as well. Data centers are low-impact, clean facilities with operations far more compatible with LI uses than traditional HI activities. GI & HI account for approximately 4.2% of the land in Mesa. If a waiver is submitted, a data center would be permitted in zoning districts - including the LI District - that currently permit Indoor Warehousing and Storage.

2. Parking Standards

The proposed standard of one space per 1,000 square feet does not reflect the operational realities of data centers. A more effective and context-sensitive approach would be to allow a project-specific traffic impact analysis to determine parking needs based on projected trip generation during both construction and operation. Overbuilt parking not only wastes space but also contributes to urban heat and reduced landscaping potential. The measurement aligns with the typical deviations and requests seen from data centers and accounts for ancillary uses, such as associated office space with additional employees. Based on additional research, and input from stakeholders, the text amendments now include: 1/5,000 SF for the first 200,000 SF and 1/10,000 SF thereafter.

3. Building Height

We recommend the Planning Director be granted discretion to approve limited exceptions to the 60foot height limit where appropriate. Additionally, mechanical equipment and necessary noise mitigation features, such as generator exhaust stacks and walls, should be exempt from height restrictions, making them consistent with allowances made for other industrial uses. Flexibility is essential to meet evolving technological and environmental standards. The maximum building height in the LI District is 40 feet and 50 feet in the GI and HI Districts. The proposed maximum is above the base standard and would require approval of a deviation through a PAD Overlay District.

4. Setback Requirements

A 400-foot setback is excessive and not grounded in data center-specific impact analysis. We

suggest a more reasonable 50-foot buffer beyond base zoning that is paired with robust screening and sound attenuation strategies. This strikes an improved balance between mitigating community impact and enabling site feasibility. The text amendments do not include a 400 foot setback, but a 400 foot separation requirement from residential uses (and other sensitive receptors). Because the data center/associated equipment produce noise, exhaust, and heat, this mitigates potential impacts on these uses. This is in line with other municipalities.

Mariana requires 400 feet from residential and 100 feet from non-residential uses.

Tempe is proposing 500 feet from residential uses.

Phoenix is proposing 150 feet from residential and additional standards when within 300 feet.

5. Noise Regulations

The proposed ambient noise condition regulations risk singling out data centers unfairly. Noise regulation should be based on decibel levels and be consistent across use categories. Treating data centers differently than similar entities creates inequities that hinder otherwise beneficial development. The proposed amendments require that the baseline noise level at the nearest residential property line not be increased by the data center operations. This baseline level could be very different depending on the context (e.g. adjacent to an arterial roadway). Therefore this ensures that existing conditions are maintained.

Please feel free to reach out if you have any questions.

Best Regards, Rachel

Rachel Phillips, AICP Assistant Planning Director 480-644-2762 Rachel.Phillips@MesaAZ.gov



From: Cepand Alizadeh <CAlizadeh@aztechcouncil.org>
Sent: Monday, June 23, 2025 10:56 AM
To: Mary Kopaskie-Brown <mary.kopaskie-brown@mesaaz.gov>; Rachel Phillips
<rachel.phillips@mesaaz.gov>
Subject: Mesa Zoning Ordinance Amendments and Data Centers

This Message Is From an External Sender		
Use caution when clicking links, attachments, or responding to information reque	ests.	
	Report Suspicious	?
	!	3

Good morning,

My name is Cepand Alizadeh and I am the Government Relations Specialist for the Arizona Technology Council.

Attached, please find a letter from the Arizona Technology Council regarding the City of Mesa's proposed zoning ordinance text amendments affecting data center development. Given Mesa's pivotal role as a national leader in this sector, we respectfully request your consideration of a roundtable discussion with industry partners to ensure that future policies are both effective and economically sustainable.

Thank you for your time and your department's extraordinary work revising the City of Mesa's zoning ordinance.

Sincerely, Cepand Alizadeh

cepand alizadeh, esq. government relations specialist



arizona technology council 2800 n. central ave • suite 1530 • phoenix, az 85004 c. 703.655.4258



Mission: To empower innovators who drive impact that positively transforms the world. **Vision:** Advance Arizona as a preferred technology ecosystem for purpose-driven innovators globally.

Purpose: Catalyzing technology Innovators to accelerate Arizona's global impact.

MESA CHAMBER



The Honorable Mark Freeman and Mesa City Council Mesa City Hall 20 E. Main Street Mesa, Arizona 85201

Mayor Freeman and members of the council:

On behalf of the Mesa Chamber of Commerce and its Board of Directors, I am writing to request that the City of Mesa slow the progress of its proposed data center ordinance. It is currently scheduled for council consideration on July 8. The Mesa Chamber is asking that the City wait until after the summer council break.

As drafted, the current ordinance has the potential to significantly impact one of Mesa's most important industries. While public comment has been afforded the data center community, the complex issues surrounding the practical application of the proposed ordinance require further explanation and scrutiny. The impact on City electricity, sales tax revenue, and school district tax base are only a few of the factors that deserve deeper consideration. As drafted, the ordinance will have an impact on economic development in Mesa in the near and far term.

The message does not mean that the Mesa Chamber is opposing or supporting the data center ordinance. Your business community is asking that you simply slow down the process and make thorough, data-driven decisions.

Mesa is home to companies and an overall business environment that other communities envy. There are far too many reasons to get this ordinance right rather than done quickly.

Sincerely,

Shannon Heinze Chair Mesa Chamber of Commerce



The Mesa Chamber of Commerce is the recognized resource and celebrated leader for the Mesa business community.

Mission:

The Mesa Chamber of Commerce exists to Improve, Promote and Advocate for business in Mesa.

Core Values:

The Mesa Chamber of Commerce's core values are Integrity, Leadership, Advocacy, Innovation, Service and Fun.

Staff Sally Harrison, President

Theresa DiBona Terrie Gardner Trish Heiden Mayra Leon Sanchez Jaydelisse Morales Bob Nelson Susan Tychman Nancy Velez Shauna Zuniga

EASTMARK

From:	Rachel Phillips
То:	Jill Kusy Hegardt; Mary Kopaskie-Brown
Cc:	Eric Tune (Eric.Tune@brookfieldrp.com); Alexis Wagner
Subject:	RE: [External] RE: Eastmark - Data Center Ordinance
Date:	Tuesday, June 24, 2025 9:46:15 AM
Attachments:	image001.png
	image002.png
	image003.png

Jill,

Yes, what you described below is correct. The Waivers are not discretionary, if the owner has a valid claim under ARS 12-1134 and the request for a Waiver meets all the requirements in Section 12 of the Data Center Ordinance, the Waiver will be granted.

Best Regards, Rachel

From: Jill Kusy Hegardt <jhegardt@dmbinc.com>

Sent: Tuesday, June 24, 2025 9:35 AM

To: Rachel Phillips <Rachel.Phillips@MesaAZ.gov>; Mary Kopaskie-Brown <Mary.Kopaskie-

Brown@mesaaz.gov>

Cc: Eric Tune (Eric.Tune@brookfieldrp.com) <Eric.Tune@brookfieldrp.com>; Alexis Wagner <Alexis.Wagner@MesaAZ.gov>

Subject: RE: [External] RE: Eastmark - Data Center Ordinance

This Message Is From an External Sender		
Use caution when clicking links, attachments, or responding to information reque	ests.	_
	<u>Report Suspicious</u>	?

Thanks Rachel,

So just to be clear, for example, a vacant parcel with the Regional Campus LUG denoted in the DUP, could develop a data center in Eastmark as long as they get the Waiver. Is that right? Will the waivers be automatically granted?

Jill



Jill Hegardt Senior Vice President 6263 North Scottsdale Road, Ste 330 | Scottsdale AZ 85250-5417 T 480-367-7000 | C 480-415-7780 | jhegardt@dmbinc.com Sent: Tuesday, June 24, 2025 9:27 AM
To: Mary Kopaskie-Brown <<u>Mary.Kopaskie-Brown@mesaaz.gov</u>>; Jill Kusy Hegardt
<<u>ihegardt@dmbinc.com</u>>
Cc: Eric Tune (<u>Eric.Tune@brookfieldrp.com</u>) <<u>Eric.Tune@brookfieldrp.com</u>>; Alexis Wagner
<<u>Alexis.Wagner@MesaAZ.gov</u>>
Subject: [External] RE: Eastmark - Data Center Ordinance

Hi Jill,

The Waiver only applies to the land use regulations and would allow a property owner to develop their parcel through current processes as if it were still considered Indoor Warehousing and Storage, which is a permitted use in the Employment Districts and the Village, District, Regional Center/Campus, and Urban Core LUGs within the Eastmark Community Plan.

If a property owner did not submit a Waiver they would be subject to the new (proposed) land use regulations which define Data Centers as its own use and require a Planned area Development. Specific to Eastmark, if a Waiver was not submitted, it wouldn't be a permitted use since it is not listed in the land use charts within the Eastmark Community Plan and will no longer be interpreted as Indoor Warehousing and Storage.

Section 14 of the Ordinance was just added as a courtesy to provide greater visibility and assurance that Eastmark is not subject to the development standards in the MZO and the proposed data center development standards.

