

COMMENTS FROM APPLE

From: Rachel Phillips

To: sgoodman@goodmanschwartz.com
Subject: Mesa Data Center Feedback Form
Date: Tuesday, June 17, 2025 4:10:00 PM

Attachments: <u>image001.png</u>

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

Rachel.Phillips@MesaAZ.gov



From:

Mesa Development Services Long Range Planning Proposed Text Amendments Comment Tuesday, June 17, 2025 11:35:00 AM Subject: Date:

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Proposed Text Amendments Comment

Name	Stuart Goodman
Are you submitting feedback as a:	Other: Government Relations
I have a comment or question regarding:	Data Centers and Planned Area Development (PAD) Overlay
Form-Based Code Text Amendments – please indicate the draft code section and your questions/comments	
Marijuana Facilities Text Amendments – please indicate the draft code section and your	

questions/comments	5
Subdivision (Land	
Division) Text	
Amendments –	
please indicate the	
draft code section	
and your	
questions/comments	5
Adaptive Reuse	
Permit Text	
Amendments –	
please indicate the	
draft code section	
and your	
questions/comments	5
	On behalf of Apple, thank you for the opportur
	to submit comments relating to the proposed N
	ordinance relating to zoning regulations impac
	data centers.
	While the ordinance largely appears to apply
	prospectively to new developments, given the
	initial and ongoing investment in which Apple
Data Centers and	made in Mesa with its existing Global Commar
Planned Area	Data Center, additional clarification is necessar
Development (PAD)	ensure that the proposed ordinance does not
Overlay – please	adversely impact the potential expansion,
indicate the draft	modification and otherwise enhancements to a
code section and	existing facility and its surrounding area in the
your	future.
questions/comments	5
	It is imperative to Apple's operations that it has
	adequate flexibility to make the necessary
	improvements to the Mesa facility in order to m
	ongoing and future corporate and customer
	demands.

	Apple will continue to work with the City of Mesa with all applicable permits and reviews.
Zoning Code	
Refinement – please	
indicate the draft	
code section and	
your	
questions/comments	
Please provide your	
general	
question/comments	
Would you like a	
response to your	Yes
question(s)?	
Would you like to	
be notified of future	Yes
public meetings?	
Email	sgoodman@goodmanschwartz.com

Berry Riddell Comments

From: Wendy Riddell

To: Sarah Steadman; Kaelee Palmer
Subject: RE: data center text amendment
Date: Tuesday, June 17, 2025 1:21:52 PM

Attachments: <u>image001.png</u>

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Thank you. This helps.

Best,

Wendy R. Riddell, Esq.

BERRY RIDDELL LLC 6750 E. Camelback Road, Suite 100 Scottsdale, Arizona 85251 480-682-3902 direct 602-616-8771 cell 480-385-2757 fax

wr@berryriddell.com | www.berryriddell.com

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From: Sarah Steadman <sarah.steadman@mesaaz.gov>

Sent: Tuesday, June 17, 2025 7:23 AM

To: Kaelee Palmer <kmp@berryriddell.com>
Cc: Wendy Riddell <wr@berryriddell.com>
Subject: RE: data center text amendment

Kaelee, thank you for the email. Because Ordinance Section 14 explicitly states that data centers in

Eastmark are not required to comply with Section 11-31-36, I do not think the suggested change to Section 12 is needed.

Sarah Steadman

Assistant City Attorney Mesa City Attorney's Office (480) 644-4111

From: Kaelee Palmer < <u>kmp@berryriddell.com</u>>

Sent: Monday, June 16, 2025 3:26 PM

To: Sarah Steadman < <u>sarah.steadman@mesaaz.gov</u>>

Cc: Wendy Riddell <<u>wr@berryriddell.com</u>> **Subject:** RE: data center text amendment

Hey Sarah,

We have had a chance to review the modifications and have one question/comment about the sentence in bold below. It would make us more comfortable if there was exception language for Eastmark or "where applicable" language added.

If the waiver request meets all the requirements of this Section 12, as determined by the Planning Director or their designee, the City of Mesa Planning Division may issue to the owner a waiver of the Data Center Law on the owner's specific parcel ("Waiver"). A Waiver grants the owner only the right to use the specific parcel in compliance with the Zoning Ordinance or Community Plan, as applicable, as if the Data Center Law was not adopted. By way of example only, an owner of a specific parcel zoned General Industrial (GI) or Heavy Industrial (HI) on the effective date of this Ordinance would be permitted to develop a data center without approval of a PAD in which a data center is specifically authorized by the City Council at the time of approving the PAD. If a Waiver is issued for a specific parcel that had an existing data center, or an approved site plan for a data center, on the specific parcel as of the effective date of this Ordinance, the existing or approved data center will be considered a legal conforming use. A Waiver does not waive or modify any land use laws in this Ordinance or in the Mesa City Code other than the Data Center Law. By way of example only and for the avoidance of doubt, a Waiver does not waive any of the application requirements, development standards, or operational requirements in Section 11-31-36 of the Zoning Ordinance. A Waiver is only applicable to the specific parcel for which it is granted. A Waiver runs with the land; provided, however, a Waiver automatically terminates when the specific parcel is rezoned. A Waiver does not limit, prevent, alter, or affect a development agreement that restricts or prohibits data centers or other land uses. The Planning Director and City Attorney are authorized to draft the Waiver form to be used pursuant to the terms, conditions, and limitations of this Section 12.

Please let us know what you think!

Thanks,

Kaelee Palmer

Planner

BERRY RIDDELL LLC

6750 E. Camelback Road | Suite 100 | Scottsdale, AZ 85251

505-328-6606 | 480-385-2757 fax | kmp@berryriddell.com

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From: Sarah Steadman < sarah.steadman@mesaaz.gov>

Sent: Tuesday, June 10, 2025 2:14 PM **To:** Kaelee Palmer < <u>kmp@berryriddell.com</u>> **Cc:** Wendy Riddell < <u>wr@berryriddell.com</u>>

Subject: RE: data center text amendment

Kaelee and Wendy, please see responses in red below. Additionally, I updated the waiver section in the ordinance to address a couple of the concerns I have heard from developers and hope that helps as well. The updated ordinance should be available this evening.

Sarah Steadman

Assistant City Attorney Mesa City Attorney's Office (480) 644-4111

From: Kaelee Palmer < <u>kmp@berryriddell.com</u>>

Sent: Tuesday, June 10, 2025 1:05 PM

To: Sarah Steadman <<u>sarah.steadman@mesaaz.gov</u>>

Cc: Wendy Riddell <<u>wr@berryriddell.com</u>> **Subject:** data center text amendment

Sarah,

Thank you so much for the call this morning. We greatly appreciate you confirming that the Data Center Waiver runs with the land and does not terminate with the sale of the property. We are hoping to receive a formal response to the following questions:

Confirmation the waiver will run with the land and will not terminate with an ownership

change. We understand a rezoning of the property would invalidate the waiver.

The waiver runs with the land; A change of ownership will not terminate a waiver.

Confirmation that within the PC zoning district that the Community Plan Development
 Standards (such as Eastmark) would apply to data center developments versus the proposed development standards in the text amendment.

Proposed Section 11-31-36 of the Zoning Ordinance will not apply to data centers in Eastmark. Regarding other Planned Communities, my understanding is that data centers are not allowed in either of the other Planned Community districts in the City (Cadence and Avalon Crossing) per the land use regulations in those community plans.

• Confirmation the waiver is not a discretionary process and if a completed waiver application is filed, a waiver will be granted.

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.

Thanks.

Kaelee Palmer

Planner

BERRY RIDDELL LLC

6750 E. Camelback Road | Suite 100 | Scottsdale, AZ 85251

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 From:
 Sarah Steadman

 To:
 Kaelee Palmer

 Cc:
 Wendy Riddell

Subject: RE: data center text amendment Date: Tuesday, June 10, 2025 2:13:00 PM

Kaelee and Wendy, please see responses in red below. Additionally, I updated the waiver section in the ordinance to address a couple of the concerns I have heard from developers and hope that helps as well. The updated ordinance should be available this evening.

Sarah Steadman

Assistant City Attorney Mesa City Attorney's Office (480) 644-4111

From: Kaelee Palmer <kmp@berryriddell.com>

Sent: Tuesday, June 10, 2025 1:05 PM

To: Sarah Steadman <sarah.steadman@mesaaz.gov>

Cc: Wendy Riddell <wr@berryriddell.com> **Subject:** data center text amendment

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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.

Thanks,

Kaelee Palmer

Planner

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C-1 Comments



Perkins Coie LLP 2525 East Camelback Road Suite 500 Phoenix, AZ 85016 T. +1.602.351.8000 F. +1.602.648.7000 perkinscoie.com

June 17, 2025

P. Derek Petersen PDPetersen@perkinscoie.com D. +1.602.351.8260 F. +1.602.648.7008

Via Email (Rachel.Phillips@mesaaz.gov)

City of Mesa Planning and Zoning Board 57 E. First Street Mesa, Arizona 85201

Re: PZ 25054 - Proposed Amendments Pertaining to Data Centers and Zoning / Planned Area Development Overlay Districts

Members of the City of Mesa Planning and Zoning Board:

We submit this letter on behalf of our client, C-1 Mesa LLC ("C-1"), to provide additional comments on elements of the proposed regulations that are before you in the above-referenced matter. In particular, these comments focus on the city's intended application of the proposed Section 11-31-36 development standards and operational requirements. By letter dated June 10, 2025, we separately provided comment on legal issues raised in the proposed ordinance related to grandfathered status and vesting of data center projects with approved site plans and special use permits. These comments supplement, and do not replace, those prior June 10th comments, which are incorporated here by this reference.

The scope of grandfathered rights to use property and implement approved site plans must extend to design and operation of a use. C-1 firsts asks the City of Mesa (the "City") to expressly confirm that these development standards and operational requirements will not apply to grandfathered properties and uses. Additionally, especially if the City does not provide that confirmation, C-1 respectfully submits that the design and operational requirements in the draft Section 11-31-36 provisions are flawed and more time should be taken to establish reasonable standards that provide City staff, developers and owners, and residents with the clarity needed to avoid application and implementation challenges moving forward.

Scope of Grandfathered Rights to Use Property. We appreciate that the City has responded to address some grandfathered status issues in the latest drafts of the proposed amendments to Chapters 6, 7, 22, 21, 32, and 86 of the City's Zoning Ordinance relating to data centers and Planned Area Development ("PAD") Overlay Districts (the "New Data Center Law"). As set out in our previous letter, these vested property rights are protected by Arizona and United States law and must be recognized by the City as it considers this shift in zoning, development standards, and operational requirements.

We also recognize that the City's proposed language of the New Data Center Law remains in flux. Changes are being made in real time. However, because the City has declined to hold a City of Mesa Planning and Zoning Board June 17, 2025 Page 2

stakeholder meeting to provide the same information on the same drafts to the same interested parties, we are providing these comments now before the stakeholder comment deadline to ensure that these issues are known to the City and can be addressed.

At this point, the New Data Center Law does not expressly state that the grandfathered status applies beyond the zoning and use restrictions and also sets the design and operating requirements for existing data centers and those with approved site plans. And, it should—particularly if that is the City's intent.

It's not proper for a city to impose new design and operational requirements on a vested use. The City derives its zoning power from the State, and its regulations must comply with the State zoning enabling statute. *See Levitz v. State*, 126 Ariz. 203, 205, 613 P.2d 1259, 1261 (1980). Even where a use is considered legal nonconforming, the law protects the right to continue to use the property without application of restrictions that come after the grandfathered project unless a city demonstrates those are necessary to protect public health and safety (i.e., nuisance abatement).

The purpose of such grandfathering protections "is to prevent the injustice of forcing retroactive compliance and the doubtful constitutionality of compelling immediate discontinuance of a nonconforming use." *Motel 6 Operating Ltd. Partnership v. City of Flagstaff*, 195 Ariz. 569, 991 P.2d 272 (1999) (quoting *Gannett Outdoor Co. of Arizona v. City of Mesa*, 159 Ariz. 459, 462, 768 P.2d 191, 194 (App. 1989)). Grandfathered rights would be of little value if they could be indirectly denied. A right to engage in a vested use under a site plan with design parameters reviewed and approved has little value if a city could impose operating regulations making it economically infeasible to build and operate in the buildings that house the approved use. It has long been held that "what cannot lawfully be done directly, cannot be done indirectly." *Proprietors of Charles River Bridge v. Proprietors of Warren Bridge*, 36 U.S. 420, 456 (1837); *see also State for Fair Admissions, Inc. v. President and Fellows of Harvard College*, 600 U.S. 181, 230 (2023) (quoting *Cummings v. Missouri*, 71 U.S. 277, 325 (1867)) ("[W]hat cannot be done directly cannot be done indirectly. The Constitution deals with substance not shadows[.]").

Problems with the Selection of Standards. Beyond this threshold issue of applicability, these proposed design and operational requirements are flawed and are likely to lead to ongoing challenges for the City, the data center industry, and citizens. The City has not demonstrated good cause or public necessity to establish many of the proposed standards. Others are problematic because the standard chosen is too prescriptive and likely to have unintended consequences.

Below is a summary of examples of these shortcomings in the draft standards and operational requirements. These are examples of issues presented in the draft Section 11-31-36 provisions, not a comprehensive list of problems presented in the current draft provisions.

• <u>Separation from residences</u> – There is no apparent basis for the 400-foot separation from residences. It's an arbitrary and capricious standard. Furthermore, the descriptions of both the measurement points and the potential for the Director to

City of Mesa Planning and Zoning Board June 17, 2025 Page 3

choose additional uses and properties requiring this separation would create ambiguities in implementation and uncertainty for all.

- Noise standards The City has not shown a basis to treat data center uses differently than other noise-generating uses and to burden data centers with a "no noise above ambient" standard when airport operations are allowed to reach 60 decibels. Mesa City Code Section 11-31-18; see also Section 11-31-7 (automobile/vehicle washing standards). As written, the Section 11-31-36 noise provisions would prevent certain data centers from contributing noise that isn't even perceptible to the receiving residential properties or other uses. Rather than adopting this ambient noise approach, the City should instead set an actual noise decibel cap as it has done for other noise-generating uses.
- Mechanical equipment and substation screening Requiring a solid wall height that
 is one foot above the tallest equipment will lead to absurd results. This standard is
 too prescriptive. The standards should provide flexibility to address aesthetics
 interests on a site-by-site basis and to look for mitigation that is balanced, specific,
 and workable to achieve desired results.

Conclusion. We ask that (a) the City confirm that these development standards and operational requirements will not apply to vested uses and (b) that Planning and Zoning defer action on this package until these regulations can be based on reasonable standards and adequately described to enable developers, property owners, city staff, and neighbors to understand the expectations established by these regulations.

If adopted as proposed <u>and</u> if the City applies these development standards and operational requirements even to already vested uses within the City, these regulations would cause a taking of C-1 Mesa's vested rights. We would prefer to work with the City and neighbors to develop clear regulations that do not cause a take of private property rights. If these restrictions are imposed on projects like ours that have already invested significantly in projects within the City of Mesa in reliance on vested interests, we will be forced to pursue litigation to assure that protections afforded by the Arizona Constitution and the Constitution of the United States are recognized by these proposed laws.

Sincerely,

P. Derek Petersen



Perkins Coie LLP 2525 East Camelback Road Suite 500 Phoenix, AZ 85016 T. +1.602.351.8000 F. +1.602.648.7000 perkinscoie.com

June 17, 2025

P. Derek Petersen PDPetersen@perkinscoie.com D. +1.602.351.8260 F. +1.602.648.7008

Via Email (Rachel.Phillips@mesaaz.gov)

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City of Mesa Planning and Zoning Board June 17, 2025 Page 3

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Sincerely,

P. Derek Petersen

From: Rachel Phillips

To: "Petersen, P. Derek (Perkins Coie)"

Cc: Wilson, Kristine (Perkins Coie); Freouf, Delana (Perkins Coie); Mary Kopaskie-Brown; Sarah Steadman; Sean

Pesek; Noah Bulson

Subject: RE: City of Mesa Proposed Data Center Text Amendments

Date: Tuesday, June 17, 2025 12:01:00 PM

Attachments: <u>image001.png</u>

Derek,

Thank you for the feedback. I know that Sarah Steadman has already responses to several of these questions but staff will review and reach out with any questions.

Best Regards,

Rachel

Rachel Phillips, AICP Assistant Planning Director 480-644-2762

Rachel.Phillips@MesaAZ.gov



From: Petersen, P. Derek (Perkins Coie) <PDPetersen@perkinscoie.com>

Sent: Tuesday, June 17, 2025 11:54 AM

To: Rachel Phillips < Rachel. Phillips@MesaAZ.gov>

Cc: Wilson, Kristine (Perkins Coie) <KRWilson@perkinscoie.com>; Freouf, Delana (Perkins Coie)

<DFreouf@perkinscoie.com>

Subject: City of Mesa Proposed Data Center Text Amendments

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Hi Rachel,

On behalf of my client, C-1 Mesa LLC, please see the attached letter providing comments regarding the City's proposed Data Center Ordinance.

Thanks so much for the City's continuing efforts to work with stakeholders on these importa	ant
issues.	

Thanks,

Derek

Derek Petersen PARTNER

Perkins Coie

2525 E. Camelback Road Suite 500 Phoenix, AZ 85016-4227 +1.602.351.8260 pdpetersen@perkinscoie.com perkinscoie.com

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From: Petersen, P. Derek (Perkins Coie)

To: Sarah Steadman

Cc: Wilson, Kristine (Perkins Coie); Freouf, Delana (Perkins Coie); Carmody, Jane (Perkins Coie); Jim Smith

Subject: RE: Mesa Data Center and PAD Text Amendments: C-1 Mesa LLC"s Legal Comment Letter

Date: Tuesday, June 17, 2025 12:05:57 PM

Attachments: 2025.06.17 Letter to City of Mesa Planning and Zoning Board.pdf

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Hi Sarah,

Thanks again for the additional confirmations you provided below and on our call this morning.

Given the noon deadline, my client asked that I go ahead and submit the attached—previously prepared—letter to Rachel. As you'll see, we did not have time to fully incorporate into the attached letter the additional confirmations you provided today. So I wanted to send this follow-up note to acknowledge that fact and thank you (and the City in general) for your continued efforts to work with stakeholders on these important issues.

Thanks,

Derek

Derek Petersen PARTNER

Perkins Coie

2525 E. Camelback Road Suite 500 Phoenix, AZ 85016-4227 +1.602.351.8260 pdpetersen@perkinscoie.com perkinscoie.com

From: Petersen, P. Derek (PHX) <PDPetersen@perkinscoie.com>

Sent: Tuesday, June 17, 2025 10:27 AM

To: Sarah Steadman <Sarah.steadman@mesaaz.gov>

Cc: Wilson, Kristine (BEL) < KRWilson@perkinscoie.com>; Freouf, Delana (PHX)

<DFreouf@perkinscoie.com>; Carmody, Jane (SEA) <JCarmody@perkinscoie.com>; Jim Smith

<Jim.Smith@mesaaz.gov>

Subject: RE: Mesa Data Center and PAD Text Amendments: C-1 Mesa LLC's Legal Comment Letter

Thanks, Sarah. I'll circulate a calendar invite for 11:00.

Derek Petersen PARTNER

Perkins Coie

2525 E. Camelback Road Suite 500 Phoenix, AZ 85016-4227 +1.602.351.8260 pdpetersen@perkinscoie.com perkinscoie.com

From: Sarah Steadman < <u>Sarah.steadman@mesaaz.gov</u>>

Sent: Tuesday, June 17, 2025 10:02 AM

To: Petersen, P. Derek (PHX) < <u>PDPetersen@perkinscoie.com</u>>

Cc: Wilson, Kristine (BEL) < <u>KRWilson@perkinscoie.com</u>>; Freouf, Delana (PHX)

<<u>DFreouf@perkinscoie.com</u>>; Carmody, Jane (SEA) <<u>JCarmody@perkinscoie.com</u>>; Jim Smith <<u>Jim.Smith@mesaaz.gov</u>>

Subject: RE: Mesa Data Center and PAD Text Amendments: C-1 Mesa LLC's Legal Comment Letter

Derek, please see my responses in red below. If you still need a call after reviewing, I am available from 10:30-12.

