

ATTACHMENT C

Z-TA-2-25-Y: Text Amendment to address data centers Village Planning Committee Summary Results

Village	Recommendation Date	Recommendation	Vote
Ahwatukee Foothills	5/19/25	Denial	10-0
Alhambra	5/20/25	Denial	11-0
Camelback East	6/3/25	Denial with direction to: <ul style="list-style-type: none">Revise the noise requirement to an objective decibel level to be verified by the City.Allow for an additional 90-day review period to include a review of ordinances from other municipalities, including Chandler.Add separation requirements for data centers from other data centers and from residential uses.	17-0
Central City	5/12/25	Approval, with direction: <ul style="list-style-type: none">Allow a minimum of 60 days for public commentRemove the special permit requirement for A-1, A-2, or CP/GCPRemove the "will serve letter" requirement	8-1-1
Deer Valley	5/20/25	No quorum	-
Desert View	6/3/25	Denial, with direction: <ul style="list-style-type: none">Allow more time for stakeholder inputRemove the provision in the proposed definition for a facility that is not considered a data center to not exceed 10% of the gross floor area of all on-site buildingsClarify the noise study requirements and ensure	11-0

		<p>the noise is measured in decibels</p> <ul style="list-style-type: none"> • Remove the will-serve letter requirement • Add data centers as a permitted use in the CP/BP zoning district • Only require a Special Permit in the C-2 and C-3 commercial zoning districts 	
Encanto	6/2/25	Denial	13-0-1
Estrella	5/20/25	Approval, with the modification that a Special Permit will be required for C-2, C-3, and CP/GCP but not A-1 and A-2; and with direction regarding water conservation and heat mitigation implementation	4-0
Laveen	5/12/25	Approval, with direction regarding water and power conservation, square footage limitations, noise mitigation, and increased impact fees	13-0
Maryvale	5/14/25	Approval	13-0
North Gateway	5/8/25	Approval	8-0
North Mountain	5/21/25	Denial, with direction to reengage with the stakeholder community and bring the matter back to the VPC in 90 days	12-0-1
Paradise Valley	6/2/25	Approval, with the modification to only allow data centers within the A-1 and A-2 zoning districts with a Special Permit.	8-5-1
Rio Vista	5/13/25	Denial, with direction to allow more time for stakeholder input	3-2
South Mountain	5/13/25	<p>Approval, with direction:</p> <ul style="list-style-type: none"> • No data centers be allowed within 1.5 miles of the Rio Salado Restoration area • 5.1 be modified to include setback requirements from the mechanical equipment and the 	14-1-1

		<p>building from residential zoned property and schools</p> <ul style="list-style-type: none"> • Include provision that encourages recycling of water and usage of recycled water on site 	
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Village Planning Committee Meeting Summary Z-TA-2-25-Y

Date of VPC Meeting	May 19, 2025
Request	Amend the Phoenix Zoning Ordinance Chapter 2, Section 202 (Definitions) to add a definition for data centers; amend Chapter 5, Section 507 Tab A.II.D (Guidelines for Design Review, City-Wide Design Review Guidelines, Specialized Uses) to modify the section title and add design standards for data centers and amend Chapter 6, Section 647 (Special Permit Uses), Section 647.A.2 to add data centers within the C-2 (Intermediate Commercial), C-3 (General Commercial), CP/GCP (Commerce Park/General Commerce Park), A-1 (Light Industrial) and A-2 (Industrial) zoning districts, with performance standards.
VPC Recommendation	Denial
VPC Vote	10-0

VPC DISCUSSION:

Item Nos. 4 (GPA-2-25-Y) and 5 (Z-TA-2-25-Y) are companion cases and were heard concurrently.

Two members of the public registered to speak on this item, one in support, and one in opposition.

STAFF PRESENTATION

Anthony Grande, staff, provided a presentation regarding the proposed General Plan Amendment, including background and details of the location criteria, design, and energy and sustainability policies proposed to be added for data centers, further providing information about the proposed Text Amendment, including a definition for data centers, design guidelines, and a requirement for a Special Permit and performance standards, finally noting the timeline for the proposals.

QUESTIONS FROM COMMITTEE

Chair Gasparro asked for clarification on the noise requirement, noting that in areas with higher ambient decibel levels, a 5% increase could be significant. **Mr. Grande**

replied that the proposed language is taking into account existing ambient levels. **Vice Chair Mager** suggested redefining the noise requirement based on decibels.

Committee Member Fisher stated concerns about Phoenix becoming a location with many data centers in the future, noting some issues, including that they can pull power off the grid by having first right to power. **Mr. Grande** noted that the text amendment would add additional regulations for data centers, including a requirement for a Special Permit, which does not exist today.

Committee Member Slobodzian stated there are concerns with water usage for data centers.

Vice Chair Mager commented that it appears the motivation is to allow the City to have more control over approving data centers. **Committee Member Fisher** stated a concern with the number of zoning districts would permit data centers. **Mr. Grande** clarified that this proposal would add a Special Permit requirement where it doesn't exist today, and suggested that the Committee could approve with direction for any items of concern, including the inclusion of C-2 and C-3 zoning districts in the list.

PUBLIC COMMENTS

Cepand Alizadeh with the Arizona Technology Council spoke in favor of the proposal, but noting several concerns: a lack of clarity regarding the 5% requirement for decibel level measurements and how emergencies are handled and that the 2-year will serve letter from utility companies is not feasible.

Chair Gasparro stated a concern about asking for a 10-year will serve letter requirement. **Committee Member Fisher** noted that it appears that the facilities would be stating they don't have the power to serve them.

Committee Member Fisher asked about the appeal of locating data centers in the City of Phoenix. **Mr. Alizadeh** commented about tax revenue. **Chair Gasparro** noted that these could be redevelopments. **Mr. Fisher** noted that in any case, they are massive buildings. **Committee Member Barua** noted that they do not have a good understanding of the number of employees that are typically at a data center. **Mr. Alizadeh** commented that the tech industry is booming in Phoenix and companies want to be here.

Henry Hardy with Rose Law Group spoke in opposition to the proposal, stating that he had never seen a text amendment move this quickly through the process, that there should be a 90-day extension in the process, that the will serve letter will result in no more data centers locating in Phoenix, and that there are Proposition 207 issues with the proposal.

Chair Gasparro asked if Mr. Hardy had clients that resulted in him attending this meeting. **Mr. Hardy** replied that data center stakeholders have been involved. **Chair**

Gasparro asked for clarification on the will serve letter request. **Mr. Hardy** stated that the request is for 10 years, noting that many developments are phased.

Mr. Fisher asked who is pushing this item. **Mr. Hardy** said he did not know.

Committee Member Blackman asked if they wanted the will serve letter requirement removed, noting concerns about possible blackouts. **Mr. Hardy** replied that they want the requirement to align with industry standards and that the will serve letters allow the utility companies to plan for the future to ensure sufficient capacity. **Ms. Blackman** followed up with a question about whether the data centers will need to pay for the infrastructure. **Mr. Hardy** replied that they would.

Committee Member Slobodzian asked what changes would be looked at if more time is given for review. **Mr. Hardy** replied that they would like to review the will serve letter requirement and issues around existing rights.

Committee Member Jain asked if data centers currently participate in demand response. **Mr. Hardy** replied that he is not sure, but they do have comprehensive independent generation systems.

Committee Member Fisher stated he was nervous about extending the timeframe for will serve letters, adding it is not clear where all the power will come from, and data centers do not provide a lot of jobs.

Committee Member Barua added that utility companies give discounts to data centers.

Chair Gasparro asked if staff can look into any comments received from utility companies.

COMMITTEE DISCUSSION

Committee Member Fisher suggested voting for a continuance in order to slow the process down, noting that the Committee doesn't have time to get answers to their questions.

Chair Gasparro noted that voting for a continuance may not slow it down, as the Planning Commission could still move it forward, and it could result in losing the opportunity to put the Committee's concerns on record.

Vice Chair Mager suggested the Committee put their concerns into a formal motion, noting a possibility of approval with direction to staff. Committee Members discussed the various options for motions. **Mr. Fisher** suggested a motion for denial, noting the following items:

- Decibel clarification to industry standards;
- Confusion about ramifications of will serve letter requirement; and
- The speed of the process and not including stakeholders.

Mr. Grande noted that the Committee's concerns would be written in the minutes for review by the Planning Commission if the Committee recommends denial.

Committee Member Slobodzian stated that the most effective motion would be for denial.

MOTION (Z-TA-2-25-Y)

Alyson Slobodzian made a motion to recommend denial of Z-TA-2-25-Y. **Prakshal Jain** seconded the motion.

VOTE (Z-TA-2-25-Y)

10-0; motion to recommend denial of Z-TA-2-25-Y passed; Committee Members Barua, Blackman, Fisher, Golden, Jain, Maloney, Ostendorp, Slobodzian, Mager, and Gasparro in favor.

STAFF COMMENTS REGARDING VPC RECOMMENDATION:

None.

Village Planning Committee Meeting Summary Z-TA-2-25-Y

Date of VPC Meeting	May 20, 2025
Request	Amend the Phoenix Zoning Ordinance Chapter 2, Section 202 (Definitions) to add a definition for data centers; amend Chapter 5, Section 507 Tab A.II.D (Guidelines for Design Review, City-Wide Design Review Guidelines, Specialized Uses) to modify the section title and add design standards for data centers and amend Chapter 6, Section 647 (Special Permit Uses), Section 647.A.2 to add data centers within the C-2 (Intermediate Commercial), C-3 (General Commercial), CP/GCP (Commerce Park/General Commerce Park), A-1 (Light Industrial) and A-2 (Industrial) zoning districts, with performance standards.
VPC Recommendation	Denial
VPC Vote	11-0

VPC DISCUSSION

Item Nos. 4 (GPA-2-25-Y) and 5 (Z-TA-2-25-Y) are companion cases and were heard concurrently.

Two members of the public registered to speak in opposition to these items.

STAFF PRESENTATION

John Roanhorse, staff, provided a presentation on the Data Center General Plan Amendment noting the development background, review process, and the rationale behind the proposed amendment. Mr. Roanhorse stated that the proposed text amendment is a companion to the General Plan Amendment and is intended to support the regulatory framework for data centers. Mr. Roanhorse stated that the City Council had initiated creation of new policy guidance in response to the growing number of requests for data center facilities, which possess unique characteristics not currently addressed. Mr. Roanhorse expressed the importance of the General Plan Amendment due to land use considerations, the need for adaptation to existing developments, and the importance of connecting these facilities to infrastructure. Mr. Roanhorse noted that one of the primary reasons for the amendment is that data centers are not directly addressed in either the General Plan or the Zoning Ordinance and previous

developments have been permitted through informal interpretations. Mr. Roanhorse discussed the key elements of the amendment, including location criteria, design policies, and sustainability measures. Mr. Roanhorse reviewed site placement criteria, highlighting core areas and centers as not preferred locations, and noted various suitability factors. Mr. Roanhorse discussed required setbacks, the integration of art features, dark sky compliance, noise mitigation, and architectural design standards. Mr. Roanhorse noted the energy demands associated with data centers and the importance of incorporating energy efficiency measures. Mr. Roanhorse stated that the amendment would offer additional detail regarding definitions, guidelines, and performance standards.

QUESTIONS FROM THE COMMITTEE

Committee Member Jim DeGraffenreid asked if Data Centers would require additional water use and if water was mainly used for cooling. **Mr. Roanhorse** responded that water is a concern, however it is addressed within the sustainability component of the text amendment. Mr. Roanhorse stated based on information provided data centers recycle water and take measures to prevent increasing water use.

Committee Member David Krietor asked if Data Centers could be developed in existing buildings as an adaptive reuse and that it appears that there might not be many places for Data Centers in the Alhambra Village. **Mr. Roanhorse** responded that it is less likely that a data center would be developed on an existing site however in the past there are data centers that have been established in existing buildings but typically their sizes are limited.

Committee Member Alexander Malkoon commented the increase of Data Centers reflects the growth of technology like artificial intelligence and the facilities house substantial servers and equipment. Committee Member Malkoon commented that the Text Amendment responds to the needs but asked if what is presented is appropriate to the level of development. **Mr. Roanhorse** responded that the preparation of the text amendment included interaction with stakeholders and an analysis of existing data centers and the direction of current technology development in other cities that have widely developed data center facilities.

Committee Member DeGraffenreid commented that he is supportive of Data Centers and the Text Amendment but does have concern that water and energy issues will not be addressed. **Mr. Roanhorse** responded that water use is a concern and the text amendment does provide sustainability details as part of the proposal.

Vice Chair Melisa Camp asked if there will be sufficient requirements in response to mitigate increased heat temperatures. **Mr. Roanhorse** responded that the operation of a data center does generate internal heat which has cooling and other mechanical systems to maintain the temperature for the development and factors on the site such as shading, landscaping and other features would contribute to external heat reduction

and mitigation. Mr. Roanhorse discussed the proposed design guidelines, which include setback requirements, perimeter landscaping, and specific landscape coverage standards. Mr. Roanhorse discussed enhancements to architectural elements, including building frontages with the integration of art, color, texture, and orientation, along with requirements for pedestrian amenities and sidewalks. Mr. Roanhorse displayed the proposed timeline for both the General Plan and Text Amendments and indicated that both items would proceed to the Planning Commission and ultimately to the City Council by June 2025.

Committee Member Alexander Malkoon asked the time frame for access to utility service for a Data Center. **Mr. Roanhorse** responded that it would depend on the timing and application of the data center submittal. Mr. Roanhorse noted that as part of the process the applicant would have to provide the will serve letter.

Committee Member Jim DeGraffienried asked if energy use for a Data Center will increase over the years. **Mr. Roanhorse** responded that typically data centers would have sufficient energy provided as part of the utility grid they are in. Mr. Roanhorse noted that the utilities have provided information regarding energy use for proposed data centers.

