



Planning & Zoning Report

Date: June 11, 2025
To: Planning and Zoning Board
Through: Marc Heirshberg, Deputy City Manager
From: Nana Appiah, Development Services Director
Mary Kopaskie-Brown, Planning Director
Rachel Phillips, Assistant Planning Director
Subject: Mesa Zoning Ordinance text amendment (**Data Center and PAD Amendments**)- Proposed amendments to Chapters 6, 7, 22, 31, 32, 86, and 87 of the Mesa City Code. (**Citywide**)

Recommendation

Staff recommends that Planning and Zoning Board recommend that City Council adopt the proposed Mesa Zoning Ordinance (MZO) Data Center and PAD text amendments.

Coordinated With

The proposed text amendments were coordinated with the Office of Economic Development, Water Resources Department, Energy Resource Department, and the City Attorneys Office.

Purpose

Currently, data centers are not defined in the MZO and have been interpreted as most closely resembling Indoor Warehousing and Storage, based on their primary function of housing equipment for data storage and processing. However, data centers present unique considerations related to land use compatibility, infrastructure demand, and environmental impacts.

Over the past six years, 15 data centers have been constructed, approved, or proposed within the City of Mesa. Due to the number of data center projects and the scale of each development, Staff (including Planning, Economic Development, Water Resources, and Energy Resources) strongly support the need for this text amendment. There are many variables to consider for future data center development including land use compatibility, land availability, utility demand and availability, residential impacts such as noise, low employment generation, and broader sustainability concerns. Clear standards are essential to help the City manage these issues and guide responsible future development.

As such, Staff recommends establishing specific zoning regulations and development standards for data centers to ensure data centers are appropriately sited, designed, and

integrated within the community.

Details of the proposed text amendments are attached in Exhibit 1 – Data Center and PAD Ordinance, Exhibit 2 – Section 11-31-36: Data Centers, and Exhibit 3 – Planned Area Development Overlay District Amendments. Specifically, the proposed text amendments:

1. Add a definition for Data Center and modify the definition of Indoor Warehousing and Storage.
2. Modify land use tables to permit Data Centers as an accessory use in Commercial and Employment Districts, and as a principal use in the General Industrial (GI) and Heavy Industrial (GI) zoning districts, subject to approval of a Planned Area Development (PAD) Overlay District.
3. Establish specific use standards for Data Centers.
4. Modify PAD Overlay Districts regulations to allow land uses not otherwise permitted in a base zoning district to be allowed through PAD approval.
5. Establish the conditions under which a waiver from the “Data Center Laws” may be submitted.

Discussion

1. **Add a definition for Data Center and modify the definition of Indoor Warehousing and Storage.**

Staff recommends adding the following definition of Data Center to Section 11-86-5 (Employment and Industrial Use Classifications) of the MZO.

Data Center. A facility, or portion of a facility, primarily used to store and manage computer systems, servers, networking equipment, and components related to digital data operations. This includes related infrastructure, office space, and staff areas necessary to support digital data operations. For purposes of this definition, digital data operations include the storage, processing, and distribution of digital information and may encompass activities related to artificial intelligence, block-chain technology, cryptocurrency mining, computational modeling, weather modeling, genome sequencing, and other computationally intensive applications.

Staff also recommends modifying the definition of Indoor Warehousing and Storage to exclude Data Centers.

Indoor Warehousing and Storage. Storage within an enclosed building of commercial goods prior to their distribution to wholesale and retail outlets and the storage of industrial equipment, products and materials including but not limited to automobiles, feed, and lumber. Also includes cold storage, draying or freight, moving and storage, and warehouses. This classification excludes **DATA CENTERS**, the storage of hazardous chemical, mineral, and explosive materials.

2. Modify land use tables to permit Data Centers as an accessory use in Commercial and Employment Districts, and as a principal use in the General Industrial (GI) and Heavy Industrial (GI) zoning districts, subject to approval of a Planned Area Development (PAD) Overlay District.

In addition to defining Data Centers, Staff recommends establishing clear criteria for determining when a Data Center qualifies as an accessory use to a principal use. The storage, processing, and distribution of digital information is a common and incidental function of many modern businesses. When performed in support of a broader primary use, these operations typically do not have the same impacts. Therefore, Staff recommends that Data Centers meeting the criteria outlined in Section 11-31-36(C)(2), be permitted as an accessory use in all Commercial and Employment zoning districts.

In all other instances, Staff recommends permitting Data Centers in the General Industrial (GI) and Heavy Industrial (GI) zoning districts, if developed in accordance with all applicable regulations, including those outlined in Section 11-31-36 (Data Centers), and specifically approved by the City Council through a PAD Overlay District.

3. Establish specific use standards for Data Centers.

To address the unique impacts associated with Data Centers, Staff recommends adding Section 36 (Data Centers) to Chapter 31 (Standards for Specific Uses and Activities) of the MZO. The proposed section would contain the following seven subsections:

- A. Applicability
- B. Purpose
- C. Permitted Zoning Districts
- D. Relation to Other Regulations
- E. Application Requirements
- F. Development Standards
- G. Operational Requirements

Section 11-31-36(A): Applicability, establishes the criteria for when a Data Center qualifies as an accessory use, and outlines the applicability of Section 11-31-36 (Data Centers) to both accessory and principal uses. Data Centers that qualify as an accessory use are not subject to the requirements of Section 11-31-36 and must instead be developed and operated in compliance with all applicable standards for the principal use they support.

Subsection (B) outlines the purpose of 11-31-36 (Data Centers), which includes mitigating the potential adverse impacts of Data Centers —particularly those related to utility demand, infrastructure capacity, and compatibility with surrounding land uses.