Sarah Steadman

Assistant City Attorney Mesa City Attorney's Office (480) 644-4111

From: Petersen, P. Derek (Perkins Coie) < <u>PDPetersen@perkinscoie.com</u>>

Sent: Monday, June 16, 2025 10:40 AM

To: Sarah Steadman <<u>Sarah.steadman@mesaaz.gov</u>>

Cc: Wilson, Kristine (Perkins Coie) < <u>KRWilson@perkinscoie.com</u>>; Freouf, Delana (Perkins Coie) < <u>DFreouf@perkinscoie.com</u>>; Carmody, Jane (Perkins Coie) < <u>JCarmody@perkinscoie.com</u>>; Jim Smith < <u>Jim.Smith@mesaaz.gov</u>>

Subject: RE: Mesa Data Center and PAD Text Amendments: C-1 Mesa LLC's Legal Comment Letter

Hi Sarah,

Thanks again for taking time last week to clarify how the City intends to apply its

proposed Mesa Data Center and PAD Text Amendments ("new ordinance"). And thanks for all of the City's efforts to revise the new ordinance's text to add further clarity. To confirm we've understood everything, I am listing some key take aways below. Can you please confirm that I've captured the City's intent accurately?

Grandfathering

- The proposed new ordinance's updated language states: "SECTION 11-1-6 OF THE ZONING ORDINANCE. Data center projects that have received approvals prior to the effective date of this Ordinance may file applications for permits and plats, and may be constructed, as set forth in Section 11-1-6(B) of the Zoning Ordinance. Complete applications for proposed data center projects filed prior to the effective date of this Ordinance may be approved as set forth in Section 11-1-6(C) of the Zoning Ordinance."
 - This means the City will apply the proposed new ordinance only prospectively—and entitled projects (e.g., those with site plan approval, special use permits) will be grandfathered.

Data center projects with approved site plans and special use permits will be allowed to develop in compliance with the approved site plans and special use permits.

• More specifically, where an approved site plan and special use permit for a data center project issued before the effective date of the proposed new ordinance, the City will permit that property to continue to develop, construct, and operate its data center in compliance with the approved site plan, special use permit, and land use laws (including development regulations and operational provisions) that were in existence at the time of the City's approval of the site plan or special use permit.

Data center projects with approved site plans and special use permits will be allowed to develop in compliance with the approved site plans and special use permits.

 The City would apply Code Section 11-1-6(B) so that, once the City has approved a site plan and special use permit, the grandfathered project/property can construct its development over the previously planned time period (e.g., C-1's site plan anticipates building out its data center project in stages over a 5-year period), without putting at risk the property owner's grandfathered status. In other words, under the above-described circumstances, the City will apply Code Section 11-1-6(B) such that the property owner is not required to obtain all of its building permits within a time-limited period (e.g., a 1- or 3-year period).

Provided the approved site plan and special use permit are not expired (see Zoning Ordinance Sections 11-69-9 and 11-67-9), the data center project will be allowed to develop in compliance with the approved site plan and special use permit. In the circumstance you describe, it sounds like the property owner would be actively and continuously pursuing the proposed use, and therefore the site plan and special use permit would not expire, and the property owner will not be required to obtain all building permits in a time-limited period.

Waiver

The City will apply the proposed new ordinance's Waiver language such that, if the application meets the new ordinance's requirements, the City will grant a Waiver.

If the City determines the property owner has a valid claim under ARS 12-1134 and the application meets all the requirements of Section 12 of the Ordinance, the City will grant a Waiver.

■ The proposed new ordinance's updated language states: "A Waiver grants the owner only the right to use the specific parcel in compliance with the Zoning Ordinance or Community Plan, as applicable, as if the Data Center Law was not adopted." But the proposed new ordinance also states: (1) "For the avoidance of doubt, 'Data Center Law' does not include the application requirements, development standards, or operational requirements in Section 11-31-36 of the Zoning Ordinance"; and (2) "[A] Waiver does not waive any of the application requirements, development standards, or operational requirements in Section 11-31-36 of the Zoning Ordinance."

• This means that:

When a Waiver is granted to a property owner (like C-1)
 who has received an approved site plan and special use

permit, the City will permit that property owner to continue to develop, construct, and operate its data center in compliance with the application requirements, development standards, and operational requirements in existence when the City approved the site plan and special use permit.

If a Waiver is granted for a certain property that has or will have a data center, the data center on that property will be deemed a legal conforming use (and therefore not subject to the Zooning Ordinance requirements for legal nonconforming uses).

If a property owner has an approved site plan and special use permit prior to the effective date of the new data center ordinance, the property owner will be allowed to construct and operate its data center in compliance with those approvals and the Zoning Ordinance in effect at the time of those approvals.

If a property owner does not have approvals, and has not submitted complete applications for such approvals, prior to the effective date of the new data center ordinance, the property owner will be required to construct and operate its data center in compliance with Section 11-31-36 (even if the property owner is granted a Waiver).

Receiving a Waiver under the proposed new ordinance has zero impact on whether or not Section 11-31-36 applies to a given project. If the application requirements, development standards, and operational requirements proposed in Section 11-31-36 were not in effect when the City approved the property owner's site plan and special use permit, then Section 11-31-36 will not suddenly become applicable to that property owner's project just because it received a Waiver.

The Waiver does not have an impact on the applicability of Section 11-31-36. The Waiver only waives the requirement to rezone the property to a PAD that specifically allows a data center on the property.

■ The proposed new ordinance's updated language states: "If a Waiver

is issued for a specific parcel that had an existing data center, or an approved site plan for a data center, on the specific parcel as of the effective date of this Ordinance, the existing or approved data center will be considered a legal conforming use."

• This means that:

When a Waiver is granted to a property owner (like C-1)
who has received an approved site plan and special use
permit, the City will continue to apply its existing
procedures/standards—under Section 11-69-7—to
approve minor modifications to the approved site plan.

If a Waiver is granted for a certain property that has or will have a data center, the data center on that property will be deemed a legal conforming use (and therefore not subject to the Zooning Ordinance requirements for legal nonconforming uses). Zoning Ordinance Chapter 69 will continue to apply to site plan review and modifications.

 Seeking minor modifications of a property owner's approved site plan—under Section 11-69-7—will not undermine a project's status as a "legal conforming use."

Applications for site plan modifications will not affect a data center's status as a legal conforming use.

Again, we very much appreciate all of your work on this. And please let me know if you have any questions or if it would be helpful to schedule a quick call to discuss this.

Thanks, Derek

Derek Petersen PARTNER

Perkins Coie

2525 E. Camelback Road Suite 500 Phoenix, AZ 85016-4227 +1.602.351.8260 pdpetersen@perkinscoie.com perkinscoie.com From: Petersen, P. Derek (PHX) < PDPetersen@perkinscoie.com>

Sent: Wednesday, June 11, 2025 7:50 AM

To: Sarah Steadman < <u>Sarah.steadman@mesaaz.gov</u>>

Cc: Wilson, Kristine (BEL) < KRWilson@perkinscoie.com; Freouf, Delana (PHX)

 $<\!\!\underline{\mathsf{DFreouf@perkinscoie.com}}\!\!>; \mathsf{Carmody}, \mathsf{Jane} \ (\mathsf{SEA}) <\!\!\underline{\mathsf{JCarmody@perkinscoie.com}}\!\!>; \mathsf{Jim} \ \mathsf{Smith}$

<<u>Jim.Smith@mesaaz.gov</u>>

Subject: RE: Mesa Data Center and PAD Text Amendments: C-1 Mesa LLC's Legal Comment Letter

Thanks, Sarah. I just sent a calendar invite for today at 11:00. Talk to you soon.

Derek Petersen PARTNER

Perkins Coie

2525 E. Camelback Road Suite 500 Phoenix, AZ 85016-4227 +1.602.351.8260 pdpetersen@perkinscoie.com perkinscoie.com

From: Sarah Steadman < <u>Sarah.steadman@mesaaz.gov</u>>

Sent: Tuesday, June 10, 2025 6:50 PM

To: Petersen, P. Derek (PHX) < PDPetersen@perkinscoie.com>

Cc: Wilson, Kristine (BEL) < <u>KRWilson@perkinscoie.com</u>>; Freouf, Delana (PHX)

<<u>DFreouf@perkinscoie.com</u>>; Carmody, Jane (SEA) <<u>JCarmody@perkinscoie.com</u>>; Jim Smith <<u>Jim.Smith@mesaaz.gov</u>>

Subject: RE: Mesa Data Center and PAD Text Amendments: C-1 Mesa LLC's Legal Comment Letter

Hi, Derek. I am available for a call tomorrow morning from 8:30-9 or 11-11:30. Let me know if either time works.

Sarah Steadman

Assistant City Attorney Mesa City Attorney's Office (480) 644-4111

From: Petersen, P. Derek (Perkins Coie) < <u>PDPetersen@perkinscoie.com</u>>

Sent: Tuesday, June 10, 2025 6:34 PM

To: Sarah Steadman < <u>Sarah.steadman@mesaaz.gov</u>>

Cc: Wilson, Kristine (Perkins Coie) < KRWilson@perkinscoie.com; Freouf, Delana (Perkins Coie) < DFreouf@perkinscoie.com; Carmody, Jane (Perkins Coie) < JCarmody@perkinscoie.com; Jim Smith < Jim.Smith@mesaaz.gov>

Subject: RE: Mesa Data Center and PAD Text Amendments: C-1 Mesa LLC's Legal Comment Letter

Hi Sarah,

Thank you for your email. This clarification is very helpful. We have a few follow-up questions that, if possible, we'd like to discuss with you before tomorrow's P&Z meeting. Do you have any availability tomorrow morning or early afternoon for a quick call?

Thanks, Derek

Derek Petersen PARTNER

Perkins Coie

2525 E. Camelback Road Suite 500 Phoenix, AZ 85016-4227 +1.602.351.8260 pdpetersen@perkinscoie.com perkinscoie.com

From: Sarah Steadman < <u>Sarah.steadman@mesaaz.gov</u>>

Sent: Tuesday, June 10, 2025 12:32 PM

To: Petersen, P. Derek (PHX) < <u>PDPetersen@perkinscoie.com</u>>

Cc: Wilson, Kristine (BEL) < <u>KRWilson@perkinscoie.com</u>>; Freouf, Delana (PHX)

<<u>DFreouf@perkinscoie.com</u>>; Carmody, Jane (SEA) <<u>JCarmody@perkinscoie.com</u>>; Jim Smith <<u>Jim.Smith@mesaaz.gov</u>>

Subject: RE: Mesa Data Center and PAD Text Amendments: C-1 Mesa LLC's Legal Comment Letter

Derek,

Projects with a site plan, design review, and special use permit approved prior to the effective date of the proposed data center ordinance may be developed in compliance with the approved site plan, design review, and special use permit, as set forth in Mesa City Code Section 11-1-6. Next, if an 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. Lastly, tweaks are being made to Section 12 of the data center ordinance to clarify a couple items related to the waiver. Please take a look at the updated ordinance that will be available here prior to tomorrow's Planning and Zoning Board meeting.

Thank you.

Sarah Steadman

Assistant City Attorney

Mesa City Attorney's Office (480) 644-4111

From: Petersen, P. Derek (Perkins Coie) < PDPetersen@perkinscoie.com>

Sent: Tuesday, June 10, 2025 9:53 AM

To: Sarah Steadman <<u>Sarah.steadman@mesaaz.gov</u>>; Jim Smith <<u>jim.smith@mesaaz.gov</u>>
Cc: Wilson, Kristine (Perkins Coie) <<u>KRWilson@perkinscoie.com</u>>; Freouf, Delana (Perkins Coie) <<u>DFreouf@perkinscoie.com</u>>; Carmody, Jane (Perkins Coie) <<u>JCarmody@perkinscoie.com</u>>
Subject: Mesa Data Center and PAD Text Amendments: C-1 Mesa LLC's Legal Comment Letter

Mr. Smith and Ms. Steadman,

Please see the attached legal comment letter submitted on behalf of our client, C-1 Mesa LLC.

Once you've had a chance to review this, we'd like to schedule some time when we could discuss it with you. Do you have some time later this week when we could meet (we can meet via video call, if that's easier for you)? If so, could you please identify some dates and times that work for you? Then we can circulate a calendar invite.

We look forward to talking with you. And please don't hesitate to reach out if you have any questions.

Thanks, Derek

Derek Petersen PARTNER

Perkins Coie

2525 E. Camelback Road Suite 500 Phoenix, AZ 85016-4227 +1.602.351.8260 pdpetersen@perkinscoie.com perkinscoie.com

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Data Center Coalition Comments

June 17, 2025

City of Mesa - Planning and Zoning Board c/o Planning Division City of Mesa Mesa City Plaza 20 E. Main Street, Suite 130 Mesa, AZ 85201



Dear Members of the Planning and Zoning Board:

This comment letter is filed on behalf of the Data Center Coalition ("DCC"). DCC is the national membership association for the data center industry. DCC members include leading data center owners and operators, as well as companies that lease large amounts of data center capacity. Over half of DCC's 36 data center members have an active operational footprint or planned investments in Arizona.

Data centers provide the digital infrastructure that keeps us connected in our daily lives and supports many sectors of the 21st-century innovation economy – including artificial intelligence, financial services, advanced manufacturing, cybersecurity, healthcare, and other key industries. Companies of all sizes with any digital presence need data centers, and the industry is growing rapidly. Businesses are investing hundreds of billions of dollars in capital for new data center facilities across the country to support the unprecedented demand for these digital services.

Due to supportive economic development policies, Arizona has attracted leading technology companies to establish headquarters, research and development facilities, manufacturing facilities, and other service-oriented developments. These developments — which have resulted in significant benefits to this region — increasingly require proximity and access to data center infrastructure in order to meet user demands and compete on an international basis for investor funding. Including direct, indirect, and induced effects, the data center industry contributed \$11.0 billion to Arizona GDP in 2023 and directly and indirectly generated \$863 million in state and local tax revenues.

Data center developers, owners, and operators understand the regulatory environment and want to be good neighbors. Regulatory certainty is a key factor that enables businesses to make significant investments in this essential infrastructure. Zoning laws that affect where and how data centers are built, designed, and operated are a critical element of siting considerations and economic success.

When considering impactful decisions on changes to zoning laws, industry provides valuable insight into the practical implications of those proposed changes. For example, setting a height limit that doesn't create an exception for equipment used for noise mitigation will limit abilities to implement designs that reduce noise impacts in favor of lowering the building for aesthetic purposes. Zoning and development regulations are about balancing these various factors and

¹ Public testimony and written comments submitted by DCC do not necessarily reflect the views of each individual DCC member. A list of current DCC members is accessible at https://www.datacentercoalition.org/members.

the interplay between different land uses. DCC encourages the City to conduct a robust stakeholder process to understand these dynamics in the standards under consideration.

As mentioned at the Planning and Zoning Board's meeting last week, DCC has identified a variety of concerns with the regulations as put forth in the original draft ordinance, development standards, and Planned Area Development Overlay District amendments (together, the "Proposed Data Center Ordinance"). Given the short turnaround time for comments, DCC welcomes the opportunity to continue to provide additional detailed feedback throughout the process. These are complicated issues cutting across multiple subject matter areas, and the industry strives to be as comprehensive as possible.

These issues are summarized below along with suggested solutions.

Grandfathering for Existing Property Rights and Investments

Express grandfathering for those with vested rights is needed, and should extend to the zoning, development regulations, and design and operating standards. Additionally, projects with vested site plan approvals should be provided some flexibility for modifications to accommodate changes that are inevitable during build out of facilities with evolving technologies.

Innovation drives the data center industry, and our members continue to increase efficiency and reduce and mitigate environmental impacts as technological solutions and facility designs and enhancements evolve. Flexibility is therefore needed to enable existing or partially built campuses to continue to operate, while allowing for updates and modernizations, many of which promote efficiency and sustainability.

Distance from Residential Uses

Data center developers and operators are not opposed to a residential buffer. However, in the Proposed Data Center Ordinance, the choice of 400 feet seems arbitrary and the industry would appreciate further clarification on the evidence or analysis used to determine this specific distance and its anticipated mitigation benefits.

It also creates many nonconformities with existing or entitled data centers in Mesa, and the legislation should clarify existing nonconformities are allowed to remain. In other communities, a more typical residential buffer would be 200 feet for buildings and 300 feet for back-up generators or substations. We also recommend the opportunity to apply for an exception or variance to a buffer requirement if offsetting mitigation measures are proposed and subject to compliance with specific criteria, as is common in other instances.

Noise Regulations

The proposed noise regulations setting standards around ambient noise conditions as a seeming limit to both issuance of a certificate of occupancy and as an operating condition are inequitable and discriminate unduly against noise generated by data centers as compared to other noise-emitting uses within the city. For example, Mesa City Code sets a noise level for automobile and vehicle washing uses (11-31-7) at 55 decibels. The indoor noise levels attributable to airport operations is capped at 45 decibels for portions of structures that include sleeping areas and noise-sensitive areas (11-19-5). Drive-thru facilities must demonstrate not increasing ambient noise above 60 decibels (11-31-18).

Using ambient noise as a cap is especially problematic. Ambient noise may rise over time in general in a community. Since data centers operate 24/7, isolating their noise emissions from background noise is challenging. Unlike other facilities, data centers lack the flexibility to temporarily shut down to conduct assessments. As a result, using an ambient noise standard creates undue burdens. When setting noise conditions, a city must consider the unique operations and the changing ambient noise conditions in the surrounding area.

The City should set allowable noise standards by use and decibel levels to protect noise-receiving properties. The notice provisions also should be clarified so that it is clear who is to receive notice, under what circumstances, and with what exceptions (e.g., emergency conditions, power outages, or other temporary generation needs).

Parking

The adequacy of parking required for any given data center should be as demonstrated by a traffic impact analysis prepared by a traffic engineer that includes a trip generation estimate identifying the parking needed to support the number of anticipated passenger car equivalent trips per day expected to access the site during construction and during regular operations.

The proposed minimum parking standard of 1 space per 1,000 square feet is arbitrary and could lead to property use and design that is contrary to the public interest. It may result in empty parking lots that generate heat, amplify noise conditions, and leave less area for landscaping.

Building Placement, Screening, and Height

DCC recommends that the ordinance provide the Planning Director with discretion to allow limited exceptions to the 60-foot building height restriction in appropriate circumstances and to exempt mechanical equipment and associated noise mitigation measures from the height limit, consistent with other industrial uses. This flexibility would be in addition to the proposed option to set an alternative height limit via the PAD. This flexibility is critical to accommodate essential infrastructure such as generator exhaust stacks required to meet air quality standards or noise mitigation walls, if needed, as well as to allow for evolving technology in how data centers may be built in the future.

Including all equipment within the height limit places a unique and disproportionate burden on data centers, particularly when other industrial and commercial uses are not required to include rooftop mechanical equipment in height calculations. In addition, mandating strict compliance with "all" ordinance requirements may result in unintended conflicts (e.g. a noise study might necessitate reorienting a building in a way that deviates from otherwise prescribed design standards). Allowing flexibility in such instances is essential for effective and practical implementation. Likewise, flexibility should be built into building placement standards by using language such as "to the greatest extent feasible given the site and use constraints."

With respect to substations, the proposed requirement for a solid wall that extends one foot above the tallest piece of equipment may result in undesirable aesthetic impacts. This standard should be revisited to evaluate what elements truly need to be screened, whether a solid wall is preferable to a permeable option, and how that screening integrates with existing site fencing. The current code's 8-foot wall height may be sufficient, and any fencing standard should be fixed rather than variable based on equipment height.

Across these various standards, we also encourage the City to consider making more allowances for providing exceptions based on specific requests, conditions and market demand.

Currently, the Proposed Data Center Ordinance only provides for exceptions in the case of building height at the time of PAD approval. In this ever-evolving space, tying the applicants and the City to this snapshot in time may have unintended consequences of preventing adaptations that could be beneficial for the community or City and project inefficiency if they must go back for additional height modifications after the fact.

Industrial Zoning Designation

DCC respectfully requests that the City of Mesa include Light Industrial as a permissible zoning location for data centers in addition to General Industrial and Heavy Industrial zoning. Data center operations are typically more aligned to permissible Light Industrial uses rather than General Industrial or Heavy Industrial zoning which often have additional concerns related to smoke, traffic, and other environmental impacts more often seen in chemical manufacturing, mining, and power production.

Mesa's existing definition of Light Industrial and the proposed design requirements for data centers under the proposed ordinance are also aligned as under the definition of Light Industrial: "Individual developments include well-designed buildings on sites that may or may not have campus-like settings, and areas visible to the general public include well-designed landscape areas." When applied, the proposed design guidance under 11-31-36 would establish such well-designed spaces.

Thank you for your consideration of these comments. Again, DCC welcomes the opportunity to provide additional feedback to ensure responsible and strong economic development policies.