Please let me know if you have any questions.

Best Regards, Rachel

Rachel Phillips, AICP Assistant Planning Director 480-644-2762 Rachel.Phillips@MesaAZ.gov



To: Jill Kusy Hegardt <<u>jhegardt@dmbinc.com</u>>

Cc: Eric Tune (<u>Eric.Tune@brookfieldrp.com</u>) <<u>Eric.Tune@brookfieldrp.com</u>>; Rachel Phillips <<u>Rachel.Phillips@MesaAZ.gov</u>>

Subject: RE: Eastmark - Data Center Ordinance

Hi Jill

I am going to ask Rachel to weigh in on some of your questions:

- In looking at the ordinance Section 14: (below), it says that Eastmark PC is not required to comply with Section 11-31-36 (which are the proposed regulations). This makes perfect sense to me since our PC and CP spell out the general development standards for Eastmark which replace the regulations in the ordinance. So, we are good there and assume none of it applies to Eastmark. The confusion is in Section 14 where it talks about a binding waiver for certain data centers. My question is if the regulations are not applicable to Eastmark, then why would you specific the ability to ask for a binding waiver?
 - Rachel could you respond?
- The text references an interpretation is that in reference to the one you did for Amazon?
 - No this is in reference to the interpretation for data center classification: <u>data-centers-</u> <u>land-use-classification.pdf</u>

Thank you for reaching out!

Mary Kopaskie-Brown, AICP, OPPI, CIP Planning Director City of Mesa 480-644-3850 <u>mary.kopaskie-brown@mesaaz.gov</u> M-Th (7am to 6pm) – Closed Holidays and Fridays

The City of Mesa is located on the traditional lands of the O'Odham (Pima) and the Piipaash (Maricopa).



From: Jill Kusy Hegardt <<u>jhegardt@dmbinc.com</u>>
Sent: Tuesday, June 24, 2025 7:37 AM
To: Mary Kopaskie-Brown <<u>mary.kopaskie-brown@mesaaz.gov</u>>
Cc: Eric Tune (<u>Eric.Tune@brookfieldrp.com</u>) <<u>Eric.Tune@brookfieldrp.com</u>>
Subject: Eastmark - Data Center Ordinance

Hi Mary,

We were looking at the proposed data center ordinance, I had a a question about one part that seems to be contradictory. In looking at the ordinance – Section 14: (below), it says that Eastmark PC is not required to comply with Section 11-31-36 (which are the proposed regulations). This make perfect sense to me since our PC and CP spell out the general development standards for Eastmark which replace the regulations in the ordinance. So we are good there and assume none of it applies to Eastmark. The confusion is in Section 14 where it talks about a binding waiver for certain data centers. My question is if the regulations are not applicable to Eastmark, then why would you specific the ability to ask for a binding waiver? Further on, the text references an interpretation – is that in reference to the one you did for Amazon? We are confused and not certain what the implications are for Eastmark. Can you please provide us with a response as we are unsure if this is an issue or not.

Thanks! Jill

Section 14: DATA CENTERS IN EASTMARK. As set forth in the adopted Community Plan for Eastmark (Mesa Proving Grounds) in effect on the effective date of this Ordinance, data centers located within the Eastmark (Mesa Proving Grounds) Planned Community are not required to comply with Section 11-31-36 of the Zoning Ordinance.

Section 12: (excerpt) <u>A waiver may only be requested by an owner who owned a specific parcel on</u> <u>the effective date of this Ordinance and the specific parcel was</u>: (1) zoned Planned Employment Park (PEP), Light Industrial (LI), General Industrial (GI), Heavy Industrial (HI), or Downtown Business-2 (DB-2); or (2) <u>located within the Eastmark (Mesa Proving Grounds) Planned Community and had an</u> <u>identified Land Use Group (LUG) of Village, District, Regional Center/Campus, or Urban Core.</u> A waiver may not be requested by an owner who owned a specific parcel before or after the effective date of this Ordinance, but who did not own the specific parcel on the effective date of this Ordinance.



Jill Hegardt

Senior Vice President 6263 North Scottsdale Road, Ste 330 | Scottsdale AZ 85250-5417 **T** 480-367-7000 | **C** 480-415-7780 | <u>jhegardt@dmbinc.com</u>

JLL



June 20th, 2025

The City of Mesa

Long Range Planning 55 N. Center St. Mesa, AZ 85201

RE: Planned Data Center Zoning Ordinance Amendment 2025

Dear Recipient,

On behalf of Jones Lang LaSalle and our Data Center team, we respectfully request increased stakeholder involvement before the City of Mesa finalizes the Zoning Ordinance Amendment affecting data centers. While we support appropriate zoning evolution, the current proposal contains provisions that could significantly impair data center developments within Mesa that drive the city and its community forward.

We believe a more collaborative approach would yield regulations that balance community interests with the continued growth of this vital technology infrastructure. The data center industry brings substantial economic benefits to Mesa, including job creation, tax revenue, technological advancements that support many other local businesses, investment to power infrastructure upgrades, utility revenue, "Tech-forward" reputation and so on.

We welcome the opportunity to participate in focused discussions with city planners and other stakeholders to address specific concerns while preserving Mesa's competitive position in this critical sector.

Mesa's Position as a Strategic Data Center Hub

Data Center Industry Context Metro Phoenix, including Mesa, has emerged as one of the nation's top data center hubs, alongside Northern Virginia, Atlanta, Dallas, Chicago, Silicon Valley, and Austin—representing our peer competition for technology investment, companies, and talent.

Mesa's Success and Economic Impact Mesa has attracted world-class data center investments from Apple, Meta, Google, AWS, NTT, Edgecore, Novva, and Cyrus One, contributing to the \$10+ billion in completed or under-construction data center investments across Metro Phoenix. These developments have catalyzed manufacturing growth through companies like Air2O, Xnrgy, Apex, and expansions by UMP, Silentaire, and GTI.

T +1 602 282 6300 **W** jll.com



Economic Benefits In 2023 alone, Arizona's data center industry:

- Generated \$863 million in state and local tax revenues
- Directly created 14,430 jobs contributing \$6.2 billion to labor income
- Supported a total of 81,730 jobs when including indirect and induced effects
- Developed a specialized construction workforce shared with projects like TSMC

Key Concerns with the Proposed Ordinance:

- 1. **Zoning Restrictions (Section 2):** Limiting data centers to GI and HI zones is excessively restrictive, as less than 1% of Mesa property is zoned G1 & H1, with an uncertain waiver process.
- 2. **Parking Requirements (Section 5**): One space per 1,000 gsf vastly exceeds actual needs, contributing unnecessarily to heat island effects and wasteful land use.
- 3. **Setback Requirements (F.2**): Proposed setbacks are excessive, especially given the inclusion of screening and other mitigation measures.
- 4. **Height Restrictions (F.3):** Height limits are overly restrictive compared to allowances in other industrial and employment districts.
- 5. Architectural Requirements (F.5): Design requirements exceed what's appropriate and are inconsistent with underlying zoning.
- 6. Acoustic Standards: Testing processes lack clarity and specificity.

We appreciate your willingness to reconsider this text amendment language for the mutual benefit of the City of Mesa and the data center community. We remain available should you have any questions or require additional information regarding this matter.

T +1 602 282 6300 **W** jll.com



Sincerely,

Mark Bauer Vice Chairman

MARK Bauer

Valeria Galindo Associate Carl Beardsley Senior Managing Director

Clark Bauer Senior Vice President

Bridgette Kiefer Sales Coordinator

T +1 602 282 6300 **W** jll.com

SCHWOB ACOUSTICS



20 June 2025

Rachel Phillips Assistant Planning Director City of Mesa Planning Department 55 N. Center St. Mesa, AZ 85201

Subject: Mesa Arizona Data Center Code

Rachel:

We have reviewed the proposed amendment code Section 11-31-36: Data Centers with respect to community noise requirements. Considering the practicality of acoustical analysis and measurement and the best interest of residences we have the following recommendations.

F Development Standards, 4 Building Placement and Design, c Building Design Based on Sound Study, Part i reads:

Based on the results of the initial sound study, the Data Center shall be designed and built to incorporate sound mitigation methods sufficient to prevent the sound levels emanating from the Data Center (as determined by a third-party acoustic engineer) from exceeding the ambient noise levels at the property line of the nearest residential zoning district, residential use, or other sensitive use as determined by the Planning Director that were observed in the baseline study.

We recommend that this section reads:

Based on the results of the initial sound study, the Data Center shall be designed and built to incorporate sound mitigation methods sufficient to prevent the sound levels emanating from the Data Center from exceeding the ambient noise levels at the property line of the nearest residential zoning district, residential use, or other sensitive use as determined by the Planning Director that were observed in the baseline study by more than 5 dB in each octave band from 31.5 to 8,000 Hz. The sound study shall be conducted by a third-party acoustical firm who is a member of the National Council of Acoustical Consultants.

F Development Standards, 8 Mechanical Equipment, a Screening limits the screening to

i. Integrated into the building architecture and screened by a wall that appears as a natural extension of the building.

ii. With a solid masonry wall at least eight (8) feet in height or tall enough to fully screen the tallest piece of equipment.

