

CONFIDENTIAL AND NOT SUBJECT TO PUBLIC RECORDS REQUESTS

NOVVA – MESA ELLSWORTH

Narrative

Initial Site Plan Review with Special Use Permit
and Design Review Application for the
Hawes Crossing PAD: Village 8 Specific Plan
For a Data Center Industrial Complex

Located at 4120 South Ellsworth Road
Northwest Corner of South Ellsworth Road
and East Warner Road

Parcel No. 304-31-141

Prepared By:

The logo for Quarles & Brady LLP, featuring the word "Quarles" in a bold, sans-serif font. The letter "Q" is stylized with a red diagonal stroke through its bottom-left corner.

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II. INTRODUCTION, REQUESTS, AND DEVELOPMENT OVERVIEW

The law firm of Quarles & Brady LLP (the “Applicant”) submits this “Application” on behalf of NOVVA Holdings, LLC (“NOVVA” or the “Developer”) for the review and approval of a proposed Specific Plan for a new development (“Novva - Mesa Ellsworth” or the “Development”). The Development is in compliance with the Conceptual Plan approved under the master planned development known as the “Hawes Crossing PAD.”

The Application includes requests for: **(1)** site plan approval, **(2)** design review approval, and **(3)** a Special Use Permit (“SUP”).

The Specific Plan includes an industrial complex that is comprised of an office building, a warehouse, multiple data hall buildings, and a retail tenant building (the “Proposed Use”). Overall, this employee driven development will include multiple businesses operating onsite, resulting in Novva - Mesa Ellsworth generating an estimate of more than 200 employees on the campus. Novva - Mesa Ellsworth will be a data center environmentally focused on implementing green technology.

III. PROPERTY INFORMATION AND EXISTING ZONING ENTITLEMENTS

Novva - Mesa Ellsworth is planned for the Northwest corner of South Ellsworth Road and East Warner Road on Parcel No. 304-31-141, consisting of approximately 160 acres (the “Property”) of privately owned land located at 4120 South Ellsworth Road. NOVVA Holdings, LLC (“Owner”) was the successful bidder and acquired the Property at auction from the Arizona State Land Department on August 29, 2023. Before bidding on the Property, the Owner confirmed that the existing zoning permits data centers as-of-right.

Existing Zoning

On April 20, 2020, the Mesa City Council approved Hawes Crossing PAD, which included an eight village Conceptual Plan. The Property sits within the Village 8 Conceptual Plan and is zoned Light Industrial (“LI”) with a Planned Area Development (“PAD”) Overlay and Airport Overflight Area Three (“AOA 3”) Overlay. Per Section 6.4 of the Hawes Crossing PAD, properties with the LI base zoning district are intended to provide a wide range of employment uses, “[w]hether it is a large office complex, light industrial enterprises, or high-tech companies, the LI district strives to accommodate those users.”

Exhibit 3 of the approved Hawes Crossing PAD outlines the modified list of permitted uses for properties with the LI base zoning district, which specifically includes “Indoor Warehousing and Storage” as a permitted use. The City of Mesa issued an official interpretation on March 8, 2023, five months prior to Owner acquiring the Property at the Arizona State Land Department auction. This interpretation confirmed that data centers are included in the Land Use Classification for “Indoor Warehousing and Storage”. Therefore, it additionally verified that data centers are permitted by-right on the Property within the Hawes Crossing PAD.

The Airport Overflight Area was established to “recognize the effects and hazards associated with the operation of aircraft in designated areas and the effect of aircraft operation on nearby areas.” The Property is located within Area Three. This overlay district does not restrict the uses of the underlying zoning districts.

General Plan 2040

The Mesa General Plan 2040 ("GP 2040") designates the Property within the “Mixed Use Activity/Employment District” which is intended for large-scale (typically over 20-25 acres) community and regional activity areas. These districts often include other uses such as office, technology, indoor warehousing and storage, and other employment-type uses.