Sincerely,

Dan Diorio

Senior Director, State Policy

Data Center Coalition

Dan@datacentercoalition.org

From: Rachel Phillips
To: Emily Rice

Cc: Mary Kopaskie-Brown; Nana Appiah; Sean Pesek; Russell Smoldon

Subject: RE: City of Mesa Proposed Data Center Text Amendments

Date: Thursday, June 12, 2025 4:34:00 PM

Attachments: <u>image001.png</u>

Hi Emily,

Thank you for reaching out and for your interest in the Data Center text amendments.

The City is interested in capturing input and feedback on the text amendments from all of our stakeholders. Given the timing of the Planning and Zoning Board meeting (Wednesday, June 25) and City Council (Tuesday, July 1 and Tuesday, July 8), we will not be holding an open house. We want to ensure every stakeholder has an opportunity to provide feedback on the text amendment and there are several ways to share your comments.

- Email: Feel free to email comments, questions, or red line edits directly to me any time before noon on Tuesday, June 17.
- One-on-one call: If you would prefer a brief one-on-one call to discuss your comments, let me know a few times that for you next week. Just fyi, Miranda Dewitt and I met with Russell this week.
- Public Record: All written feedback we receive will be summarized in the agenda packet for the Planning & Zoning Board hearing which will be posted the evening of Thursday, June 19 for public review.

The City values your input and we appreciate your participation.

Best, Rachel

Rachel Phillips, AICP Assistant Planning Director 480-644-2762

Rachel.Phillips@MesaAZ.gov



From: Emily Rice <erice@b3strategies.com> Sent: Thursday, June 12, 2025 2:53 PM

To: Rachel Phillips < Rachel. Phillips@MesaAZ.gov>

Cc: Mary Kopaskie-Brown < Mary.Kopaskie-Brown@mesaaz.gov>; Nana Appiah

<Nana.Appiah@mesaaz.gov>; Sean Pesek <Sean.Pesek@mesaaz.gov>; Russell Smoldon

<rsmoldon@b3strategies.com>

Subject: Re: City of Mesa Proposed Data Center Text Amendments

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Hello Rachel,

Thank you for following up on yesterday's Planning and Zoning Board meeting. Would you be willing to facilitate a stakeholder meeting where all interested parties can contribute their comments as a part of discussion prior to the June 17th deadline?

Thank you so much for your consideration and for your work on this effort.

Best regards,

Emily Rice B3 Strategies 602.566.2036

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

Sent: Thursday, June 12, 2025 2:49 PM

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

Cc: Mary Kopaskie-Brown < <u>Mary.Kopaskie-Brown@mesaaz.gov</u>>; Nana Appiah

<<u>Nana.Appiah@mesaaz.gov</u>>; Sean Pesek <<u>Sean.Pesek@mesaaz.gov</u>>

Subject: City of Mesa Proposed Data Center Text Amendments

Dear Stakeholder,

The Planning & Zoning Board has continued its review of the proposed Mesa Zoning Ordinance text amendments for Data Centers to the **June 25**, **2025** public hearing to allow additional time for public comment.

Draft materials—including the proposed ordinance and adoption by reference documents for Chapter 11: Planned Area Development Overlay Districts and Section 11-31-36: Data Centers—are attached and can also be found on the <u>Long Range Planning website</u> under Proposed Text

Amendments.

Please provide any feedback by <u>noon, Tuesday June 17th</u> for consideration. Updated drafts and stakeholder feedback will be posted the evening of Thursday June 19th in the Planning & Zoning Board agenda packet, which can be viewed at the following link: <u>City of Mesa - Calendar</u>.

Feel free to reach out with any questions or comments.

Thank you for your continued participation.

Best Regards, Rachel

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





June 11, 2025

City of Mesa Planning and Zoning Board Council Chambers 57 E. First Street Mesa, AZ 85201

RE: PZ 25054 - Proposed amendments to Chapters 6, 7, 22, 31, 32, and 86 of Title 11 of the Mesa City Code pertaining to Data Centers and Planned Area Development Overlay Districts

Members of the City of Mesa Planning and Zoning Board:

On behalf of the Data Center Coalition (DCC), I am writing to express concerns about proposed amendments to Chapters 6, 7, 22, 31, 32, and 86 of Title 11 of the Mesa City Code pertaining to data centers and planned area development overlay districts. DCC is the national membership association for the data center industry. Our members include leading data center owners and operators with investment, facilities, and teams in the city, as well as companies that lease large amounts of data center capacity. We encourage the City of Mesa to pursue a deliberative process that includes engagement with all stakeholders and ensures adequate time is given to consider potential impacts and unintended consequences of proposed modifications. We intend to follow up with more specific details regarding how the draft changes could be improved to simultaneously address the City's concerns while providing for a landscape that continues to maintain Mesa as a competitive market for data center development.

Data centers provide the digital infrastructure that supports most sectors of the 21st-century economy, including artificial intelligence, financial services, advanced manufacturing, cybersecurity, healthcare, essential government services, and other key industries. Arizona, and specifically the City of Mesa, is an important market nationally for data center and digital infrastructure development.

Data center investments act as powerful catalysts for local economies, fostering robust supply chain and service ecosystems. Each job in a data center supports more than six jobs elsewhere in the economy. The construction phase alone generates stable employment opportunities for thousands of skilled tradespeople, often providing jobs for five years, ten years, or longer as data center campuses are developed. Beyond the initial build of data centers, these facilities also provide a foundation for sustained economic growth by creating quality, high-wage jobs to support ongoing data center maintenance and operations. Every data center cultivates years of reliable support for a diverse range of local businesses, including restaurants, hotels, car rental agencies, fiber and HVAC installers, steel fabricators, and many other businesses.

According to a recent report by PwC, the data center industry in Arizona directly employed 14,430 people in 2023. During that same time, including direct, indirect, and induced effects, the industry supported more than 81,370 jobs across Arizona. Data centers are also powerful economic engines for local communities. In 2023, including the direct, indirect, and induced effects, the industry contributed \$11 billion to Arizona's GDP, a 5% increase from the previous year.¹

Without additional consideration of stakeholder input, proposed modifications would establish polices that create uncertainty in the market and impose restrictive and disparate requirements for data centers. Such compliance burdens risk the viability and competitiveness of data center projects in the City. Moreover, it is unclear whether the changes apply retroactively, and therefore the full scope of the potential impacts is currently unknown but could be quite extensive.

Thank you for considering this critical issue.

Sincerely,

Khara Boender Senior Manager, State Policy Data Center Coalition

¹ PwC, "Economic Contributions of Data Centers in the United States, 2017-2023," February 2025, https://www.centerofyourdigitalworld.org/2025-impact-study.

EdgeCore Comments

From: <u>Sarah Steadman</u>
To: <u>Alex Hayes</u>

Subject:RE: EdgeCore - Data center ordinaceDate:Tuesday, June 10, 2025 12:03:00 PM

Hi, Alex. Please see the responses in red below. Additionally, I am updating Section 12 of the ordinance to clarify some of these answers there. Thank you.

1. EdgeCore's existing approved site plan (ZON23-00688) and design review (via Eastmark DRC) and the entitlements established therein will not be impacted if the proposed data center ordinance is adopted.

EdgeCore's approved site plan (ZON23-00688) and approved design review will not be impacted by the data center ordinance. Because EdgeCore is in Eastmark, EdgeCore will not have to comply with the requirements in proposed Zoning Ordinance Section 11-31-36.

2. If EdgeCore elects to amend the site plan approved in ZON23-00688 and a site plan modification application is submitted and accepted prior to the effective date of the data center ordinance (if adopted), it will be subject to the current zoning ordinance (per MZO 11-1-6). More specifically, it will not be subject to the Development Standards and Operational Requirements included in the proposed data center ordinance.

Because EdgeCore is in Eastmark, regardless of when a complete application is submitted, EdgeCore will not have to comply with the requirements in proposed Zoning Ordinance Section 11-31-36. For property in Eastmark only, the timing of the application is relevant to the use, not the development standards and operational requirements. Meaning, if you submit a complete site plan modification application prior to the effective date of the data center ordinance, a data center use will be allowed in the Eastmark planned community in compliance with the current Zoning Ordinance and the Community Plan.

3. The effective date of the data center ordinance will be 30 days after approval by Council.

Correct.

4. Because EdgeCore's property is located within Eastmark, which is zoned Planned Community district, the development standards for the Eastmark Community Plan and the applicable Land Use Group shall control all aspects of any future site plan modifications by EdgeCore at its properties in Eastmark. None of the development standards included in the proposed data center ordinance will apply, which is consistent with the provisions of Section 4.1 D of the Eastmark Community Plan.

Proposed Section 11-31-36 of the Zoning Ordinance will not apply to data centers in Eastmark.

5. If EdgeCore elects to exercise the right to request a waiver under Section 12 of the data center ordinance and that waiver is granted by the City, the waiver will run with the land and

any subsequent owner(s) shall enjoy the same benefits of the waiver of the Data Center Law, as defined in the draft ordinance

The waiver runs with the land; A change of ownership will not terminate a waiver.

6. If a property qualifies for the waiver outlined in Section 12 of the data center ordinance and timely submits the request and supporting information, the waiver shall be provided by the Planning Director. It is 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.

One clarifying question:

- 1. The new 11-31-36 section 7, as proposed in the data center ordinance, requires the performance of a sound study with two parts: (1) observation of the baseline sound on the property and (2) baseline sound at the nearest residential or sensitive receptor. Section F.4.c requires design of the building to mitigate sound such that it does not exceed the ambient noise levels observed in the study, but it does not indicate which part of the study. Sections G.2.b and G.3.b require operational confirmatory measurements at the nearest residential or sensitive receptor, not on the project site.
 - 1. Given the focus on the residential receptors in the post-completion tests and the practical impossibility of operating a facility that does not exceed the ambient sound on site (particularly vacant land), should we conclude that the design in F.4.c will be to ensure no exceedance of baseline at the residential or sensitive receptors?

Thank you for pointing this out. The draft of proposed Zoning Ordinance Section 11-31-36(F) (4)(c) will be updated to clarify this point, as follows:

c. Building Design Based on Sound Study.

- i. 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.
- ii. Design specifications for such sound mitigation shall be provided to the City and incorporated into the building design before building permit approval.
- 2. In the event a site in Eastmark has an existing noise stipulation as part of a site plan approval, that stipulation, as the same may be modified to accommodate specific changes to site layout, will control over the terms of these sections.

Proposed Section 11-31-36 of the Zoning Ordinance will not apply to data centers in Eastmark. Existing conditions of approval on zoning cases will continue to apply.

Sarah Steadman

Assistant City Attorney Mesa City Attorney's Office (480) 644-4111

From: Alex Hayes <hayes@wmbattorneys.com>

Sent: Tuesday, June 10, 2025 8:36 AM

To: Sarah Steadman < Sarah. Steadman@mesaaz.gov>

Subject: Re: EdgeCore - Data center ordinace

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Thanks, Sarah. Any chance you can have responses before P and Z tomorrow? I know that's quick turnaround but this is all moving very quickly.

Alex Hayes
Withey Morris Baugh, PLC

2525 E Arizona Biltmore Circle #A-212
Phoenix, AZ 85016

Direct: (602) 346-4636

On Jun 10, 2025, at 7:06 AM, Sarah Steadman

<Sarah.Steadman@mesaaz.gov> wrote:

Hi, Alex. Received. Give me a little time, and I will get responses to you.

Sarah Steadman

Assistant City Attorney Mesa City Attorney's Office (480) 644-4111

From: Alex Hayes < hayes@wmbattorneys.com>

Sent: Friday, June 6, 2025 3:53 PM

To: Sarah Steadman < <u>sarah.steadman@mesaaz.gov</u>>

Subject: EdgeCore - Data center ordinace

Hi Sarah,

Good talking with you again yesterday regarding the proposed data center ordinance (PZ25054) and its potential impacts on EdgeCore's existing and planned data centers at the SWC of Elliot Rd and Everton Terrace in Eastmark (APNs 304-31-002Q and 304-31-033A). Per our conversation, I wanted to confirm our mutual understanding of the following:

- EdgeCore's existing approved site plan (ZON23-00688) and design review (via Eastmark DRC) and the entitlements established therein will not be impacted if the proposed data center ordinance is adopted.
- 2. If EdgeCore elects to amend the site plan approved in ZON23-00688 and a site plan modification application is submitted and accepted prior to the effective date of the data center ordinance (if adopted), it will be subject to the current zoning ordinance (per MZO 11-1-6). More specifically, it will not be subject to the Development Standards and Operational Requirements included in the proposed data center ordinance.
- 3. The effective date of the data center ordinance will be 30 days after approval by Council.
- 4. Because EdgeCore's property is located within Eastmark, which is zoned Planned Community district, the development standards for the Eastmark Community Plan and the applicable Land Use Group shall control all aspects of any future site plan modifications by EdgeCore at its properties in Eastmark. None of the development standards included in the proposed data center ordinance will apply, which is consistent with the provisions of Section 4.1 D of the Eastmark Community Plan.
- 5. If EdgeCore elects to exercise the right to request a waiver under Section 12 of the data center ordinance and that waiver is granted by the City, the waiver will run with the land and any subsequent owner(s) shall enjoy the same benefits of the waiver of the Data Center Law, as

defined in the draft ordinance

6. If a property qualifies for the waiver outlined in Section 12 of the data center ordinance and timely submits the request and supporting information, the waiver shall be provided by the Planning Director. It is not discretionary.

One clarifying question:

- 1. The new 11-31-36 section 7, as proposed in the data center ordinance, requires the performance of a sound study with two parts: (1) observation of the baseline sound on the property and (2) baseline sound at the nearest residential or sensitive receptor. Section F.4.c requires design of the building to mitigate sound such that it does not exceed the ambient noise levels observed in the study, but it does not indicate which part of the study. Sections G.2.b and G.3.b require operational confirmatory measurements at the nearest residential or sensitive receptor, not on the project site.
 - 1. Given the focus on the residential receptors in the post-completion tests and the practical impossibility of operating a facility that does not exceed the ambient sound on site (particularly vacant land), should we conclude that the design in F.4.c will be to ensure no exceedance of baseline at the residential or sensitive receptors?
 - 2. In the event a site in Eastmark has an existing noise stipulation as part of a site plan approval, that stipulation, as the same may be modified to accommodate specific changes to site layout, will control over the terms of these sections.

Thanks and have a great weekend!

Alex Hayes

Withey Morris Baugh, PLC 2525 E. Arizona Biltmore Circle, Ste A-212 Phoenix, AZ 85016 602-230-0600 Main 602-346-4636 Direct

<image002.png>

Check out our podcast: Dirt to Development

<image003.png>

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SECTION 11-31-36: DATA CENTERS

SECTION 11-31-36: - DATA CENTERS

A. **Applicability**.

- 1. **Data Center as an Accessory Use.** A Data Center that meets all of the criteria (a through d below) may be considered an accessory use and is not subject to the requirements of this Section 11-31-36. Accessory use criteria:
 - a. The Data Center exclusively serves the enterprise functions of the on-site property owner.
 - b. The Data Center does not lease data storage or processing services to third parties.
 - c. The Data Center occupies no more than 10% of the building footprint.
 - d. The Data Center is not housed in a separate stand-alone structure on the parcel.
- 2. **Data Center as a Principal Use.** Data Center, as defined in Section 11-86-5, is prohibited in every zoning district, except that a Data Center may be permitted in the Planned Area Development (PAD) Overlay District that is used in combination with the General Industrial (GI) or Heavy Industrial (HI) base zoning district only if the Data Center is specifically permitted by the City Council with the approval of the rezoning to the subject PAD Overlay District. Additionally, all Data Centers as a principal use shall be located, developed, and operated in compliance with the Land Use Regulations in Article 2 and the following standards.

B. **Purpose**. The purpose of this Section is to:

- 1. Promote public health, safety, and general welfare by mitigating potential adverse impacts of Data Centers, including impacts on the availability, capacity, and distribution of utility services, including water, wastewater, gas, and electricity; and
- 2. Minimize the physical, environmental, and visual impacts of Data Centers on surrounding areas by promoting high-quality design and ensuring compatibility with adjacent land uses and the community.

C. Permitted Zoning Districts.

- 1. **PAD Overlay District Required.** A Data Center may be permitted within a PAD Overlay District when applied in combination with the General Industrial (GI) or Heavy Industrial (HI) base zoning districts, but only if specifically authorized by the City Council as part of the PAD Overlay District approval.
- 2. **Data Center as an Accessory Use.** A Data Center may be permitted as an accessory use in the Commercial and Employment zoning districts without requiring a PAD Overlay District and is not subject to the requirements of this Section 11-31-36.
- D. **Relation to Other Regulations.** Where a conflict occurs between the provisions of this Section and any other City Code, ordinance, resolution, or regulation, the more restrictive provision shall control.
- E. **Application Requirements.** In addition to the application requirements of Section 11-67-2 and application guides posted on the Development Services website, all development applications for a Data Center shall include all the following:

- 1. **Project Narrative.** A project narrative that describes how the Data Center is consistent with the General Plan, any other applicable City plan or policies, and is compatible with surrounding uses.
- 2. *Operational Plan*. An operational plan that provides evidence of compliance with all zoning, building, and fire safety regulations.
- 3. *Good Neighbor Policy.* A good neighbor policy describing all the following:
 - a. The measures that will be taken to ensure ongoing compatibility with adjacent uses including sound attenuation, lighting control measures, vehicular access and traffic control, and litter control measures.
 - b. Complaint response procedures, including the name and telephone number of the person responsible for the operation of the facility; and procedures for investigation, remedial action, and follow-up.
- 4. **Water Consumption and Thermal Management Report.** A water consumption and thermal management report which describes all the following:
 - a. *Cooling System*. The proposed cooling system for the Data Center and whether the Data Center will be water-cooled or air-cooled.
 - b. Water Usage.
 - i. The estimated amount of total water in acre feet that will be used by the proposed project and associated land use for a calendar year, along with a monthly breakdown of projected water demand for each month within that year.
 - ii. The estimated amount of water in million gallons per day that will be used by the proposed project during a typical 24-hour operational period under normal conditions, including anticipated usage patterns
 - iii. The estimated amount of water in million gallons per day to be used by the proposed project in a 24-hour period on its highest water consumption day.
 - iv. The estimated highest instantaneous flow rate in million gallons per day that will be used by the project along with the minimum, average, and maximum durations and frequencies of these flow conditions.
 - v. Indicate high consumption operational flexibility. Identify if high water demands can be aligned with the City's low-demand periods.
 - vi. The number of the proposed water meters and the size of each water meter for the proposed project.
 - vii. Proof that the applicant or property owner submitted a complete Sustainable Water Service Application to the City's Water Resources Department.
- 5. **Wastewater Report.** Proof that the applicant or property owner submitted a complete Industrial User Survey, or its equivalent under City Code Title 8, Chapter 4 (Sanitary Sewer Regulations) to the City's Water Resources Department.
- 6. Electric and Natural Gas (Energy) Service Report.
 - a. If located in the City's service area for electric or natural gas utility services, the estimated annual and monthly demand for electric and natural gas utility services.
 - b. If located in the City's service area for electric or natural gas utility services, an assessment of future energy needs for the proposed project.

- 7. *Initial Sound Study*. An initial sound study performed by a third-party acoustic engineer which documents all the following:
 - a. The baseline sound levels on the project site.
 - b. The baseline sound levels measured at the property line of the nearest residential zoning district, residential use, or other sensitive uses as reasonably determined by the Planning Director.
- 8. *Citizen Participation*. In addition to the Citizen Participation requirements of Section 11-67-3, all the following Citizen Participation measures are required:
 - a. Neighborhood Meeting.
 - i. The applicant shall hold a minimum of two (2) neighborhood meetings with residents to describe the project, including the project design, proposed sound-mitigation, lighting control measures, vehicular access and traffic control, and litter control measures.
 - ii. A representative of the developer or owner with decision-making authority on the design of the Data Center shall attend the neighborhood meetings.
 - b. Neighborhood Meeting Notification.
 - i. *Mailed Notice*. The applicant shall notify all property owners and homeowners' associations within a half-mile radius of the exterior boundary of the property that is the subject of the application, based on the last assessment.
 - ii. *Notice Timeframe*. Written notice shall be provided by first class mail a minimum of 15-days prior to each neighborhood meeting.
 - c. Site Posting.
 - i. The applicant shall post a sign on the proposed Data Center site at least 15-days before each neighborhood meeting.
 - ii. The sign shall be located along an arterial street or other high-visibility location as reasonably determined by the Planning Director.
 - iii. The sign shall include all the following content and shall be reviewed and approved by the Planning Director before installation:
 - (1) The applicant name and contact information.
 - (2) A brief description of the Data Center project.
 - (3) The date, time, and location of the neighborhood meeting.
 - (4) The applicant shall remove the sign after the neighborhood meeting(s), but not sooner.