Page 2 of 3 Rachel Phillips 20 June 2025

There are many systems and materials that can be used to provide a visual and acoustic barrier. This section appears to be unnecessarily restrictive regarding the means and methods of screening.

G Operational Requirements, 2 Sound Study at Certificate of Occupancy or Certificate of Completion Stage, Part b reads:

The study shall document noise levels emanating from the Data Center measured at the property line of the nearest residential zoning district, residential use, or other sensitive uses as reasonably determined by the Planning Director, during peak routine operation of the Data Center mechanical equipment.

We recommend that this section reads:

The study shall document noise levels emanating from the Data Center measured at the property line of the nearest residential zoning district, residential use, or other sensitive uses as reasonably determined by the Planning Director, during peak routine operation of the Data Center mechanical equipment relative to the current ambient noise level. The sound pressure levels measured during peak routine operation shall not exceed the current ambient by more than 5 dB in each octave band from 31.5 to 8,000 Hz. The sound study shall be conducted by a third-party acoustical firm who is a member of the National Council of Acoustical Consultants.

G Operational Requirements, 3 Annual Sound Study Required, Part b reads:

The study shall document noise levels emanating from the Data Center as measured at the property line of the nearest residential zoning district, residential use, or other sensitive uses as reasonably determined by the Planning Director.

We recommend that this section reads:

The study shall document noise levels emanating from the Data Center measured at the property line of the nearest residential zoning district, residential use, or other sensitive uses as reasonably determined by the Planning Director, during peak routine operation of the Data Center mechanical equipment relative to the current ambient noise level. The sound pressure levels measured during peak routine operation shall not exceed the current ambient by more than 5 dB in each octave band from 31.5 to 8,000 Hz. The sound study shall be conducted by a third-party acoustical firm who is a member of the National Council of Acoustical Consultants.

Thank you for considering these recommendations. I urge you to allow more time to ensure staff and stakeholders can collaborate for the best interests of all involved. If you have any questions and require further information, please do not hesitate to contact me. Page 3 of 3 Rachel Phillips 20 June 2025

Sincerely, Schwob Acoustics, Inc.

Michael Schuck

Michael A. Schwob, PhD, PE President

MISSION CRITICAL

Tim M White CEM, CBCP, CSDP 9079 East Paradise Drive Scottsdale, Arizona 85260 timothymartinwhite@gmail.com

June 23, 2025

Re:Data Center Ordinance-Amendments to Chapters 6,7,21,22,32 & 86

To:

<u>Mayor & City Council</u> Mayor Mark Freeman – mayor@mesaaz.gov Scott Somers – district6@mesaaz.gov Rich Adams – district1@mesaaz.gov Julie Spilsbury – district2@mesaaz.gov Francisco Heredia – district3@mesaaz.gov Jenn Duff – district4@mesaaz.gov Alicia Goforth – district5@mesaaz.gov

<u>Staff & Planning Contacts</u> Scott Butler – scott.j.butler@mesaaz.gov Evan Balmer – evan.balmer@mesaaz.gov Nana Appiah – nana.appiah@mesaaz.gov Mary Kopaskie-Brown – mary.kopaskie-brown@mesaaz.gov Rachel Phillips – rachel.phillips@mesaaz.gov

Dear City of Mesa Leaders,

I have been working in the Mission-Critical environment starting in 1996 when I built my first data center here in AZ. As a member of the Arizona Data Center Alliance, I oppose the thoughts within the amendments about what is being proposed.

Why this matters:

-\$10B+ in investment already made in Arizona's data center ecosystem. --Home to facilities by Apple, Meta, Google, AWS, NTT, CyrusOne, Edgecore, and more.

--The current proposal limits data centers to less than 1% of Mesa's land. --Unreasonable parking requirements and excessive restrictions on height, design, and acoustics would halt future growth. --Data centers generated \$863M in tax revenue and over 81,000 total jobs in Arizona in 2023 alone.

--Our industry has given back over \$75,000 in STEM support across K-12, college, and first responder programs just this past year.

Mesa should continue to embrace,not restrict,innovation and economic development.

Sincerely,

Tim M White

AECOM HUNT

Hunt Construction Group, Inc. An AECOM Company 7720 North 16th Street, Suite 100 Phoenix, AZ 85020 <u>www.aecom.com</u> www.huntconstructiongroup.com 602 225 9500 tel 602 230 8590 fax

June 17, 2025

City of Mesa 20 E Main Street Mesa, AZ 85201

Attention: Mark Freeman

RE: Data Center proposed ordinance / text amendments

Dear Mark,

The intent of this letter is to communicate my concern regarding the recent conversations regarding data center development in the city of Mesa. I applaud the effort and concern pertaining to analyzing, reviewing and possibly modifying the City of Mesa's approach. With that said, I believe that additional conversations with the industry participants would be beneficial prior to making final decisions. I understand compatibility and impacts are the principal concerns held by the city.

I feel there are many questions that need to be answered and solutions that may not have yet come to light. I believe taking some additional time and conducting a bit more research may be a strong option. Exposure to different opinions would be valuable in this process prior to generating anything final. I do not believe the data center community disagrees that there is work to be done, however, there are already very animated groups in reaction to some of the current verbiage. As you know, some items are perceived as vague or possibly too restrictive.

I would also offer the following positive effects delivered by the data center community:

- Jobs The AZ data center industry created over 14,000 jobs, contributing \$6.2B to labor income in 2023.
- **Tax revenue** The data center industry generated \$863M in local and state tax revenue.
- Economic Development There are \$10B invested in data centers that are inprogress or complete. Mesa has a respectable amount of these investments.
- **Data Center Hub** The Greater Phoenix area is a top metro for technology investments (TSMC, Intel, etc.) and the Data Center investments that are in that category. We compete with other metro areas for companies, resources, talent, etc. It's beneficial to have the attraction that comes with our standing.
- AZ Stem AZ Data Center organizations contribute to various STEM programs (scholarships, etc.).

Thank you for your attention, consideration and continued efforts in helping find the best solutions. Mesa is a wonderful city, and we believe we can find a best path forward through collaboration openness to ideas. Thank you.

Pete Melucci Vice President – Mission Critical Aecom Hunt DPR

From:	Nathan Lentz
То:	Rachel Phillips; Evan Balmer
Cc:	<u>Mayor; District 6; District 1; District 2; District 3; District 4; District 5; Scott Butler; Nana Appiah; Mary Kopaskie-</u> Brown; Thomas Maples; Alexis Wagner
Subject:	RE: DPR Comments for City of Mesa
Date:	Tuesday, June 24, 2025 6:37:29 AM
Attachments:	image001.png

This Message Is From an External Sender

Use caution when clicking links, attachments, or responding to information requests.

Report Suspicious

Rachel,

Thank you for your response and further clarification.

Best,

Nathan

Nathan Lentz | DPR Construction 222 North 44th Street | Phoenix, AZ | 85034 o: 602-808-0500 | m: 602-819-8399 DPR Exists to Build Great Things. [®]

From: Rachel Phillips <rachel.phillips@mesaaz.gov>

Sent: Monday, June 23, 2025 5:17 PM

To: Nathan Lentz <nathanl@dpr.com>; Evan Balmer <Evan.Balmer@MesaAZ.gov>

Cc: Mayor <Mayor@MesaAZ.gov>; District 6 <District62@MesaAZ.gov>; District 1

<District1@MesaAZ.gov>; District 2 <District2@MesaAZ.gov>; District 3 <District3@MesaAZ.gov>;

District 4 <District4@MesaAZ.gov>; District 5 <District5@MesaAZ.gov>; Scott Butler

<Scott.Butler@MesaAZ.gov>; Nana Appiah <Nana.Appiah@mesaaz.gov>; Mary Kopaskie-Brown <Mary.Kopaskie-Brown@mesaaz.gov>; Thomas Maples <thomasm@dpr.com>; Alexis Wagner

<Alexis.Wagner@MesaAZ.gov> Subject: RE: DPR Comments for City of Mesa

Mr. Lentz,

Thank you for taking the time to review the proposed Data Center and PAD text amendments. Your comments will be added to the public record and shared with the Planning & Zoning Board.

Several of the points you raised echo questions we have heard from other stakeholders. I've included our responses and a few clarifications in <u>blue</u> below for your reference.