PUBLIC COMMENTS

Samantha DeMoss, representing Rose Law Group, introduced herself and stated that Data Centers are an expanding use and reflect an important economic sector for the Phoenix area. Ms. DeMoss stated that addressing Data Centers is very important and will have long-term implications for growth and development. Ms. DeMoss stated there are concerns with the current General Plan Amendment specifically that with process review and timing and the design criteria. Ms. DeMoss stated that additional review time would be necessary to review and address many of the incomplete details in the General Plan Amendment as presented. Ms. DeMoss said that additional review time would allow more stakeholder review and input. Ms. DeMoss stated that the committee consider a 90-day period be granted to allow for more time for a thorough review and comment.

Cepand Alizadeh, representing the Arizona Technology Council, introduced himself and shared a personal experience to illustrate the importance of access to electronic medical information and the critical role of Data Centers. Mr. Alizadeh explained that he works with an organization that provides information and supports a variety of technology industries, emphasizing its alignment with economic development efforts. Mr. Alizadeh stated that correspondence outlining the Arizona Technology Council's position on the proposed text amendment had been submitted to the Mayor's Office and members of the City Council. Mr. Alizadeh stated that data centers are an essential component of the modern economy, noting that several facilities are either under consideration or already under construction in different areas of the city, with more expected in the near future. Mr. Alizadeh also pointed out that data centers vary in size

and capacity, both in terms of the volume of information housed and the operations conducted within the facilities. Mr. Alizadeh stated that he works with a range of businesses and organizations that develop services, maintain technology systems, and ensure that critical information remains readily available. Mr. Alizadeh said on behalf of the Arizona Technology Council, he expressed concerns about the proposed text amendment, specifically regarding the process timeline and the requirements for sound abatement. Mr. Alizadeh stated that additional time is needed to allow for a comprehensive review and to provide informed feedback on the proposed amendment. Mr. Alizadeh further noted that the draft text amendment does not sufficiently address appropriate sound control measures that would be consistent with the functional and operational needs of data centers.

DISCUSSION

Vice Chair Camp asked if there has been consultation with utility companies regarding the development of data centers. **Ms. DeMoss** responded that there has been some discussion with the utility companies, however, like many other details, this proposed amendment is moving quickly and more discussion and review would be beneficial to all parties.

Committee Member John Owens asked if there was information on existing data centers and their locations. Committee Member Owens commented that typically data centers and more similar uses would be aligned with freeway corridors and what would be the best approach to have balanced locations to accommodate connection to the infrastructure grid. **Ms. DeMoss** responded that there are many potential locations for data centers but locating them in the appropriate place would consider many factors and they are evaluating such options but more time to review the proposed General Plan Amendment would be a good starting point to ensure all details are addressed appropriately.

Committee Member John Owens asked what other cities in the area are developing data centers and what issues have been presented with them. **Mr. Alizadeh** responded that most adjacent cities have data centers including Tempe and Chandler. Mr. Alizadeh stated that the city of Chandler has been responsive and on the forefront of data center development and has ordinance and policies to accommodate them.

Committee Member Malkoon asked how the City of Chandler responded to the issue of noise abatement with data centers in their jurisdiction. **Mr. Alizadeh** responded that the City of Chandler has information in their ordinance for noise mitigation for data centers and it is more appropriately suited to the current type of designs that are being developed.

Committee Member Malkoon commented that he had experience in the development of call centers and was familiar with the scope of large-scale development. Committee Member Malkoon asked if back up power generators will be included in data centers

and how much sound is expected. **Mr. Alizadeh** responded that yes data centers do include backup generators and currently they are powered by diesel fuel so there would be some sound associated with the current data centers, but physical measures would dramatically reduce any loud noises associated with data centers.

Committee Member Owens commented that data centers are part of the future growth for the city and the economy and asked what measures are being taken to bring more data centers to the area. **Mr. Alizadeh** responded that yes data centers are a growing industry, and Phoenix is an ideal location for this growing industry. Mr. Alizadeh stated that having a responsive ordinance and policies is necessary to accommodate data centers and provide jobs and tax revenue for the local economies.

Committee Member Carlos Velasco commented that the Alhambra Village is land locked however it is important to promote economic opportunities, create jobs and promote tax benefits. Committee Member Velasco asked what type of jobs come with data centers and is there a higher pay scale. **Mr. Alizadeh** responded that jobs associated with data centers are high paying and will promote economic development. Mr. Alizadeh stated that in addition to jobs being provided data centers will also contribute to local economies by the services and supporting needs from local businesses in the area.

FLOOR/PUBLIC DISCUSSION CLOSED: MOTION, DISCUSSION, AND VOTE

MOTION

Committee Member Alexander Malkoon motioned to recommend the denial of Z-TA-2-25-Y. **Member Keith Ender** seconded the motion.

VOTE

11-0, motion to deny Z-TA-2-25-Y passed with Committee Members DeGraffenreid, Ender, Gamiño Guerrero, Krietor, Malkoon, Owens, Smith, Vallo, Velasco, Camp and Sanchez in favor.

STAFF COMMENTS REGARDING VPC RECOMMENDATION:

Staff has no comment.

Village Planning Committee Meeting Summary Z-TA-2-25-Y

Date of VPC Meeting	May 12, 2025
Request	Amend the Phoenix Zoning Ordinance Chapter 2, Section 202 (Definitions) to add a definition for data centers; amend Chapter 5, Section 507 Tab A.II.D (Guidelines for Design Review, City-Wide Design Review Guidelines, Specialized Uses) to modify the section title and add design standards for data centers and amend Chapter 6, Section 647 (Special Permit Uses), Section 647.A.2 to add data centers within the C-2 (Intermediate Commercial), C-3 (General Commercial), CP/GCP (Commerce Park/General Commerce Park), A-1 (Light Industrial) and A-2 (Industrial) zoning districts, with performance standards.
VPC Recommendation	Approval, per the staff recommendation, with direction
VPC Vote	8-1-1

Item Nos. 6 (GPA-2-25-Y) and 7 (Z-TA-2-25-Y) are companion cases and were heard concurrently.

One member of the public registered to speak in opposition on this item.

STAFF PRESENTATION

Samuel Rogers, staff, provided a presentation regarding the proposed General Plan Amendment, including background and details of the location criteria, design, and energy and sustainability policies proposed to be added for data centers. Mr. Rogers provided information about the proposed Text Amendment, including a definition for data centers, design guidelines, and a requirement for a Special Permit and performance standards, finally noting the timeline for the proposals.

QUESTIONS FROM THE COMMITTEE

Committee Member Frazier Johnson asked what happens if a facility leases data services. **Samuel Rogers**, staff, stated that if a facility is proposing to lease data services it would not be allowed and explained the definition of a data center.

Committee Member Faith Burton stated that dead office towers are leasing their space for data centers and asked if the proposal would impact those uses. **Mr. Rogers** stated that staff is working through what will have grandfathered rights. Committee Member Burton explained that there are many dead office towers with excess power capacity that will likely never be used due to modern office uses not requiring high energy loads.

Vice Chair Darlene Martinez asked if there is a reason data centers are not allowed to lease their data services. **Mr. Rogers** explained that the intent is to prevent the primary use of data centers from being external data hosting and to discourage expansion solely to accommodate off-site users.

Committee Member Burton explained that many data centers lease services to businesses without office space.

Chair Cyndy Gaughan asked if staff is working through the issue of existing conditions. **Mr. Rogers** confirmed Chair Gaughan's inquiry.

Committee Member Zach Burns asked what prevents a facility from leasing out data services. **Mr. Rogers** explained that a facility must meet all the requirements in the definition of a data center to be considered a data center. **Chair Gaughan** stated that enforcement would be the challenge.

Committee Member Janey Pearl Starks asked why shade was not included in the General Plan Amendment's design policy slide. **Mr. Rogers** explained that data centers would need to go through the Special Permit process and be subject to rezoning stipulations, which could address those design elements.

Committee Member Ian O'Grady asked if there are other uses that require a Will Serve Letter. **Mr. Rogers** stated that he is not aware of any other uses requiring a Will Serve Letter.

Committee Member Ali Nervis asked whether the perception is that data centers are inherently negative. **Mr. Rogers** stated that public outreach has revealed concerns about data centers, explained that data centers are currently allowed in zoning districts which allow offices, without any performance or design standards, and reiterated that data centers use significant amounts of energy.

Committee Member Frazier Johnson asked whether there has been an increase in data centers within the Central City Village. **Mr. Rogers** stated that he is not aware of the number of data centers in the Central City Village and explained that there has been an increase in data centers over time within the City.

Chair Gaughan stated that there is land around the airport that could be suitable for data centers and noted that data centers are currently somewhat unregulated.

Committee Member Nate Sonoskey asked for confirmation that data centers can currently be built anywhere office uses are allowed and asked about what requirements currently apply to data centers. **Mr. Rogers** confirmed that data centers can currently be built wherever office uses are allowed and explained that an informal interpretation from 20 years ago considered data centers analogous to office uses. Mr. Rogers stated that data center demands have significantly changed and stated that data centers are not currently subject to any data center specific performance or design standards. Committee Member Sonoskey asked how many data centers have been built in office zones. Mr. Rogers stated that he does not have data on the number of data centers in Phoenix.

Committee Member Sonoskey asked whether the City is considering allowing data centers by right in industrial areas and stated that it is common to allow data centers in industrial zones. **Mr. Rogers** stated that most cities in the Phoenix metro area do not have specific regulations for data centers.

Chair Gaughan stated that data centers are not sustainable job creators.

Committee Member Nervis asked whether there are any requirements regarding energy efficiency. **Mr. Rogers** stated that he is not knowledgeable about energy efficiency requirements.

Committee Member Sonoskey asked if the proposal would go into effect immediately, asked whether the City has received any pushback from large companies, and stated that many companies have already acquired land for data centers.

Mr. Rogers explained that the proposal would be subject to a 30-day appeal period and stated that some developers have expressed concerns.

Committee Member Frazier Johnson stated that there are data centers everywhere but people do not know they are present because they do not look like data centers.

Committee Member Burton stated that many developments do not have other options, explained that data centers can give a development a second life, and explained concerns about how overreaching the proposal is.

Mr. Rogers stated that the goal of the proposal is not to eliminate data centers but to establish a formalized review process.

Committee Member Frazier Johnson asked about the timeline. **Mr. Rogers** described the timeline for upcoming public hearings.

PUBLIC COMMENT

Henry Hardy introduced himself, explained that he works for Rose Law Group, stated that he represents data center stakeholders, and explained that the stakeholders were

made aware of the text amendment only two weeks prior. Mr. Hardy stated that the amendment is moving too quickly, requested a recommendation for continuation, acknowledged there are positive elements in the proposal, and stated some components would make data centers unfeasible. Mr. Hardy explained that data centers can provide 80 to 150 high-paying jobs and are essential to the region's technology infrastructure, expressed concern that the proposal creates uncertainty around property rights and may result in Proposition 207 litigation, stated that requiring a Will Serve Letter is inconsistent with current utility processes and will hinder projects, and emphasized the limited time between village planning committee reviews and City Council hearings.

Committee Member Frazier Johnson asked what specific concerns the stakeholders have. **Mr. Hardy** described concerns with the Will Serve Letter, Proposition 207 implications, and existing properties planning future expansions. Mr. Hardy stated that there are long lead times on data center developments.

Vice Chair Martinez asked if data center users are conducting outreach. **Mr. Hardy** stated that outreach is being conducted through agents such as himself and reiterated that the current timeline is short.

Committee Member O'Grady asked how much power a typical data center requires. **Mr. Hardy** explained that power needs vary, stated that it is often impossible to obtain a utility commitment for under ten years, stated the Will Serve Letter requirement is impractical, and stated that while data centers may not employ large numbers of people, they still provide employment. Mr. Hardy clarified that the stakeholders are not opposed to the text amendment itself but believe additional time for discussion is necessary.

STAFF RESPONSE

Mr. Rogers stated that the City's Law Department has not raised any concerns regarding Proposition 207 and stated that he could not speak to wet utility requirements.

Committee Member Starks noted that the proposal is on an expedited timeline and asked how long a standard text amendment process typically takes. **Mr. Rogers** explained that text amendments are usually processed over a longer period, but staff was directed to bring the General Plan Amendment and Text Amendment to City Council prior to the summer break. Mr. Rogers stated that past text amendments were typically presented for information only and for recommendation the following month at each of the three hearing bodies. Committee Member Starks asked for confirmation that the hearing schedule is limited to two months. Mr. Rogers confirmed Committee Member Starks' inquiry.

Committee Member Sonoskey asked whether other village planning committees had already reviewed the item. **Mr. Rogers** stated that one village heard the item the

previous week and explained that he was unaware of the outcome due to staff absences. **Mr. Hardy** stated that he attended the previous village meeting and noted that both items were recommended for approval.

Committee Member Sonoskey asked for clarification on the difference between the General Plan Amendment and the Text Amendment. **Mr. Rogers** explained that the General Plan Amendment sets policy direction, while the Text Amendment defines the ordinance requirements.

Committee Member Nervis asked why the City Council wants to consider the items before the summer break. **Mr. Rogers** stated that he was unaware of any specific reason for the timeline, explained that his department was instructed to complete the process before the summer break, and stated that a delay would postpone the items until September.

Committee Member Sonoskey expressed concern that extending the process would cause significant confusion and delay due to heavy investment in data center land acquisition. Committee Member Sonoskey stated that the General Plan Amendment is only a partial step, stated that policy is needed, and stated that the Text Amendment contains substantive requirements, but it has not been sufficiently discussed. Committee Member Sonoskey questioned how utility providers such as APS and SRP view the Will Serve Letter requirement. **Mr. Rogers** stated that APS and SRP participated in the stakeholder meetings.

FLOOR/PUBLIC DISCUSSION CLOSED: MOTION, DISCUSSION, AND VOTE

Motion #1:

Committee Member Ali Nervis made a motion to recommend approval of Z-TA-2-25-Y per the staff recommendation. **Committee Member Janey Pearl Starks** seconded the motion.

Vote #1:

4-5-1, motion to recommend approval of Z-TA-2-25-Y per the staff recommendation. fails with Committee Members Burns, Nervis, Starks, and Vargas in favor, Committee Members Burton, Frazier Johnson, Sonoskey, Martinez, and Gaughan opposed, and Committee Member O'Grady. abstained.