F. Development Standards.

1. *Modifications and Deviations Not Permitted*. The development standards contained within this Section and the development standards contained within Chapter 7 of the Zoning Ordinance, when applied to a Data Center, may not be modified through a Planned Area Development (PAD) Overlay, Bonus Intensity Zone (BIZ) Overlay, Alternative Compliance, Special Use Permit (SUP), Variance or otherwise, except for the maximum building height specified in Subsection (3) below. The development standards in this Section will not apply to an existing or proposed Data Center located on property within a Planned Community (PC) District with an adopted Community Plan as of the effective date of this Ordinance in which Data Centers are permitted, including by waiver. For a Data Center on such property the

- development standards of the applicable Community Plan and Land Use Group shall apply.
- 2. **Separation from Residential Zoning Districts and Residential Uses.** A Data Center and all associated mechanical equipment, including but not limited to battery storage, power generation, cooling, ventilating, or other equipment that supports the Data Center, shall be located at least 400 feet from the property line of the nearest residential zoning district, residential use, or other sensitive use as reasonably determined by the Planning Director.
- 3. *Height.* The maximum height of a Data Center, including all associated equipment, is 60 feet.
- 4. **Building Placement and Design.** In addition to the development standards contained within Chapter 7 of the Zoning Ordinance, a Data Center shall adhere to all the following standards:
 - a. *Quality Development Design Guidelines*. Be designed in compliance with Chapter 5 of the City's Quality Development Design Guidelines.
 - b. *Orientation*. Be oriented to adjacent arterial roadways and intersections.
 - c. Building Design Based on Sound Study.
 - i. [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 that were observed in the baseline study 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.]
 - ii. Design specifications for such sound mitigation shall be provided to the City and incorporated into the building design before building permit approval.
- 5. *Architectural Design.* In addition to the requirements of Chapter 7 of the Zoning Ordinance, a Data Center shall adhere to all the following standards:
 - a. *Quality Development Design Guidelines*. Be designed in compliance with Chapter 5 of the City's Quality Development Design Guidelines.
 - b. *All Side Architecture*. Architectural detailing on façades may vary depending on visibility and orientation. However, all façades that are publicly visible—whether from the street, neighboring properties, or public vantage points—shall have architectural detailing equivalent to the primary façade.
 - c. *Multi-planar Façades*. In addition to the Site Planning and Design Standards of Chapter 7, a Data Center shall include multi-planar façades every 150 feet which are offset a minimum three (3) feet vertically and horizontally from the main building façade.
 - d. Glazing Requirements. A Data Center building shall incorporate windows or glass panels on a minimum of 40% of the front façade and 15% on all other facades.
 - e. Architectural Features. Architectural features shall be integrated into the design of Data Center buildings to create visual interest and establish a cohesive architectural identity—particularly at entryways and areas of public interface. All buildings shall incorporate at least five (5) of the following architectural features:
 - i. Overhangs. Overhangs shall project a minimum three (3) feet from the building façade.
 - ii. *Canopies*. Canopies shall extend a minimum four (4) feet from the building façade.
 - iii. Arcades. Arcades shall provide a clear depth of six (6) feet and a minimum

- height of 10 feet.
- iv. *Window Shrouds*. Window shrouds shall project a minimum of six (6) inch around the entire window frame.
- v. Raised Corniced Parapets Over Primary Entrances. Raised corniced parapets shall extend a minimum of 18 inches above the adjacent roofline and six (6) inches horizontally from the wall.
- vi. *Tower Elements*. Tower elements shall be either one (1) story taller than the adjacent massing.
- vii. Frameless Corner Glass. Each glass wall shall be a minimum eight (8) feet wide, with a seamless corner radius or joint.
- viii. *Flying Roof Forms*. Roofs elements shall have a slope of at least 15 degrees and project a minimum four (4) feet beyond the main wall.
- ix. *Murals*. Murals shall encompass an area of 50 square feet.
- x. Decorative Architectural Grilles, Laser-Cut Metal Screens, or Louvres. Decorative architectural grilles, laser-cut metal screens, or louvres shall be a minimum four (4) feet wide or 12 square feet in area.
- xi. Architectural Lighting. Architectural lighting shall illuminate at least 25% of the primary façade length or highlight a minimum of three (3) distinct architectural components.
- xii. Other architectural feature approved by the Planning Director.

6. Truck Docks, Loading, and Service Areas.

- a. Truck docks, loading, and service areas shall not face or be visible from public rights-of-way.
- b. When possible, buildings should be used to screen truck docks, loading, and service areas.
- c. Where building locations do not offer screening or in the case of phased development plans, truck docks, loading, and service areas shall be fully screened by a solid masonry wall at least eight (8) feet in height.
- 7. *Fences and Freestanding Walls*. In addition to the development standards of Section 11-30-4, Data Centers shall adhere to all the following standards:
 - a. *Architectural Compatibility*. Walls and fences shall be designed to complement the architectural style of the Data Center and surrounding development.
 - b. *Articulation*. Walls and fences shall be articulated every 40 feet through the use of either of the following:
 - i. A column that is offset a minimum eight (8) inches from the horizontal plane of the wall or fence and extends a minimum eight (8) inches above the main body of the wall or fence.
 - ii. A landscape pocket which is three (3) feet deep by five (5) feet wide.
 - c. *Decorative Cap.* All wall or fence columns shall have a decorative cap.
 - d. Prohibited Materials.

- i. The use of barbed wire, razor wire, embedded glass shards, or ultra barrier is prohibited.
- ii. The use of chain link or electrified fencing may only be used for internal security purposes and shall be fully screened from public view.
- 8. *Mechanical Equipment*. Mechanical equipment, including but not limited to battery storage, power generation, cooling, ventilating, or other equipment that supports the Data Center, shall adhere to all the following standards:
 - a. *Screening*. Be screened to reduce visual and noise impact using one (1) or more of the following methods:
 - 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.
 - b. Location. When possible, be located at the rear or side of the building, away from primary entrances, public-facing façades, residential uses or zoning districts, and private or public roadways.
 - c. Architectural Consistency.
 - i. Screening elements shall be designed as a seamless extension of the Data Center's architecture, avoiding exposed industrial-looking enclosures.
 - ii. Screening elements shall use materials and colors that match the primary Data Center building.

9. Substation Screening.

- a. Height. Substations, whether private or public, shall be screened by a solid wall that extends at least one (1) foot above the tallest piece of equipment., unless otherwise approved by the Planning Director. Where conflicts exist with utility design standards or raise constructability or safety concerns, the Planning Director shall approve an alternative design.
- b. Enclosure Design. Substation screen walls shall adhere to the development standards of Section 11-30-4, the requirements of this Section for Fences and Freestanding Walls, and be designed to match any proposed publicly facing wall within the development.

10. *Utilities*.

- a. The Data Center shall bear the full cost of undergrounding any electrical infrastructure located on the Project's property deemed necessary by the City of Mesa Development Services Department in its sole discretion and approved by the applicable utility.
- b. Depending on the estimated annual demand and if located in the City's service area for electric or natural gas utility services, the City may require a Data Center to source and transmit its own electric or natural gas commodity to a point of the City's electric or natural gas system as determined in the City's sole discretion.

G. Operational Requirements.

1. *Modifications and Deviations Not Permitted*. The operational standards contained within this Section may not be modified through a Planned Area Development (PAD) Overlay, Bonus Intensity Zone (BIZ) Overlay, Alternative Compliance, Special Use Permit (SUP),

Variance or otherwise.

2. Sound Study at Certificate of Occupancy or Certificate of Completion Stage.

- a. Within 30 days of the issuance of a certificate of occupancy or certificate of completion, whichever occurs first, the Data Center operator shall conduct a sound study performed by a third-party acoustical engineer.
- b. 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, as opposed to emergency, operation of the Data Center mechanical equipment.

3. Annual Sound Study Required.

- a. The Data Center operator shall perform an annual sound study during peak routine operation of the Data Center mechanical equipment for five (5) years after completion of the initial post-construction sound study.
- b. 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.
- c. The Data Center operator shall provide the results of the sound study to the City within 30 days of the anniversary of the date on which the certificate of occupancy or certificate of completion was issued by the City.
- 4. **Backup Generators.** If the Data Center operator intends to use backup power generators on the parcel, the operator shall maintain a public website announcing the times when the generators will be in non-emergency operation.
 - a. Any routine operation of the backup generators, including for testing purposes, shall be announced on the website at least 24 hours in advance.
 - b. The operator shall also notify the City of Mesa Public Information Office at least 24 hours in advance of a test.
 - c. Unless the generators are supplying backup electrical supply during a power outage or other emergency situation, backup generators may operate between the hours of 9:00 am and 5:00 pm, Monday through Friday, excluding holidays.
 - d. Upon request by City staff, the Data Center operator shall provide the address of the website and QR code where the notices required by this Section are published.
 - e. Any generating systems that are capable of operating in parallel with the City of Mesa's electric utility or in an islanded manner within the City of Mesa's electric utility will be subject to a generator interconnection process and interconnection study. In all instances, the Data Center operator shall be responsible for all interconnection costs and costs of distribution system protection related to the operation of the generating system.

From: Rachel Phillips
To: Alex Hayes

Subject: RE: Edgecore - Proposed Data Center Ordinance

Date:Monday, June 16, 2025 8:21:00 AMAttachments:Sustainable Water Service Application.docx

image001.png

Alex,

One of the comments in the redlines your provided asked for the Sustainable Water Service Application and information on the program. Attached is the application and below is a response from Water Resources.

The Sustainable Water Service Application is part of the City of Mesa's effort to ensure responsible long-term water resource planning for new developments. It's required for projects that anticipate significant or sustained water use and must be submitted prior to receiving a Will Serve letter or the installation of new water meters.

The application gathers detailed project-level data including:

- Parcel and building specifications
- Landscape and hardscape areas
- Expected water demands at full build-out
- A certified Water Basis of Design Report (prepared and sealed by a registered Professional Engineer per City standards)

The purpose is to give the City's Water Resources team the ability to review projected water usage and confirm that it aligns with Mesa's infrastructure capacity and conservation goals. Once the application is approved, any major project revisions must go through the process again.

Best, Rachel

Rachel Phillips, AICP Assistant Planning Director 480-644-2762

Rachel.Phillips@MesaAZ.gov



From: Rachel Phillips

Sent: Wednesday, June 11, 2025 2:17 PM **To:** 'Alex Hayes' <hayes@wmbattorneys.com>

Cc: Sarah Steadman <Sarah.Steadman@mesaaz.gov> **Subject:** RE: Edgecore - Proposed Data Center Ordinance

Alex.

Attached is a response to the proposed revisions sent. Staff has incorporated many in the proposed amendments. See latest drafts of the Ordinance and Section 11-31-36.

Best Regards,

Rachel

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

Sent: Tuesday, June 10, 2025 4:59 PM

To: Alex Hayes < hayes@wmbattorneys.com>

Cc: Sarah Steadman < <u>Sarah.Steadman@mesaaz.gov</u>> **Subject:** RE: Edgecore - Proposed Data Center Ordinance

Alex.

Staff made a few revisions today to Section 11-31-36 in response to other comments. Some of those are reflected in your recommendations. We will look through these other suggestions and I will try to let you know before P&Z tomorrow if we're making any further revisions.

Best Regards,

Rachel

From: Alex Hayes < hayes@wmbattorneys.com>

Sent: Tuesday, June 10, 2025 3:58 PM

To: Rachel Phillips < Rachel. Phillips@MesaAZ.gov> **Cc:** Sarah Steadman < <u>sarah.steadman@mesaaz.gov</u>> **Subject:** RE: Edgecore - Proposed Data Center Ordinance

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Hi Rachel and Sarah,

Thank you for the coordination over the last week. I appreciate the quick responses. While we feel comfortable with the assurances that have been provided regarding the impact of the data center text amendment to Eastmark, we did want to offer some proposed amendments. Those are included in the attached redline. There are a few recommended edits/additions, as well as some clarifying questions.

Thanks!

Alex

Alex Hayes
Withey Morris Baugh, PLC
2525 E. Arizona Biltmore Circle, Ste A-212
Phoenix, AZ 85016
602-230-0600 Main
602-346-4636 Direct

From: Rachel Phillips < Rachel. Phillips @ Mesa AZ.gov >

Sent: Tuesday, June 3, 2025 12:38 PM

To: Alex Hayes < hayes@wmbattorneys.com>

Subject: RE: Edgecore - Proposed Data Center Ordinance

Alex,

Attached is the revised Ordinance that was modified to include Eastmark in the waiver section.

Let me know if you have any questions.

Best, Rachel

From: Alex Hayes < hayes@wmbattorneys.com>

Sent: Monday, June 2, 2025 11:11 AM

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

Subject: RE: Edgecore - Proposed Data Center Ordinance

Hi Rachel,

The proposed site plan modifications are really due to changes in the substation size required by SRP. The upsizing of the substation requires some building reorientation. The site would go from three buildings to two but the building facades and relationship to the street would remain substantially the same. In fact, the street frontages would actually improve with more landscaping and fewer parking spaces. We had some initial discussions with Mary and Evan about this about two months ago.

Attached here is the proposed site plan and another exhibit showing the proposed compared to the approved site plan.

FYI we have a meeting with Nana tomorrow at noon to discuss this site.

Thanks!

Alex

Alex Hayes
Withey Morris Baugh, PLC
2525 E. Arizona Biltmore Circle, Ste A-212
Phoenix, AZ 85016
602-230-0600 Main
602-346-4636 Direct

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

Sent: Monday, June 2, 2025 8:10 AM

To: Alex Hayes < hayes@wmbattorneys.com >

Subject: Edgecore - Proposed Data Center Ordinance

Alex,

I'm still following up with our attorneys on a couple of items to respond to your inquiry on the proposed data center text amendments on Edgecore. Can you provide me a description of the planned site plan modifications? If you have a draft site plan that would be great.

Thank you, Rachel

Rachel Phillips, AICP Assistant Planning Director 480-644-2762

Rachel.Phillips@MesaAZ.gov



NAIOP Comments



June 11, 2025

Planning & Zoning Board City of Mesa 55 N. Center St. Mesa, Arizona 85211

Re: Proposed Data Center Ordinance 11-31-36

Dear Planning & Zoning Board Members:

On behalf of NAIOP Arizona, the commercial real estate development association, we respectfully stand in opposition of the proposed data center ordinance before you.

While we recognize the importance of addressing evolving land use issues tied to data center development, the ordinance as drafted raises a number of concerns and will impose overly restrictive and impractical standards that will significantly deter economic investment. Data centers are highly specialized uses that intersect with infrastructure planning, energy policy, and regional economic strategies. Creating a new ordinance for this industry necessitates input from technical experts and private-sector partners.

An ordinance of this scope and potential impact should have a robust and thorough public stakeholder process. Given the broad implications for this proposal, we urge the Board to delay action on this ordinance and direct staff to engage in a more inclusive and transparent stakeholder process. Doing so will ensure that any proposal put before the Council has the best outcomes for residents, the city and businesses.

Thank you for your consideration, and we welcome the opportunity to work collaboratively towards a balanced and thoughtful path forward.

Sincerely,

John Baumer

Director of Government Relations

NAIOP Arizona

From: Rachel Phillips
To: "John Baumer"

Cc: Mary Kopaskie-Brown; Sarah Steadman; Sean Pesek; Noah Bulson

Subject: RE: City of Mesa Proposed Data Center Text Amendments

Date: Tuesday, June 17, 2025 11:09:00 AM

Attachments: <u>image001.png</u>

John,

Thank you for your feedback. Staff will review and reach out if there are any questions.

Best Regards,

Rachel

Rachel Phillips, AICP Assistant Planning Director 480-644-2762

Rachel.Phillips@MesaAZ.gov



From: John Baumer < john@naiopaz.org> Sent: Tuesday, June 17, 2025 10:51 AM

To: Rachel Phillips < Rachel. Phillips@MesaAZ.gov>

Subject: RE: City of Mesa Proposed Data Center Text Amendments

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2

Hello Rachel,

Attached please find a letter from NAIOP Arizona for the proposed ordinance 11-31-36. Let me know if you have any questions.

Thank you,

JOHN BAUMER

DIRECTOR OF GOVERNMENT RELATIONS

COMMERCIAL REAL ESTATE DEVELOPMENT ASSOCIATION

NAIOP ARIZONA

2394 E Camelback Rd., Suite 110 | Phoenix AZ | 85016 Cell: (480) 235-4831 | Office: (602) 230-1645, ext. 4

John@NAIOPAZ.org | www.naiopaz.org

From: Rachel Phillips < Rachel. Phillips@MesaAZ.gov>

Sent: Thursday, June 12, 2025 2:49 PM

To: Rachel Phillips < Rachel. Phillips@MesaAZ.gov>

Cc: Mary Kopaskie-Brown < <u>Mary.Kopaskie-Brown@mesaaz.gov</u>>; Nana Appiah

<<u>Nana.Appiah@mesaaz.gov</u>>; Sean Pesek <<u>Sean.Pesek@mesaaz.gov</u>>

Subject: City of Mesa Proposed Data Center Text Amendments

Dear Stakeholder,

The Planning & Zoning Board has continued its review of the proposed Mesa Zoning Ordinance text amendments for Data Centers to the **June 25**, **2025** public hearing to allow additional time for public comment.

Draft materials—including the proposed ordinance and adoption by reference documents for Chapter 11: Planned Area Development Overlay Districts and Section 11-31-36: Data Centers—are attached and can also be found on the Long Range Planning website under Proposed Text Amendments.

Please provide any feedback by <u>noon, Tuesday June 17th</u> for consideration. Updated drafts and stakeholder feedback will be posted the evening of Thursday June 19th in the Planning & Zoning Board agenda packet, which can be viewed at the following link: <u>City of Mesa - Calendar</u>.

Feel free to reach out with any questions or comments.

Thank you for your continued participation.

Best Regards, Rachel

Rachel Phillips, AICP Assistant Planning Director 480-644-2762

Rachel.Phillips@MesaAZ.gov



Quarles & Brady Comments



One Renaissance Square Two North Central Avenue Phoenix, Arizona 85004-2322 602-229-5200 Fax 602-229-5690

www.quarles.com

Chicago Denver Indianapolis Madison Milwaukee Minneapolis Naples Phoenix San Diego Tampa Tucson

Washington, D.C.

Attorneys at Law in

Writer's Direct Dial: 602-229-5683

E-Mail: Benjamin.Graff@quarles.com

June 11, 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.

Dear 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") prepared by the City of Mesa (the "City") related to new regulations specific to data centers and Planned Area Development ("PAD") Overlay Districts.

We want to thank City Staff for including our firm on the email notification list. However, we did note this process was unlike other former text amendment processes. The City did not host any stakeholder meetings, nor reach out to property owners and data center developers to discuss the ZTA in advance of tonight's planning commission hearing. As a stakeholder in the data center industry, Novva has the following comments and feedback related to the proposed draft ordinance and draft Mesa Zoning Ordinance ("MZO") language associated with the ZTA.

Please see the suggested revisions with additional language in **BOLD** and language to be removed with strikethrough.

Draft Ordinance: Page 6, Section 12, Paragraph 4.

If the waiver request meets all the requirements of this Section 12, as determined by the Planning Director or their designee, the City of Mesa Planning Division may issue to the owner a waiver of the Data Center Law on the owner's specific parcel ("Waiver"). A Waiver grants the owner only the right to use the specific parcel in compliance with the Zoning Ordinance or Community Plan, as applicable, as if the Data Center Law was not adopted. By way of example only, an owner of a specific parcel zoned General Industrial (GI) or Heavy Industrial (HI) on the effective date of this Ordinance would be permitted to develop a data center without approval of a PAD in which a data center is specifically authorized by the City Council at the time of approving the PAD. If a Waiver is issued for a specific parcel that **had** HAS an existing data center **OR AN APPROVED SITE PLAN** on the specific parcel as of the effective date of this Ordinance, the existing **OR SITE PLAN APPROVED** data center will be considered a legal conforming use. A Waiver does not waive or modify any land use laws in this Ordinance or in the Mesa City Code other than the Data Center Law. By way of example only and for the avoidance of doubt, a Waiver does not waive any of the application requirements, development standards, or operational requirements in Section 11-31-36 of the Zoning Ordinance. A Waiver is only applicable to the specific parcel for which it is granted. A Waiver automatically terminates when the specific parcel is rezoned. A Waiver does not limit, prevent, alter, or affect a development agreement that restricts or prohibits data centers or other land uses. The Planning Director and City Attorney are authorized to draft the Waiver form to be used pursuant to the terms, conditions, and limitations of this Section 12.