- Acoustic Standards and Testing The proposed standards and methodologies are unclear and may lead to inconsistent enforcement or unintended limitations on development. The proposed amendments require that the baseline noise level at the nearest residential property line not be increased by the data center operations. This baseline level could be very different depending on the context (e.g. adjacent to an arterial roadway). Therefore, this ensures that existing conditions are maintained.
- Section 2 (Zoning Restrictions) Limiting data centers to GI and HI zoning, which comprises less than 1% of Mesa's land, is overly restrictive and places undue pressure on limited sites. The waiver process provides no certainty for applicants. GI & HI account for approximately 4.2% of the land in Mesa. If a waiver is submitted, a data center would be permitted in zoning districts including the LI District that currently permit Indoor Warehousing and Storage. If the owner has a valid claim under ARS 12-1134 and the request for a waiver meets all the requirements in Section 12 of the data center ordinance, the waiver will be granted.
- Section 5 (Parking Requirements) The requirements still exceed operational needs for data centers, contributing to unnecessary heat island effects and underutilized asphalt areas. The measurement aligns with the typical deviations and requests seen from data centers and accounts for ancillary uses, such as associated office space with additional employees. Based on additional research, and input from stakeholders, the text amendments now include: 1/5,000 SF for the first 200,000 SF and 1/10,000 SF thereafter.
- A.1 (Accessory Use Definition) The accessory use definition is too narrow and does not reflect the operational flexibility required for modern facilities. The text amendments ensure that the use remains ancillary to the main function of a use that is not considered a data center. In preparing the text amendments, staff reviewed Chandler's adopted ordinance and Phoenix's on-going ordinance to align the criteria for accessory uses. Public feedback emphasized the importance of consistency across municipalities, which informed the approach.
- F.2 (Setbacks) Proposed setbacks are excessive, particularly given the use of massing, screening, and architectural treatments that already mitigate potential impacts. The text amendments do not include a 400 foot setback, but a 400 foot separation requirement from residential uses (and other sensitive receptors). Because the data center/associated equipment produce noise, exhaust, and heat, this mitigates potential impacts on these uses. This is in line with other municipalities.

Mariana requires 400 feet from residential and 100 feet from non-residential uses. Tempe is proposing 500 feet from residential uses.

Phoenix is proposing 150 feet from residential and additional standards when within 300 feet.

- **F.3 (Height Limitations)** Height restrictions conflict with what is currently allowed in many industrial/employment districts and limit design efficiency. The maximum building height in the LI District is 40 feet and 50 feet in the GI and HI Districts. The proposed maximum is above the base standard and would require approval of a deviation through a PAD Overlay District.
- **F.5 (Architectural Design Requirements)** The proposed requirements are inconsistent with existing industrial zoning standards and impose unnecessary cost and complexity. Staff was directed by City Council to recommend additional development standards to 1) Address compatibility 2) Mitigate potential adverse impacts 3) Address the unique size of these

facilities and ensure high-quality development.

Please let me know if you have any additional questions.

Best Regards, Rachel

Rachel Phillips, AICP Assistant Planning Director 480-644-2762 <u>Rachel.Phillips@MesaAZ.gov</u>



From: Nathan Lentz <<u>nathanl@dpr.com</u>>
Sent: Monday, June 23, 2025 4:32 PM
To: Evan Balmer <<u>evan.balmer@mesaaz.gov</u>>
Cc: Mayor <<u>mayor@mesaaz.gov</u>>; District 6 <<u>district6@mesaaz.gov</u>>; District 1
<<u>district1@mesaaz.gov</u>>; District 2 <<u>district2@mesaaz.gov</u>>; District 3 <<u>district3@mesaaz.gov</u>>;
District 4 <<u>district4@mesaaz.gov</u>>; District 5 <<u>district5@mesaaz.gov</u>>; Scott Butler
<<u>scott.j.butler@mesaaz.gov</u>>; Nana Appiah <<u>nana.appiah@mesaaz.gov</u>>; Mary Kopaskie-Brown
<<u>mary.kopaskie-brown@mesaaz.gov</u>>; Rachel Phillips <<u>rachel.phillips@mesaaz.gov</u>>; Thomas
Maples <<u>thomasm@dpr.com</u>>
Subject: DPR Comments for City of Mesa

Mr. Balmer,

Please see below and attached regarding DPR's comments on the proposed ordinances.

Evan Balmer

City of Mesa Planning and Zoning Mesa, AZ Dear Mr. Balmer,

On behalf of DPR Construction, I would like to express our appreciation for the City of Mesa's leadership in positioning our region at the forefront of technology-driven economic development. Mesa has played a central role in establishing Greater Phoenix as a nationally recognized data center hub — standing proudly alongside peer markets such as Northern Virginia, Atlanta, Dallas, Silicon Valley, and Austin.

The continued growth of data center infrastructure across Metro Phoenix is a direct reflection of Mesa's commitment to innovation and long-term investment. As you know, this industry has fueled

over \$10 billion in current and ongoing projects, including significant investments from global leaders such as Apple, Meta, Google, AWS, NTT, EdgeCore, Novva, and CyrusOne. This growth has also catalyzed a manufacturing ecosystem around it, including expansions by Air2O, Xnrgy, Apex, UMP, Silentaire, and GTI, further strengthening the region's economic foundation. The benefits extend deeply into our communities:

- In 2023, Arizona's data center industry supported 81,730 jobs across direct, indirect, and induced impacts, contributing \$6.2 billion to labor income.
- The industry generated \$863 million in state and local tax revenues, underscoring its value as a reliable and sustainable contributor to public funding.
- The construction of these facilities draws from the same highly skilled trades that are building the TSMC campus, reinforcing Arizona's capacity for cutting-edge industrial and technological infrastructure.

Given these substantial benefits, we respectfully offer the following comments regarding the proposed ordinance:

- Acoustic Standards and Testing The proposed standards and methodologies are unclear and may lead to inconsistent enforcement or unintended limitations on development
- Section 2 (Zoning Restrictions) Limiting data centers to GI and HI zoning, which comprises less than 1% of Mesa's land, is overly restrictive and places undue pressure on limited sites. The waiver process provides no certainty for applicants.
- Section 5 (Parking Requirements) The requirements still exceed operational needs for data centers, contributing to unnecessary heat island effects and underutilized asphalt areas.
- A.1 (Accessory Use Definition) The accessory use definition is too narrow and does not reflect the operational flexibility required for modern facilities.
- **F.2 (Setbacks)** Proposed setbacks are excessive, particularly given the use of massing, screening, and architectural treatments that already mitigate potential impacts.
- **F.3 (Height Limitations)** Height restrictions conflict with what is currently allowed in many industrial/employment districts and limit design efficiency.
- **F.5 (Architectural Design Requirements)** The proposed requirements are inconsistent with existing industrial zoning standards and impose unnecessary cost and complexity.

We believe these areas deserve thoughtful reconsideration, ideally in close collaboration with industry experts and stakeholders who are fully aligned with the City's broader goals. We ask you to delay the adoption to allow time for meaningful dialogue. We also note the opposition to the proposed data center restrictions by Arizona Commerce Authority, Arizona Tech Council, Data Center Coalition and Arizona Chamber of Commerce and Industry

https://tucson.com/opinion/column/article_d77dc265-09d1-432e-afa6-826195fca3c2.html https://chamberbusinessnews.com/2025/06/09/opinion-data-centers-are-a-backbone-of-arizonaseconomy/ What do data conters do? They support Arizona's economy | Opinion

What do data centers do? They support Arizona's economy | Opinion

Finally, I'd like to highlight the significant community investments made by the Arizona data center industry in STEM education and workforce development. Just in the past year, organizations such as 7x24 Exchange, AFCOM, the AZ Data Center Alliance, and iMasons have contributed over **\$75,000** in scholarships, internships, and funding for programs like Girls in STEM, ASU's Fulton School of

Engineering, SciTech Institute, and first responder training initiatives. These partnerships are building pathways for students in local high schools and community colleges to pursue careers in advanced construction, engineering, and IT — many of which begin right here in Mesa.

We are proud to partner with the City of Mesa to help shape a future where innovation, opportunity, and community impact go hand in hand. Thank you for your continued leadership and your consideration of our feedback. We remain committed to supporting Mesa's growth as a premier hub for technology and talent. Sincerely,

Nathan Lentz

Business Unit Leader DPR Construction

Nathan Lentz | DPR Construction 222 North 44th Street | Phoenix, AZ | 85034 o: 602-808-0500 | m: 602-819-8399 DPR Exists to Build Great Things. [®]

VAL CONSULTANTS

Good morning Valerie

Thank you for the feedback.

Staff has meet one-on-one with several stakeholders to discuss the proposed amendments and solicited feedback from the community as a whole. This tailored approach has allowed staff to spend more time with stakeholders to discuss the specific recommendations, how they apply to specific parcels, and concerns, than a typical open house would allow.

In response to your queries:

- Limiting Development Zones: Restricting data center development to GI and HI zoning categories, representing less than 1% of Mesa's land, imposes unnecessary barriers on future projects, particularly when the waiver process offers no guarantee of approval.
 - GI & HI account for approximately 4.2% of the land in Mesa. If a waiver is submitted, a data center would be permitted in zoning districts including the LI District that currently permit Indoor Warehousing and Storage. If the owner has a valid claim under ARS 12-1134 and the request for a waiver meets all the requirements in Section 12 of the data center ordinance, the waiver will be granted.
- **Parking Requirements**: Mandating one parking space per 1,000 gross square feet grossly overestimates actual needs for such facilities. This would result in expansive, unused lots that exacerbate the urban heat island effect without delivering practical benefits.
 - The measurement aligns with the typical deviations and requests seen from data centers and accounts for ancillary uses, such as associated office space with additional employees. Based on additional research, and input from stakeholders, the text amendments now include: 1/5,000 SF for the first 200,000 SF and 1/10,000 SF thereafter.
- **Overly Restrictive Setbacks and Height Limits**: Excessive setbacks and conservative height restrictions do not reflect the physical characteristics or operational nature of modern data centers. With appropriate screening, soundproofing, and architectural mitigation strategies already in place, these proposed constraints are unnecessarily punitive.
 - The text amendments do not include a 400-foot setback, but a 400-foot separation requirement from residential uses (and other sensitive receptors). Because the data center/associated equipment produce noise, exhaust, and heat, this mitigates potential impacts on these uses. This is in line with other municipalities.
 - Mariana requires 400 feet from residential and 100 feet from non-residential uses.
 - Tempe is proposing 500 feet from residential uses.

