



# DATA CENTER & PAD TEXT AMENDMENTS

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# Background

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- Staff directed to draft a text amendment to address Data Centers and their unique operations
- Data Centers not a defined use within the Mesa Zoning Ordinance
- Interpreted to most closely resemble and reviewed as Indoor Warehousing and Storage
- Over the past 6 years, 15 data centers have been constructed, approved or proposed
- Text Amendments heard by Planning & Zoning Board on June 11<sup>th</sup>
- Item continued to June 25<sup>th</sup> allow for additional public participation
- Planning & Zoning Board recommended City Council adopt the amendments

# Purpose of the Amendments

- **Scale & Proliferation:** Mesa has seen a rapid increase in large data-centers; their number and size warrant dedicated standards rather than case-by-case review.
- **Address Distinct Impacts:** Generator/cooling noise and large mechanical yards and substations can affect nearby neighborhoods if not carefully managed.
- **Land Use Compatibility & Community Expectations:** Zoning and setback/separation from residential use, addresses two-plus years of community feedback regarding the siting of data centers.
- **Utility Demand & Coordination:** Early evaluation of water and energy demand lets City utilities plan capacity upgrades proactively and prevent service disruptions.
- **Clear Standards & Predictability:** Clear standards ensure higher quality design outcomes and provide applicants predictability

# Economic Impacts

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## Considerations for Future Data Center Development

- Scale and pace of growth highlights the need for clear development standards
- Strategic balance needed:
  - Land availability + market readiness
  - Utility capacity and long-term infrastructure planning
  - Impacts on surrounding land uses (noise, compatibility)
  - Low job density vs. fiscal/economic benefits
  - Sustainability + alignment with community goals
- Adopting the proposed text amendments to support responsible, sustainable, and balanced economic growth



# Proposed Data Center & PAD Text Amendments



# Proposed Amendments

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- Create a land use definition of Data Center
- Permit Data Centers in the General Industrial (GI) and Heavy Industrial (HI) Districts
  - If compliant with all standards of proposed Section 11-31-36: Data Centers
  - When specifically authorized and approved through a Planned Area Development (PAD) Overlay District
- Amendments do not ban data centers





# Proposed Amendments

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- Establish criteria for Data Centers as an accessory use
- Permitted in Commercial and Employment Zoning Districts
- Not subject to Section 11-31-36: Data Centers
  - Exclusively serves the on-site property owner
  - Does not lease data storage or processing services to third parties
  - Occupies no more than 10% of the building



# Proposed Amendments

## Additional Application Requirements

- Operational Plan
- Good Neighbor Policy
- Water Consumption and Thermal Management Report, describing:
  - Cooling system design - water or air cooled
  - Water usage
- Wastewater Report
- Electric and Natural Gas (Energy) Service Report
  - If in the City's service area - estimated demand
- Initial Sound Study



# Proposed Amendments Development Standards

- Separation from residential - 400 ft.
- Height - max. 60 ft.
- Building Placement and Design
- Architectural Design
  - All sided architecture - publicly visible
  - Additional articulation
  - Glazing requirements
  - Architectural features
- Truck Dock, Loading, and Service Areas
- Fences and Freestanding Walls
- Mechanical Equipment
- Substation Screening
- Utility Standards

# Proposed Amendments Operational Standards

- Sound Studies
  - Within 30 days of the issuance of certificate of occupancy
  - Annual - for 5 yrs.
- Back up Generators
  - Noticing
  - Hours of operation - normal operation and exceptions





# Proposed Amendments

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- Modifications to Chapter 11 (Planned Area Development Overlay District)
  - Permit land uses not allowed by the underlying zoning district
  - If permitted, additional land uses must adhere to specific use and activity standards





# PUBLIC PARTICIPATION



# Public Participation

- May 27<sup>th</sup> - Email sent to the Long Range Planning email list
  - Notifying that the draft amendments were posted on the City of Mesa's Long Range Planning website for review
  - Encouraged to review and share feedback
  - 108 recipients
- Staff met one-on-one with, talked with, and/or corresponded with representatives from the following organizations:
  - Data Center Coalition
  - SRP
  - Valley Partnership
  - Edgecore
  - Google
  - Meta
  - Pacific Proving Ground
  - Legacy Business Park
  - Cyrus One
  - Novva
  - C-1 Mesa LLC
  - Berry Riddell LLC

# Public Participation

- Additional email sent to stakeholders on June 12<sup>th</sup>
  - Notifying stakeholders that the item was continued to June 25<sup>th</sup>
  - Offering to meet to discuss amendments
  - Requesting any feedback by June 17<sup>th</sup> at noon to consider incorporating
  - 363 recipients
- Public feedback
  - Industry - consistent with previous comments
  - Public - In favor of the amendments but want greater oversight and regulations to apply to Eastmark
- Table with all comments received by June 17<sup>th</sup> and responses provided in agenda packet
- All emails and comment cards provided by June 25<sup>th</sup> provided in agenda packet



# Public Participation

- Comments from over 175 residents
- Comments from 37 industry stakeholders
  - Representing 27 organizations
  - 10 individual stakeholder meetings with staff
  - 26 direct responses from staff
  - Responses to all comments provided before June 18<sup>th</sup> provided in the comment summary exhibit

# Public Participation – Update

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- Industry Stakeholders Engaged:

- Ben Graf, Mike Josh, Peter Furlow, Quarles & Brady (Novva) (Meta)
- Clay Allsop, Google
- Cepand Alizadeh, Arizona Technology Council
- Derek Petersen, C-1 Mesa LLC
- Karla Moran, SRP
- Wendy Riddell & Kaelee Palmer, Berry Riddell, LLC
- Korey Wilkes, Butler Design Group
- Bill Jibjiniak, John Bean, & Justin Taylor, Edgecore & Alex Hayes, Whitney Morris Baugh, PLC (Edgecore)
- Ryan Gruver (Arizona Data Center Alliance)
- Jill Hegardt, DMB Associates
- Dan Diorio & Karla Boender, State Policy & Emily Rice, b3 Strategies (Data Center Coalition)
- Russell Smolden (Data Center Coalition)
- Michael Schwob, Schwob Acoustics
- Shannon Heinze, Mesa Chamber of Commerce
- Steven Glenn Zylstra (SCITECH Institute)
- Stuart Goodman, Goodman Schwartz Public Affairs (Apple)
- Susan Demmitt, Gammage & Burnham (Legacy Business Park)
- Tim White, CEM, CBCP, CSDP
- Valeria Galindo, JLL
- Valerie Crafton, VAL Consultants
- Alisa Lyons, Sloan Lyons (Valley Partnership)
- Peter Costa, Baltu Technologies
- Tom Maples & Nathan Lentz, DPR Construction
- John Baumer, Commercial Real Estate Development Association (NAIOP Arizona)



# Main Industry Comments

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## Zoning Restrictions

*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 Mesa's land area and 21.3% of land area with Employment zoning
- If a waiver is submitted, Data Centers will be permitted in zoning districts that currently permit Indoor Warehousing and Storage
- Waiver will be granted if a valid claim under ARS 12-1134 and meets all the requirements in Section 12 of the ordinance

# Main Industry Comments

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## 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.*

- 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

# Main Industry Comments

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## Height Restrictions

*Height restrictions are overly restrictive compared to allowances in other industrial and employment districts.*

- Maximum height in the LI District is 40 ft. and maximum in the GI & HI is 50 ft.
- The 60 ft. maximum proposed with PAD approval is greater than what is allowed in Employment Districts, not more restrictive
- 66.7% or 10 out of the 15 approved data centers in Mesa meet the proposed maximum height



# Main Industry Comments

## Setback Requirements

*Proposed setbacks are excessive, especially given the inclusion of screening and other mitigation measures.*

- Amendment does not include a 400-ft. setback, rather a 400-ft. separation from residential zoning districts, residential uses, and other sensitive uses
- Data Centers produce noise, exhaust, and heat, and have visual impacts
- Separation mitigates potential impacts
- In line with other municipalities
  - Marana - 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.

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Example:  
Separation - 202 ft.  
Building height - 70' 6"

# Main Industry Comments

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## Architectural Design Standards

*Design requirements exceed what's appropriate and are inconsistent with underlying zoning.*

- Staff directed by City Council to recommend additional development standards to:
  - Address compatibility
  - Mitigate potential adverse impacts
  - Address the unique size of these facilities
  - Ensure high-quality development

# Main Industry Comments

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## Acoustic Standards

*The acceptable sound study threshold is unclear. Ambient noise may rise over time, it should be based on a decibel level.*

- Initial sound study document the baseline noise level at the nearest residential property line
- Baseline level could be very different depending on the context (e.g., adjacent to an arterial roadway)
- Requirement is that the baseline noise level at the nearest residential property line not be increased by the data center operations
- Ongoing studies ensure that existing conditions are maintained - accounts for phasing of development



# Industry Response - Revisions Made

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- **Waiver process**- clarified
  - Section 11-31-36 is not applicable to Eastmark
  - Data Centers with a waiver are legal conforming uses
  - Data centers that have approval or complete application submitted prior to effective date do not have to comply with Section 11-31-36
- **Accessory Use**- removed that it couldn't be in a stand along building
- **Substation Screening**- revised
  - Only ground-mounted equipment required to be screened
  - Design options for screening based on height of wall
- **Backup Generators**- revised to allow during “electric utility demand response event”

# Industry Response - Revisions Made

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- **Architectural Features-** Revised to allow Planning Director to approve others
- **Sound Studies-** revised
  - Measured taken during peak “routine” operational
  - Clarified sound study due within 30 days of CofO issuance
  - Conducted by “acoustical consultant”
- **Utility Undergrounding-** clarified requirement only applies to onsite or adjacent infrastructure
- **Building Orientation-** clarified that it applies to the primary (front) façade
- **Mechanical Equipment Location-** prioritize location away from public realm, when possible, at side or rear of building
- **Electric and Natural Gas (Energy) Service Report-** Clarified required if in the City’s service area for electric or natural gas

# Additional - Revisions Made

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- Section 11-31-36(1A)(3)- Data Centers as an Accessory Use
  - Revised no more than 10% of the ~~building~~ total gross floor area of all buildings on the site
- Section 11-31-36(F)(6)- Truck Docks, Loading, and Service Area
  - Add that they shall not face or be visible from residential uses
- Section 11-31-36(F)(9)(b)- Substation Screening, enclosure design
  - Substations, whether private or public, shall be screened using walls, fencing, berming, landscaping, or other alternative methods





# QUESTIONS?





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