Additionally, the proposed language of Section 11-31-36 could provide additional clarity and verification on how certain requirements will be administered by the City with future applications.

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 **NEWLY PROPOSED** 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 could also state that an existing or approved data center is exempt from all new application requirements for an administrative site plan modification.
 - This exemption should also specify that the only the components proposed as part
 of the site plan modification are subject to the proposed ZTA development
 standards.
 - For example, the City will not impose new architectural design or operational requirements for an existing or approved data center if the site plan modification does not impact those existing or approved data center or ancillary buildings.

Section 11-31-36.F.8 Mechanical Equipment and Section 11-31-36.F.9 Substation Screening

• *Comment*: These sections appear to infer the City will consider substations, battery storage, power generation, cooling, ventilating, or other equipment that supports the data center as permitted by-right when developed as an accessory use to the data center.

These uses typically require either a specific zoning district or other approvals when developed as a primary use. It is not clear within the proposed ZTA if/when the City will require additional approvals to incorporate these uses on a site plan for a data center.

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.

If the City chooses to postpone the upcoming public hearing and direct City Staff to engage directly with data center stakeholders, Novva and our firm welcome the opportunity to continue these discussions and continue collaborating on the proposed data center regulations.

Please let me know if you have any questions or need any additional information to make your determination and thank you again for accepting these comments regarding the proposed Zoning Text Amendment related to new regulations specific to data centers and Planned Area Development Overlay Districts.

Very truly yours,

QUARLES & BRADY LLP

Benjamin W. Graff

NOVVA HOLDINGS, LLC

Madelaine Bauer

Madelaine Bauer

Director of Development -

Logistics

From: Rachel Phillips
To: Mike, Josh J.

Cc: <u>Graff, Benjamin W.</u>; <u>Furlow, Peter W.</u>

Subject: RE: Data Center Feedback - Meeting Request [QBLLP-ACTIVE.FID44039718]

Date: Tuesday, June 3, 2025 3:13:00 PM

Attachments: <u>image001.png</u>

image002.png

drive-thru-council-use-permit-waiver.pdf

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

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 < Rachel. Phillips@MesaAZ.gov>

Cc: Graff, Benjamin W. <Benjamin.Graff@quarles.com>; Furlow, Peter W.

<Peter.Furlow@quarles.com>

Subject: RE: Data Center Feedback - Meeting Request [QBLLP-ACTIVE.FID44039718]

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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.
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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.

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 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



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

<u>quarles.com</u> | <u>LinkedIn</u>

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



From: **Rachel Phillips** "Mike, Josh J." To:

"Graff, Benjamin W."; "Furlow, Peter W." Cc:

RE: Data Center Feedback - Meeting Request [QBLLP-ACTIVE.FID44039718] Subject:

Date: Tuesday, June 3, 2025 4:38:00 PM Attachments: Data Center Ordinance .pdf

image002.png

image003.png

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 < Rachel. Phillips @ MesaAZ.gov>

Sent: Tuesday, June 3, 2025 3:13 PM

To: Mike, Josh J. <josh.mike@guarles.com>

Cc: Graff, Benjamin W. <Benjamin.Graff@guarles.com>; Furlow, Peter W.

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Best Regards, Rachel

Rachel Phillips, AICP
Assistant Planning Director
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Rachel.Phillips@MesaAZ.gov



From: Mike, Josh J. < josh.mike@guarles.com>

Sent: Tuesday, June 3, 2025 11:32 AM

To: Rachel Phillips < Rachel. Phillips@MesaAZ.gov>

Cc: Graff, Benjamin W. < <u>Benjamin.Graff@guarles.com</u>>; Furlow, Peter W.

<<u>Peter.Furlow@guarles.com</u>>

Subject: RE: Data Center Feedback - Meeting Request [QBLLP-ACTIVE.FID44039718]

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

Thanks, Josh



Josh J. Mike | AICP, MBA | Senior Land Use Planner

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Quarles & Brady LLP

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Best,

Rachel

Rachel Phillips, AICP Assistant Planning Director 480-644-2762

Rachel.Phillips@MesaAZ.gov



From: **Rachel Phillips** To: Mike, Josh J.

Subject: RE: Draft Data Center ZTA Questions [QBLLP-ACTIVE.FID41176647]

Wednesday, June 11, 2025 12:08:00 PM Date:

Attachments: image001.png

image002.png

Josh,

See responses in blue below.

- The Client's Mesa Data Center is grandfathered under the existing zoning regulations and is not subject to the proposed ZTA. Future phases of the project may proceed under the previously approved site plan and design review, without triggering any additional requirements under the new ZTA.
 - The subject site is within the Eastmark Community and zoned PC. The Eastmark Community Plan established the development standards applicable within the Eastmark Community. Proposed Ordinance Content as of 6/11/25 12:00 pm: (Section 14: DATA CENTERS IN EASTMARK. 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. Proposed Ordinance Content as of 6/11/25 12:00 pm: (Portion of Section 12: A Waiver grants the owner only the right to use the specific parcel in compliance with the Zoning Ordinance or Community Plan, as applicable, as if the Data Center Law was not adopted.) (Portion of Section 12: If a Waiver is issued for a specific parcel that had an existing data center, or an approved site plan for a data center, on the specific parcel as of the effective date of this Ordinance, the existing or approved data center will be considered a legal conforming use.)
- The approved Client Mesa development already complies with the proposed building height and separation requirements included in the ZTA.
 - Your client is not required to comply with the building height and separation requirement in the proposed Section 11-31-36, rather are subject to the Eastmark Community Plan and their entitlements.
- The City plans to implement a waiver process to formally document approved data center uses and treat them as if the ZTA had not been adopted:
 - The waiver is modeled after the one used for the recent drive-thru ZTA.
 - o Property owners will have up to three years after ZTA adoption to sign and submit the waiver.
 - Once executed, the data center use would be classified as legal and conforming, and treated as Indoor Warehousing and Storage, a permitted use by-right within the existing Planned Community (PC) zoning.
 - That is correct, see response above
- Any future modifications to the approved development would be processed through the standard Site Plan Modification procedure.

• Yes, any future modification to the approved plans would be in accordance with the process outlined in the Eastmark Community Plan.

A few additional clarification points moving forward:

- 1. What process will apply if Client needs to amend its site plan (e.g., to modify building locations or footprints) in connection with future phases?
 - The amendment process can be found in Section 6.1(I) of the Eastmark Community Plan.
- 2. How would the development standards and design requirements in the ZTA apply if a future Site Plan Modification is accompanied by other zoning actions, such as amendments to the PC zoning district or new use permits?
 - Section 4.1(D) of the Eastmark Community Plan states that development is subject to the development standards set by the Community Plan.

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:** Wednesday, June 11, 2025 11:33 AM **To:** Rachel Phillips <rachel.phillips@mesaaz.gov>

Cc: Furlow, Peter W. <Peter.Furlow@quarles.com>; Graff, Benjamin W.

<Benjamin.Graff@quarles.com>

Subject: Draft Data Center ZTA Questions [QBLLP-ACTIVE.FID41176647]

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Good Morning Rachel,

I am reaching out to follow up on your voicemail regarding the potential impact of the proposed Zoning Text Amendment (ZTA) for data centers on existing approved developments. Our firm represents Redale, LLC, ("Client") the owner of property located at 3841 S Ellsworth Rd and 9442 E Warner Rd (APNs 304-31-002U, 304-31-002V, and 304-31-002P) (the "Property").

Below is our current understanding of how the proposed ZTA would affect the Client's Mesa Data Center Property:

- The Client's Mesa Data Center is **grandfathered under the existing zoning regulations** and is not subject to the proposed ZTA. Future phases of the project may proceed under the previously approved site plan and design review, without triggering any additional requirements under the new ZTA.
- The approved Client Mesa development already complies with the proposed **building height and separation requirements** included in the ZTA.
- The City plans to implement a <u>waiver process</u> to formally document approved data center uses and treat them as if the ZTA had not been adopted:
 - The waiver is modeled after the one used for the recent drive-thru ZTA.
 - Property owners will have up to three years after ZTA adoption to sign and submit the waiver.
 - Once executed, the data center use would be classified as legal and conforming, and treated as Indoor Warehousing and Storage, a permitted use by-right within the existing Planned Community (PC) zoning.
- Any future modifications to the approved development would be processed through the standard **Site Plan Modification** procedure.

A few additional clarification points moving forward:

- 1. What process will apply if Client needs to amend its site plan (e.g., to modify building locations or footprints) in connection with future phases?
- 2. How would the development standards and design requirements in the ZTA apply if a future Site Plan Modification is accompanied by other zoning actions, such as amendments to the PC zoning district or new use permits?

We greatly appreciate your time and assistance in helping us understand the proposed ZTA and its implications on our client's site.

Thanks, Josh



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

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From: Rachel Phillips
To: Mike, Josh J.

Subject: RE: Data Center ZTA - Stakeholder Feedback [QBLLP-ACTIVE.FID44039718]

Date: Thursday, June 12, 2025 5:10:00 PM
Attachments: Exhibit 4 - Public Comment.pdf

image001.png

Josh,

Thank you. It's always been a pleasure working with folks at Quarles & Brady. I really respect how staff conducts themselves and their treatment of others.

We were able to compile public comments and they were upload to the agenda as an exhibit. They're attached here for your convenience. They don't include blue cards that were submitted online. Those are pasted below.

Due to the timing, there will not be an open house. However, staff will continue to make themselves available to the best of our ability for phone calls or one-on-ones.

Though I realize the need for development of such centers, it was like adding insult to injury as far as making it an eyesore when they painted the surrounding fence with big brown and white squares. Someone in the neighborhood said that they spoke to someone working on the project, and they were told that the company didn't want to flip the bill, totally paint the fence, a solid color. This is in reference to the project on the NW corner of Sossaman and Elliot.

"In addition to this Data Center amendment, its important to require that all future Data Centers that back up to residential neighborhoods be BELOW 3 stories high, have reduced sound and light pollution in that area, and comply to the visual ethics of that neighborhood using external cladding or building enclosures. This may add thoughtful design and some resources to the build but would reduce complaints and maintain property values.

Moreso, existing residential communities like Eastmark, should be recategorized to fit into this ordinance going forward as well as any and all in process."

We support the ordinance but urge you to remove or revise the Eastmark waiver. Eastmark is a residential-first community, not an industrial-first. Singling it out without clear justification undermines trust. Any exceptions should be transparent. Please treat Eastmark with the same standards applied citywide. A waiver here contradicts the very principles the ordinance is designed to uphold. This waiver sends a message that protections other communities receive will not apply equally to Eastmark — one of the city's largest residential communities, who already is subject to additional CFD taxes

Best Regards, Rachel

From: Mike, Josh J. <josh.mike@guarles.com>

Sent: Thursday, June 12, 2025 4:54 PM

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

Subject: Data Center ZTA - Stakeholder Feedback [QBLLP-ACTIVE.FID44039718]

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Report Suspicious

?

Good Afternoon Rachel.

First I want to reach out and thank you for all your effort, responsiveness, and collaboration with our team and the other stakeholders. As a follow-up to yesterday's public hearing we are hoping to get a handle on some of the formal comments provided by the other stakeholders. Since Staff was not able to upload the outreach on the agenda posting, would you please provide copies of feedback from other stakeholders?

Also, will the City be hosting a specific stakeholder meeting prior to the next P&Z Board meeting?

In the meantime, we will continue reviewing the draft text and provide additional feedback and suggestions.

Thanks, Josh



Josh J. Mike | AICP, MBA | Senior Land Use Planner

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From: Mike, Josh J.

To: Rachel Phillips; Graff, Benjamin W.

Cc: <u>Mary Kopaskie-Brown</u>; <u>Nana Appiah</u>; <u>Sean Pesek</u>; <u>Noah Bulson</u>

Subject: RE: City of Mesa Proposed Data Center Text Amendments [QBLLP-ACTIVE.FID44039718]

Date: Wednesday, June 18, 2025 1:46:12 PM

Attachments: <u>image005.pnq</u>

image006.pnq image001.pnq

<u>Data Center Ordinance (OB Redlines and Revisions) v2.docx</u> <u>Section 11-31-36 Data Centers (OB Redlines and Revisions) v2.docx</u>

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Good Afternoon Rachel,

I appreciate your patience as our team finalized our feedback and suggested redline revisions. Please see the redline copies of the draft ZTA attached for your review. While many of the revisions are self-explanatory, these drafts also include comments and notes that provide context to the suggested revisions.

Please let me know if you would like to set up a call to discuss our comments and feedback.

Thanks, Josh



Josh J. Mike | AICP, MBA | Senior Land Use Planner

josh.mike@quarles.com | D. 602-229-5745

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From: Mike, Josh J.

Sent: Tuesday, June 17, 2025 5:35 PM

To: Rachel Phillips < Rachel. Phillips @ MesaAZ.gov>; Graff, Benjamin W.

<Benjamin.Graff@quarles.com>

Cc: Mary Kopaskie-Brown <Mary.Kopaskie-Brown@mesaaz.gov>; Nana Appiah

<Nana.Appiah@mesaaz.gov>; Sean Pesek <Sean.Pesek@mesaaz.gov>; Noah Bulson

<Noah.Bulson@MesaAZ.gov>

Subject: RE: City of Mesa Proposed Data Center Text Amendments [QBLLP-ACTIVE.FID44039718]

Good Afternoon Rachel,

Following up on my voicemail from earlier this afternoon, we are still working on finalizing our feedback and suggested revisions in coordination with our Client. We will send them to you by midday tomorrow.

Please let me know if you would like to schedule a call and we can answer any questions or provide any additional information after we send the comments.

Thanks, Josh



Josh J. Mike | AICP, MBA | Senior Land Use Planner

josh.mike@quarles.com | D. 602-229-5745

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From: Rachel Phillips < Rachel. Phillips @ Mesa AZ.gov >

Sent: Thursday, June 12, 2025 5:21 PM

To: Rachel Phillips < Rachel. Phillips @ MesaAZ.gov>

Cc: Mary Kopaskie-Brown < <u>Mary.Kopaskie-Brown@mesaaz.gov</u>>; Nana Appiah < <u>Nana.Appiah@mesaaz.gov</u>>; Sean Pesek < <u>Sean.Pesek@mesaaz.gov</u>>; Noah Bulson

<Noah.Bulson@MesaAZ.gov>

Subject: City of Mesa Proposed Data Center Text Amendments

Dear Stakeholder,

The Planning & Zoning Board has continued its review of the proposed Mesa Zoning Ordinance text amendments for Data Centers to the **June 25, 2025** public hearing to allow additional time for public comment.

Draft materials—including the proposed ordinance and adoption by reference documents for Chapter 11: Planned Area Development Overlay Districts and Section 11-31-36: Data Centers—are attached and can also be found on the Long Range Planning website <a href="Image: Image: Ima

Please provide any feedback by <u>noon, Tuesday June 17th</u> for consideration. Updated drafts and stakeholder feedback will be posted the evening of Thursday June 19th in the

Planning & Zoning Board agenda packet, which can be viewed at the following link: <u>City of Mesa - Calendar [mesa.legistar.com]</u>.

Feel free to reach out with any questions or comments.

Thank you for your continued participation.

Best Regards, Rachel

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



ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, AMENDING ZONING ORDINANCE, MESA CITY CODE TITLE 11, CHAPTERS 6, 7, 22, 31, 32, AND 86 PERTAINING TO DATA CENTERS AND PLANNED AREA DEVELOPMENT OVERLAY DISTRICTS. THE AMENDMENTS INCLUDE, BUT ARE NOT LIMITED TO: ADDING A DEFINITION FOR DATA CENTER; MODIFYING LAND USE TABLES TO ADD DATA CENTER; ESTABLISHING DEVELOPMENT AND OTHER STANDARDS SPECIFIC TO DATA CENTERS; ADDING A MINIMUM PARKING REQUIREMENT FOR DATA CENTERS; AMENDING THE PURPOSE, LAND USE REGULATIONS, AND DEVELOPMENT STANDARDS RELATED TO THE PLANNED AREA DEVELOPMENT (PAD) OVERLAY DISTRICT TO, AMONG OTHER THINGS, ALLOW LAND USES TO BE PERMITTED THROUGH APPROVAL OF PAD OVERLAY DISTRICTS; MODIFYING THE DEFINITION OF INDOOR WAREHOUSING AND STORAGE; PROVIDING PENALTIES FOR THE VIOLATIONS THEREOF; AND PRESERVING RIGHTS AND DUTIES THAT HAVE ALREADY MATURED AND PROCEEDINGS WHICH HAVE ALREADY BEGUN THEREUNDER.

WHEREAS, data centers are an increasingly prominent land use that presents unique considerations related to land use compatibility, infrastructure demand, and environmental impact.

WHEREAS, data centers are frequently heavy utility users and may require substantial utility infrastructure, including electrical power, cooling systems, and broadband capacity, which can significantly affect surrounding development and municipal services, including the availability and distribution of utilities to other City customers.

WHEREAS, the operation of data centers can generate impacts such as noise from mechanical equipment, heat discharge, 24-hour activity, and large-scale building footprints, all of which require appropriate development standards to ensure compatibility with nearby uses.

WHEREAS, the City seeks to support technological innovation and economic development while maintaining land use compatibility, environmental stewardship, and high-quality design.

WHEREAS, establishing zoning regulations and development standards specific to data centers will provide clarity to applicants, promote the public health, safety, and general welfare, and ensure data centers are appropriately sited and designed within the community.

WHEREAS, the proposed ordinance defines "Data Center" as a distinct land use, allows Data Centers with certain industrial zoning districts, and outlines related standards for location, design, screening, and noise.

WHEREAS, pursuant to A.R.S. § 9-462.01, the legislative body of any municipality by ordinance, in order to conserve and promote the public health, safety, and general welfare, may (1) adopt overlay zoning districts and regulations applicable to particular buildings, structures, and land within individual

zones that modify regulations in another zoning district with which the overlay zoning district is combined; and (2) regulate the use of buildings, structures, and land.

WHEREAS, the PAD is an overlay zoning district used to permit flexibility in the application of zoning standards in order to encourage creative, high-quality, and integrated development that may not be achievable through conventional zoning standards alone.

WHEREAS, the City has historically used the PAD to modify development standards of another zoning district—including setbacks, building form, and open space standards—consistent with the unique context and vision of the proposed development.

WHEREAS, the current Zoning Ordinance does not explicitly authorize the City Council modify land use regulations through a PAD—such as to permit uses that are appropriate and compatible for the area but may not be contemplated by the Zoning Ordinance—which can limit the intended flexibility of the PAD and ability of the City Council to modify zoning regulations to support site-specific development goals.

WHEREAS, the ability of the City Council to modify land use regulations, including to permit additional, compatible uses through a PAD, as allowed by A.R.S. § 9-462.01, will conserve and promote the public health, safety, and general welfare by enhancing flexibility, promoting innovative mixed-use and master-planned communities, and supporting strategic land use planning consistent with the City's General Plan.

WHEREAS, on June 11, 2025, the Planning and Zoning Board recommended that the City Council the proposed amendments.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, AS FOLLOWS:

<u>Section 1</u>: Mesa City Code Title 11, Chapter 6, Table 11-6-2 is hereby amended only to add Data Center to the Specific Accessory Uses category and to revise footnote 1 related to a Data Center as an accessory use, as follows. The remainder of Table 11-6-2 remains the same.

Table 11-6-2: Commercial Districts							
Proposed Use	NC (C-1)	LC (C-2)	GC (C-3)	OC (O-S)	MX	Additional Use Regulations	
Specific Accessory Uses							
DATA CENTER	P (1)	P (1)	P (1)	P (1)	P (1)	SECTION 11-31-36, DATA CENTERS	

Table 11-6-2: Commercial Districts							
Proposed Use	NC (C-1)	LC (C-2)	GC (C-3)	OC (O-S)	MX	Additional Use Regulations	
			•••				

1. Reserved. REFER TO SECTION 11-31-36(C)(2) FOR CONDITIONS UNDER WHICH A DATA CENTER MAY QUALIFY AS AN ACCESSORY USE.

•••

Section 2: Mesa City Code Title 11, Chapter 7, Section 11-7-2 is hereby amended only to add a new letter designation "SE" for use in Table 11-7-2, add Data Center to Table 11-7-2, and add new footnotes 18 and 19 related to a Data Center, as follows. The remainder of Table 11-7-2 remains the same.