- Phoenix is proposing 150 feet from residential and additional standards when within 300 feet.
- The maximum building height in the LI District is 40 feet and 50 feet in the GI and HI Districts. The proposed maximum is above the base standard and would require approval of a deviation through a PAD Overlay District.
- Architectural Design Standards: The proposed design guidelines appear inconsistent with underlying zoning designations and fail to consider the unique functional and secure design considerations of mission-critical facilities.
 - Staff was directed by City Council to recommend additional development standards to
 1) Address compatibility 2) Mitigate potential adverse impacts 3) Address the unique size of these facilities and ensure high-quality development.
- **Ambiguous Acoustic Testing Requirements**: More clarity is needed around testing standards to ensure fair and feasible implementation.
 - The proposed amendments require that the baseline noise level at the nearest residential property line not be increased by the data center operations. This baseline level could be very different depending on the context (e.g., adjacent to an arterial roadway). Therefore, this ensures that existing conditions are maintained.
- Accessory Use Limitations: The narrow definition of data center accessory uses could limit critical functions required for performance and operational resilience.
 - The text amendments ensure that the use remains ancillary to the main function of a use that is not considered a data center. In preparing the text amendments, staff reviewed Chandler's adopted ordinance and Phoenix's on-going ordinance to align the criteria for accessory uses. Public feedback emphasized the importance of consistency across municipalities, which informed the approach. Data Centers as an accessory use is outlined in Section 11-31-36(A)(1)

Staff is happy to meet if you have any questions or concerns you would like to talk through. You can contact Rachel Phillips directly.

Thank you again.

Mary Kopaskie-Brown, AICP, OPPI, CIP Planning Director City of Mesa 480-644-3850 <u>mary.kopaskie-brown@mesaaz.gov</u> M-Th (7am to 6pm) – Closed Holidays and Fridays

The City of Mesa is located on the traditional lands of the O'Odham (Pima) and the Piipaash (Maricopa).



From: Valerie Crafton <<u>valc@valconsultants.com</u>> Date: June 18, 2025 at 3:52:34 PM EDT To: Mayor <<u>Mayor@mesaaz.gov</u>>, District 6 <<u>district6@mesaaz.gov</u>>, District 1 <<u>district1@mesaaz.gov</u>>, District 2 <<u>District2@mesaaz.gov</u>>, District 3 <<u>District3@mesaaz.gov</u>>, District 4 <<u>District4@mesaaz.gov</u>>, District 5 <<u>District5@mesaaz.gov</u>>, Scott Butler <<u>scott.j.butler@mesaaz.gov</u>>, Evan Balmer <<u>Evan.Balmer@mesaaz.gov</u>>, Nana Appiah <<u>Nana.Appiah@mesaaz.gov</u>>, Mary Kopaskie-Brown <<u>Mary.Kopaskie-Brown@mesaaz.gov</u>>, Rachel Phillips <<u>Rachel.Phillips@mesaaz.gov</u>> Cc: Thomasm@dpr.com

Subject: Letter of Opposition to Proposed Zoning Amendment – Data Centers



Addressed to: Planning Division City of Mesa

To Whom It May Concern,

On behalf of VALConsultants, I respectfully submit this letter in opposition to the proposed zoning ordinance amendment concerning data center development in the City of Mesa.

As a consulting firm rooted in construction risk management, technology integration, and project oversight for mission-critical infrastructure, we have witnessed firsthand the transformative economic and workforce benefits that data center development brings, not only to the City of Mesa but to the broader Metro Phoenix region.

The Greater Phoenix area is a recognized national leader in next-generation technology investment, sharing the stage with regions such as Northern Virginia, Silicon Valley, Dallas, and Chicago in establishing itself as a top-tier data center hub. Notable examples include Apple, Google, AWS, Meta, and others choosing Mesa as a strategic location, reflecting over \$10 billion in cumulative infrastructure investment. These projects have ignited meaningful momentum for related manufacturing operations, including Air2O, Xnrgy, and Apex, while simultaneously supporting the expansion of long-standing Arizona businesses such as UMP, Silentaire, and GTI.

In 2023 alone, Arizona's data center industry was responsible for generating over \$863 million in state and local tax revenues and contributed more than \$6.2 billion in labor income. Including both direct and indirect job creation, the sector supported over 80,000 Arizona jobs, many of which were in skilled trades vital to the continued growth of our region's high-tech construction industry.

Mesa has become a proven destination for data center investment precisely because of its readiness, workforce, and infrastructure. However, the proposed zoning amendment risks hindering that progress in several significant ways:

- Limiting Development Zones: Restricting data center development to GI and HI zoning categories, representing less than 1% of Mesa's land, imposes unnecessary barriers on future projects, particularly when the waiver process offers no guarantee of approval.
- **Parking Requirements**: Mandating one parking space per 1,000 gross square feet grossly overestimates actual needs for such facilities. This would result in expansive, unused lots that exacerbate the urban heat island effect without delivering practical benefits.
- Overly Restrictive Setbacks and Height Limits: Excessive setbacks and conservative height restrictions do not reflect the physical characteristics or operational nature of modern data centers. With appropriate screening, soundproofing, and architectural mitigation strategies already in place, these proposed constraints are unnecessarily punitive.
- Architectural Design Standards: The proposed design guidelines appear inconsistent with underlying zoning designations and fail to consider the unique functional and secure design considerations of mission-critical facilities.
- Ambiguous Acoustic Testing Requirements: More clarity is needed around testing standards to ensure fair and feasible implementation.
- Accessory Use Limitations: The narrow definition of data center accessory uses could limit critical functions required for performance and operational resilience.

Beyond capital investment and construction impact, the data center community has been a driving force in shaping Arizona's future workforce. Industry groups such as 7x24 Exchange, AFCOM, iMasons, and the Arizona Data Center Alliance have collectively contributed over \$75,000 in the past year alone to support local STEM scholarships, K–12 education programs, and community college partnerships, helping develop the next generation of engineers, technicians, and innovators. In addition, VALC's founder proudly leads a non-profit "Hands-On Heroes", a grassroots initiative focused on elementary-level STEM education that introduces young students to the skilled trades through interactive books, activities, and classroom engagement. This early exposure builds awareness, breaks down stereotypes, and ensures Arizona's youngest learners see a future for themselves in critical infrastructure and construction careers.

In summary, the current language of the proposed ordinance does not reflect the unique nature or economic value of data center developments. It underestimates their contributions while introducing conditions that could discourage future investment in Mesa.

We urge the City of Mesa to reconsider this proposal and work collaboratively with industry leaders, developers, and the local workforce to shape a zoning approach that welcomes innovation, protects community interests, and secures Mesa's continued leadership in digital infrastructure.

Respectfully,

?	WOSB/WBE C	ton, CEO/Owner Certified Small Business ead iMWomen
	602-541-7624	
	www.valcons	ultants.com
?	?	2

HOLDER CONSTRUCTION

Rachel Phillips	
eadley	
Mary Kopaskie-Brown; Alexis Wagner	
RE: Planned Data Center Zoning Ordinance	
Tuesday, June 24, 2025 4:01:04 PM	
e001.png	

Hi Bill,

Thank you for taking the time to review the proposed amendments and provide feedback. Staff will include you comments in the public record going to the Planning and Zoning Board and City Council. Many of the comments/concerns in your letter mirror those provided by other stakeholders so I would like to share responses similar to what was shared with others.

Acoustic Standards & Testing: The proposed acoustic standards and testing process lack clarity. The proposed amendments require that the baseline noise level <u>at the nearest residential property</u> <u>line</u> not be increased by the data center operations. This baseline level could be very different depending on the context (e.g. adjacent to an arterial roadway). Therefore, this ensures that existing conditions are maintained.

Section 2 – Zoning Restriction: Limiting data centers to GI and HI zoning is overly restrictive. Less than 1% of Mesa's land is zoned GI or HI, and the waiver process does not guarantee project approval. GI & HI account for approximately 4.2% of Mesa's land area and 21.3% of land area with Employment zoning. The Waiver is not discretionary - if a valid claim under ARS 12-1134 and meets all the requirements in Section 12 of the ordinance, the waiver will be granted

Section 5 – Parking Requirements: The requirement of one parking space per 1,000 GSF exceeds operational needs, contributes to the heat island effect, and results in

excessive, unused parking. Original proposed requirement was based off the common parking reduction requests seen from data centers Based on additional research, and input from stakeholders, parking requirement revised: 1/5,000 SF for the first 200,000 SF and 1/10,000 SF thereafter

Section A.1 – Accessory Use: The definition of data centers as accessory uses is too restrictive. The text amendments ensure that the use remains ancillary to the main function of a use that is not considered a data center. In preparing the text amendments, staff reviewed Chandler's adopted ordinance and Phoenix's on-going ordinance to align the criteria for accessory uses. Public feedback emphasized the importance of consistency across municipalities, which informed the approach.