Committee Member Frazier Johnson explained that she believes there should be more time for public comment.

Committee Member Burton suggested allowing data centers on industrially zoned properties by right and expressed concerns with the definition of data center.

Committee Member Burns stated that the Committee is not happy with the timeframe.

Committee Member Sonoskey explained that he could see data centers being allowed on industrially zoned properties and stated that the Will Serve Letter is a very hard ask.

Committee Member O’Grady explained that he does not know if a utility company will give a Will Serve Letter without a permit being issued. **Committee Member Burns** stated that APS will typically not review a project until a permit is issued.

Committee Member Burton explained that she understands the timeline but stated that data centers are a huge component of economy.

Committee Member Starks stated that she wonders why the City would do this and stated that the City knows the power that is about to come against the Text Amendment.

Committee Member O’Grady explained that Phoenix is the second largest market for data centers behind Virginia and stated that development is occurring quickly.

Vice Chair Martinez explained that a Special Permit is difficult to get.

Committee Member O’Grady asked about the landscape setback for industrially zoned properties. **Mr. Rogers** explained that the proposed 30-foot landscape setback is consistent with industrial zoning district requirements and clarified that the Special Permit process is the same process as the rezoning process.

Committee Member O’Grady stated that he could motion to continue. **Mr. Rogers** explained that the item is already scheduled for Planning Commission and City Council.

Motion #2:

Vice Chair Darelene Martinez made a motion to recommend approval of Z-TA-2-25-Y per the staff recommendation, with direction to allow 60-days for public comment.

Chair Cyndy Gaughan seconded the motion.

Vote #2:

2-7-1, made a motion to recommend approval of Z-TA-2-25-Y per the staff recommendation, with direction to allow 60-days for public comment fails with Committee Members Martinez and Gaughan in favor, Committee Members Burns, Burton, Frazier Johnson, Nervis, Sonoskey, Starks, and Vargas opposed, and Committee Member O’Grady. abstained.

Committee Member Sonoskey stated that the proposal needs more time and stated that it looks like the City is moving forward.

Mr. Hardy stated that whether the Text Amendment is recommended to be approved or denied, the most important thing is the Committee express their concerns with the proposal.

Committee Member Frazier Johnson stated that the Committee wants City Council to know the Village Planning Committee's concerns. **Committee Member O'Grady** explained that staff will draft meeting minutes that will include the Village Planning Committee's concerns. **Mr. Rogers** confirmed that he will draft a recommendation form that will be available for the Planning Commission and City Council

Committee Member Burton suggested a motion to deny with direction to narrow the scope and requirements.

Mr. Rogers summarized the concerns that have been discussed.

Committee Member Frazier Johnson asked how the Committee can express concerns that the proposal will eliminate Phoenix in the data center market. **Mr. Rogers** encouraged the committee members to provide comments when they vote on the item.

Motion #3:

Committee Member Ali Nervis made a motion to recommend approval of Z-TA-2-25-Y per the staff recommendation, with direction to allow a minimum of 60-days for public comment, allow data centers by right in A-1, A-2, and CP/GCP with performance standards, and remove the requirement for the Will Serve Letter. **Vice Chair Martinez** seconded the motion.

Vote #3:

8-1-1, motion to recommend approval of Z-TA-2-25-Y per the staff recommendation, with direction to allow a minimum of 60-days for public comment, allow data centers by right in A-1, A-2, and CP/GCP with performance standards, and remove the requirement for the Will Serve Letter passed with Committee Members Burns, Frazier Johnson, Nervis, Sonoskey, Starks, Vargas, Martinez, and Gaughan in favor, Committee Member Burton opposed, and Committee Member O'Grady. abstained.

Committee Member Frazier Johnson explained she would like to figure out a way that the proposal can work for businesses and the community and stated she does not want to be in a situation where the City of Phoenix is not in the game for data centers.

Committee Member Sonoskey explained that the definition and requirements should be further refined during the recommended additional public comment period.

Committee Member Vargas stated that it does not feel like there has been a real stakeholder meeting and stated that he believes the State will take up this issue in the next year.

Vice Chair Martinez echoed Committee Member Vargas' comments.

STAFF COMMENTS REGARDING VPC RECOMMENDATION:

None.

Village Planning Committee Meeting Summary Z-TA-2-25-Y

Date of VPC Meeting	June 3, 2025
Request	Amend the Phoenix Zoning Ordinance Chapter 2, Section 202 (Definitions) to add a definition for data centers; amend Chapter 5, Section 507 Tab A.II.D (Guidelines for Design Review, City-Wide Design Review Guidelines, Specialized Uses) to modify the section title and add design standards for data centers and amend Chapter 6, Section 647 (Special Permit Uses), Section 647.A.2 to add data centers within the C-2 (Intermediate Commercial), C-3 (General Commercial), CP/GCP (Commerce Park/General Commerce Park), A-1 (Light Industrial) and A-2 (Industrial) zoning districts, with performance standards
VPC Recommendation	Denial with direction
VPC Vote	17-0

VPC DISCUSSION:

Item Nos. 4 (GPA-2-25-Y) and 5 (Z-TA-2-25-Y) are companion cases and were heard concurrently.

Two members of the public registered to speak on this item, both in opposition. One member of the public registered in opposition, not wishing to speak.

STAFF PRESENTATION

Anthony Grande, staff, provided a presentation regarding the proposed General Plan Amendment, including background and details of the location criteria, design, and energy and sustainability policies proposed to be added for data centers, further providing information about the proposed Text Amendment, including a definition for data centers, design guidelines, and a requirement for a Special Permit and performance standards, finally noting the timeline for the proposals.

QUESTIONS FROM COMMITTEE

Committee Member Eichelkraut asked if the text made a distinction between different types of data centers, noting that data centers becoming AI data centers in the future could be an issue. **Mr. Grande** replied that the text did not make a distinction.

Committee Member Swart asked if City staff is able to measure decibel levels. **Mr. Grande** replied that there are some parts of the code that have decibel limits, and the Neighborhood Services Department needs to enforce those requirements.

Committee Member Schmieder stated that the noise limit should simply be a flat decibel limit, rather than a percentage.

Committee Member Augusta asked for clarification on how the location criteria policy would be enforced. **Mr. Grande** replied that each data center will be required to go through the Special Permit process, where staff and the Committee can review the request in relation to the location criteria in the policy.

Committee Member Whitesell stated that it would be better if City staff conducted the noise readings, rather than the applicant, and that C-2 and C-3 are not appropriate for data centers, which should be limited to industrial districts. **Chair Fischbach** noted that Proposition 207 could have been a concern when drafting the language.

Committee Member Todd asked for clarification that if this text is approved, every data center will be a rezoning case. **Mr. Grande** replied that they would be. **Mr. Todd** added that data centers in C-2 is concerning and that the landscaping requirements seem too extreme. **Chair Fischbach** noted that the plants would be drought-tolerant, which alleviates some water usage concerns.

Committee Member Schmieder asked for clarification on the landscaping requirement and if it would be consistent with the environment in industrial districts. **Mr. Grande** replied with background about industrial zoning landscaping requirements.

Committee Member Eichelkraut asked if there is a requirement for separation between data centers. **Mr. Grande** replied that there is not.

Committee Member Whitesell asked for clarification that the requirement is for a Special Permit, not a Use Permit. **Mr. Grande** replied that the text is clear that it is a Special Permit requirement.

Committee Member Eichelkraut stated a concern about the future with energy consumption of data centers that will evolve over time.

Vice Chair Paceley provided background regarding the requirements with utility companies, noting that data centers would be responsible for the required infrastructure and have to sign favorable agreements with utility companies.

Chair Fischbach stated that the primary issue with developing data centers is the need for power, noting that their development can be positive in some ways while highlighting a challenge presented with power supply at a data center on 40th Street.

Committee Member Schmieder asked if APS and SRP will be able to handle the growth into the future. **Vice Chair Paceley** replied that the utilities are planning far into the future to meet future demand.

Committee Member Whitesell asked for clarification on the will serve letter. **Vice Chair Paceley** provided clarification.

PUBLIC COMMENTS

Melissa Rhodes introduced herself and spoke in opposition to the proposal, noting that this proposal does not incorporate the stricter standards found in the data center ordinances of other municipalities, such as Chandler, adding that the development of data centers in commercial districts will be detrimental to neighborhoods and that we don't have the energy for data centers.

Samantha DeMoss with Rose Law Group, introduced herself and spoke in opposition to the proposal, noting that this process is moving too fast for a code change like this, that it doesn't address grandfathering, and that as written, this is a moratorium on data centers, requesting a denial and a 90-day continuance.

Chair Fischbach asked for an example scenario related to the grandfathering issue. **Ms. DeMoss** stated that someone could have purchased property with CP/GCP zoning under the assumption that they could develop a data center but that this text amendment would remove that right, especially considering the will serve letter requirement.

COMMITTEE DISCUSSION

Chair Fischbach stated that based on the discussion so far, one option would be to recommend approval with direction to City staff.

MOTION:

Committee Member Schmieder made a motion to recommend denial of Z-TA-2-25-Y with direction to City staff to:

- Revise the noise requirement to an objective decibel level to be verified by the City.
- Allow for an additional 90-day review period to include a review of ordinances from other municipalities, including Chandler.
- Add separation requirements for data centers from other data centers and from residential uses.

Committee Member Noel seconded the motion.

VOTE:

17-0; motion to recommend denial of Z-TA-2-25-Y with direction passed; Committee Members Abbott, Augusta, Beckerleg Thraen, Eichelkraut, Garcia, Langmade, McClelland, Noel, Schmieder, Sharaby, Siegel, Swart, Todd, Whitesell, Williams, Paceley, and Fischbach in favor.

STAFF COMMENTS REGARDING VPC RECOMMENDATION:

Staff has no comments.

Village Planning Committee Meeting Summary Z-TA-2-25-Y

Date of VPC Meeting	June 3, 2025
Request	Amend the Phoenix Zoning Ordinance Chapter 2, Section 202 (Definitions) to add a definition for data centers; amend Chapter 5, Section 507 Tab A.II.D (Guidelines for Design Review, City-Wide Design Review Guidelines, Specialized Uses) to modify the section title and add design standards for data centers and amend Chapter 6, Section 647 (Special Permit Uses), Section 647.A.2 to add data centers within the C-2 (Intermediate Commercial), C-3 (General Commercial), CP/GCP (Commerce Park/General Commerce Park), A-1 (Light Industrial) and A-2 (Industrial) zoning districts, with performance standards.
VPC Recommendation	Denial, with direction
VPC Vote	11-0

VPC DISCUSSION:

Agenda Item 3 (GPA-2-25-Y) and Agenda Item 4 (Z-TA-2-25-Y) are companion cases and were heard concurrently.

Committee Member Michelle Santoro declared a conflict of interest and recused herself from this item, bringing the quorum to 11 members.

Three members of the public registered to speak on this item, in opposition.

Staff Presentation:

Adrian Zambrano, staff, provided background on GPA-2-25-Y and Z-TA-2-25-Y. Mr. Zambrano discussed concerns with data centers that the General Plan Amendment and Text Amendment are trying to address. Mr. Zambrano explained the policy guidance for data centers that the General Plan Amendment includes. Mr. Zambrano then discussed the three main components of the Text Amendment. Mr. Zambrano shared the proposed Zoning Ordinance definition for a data center. Mr. Zambrano then discussed the proposed design guidelines and their purpose. Mr. Zambrano shared the zoning

districts that data centers would be permitted in, subject to a Special Permit and other performance standards, and noted that Special Permits go through the same public hearing process as rezoning cases. Mr. Zambrano stated that a noise study would be required if the data center is within a certain distance from residential. Mr. Zambrano shared the upcoming public hearing schedule and stated that staff recommends approval per the language in Exhibit A of the staff reports.

Questions from Committee:

Committee Member Rick Nowell asked why a large data center would be considered within a small commercially-zoned shopping center. **Mr. Zambrano** responded that there would have to be a large enough area that is commercially zoned in order for the data center to fit. Mr. Zambrano added that a rezoning may be required in some cases to one of the zoning districts that a data center would be permitted in.

Chair Steven Bowser asked if there are any other zoning districts, other than those already listed, that a Special Permit would not be required. **Mr. Zambrano** responded that data centers would only be permitted within the C-2, C-3, CP/GCP, A-1 and A-2 zoning districts, subject to a Special Permit, and they would not be permitted in any other zoning districts. Chair Bowser asked if a data center would be permitted in a heavy industrial district. Mr. Zambrano responded that A-1 is the light industrial district and A-2 is the heavy industrial district, and a Special Permit would still be required.

Committee Member David Kollar asked which zoning districts data centers are currently located in. **Mr. Zambrano** responded that data centers have previously been permitted through an informal interpretation of the Zoning Ordinance and were determined to be analogous to an office use, so any zoning district that permitted an office use is where they have been permitted. Mr. Zambrano stated that the commercial, commerce park, and industrial districts all permit office use. Mr. Zambrano added that some data centers have gone through the PUD (Planned Unit Development) process to permit them.

Vice Chair Louis Lagrave asked what the typical size is of a data center. **Mr. Zambrano** responded that they are typically very large in scale and could cover many acres of land. Mr. Zambrano added that they typically are not small-scale. Vice Chair Lagrave asked for clarification that it most likely would not be able to fit within a mostly vacant shopping center. Mr. Zambrano responded affirmatively.

Committee Member Kollar stated that some vacant high-rises have been retrofitted for data centers. Committee Member Kollar stated that a large amount of space is needed for a successful data center development. Committee Member Kollar added that data centers are very particular with mechanical, electrical and water needs. **Vice Chair Lagrave** asked if the space in this example would be less than 10 percent of the floor area of the entire development. Committee Member Kollar responded that unless it is for a specific user that has their own data needs, a data center is typically a giant empty warehouse with a lot of racks that need to be cooled. Mr. Kollar reiterated that a lot of square footage is needed. Mr. Kollar stated that a majority of the space is taken up by data infrastructure and a small remainder of the space is used for office space. Vice

Chair Lagrave asked if the noise is continuously generated 24/7. Committee Member Kollar responded that data centers generate noise from rooftop mechanical equipment and there may be some light humming from the racks and servers in the interior. Committee Member Kollar added that the massive air handlers that support cooling of the equipment also generate noise.