11-7-2: - LAND USE REGULATIONS

In Table 11-7-2, which follows, the land use regulations for each Employment Zoning District are established by letter designations as follows:

- "P" designates use classifications permitted.
- "TUP" designates use classifications permitted on approval of a Temporary Use Permit.
- "SUP" designates use classifications permitted on approval of a Special Use Permit.
- "CUP" designates use classifications permitted on approval of a Council Use Permit.
- "(x)" a number in parentheses refers to limitation following the table.
- "SE" DESIGNATES USE CLASSIFICATIONS THAT ARE NOT ALLOWED BY RIGHT BUT ARE PERMITTED IF APPROVED THROUGH A PARTICULAR REVIEW PROCEDURE.
- "—" designates a prohibited use.

Use classifications not listed are prohibited. The "Additional Use Regulations" column includes specific limitations applicable to the use classification or refers to regulations located elsewhere in this Ordinance.

Table 11-7-2: Employment Districts							
Proposed Use	PEP	LI (M-1)	GI (M-2)	НІ	Additional Use Regulations		
Employment and Industrial Use Classifications							

Table 11-7-2: Employe	nent District	S			
Proposed Use	PEP	LI (M-1)	GI (M-2)	НІ	Additional Use Regulations
DATA CENTER	_	— <u>SE (18)</u>	SE (18)	SE (18)	SECTION 11-31-36, DATA CENTERS
Specific Accessory Use	es and Facilit	ies			
DATA CENTER	P (19)	P (19)	P (19)	P (19)	SECTION 11-31-36, DATA CENTERS
			••••		
					D BY CITY COUNCIL AT THE VERLAY (PAD) DISTRICT.
19. REFER TO SECT MAY QUALIFY AS A		. , . ,	CONDITIO	NS UNDEF	R WHICH A DATA CENTER
Section 3: PLA ADOPTION BY RE		A DEVELO	PMENT OV	ERLAY DI	STRICT SECTIONS: REPEAL;
entirety: Sec	ction 11-22-1		ose;" Section		Code are hereby repealed in their ed "Land Use Regulations;" and
Overlay Dis No and available made a part into the follo	trict Amenda , of the C e for public u- hereof as if fi owing section	nents," which lity of Mesa, I se and inspect ally set forth ins of Title 11	was made a Maricopa Coution with the (in this Ordina of the Mesa	public reconnity, Arizona City Clerk, is nce, and its City Code:	cled "Planned Area Development rd on, by Resolution a, three copies of which are on file is hereby adopted by reference and provisions declared to be inserted Section 11-22-1 titled "Purpose;" on 11-22-3 titled "Development
document titled "Sec Resolution No. file and available fo	ction 11-31-3 , of the r public use a s if fully set f	6: Data Center City of Meson of the City of Meson of the City of t	ers," which v sa, Maricopa n with the Ci rdinance, and	vas made a p County, Ariz ty Clerk, is its provision	zona, three copies of which are on hereby adopted by reference and ns declared to be inserted into the

Section 5: Mesa City Code Title 11, Chapter 32, Table 11-32-3.A., Required Parking Spaces By Use, is hereby amended only to add required parking spaces for a Data Center to the Independent Industrial Buildings and Uses category, as follows. The remainder of Table 11-32-3.A. remains the same.

Table 11-32-3.A: Required Parking Spaces By Use				
Use	Minimum Standard			
Independent Industrial Buildings and Uses				
DATA CENTER	1 SPACE PER 1,0005,000 SQUARE FEET			

<u>Section 6</u>: Mesa City Code Title 11, Chapter 86, Section 11-86-5, Employment and Industrial Use Classifications, is hereby amended only to add the use type "Data Center," which shall be arranged in alphabetical order within Section 11-86-5, revise the definition of "Indoor Warehousing and Storage" as follows. The remainder of Section 11-86-5 remains the same.

11-86-5: - EMPLOYMENT AND INDUSTRIAL USE CLASSIFICATIONS

...

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.

...

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.

Section 7: RECITALS. The recitals above are fully incorporated in Ordinance No. _____ (this "Ordinance") by reference, and each recital represents a finding of fact and determination made by the City Council.

Section 8: AMENDED LANGUAGE. In the sections of this Ordinance that modify the current language of the Mesa City Code (i.e., Sections 1, 2, 5, and 6), new language is shown in **BOLD ALL CAPS** and deleted language is shown in strikethrough.

Section 9: PRESERVATION OF RIGHTS AND DUTIES. This Ordinance does not affect the rights and duties that matured, penalties that were incurred, or proceedings that were begun before the effective date of this Ordinance.

Commented [JM1]: 1 / 5,000 SF is in line with standard parking demand for data center uses and would apply specifically to those portions of the buildings/site plan.

Section 10: EFFECTIVE DATE. The effective date of this Ordinance is thirty (30) days after the adoption of this Ordinance.

Section 11: SEVERABILITY. If any term, provision, section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of the material adopted herein by reference is for any reason held to be invalid, unenforceable, or unconstitutional by the decision of a court of competent jurisdiction, the remaining provisions of this Ordinance shall remain in effect.

Section 12: BINDING WAIVER OF ENFORCEMENT. As permitted by Arizona Revised Statutes ("A.R.S.") § 12-1134 and set forth in this <u>Section 12</u>, if an owner of real property claims the owner's rights to use, divide, sell, or possess, and the fair market value of, the real property ("specific parcel") was reduced by the enactment or applicability of the newly enacted Data Center Law (as defined below), the owner may request a binding waiver of enforcement as to the Data Center Law for the 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. 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.

To request a waiver, an owner must submit a written demand to the City of Mesa Planning Division within three years of the effective date of this Ordinance that includes: (1) the specific amount of just compensation; (2) a statement that the rights to use, divide, sell, or possess, and that the fair market value of, the owner's specific parcel were reduced by the enactment or applicability of the Data Center Law; and (3) evidence that the owner submitting the waiver request owned the specific parcel on the effective date of this Ordinance.

If the waiver request meets all the requirements of this Section 12, as determined by the Planning Director or their designee, the City of Mesa Planning Division may issue to the owner a waiver of the Data Center Law on the owner's specific parcel ("Waiver"). A Waiver grants the owner only the right to use the specific parcel in compliance with the Zoning Ordinance or Community Plan, as applicable, as if the Data Center Law was not adopted. By way of example only, an owner of a specific parcel zoned LIMITED INDUSTRIAL (LI), General Industrial (GI) or Heavy Industrial (HI) on the effective date of this Ordinance would be permitted to develop a data center without approval of a PAD in which a data center is specifically authorized by the City Council at the time of approving the PAD. If a Waiver is issued for a specific parcel that had an existing data center, or an approved site plan for a data center, on the specific parcel as of the effective date of this Ordinance, the existing or approved data center will be considered a legal conforming use. A Waiver does not waive or modify any land use laws in this Ordinance or in the Mesa City Code other than the Data Center Law FOR PROPERTIES WITHOUT AN EXISTING OR APPROVED DATA CENTER. By way of example only and for the avoidance of doubt, a Waiver does not waive any of the application requirements, development standards, or operational requirements in Section 11-31-36 of the Zoning Ordinance FOR PROPERTIES WITHOUT AN EXISTING OR APPROVED DATA CENTER. A WAIVER FOR A PROPERTY WITH AN EXISTING OR APPROVED DATA CENTER WILL ONLY BE SUBJECT TO THE ORDINANCE AND STANDARDS IN EFFECT AT THE TIME OF SITE PLAN APPROVAL. A Waiver is only applicable to the specific parcel for which it is granted. A Waiver runs with the land; provided, however, a Waiver automatically terminates when the specific parcel is rezoned. FOR THE PURPOSES OF THIS ORDINANCE SECTION, "REZONED" SHALL NOT INCLUDE ANY ENTITLEMENT ACTION

Commented [JM2]: This gives the City subjective authority when determining when to issue a waiver. Is there any way to have standards that require the City to issue a waiver if the applicant meets the requirements?

Commented [JM3]: We propose 2 tiers of waivers. The first tier protects the land use for properties that do not have data centers. The second tier preserves the approvals and standards for the properties with existing and approved data center site plans.

THROUGH WHICH THE UNDERLYING ZONING DISTRICT REMAINS UNCHANGED. A

Waiver does not limit, prevent, alter, or affect a development agreement that restricts or prohibits data centers or other land uses. The Planning Director and City Attorney are authorized to draft the Waiver form to be used pursuant to the terms, conditions, and limitations of this Section 12.

For purposes of this Section 12, the following definitions apply:

"Data Center Law" means the **REGULATION** prohibition of data centers (except data centers that qualify as an accessory use pursuant to Section 11-31-36(A)(1) of the Zoning Ordinance) in every zoning district except a Planned Area Development Overlay District ("PAD") that is used in combination with the **LIMITED INDUSTRIAL** (LI), General Industrial (GI) or Heavy Industrial (HI) zoning district and in which a data center is specifically authorized by the City Council at the time of approving the PAD. For the avoidance of doubt, "Data Center Law" does not include the application requirements, development standards, or operational requirements in Section 11-31-36 of the Zoning Ordinance.

"Fair market value," "just compensation," "land use law," and "owner" have the meanings ascribed by A.R.S. § 12-1136.

Section 13: ZONING INTERPRETATION RECORD. On the effective date of this Ordinance, the Zoning Interpretation Record signed by the Zoning Administrator on March 13, 2023, regarding "Data Centers – Land Use Classification and Zoning District Allowed," that determined a data center was within the use classification "Indoor Warehousing and Storage," is no longer applicable and is no longer of any force or effect, EXCEPT FOR THOSE PROPERTIES WITH AN ISSUED WAIVER.

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 15: SECTION 11-1-6 OF THE ZONING ORDINANCE. Data center projects that have received approvals prior to the effective date of this Ordinance may file applications for permits and plats, and may be constructed, as set forth in Section 11-1-6(B) of the Zoning Ordinance. Complete applications for proposed data center projects filed prior to the effective date of this Ordinance may be approved as set forth in Section 11-1-6(C) of the Zoning Ordinance.

Section 16: PENALTY.

CIVIL PENALTIES:

A. Any owner, occupant or responsible party who is found responsible for a civil violation of this Ordinance, whether by admission, default, or after a hearing, shall pay a civil sanction of not less than \$150 or more than \$1,500, per citation. A second finding of responsibility within 24 months of the commission of a prior violation of this Chapter shall result in a civil sanction of not less than \$250 or more than \$2,500. A third finding of responsibility within 36 months of the commission of a prior violation of this Chapter shall result in a civil sanction of not less than \$500 or more than \$2,500. In addition to the civil sanction, the responsible party shall pay the applicable fees and charges set forth in the City's Development and Sustainability Department (Code Compliance) Schedule of Fees and Charges, and may be ordered to pay any other applicable fees and charges.

Commented [JM4]: A developer should not lose their rights under the waiver if they request a new SUP, CUP, modifying or new PAD, or other applications while maintaining the underlying zoning district.

Commented [JM5]: The "prohibition" language in this section of the Ordinance conflicts with the City's comments that the ZTA is not banning data centers with Mesa.

Commented [JM6]: Property owners with a waiver will be relying on that interpretation in perpetuity.

- B. The 36-month provision of subsection (A) of this Section shall be calculated by the dates the violations were committed. The owner, occupant, or responsible party shall receive the enhanced sanction upon a finding of responsibility for any violation of this Chapter that was committed within 36 months of the commission of another violation for which the owner or responsible party was convicted or was otherwise found responsible, irrespective of the order in which the violations occurred or whether the prior violation was civil or criminal.
- C. Each day in which a violation of this Ordinance continues, or the failure to perform any act or duty required by this Ordinance or by the Civil Hearing Officer continues, shall constitute a separate civil offense.

HABITUAL OFFENDER:

- A. A person who commits a violation of this Ordinance after previously having been found responsible for committing 3 or more civil violations of this Ordinance within a 24 month period whether by admission, by payment of the fine, by default, or by judgment after hearing shall be guilty of a class 1 criminal misdemeanor. The Mesa City Prosecutor is authorized to file a criminal class 1 complaint in the Mesa City Court against habitual offenders. For purposes of calculating the 24-month period under this paragraph, the dates of the commission of the offenses are the determining factor.
- B. Upon conviction of a violation of this Section, the Court may impose a sentence or incarceration not to exceed 6 months in jail; or a fine not to exceed \$2,500, exclusive of penalty assessments prescribed by law; or both. The Court shall order a person who has been convicted of a violation of this Section to pay a fine of not less than \$500 for each count upon which a conviction has been obtained. A judge shall not grant probation to or suspend any part or all of the imposition or execution of a sentence required by Subsection except on the condition that the person pay the mandatory minimum fines as provided in this Subsection.
- C. Every action or proceeding under this Section shall be commenced and prosecuted in accordance with the laws of the State of Arizona relating to criminal misdemeanors and the Arizona Rules of Criminal Procedure.

Section 17:	RESOLUTION A	AND EXHIBIT O	N FILE. Resolution N	o	adopted on
			ed Area Development		
are on file and	available for publi	c use and inspecti	on at the Office of the	City Clerk, 20. E. I	Main Street,
Suite 150, Mes	sa, Arizona.				
Section 18:	RESOLUTION A	ND EXHIBIT O	N FILE. Resolution No	o	adopted on
	and its attached exh	ibit titled "Section	n 11-31-36: Data Cente	ers" are on file and a	available for
public use and	inspection at the O	ffice of the City C	lerk, 20. E. Main Stree	t, Suite 150, Mesa,	Arizona.
PASSED ANI) ADOPTED BY	THE COUNCIL	OF THE CITY OF M	ESA, MARICOPA	COUNTY,
ARIZONA, th	is day of	2025.			

APPROVED:

Mayor

ATTEST:

City Clerk

SECTION 11-31-36: DATA CENTERS

SECTION 11-31-36: - DATA CENTERS

A. Applicability.

- Data Center as an Accessory Use. A Data Center that meets all of the criteria (a through d below) may be considered an accessory use and is not subject to the requirements of this Section 11-31-36. Accessory use criteria:
 - The Data Center exclusively serves the enterprise functions of the on-site property owner.
 - b. The Data Center does not lease data storage or processing services to third parties.
 - c. The Data Center occupies no more than 10% of the building footprint.
 - d. The Data Center is not housed in a separate stand-alone structure on the parcel.
- 2. Data Center as a Principal Use. Data Center, as defined in Section 11-86-5, is prohibited in every zoning district, except that a Data Center may be permitted in the Planned Area Development (PAD) Overlay District that is used in combination with the LIMITED INDUSTRIAL (LI), General Industrial (GI) or Heavy Industrial (HI) base zoning district only if the Data Center is specifically permitted by the City Council with the approval of the rezoning to the subject PAD Overlay District. Additionally, all Data Centers as a principal use shall be located, developed, and operated in compliance with the Land Use Regulations in Article 2 and the following standards.
- B. **Purpose**. The purpose of this Section is to:
 - Promote public health, safety, and general welfare by mitigating potential adverse impacts of Data Centers, including impacts on the availability, capacity, and distribution of utility services, including water, wastewater, gas, and electricity; and
 - Minimize the physical, environmental, and visual impacts of Data Centers on surrounding areas by promoting high-quality design and ensuring compatibility with adjacent land uses and the community.
 - 2.3. IDENTIFY THE TYPICAL MECHANICAL EQUIPMENT THAT SUPPORTS THE DATA CENTER, SUCH AS BUT NOT LIMITED TO BATTERY STORAGE, POWER GENERATION, SWITCHYARD AND/OR SUBSTATION, COOLING, VENTILATING, OR OTHER EQUIPMENT, IS PERMITTED AS AN ACCESSORY AND/OR ANCILLARY USE WHEN INCLUDED ON A SITE PLAN APPLICATION.

C. Permitted Zoning Districts.

- PAD Overlay District Required. A Data Center may be permitted within a PAD Overlay
 District when applied in combination with the LIMITED INDUSTRIAL (LI), General
 Industrial (GI) or Heavy Industrial (HI) base zoning districts, but only if specifically
 authorized by the City Council as part of the PAD Overlay District approval.
- Data Center as an Accessory Use. A Data Center may be permitted as an accessory use in the Commercial and Employment zoning districts without requiring a PAD Overlay District and is not subject to the requirements of this Section 11-31-36.

Commented [JM1]: The requirement for a PAD approval to allow the data center use is in conflict with the intent and applicability of the PAD overlay.

Since the modifying the permitted uses and use specific standards for a data center is specifically prohibited in the proposed Section 11-31-36, then the flexibility within a PAD application is essentially obstructed

- D. Relation to Other Regulations. Where a conflict occurs between the provisions of this Section and any other City Code, ordinance, resolution, or regulation, the more restrictive provision shall control.
- E. **Application Requirements.** In addition to the application requirements of Section 11-67-2 and application guides posted on the Development Services website, all development applications for a Data Center shall include all the following:
 - 1. **Project Narrative.** A project narrative that describes how the Data Center is consistent with the General Plan, any other applicable City plan or policies, and is compatible with surrounding uses.
 - Operational Plan. An operational plan that provides evidence of compliance with all zoning, building, and fire safety regulations.
 - 3. Good Neighbor Policy. A good neighbor policy describing all the following:
 - a. The measures that will be taken to ensure ongoing compatibility with adjacent uses including sound attenuation, lighting control measures, vehicular access and traffic control, and litter control measures.
 - Complaint response procedures, including the name and telephone number of the
 person responsible for the operation of the facility; and procedures for investigation,
 remedial action, and follow-up.
 - 4. **Water Consumption and Thermal Management Report.** A water consumption and thermal management report which describes all the following:
 - a. *Cooling System*. The proposed cooling system for the Data Center and whether the Data Center will be water-cooled or air-cooled.
 - b. Water Usage.
 - The estimated amount of total water in acre feet that will be used by the proposed project and associated land use for a calendar year, along with a monthly breakdown of projected water demand for each month within that year.
 - ii. The estimated amount of water in million gallons per day that will be used by the proposed project during a typical 24-hour operational period under normal conditions, including anticipated usage patterns
 - iii. The estimated amount of water in million gallons per day to be used by the proposed project in a 24-hour period on its highest water consumption day.
 - iv. The estimated highest instantaneous flow rate in million gallons per day that will be used by the project along with the minimum, average, and maximum durations and frequencies of these flow conditions.
 - Indicate high consumption operational flexibility. Identify if high water demands can be aligned with the City's low-demand periods.
 - vi. The number of the proposed water meters and the size of each water meter for the proposed project.
 - vii. Proof that the applicant or property owner submitted a complete Sustainable Water Service Application to the City's Water Resources Department.

Commented [JM2]: We suggest either noting this is only for reference by City Staff or we suggest removing as it effectively establishes the water report as part of the entitlement approval.

- Wastewater Report. Proof that the applicant or property owner submitted a complete Industrial User Survey, or its equivalent under City Code Title 8, Chapter 4 (Sanitary Sewer Regulations) to the City's Water Resources Department.
- Electric and Natural Gas (Energy) Service Report. If located in the City's service area for electric or natural gas utility services:
 - The estimated annual and monthly demand for electric and natural gas utility services.
 - b. An assessment of future energy needs for the proposed project.
- 7. *Initial Sound Study.* An initial sound study performed by a third-party acoustic engineer which documents all the following:
 - a. The baseline sound levels on the project site.
 - b. The baseline sound levels measured at the property line of the nearest residential zoning district, residential use, or other sensitive uses as reasonably determined by the Planning Director.
- 8. *Citizen Participation*. In addition to the Citizen Participation requirements of Section 11-67-3, all the following Citizen Participation measures are required:
 - a. Neighborhood Meeting.
 - i. The applicant shall hold a minimum of <u>ONE</u> two-neighborhood meetings with residents to describe the project, including the project design, proposed sound-mitigation, lighting control measures, vehicular access and traffic control, and litter control measures. <u>AN ADDITIONAL NEIGHBORHOOD MEETING MAY BE REQUIRED AS REASONABLY DETERMINED BY THE PLANNING DIRECTOR.</u>
 - ii. A representative of the developer or owner with decision-making authority on the design of the Data Center shall attend the neighborhood meetings.
 - #### PUBLIC NOTICE FOR NEIGHBORHOOD MEETINGS SHALL BE GIVEN AS SPECIFIED IN CHAPTER 67, COMMON PROCEDURES.
 - b. Neighborhood Meeting Notification.
 - i. Mailed Notice. The applicant shall notify all property owners and homeowners' associations within a half mile radius of the exterior boundary of the property that is the subject of the application, based on the last assessment.
 - Notice Timeframe. Written notice shall be provided by first class mail a minimum of 15 days prior to each neighborhood meeting.
 - c. Site Posting.
 - The applicant shall post a sign on the proposed Data Center site at least 15days before each neighborhood meeting.
 - The sign shall be located along an arterial street or other high visibility location as reasonably determined by the Planning Director.