Section F.2 – Setbacks: The proposed setbacks are excessive given the additional required mitigation measures such as screening, massing, glazing, and sound control. The amendment does not include a 400-ft. setback, rather a 400-ft. separation from residential zoning districts, residential uses, and other sensitive uses. In line with other municipalities

- Ariana 400 ft. from residential and 100 ft. from non-residential uses
- Tempe proposing 500 ft. from residential uses
- Phoenix proposing 150 ft. from residential and additional standards when within 300 ft.

Section F.3 – Height Limits: The proposed height restrictions are unnecessary, as taller structures are already permitted in many industrial and employment zones. The maximum building height in the LI District is 40 feet and 50 feet in the GI and HI Districts. The proposed maximum is above the base

standard and would require approval of a deviation through a PAD Overlay District.

Section F.5 – Architectural Design: The proposed design requirements are excessive and inconsistent with current zoning standards. Staff was directed by City Council to recommend additional development standards to 1) Address compatibility 2) Mitigate potential adverse impacts 3) Address the unique size of these facilities and ensure high-quality development.

Please let me know if you have any questions or would like to discuss the amendments.

Best Regards, Rachel

Rachel Phillips, AICP Assistant Planning Director 480-644-2762 Rachel.Phillips@MesaAZ.gov



From: Bill Headley <bheadley@holder.com>
Sent: Tuesday, June 24, 2025 3:07 PM
To: Rachel Phillips <rachel.phillips@mesaaz.gov>
Subject: Planned Data Center Zoning Ordinance



On behalf of Holder Construction Company, we're requesting more stakeholder involvement prior to the passage of this new Zoning Ordinance Amendment. Although we are open to zoning changes, the current version goes too far and a more thoughtful approach is needed in order to not significantly hinder the data center industry within the City of Mesa. Please review the attached letter that provides more details of our concerns and modification suggestions.

Thank you,

Bill Headley, Sr Vice President HOLDER CONSTRUCTION phone: 602.889.8700 cell: 602.769.3092 2325 E Camelback Rd, Suite 520, Phoenix AZ 85016

QUARLES & BRADY



One Renaissance Square Two North Central Avenue Suite 600 Phoenix, Arizona 85004-2322 602-229-5200 Fax 602-229-5690 www.quarles.com Attorneys at Law in Chicago Denver Indianapolis Madison Milwaukee Minneapolis Naples Phoenix San Diego Tampa Tucson Washington, D.C.

Writer's Direct Dial: 602-229-5683 E-Mail: Benjamin.Graff@quarles.com

June 24, 2025

City of Mesa Development Services Department 55 North Center Street Mesa, AZ 85201

Re: Proposed Zoning Text Amendment To Chapters 6, 7, 22, 21, 32, and 86 Of The Mesa Zoning Ordinance Related To Data Centers And Planned Area Development (PAD) Overlay Districts.

Mesa Planning Commissioners and Development Services Department,

Our firm represents Novva Holdings, LLC ("Novva") in regard to the approved Novva-Mesa Ellsworth data center, aka Project Borealis, located at the northwest corner of South Ellsworth Road and East Warner Road. Our firm has reviewed the proposed Zoning Text Amendment ("ZTA") being considered by the City of Mesa (the "City"). The ZTA proposes new regulations specific to data centers and Planned Area Development ("PAD") Overlay Districts in the City.

Novva supports the City's goal of ensuring responsible development and long-term compatibility of data centers. However, the current draft ZTA presents several issues that, if not addressed, will negatively impact existing approvals, discourage reinvestment, and limit Mesa's continued leadership in technological infrastructure. In particular, we are concerned with (i) overly narrow zoning eligibility; (ii) ambiguous treatment of previously approved projects; and (iii) burdensome design restrictions without reasonable paths for modification.

Data centers already deliver substantial economic benefits to the City of Mesa through tax revenue, infrastructure investment, and job creation. These benefits are expected to grow as demand for digital infrastructure continues to rise across the region.

We appreciate the City's efforts to keep stakeholders informed of the updated proposed Zoning Text Amendment (ZTA). However, as an active participant in the data center industry, Novva is concerned that the ZTA has moved forward without sufficient dialogue and collaboration with key stakeholders and interested parties.

Below we outline specific comments and proposed revisions to ensure the ZTA strikes an appropriate balance between regulatory oversight and economic competitiveness. Suggested additions appear in **bold** and deletions appear in strikethrough.

Comments on Draft Ordinance

1. Page 4, Table 11-7-2: Employment Districts

LI Zone: LI (M-1) should be included as a permitted zoning district marked with SE (18) for a Data Center. Restricting data centers to GI and HI is overly restrictive, as less than approximately 1% of the property in Mesa is zoned GI and HI. Moreover, given City Council will have to review every data center going through the entitlement approval process, there is no harm including LI (which many of the approved data centers already are) as a permitted zoning district.

2. Page 6, Section 12, Paragraph 4.

<u>Waiver:</u> Section 12 references GI and HI zoning districts as eligible for a Waiver but does not clarify that data centers approved in other zoning districts—such as LI—may also qualify. This omission creates unnecessary ambiguity and should be corrected to explicitly include LI-zoned properties.

In addition, the current language does not guarantee that Waivers will be granted to approved or operational data center projects. Given the purpose and scope of the ZTA, it is essential that all existing and previously approved data centers that meet the requirements are entitled to a Waiver to preserve their vested rights and regulatory certainty.

<u>Rezone Definition</u>: Further clarification should be given to what a "rezone" is. Specifically, it should be noted that a CUP, Site Plan Amendment, and similar entitlements would not be considered a "rezone" and thus, not affect or void an issued Waiver.

3. Page 7, Section 15, Paragraph 2.

While the illustrative examples in this section are helpful, the final ordinance should clearly state that any Waivered or previously approved data center site undergoing a site plan modification, CUP, or other similar entitlement—so long as it is not a rezone—will remain subject to the original development standards applicable at the time of site plan approval. These sites should not be retroactively subjected to the new standards under Section 11-31-36.

4. Section 11-31-36.E Applications Requirements and Operation Requirements:

E. Application Requirements. In addition to the application requirements of Section 11-67-2 and application guides posted on the Development Services website, all **REZONING** development applications for a **NEW** Data Center shall include all the following:

Comment: This section does not clearly outline the process and application requirements for a site plan modification for existing or approved data centers with an approved Waiver from Section 12 of the proposed ordinance. The proposed ZTA should state that Waivered sites shall not be

subject to Section 11-31-36 standards and shall only be subject to the standards that were in effect and required at the time of the original approval.

5. Section 11-31-36.F.1 & G.1: Modifications and Deviations

Comment: Modifications and deviations from the PAD should be permitted if approved by City Council. Many of the development standards set forth in the proposed ZTA are extremely burdensome and not always realistic. Modifications should be permitted if deemed reasonable and approved by City Council. As written, this would take the power out of the hands of elected officials- whom should have ultimate discretion over modifications to the PAD standards.

6. Section 11-31-36.F.2 & F.3: Setbacks & Height

Comment: The proposed setbacks and height limitations are impractical in many circumstances. Setback-related impacts can be sufficiently mitigated through required screening, massing, glazing, and sound attenuation measures. Additionally, greater building heights are already permitted in comparable employment and industrial zoning districts. There is nothing unique about data center use that would require more restrictive height and setback than these other employment and industrial uses. These examples underscore the need for a mechanism to allow PAD modifications where warranted.

7. Section 11-31-36.F.6.A: Trucks and Loading Docks

Comment: This Section should be removed. Given the base zoning districts are designated for these types of uses, there should not be a complete restriction on loading docks being visible from the street.

8. Section 11-31-36

Comment: We would like to work with the City to explore additional language within Section 11-31-36, perhaps in the Applicability or Purpose subsections to clearly identify these as permitted accessory uses when associated with a data center and if the City will require additional approvals.

9. Section 11-31-36.F.10.A: Undergrounding of Utilities

Comment: This section should be removed. Undergrounding medium and high-voltage lines is typically infeasible due to extreme cost, engineering limitations, and environmental

concerns. Requiring it would impose an unnecessary burden on projects and could jeopardize overall viability.

We greatly appreciate the adjustments made through prior coordination with City Staff to date. However, the current draft of the ZTA still contains critical ambiguities and overly restrictive provisions that must be addressed to provide certainty for existing and future data center development in the City of Mesa. These significant clarifications and changes are required for current stakeholders to feel comfortable moving forward.

Should the City choose to postpone the upcoming public hearing and direct staff to engage more fully with data center stakeholders, Novva and our firm would welcome the opportunity to actively participate in that process and help refine the ordinance to better align with the City's goals and the operational realities of this industry.

Please do not hesitate to reach out if you have any questions or need additional information. Thank you again for the opportunity to comment on the proposed Zoning Text Amendment.