Mesa Gateway Strategic Development Plan

The Property falls within the Mixed Use Community District of the Mesa Gateway Strategic Development Plan. This policy document sets forth the vision and objectives to guide the functionality, appearance, and operation of the Mesa Gateway area, with a focus on enhancing both financial and environmental sustainability. The Property is located along the western edge of the Mixed-Use Community District and is consistent with the high-rise and campus office building transition. The Development adheres to the following goals specified for the Logistics and Commerce District in the Mesa Gateway Strategic Development Plan.

A. Goal 1: Maximize Potential of Phoenix-Mesa Gateway Airport

1. The Development is an optimal land use option because it will transform the historically vacant property into industrial activities that will support employment growth.

B. Goal 2: Job Creation

1. As a multiple building campus style development, the Development will provide opportunities for a variety of new employees seeking to be within proximity to the Airport and near the growing residential areas of Southeast Mesa.
2. The tech industry is experiencing increased demand and Novva - Mesa Ellsworth is expected to generate additional high-paying technical employment once fully constructed.
3. During construction the project will be creating and maintaining consistent employment for local contractors and vendors. This will employ an array of positions from blue collar to executive management positions in the industry. At the height of construction, we estimate over 1000 people on site daily.

C. Goal 3: Connectivity - Transportation/Transit

1. Specific attention is given to the major arterial intersection of East Warner Road and South Ellsworth Road with additional nearby access to both Loop-202 and SR-24 to ensure efficient access for employees from all over Mesa.
2. The Development provides trails for pedestrians and biking to be used by employees and neighboring residents.

D. Goal 4: Sustainable Development

1. Novva - Mesa Ellsworth is designed to orient buildings to reduce southern sun exposure, enhancing the efficiency of critical cooling systems and lowering the power consumption of the data centers.
2. The Development features energy-efficient LED lighting both inside and outside the buildings, strategically placed windows to maximize natural light and reduce the reliance on interior lighting, as well as energy-efficient roofing insulation to decrease the HVAC requirements in the warehouse and offices.
3. All data center buildings will be designed for rainfall harvesting, cleaning and filtering before being stored in underground holding tanks to minimize the impact on the municipal storm water system.
4. The building critical systems closed loop chiller system design greatly reduces the buildings water consumption.

IV. INITIAL SITE PLAN REVIEW

Mesa City Council approved the Conceptual Plan for Hawes Crossing in Ordinance No. 5567. According to Section 5.1 of the Hawes Crossing PAD, the proposed Specific Plan satisfies the minimum 10-acre size requirement for non-residential uses. Moreover, as stated in Section 6.6 of the Hawes Crossing PAD, since the development area exceeds the minimum 160-acre threshold, the Specific Plan has the option to introduce a new Open Space Master Plan for the Property.

The submitted Specific Plan implements the key components of the approved Conceptual Plan. Novva - Mesa Ellsworth is designed as an industrial-scale development with direct access to both South Ellsworth Road and East Warner Road. It also features a publicly accessible open space trail system and boasts an exceptional aesthetic design.

In accordance with Section 11-22-5.B.2 of the Mesa Zoning Ordinance ("MZO"), the submitted Specific Plan shows that the Proposed Use is consistent with the range of intensity and other applicable descriptions of development and conditions of approval delineated on the approved Conceptual Plan. Additionally, since the Application includes a request for an SUP, per Section 11-69-4.D.1.a of the MZO, the Development may receive final approval by the Planning and Zoning Board.

Section 11-69-5 of the MZO identifies the review criteria that the Development must meet as part of the Initial Site Plan Review request. As shown below, the Development meets or exceeds each of the following required criteria.

A. The project is consistent with and conforms to the adopted General Plan and any applicable sub-area or neighborhood area plans (except no analysis of the use if it is permitted in the zoning district on the property), is consistent with the development standards of this Ordinance, and is consistent with and meets the intent of any applicable design guidelines.

- a. Novva - Mesa Ellsworth conforms to the Mixed Use Activity/Employment District of the GP 2040.