Commented [JM3]: This Section should be removed and refer to Chapter 67 Common procedures.

It is slippery slope and potentially unjustifiable requirement for additional notification standard for only one land use classification. Public notification requirements should be the same for all proposed land uses.

- iii. The sign shall include all the following content and shall be reviewed and approved by the Planning Director before installation:
 - (1) The applicant name and contact information.
 - (2) A brief description of the Data Center project.
 - (3) The date, time, and location of the neighborhood meeting.
 - (4) The applicant shall remove the sign after the neighborhood meeting(s), but not sooner.

F. Development Standards.

- 1. Modifications and Deviations Not Permitted. The development standards contained within this Section and the development standards contained within Chapter 7 of the Zoning Ordinance, when applied to a Data Center, may not be modified through a Planned Area Development (PAD) Overlay, Bonus Intensity Zone (BIZ) Overlay, Alternative Compliance, Special Use Permit (SUP), Variance or otherwise, except for the maximum building height specified in Subsection (3) below.
- 2-9. Separation from Residential Zoning Districts and Residential Uses. A Data Center and all associated mechanical equipment, including but not limited to battery storage, power generation, cooling, ventilating, or other equipment that supports the Data Center, shall be located at least 400 COMPLY WITH A 1-FOOT SETBACK FOR EACH FOOT OF BUILDING HEIGHT WITH A MAXIMUM SETBACK OF 100 feet from the property line of the nearest residential zoning district, residential use, or other sensitive use as reasonably determined by the Planning Director.
- 3-10. Height. The maximum height of a Data Center, including all associated equipment, is 60-80
- 4-11. **Building Placement and Design.** In addition to the development standards contained within Chapter 7 of the Zoning Ordinance, a Data Center shall adhere to all the following standards:
 - Quality Development Design Guidelines. Be designed in compliance with Chapter 5
 of the City's Quality Development Design Guidelines.
 - b. Orientation. Be oriented to adjacent arterial roadways and intersections.
 - c. Building Design Based on Sound Study.
 - i. 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.
 - Design specifications for such sound mitigation shall be provided to the City and incorporated into the building design before building permit approval.
- 5-12. *Architectural Design.* In addition to the requirements of Chapter 7 of the Zoning Ordinance, a Data Center shall adhere to all the following standards:
 - Quality Development Design Guidelines. Be designed in compliance with Chapter 5
 of the City's Quality Development Design Guidelines.

Commented [JM4]: The requirement for a PAD approval to allow the data center use is in conflict with the intent and flexibility of the PAD overlay.

We do not understand the restrictions from requesting deviations with the PAD overlay. Given this will still require approval by Council, the PAD should be able to modify these sections based on unique and justified circumstances for a given data center development.

Since the modifying the permitted uses and use specific standards for a data center is specifically prohibited in the proposed Section 11-31-36, the typical PAD flexibility that grants to both City Council and the developer to ensure compatibility and optimal design is completely removed.

Commented [JM5]: This is a drastically larger separation requirement than any other industrial land use. We recommend utilizing the 1:1 building height to setback ration with a maximum setback of 100-ft from residential.

Commented [JM6]: Data centers are continuing to utilize multiple stories to create denser projects - this number should increase to 80-ft.

- b. All Side Architecture. Architectural detailing on façades may vary depending on visibility and orientation. However, all façades that are publicly visible—whether from the street, neighboring properties, or public vantage points—shall have architectural detailing equivalent to the primary façade.
- c. Multi-planar Façades. In addition to the Site Planning and Design Standards of Chapter 7, a Data Center shall include multi-planar façades every 150 feet which are offset a minimum three (3) feet vertically and horizontally from the main building façade.
- d. Glazing Requirements. A Data Center building shall incorporate windows or glass panels on a minimum of 40% of the front façade and 15% on all other facades.
- e. Architectural Features. Architectural features shall be integrated into the design of Data Center buildings to create visual interest and establish a cohesive architectural identity—particularly at entryways and areas of public interface. All buildings shall incorporate at least five (5) of the following architectural features:
 - Overhangs. Overhangs shall project a minimum three (3) feet from the building façade.
 - Canopies. Canopies shall extend a minimum four (4) feet from the building facade.
 - Arcades. Arcades shall provide a clear depth of six (6) feet and a minimum height of 10 feet.
 - iv. Window Shrouds. Window shrouds shall project a minimum of six (6) inch around the entire window frame.
 - v. Raised Corniced Parapets Over Primary Entrances. Raised corniced parapets shall extend a minimum of 18 inches above the adjacent roofline and six (6) inches horizontally from the wall.
 - vi. *Tower Elements*. Tower elements shall be either one (1) story taller than the adjacent massing.
 - vii. Frameless Corner Glass. Each glass wall shall be a minimum eight (8) feet wide, with a seamless corner radius or joint.
 - viii. Flying Roof Forms. Roofs elements shall have a slope of at least 15 degrees and project a minimum four (4) feet beyond the main wall.
 - ix. Murals. Murals shall encompass an area of 50 square feet.
 - Decorative Architectural Grilles, Laser-Cut Metal Screens, or Louvres.
 Decorative architectural grilles, laser-cut metal screens, or louvres shall be a minimum four (4) feet wide or 12 square feet in area.
 - Architectural Lighting. Architectural lighting shall illuminate at least 25% of the primary façade length or highlight a minimum of three (3) distinct architectural components.
 - xii. Other architectural feature approved by the Planning Director.
- 6.13. Truck Docks, Loading, and Service Areas.

- a. Truck docks, loading, and service areas shall not face or be visible from public rights
 of way.
- b.f. ____When possible, buildings should be used to screen truck docks, loading, and service areas.
- e-g. Where building locations do not offer screening or in the case of phased development plans, truck docks, loading, and service areas shall be fully screened by a solid masonry wall at least eight (8) feet in height.
- 7-14. Fences and Freestanding Walls. In addition to the development standards of Section 11-30-4, Data Centers shall adhere to all the following standards:
 - a. *Architectural Compatibility*. Walls and fences shall be designed to complement the architectural style of the Data Center and surrounding development.
 - Articulation. Walls and fences shall be articulated every 40 feet through the use of either of the following:
 - A column that is offset a minimum eight (8) inches from the horizontal plane
 of the wall or fence and extends a minimum eight (8) inches above the main
 body of the wall or fence.
 - ii. A landscape pocket which is three (3) feet deep by five (5) feet wide.
 - c. Decorative Cap. All wall or fence columns shall have a decorative cap.
 - d. Prohibited Materials.
 - i. The use of barbed wire, razor wire, embedded glass shards, or ultra barrier is prohibited.
 - ii. The use of chain link or electrified fencing may only be used for internal security purposes and shall be fully screened from public view.
- 8.15. Mechanical Equipment. Mechanical equipment, including but not limited to battery storage, power generation, cooling, ventilating, or other equipment that supports the Data Center, shall adhere to all the following standards:
 - a. *Screening*. Be screened to reduce visual and noise impact using one (1) or more of the following methods:
 - 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 UP TO eight (8) feet in height or tall enough to fully screen the tallest piece of equipment.
 - Location. Be located <u>PRIMARILY</u> at the rear or side of the building, away from primary entrances, public-facing façades, residential uses or zoning districts, and private or public roadways. <u>IF NOT POSSIBLE, STANDARD SCREENING REGULATIONS APPLY.</u>
 - c. Architectural Consistency.
 - Screening elements shall be designed as a seamless extension of the Data Center's architecture, avoiding exposed industrial-looking enclosures.

Commented [JM7]: Truck loading zones are already regulated in other sections of the MZO.

Commented [JM8]: This language implies that a taller wall may be required if the mechanical equipment is taller than 8ft. It would be inappropriate and an eyesore to require a 10-ft or 20-ft solid wall.

Certain equipment may require more air flow and ventilation that would be obstructed by the taller solid wall.

 Screening elements shall use materials and colors that match the primary Data Center building.

9.16. Substation Screening.

- a. *Height*. Substations, whether private or public, shall be screened by a solid wall that extends at least one (1) foot above the tallest piece of ground-mounted equipment.
- Enclosure Design. Substation screen walls shall adhere to the development standards
 of Section 11-30-4, the requirements of this Section for Fences and Freestanding
 Walls, and be designed IN COORDINATION WITH THE UTILITY
 COMPANY STANDARDS to match any proposed publicly facing wall within the
 development.

10.17. *Utilities*.

- a. The Data Center shall bear the full cost of undergrounding any adjacent or on site electrical infrastructure that would otherwise be provided via overhead distribution and/or transmission as deemed necessary by the City of Mesa Development Services Department in its sole discretion and approved by the applicable utility.
- a. When the Data Center is located within the City's electric or natural gas service territories, the City may require a Data Center to source and transmit its own electric or natural gas commodity to a point of the City's electric or natural gas system as determined in the City's sole discretion.
- b. The Data Center may be subject to other requirements from the applicable energy utility when located outside of the City's electric or natural gas service territories.

G. Operational Requirements.

- .. *Modifications and Deviations Not Permitted*. The operational standards contained within this Section may not be modified through a Planned Area Development (PAD) Overlay, Bonus Intensity Zone (BIZ) Overlay, Alternative Compliance, Special Use Permit (SUP), Variance or otherwise.
- 2. Sound Study at Certificate of Occupancy or Certificate of Completion Stage.
 - a. Within 30 days of the issuance of a certificate of occupancy or certificate of completion, whichever occurs first, the Data Center operator shall conduct a sound study performed by a third-party acoustical engineer.
 - b. 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.

3. Annual Sound Study Required.

a. The Data Center operator shall perform an annual sound study during peak routine operation of the Data Center mechanical equipment for five (5) years after completion of the initial post-construction sound study. Commented [JM9]: This language is unnecessary as the infrastructure costs are typically paid for by the Developer. This section also conflicts with the possibility of future development agreements to outline payment and reimbursement obligation.

This section also does not account for medium- or high-voltage transmission lines that cannot be installed underground.

Commented [JM10]: We do not understand the restrictions from requesting deviations with the PAD overlay. Given this is approved by Council, the PAD should be able to modify these sections based on unique and justified circumstances for a given data center development.

Commented [JM11]: Recommend changing this to completing a sound study every two years for up to four years after completion of the initial post-construction sound study.

- b. 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.
- c. The Data Center operator shall provide the results of the sound study to the City within 30 days of the anniversary of the date on which the certificate of occupancy or certificate of completion was issued by the City.
- 4. **Backup Generators.** If the Data Center operator intends to use backup power generators on the parcel, the operator shall maintain a public website announcing the times when the generators will be in operation.
 - a. Any routine operation of the backup generators, including for testing purposes, shall be announced on the website at least 24 hours in advance.
 - The operator shall also notify the City of Mesa Public Information Office at least 24 hours in advance of a test.
 - c. Unless the generators are supplying backup electrical supply during a power outage or an electric utility demand response event, backup generators may only operate between the hours of 9:00 am and 5:00 pm, Monday through Friday, excluding holidays.
 - d. Upon request by City staff, the Data Center operator shall provide the address of the website and QR code where the notices required by this Section are published.
 - e. Any generating systems that are capable of operating in parallel with the City of Mesa's electric utility or in an islanded manner within the City of Mesa's electric utility will be subject to a generator interconnection process and interconnection study. In all instances, the Data Center operator shall be responsible for all interconnection costs and costs of distribution system protection related to the operation of the generating system.

Commented [MB12]: Subject to utility requirements

Alisa Lyons Comments

 From:
 Rachel Phillips

 To:
 Alisa Lyons

 Cc:
 Sean Pesek

Subject: RE: Draft Data Center and PAD Overlay Zoning Amendments Available for Review

Date: Wednesday, June 4, 2025 4:30:00 PM

Attachments: <u>image001.pnq</u>

Alisa,

Sound Study: The measures from the initial sound study would determine the baseline ambient levels onsite and at the property lines. The proposed development standards require that the data center be designed and built with mitigation methods to prevent the sounds levels from exceeding the ambient noise levels taken by the initial sound study (See Section 11-31-36(F)(4)(c)). If the sound levels were increased, the data center operators would be required to provide additional mitigation to meet the ambient noise level.

Waiver: A PAD is not required to qualify for the waiver. The property must be 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 and may or may not have a PAD.

Hope this helps answer your question. Feel free to reach out if you have any other.

Best, Rachel

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



From: Alisa Lyons <admin@sloanlyons.com> Sent: Wednesday, June 4, 2025 12:23 PM

To: Rachel Phillips < Rachel. Phillips@MesaAZ.gov>

Cc: Sean Pesek <Sean.Pesek@mesaaz.gov>

Subject: Re: Draft Data Center and PAD Overlay Zoning Amendments Available for Review

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Report Suspicious

?

Rachel: Now that I was able to read through all of the documentation (thank you for pointing me in the right direction), I have two questions:

- 1. Sounds Study: I see that periodic sound studies must be performed and submitted to the City. I'm trying to determine what an acceptable study result would be or what would happen if a data center exceeds that result. Is that information listed elsewhere?
- 2. Waiver: Are waivers only available to specific parcel owners who already have an approved PAD, in addition to the other requirements? ((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. Asked another way, if a specific parcel owner meets all of the other requirements but does not have an approved PAD, is the waiver option available?

Many thanks for helping me understand these details,

Alisa
Alisa Lyons
SLOAN LYONS Public Affairs on behalf of Valley Partnership
www.valleypartnership.org/page/BoD
alisa@sloanlyons.com
480-593-6214

On May 29, 2025, at 9:41 AM, Rachel Phillips < Rachel.Phillips@MesaAZ.gov wrote:

Hi Alisa,

On the website there are three documents that are a part of the text amendment. The changes exceed the page limit for our ordinances so some of it has to be adopted by reference. That's a very technical thing but just trying to explain why it's not all in the ordinance document.

There is the Ordinance, "Section 11-31-36: Data Centers" which contains all the development regulations for Data Centers, and "Planned Area Development Overlay District Amendments" which contains the related changes to the PAD Overlay.

Best, Rachel

From: Alisa Lyons admin@sloanlyons.com>
Sent: Thursday, May 29, 2025 9:36 AM

To: Rachel Phillips < Rachel.Phillips@MesaAZ.gov

Cc: Sean Pesek < Sean.Pesek@mesaaz.gov >

Subject: Re: Draft Data Center and PAD Overlay Zoning Amendments Available for Review

This is extremely helpful, Rachel. Where are these accessory use criteria or the 10% figure listed in the proposal document? Or perhaps are they in a different area of the code that I'm not finding?

If it's easier for you, we can jump on a call (or I can pop by the your office) to discuss a little further.

Alisa

Alisa Lyons

SLOAN LYONS Public Affairs on behalf of Valley Partnership

www.valleypartnership.org/page/BoD

alisa@sloanlyons.com

480-593-6214

On May 29, 2025, at 9:25 AM, Rachel Phillips < Rachel.Phillips@MesaAZ.gov wrote:

Alisa,

Yes, if it no longer complied with any of the criteria below it would be considered a primary use, but specifically to the buildings space it would be more than 10% of the building footprint.

Accessory use criteria:

- a. The Data Center exclusively serves the enterprise functions of the on-site property owner.
- b. The Data Center does not lease data storage or processing services to third parties.
- c. The Data Center occupies no more than 10% of the building footprint.
- d. The Data Center is not housed in a separate stand-alone structure on the parcel.

Best, Rachel

Rachel Phillips, AICP Assistant Planning Director 480-644-2762

Rachel.Phillips@MesaAZ.gov



From: Alisa Lyons admin@sloanlyons.com>
Sent: Thursday, May 29, 2025 9:07 AM

To: Rachel Phillips < <u>Rachel.Phillips@MesaAZ.gov</u>> **Cc:** Sean Pesek < <u>Sean.Pesek@mesaaz.gov</u>>

Subject: Re: Draft Data Center and PAD Overlay Zoning Amendments Available for Review

Rachel: Thank you very much. Is there a percentage of building space or land area that triggers a use moving from an accessory use to a primary use?

Alisa Alisa Lyons

SLOAN LYONS Public Affairs on behalf of Valley Partnership

www.valleypartnership.org/page/BoD

alisa@sloanlyons.com

480-593-6214

On May 29, 2025, at 8:59 AM, Rachel Phillips < Rachel.Phillips@MesaAZ.gov wrote:

Hi Alisa,

Section 11-31-36(A)(1) of the proposed amendments establishes criteria for when a Data Center qualifies as an accessory use. If found to be an accessory use, it would be permitted in all Commercial and Employment Districts and not subject to the regulations of Section 11-31-36 (Data Centers).

I think this will address your concerns but please let us know if you have any questions.

Best Regards, Rachel

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

From: Alisa Lyons admin@sloanlyons.com>

Sent: Thursday, May 29, 2025 8:43 AM

To: Sean Pesek < Sean.Pesek@mesaaz.gov >; Rachel Phillips < Rachel.Phillips@MesaAZ.gov > **Subject:** Re: Draft Data Center and PAD Overlay Zoning Amendments Available for Review

Good morning, Sean and Rachel. I hope you are both well.

Can you please help me understand how "facility" is defined in this ordinance?

If it isn't defined, Valley Partnership is concerned that the current definition is overly broad. For example, any office, retail, manufacturing, or industrial project will have a "portion" of it's space dedicated to "store and manage computer systems, servers, networking equipment, and components related to digital data operations." A home office, also, would likely meet this definition.

However, if there is a definition of facility that I am not aware of in the code, that might narrow the projects this applies to.

Many thanks for your assistance in helping me understand.

Alisa
Alisa Lyons
SLOAN LYONS Public Affairs on behalf of Valley Partnership
www.valleypartnership.org/page/BoD
alisa@sloanlyons.com
480-593-6214

On May 27, 2025, at 4:09 PM, Sean Pesek < Sean. Pesek @mesaaz.gov > wrote:

Dear Long Range Planning Subscribers,

The City of Mesa is considering text amendments to the Mesa Zoning Ordinance (MZO) related to Data Centers and Planned Area Development (PAD) Overlay Districts. If approved, these amendments will establish definitions, standards, and siting requirements to guide the development of Data Centers.

A draft of the proposed amendments is now available on the <u>Long Range Planning</u> <u>webpage</u> under "Proposed Text Amendments". We encourage you to review the materials and share your feedback via the "<u>Public Input Comment Form</u>".

Thanks for your participation!

To unsubscribe from Mesa's Long Range Planning updates please email <u>LongRangePlanning@Mesaaz.gov</u>.

Sean Pesek, AICP

Senior Planner, Development Services 480.644.6716 55 North Center Street, Mesa, AZ 85201 Office hours are Monday through Thursday 7:00am – 6:00pm



From: Rachel Phillips
To: Thomas Maples

Cc: <u>Mary Kopaskie-Brown; Sean Pesek; Noah Bulson; Sarah Steadman</u>

Subject: RE: Data Center Ordinance

Date: Tuesday, June 17, 2025 11:12:00 AM

Attachments: <u>image001.png</u>

Tom,

Thank you for your feedback. Staff will include your comments with the public record and reach out if there are any questions.

Best Regards,

Rachel

Rachel Phillips, AICP Assistant Planning Director 480-644-2762

Rachel.Phillips@MesaAZ.gov



From: Thomas Maples <thomasm@dpr.com>

Sent: Tuesday, June 17, 2025 10:18 AM

To: Rachel Phillips < Rachel. Phillips@MesaAZ.gov>

Subject: Data Center Ordinance

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Rachel.

Thank you for your efforts to incorporate stakeholder comments to the Data Center Ordinance. Please include my comments below and let me know if any need clarification or discussion.

General

Please allow more time for a stakeholder meeting with you and your staff to cooperate and collaborate on acceptable outcomes to our concerns.

Tom Maples Comments

What is the criteria for the acoustic study? How many dB above ambient, measured when, ...?

Specific

Ordinance

Section 2

Restricting Data Centers to GI and HI is overly restrictive. Less than 1% of the property in Mesa is zoned G1 & H1. This effectively legislates data centers out of existence because developers will not risk purchasing property with any other zoning and betting/hoping that a waiver allows their development after an uncertain process, timetable and conditions.