Very truly yours,

QUARLES & BRADY LLP

Benjamin W. Graff

Novva Holdings, LLC

Madelaine Daver

Madelaine Bauer Director of Development - Logistics

From:	Rachel Phillips
То:	Furlow, Peter W.; Mike, Josh J.
Cc:	Mary Kopaskie-Brown; Alexis Wagner
Subject:	RE: Data Center Feedback - Meeting Request [QBLLP-ACTIVE.FID44039718]
Date:	Wednesday, June 25, 2025 12:55:57 PM
Attachments:	image001.png
	image002.png
	image003.png

Hi Peter,

Yes, staff will provide your comment to the Planning & Zoning Board. Several of your comments have been mirrored by others so I want to provide a response below.

1. Page 4, Table 11-7-2: Employment Districts

LI Zone: LI (M-1) should be included as a permitted zoning district marked with SE (18) for a Data Center. Restricting data centers to GI and HI is overly restrictive, as less than approximately 1% of the property in Mesa is zoned GI and HI. Moreover, given City Council will have to review every data center going through the entitlement approval process, there is no harm including LI (which many of the approved data centers already are) as a permitted zoning district. GI & HI account for approximately 4.2% of Mesa's land area and 21.3% of land area with Employment zoning. The proposed amendments address the unique operational characteristics of data centers and aim to mitigate potential impacts on the surrounding community, including residential uses. 1) LI zoning is commonly located adjacent to residential zoning. 2) The General Plan's Future Lan Use Plan provides guidance on future development to ensure consistency with the City's long term vision and guiding principles. Data Centers fall under the "Typical Land Use" category of "Warehouse and Storage" which in compatible with the Industrial Placetype where the GI and HI are the appropriate zoning.

2. Page 6, Section 12, Paragraph 4.

Waiver: Section 12 references GI and HI zoning districts as eligible for a Waiver but does not clarify that data centers approved in other zoning districts—such as LI—may also qualify. This omission creates unnecessary ambiguity and should be corrected to explicitly include LI-zoned properties. Section 12 does reference all eligible zoning districts, "A waiver may only be requested by an owner who owned a specific parcel on the effective date of this Ordinance and the specific parcel was: (1) zoned Planned Employment Park (PEP), Light Industrial (LI), General Industrial (GI), Heavy Industrial (HI), or Downtown Business-2 (DB-2); or (2) located within the Eastmark (Mesa Proving Grounds) Planned Community and had an identified Land Use Group (LUG) of Village, District, Regional Center/Campus, or Urban Core".

• In addition, the current language does not guarantee that Waivers will be granted to approved or operational data center projects. Waiver will be granted if a valid claim under ARS 12-1134 and meets all the requirements in Section 12 of the ordinance

Given the purpose and scope of the ZTA, it is essential that all existing and previously approved data centers that meet the requirements are entitled to a Waiver to preserve their

vested rights and regulatory certainty. This is addressed in Section 12 – 15 of the Ordinance.

Rezone Definition: Further clarification should be given to what a "rezone" is. Specifically, it should be noted that a CUP, Site Plan Amendment, and similar entitlements would not be considered a "rezone" and thus, not affect or void an issued Waiver. Chapter 76 of the Mesa Zoning Ordinance specifies what a rezoning is.

3. Page 7, Section 15, Paragraph 2.

While the illustrative examples in this section are helpful, the final ordinance should clearly state that any Waivered or previously approved data center site undergoing a site plan modification, CUP, or other similar entitlement—so long as it is not a rezone—will remain subject to the original development standards applicable at the time of site plan approval. These sites should not be retroactively subjected to the new standards under Section 11- 31- 36. Depending on the nature of the Site Plan Modification and the existing zoning for the Data Center, it may be subject to the new development standards. Section 14 specifies that the development standards do not apply to Eastmark.

4. Section 11-31-36.E Applications Requirements and Operation Requirements:

E. Application Requirements. In addition to the application requirements of Section 11-67-2 and application guides posted on the Development Services website, all **REZONING** development applications for a **NEW** Data Center shall include all the following: **Comment:** This section does not clearly outline the process and application requirements for a site plan modification for existing or approved data centers with an approved Waiver from Section 12 of the proposed ordinance. The proposed ZTA should state that Waivered sites shall not be

Page 3

subject to Section 11-31-36 standards and shall only be subject to the standards that were in effect and required at the time of the original approval. As mentioned above, depending on the nature of a site plan modification they may be subject to the development standards.

5. Section 11-31-36.F.1 & G.1: Modifications and Deviations

Comment: Modifications and deviations from the PAD should be permitted if approved by City Council. Many of the development standards set forth in the proposed ZTA are extremely burdensome and not always realistic. Modifications should be permitted if deemed reasonable and approved by City Council. As written, this would take the power out of the hands of elected officials- whom should have ultimate discretion over modifications to the PAD standards.

6. Section 11-31-36.F.2 & F.3: Setbacks & Height

Comment: The proposed setbacks and height limitations are impractical in many circumstances. Setback-related impacts can be sufficiently mitigated through required screening, massing, glazing, and sound attenuation measures. The text amendments do not include a 400 foot setback, but a 400 foot separation requirement from residential uses (and

other sensitive receptors). Because the data center/associated equipment produce noise, exhaust, and heat, this mitigates potential impacts on these uses. This is in line with other municipalities.

Mariana requires 400 feet from residential and 100 feet from non-residential uses. Tempe is proposing 500 feet from residential uses.

Phoenix is proposing 150 feet from residential and additional standards when within 300 feet. Additionally, greater building heights are already permitted in comparable employment and industrial zoning districts. There is nothing unique about data center use that would require more restrictive height and setback than these other employment and industrial uses. These examples underscore the need for a mechanism to allow PAD modifications where warranted. The maximum building height in the LI District is 40 feet and 50 feet in the GI and HI Districts. The proposed maximum is above the base standard and would require approval of a deviation through a PAD Overlay District.

7. Section 11-31-36.F.6.A: Trucks and Loading Docks

Comment: This Section should be removed. Given the base zoning districts are designated for these types of uses, there should not be a complete restriction on loading docks being visible from the street. Staff was directed to propose development standards that ensured high-quality development. Truck docks and loading areas facing the public realm do not promote high-quality.

8. Section 11-31-36

Comment: We would like to work with the City to explore additional language within Section 11-31-36, perhaps in the Applicability or Purpose subsections to clearly identify these as permitted accessory uses when associated with a data center and if the City will require additional approvals. Accessory uses are defined in Chapter 87 of the MZO and addressed in the land use tables.

9. Section 11-31-36.F.10.A: Undergrounding of Utilities

Comment: This section should be removed. Undergrounding medium and high-voltage lines is typically infeasible due to extreme cost, engineering limitations, and environmental Page 4

concerns. Requiring it would impose an unnecessary burden on projects and could jeopardize overall viability. The Utility's goal is not to underground large transmission lines, but to respond to development feedback about overhead versus underground service while managing costs for all 18,000 customers. Each data center's service plan will vary based on its site and existing infrastructure. Wherever possible, we will reuse current transmission lines to minimize expense, and if undergrounding is requested, the data center will cover the additional cost.

Best Regards, Rachel Rachel Phillips, AICP Assistant Planning Director 480-644-2762 <u>Rachel.Phillips@MesaAZ.gov</u>



From: Furlow, Peter W. <Peter.Furlow@quarles.com>
Sent: Wednesday, June 25, 2025 8:26 AM
To: Rachel Phillips <Rachel.Phillips@MesaAZ.gov>; Mike, Josh J. <josh.mike@quarles.com>
Subject: RE: Data Center Feedback - Meeting Request [QBLLP-ACTIVE.FID44039718]

This Message Is From an External Sender

Use caution when clicking links, attachments, or responding to information requests.

Report Suspicious

?

Rachel,

Please see letter attached on behalf of Novva Holdings, LLC in response to the proposed Zoning Text Amendment.

Please let me know if you can provide/ include in Planning Commissioner packets or if I should send this to them separately.

Best,

Quarles

Peter W. Furlow | Attorney peter.furlow@quarles.com | D. 602-229-5253 Quarles & Brady LLP One Renaissance Square, Two North Central Avenue, Suite 600, Phoenix, AZ 85004-2322 Bio | quarles.com | LinkedIn Assistant: Amy Gallagher, 602-229-5221 From: Rachel Phillips <<u>Rachel.Phillips@MesaAZ.gov</u>>
Sent: Tuesday, June 3, 2025 4:38 PM
To: Mike, Josh J. <josh.mike@quarles.com>
Cc: Graff, Benjamin W. <<u>Benjamin.Graff@quarles.com</u>>; Furlow, Peter W.
<<u>Peter.Furlow@quarles.com</u>>
Subject: RE: Data Center Feedback - Meeting Request [QBLLP-ACTIVE.FID44039718]

Josh,

Staff updated Section 12 of the Data Center and PAD Ordinance pertaining to the Waiver to clarify that an existing Data Center will be considered a legal use if a Waiver is submitted. See the revised ordinance attached.

Let me know if you have any questions.