Committee Member Reginald Younger asked about data center water usage. **Mr. Zambrano** responded that some data centers may use water cooling to help cool their data infrastructure.

Committee Member Nowell expressed concerns with allowing a five percent increase in the ambient noise level in residential areas. Committee Member Nowell asked why the Text Amendment would allow an increase in the ambient noise level. **Mr. Zambrano** responded that this language was based off of what other municipalities have done that have adopted a data center ordinance. Committee Member Nowell suggested that Phoenix take the lead and say that the ambient noise level cannot be exceeded.

Committee Member Kollar asked if there is a decibel range that is considered an ambient noise level. **Mr. Zambrano** responded that the noise study would determine what the ambient noise level is, which would be conducted by an acoustical engineer. Committee Member Kollar stated that an acceptable decibel range would make more sense.

Committee Member Jason Israel stated that noise levels inside data centers typically range from 80 to 90 dBa (A-weighted decibels) and peak levels can reach up to 96 dBa. Committee Member Israel concurred with clarifying the ambient noise level requirement. **Mr. Zambrano** responded that the ambient noise level would be the baseline noise level before a data center is built in the area. Mr. Zambrano added that the ambient noise level can vary based on the surrounding context of a site and a specific decibel number would not cover the entire city, since noise level can vary from one part of the city to another.

Committee Member Barbara Reynolds stated that smaller data centers can operate in buildings from 5,000 to 10,000 square feet and larger facilities require up to 300 acres. Committee Member Reynolds agreed with not allowing data centers in commercial areas.

Committee Member Richard Carlucci expressed concerns with the noise study requirement, noting that developers could go to the nearest street during the busiest time of the day and measure the noise levels from there to get the highest ambient noise level. Committee Member Carlucci stated that the noise study needs more objective standards. Committee Member Carlucci asked why a Special Permit is needed. **Mr. Zambrano** responded that the Special Permit requirement would allow community input, which would not happen if a data center was allowed by-right in a zoning district. Committee Member Carlucci stated that data center developers that invest a lot of money into a site deserve some certainty. Mr. Zambrano responded that part of the Village Planning Committee (VPC) recommendation is determining whether a

Special Permit is appropriate for all zoning districts or not and if data centers should be permitted in the listed zoning districts or not, or if there are additional zoning districts they should be permitted in.

Chair Bowser stated that a Special Permit is different from a Use Permit. Chair Bowser clarified that a Use Permit is typically for a use such as a drive-through and a Special Permit is similar to a rezoning case. Chair Bowser stated that data centers are used on a daily basis without knowing it. Chair Bowser added that Phoenix is an area that does not have natural disasters like other parts of the country and thus, Phoenix is a prime area to build data centers. Chair Bowser stated that there should be more incentives to encourage data centers in old industrial areas and old retail areas that need to be redeveloped.

Committee Member Carlucci asked if the will-serve letter would require a confirmation of energy from the utility company within two years. **Mr. Zambrano** responded affirmatively. Committee Member Carlucci asked why the will-serve letter would be required. Mr. Zambrano responded that the purpose was to ensure that there is not a significant strain on the power grid due to data centers, which require a significant amount of energy. Committee Member Carlucci asked if the City is concerned that the utility company will mismanage their resources, make commitments they cannot meet, and put the power grid in danger. Mr. Zambrano responded that generally, energy usage is one of the major concerns of data centers, and it is not just a City concern. Mr. Zambrano stated that the City wants to ensure there is sufficient energy supply for data centers. Mr. Zambrano added that if the VPC does not agree with the two-year timeframe, then part of the VPC recommendation could be to modify it.

Committee Member Kollar asked if the proposed definition for a data center was defined by the City or by another source. **Mr. Zambrano** responded that the City looked at other municipalities and how they defined a data center. Mr. Zambrano stated that the definition was intended to be simplified. Committee Member Kollar expressed concerns with the second part of the proposed definition for data centers, noting that some accessory data center uses may exceed 10 percent of the gross floor area. Mr. Zambrano shared and explained the proposed definition again. Mr. Kollar asked if a software company would be considered a data services company if they have servers and racks that exceed 10 percent of their gross floor area. Mr. Zambrano responded that based on the proposed definition, if they exceeded the 10 percent threshold, then they would be considered a primary data center use. Mr. Kollar expressed concerns with software and technology companies, since they have robust servers and racks for the nature of their business, which may exceed 10 percent of their gross floor area. Mr. Zambrano responded that the 10 percent threshold came from another municipality and how they defined a data center as an accessory use. Mr. Zambrano added that this could be another modification that could be a part of the VPC recommendation.

Chair Bowser asked if 50 percent of the gross floor area is more common. **Committee Member Kollar** responded that it is not uncommon. Committee Member Kollar stated that there are a lot of technology companies in the area that would probably need more than 10 percent of their gross floor area in order to not be considered a data center.

Committee Member Kollar added that some may be able to fit in a closet, but companies' floor areas are shrinking as more people are teleworking, which also increases server needs.

Mr. Zambrano stated that there is an established Zoning Ordinance definition for gross floor area and noted that it would cover the floor area of each floor of a multi-story building.

Committee Member Gary Kirkilas asked if the first part of the proposed definition would cover companies with facilities that are not primarily used for data services.

Committee Member Kollar responded that it would depend on how data services is defined. Committee Member Kirkilas asked for clarification on encouraging energy efficiency.

Mr. Zambrano responded that data centers would be encouraged to utilize the Phoenix Green Construction Code in order to maximize their energy efficiency, since data centers have such high energy demand. Mr. Zambrano added that maximizing energy efficiency would reduce their energy demand.

Committee Member Carlucci stated that the architectural requirements would add more areas for energy to leak out rather than a flat façade that could better retain energy. **Mr. Zambrano** responded that the surrounding community to a data center would not want to see a large, monolithic, concrete box right next to their community. Mr. Zambrano stated that the architectural requirements address the negative visual impact that data centers could have on the surrounding community.

Vice Chair Lagrave expressed concerns with the 10 percent threshold in the definition.

Committee Member Younger expressed concerns with energy efficiency not being a requirement. Committee Member Younger asked if energy efficiency could be changed to a standard requirement. **Mr. Zambrano** responded that encouraging energy efficiency is from the General Plan Amendment, which would be the policy guidance. Mr. Zambrano added that if data centers are required to obtain a Special Permit, then City staff would look at the adopted policy guidance during that process and try to ensure the development is being consistent with adopted policy. Mr. Zambrano added that the VPC recommendation could include modifying this to a requirement.

Public Comments:

Benjamin Graff, with Quarles & Brady, LLP, introduced himself as a representative of American Express, opposed to this item. Mr. Graff displayed the existing American Express campus at the southeast corner of Mayo Boulevard and 56th Street, noting that the site is zoned CP/BP (Commerce Park District, Business Park Option). Mr. Graff noted that data centers were previously permitted in the CP/BP zoning district by right. Mr. Graff stated that American Express leased the land from the Arizona State Land Department with the intention of building two companion data centers in the vacant land to the north of the existing campus. Mr. Graff stated that these data centers would not be leased out and would support the American Express operations. Mr. Graff stated that

the 10 percent threshold in the proposed definition would be exceeded by the proposed data centers, and the CP/BP zoning district would not permit data centers in the current draft ordinance. Mr. Graff added that Text Amendments typically take a year to go through the process and stakeholders like American Express are contacted and brought into stakeholder meetings. Mr. Graff stated that there has been no outreach that he is aware of to American Express. Mr. Graff requested that the Text Amendment be slowed down. Mr. Graff recommended that the 10 percent threshold in the proposed definition be removed and that the CP/BP zoning district be added to the zoning districts that permit data centers. Mr. Graff added that American Express has final site plan approval for Phase II of the American Express campus, which includes their first data center. Mr. Graff stated that if it becomes a legal non-conforming use overnight, it would create many issues with lenders and financing that previously had other assurances.

Ty Utton, representative with Rose Law Group, introduced himself as a representative of a broad coalition of data centers, opposed to this item. Mr. Utton echoed Mr. Graff regarding the Text Amendment schedule. Mr. Utton stated that it was not an inclusive process and was not the delivered approach typically seen from the City of Phoenix. Mr. Utton expressed concerns with Proposition 207. Mr. Utton requested that the Text Amendment be delayed.

Cepand Alizadeh, representative with the Arizona Technology Council (AZTC), introduced himself as a stakeholder opposed to this item. Mr. Alizadeh shared a story about a car accident, noting that his medical records were readily available to the hospital because of a data center. Mr. Alizadeh stated that AZTC is a coalition of over 750 tech companies across Arizona, including numerous data center partners. Mr. Alizadeh expressed concerns with the fast schedule for the Text Amendment. Mr. Alizadeh stated that the City of Chandler took 20 months, and the City of Surprise took 24 months, to come up with a data center ordinance. Mr. Alizadeh stated that the will-serve letter would not be possible, noting that data centers take years to develop. Mr. Alizadeh expressed concerns with the noise study, noting that there is no mention of measuring the noise in decibels. Mr. Alizadeh stated that the Text Amendment is missing key language and stakeholders have not had any time to provide input. Mr. Alizadeh requested that the Text Amendment be slowed down and noted that other VPCs at the meetings he has attended have all denied it.

Staff Response:

Mr. Zambrano responded that projects with preliminary site plan approval before the Text Amendment is adopted and goes into effect would still be able to develop and would be considered a legal non-conforming use. Mr. Zambrano added that if they wanted to expand in the future, then that is when the new zoning regulations would apply. Mr. Zambrano stated that Proposition 207 concerns are a concern of the City Council and should not be a concern at the VPC level. Mr. Zambrano stated that the VPC recommendation could modify the 10 percent threshold of the proposed definition as well as the noise study requirement. Mr. Zambrano added that the Mayor and City Council requested that these items be before them to vote on before their summer recess, which is why the schedule is rushed.

Discussion:

Committee Member Joseph Barto asked if the schedule is a normal timeframe or if it is a faster schedule. **Mr. Zambrano** responded that the public hearing schedule is a bit more rushed, noting that the VPC, Planning Commission, and City Council meetings are usually a month apart, resulting in at least a three-month public hearing schedule. Mr. Zambrano stated that the public hearing schedule for these items is scheduled at about a month and a half, so it is a faster timeline in that sense. Mr. Zambrano added that it has been in the works since the beginning of the year and there have been three stakeholder meetings. Mr. Zambrano stated that City staff is actively working with stakeholders to get their input.

Committee Member Carlucci stated that although data centers are not a large source of traditional jobs, they are a large source of construction jobs. Committee Member Carlucci expressed concerns with major employers not coming to Phoenix if data centers do not get built because of this Text Amendment. Committee Member Carlucci added that data centers are critical national security infrastructure and are critical to helping win the race for Artificial Intelligence (AI). Committee Member Carlucci stated that the Text Amendment seems more like a ban on data centers. Committee Member Carlucci stated that data centers need to be built faster and bigger. Committee Member Carlucci stated that energy concerns should be addressed by the power companies on how they can scale up energy production. Committee Member Carlucci expressed opposition for these items.

Chair Bowser stated that he believes there are appropriate areas for data centers, such as a large commerce park area, and a Special Permit requirement seems like an overreach for those areas. Chair Bowser added that old retail areas may be more appropriate for a Special Permit requirement due to proximity to residential.

Committee Member Kirkilas asked what the stakeholder input has been so far. **Mr. Zambrano** responded that he has not been involved in the stakeholder meetings, so he cannot say what has been discussed in those meetings. Mr. Zambrano reiterated that the Mayor and City Council requested these items to be before them to vote on before their summer recess, which is why City staff is moving forward with the current schedule.

Committee Member Kollar asked if stakeholder comments were considered and incorporated into the Text Amendment. **Mr. Zambrano** responded that there was one stakeholder meeting at the time the staff report was written. Mr. Zambrano added that City staff may make some modifications to the draft ordinance language for the Planning Commission and the City Council meetings, based on feedback heard from the stakeholder meetings and the VPC meetings. Committee Member Kollar stated that it seems pre-mature to vote on the Text Amendment if it is going to be amended. Committee Member Kollar expressed concerns with stakeholder input not being incorporated into the Text Amendment. Committee Member Kollar stated that the current draft ordinance seems over-prohibitive. Mr. Zambrano responded that these are all factors that the VPC can consider, and this is part of the discussion. Mr. Zambrano stated that the main question is whether the VPC agrees with the current draft

ordinance or not, and if not, which parts does the VPC not agree with and how can those parts be modified. Mr. Zambrano added that this information will be used for further discussions with the Planning Commission and the City Council.

Vice Chair Lagrave stated that the Text Amendment seems incomplete. Vice Chair Lagrave stated that the issues he sees are the 10 percent threshold of the proposed definition, the exclusion of the CP/BP zoning district, the noise study requirements, and proximity to residential. Vice Chair Lagrave stated that these issues need to be addressed. Vice Chair Lagrave asked which type of motion would be more likely to be heard. **Mr. Zambrano** responded that there are a few different options, including recommending denial with direction, with the direction to take another look at the items of concern. Mr. Zambrano added that the VPC could recommend approval, per the staff recommendation, with modifications, and recommend certain modifications to the text amendment.

Committee Member Reynolds recommended adding the will-serve letter requirement to the list of concerns.

Committee Member Israel asked for clarification if the calculation for the 10 percent threshold of the accessory data centers for the American Express site would include the gross floor area of all on-site buildings of Phase I, Phase II, and Phase III, based on the proposed definition. **Mr. Zambrano** responded that if the data centers are solely serving the enterprise functions of American Express, then the gross floor area would include all buildings on the campus, including the existing American Express buildings. Committee Member Israel asked for clarification if the proposed definition would not allow data services to be leased to third parties. Mr. Zambrano clarified that this part of the definition intends to clarify that a data center would be considered an accessory use only if it is used for the on-site enterprise and is not leased to other entities.