- b. The site plan complies with the development standards of the base industrial zoning district.
 - c. The architecture and aesthetic design for Novva - Mesa Ellsworth implements the high-quality design standards of applicable design guidelines.
 - d. The design is curated to cater to the natural environment and neighboring communities without over industrialization.
- B. The project is consistent with all conditions of approval imposed on the property whether by ordinance, resolution or otherwise.**
- a. Novva - Mesa Ellsworth complies with the approved Hawes Crossing PAD, Case No. ZON17-00607 and Ordinance No. 5567.
- C. The overall design of the project, including but not limited to the site layout, architecture of the buildings or structures, scale, massing, exterior design, landscaping, lighting, and signage, will enhance the appearance and features of the site and surrounding natural and built environment.**
- a. The Development will transform a historically vacant land into a highly desirable campus setting for new jobs.
 - b. Novva - Mesa Ellsworth will help set a new standard for new tech industrial development within the City of Mesa and enhance the aesthetics of the built environment along Ellsworth Road.
 - c. Working with suggestions and recommendations from City Staff, the primary office building is purposefully located at the Northwest corner of East Warner Road and South Ellsworth Road as a visual focal point that leads to the Elliot Road Tech Corridor, North of the Development.
- D. The site plan is appropriate to the function of the project and will provide a suitable environment for occupants, visitors, and the general community.**
- a. The site plan orients five data hall buildings in an east-west orientation in the central area of the Property, providing easy access from the major arterials.
 - b. The site plan also includes an abundance of open space, outdoor gathering spaces, and trails for pedestrians and biking to be used by employees and neighboring residents.
- E. Project details, colors, materials, and landscaping are internally consistent, fully integrated with one another, and used in a manner that is visually consistent with the proposed architectural design.**
- a. The architecture and design are consistent throughout the Development, creating a coherent style with earth tone colors and purposeful accents.
- F. The project is compatible with neighboring development by avoiding big differences in building scale and character between developments on adjoining lots in the same zoning district and providing a harmonious transition in scale and character between different districts.**

- a. Novva - Mesa Ellsworth is appropriately located less than one mile south of the Elliot Road Tech Corridor and adjacent to other industrial scale tech developments, which are either under construction or anticipated for future development.
- G. The project contributes to the creation of a visually interesting built environment that includes a variety of building styles and designs with well-articulated structures that present well designed building facades, rooflines, and building heights within a unifying context that encourages increased pedestrian activity and promotes compatibility among neighboring land uses within the same or different districts.**
- a. A holistic design is used to create sustainable architecture that inspires a harmonious coexistence between the immediate environment and the surrounding community. Muted color schemes and elements establish a connection to the land and evoke calm while playing with patterns and shadows, while using natural light and apertures.
 - b. Pedestrian and biking paths frame the West and North sides of the Property with open access to the public, encouraging connectivity with the community.
- H. The streetscapes, including street trees, lighting, and pedestrian furniture, are consistent with the character of activity centers, commercial districts, and nearby residential neighborhoods.**
- a. Streetscape design of the sidewalks and landscaping conform to the Mesa design standards.
 - b. The pedestrian and biking trails includes low-lighting paths, three pavilions, and a large architecturally design seating area as intended by the Village 8 Open Space Master Plan.
- I. Street frontages are attractive and interesting for pedestrians and provide for greater safety by allowing for surveillance of the street by people inside buildings and elsewhere.**
- a. Streetscape design of the sidewalks and landscaping conform to and exceed the Mesa design standards and comply with the lighting standards.
 - b. The main office building is located near the arterial intersection, with parking behind the building. Separated from the streetscape area by pedestrian pathways, the office building is reasonably close to the right-of-way to aid in the visibility and safety.
- J. The proposed landscaping plan is suitable for the type of project and site conditions and will improve the appearance of the community by enhancing the building and site design; and the landscape plan incorporates plant materials that are drought-tolerant, will minimize water usage, and are compatible with Mesa's climate.**
- a. The overall landscape plan complies with planting requirements for native plants and desert plants.
 - b. The main office building located at the South end of the Property incorporates streetscape landscaping to enhance the visual aesthetics from the right-of-way.