Best Regards, Rachel

From: Rachel Phillips <<u>Rachel.Phillips@MesaAZ.gov</u>>
Sent: Tuesday, June 3, 2025 3:13 PM
To: Mike, Josh J. <<u>josh.mike@quarles.com</u>>
Cc: Graff, Benjamin W. <<u>Benjamin.Graff@quarles.com</u>>; Furlow, Peter W.
<<u>Peter.Furlow@quarles.com</u>>
Subject: RE: Data Center Feedback - Meeting Request [QBLLP-ACTIVE.FID44039718]

Hi Josh,

Thanks for the call earlier today. Below are responses to your inquiries. Some items I can't provide a definitive answer to without details and I owe you a follow up on one or two as well.

- Novva-Mesa Ellsworth is grandfathered under the current zoning regulation and not subject to the proposed ZTA. Novva-Mesa Ellsworth can be constructed according to the approved site plan and design review without any additional requirements from the proposed ZTA. The site plan for Case No. ZON24-00291 was approved on January 22, 2025 and the Design Review Case (DRB24-00292) was approved on April 28, 2025. The approvals grant the ability to submit for building permits in accordance with the approved plans. The proposed text amendments do not affect those entitlements unless they expire or modifications are requested.
- The approved site plan for Novva-Mesa Ellsworth is set to expire in January of 2027 and the applicant can request a 1-year extension until January of 2028. Prior to expiration, the applicant must obtain approved construction permits and begin construction to 'lock-in' the grandfathered rights. Civil permits and construction are acceptable, and vertical construction is not required. The site plan for Case No. ZON24-00291 was approved on January 22, 2025 and therefore will expire on January 22, 2027. Per Section 11-67-9(B) of the MZO the Zoning Administrator may grant a one-year extension. An approved site plan is considered exercised if a valid building permit is issued and

construction has lawfully commenced.

• The approved Novva-Mesa Ellsworth development complies with the separation requirements and maximum building height requirements in the proposed ZTA. The Data Center and associated mechanical equipment appear to be located at least 400 feet from the property line of the nearest residential zoning district or residential use; however, the approved site plan lacks certain dimensions needed to confirm. I recommend someone on your staff overlay the site plan in GIS to ensure there is 400' from the nearest data center and equipment to The Springs.

Per the elevation submitted to Case No. DRB24-00292, the top of the parapet is 39' 6" which complies with the maximum height permitted in the LI District.

- The City will create a waiver that basically documents and tracks the approved data centers and allows the approved use to be treated as if the ZTA were not adopted.
 - Staff is using the waiver from the drive-thru ZTA as the template.
 - Property Owners will have up to 3 years after the ZTA is approved to sign and submit the waiver, sort of like an opt-out form.
 - Once signed, the data center use would continue being classified as INDOOR WAREHOUSING AND STORAGE and therefore permitted by-right on the property with a Light Industrial (LI) base zoning district. Correct. Please refer to Section 12 of the proposed Ordinance pertaining to "the Waiver" and see the drive-thru waiver attached as reference.
- Any future changes to the site plan would go through the normal Site Plan Modification process. Any proposed modifications to the approved site plan would be processed in accordance with Section 11-69-7 of the MZO. If a waiver is submitted, the use would continue to reviewed as a permitted use. Any modifications to the site plan, regardless of a waiver being submitted, would have to adhere to the development standards proposed by the subject text amendment.

Below are some additional follow-up questions.

- Would you please provide the draft waiver later today for us to review? Attached is the drive-thru waiver for reference. I can provide the draft data center waiver at a later date.
- If the waiver is signed by the current property owner, how will the City classify the status of the data center use on the property?
 - For example, if some entity requests a zoning report or a ZVL in the future, will the City state this site and data center use is legal, non-conforming or will the signed waiver within the case file mean City will consider the site and data center use as a legal, permitted use? Staff is currently discussing the specifics with the City Attorneys Office and will provide you a response to this question at a later date.
- What will be required if the Novva-Mesa Ellsworth data center needs to reshape or expand its footprint in the future? This will depend on whether the property owner chooses to submit a waiver. If a waiver is submitted, any site plan modification will be reviewed according to Section 11-69-7 of the MZO. Without specifics on the proposed modifications staff is unable to provide specifics of what would be required. However, the modifications would be subject to the development standards proposed by the

subject text amendment.

How would the development standard and design requirements within the proposed ZTA impact the Site Plan Modification if the changes also require any other type of rezoning actions, e.g. modifying the PAD, use permits, etc.? Please refer to Section 12 of the Ordinance. Modification to the PAD or other rezoning action automatically terminates a waiver granted for the property. Other actions such as a Conditional Use Permit are not considered a rezone. However, please be aware that the proposed amendments prohibit the modification of development standards contained within Chapter 7 or Section 11-31-36 as well as the operational standards of Section 11-31-36 through a Planned Area Development (PAD) Overlay, Bonus Intensity Zone (BIZ) Overlay, Alternative Compliance, Special Use Permit (SUP), Variance or other process, with the exception of maximum building height which may be extended to a max. 60 ft. Please refer to Section 11-31-36(F)(1) and Section 11-31-36(G)(1) of the proposed amendments

Best Regards, Rachel

Rachel Phillips, AICP Assistant Planning Director 480-644-2762 Rachel.Phillips@MesaAZ.gov



From: Mike, Josh J. <josh.mike@quarles.com>
Sent: Tuesday, June 3, 2025 11:32 AM
To: Rachel Phillips <<u>Rachel.Phillips@MesaAZ.gov</u>>
Cc: Graff, Benjamin W. <<u>Benjamin.Graff@quarles.com</u>>; Furlow, Peter W.
<<u>Peter.Furlow@quarles.com</u>>
Subject: RE: Data Center Feedback - Meeting Request [QBLLP-ACTIVE.FID44039718]

Good Morning Rachel,

I appreciate you taking the time to speak with me this morning regarding the potential impact of the Zoning Text Amendment (ZTA) for new data center regulations on approved data center developments. Our firm represents Novva Holdings, LLC regarding the Novva-Mesa Ellsworth, aka Project Borealis, data center approved under Case Nos. ZON24-00291 and DRB24-0029, located at the Northwest corner of S Ellsworth Rd and E Warner Rd.

Below is a short summary of the items we discussed and our understanding on how the ZTA impacts the Novva-Mesa Ellsworth data center.

- Novva-Mesa Ellsworth is grandfathered under the current zoning regulation and not subject to the proposed ZTA. Novva-Mesa Ellsworth can be constructed according to the approved site plan and design review without any additional requirements from the proposed ZTA.
- The approved site plan for Novva-Mesa Ellsworth is set to expire in January of 2027 and the applicant can request a 1-year extension until January of 2028. Prior to expiration, the applicant must obtain approved construction permits and begin construction to 'lock-in' the grandfathered rights. Civil permits and construction are acceptable, and vertical construction is not required.
- The approved Novva-Mesa Ellsworth development complies with the separation requirements and maximum building height requirements in the proposed ZTA.
- The City will create a waiver that basically documents and tracks the approved data centers and allows the approved use to be treated as if the ZTA were not adopted.
 - Staff is using the waiver from the drive-thru ZTA as the template.
 - Property Owners will have up to 3 years after the ZTA is approved to sign and submit the waiver, sort of like an opt-out form.
 - Once signed, the data center use would continue being classified as INDOOR
 WAREHOUSING AND STORAGE and therefore permitted by-right on the property
 with a Light Industrial (LI) base zoning district.
- Any future changes to the site plan would go through the normal Site Plan Modification process.

Below are some additional follow-up questions.

- Would you please provide the draft waiver later today for us to review?
- If the waiver is signed by the current property owner, how will the City classify the status of the data center use on the property?
 - For example, if some entity requests a zoning report or a ZVL in the future, will the City state this site and data center use is legal, non-conforming or will the signed waiver within the case file mean City will consider the site and data center use as a legal, permitted use?
- What will be required if the Novva-Mesa Ellsworth data center needs to reshape or expand its footprint in the future?
- How would the development standard and design requirements within the proposed ZTA impact the Site Plan Modification if the changes also require any other type of rezoning actions, e.g. modifying the PAD, use permits, etc.?

Thank you for all your time and effort to help us understand the proposed ZTA.

Thanks, Josh

Quarles

Josh J. Mike | AICP, MBA | Senior Land Use Planner josh.mike@quarles.com | D. 602-229-5745 Quarles & Brady LLP One Renaissance Square, Two North Central Avenue, Suite 600, Phoenix, AZ 85004-2322 guarles.com | LinkedIn

From: Rachel Phillips <<u>Rachel.Phillips@MesaAZ.gov</u>>
Sent: Monday, June 2, 2025 4:28 PM
To: Graff, Benjamin W. <<u>Benjamin.Graff@quarles.com</u>>
Subject: Data Center Feedback - Meeting Request

Hi Ben,

We received your feedback form requesting to discuss the impact on approved projects. Do you have a particular project you'd like to discuss? I'm researching some of those details now.

Best, Rachel

Rachel Phillips, AICP Assistant Planning Director 480-644-2762 Rachel.Phillips@MesaAZ.gov