Subsection (C) identifies the zoning districts in which Data Centers are permitted and

outlines the required approval process for both Data Centers that qualify as an accessory use and Data Centers that are a primary use. Data Centers that qualify as an accessory use are permitted in all Commercial and Employment zoning districts. Data Centers that do not meet the criteria for an accessory use may be permitted in the General Industrial (GI) and Heavy Industrial (HI) zoning districts, subject to approval of a PAD Overlay District specifically authorizing the use.

Subsection (D) establishes that when a conflict occurs between the provisions of Section 11-31-36 (Data Centers) and any other City Code, ordinance, resolution, or regulation, the more restrictive provision controls.

Subsection (E) outlines the application requirements for Data Centers, which are in addition to those specified in Section 11-67-2 of the MZO and those listed on the Development Services Department website. Staff recommends that land use applications for Data Centers include supplemental documentation to address the unique operational and infrastructure demands of these facilities. Some of the required materials include, an Operational Plan, Water Consumption and Thermal Management Report, Wastewater Report, Electric and Natural Gas Service Report, Sounds Study, etc.

Subsection (F) establishes the development standards applicable to Data Centers, supplementing those outlined in Chapter 7 (Employment Districts). Staff recommends the inclusion of additional standards to address unique operational characteristics and built form of Data Center facilities. Furthermore, Staff recommends that that development standards specified in Chapter 7 and Subsection (F) not be subject to modification through a PAD Overlay District, Bonus Intensity Zone (BIZ) Overlay District, Alternative Compliance, Special Use Permit (SUP), Variance, or other mechanism, except for building height, which may be increased up to a maximum of 60 feet through a PAD or other approved entitlement.

The proposed development standards specific to Data Centers address a range of topics, including: separation from residential zoning districts and residential uses; height; building placement and design; architectural design; truck docks, loading, and service areas; fences and freestanding walls; mechanical equipment; substation screening; and utilities.

Subsection (G) establishes operational requirements specific to Data Centers. As with the development standards, Staff recommends that these standards not be subject to modification through a PAD Overlay District, Bonus Intensity Zone (BIZ) Overlay District, Alternative Compliance, Special Use Permit (SUP), Variance, or other mechanism. Key operational requirements include: a sound study to be conducted at the time of certificate of occupancy, and annually thereafter to ensure compliance with applicable noise standards; and specific regulations for backup generators, including testing, time of use, public notice, and interconnection requirements.

4. Modify PAD Overlay Districts regulations to allow land uses not otherwise permitted in a base zoning district to be allowed through PAD approval.

In support of the proposed zoning regulations for Data Centers, Staff recommends amendments to Section 11-22-1 (Purpose), Section 11-22-2 (Land Use Regulations),

and Section 11-22-3 (Development Standards) of Chapter 22 (Planned Area Development Overlay District) of the MZO.

Staff recommends updates to Section 11-22-1 (Purpose) to incorporate the concept of modifying land use regulations and to more clearly articulate the intent of goals of a PAD Overlay District.

The proposed amendments to Section 11-22-2 (Land Use Regulations), provides the ability for City Council to permit additional land uses not otherwise permitted by a base zoning district through approval of a PAD Overlay District.

In response to the recommendations to allow additional land uses through the approval of a PAD Overlay District, the proposed modifications to Section 11-22-3 (Development Standards) clarify that any additional permitted land use is subject to the applicable requirements of Chapter 31 (Standards for Specific Uses and Activities). Furthermore, the amendments specify that in cases where no specific use standards exist in the MZO, the City may require additional development standards to ensure compatibility with surrounding uses and to mitigate any potential adverse impacts.

5. Establish the conditions under which a waiver from the “Data Center Laws” may be submitted.

Section 12 of the Ordinance sets forth the ability for an owner of real property who claims that their rights to use, divide, sell, or possess, and that the fair market value of, their real property was reduced by the enactment or applicability of the newly enacted “Data Center Laws” may request a waiver of the Data Center Laws on their specific parcel.

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.

Section 12 specifies who can request a waiver and the requirements for a waiver request (including the deadline for submitting a request and the specific information that must be included). If a waiver is granted, the owner is granted the right to use the specific parcel in compliance with the MZO as if the Data Center Laws were not adopted. For example, an owner of a specific parcel zoned Light Industrial (LI) on the effective date of this Ordinance would be permitted to develop a Data Center without approval of a rezone to GI or HI and approval of a PAD in which a data center is specifically authorized by the City Council.

The waiver does apply to development standards adopted through this Ordinance. A waiver may not be requested by a prior or subsequent owner and automatically terminates when the specific parcel is rezoned. A waiver does not limit or prevent, with a rezoning, a development agreement, and does not alter or affect an existing development agreement, that restricts or prohibits Data Centers or other land uses.

Citizen Participation

Staff met or corresponded with representatives from the following organizations to review and discuss the proposed text amendments:

- Data Center Coalition
- SRP
- Valley Partnership
- Edgecore
- Google
- Meta
- Pacific Proving Ground
- Legacy Business Park
- Cyrus One
- Nowva
- C-1 Mesa LLC
- Berry Riddell LLC

Comments were generally minor and focused on clarifying the waiver process, application requirements, substation screening, backup-generator standards, sound-study expectations, and utility-undergrounding provisions.

Staff incorporated several wording changes to address these points and improve overall clarity and certainty in the amendments and waiver procedure.

Implementation

Staff recommends the ordinance approving the proposed text amendments become effective 30 days from the date of City Council approval.

Exhibits

Exhibit 1 – Data Center and PAD Ordinance

Exhibit 2 – Section 11-31-36: Data Centers

Exhibit 3 – Planned Area Development Overlay District Amendments

Exhibit 4 – Public Comment