Site Plan Layout

The focal point of the Specific Plan is the approximately 150,198 SF office building located at the arterial intersection of East Warner Road and South Ellsworth Road. This serves as the entryway for the data center industrial campus. Novva - Mesa Ellsworth will also include a warehouse (approximately 85,120 SF) and two data halls (226,000 SF each) along South Ellsworth Road. Three additional data halls (approximately 226,000 SF each) will be set along the west portion of the Property. The Specific Plan also allocates space for a future utility-scale connection area (9.69ac), onsite retention, and an Open Space Master Plan. The North portion of the Property includes an area with direct access to South Ellsworth Road, which will consist of two retail tenant buildings (approximately 17,500 SF and 21,750 SF) and public amenity gathering area.

A large engineered earthen channel, approximately 180-feet wide, exists on the outside edge of the north property line and a powerline easement exists on the inside edge of the north property line. These features naturally separate segments of Village 8. Notably, these significant constraints prevent the development of north-south collector roads as depicted in Exhibit R of the approved Hawes Crossing PAD.

The proposed Specific Plan modifies the collector road and the location of the open space and urban plazas within the Village 8 Open Space Master Plan, with a circulation design that envisions a closed-campus setting, using internal drive aisles to replace the collector roads. The layout, circulation, and stormwater retention are designed to create a campus-style data center industrial complex around one primary office building, one warehouse building, five data hall buildings, and a new utility-scale connection area. The Specific Plan promotes community connectivity by incorporating a 23-acre park area that will be dedicated to the City with a public pedestrian and biking trail system, along with plazas, sitting areas, and direct access to retail shopping.

The proposed site plan includes a total of eight buildings, all of which will comply with the maximum height of 75-feet as defined in the Hawes Crossing PAD. Vehicle ingress/egress to the site will include: **(1)** one full turning access driveway along South Ellsworth Road; **(2)** one right-in, right-out access driveway along South Ellsworth Road; and **(3)** two full turning access driveways along East Warner Road.

Water Conservation

Each of the data hall buildings will utilize a closed-loop water cooling system, which will ensure a long-term water preservation strategy. Filled one time, this system is a mix of 60% water and 40% glycol. The typical amount of water used per building is 200,000 gallons, a single event to fill the water loops. Crucially, no evaporative methods are used for reducing air temperature; therefore, the closed-loop cooling system has no evaporative or condensing loss. Additionally, anytime the ambient air is below 72 degrees, a free cool system is used.

This cutting-edge system saves approximately 200 Million gallons of water per building annually, with 1.2 billion gallons of water saved annually for the entire projected campus at full utilization.

V. SPECIAL USE PERMIT

Parking Reduction

The MZO regulates parking requirements for different uses. Although data center use is permitted in the LI zoning district, the minimum parking spaces mandated for typical industrial buildings, as calculated in Section 11-32-3 of the MZO, exceed the actual parking demands. Data centers generally have fewer on-site employees than a typical industrial facility. While the parking study for this site shows only 10 spaces are required per data hall to meet the demand, the proposed site plan will provide at least 85 parking spaces per data hall building.

While Novva - Mesa Ellsworth will include onsite employees, it is common for tech tenant businesses to remotely monitor the servers. While the main office building and warehouse meet the parking requirement outlined in the MZO, the specialized nature of the work and limited visitor traffic specific to the data halls contributes to lower parking needs. See the proposed parking calculations provided on the site plan shown below.