Committee Member Carlucci asked if there are other zoning districts that could be added in addition to the CP/BP zoning district, such as industrial districts. **Chair Bowser** responded that the A-1 and A-2 industrial zoning districts are already listed. Committee Member Carlucci stated that part of the recommendation should include removing the Special Permit requirement.

Mr. Zambrano asked for clarification if the recommendation would include removing the Special Permit requirement for only the industrial zoning districts or for all the zoning districts. **Committee Member Carlucci** suggested that the Special Permit requirement be removed from all the zoning districts.

Vice Chair Lagrave stated that the Special Permit requirement should be retained for the commercial zoning districts.

Mr. Zambrano repeated that the VPC wanted to add data centers as a permitted use in the CP/BP zoning district and that the VPC wanted to allow more time for stakeholder input. Mr. Zambrano asked for clarification if the VPC wanted to increase the 10 percent threshold in the proposed definition. **Vice Chair Lagrave** responded that it should be

removed. Mr. Zambrano asked for clarification if the VPC wants to increase the number of years for the will-serve letter requirement or remove it altogether. Vice Chair Lagrave responded that it should be removed. Vice Chair Lagrave added that the Special Permit should remain required for the C-2 and C-3 zoning districts but should not be required for the CP/BP, CP/GCP, A-1 or A-2 zoning districts.

Committee Member Nowell stated that the ambient noise level should not be exceeded. **Vice Chair Lagrave** responded that the noise level must be measured in decibels. Vice Chair Lagrave stated that he was okay with leaving the five percent allowance to exceed the ambient noise level.

Committee Member Kirkilas asked for clarification that the Special Permit requirement would be recommended to be kept near residential areas. **Vice Chair Lagrave** responded affirmatively, noting that it would be kept for the commercial zoning districts.

Committee Member Nowell asked why the ambient noise level should be increased by five percent for data centers in commercial zoning districts near residential areas. **Vice Chair Lagrave** responded that the noise level could be addressed at the time that the data center developer goes through the Special Permit process.

MOTION – Z-TA-2-25-Y:

Vice Chair Lagrave made a motion to recommend denial, with direction to allow more time for stakeholder input, to remove the threshold for 10 percent of the gross floor area of all on-site buildings in the proposed definition, to clarify the noise study requirements and ensure that noise is measured in decibels, to remove the will-serve letter requirement, to add data centers as a permitted use in the CP/BP zoning district, and to only require a Special Permit for the C-2 and C-3 commercial zoning districts.

Committee Member Carlucci seconded the motion.

VOTE – Z-TA-2-25-Y:

11-0; the motion to recommend denial of Z-TA-2-25-Y with direction passes with Committee Members Barto, Birchby, Carlucci, Israel, Kirkilas, Kollar, Nowell, Reynolds, Younger, Lagrave and Bowser in favor.

STAFF COMMENTS REGARDING VPC RECOMMENDATION:

Staff has no comments.



Village Planning Committee Meeting Summary Z-TA-2-25-Y

Date of VPC Meeting	May 20, 2025
Request	Amend the Phoenix Zoning Ordinance Chapter 2, Section 202 (Definitions) to add a definition for data centers; amend Chapter 5, Section 507 Tab A.II.D (Guidelines for Design Review, City-Wide Design Review Guidelines, Specialized Uses) to modify the section title and add design standards for data centers and amend Chapter 6, Section 647 (Special Permit Uses), Section 647.A.2 to add data centers within the C-2 (Intermediate Commercial), C-3 (General Commercial), CP/GCP (Commerce Park/General Commerce Park), A-1 (Light Industrial) and A-2 (Industrial) zoning districts, with performance standards.
VPC Recommendation	No quorum
VPC Vote	No quorum

VPC DISCUSSION:

No quorum.

Village Planning Committee Meeting Summary

Z-TA-2-25-Y

Date of VPC Meeting	June 2, 2025
Request	Amend the Phoenix Zoning Ordinance Chapter 2, Section 202 (Definitions) to add a definition for data centers; amend Chapter 5, Section 507 Tab A.II.D (Guidelines for Design Review, City-Wide Design Review Guidelines, Specialized Uses) to modify the section title and add design standards for data centers and amend Chapter 6, Section 647 (Special Permit Uses), Section 647.A.2 to add data centers within the C-2 (Intermediate Commercial), C-3 (General Commercial), CP/GCP (Commerce Park/General Commerce Park), A-1 (Light Industrial) and A-2 (Industrial) zoning districts, with performance standards.
VPC Recommendation	Denial
VPC Vote	13-0-1

VPC DISCUSSION:

Item Nos. 5 (Z-TA-25-Y) and 6 (Z-TA-2-25-Y) are companion cases and were heard concurrently.

Two members of the public registered to speak on these items in opposition.

STAFF PRESENTATION:

John Roanhorse, staff, provided a presentation on the Data Center General Plan Amendment noting the development background, review process, and the rationale behind the proposed amendment. Mr. Roanhorse stated that the proposed text amendment is a companion to the General Plan Amendment and is intended to support the regulatory framework for data centers. Mr. Roanhorse stated that the City Council had initiated creation of new policy guidance in response to the growing number of requests for data center facilities, which possess unique characteristics not currently addressed. Mr. Roanhorse expressed the importance of the General Plan Amendment due to land use considerations, the need for adaptation to existing developments, and the importance of connecting these facilities to infrastructure. Mr. Roanhorse noted that one of the primary reasons for the amendment is that data centers are not directly addressed in either the General Plan or the Zoning Ordinance and previous developments have been permitted through informal interpretations. Mr. Roanhorse discussed the key elements of the amendment, including location criteria, design policies, and sustainability measures. Mr. Roanhorse reviewed site placement criteria,

highlighting core areas and centers as not preferred locations, and noted various suitability factors. Mr. Roanhorse discussed required setbacks, the integration of art features, dark sky compliance, noise mitigation, and architectural design standards. Mr. Roanhorse noted the energy demands associated with data centers and the importance of incorporating energy efficiency measures. Mr. Roanhorse stated that the amendment would offer additional detail regarding definitions, guidelines, and performance standards.

QUESTIONS FROM THE COMMITTEE:

Committee Member Opal Wagner asked if an assessment was done regarding data centers and if there were potential sites within the Encanto Village and how large of a footprint data centers would require. **John Roanhorse**, staff, responded that there were not many suitable sites available for a large data center and made an initial review and noted that most of the areas within Encanto Village are already developed. Mr. Roanhorse stated that the scale and magnitude of many proposed data centers would likely not be feasible due to structural limitations but also because of existing development and the Encanto Village probably would not be an ideal location for such facilities.

Committee Member Robert Warnicke stated there were two main concerns with the presented text amendment. Committee Member Warnicke stated first, is a perceived contradiction in the criteria for data center locations and noted that while the guidelines discourage placement within or adjacent to identified cores centers and corridors, they simultaneously encourage data centers in redevelopment areas where infrastructure investment is needed. Committee Member Warnicke stated that, in his experience, developers often promote zoning changes by emphasizing the infrastructure improvements their projects will bring and there is concern that this approach has been made in other villages and might create confusion or loopholes in applying the criteria consistently. Committee Member Warnicke said his second concern was more technical and related to the definition of a data center and noted a portion of the definition states a data center as a facility primarily used for data services but includes a carve-out stating the facility is not used to lease data services to third parties. Committee Member Warnicke stated there is confusion over the purpose of that clause and asked why it was included. Committee Member Warnicke stated that such a carve-out might allow companies to build facilities for their own use while leasing excess capacity to others, potentially bypassing the intended regulatory framework. Committee Member Warnicke said the carve-out as is much like the tail wagging the dog and warned that it could be exploited, allowing data centers to be built anywhere as a private use. **Mr. Roanhorse** responded that the city is currently focused on regulating developments that are already in progress and while also considering future plans. Mr. Roanhorse stated the city has met with stakeholders and has presented the text amendment information at the Village Planning Committees to get feedback and promote consistency.

Committee Member Robert Warnicke echoed his concern and stated that the business model whether the data services are leased out or used internally should not affect how a facility is regulated. Committee Member Warnicke stated that the impact on

the city and surrounding areas would be the same regardless of the business structure and stated there should be more analysis of this issue.

Committee Member Rick Mahrle commented on a point of clarification regarding the carve-out and stated that the text language is not used to lease data services to third parties and should be read as excluding facilities that are solely serving their own enterprises. Committee Member Mahrle stated an example of a law firm that operates a large computer storage system occupying less than 10 percent of its gross floor area. Committee Member Mahrle noted that as long as that system is not used to lease services externally and solely supports the business itself it should not be classified as a data center. Committee Member Mahrle stated that this was his interpretation noting Committee **Member Warnicke's** concern and clarified that the purpose of the clause is to distinguish private enterprise systems from commercial data centers.

Committee Member Mark Cardenas stated that he agreed with the concerns previously stated and noted that major corporations such as Amazon, Google, and Microsoft already operate data centers and infrastructure within the Phoenix area. Committee Member Cardenas said that when individuals use services like Microsoft Outlook, Cortana, or cloud storage, they are essentially leasing storage space from these companies and that he personally purchases additional storage to save family vacation photos and said that this kind of licensing arrangement is common. Committee Member Cardenas said there is a concern that under the current definition, if companies like Amazon or Google choose to build new data centers in Phoenix, they could avoid regulation simply by stating that they are not leasing the space but in reality, they are selling licenses to the public. Committee Member Cardenas emphasized that Phoenix's 1.6 million residents purchase data licenses from these companies every day, and that the language in the proposed text amendment excluding facilities that do not lease data services is problematic. Committee Member Cardenas stated that this exception creates a loophole that undermines the intent of the regulation. **Mr. Roanhorse** noted that from the city's perspective, the distinction lies in how data is managed and licensed and noted that individual consumers are not directly investing in or operating data infrastructure but are instead purchasing licenses or subscriptions. Mr. Roanhorse stated that data is often transferred between entities, and that the bulk of such information is typically owned and managed by larger corporations, not individual users. Committee Member Cardenas replied that this understanding was not entirely accurate and as a business owner operating an LLC, that purchases increased email storage or data capacity, he is not buying hardware or servers directly he is licensing space in a data center. Committee Member Cardenas stated the definition excludes leased services and his business would technically be unable to continue purchasing additional data storage from companies like Microsoft and this interpretation could restrict the ability of local businesses to operate effectively, and questioned whether the current language adequately reflects the real-world use of data center services. **Mr. Joshua Bednarek**, Planning and Development Department Director, responded by stating that Committee Member Cardenas's explanation was essentially correct and aligned with the intent behind the current definition and that the language was designed to prevent large organizations that operate internal data systems from being classified as commercial data centers. Mr. Bednarek stated that as long as an entity demonstrates that its data center is used exclusively for internal operations, it would not be considered

a regulated data center under the proposed definition and further explained, the definition was to provide flexibility for larger employers with legitimate internal data needs, without unintentionally subjecting them to data center regulations.

Committee Member Sabrina Perez asked about the location criteria policy and stated that her organization works extensively with data centers and expressed concern with the language that states data centers are discouraged within and adjacent to identified cores centers and corridors. Committee Member Perez stated that, in her experience data centers are often located adjacent to housing and financial centers and, over time, they begin to create their own core areas and economic corridors. Committee Member Perez stated that the intent seems counterintuitive that the policy would discourage data centers from being near such areas given that the growth and presence of data centers can actively contribute to the formation of vibrant economic hubs. Committee Member Perez stated that rather than being out of place, data centers often become integral to the development of their surroundings, supporting an ecosystem of businesses and services. Committee Member Perez stated the policy language that encourages data centers in identified redevelopment areas and noted that many of these locations already contain existing space and are positioned to support ancillary services and suggested the language may be misaligned with how these areas are practically developing. Committee Member Perez stated there is a technical concern about utility infrastructure and data centers often build their own substations on site for power generation and that the Department of Energy (DOE) has invested in small modular reactors (SMRs) that can be integrated into such developments. Committee Member Perez stated that utility will-serve letters are increasingly irrelevant in these cases because data centers are largely self-sustaining in terms of power needs. **Mr.**

Bednarek responded stating that the proposal involves two components: a general plan amendment and a text amendment where the general plan amendment includes location criteria that are meant to guide decision-making, while the text amendment introduces specific zoning tools to regulate data centers such as the requirement of a special permit, similar to what is currently required for self-storage facilities. Mr. Bednarek stated the general plan language is not absolute and is intended to serve as a policy foundation and framework to help committees and staff evaluate whether a proposed data center aligns with the city's long-term goals. Mr. Bednarek stated that a location example of Thomas Road and Central Avenue, a designated core area where residents and city leaders have expressed a desire for amenities like restaurants and gathering places and if there were to propose a data center in that area, the location criteria would serve as a signal to pause and consider whether the proposed use is appropriate.

Mr. Bednarek stated that while the criteria provide guidance, a special permit process allows for case-by-case evaluation, which includes input from staff, the committee, and ultimately the City Council and reiterated that the intent of the proposed changes is to ensure that data centers are subject to thoughtful planning and design standards, and that such policies are reflected both in the general plan and the zoning ordinance.

Committee Member Tom Doescher stated a concern about the low energy rates being promoted by the Arizona Corporation Commission and noted that the Commission has

opened public comment on this issue, and emphasized that the more data centers are developed, the more electricity and energy they will consume. Committee Member Doescher said that the Commission does not want consumers to bear the financial burden of these increased energy demands and asked how the city plans to address potential issues related to the size and location of smaller modular reactors (SMRs), especially when these reactors are situated adjacent to existing buildings. **Mr. Bednarek** responded, stating that the purpose of the general plan amendment and the accompanying text amendment is to better the position the city in response to the growing needs of the data center industry and emphasized that the city wants to ensure that the location of new data centers is subject to discussion and evaluation, much like other land uses. Mr. Bednarek stated that presently no such discussion takes place before a data center is developed, not with this committee, not with neighboring residents, and not with the City Council. Mr. Bednarek said the proposed amendments would establish a regulatory framework that enables those conversations to occur. Mr. Bednarek further explained that, under this proposed process, both large and small data center proposals would be evaluated to determine whether they are appropriate for a given location and that evaluation would include considerations such as energy demand, infrastructure capacity, and community impacts that are not currently part of the review process.