Section 5

1/1,000 sf parking spaces grossly exceeds the actual requirement, appears to be arbitrary and/or punitive and contrary to Council's stated desire to right size parking count. I suggest standard office ratios for the actual office portion. As written this overparking will contribute to heat island effect, surround the data center with a sea of empty parking which is visually undesirable, as well as deprive landowners from fully developing their property and generating full tax revenue for Mesa.

Section 12

Paragraph 4 revise "may issue" to "shall issue"

PAD

Why limit a PAD to over 5 acres. There may be an appropriate infill data center use that is otherwise appropriate for a PAD.

Section 11-31-36

A.1

Accessory use is overly restrictive. Why is it relevant if the IT function is in a separate building? 10% data center use should not categorize a business as a data center. In our tech economy there are businesses that now or in the future will need to develop more than 10% of their space as an IT function. That does not make them a data center that would be subject to the punitive measures of this amendment.

A.2

See comment under Section 2 of Ordinance

F.2

This setback is excessive. There are proposed screening, massing, glazing and sound measures to limit the impact of the development on the residents. As written all 4 mitigation measures are required but somewhat redundant. I suggest setback per base zoning requirements or at most 50' beyond base zoning requirements

F.3

Height limit is overly restrictive. Other clauses mitigate the massing and are redundant with this

section. Taller heights are permitted within many industrial and employment districts. The ordinance should defer to the allowable heights of the underlying zoning.

F.5

Requirements are inconsistent with underlying zoning. I suggest that F.5.a is sufficient. If architectural requirements beyond the base zoning requirements are to be imposed, these should be limited to the front façade. Overall the effect appears to be dictating higher finishes than the underlying zoning, and higher finishes than required for commercial office. An adjacent building that is distribution warehouse or manufacturing occupant does not need or want an enhanced façade solely because it is a data center.

F6

Overly prescriptive, suggest deferring to existing industrial zoning standards

F.8.b

Depending on the adjacent property it may not be practical or even possible to locate mechanical away from all of these - the front, primary entrance, public facing facades, residential uses or zoning and private or public roadways. All 4 faces of a building may face one or more of these adjacencies. I suggest you reduce this back to precluding it form the front of the building.

F.9.a

Please include language clarifying our stated intent that this excludes poles, masts, and towers.

F.10

This section is inconsistent with utility undergrounding standards in City of Mesa. Please clarify that this is 69kV and below

G.4

Confirm that this requirement applies to operations, and not construction, startup or commissioning activities.

Thanks again

Tom

Tom Maples, P.E. LEED AP DPR Construction C: (602)920)-1221 thomasm@dpr.com From: Rachel Phillips
To: "Korey Wilkes"

Cc: <u>Jay Irvin; Mary Kopaskie-Brown; Sarah Steadman; Sean Pesek; Noah Bulson</u>

Subject: RE: Mesa Proposed Data Center Ordinance.

Date: Tuesday, June 17, 2025 9:50:00 AM

Attachments: <u>image002.png</u>

image003.png

Korey,

Thank you for the feedback. Staff will review the recommendations and reach out if there are any questions.

Best Regards, Rachel

Rachel Phillips, AICP Assistant Planning Director 480-644-2762

Rachel.Phillips@MesaAZ.gov



From: Korey Wilkes < KWilkes@butlerdesigngroup.com>

Sent: Tuesday, June 17, 2025 9:17 AM

To: Rachel Phillips <Rachel.Phillips@MesaAZ.gov> **Cc:** Jay Irvin <jirvin@butlerdesigngroup.com> **Subject:** Mesa Proposed Data Center Ordinance.

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Rachel, hope all is well. We were told that we should send any comments to you by noon today. Note that we do believe that the City of Mesa and other valley cities need to address the influx of Data Centers and adopt well thought out and appropriate ordinances relative to their development and impact on the community. Our hope is that we can contribute in a meaningful way to these ordinances. Our goal, in the spirit of ordinances, is to promoting public

Kory Wilkes Comments

safety, community welfare, and orderly development while refraining from just creating restrictions. Please see our comments below regarding the draft "Data Center Ordinance" and associated documents. We have focused primarily on architectural implications, as it appears other technical elements are being addressed by additional consultants.

Data Center Ordinance Document

Page 5 - Parking Requirements

The proposed parking requirements present a notable contradiction. On one hand, the City characterizes Data Centers as low-employment uses, yet applies a parking standard more aligned with higher intensity uses. The current approach appears to classify a Data Center as a warehouse and then over-park it. We recommend that parking be determined by function—using standard office ratios (e.g., 1/375 SF) for the actual office portion. The existing warehouse parking ordinance already assumes higher ratios for large buildings. A more context-sensitive approach might include a graduated requirement, such as 1/5,000 SF for the first 200,000 SF, and 1/10,000 SF thereafter.

Page 5 – Definition Conflicts

The definition provided here is inconsistent with that in Section 11-31-36. As written, even an office with a modest server room could be construed as a Data Center—particularly in industries like architecture or engineering where digital storage is critical. This could inadvertently capture office uses never intended to fall under this ordinance.

Section 11-31-36 – Data Centers

Paragraph A.1 – Accessory Use Criteria

The current language requires all four criteria to be met for a use to be considered accessory, which is overly restrictive. For instance, if a company leases IT infrastructure but uses it exclusively for internal operations, and the server room occupies less than 5% of the floor area, it should still qualify as accessory. Additionally, the City has precedent for using 10% as an accessory threshold—this standard should be consistently applied. A building with a dedicated data-processing function using only a quarter of its footprint for servers should be treated as a mixed occupancy, not entirely as a Data Center. This is in keeping with other occupancy classifications such as H-use in the Building Code. Interestingly enough, Data Center is considered B occupancy by the IBC.

Paragraph A.2 – Restrictive Application

As discussed on our recent call, this section appears overly prohibitive—potentially disallowing Data Centers throughout the City. We defer to others to speak in more detail on this matter.

Paragraph E.7 – Acoustic Requirements

We recommend replacing "Acoustic Engineer" with "Acoustic Consultant," which more

accurately reflects the appropriate professional scope. The language in this and other related sections (F.4.c and G.2–3) fails to account for context—e.g., whether adjacent parcels are developed or vacant, and whether baseline sound levels will shift due to surrounding development. A qualified consultant should assist in refining this language to ensure technical accuracy and practical enforceability.

For reference: Acoustic consultants typically assess site-specific sound impacts and compliance, whereas acoustic engineers tend to focus on product design and built environment acoustics.

Section F – Design and Development Standards

F.1 – PAD Flexibility

If the PAD cannot be used to tailor development to site-specific conditions, its utility becomes limited. PADs should offer flexibility where compliance with baseline zoning is impractical.

F.2 – Setback Requirements

A 400-foot setback is excessive and inconsistent with standards for other permitted uses within the various districts. If a Data Center meets all applicable sound, screening, and design criteria, the setback should be comparable to those for similar uses. A more reasonable standard might be an additional 50 feet beyond the base zoning requirement, limited to mechanical equipment, not the entire building footprint. The term "other sensitive uses" also needs clarification.

F.3 – Height Limitations

The 60-foot height limit restricts Data Centers to two stories, despite taller buildings being permissible within many industrial or employment districts. The ordinance should instead defer to the allowable heights of the underlying zoning district, provided sound and screening standards are met.

F.5 – Architectural Design Standards

- Section 'a' should suffice in maintaining appropriate architectural quality consistent with the district.
- The intent should not be to impose architectural requirements exceeding those for other permitted uses in the same zoning designation. For example, a Class A office aesthetic is not appropriate for a building in an industrial park.
- Section 'b' contradicts other subsections—requiring uniform treatment of all facades while others call for targeted enhancements. If 'a' is upheld, 'b' is redundant.
- Section 'c' unintentionally compounds the height restrictions in F.3, effectively reducing usable building height by several feet when combined with other design criteria. This conflicts with standard interpretations of building height and traditional allowances for architectural features such as cornices, cupolas, and screen enclosures.

F.6 – Reference Existing Standards

This section would benefit from a direct reference to existing industrial zoning standards rather

than creating redundant or inconsistent regulations.

F.9 – Substation Screening

Requiring full screening of substations is impractical where overhead lines are present. Paragraph 'a' needs to further clarify what components are to be screened...such as switchgear, transformers, cabinets, etc. "Ground mounted equipment" is broadly stated and could be interpreted to include power poles, masts, etc.

F.10 – Utility Undergrounding

This section imposes requirements inconsistent with utility undergrounding standards elsewhere in the City. Requiring undergrounding above 69kV is often not feasible. The language should clarify that it applies only to infrastructure directly serving the Data Center, not regional power systems.

PAD Overlay District Amendments

It's unclear why this document is included given that its provisions are largely nullified by the restrictions in Section 11-31-36, specifically under "Modifications and Deviations Not Permitted."

We appreciate the opportunity to provide input and welcome continued collaboration on refining these standards to ensure both the City's goals and the practical needs of modern development are met.

Sincerely,

Korey S. Wilkes, RA | Principal

Butler Design Group 5013 E. Washington St. #100

Phoenix, AZ 85034 c. 602.316.6307

Valerie Crafton Comments

From: <u>Valerie Crafton</u>

To: Mayor; District 6; District 1; District 3; District 3; District 4; District 5; Scott Butler; Evan Balmer; Nana Appiah;

Mary Kopaskie-Brown; Rachel Phillips

Cc: <u>Thomasm@dpr.com</u>

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

Date: Wednesday, June 18, 2025 12:52:35 PM

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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,



Walerie Crafton, CEO/Owner WOSB/WBE Certified Small Business Phx Chapter Lead iMWomen

valc@valconsultants.com 602-541-7624

www.valconsultants.com



Peter Costas Comments

From: Peter Costa

To: Mayor

Cc: District 6; District 1; District 2; District 3; District 4; District 5; Scott Butler; Evan Balmer; Nana Appiah; Mary

Kopaskie-Brown, Rachel Phillips, Ian Linssen

Subject: Supporting Strong Local Jobs Through Data Centers

Date: Thursday, June 19, 2025 11:04:06 AM

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Hello,

My name is Peter Costa. I was a Mesa resident for 16 years and have collaborated with many wonderful staff members at the City to support initiatives that have helped benefit Mesa residents since 2017. I'm the CEO of Baltu Technologies, a technology platform that connects individuals to high-quality jobs through free education and training. My expertise and focus is around workforce development and creating life-changing opportunities for individuals in high-growth industries through alternative pathways to these jobs. Much of our recent work focuses on preparing residents for careers in data centers, both in construction and operations.

One example of that is last year, we partnered with the Mesa Public Library to offer a free fiber optic technician training program. Twelve local residents completed the course, and several were hired to work at the Meta Data Center in Mesa, with starting wages at over \$25 an hour. These individuals had no prior experience in tech or college degrees. Programs like these create real career opportunities for people in our community who face barriers to traditional education.

Why Data Centers Make Economic Sense for Cities

Let's compare the impact of a data center vs. a big-box store like Walmart, using similar square footage:

Metric	Data Center	Walmart Supercenter
Average size	≈ 205,000 ft²	≈ 178,000 ft²
Jobs supported (direct + indirect)	≈ 850	≈ 417
Avg. annual wage	\$63,000	\$43,000
Total annual payroll	≈ \$54 million	≈ \$16 million

While a retail store may hire more people directly, a data center creates more jobs overall when you include vendors, suppliers, and service providers. These roles pay more and are far more stable.

Data centers also bring in a surge of good-paying construction jobs. A single data center campus can create thousands of roles for local electricians, HVAC techs, low-voltage installers, and general tradespeople during multi-year buildouts.

And the work doesn't stop once the facility is operational. These are complex facilities that require skilled workers on site every day, 24/7. Data centers regularly replace hardware, install more efficient cooling and power systems, and perform routine maintenance that keeps everything running. Many of these roles look like the facilities jobs already found in city departments like Mesa Parks and Rec, but they pay significantly more. Many people don't realize that data centers create real career paths. It's common to find full-time engineers without a college degree, who started as entry-level techs. They learned on the job, advanced over time, and now earn strong wages doing meaningful, technical work.

Turnover is also dramatically lower. Most frontline retail jobs turn over at 60 percent or more each year. Data centers average less than 10 percent, meaning more consistent employment, better training retention, and stronger outcomes for workers and their families.

These are the kinds of investments that give residents a real chance at long-term, family-supporting careers, without needing a college degree.

Thank you for your time and consideration. I'd be happy to provide more information or answer any questions.

Peter Costa

CEO / Co-founder Baltu Technologies

Connecting Industry, Education and Community through Free Education and Training

480.751.9650 | www.baltutech.com | LinkedIn

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Ryan Gruver Comments

From: Ryan Gruver

To: Mayor; District 6; District 1; District 3; District 3; District 4; District 5; Scott Butler; Evan Balmer; Nana Appiah;

Mary Kopaskie-Brown; Rachel Phillips

Subject: Request for Collaboration on Proposed Data Center Ordinance – AFCOM Phoenix & AZ Data Center Alliance

Date: Thursday, June 19, 2025 1:47:09 PM

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Dear Mayor Freeman and Members of the Mesa City Council,

My name is Ryan Gruver, and I am writing to you in my capacity as President of the AFCOM Phoenix Chapter and as a Board Member of the Arizona Data Center Alliance.

On behalf of our members, I want to first express our sincere respect for the work you do to support Mesa's growth and livability. We also want to thank you for considering thoughtful input as you review the proposed Data Center Ordinance.

The data center community stands ready to work alongside the City of Mesa to ensure we are good neighbors, responsible partners, and contributors to Mesa's long-term success. We are community members ourselves—I live in the Eastmark neighborhood in East Mesa and have welcomed data center development in my own backyard because I recognize the benefits it brings. When data centers are built, they improve infrastructure, increase reliability and capacity for utilities, and attract high-tech investment that strengthens the entire community.

We recognize the City's desire to ensure that new development is compatible with surrounding uses. We support high-quality, well-planned data center projects—and we want to have a voice in shaping those policies. That's why we respectfully ask the Council to engage directly with leaders in the data center industry. We invite you to speak with us, tour our facilities, and learn about the critical role we play in Arizona's

economy, workforce, and innovation ecosystem.

As you consider this ordinance, we ask that you take into account:

• Data centers are an economic engine—fueling thousands of construction,

technical, and long-term operations jobs.

• Metro Phoenix is currently the **fastest-growing region in the U.S.**, and data

centers are a foundational part of that growth.

Our industry supports education and workforce development through

scholarships, internships, and STEM initiatives.

Data centers attract new businesses and investment, increasing the tax base and

utility capacity for the entire city.

We share the same goals as the City: a thriving economy, well-planned communities, and smart, sustainable growth. Let's ensure this ordinance reflects that shared vision. We look forward to collaborating with you and stand ready to provide insights, technical expertise, and a sincere commitment to Mesa's success.

Thank you for your time and consideration.

Respectfully,

Ryan Gruver

President, AFCOM Phoenix Chapter

Board Member, Arizona Data Center Alliance

Ryan Gruver

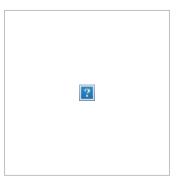
Public Comment Cards

Planning & Zoning Meeting Comment Card Tuesday, June 10, 2025 12:51:09 PM Subject: Date:

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Planning & Zoning Meeting Comment Card

Meeting Date	06/11/2025
I am commenting regarding Zoning Case number	PZ 25054
Are you the applicant or representative for the Agenda Item who will be available on the line to speak only if Board has questions?	No
Support/Oppose	I oppose
I want to	Submit my comments for Board review only
Phone	
I am the	

spokesperson for a group. Name of group:	
Comments	We support the ordinance but urge you to remove or revise the Eastmark waiver. Eastmark is a residential-first community, not an industrial-first. Singling it out without clear justification undermines trust. Any exceptions should be transparent. Please treat Eastmark with the same standards applied citywide. A waiver here contradicts the very principles the ordinance is designed to uphold. This waiver sends a message that protections other communities receive will not apply equally to Eastmark — one of the city's largest residential communities, who already is subject to additional CFD taxes
First Name	Anthony
Last Name	Grinevich
Street Number and Name	5347 S Sabrina
City	Mesa
State	AZ
Zip	85212
Email	AJGrinevich@yahoo.com

Planning & Zoning Meeting Comment Card Wednesday, June 11, 2025 2:39:42 PM Subject: Date:

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Planning & Zoning Meeting Comment Card

Meeting Date	06/11/2025
I am commenting regarding Zoning Case number	PZ 25054
Are you the applicant or representative for the Agenda Item who will be available on the line to speak only if Board has questions?	No
Support/Oppose	I oppose
I want to	Submit my comments for Board review only
Phone	
I am the spokesperson for a group. Name of group:	
	I ask to delay adoption of this amendment and

	convening a stakeholder meeting.
Comments	A 400' setback is a significant departure from current GI & HI standards. If the goal is to provide proper sound and visual screening, 400' isn't necessary. Mechanical yard locations should be performance based focusing on effective screening could achieve the same goals with greater flexibility.
	60' height limit should be increased based on proposed setbacks.
	Clarify sound measurement locations: Is this to say residential areas within 400'?
	Reduce parking ratio to 1/2000.
First Name	Benjamin
Last Name	Squires
Street Number and Name	5013 E. Washington St. #100
City	Phoenix
State	AZ
Zip	85034
Email	bsquires@butlerdesigngroup.com

Planning & Zoning Meeting Comment Card Wednesday, June 11, 2025 12:32:29 PM Subject: Date:

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Planning & Zoning Meeting Comment Card

Meeting Date	06/11/2025
I am commenting regarding Zoning Case number	11-31-36
Are you the applicant or representative for the Agenda Item who will be available on the line to speak only if Board has questions?	No
Support/Oppose	I oppose
I want to	Submit my comments for Board review only
Phone	
I am the	

spokesperson for a group. Name of group:	
Comments	On behalf of NAIOP Arizona, we oppose the proposed data center ordinance. While we support thoughtful land use planning, the current draft imposes overly restrictive standards that could deter economic investment. Data centers intersect with infrastructure, energy policy, and regional growth. We urge the Board to delay action and direct staff to engage in a more inclusive stakeholder process. This will lead to better outcomes for residents, businesses, and the city. We welcome collaboration on a balanced path forward.
First Name	John
Last Name	Baumer
Street Number and Name	2394 E. Camelback Rd., Suite 110
City	Phoenix
State	AZ
Zip	85016
Email	john@naiopaz.org

Planning & Zoning Meeting Comment Card Wednesday, June 11, 2025 11:45:25 AM Subject: Date:

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Planning & Zoning Meeting Comment Card

Meeting Date	06/11/2025
I am commenting regarding Zoning Case number	PZ 25054, PZ25055 and PZ2056
Are you the applicant or representative for the Agenda Item who will be available on the line to speak only if Board has questions?	No
Support/Oppose	I oppose
I want to	Submit my comments for Board review only
Phone	
I am the	

spokesperson for a group. Name of group:	
Comments	I am writing on behalf of the Data Center Coalition, a national membership association for the industry. Our members include data center owners and operators with investment, facilities and teams in the City and companies that lease data center capacity. We encourage the City to pursue a deliberative process that ensures time is given to all stakeholders to consider impacts and unintended consequences. Without additional input, the modifications establish policies that create uncertainty and impose restrictive and disparate requirements. Additional comments have been submitted to City staff.
First Name	Khara
Last Name	Boender
Street Number and Name	
City	
State	
Zip	
Email	khara@datacentercoalition.org

Planning & Zoning Meeting Comment Card Wednesday, June 11, 2025 10:57:26 AM Subject: Date:

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Planning & Zoning Meeting Comment Card

Meeting Date	06/11/2025
I am commenting regarding Zoning Case number	25054
Are you the applicant or representative for the Agenda Item who will be available on the line to speak only if Board has questions?	Yes
Support/Oppose	I oppose
I want to	Submit my comments for Board review only
Phone	
I am the	

spokesperson for a group. Name of group:	
Comments	I request a stakeholder meeting prior to approval or adoption. There have been no public hearings or input. We wish to discuss items including C1 & F1 why is there PAD requirement in addition to the restriction to GI or HI base zoning. E7 Noise study requirements and allowable decibels, F2 setbacks, F3 heights, F8a screenwalls, F8b Mechanical equipment Location, G4 clarify this applies to operations phase not construction. Are there revised requirements for parking?
First Name	Tom
Last Name	Maples
Street Number and Name	222 N 44th Street
City	Phoenix
State	AZ
Zip	85034
Email	thomasm@dpr.com