OFFICE		
BUILDING AREA:	150,198 SF	
TOTAL PARKING REQUIRED:	1/375 SF:	401
PROVIDED:		405
WAREHOUSE		
BUILDING AREA:	85,120 SF	
PARKING REQUIRED	1/900 SF:	184
TOTAL PROVIDED:		184
RETAIL		
TOTAL BUILDING AREA:	39,250 SF	
PARKING REQUIRED	1/375 SF:	105
PARKING PROVIDED:		132
DATA HALL (5 BUILDINGS)		
OFFICE AREA:	10,104 SF	
WAREHOUSE:	214,396 SF	
PARKING REQUIRED	Office - 1/375 SF:	27
	Warehouse - 1/900 SF:	240
MZO PARKING REQUIRED PER DATA HALL:		267
PARKING PROVIDED PER DATA HALL:		85-87
TOTAL DATA HALL PARKING REQUIRED		1,335
TOTAL DATA HALL PARKING PROVIDED		433
SUP DATA PARKING REQUIREMENT		
PARKING PROVIDED PER DATA HALL:		85-87
TOTAL DATA HALL PARKING PROVIDED:		433

NOVVA possesses extensive practical knowledge and experience in designing and operating data centers. Novva – Mesa Ellsworth Specific Plan includes a total of 433 parking spaces, which is sufficient for the use and aligns with industry standards for the anticipated number of employees at the data centers. These industry parking demands have been confirmed at NOVVA's other locations.

Section 11-32-6 of the MZO allows the Developer to reduce the required number of parking spaces with the approval of a Special Use Permit that meet the following criteria.

1. **Special conditions including the nature of the proposed operation that exist that will reduce parking demand at the site.**
 - a. While the zoning district and building sizes are appropriate for typical industrial development, the parking requirement is higher than the standard parking demand for data centers.
 - b. Despite the Data Center land use being permitted by-right under the Land Use Classification for Indoor Warehousing and Storage, the MZO does not include parking standards for Data Centers.
 - c. Data centers generally have fewer on-site employees than typical industrial facilities, with much of the monitoring done remotely.
 - d. Data centers have few visitors.
2. **The use will adequately be served by the proposed parking.**
 - a. Novva - Mesa Ellsworth will provide a total of 433 spaces to serve all the necessary parking needs on the Property.
3. **Parking demand generated by the project will not exceed the capacity of or have a detrimental impact on the supply of on-street parking in the surrounding area.**
 - a. Novva - Mesa Ellsworth will incorporate all necessary on-site parking and no on-street parking will be available on East Warner Road or South Ellsworth Road.

Special Use Permit Review Criteria

Section 11-70-5 of the MZO identifies the review criteria that the Development must meet as part of the SUP request. As shown below, the Development meets or exceeds each of the following required criteria outlined in Paragraph B.

1. ***Approval of the proposed project will advance the goals and objectives of and is consistent with the policies of the General Plan and any other applicable City plan and/or policies.***
 - a. The Development serves as an appropriate transition from the residential areas South and East of the Elliot Road Technology Corridor.
 - b. Novva – Mesa Ellsworth is expected to generate additional high-paying technical employment once fully constructed.
2. ***The location, size, design, and operating characteristics of the proposed project are consistent with the purposes of the district where it is located and conform with the General Plan and with any other applicable City plan or policies.***
 - a. As a multiple building campus style development, the Development will provide opportunities for a variety of new employees seeking to be within proximity to the Airport and near the growing residential areas of Southeast Mesa.

- b. While the zoning district and building sizes are appropriate for typical industrial development, the standard MZO parking requirement is higher than the standard parking demand for data centers.
3. ***The proposed project will not be injurious or detrimental to the adjacent or surrounding properties in the area, nor will the proposed project or improvements be injurious or detrimental to the neighborhood or to the general welfare of the City.***
 - a. This industrial campus is located adjacent to the appropriate freeway and arterial roadways to ensure there will not be any additional traffic within the nearby residential areas.
 - b. Data centers are a relatively low intensity use during regular operations, including limited freight traffic compared to a fabrication or manufacturing facility.
4. ***Adequate public services, public facilities and public infrastructure are available to serve the proposed project.***
 - a. The Southeast area of Mesa has access to all necessary infrastructure and utilities and the Applicant is working with the City to extend all service lines to the Property.