Committee Member Mahrle commented that the committee's concerns should not be interpreted as opposition to data centers and stated the need for careful and thoughtful regulation, especially in response to concerns raised about the clarity of the definition language in the proposed text amendment. Committee Member Mahrle suggested that the Planning Commission should revisit the definition to ensure it accurately captures the intended meaning and scope. Committee Member Mahrle commented that the issue of infrastructure improvements, referencing the general plan's encouragement of data centers in redevelopment areas and stated he is supportive of the idea of placing data centers in locations where infrastructure upgrades are needed, with the understanding that developers would contribute financially by constructing required improvements such as half-streets, traffic signals, and road upgrades. Committee Mahrle stated that this is a sound concept, and he wants to ensure it is clearly reflected in the final policy language.

Committee Member Cardenas commented on an earlier point made by Mr. Bednarek and expressed his support for the creation of general policies governing the location and design of data centers. Committee Member Cardenas stated a concern about the accelerated timeline of the current process. Committee Member Cardenas said that with the Preserve Historic Plan and this data center amendment it is moving faster than any other text amendment he has seen. Committee Member Cardenas asked why the process is being rushed, pointing out that the amendment is scheduled to go through all Village Planning Committees in June 2025, Historic Preservation Commission in July, Planning Commission in August, Subcommittee review in September, and City Council vote in October. Committee Member Cardenas stated that if the city intends for the policy to have a long-term impact, the current speed of adoption does not appear appropriate. **Mr. Bednarek** responded that he understood the concerns expressed by the committee regarding the sense of urgency behind the amendment. Mr. Bednarek stated that currently, the City does not have any policy framework in place to guide or

regulate data centers. Mr. Bednarek said this absence of a well-developed framework like the city already has for historic preservation, noting that the lack of a similar structure for data centers is problematic given the sheer volume of space and capital investment involved.

Mr. Bednarek stated that the proposed text amendment is not a prohibition on data centers, just as current zoning policies do not prohibit self-storage facilities instead, it is about establishing a process for reviewing such developments that allows community members to participate meaningfully. Mr. Bednarek stated that the goal is to determine whether a framework is needed, and if so, to ensure that future data center proposals are subject to public input and formal review. Mr. Bednarek stated that there are two key questions: Do we need a policy framework, and should the community have a role in evaluating future proposals?

Committee Member Cardenas commented that when the issue of regulating data centers had surfaced months ago, he shared that he had texted city staff about the matter as early as February and was told they would be notified when the draft was ready. Committee Member Cardenas stated that now the draft is available, he expressed concern that the process appears rushed, particularly in comparison to previous planning efforts and cited a prior presentation in which a four-month review period was provided, allowing for feedback and adjustments before finalizing this proposal in contrast appears to be on an accelerated timeline, raising concerns about potential unintended consequences and insufficient public engagement. Mr. Cardenas stated there were issues when pushing the amendment through quickly could lead to blowback from companies like TSMC, which are closely tied to the semiconductor and data storage sectors. Committee Member Cardenas stated that as a resident in the fifth-largest city in the country, he emphasized that his concerns were not trivial and requested that the City pump the brakes and slow the timeline, expressing doubt that a Planning Commission hearing scheduled just two days away would allow for proper consideration of the issues raised. Committee Member Cardenas stated concern regarding the reliability of will-serve letters, which utilities are expected to provide as evidence that they can meet future energy needs. Committee Member Cardenas stated that the time frames for service projections may exceed four years, and such letters could be invalid if no action occurs for several years. **Mr. Bednarek** responded by acknowledging the concerns related to the current wording of the will-serve letter requirement, stating that staff was prepared to propose modifications to that section and noted that all other Village Planning Committees had already offered recommendations on the draft amendment, and that there was a strong sense of urgency from the City Council to adopt a framework sooner rather than later. Mr. Bednarek encouraged committee members to submit specific suggestions regarding any language they felt needed revision, particularly if they had concerns beyond the will-serve language. Mr. Bednarek emphasized that all feedback would be considered during Planning Commission and City Council deliberations.

Committee Member Procaccini asked about energy usage and asked whether there had been any analysis related to promoting energy infrastructure improvements and green building standards. Committee Member Procaccini inquired if the city was considering standards such as requiring lighter colored roofs or limiting the amount of

power used. **Mr. Bednarek** responded that those types of considerations could certainly be addressed as part of a Special Permit request, should the proposed text amendment be adopted. Mr. Bednarek stated that, currently, the city does not have the opportunity to evaluate such design and infrastructure elements. Mr. Bednarek stated that if the proposed framework is approved, special permit applications could include requirements related to energy efficiency and sustainability, such as solar installations and design standards. Mr. Bednarek noted that some provisions in the draft already address issues like shading within project streets but emphasized that the special permit process would allow for case-by-case refinement of requirements through conversations between applicants, planning staff, and the community.

Committee Member Perez asked about the intention of the will-serve letter and if there could be language requiring it to be reviewed annually based on available utility resources and acknowledged that this might result in additional paperwork, but stated that given the long development timelines for data centers, there should be an annual reassessment to ensure that commitments made in the letter remain valid. Committee Member Perez asked how the city would hold developers accountable if they were leasing their space to third parties. **Mr. Bednarek** responded that the concern about third-party leasing was valid and said that the intent of the will-serve letter requirement is to ensure the city has a clear understanding of future energy demand and is not allowing data centers to consume limited energy capacity, thereby displacing other community-serving uses like housing, restaurants, or recreational facilities. Mr. Bednarek stated that the proposed language is being refined, and the goal is to prevent large parcels of land from sitting idle for years while awaiting energy infrastructure buildout. Mr. Bednarek stated that third-party leasing is not explicitly addressed in the current draft but is being discussed and that enforcement would occur through NSD (Neighborhood Services Department) if a facility violated its zoning approval. Mr. Bednarek said if a campus-based user such as a hospital or major employer proposed a data facility for internal operations, the city would verify the use during the permitting process and if the purpose changed later, it could trigger a zoning ordinance violation.

Committee Member Perez commented that, with over 20 years of experience as an engineer and significant involvement in data center projects, she believes the general public lacks the technical understanding to adequately evaluate the implications of such a text amendment. Committee Member Perez stated that many residents and committee members may not have the necessary background to assess these facilities, and that relying on a few informed stakeholders places an unfair burden on the public. Committee Member Perez stated the process as overly aggressive, noting that not everyone has recently gained familiarity with the industry the way some committee members or their clients have.

Committee Member Cardenas expressed appreciation for Mr. Bednarek's repeated acknowledgment that the language is still being refined and that he understands staff have constraints and must sell proposals up the chain of command but emphasized that the lack of clarity on certain provisions particularly around third-party leasing remains troubling. Committee Member Cardenas stated that there is no current process outlined for situations where a company like Amazon builds a data center and later leases space to small businesses or third-party operators. Committee Member Cardenas stated that

the definition section of the draft text amendment does not sufficiently address or distinguish these scenarios and said this as a critical oversight, noting that the ambiguity could lead to unintended consequences if the city fails to differentiate between internal-use data centers and commercial or leased data facilities. **Mr. Bednarek** responded by stating that the intention of the language is to address owner-operated facilities, such as Amazon using a data center solely for its own internal operations the facility is still considered a data center under the proposed language. Mr. Bednarek commented that leasing scenarios where a facility is marketed to third-party users are not clearly addressed in the draft and stated that refining the language to provide clarity on these distinctions is under active consideration, and that additional comments and suggestions from the committee would be welcomed during the Planning Commission and City Council review phases.

Committee Member Cardenas stated that the current definitions and structure of the proposed amendment do not capture the complexity of how data centers may be used and noted that projects such as Microsoft's facility or others where land was donated or where terms were negotiated could fall into gray areas not currently addressed. Committee Member Cardenas stated he disagreed with Mr. Bednarek's interpretation and urged further revisions to ensure transparent and enforceable definitions.

Committee Member Warnicke commented that there was uncertainty in a comment made earlier and that may have been a misunderstanding and with the previous discussion the issue has more clarity but there should be some adjustments to the definition.

Committee Member Mahrle asked for clarification on the data center definition and asked for help understanding a hypothetical scenario where a company such as Infinix were to build a facility and use the entire building to house servers, would that qualify as a data center even if the space was dedicated to internal use only. Committee Member Mahrle asked if a hospital could have extensive computer systems in place to support its medical operations and if the data and server space remained under 10 percent of the gross floor area of the hospital's onsite buildings, would this be classified as a data center under the proposed definition. Committee Member Mahrle expressed that this exemption appeared to be based on usage and proportion of floor area, unless the hospital began leasing the data capacity to third-party entities, which would then reclassify it as a data center.

Committee Member Cardenas asked how many hospitals currently exceed that 10 percent threshold and whether some of them might already be marketing or using their facilities in ways that could bring them under this definition. Committee Member Cardenas stated that this gray area could lead to confusion about when an otherwise exempt facility becomes subject to the proposed regulations. **Mr. Bednarek** responded that the intent of the definition is to allow institutions like hospitals or universities to manage their own internal data operations without triggering the full regulatory framework. Mr. Bednarek stated that as long as the use remains internal and under the 10 percent gross floor area threshold, such facilities would not be considered data centers under the ordinance, however, if they began leasing server space to third parties, they would then fall within the scope of the data center designation. Mr.

Bednarek said that this flexibility was intended to accommodate facilities that have legitimate internal data needs, such as hospitals, while ensuring that purpose-built commercial data centers are subject to community oversight through the proposed special permit process.

Committee Member Cardenas asked for confirmation that any facility with server or data operations occupying more than 10 percent of the gross floor area regardless of intended use would be defined as a data center under the text amendment. **Mr. Bednarek** responded that this was correct.

Committee Member Perez commented that Google has started doing tenant improvements and this may suggest they may not own their buildings on their own land and may be leasing space for a data center. Committee Member Perez asked if this situation has been considered and what would the response be. **Mr. Bednarek** responded this would be treated just like the adoption any new ordinance if you were in the middle of a building permit and, those are the things that we're going to have to sort out on a case-by-case basis with every property owner depending on where they are at in the process. Mr. Bednarek stated in the new framework for data centers is appropriate and it is the simplest process, but some adjustments will be made, and staff will work through it properly.

PUBLIC COMMENT

Cepand Alizadeh, representing the Arizona Technology Council, introduced himself and shared a personal experience to illustrate the importance of access to electronic medical information and the critical role of Data Centers. Mr. Alizadeh explained that he works with an organization that provides information and supports a variety of technology industries, emphasizing its alignment with economic development efforts. Mr. Alizadeh stated that correspondence outlining the Arizona Technology Council's position on the proposed text amendment had been submitted to the Mayor's Office and members of the City Council. Mr. Alizadeh stated that data centers are an essential component of the modern economy, noting that several facilities are either under consideration or already under construction in different areas of the city, with more expected in the near future. Mr. Alizadeh also pointed out that data centers vary in size and capacity, both in terms of the volume of information housed and the operations conducted within the facilities. Mr. Alizadeh stated that he works with a range of businesses and organizations that develop services, maintain technology systems, and ensure that critical information remains readily available. Mr. Alizadeh said on behalf of the Arizona Technology Council, he expressed concerns about the proposed text amendment, specifically regarding the process timeline and the requirements for sound abatement. Mr. Alizadeh stated that additional time is needed to allow for a comprehensive review and to provide informed feedback on the proposed amendment. Mr. Alizadeh further noted that the draft text amendment does not sufficiently address appropriate sound control measures that would be consistent with the functional and operational needs of data centers.

Samantha DeMoss, representing Rose Law Group, introduced herself and stated that Data Centers are an expanding use and reflect an important economic sector for the Phoenix area. Ms. DeMoss stated that addressing Data Centers is very important and will have long-term implications for growth and development. Ms. DeMoss stated there are concerns with the current General Plan Amendment specifically that with process review and timing and the design criteria. Ms. DeMoss stated that additional review time would be necessary to review and address many of the incomplete details in the General Plan Amendment as presented. Ms. DeMoss said that additional review time would allow more stakeholder review and input. Ms. DeMoss stated that the committee consider a 90-day period be granted to allow for more time for a thorough review and comment.

STAFF RESPONSE

Mr. Bednarek responded that industry participation in the stakeholder discussion has been included in the current language regarding sound levels and is within 5 percent so that could be adjusted to the ambient levels in the area if it were next to a neighborhood that they can extend to another location Mr. Bednarek stated that if there's a desire by the committee to insert a specific decibel level right now the idea was that for sound they are required to hire an engineer to do a study that shows the level next to the adjacent property and what will be done to maintain appropriate sound levels.

Mr. Bednarek responded that the review process has moved quickly and noted there is a sense of urgency from the Mayor and Council and many of the policy issues have been discussed. Mr. Bednarek stated that currently data centers are not addressed in the zoning ordinance, and this is a great concern.

FLOOR/PUBLIC DISCUSSION CLOSED: MOTION, DISCUSSION, AND VOTE.

Committee Member Kleinman asked what the results were from other Village Planning Committees regarding data centers. **Mr. Bednarek** responded that there has been a split with up to five committees in opposition and some approvals with direction.

Committee Member Perez asked if there was information on the committees that voted for denial, did any have any active plans for data centers. **Mr. Bednarek** responded a few are in progress but any new policy and framework will not prohibit data centers from moving forward.

Committee Member Cardenas commented that there is a stakeholder process and other actions such as the adoption of marijuana facilities had an extensive public engagement and with data centers there are many issues and more discussion is needed.

Committee Member Warnicke commented that he was concerned with data centers being allowed in C-2 and C-3 zoning areas and this may have an impact in the Encanto Village. Committee Member Warnicke stated he was less concerned with the sound mitigation which would be addressed in a special permit or variance action. **Mr.**

Bednarek responded that the General Plan Amendment, which is land use criteria, and a special permit will still be required.

Committee Member George asked if motion were to be approved would there be guidance attached to clarify the committee's position. **Mr. Roanhorse** responded that the committee may add comments or provide direction for the vote.

Committee Member Wagner commented that with the information presented and the discussion more work needs to be done on data centers. Committee Wagner stated that with audible level they are logarithmic not linear and a small increment can mean massive change so specific units should be addressed.

VOTE

13-0-1, motion to deny Z-TA-2-25-Y passes with Committee Members Cardenas, Doescher, Garcia, Kleinman, Mahrle, Perez, Picos, Procaccini, Schiller, Tedhams, Wagner, Warnicke and Matthews with George abstaining.

STAFF COMMENTS REGARDING VPC RECOMMENDATION:

None.

Village Planning Committee Meeting Summary Z-TA-2-25-Y

Date of VPC Meeting	May 20, 2025
Request	Amend the Phoenix Zoning Ordinance Chapter 2, Section 202 (Definitions) to add a definition for data centers; amend Chapter 5, Section 507 Tab A.II.D (Guidelines for Design Review, City-Wide Design Review Guidelines, Specialized Uses) to modify the section title and add design standards for data centers and amend Chapter 6, Section 647 (Special Permit Uses), Section 647.A.2 to add data center within the C-2 (Intermediate Commercial), C-3 (General Commercial), CP/GCP (Commerce Park/General Commerce Park), A-1 (Light Industrial) and A-2 (Industrial) zoning districts, with performance standards.
VPC Recommendation	Approval, with a modification and direction
VPC Vote	4-0

VPC DISCUSSION:

Item Nos. 5 (GPA-2-25-Y) and 6 (Z-TA-2-25-Y) are companion cases and were heard concurrently.

One member of the public registered to speak on this item.

Staff Presentation:

Nayeli Sanchez Luna, staff, stated that the proposed general plan amendment and text amendment were to add a definition for data centers in the Zoning Ordinance and implement performance standards and location criteria. Ms. Sanchez Luna noted that the general plan amendment would discourage data centers from being located in centers, cores, and corridors. Ms. Sanchez Luna provided the proposed data center definition and noted that the text amendment would require a Special Permit for data centers. Ms. Sanchez Luna concluded the presentation by summarizing the proposed design improvements and noting that staff recommends approval of both the general plan amendment and text amendment.

Questions from the Committee:

Chair Parris Wallace noted that the majority of her questions were answered. Chair Wallace asked if anyone has discussed the increase in internet infrastructure because communities could benefit from the added infrastructure. **Ms. Sanchez Luna** stated that

that was not something that has been discussed in detail with internal staff. **Chair Wallace** asked for more information regarding traffic. **Ms. Sanches Luna** added that this would not produce the same levels of traffic as a multifamily project but that commercial and semi-trailer traffic would be present.

Romona Burris asked if there were any data centers in the area. **Ms. Sanchez Luna** stated that she will have to follow up with that information.

Chair Wallace asked if the text amendment would apply to new and stand-alone data centers. **Ms. Sanchez Luna** confirmed that the text amendment would apply to new data centers and reiterated that this would not apply to collage campuses like Grand Canyon University.

Ms. Burris asked if they there were data centers for general operations such as artificial intelligence. **Ms. Sanchez Luna** confirmed. **Ms. Burris** asked for more information regarding sustainability measures. **Ms. Sanchez Luna** stated that they will be required to obtain a letter from the utility company and that the general plan amendment would help implement sustainability measures. Ms. Sanchez Luna added that other Village Planning Committees have made motions with direction if they wished to approve the text amendment and general plan amendment and still provide more direction. **Ms. Burris** stated that she would like to ensure that water conservation is added.

Public Comment:

Jon Gillespie stated that he was a land use attorney that represented numerous data center companies and emphasized that this industry is important for the City. Mr. Gillespie noted that the City is an attractive place for data centers because of the lack of natural disasters, available land, and low cost. Mr. Gillespie added that electric companies are aware of the higher demand for power but have ensured that the cost would not increase for residents. Mr. Gillespie noted that data centers are an important economic driver and that they should be involved in the text amendment process. Mr. Gillespie added that data centers have been decreasing the amount of water needed to keep an adequate climate. Mr. Gillespie supported the idea of researching ways to implement more water conservation. Mr. Gillespie stated that the required “will serve letter” would rush development and possibly discouraging other companies from building in Phoenix. Mr. Gillespie requested the text amendment and general plan be denied with a recommendation of a 90 day extension to evaluate all the concerns from the committee and industry owners. Mr. Gillespie added that there are concerns with Proposition 207 since the text amendment would require additional zoning requirements that have not been previously established.

Committee Discussion/Motion/Vote:

Ms. Burris stated that the west side of the City is approximately 5 degrees hotter and asked how the data centers would be mitigating heat. **Mr. Gillespie** stated that he was unaware of any data centers in the Estrella Village. Mr. Gillespie stated that there has not been significant research that demonstrates that data centers contribute to the heat island effect. **Ms. Burris** asked for clarification on the motion that Mr. Gillespie would like to see. **Mr. Gillespie** stated that he would like the text amendment and general plan amendment to be denied with a 90 day extension so that they can have time to involve industry stakeholders, gather data and address concerns regarding heat. **Ms. Burris** asked for

more information on why the data center industry was opposed to the text amendment. **Mr. Gillespie** stated that one major concern was the “will serve” letter because it would require site plan approval and certificate of occupancy to be completed within two years which is an unreasonable condition. Mr. Gillespie added that he did not want the text amendment to discourage data center companies from building in Phoenix and investing in the community. **Ms. Burris** asked why the City wanted to implement restrictions on data centers. **Ms. Sanchez Luna** stated that a lot of available land for job opportunities and housing has been lost to data center development, and that the development does not create a walkable pedestrian environment.

Chase Hales, with the Planning and Development Department, stated that by allowing a Special Permit, then only a data center would be allowed on site unless otherwise stated. Mr. Hales noted that the “will serve” letter would ensure development rather than allowing companies to sit on vacant properties and not built.

Mr. Thrower asked for more information regarding the lack of jobs associated with data centers. **Mr. Gillespie** stated that larger data centers only employ approximately 80 to 100 on site technicians of high paying jobs. Mr. Gillespie noted that someone from Mesa could come to the Phoenix data center and work on site. Mr. Gillespie encouraged the free market of being able to develop data centers where they were permitted. Mr. Gillespie cited the importance of technology and artificial intelligence. Mr. Gillespie clarified that his intent is for the text amendment to be denied allowing for a 90 day extension.

Renee Dominguez asked for the average square footage of a data center that employs 80 to 100 people. **Mr. Gillespie** state that it ranged from 5 acres to 60 acres and from 500 square feet to 500,000 square feet. Mr. Gillespie provided an example along the Loop 202 Freeway. Mr. Gillespie emphasized that his intent was to extend the text amendment to allow for more stakeholder involvement and for staff to study the economic and job impact. Mr. Gillespie stated that the zoning districts where data centers are located do not allow for residential use.

Chair Wallace stated that C-2 and C-3 do allow for multifamily housing. **Ms. Sanchez Luna** confirmed. **Chair Wallace** noted that housing was a key priority. **Mr. Gillespie** stated that C-2 and C-3 are not the target sites for data centers. Mr. Gillespie realized that housing conservation is important.

Mr. Gillespie noted that his request was a denial to allow more stakeholder engagement and to address issues with water resources and housing and the economic and job industry. Mr. Gillespie added that the extension would also allow for clarification regarding Proposition 207.

Chair Wallace clarified that her biggest issue is housing and that she did not want to lose available C-2 and C-3 land to data centers. **Ms. Burris** asked what incentives the data center industry provides since they would be taking land that was intended for housing. Ms. Burris asked if the data center industry had some sort of program to help first-time home buyers. **Mr. Gillespie** stated that he was aware of the concern regarding losing available land but that data centers provide high paying wages and produce millions of dollars that are invested in the community. Mr. Gillespie agreed that C-2 and C-3 should be preserved for housing but that this would affect areas that already have CP/GCP, A-1 and A-2 zoning which are areas that are primarily industrial.

Ms. Burris asked for more information on what a yes vote would mean and what a no vote would mean. **Ms. Sanchez Luna** clarified the intent and proposed changes in the general plan amendment and text amendment. **Ms. Burris** asked for clarification and asked if approving it would limit data centers. **Ms. Sanchez Luna** stated that the text amendment would limit where they could be placed and allow for a special permit. **Ms. Burris** suggested an extension of 90 days so that the necessary data could be gathered and presented to the committee. **Ms. Sanchez Luan** clarified that a yes vote would mean that she supported the initiatives to limit data center development.

Chair Wallace stated that she would like to explain her vote. Chair Wallace stated that C-2 and C-3 properties would be able to service the community and that she would prefer businesses that generated jobs in the community rather than outside resources. Chair Wallace noted that these decisions will affect all children in the future and stated that the text amendment was forward thinking.

Ms. Burris noted that individuals with high paying jobs could find houses they could afford in the City. Ms. Burris stated that she supported incentives to help first-time homeowners purchase a house and keep individuals in their community. **Ms. Sanchez Luna** clarified that any sort of incentive to assist first-time home buyers would not be enforceable by the Planning and Development Department. Ms. Sanchez Luna stated that the intent of these amendments was in relation to land use policy and development standards.

Mr. Thrower stated that the text amendment was too broad. Mr. Thrower noted that a special permit made sense in C-2, C-3, and CP/GCP, but that he did not want to limit any potential business investments in A-1 and A-2. **Ms. Sanchez Luna** noted that an alternative motion could be to recommend approval with the modification that a special permit be required in C-2, C-3, and CP/GCP.

Motion:

Chair Parris Wallace recommended to approve Z-TA-2-25-Y per the staff recommendation with a modification that would require a Special Permit for C-2, C-3, and CP/GCP but not A-1 and A-2 and with direction to include a water conservation plan and heat mitigation implementation. **Dustin Thrower** seconded.

Vote:

4-0, Motion to recommend approval of Z-TA-2-25-Y, per the staff recommendation with a modification and direction passed with Committee Members Burris, Dominguez, Thrower, and Wallace in favor.

Staff Comments Regarding VPC Recommendation:

None.

Village Planning Committee Meeting Summary

Z-TA-2-25-Y

Date of VPC Meeting	May 12, 2025
Request	Amend the Phoenix Zoning Ordinance Chapter 2, Section 202 (Definitions) to add a definition for data centers; amend Chapter 5, Section 507 Tab A.II.D (Guidelines for Design Review, City-Wide Design Review Guidelines, Specialized Uses) to modify the section title and add design standards for data centers and amend Chapter 6, Section 647 (Special Permit Uses), Section 647.A.2 to add data centers within the C-2 (Intermediate Commercial), C-3 (General Commercial), CP/GCP (Commerce Park/General Commerce Park), A-1 (Light Industrial) and A-2 (Industrial) zoning districts, with performance standards.
VPC Recommendation	Approval, per staff recommendation, with direction
VPC Vote	13-0

VPC DISCUSSION:

Item No. 5 (GPA-2-25-Y) and Item No. 6 (Z-TA-2-25-Y) were heard together.

Two members of the public registered to speak on this item.

Staff Presentation:

Nayeli Sanchez Luna, staff, stated that the proposed general plan amendment and text amendment were to add a definition for data centers in the Zoning Ordinance and implement performance standards and location criteria. Ms. Sanchez Luna noted that the general plan amendment would discourage data centers from being located in centers, cores, and corridors. Ms. Sanchez Luna provided the proposed data center definition and noted that the text amendment would require a special permit for data centers. Ms. Sanchez Luna concluded the presentation by summarizing the proposed design improvements and noting that staff recommends approval of both the general plan amendment and text amendment.

Questions from the Committee:

Chair Stephanie Hurd stated that Amazon had recently purchased a large piece of land within the South Mountain Tech Corridor, severely limiting employment opportunities. Chair Hurd noted that property owners were encouraged to not sell their

land to data centers but after SRP's announcement regarding the South Mountain Transmission Project, data center companies are pushing to purchase land. Chair Hurd voiced her disappointment in losing land that was meant for employment opportunities. Chair Hurd added that this request would protect Laveen and the City of Phoenix. Chair Hurd asked staff to explain what would happen with properties that have been recently rezoned to allow C-2, C-3, and CP/GCP uses. **Ms. Sanchez Luna** stated that that question has been presented to staff and that there has been discussion internally, but that the determination would be made by the Law Department and Mayor and Council. **Chair Hurd** noted that several data center representatives have been present at VPC meetings.

Rebecca Perrera asked if the performance standards regarding sustainability would also address water. **Ms. Sanchez Luna** confirmed. Ms. Sanchez Luna added that data centers utilize a lot of water. **Ms. Perrera** noted that these data centers should be finding solutions to recycle water and utilize their water to maintain landscaping areas. Ms. Perrera suggested adding more provisions on water conservation.

Juanita Darby stated that her husband works in the data center industry. Ms. Darby noted that her husband and her were opposed to the proposed Amazon data center. Ms. Darby added that data centers use a lot of energy and that in other cities they are unable to generate any additional power. Ms. Darby stated that they should voice their concerns to protect Laveen and the City of Phoenix. Ms. Darby was opposed to data centers in the area.

Kristi McCann asked if the Gila Foothills PUD was identified as a Center or a Corridor, would it discourage data centers from being developed in the area. **Chair Hurd** noted that the text amendment would help prevent data centers in the Gila Foothills PUD area. **Ms. Sanchez Luna** added that from a policy standpoint, if the General Plan does not support data centers in a Center, then staff would not be supportive of a proposed data center.

Patrick Nasser-Taylor noted that he did not like the word "discourage" presented in the presentation. Mr. Nasser-Taylor stated that since the employment corridor was along the Loop 202, would this prevent any future data centers. **Ms. Sanchez Luna** noted that it would be discouraged and that a Special Permit would be required. **Mr. Nasser-Taylor** asked if the amendments could have changes in the language. **Ms. Sanchez Luna** stated that similar to previous text amendments, the committee could vote to approve the amendment but add to the recommendation in the form of direction.