VI. **DESIGN REVIEW**

As an industrial development with a design with a gross floor area greater than 20,000 square feet, the City requires the Applicant to submit for formal review by the Design Review Board ("DRB"). The overall character of the development utilizes materials and forms that are influenced by the architectural character inspired by Arizona's history and desert dwelling civilizations and complies with the building form requirements in the MZO.

Mesa Quality Development Design Guidelines

The architecture and design for Novva - Mesa Ellsworth will match, meet, and exceed the design standards outlined within the MZO and Hawes Crossing. A holistic design is used to create sustainable architecture that inspires a harmonious coexistence between the immediate environment and the surrounding community. The overall design emphasizes the identity to the surrounding nature, including xeriscape right-of-way landscaping.

A. Site Design

1. **Building Placement and Orientation.** Each data hall building is east-west oriented, which minimizes both the impact of solar exposure and the visual intensity from the public right-of-way along South Ellsworth Road. The East end of each data hall building includes an office space, which serves as a scaled elevation, creating variety and visual interest.
2. **Parking, Loading, and Vehicular Access.** The proposed site plan provides minimal parking along the right-of-way, dispersing spaces throughout the Development. Primary employee and customer access will be from South Ellsworth Road while

truck access will be provided from the South side of the Property at the new entries along East Warner Road.

3. Landscaping and Shading. The arterial street intersection frontage includes sufficient xeriscape landscape features.
4. Exterior Lighting. Entries use accent lighting to not only create a focal point but also a sense of security. Parking lot and interior lighting fixtures are downward facing, designed to enhance and illuminate the Property while minimizing the night sky pollution.

B. Architectural Design

1. General Design. The architectural design for the proposed project will exceed the design standards of the existing industrial uses in the area. Novva - Mesa Ellsworth will contain building elevations consistent with the City's goal for high quality development and in keeping with the surrounding industrial community.
2. Entrances. The primary entrances serving the main office building and data halls will be a focal point, creating visual interest in the site.
3. Massing and Scale. The proposed development is centrally located within the large 160-acre site to ensure the warehouse and data halls are fully separated from property lines and public rights-of-way to reduce the impact of massing and scale.
4. Facade Articulation. The elevation of each building includes stepping and recessing external walls to reduce the potential for the presentation of large expanses of blank walls. The design expresses each building as a series of smaller components that step back and forward in the horizontal plane to break down of perceived bulk and visual massing of buildings.
5. Materials and Colors. Muted color schemes and elements establish a connection to the land and evoke calm while playing with patterns and shadows, while using natural light and apertures. Outdoor lighting will be dark sky oriented.

Alternative Compliance

Per Section 11-7-3(B)(6) of the MZO, applicants may request alternative compliance by demonstrating a design that satisfies the Site Planning and Design Standards by providing comparable designs. The Applicant is proposing alternative compliance based on overall high quality architectural design. Per Section 11-7-3(B)(6)(iv) of the MZO, "[t]he proposed alternative is aesthetically more complementary to the site, better fits into the context of the area, improves the overall architectural appeal of the area and/or meets or exceeds the design objectives as described in the City's General Plan.

Section 11-6-3(B)(5)

- Materials and Colors.
 - Materials: Texture coated concrete tilt up panels will make up no more than 60% of the elevations of each different building type. The design exceeds the minimum of 3 different materials, including Rammed Earth, Glass Panels, Architectural Concrete, different colored metal panels.
 - Colors: Multiple shades of white/grays, browns, and rust accentuate the articulations and architectural features throughout the Development.

VII. CONCLUSION

Novva - Mesa Ellsworth is in conformance with the General Plan 2040 goal to increase employment opportunities in Southeast Mesa and develop historically vacant sites into viable industrial areas to serve the existing and future population growth. NOVVA will inject more high-demand tech jobs into this area and help address the balance between jobs and housing near the Mesa Gateway Airport. The Development fills the significant need for job creation and the high-quality design will become a benefit for this community.