Mixen Rubio-Raffin was aware of the high-water usage and noted that new technology like artificial intelligence have increased the demand for data centers. Ms. Rubio-Raffin added that in terms of technology and policy, policy seems to be a few steps behind technology. Ms. Rubio-Raffin advocated for a water efficiency plan to be added to the text amendment.

Michael Doromal noted that data centers utilize a lot of power. Mr. Doromal suggested data centers be required to self-generate a portion of their required power so they don't put a strain on the community.

Chair Hurd asked Committee Member Darby if she had any information on energy conservation. **Ms. Darby** asked her husband, Brian Darby, for clarification. **Brian Darby** stated that so much energy is required that the development can't generate all of it's power through solar panels. **Mr. Doromal** noted that he was requesting a portion of it to be generated. **Mr. Darby** added that other projects have implemented alternative forms but that the data center requires constant power. **Mr. Doromal** added that the data center will be part of the community and should contribute. Mr. Doromal wanted a percentage of self-generating power.

Carlos Ortega wanted to vote on the item. Mr. Ortega stated that data centers also benefit schools via impact fees.

Linda Abegg voiced her appreciation for the Mayor and Council regarding getting the text amendment approved quickly. Ms. Abegg stated that she will support the case moving forward. Ms. Abegg noted that she was aware of a subcommittee being implemented for this text amendment. Ms. Abegg added that she expected the language to be reviewed by the Law Department to ensure enforceability.

Ms. Perrera stated that Committee Member Ortega's comment was incorrect. Ms. Perrera stated that data centers receive a lot of tax breaks.

Mr. Nasser-Taylor stated that he was concerned on how this would affect Laveen. Mr. Nasser-Taylor noted that the Gila Foothills PUD allows C-2 uses and asked how this would affect the allowed uses. **Ms. Sanchez Luna** stated that that was being discussed with the Law Department but that any future properties would need to be rezoned to obtain a Special Permit. **Mr. Nasser-Taylor** asked if this would mean that the case would be presented to the Village for recommendation. **Ms. Sanchez Luna** confirmed. Ms. Sanchez Luna added that the text amendment would prevent data centers to be allowed by right in C-2, C-3, CP/GCP, A-1 and A-2.

Ms. Abegg stated that the Council Members were the ones that initiated the request which she would assume meant that they are opposed to data centers being built anywhere.

JoAnne Jensen agreed with Committee Member Abegg and Rubio-Raffin. Ms. Jensen noted that the Gila Foothills PUD area was designated as a Major Urban Center. Ms. Jensen suggested implanting language regarding water. Ms. Jensen also had concerns with the noise requirements and added that there should be no noise permitted on weekends, holidays, and at night. Ms. Jensen voiced her appreciation for Mayor and Council.

Ms. Rubio-Raffin suggested limiting the data center height to two stories and ensuring

that some sort of art feature is implemented. **Chair Hurd** noted that the art and architectural embellishments were already part of the text amendment.

Public Comment:

Tom Galvin noted that there were numerous concerns regarding the text amendment. Mr. Galvin stated that data centers have contributed millions of dollars to the City of Phoenix. Mr. Galvin added that data centers require million of dollars of investments. Mr. Galvin stated that the cases were being rushed and that he was requesting a minimum 60-day continuance. Mr. Galvin stated that there could be issues with Proposition 207 and that no text amendment has been going through the process so quickly. **Ms. Abegg** stated that when the data center company bought land, they did not present nor contact members of the committee. Ms. Abegg said it was unusual for representatives to request a continuation when they never bothered to speak to the community or the committee. **Mr. Galvin** asked if the committee supported the lack of interaction from stakeholders. **Chair Hurd** noted that this was the public comment portion of the hearing.

Anirudh Krishna voiced his concerns regarding water usage and that he agreed with all the comments provided by the committee.

Committee Discussion/Motion/Vote:

Ms. Abegg suggested adding language regarding energy and water conservation.

Vice Chair Jensen suggested more noise standards.

Mr. Ortega suggested larger impact fees.

Ms. Rubio-Raffin suggested limiting the square footage of land. Ms. Rubio-Raffin added that there needed to be more than two stories. **Ms. Abegg** voiced her concerns regarding enforceability. Ms. Abegg recommended special attention and minimizing square footage.

Motion:

Linda Abegg motioned to recommend Z-TA-2-25-Y per the staff recommendation with direction to incorporate more water and power conservation, limit square footage, implement noise mitigation, and increase impact fees. **Jeniffer Rouse** seconded the motion.

Vote:

13-0, motion to recommend approval of Z-TA-2-25-Y, per staff recommendation with direction passed with Committee Members Abegg, Darby, Doromal, McCann, Nasser-Taylor, Ortega, Perrera, Rouse, Rubio-Raffin, Serrette, Barraza, Jensen, and Hurd in favor.

Staff Comments Regarding VPC Recommendation:

None.

Village Planning Committee Meeting Summary

Z-TA-2-25-Y

Date of VPC Meeting	May 14, 2025
Request	Amend the Phoenix Zoning Ordinance Chapter 2, Section 202 (Definitions) to add a definition for data centers; amend Chapter 5, Section 507 Tab A.II.D (Guidelines for Design Review, City-Wide Design Review Guidelines, Specialized Uses) to modify the section title and add design standards for data centers and amend Chapter 6, Section 647 (Special Permit Uses), Section 647.A.2 to add data centers within the C-2 (Intermediate Commercial), C-3 (General Commercial), CP/GCP (Commerce Park/General Commerce Park), A-1 (Light Industrial) and A-2 (Industrial) zoning districts, with performance standards.
VPC Recommendation	Approval, per the staff recommendation
VPC Vote	13-0

VPC DISCUSSION:

Item Nos. 4 (GPA-2-25-Y) and 5 (Z-TA-2-25-Y) are companion cases and were heard concurrently.

One member of the public registered to speak on this item.

Committee Member Chris Demarest left during this item bringing quorum to 13.

Staff Presentation

Matteo Moric, staff, shared information on how the Village Planning Committee can stay involved with the General Plan Amendment and Text Amendment throughout the entire process. Mr. Moric explained how comments will be forwarded onto Planning Commission on June 5th and City Council on June 18th prior to the City Council break.

Mr. Moric stated the Mayor and City Council in December of 2024 requested staff to create policy guidance and zoning regulations for data centers. Mr. Moric explained how the City was working under previous informal interpretations completed about 20 years ago. Mr. Moric stated the location criteria is to be for the General Plan item and the areas in which they would be encouraged and discouraged. Mr. Moric reminded

the Committee that usually when development comes in it is already required to provide infrastructure such as sidewalks, shading, bus stops, etc.

Mr. Moric identified design guidelines being proposed for these facilities. Mr. Moric added the design guidelines of the architecture which are typically required in the Zoning Ordinance. Mr. Moric stated the zoning districts by which these facilities were proposed to require a Special Permit.

Questions from the Committee/Public Comments

Chris Demarest said he was familiar with the data center on 40th Street and McDowell Road.

Ken DuBose thought these data centers were needed because of all the new Artificial Intelligence (AI) technology.

AI DePascal said they need lots of water.

Saundra Cole asked if they could request solar on the buildings. **Mr. Moric** said yes and that the end decision will be made by City Council, but at the same time it could inform City Council of what the VPC would like to see at these new facilities.

Meli Acevedo emphasized the importance of water. **Mr. Moric** said he was not sure how these facilities actually operate and if they need to be close to the end user or if they could be far away from the community of users.

Chair Barba said that after the presentation perhaps the guest speaker could provide additional information.

Ms. Cole asked how many jobs would be provided. **Mr. Moric** said that the data center facilities he knew of were not big employment generators, but said the guest speaker could probably clarify this.

Public Comment

John Gillespie, a land use attorney from the Rose Law Group, said they represent a large stakeholder group of the data center industry. Mr. Gillespie said there is a great economic impact to the community and it provides many high paying jobs with 80 to 150 onsite jobs with an average pay of \$97,000 per year. Mr. Gillespie said they need a good regulatory process in place. Mr. Gillespie said they were concerned with the timeline for the text amendment changes and it was a little fast with limited stakeholder engagement. Mr. Gillespie asked for 60 more days to allow the industry to interact with city staff and leaders to iron out the kinks. Mr. Gillespie said many sites had a vested right to build data centers. Mr. Gillespie added that projects in the pipeline should not be stopped and should be able to continue. Mr. Gillespie also identified a concern with the “will serve” letter which is a commitment from a public utility company that power will be for a minimum timeframe. Mr. Gillespie noted the desire for the timeline to be extended or taken away so they can work with utilities.

Mr. Gillespie said without provisions the City could expose themselves to Proposition 207 waiver of claims. Mr. Gillespie felt more direction should be given to staff and respectfully urged more time to work out the kinks.

Chair Barba asked on average how much space is needed for a data center. **Mr. Gillespie** responded that some projects are on 10-acre sites and others on 50 to 60 acres. Chair Barba asked what size site Mr. Gillespie based the average 80 to 100 jobs on. Mr. Gillespie responded on the 50-to-60-acre site. Chair Barba asked about job training for the data center jobs. Mr. Gillespie said that here in Phoenix it currently has people with the right schooling and education to support the technology.

Chair Barba felt the VPC responsibility was to be good stewards not only to provide a good place to live and work. Chair Barba asked if there was a commitment from Mr. Gillespie's clients to support educational assistance for these sorts of jobs. **Mr. Gillespie** was not sure about the commitment of his clients to these types of jobs, but he recognized it as a good question and noted he would investigate it more with his clients and would like to follow-up on it.

Mr. DuBose said we were always lagging behind and with the growth of AI and emphasized the need for data centers and that AI was the next largest growth in any community. Mr. DuBose shared frustration of how the rail system is 25 years behind when it was voted 30 to 40 years ago. Mr. DuBose expressed the importance of knowing the issues of how much water would be used and how much energy is needed. Mr. DuBose recognized the need to come together with a smart plan but also expressed fear of falling behind.

Mr. Gillespie said that the data center industry wants to be on the front edge of AI and it sees Phoenix as an attractive area since it does not have natural disasters, it has a low regulatory environment and a good climate. Mr. Gillespie added it has the right people to support the industry. Mr. Gillespie expressed concern about creating a roadblock to this industry. Mr. Gillespie noted the technology has advanced to not be a high water user but rather a high energy power electricity user.

Mr. DuBose noted he would like to see Maryvale have an IT program for their high school kids.

Mr. Gillespie mentioned companies like Google and Apple want to invest in Arizona, but data centers is a nationwide industry. Mr. Gillespie was not certain of who the top Arizona companies are with interest here but knew there was a nationwide interest.

Ms. Acevedo reminded the VPC of the many deaths in Maricopa County due to extreme heat. Ms. Acevedo has concerns with energy and housing shortages. Ms. Acevedo said too often we put profit over people. Ms. Acevedo asked about water.

Mr. Gillespie said the amount of water needed has gone down and they could potentially use grey water. Mr. Gillespie noted heat as a real issue facing Arizona. Mr.

Gillespie said he was not aware of heat increasing due to the data center. Mr. Gillespie admitted heat was an issue, but did not believe the off-put of a data center was any different than heavy industrial type of uses. Mr. Gillespie did not know if more heat would be generated from A-1 and A-2 type of uses. Mr. Gillespie added they were not asking for data centers to be built in any other area than currently allowed and added that it was a commercial and industrial use and that's where it should be.

Ms. Acevedo expressed concern about providing energy for computers versus people.

Mr. Gillespie said the number one priority of SRP and APS power companies is they need solar and their number one priority is to protect consistent customers.

Chair Barba asked about increases of prices to the surrounding communities on utilities. **Mr. Gillespie** said that there are no reports of that.

Chair Barba expressed concerns that consumers have to offset the costs. **Mr. Gillespie** said that the text amendment would require proof they could get electricity.

Mr. Gillespie said data centers want to locate near good infrastructure.

Chair Barba asked about noise associated with these facilities. **Mr. Gillespie** felt the noise study of no more than 5 percent increase should resolve this issue.

Vice Chair Derie brought to the Committee's attention the topic of Motorola coming to Arizona in 1950's and 60's and now data centers are the next leap in technology and reminded the VPC of the large nuclear power plant nearby. Vice Chair Derie wanted all forms of energy sources to be considered and utilized.

Mr. Gillespie said the Arizona State Government has a pro-technology stance and favorable regulatory environment for data centers. Mr. Gillespie said at the municipality level is where control is desired.

Vice Chair Derie said communities jumped on the idea of light rail and all of a sudden the State says we don't like light rail and had hoped light rail would be in Maryvale already.

Mr. Gillespie said the industry itself is driving the demand and said it's a different animal than the light rail.

Ms. Cole asked what the backers were if they were mainly American and she asked if there are international ones.

Warren Norgaard stated the main question is not if they want data centers but if they are proposed what the specific language is for their guidance. Mr. Norgaard

expressed concerns with data centers running on methane gas generators which are causing people to get ill.

Mr. Gillespie said they should let the developers show they have an alternative source of energy or for there to be a creative solution.

Victoria Stahl asked about projects to be grandfathered in, without following the guidelines. **Mr. Gillespie** said there are more than 5 to 10 projects that are currently in the process. Mr. Gillespie said there could be more but needless to say these are millions of dollars to purchase land, design buildings and sites. Mr. Gillespie said grandfathering language allows projects to continue and felt there was a need for 60 more days of stakeholder engagement.

Al DePascal asked why Mr. Gillespie wants a 60-day delay. **Mr. Gillespie** said this text amendment is going faster than other text amendments.

Mr. Gillespie explained the second phase of existing sites and facilities may have to come through a special permit. Mr. Gillespie expressed concern over a 207 waiver of claims since sites for data centers may have been purchased and invested in. Mr. Gillespie said many data centers are in the queue to complete these facilities and hundreds of millions of dollars have been spent on the land to develop these sites and this could lead to a battle with the City with a 207 waiver issue. Mr. Gillespie said these facilities would still have to go through the permitting process. To modify a building limits the number of changes permitted or otherwise it would have to follow today's codes.

Mr. Moric asked if Mr. Gillespie knew why the stakeholder group did not include Planned Unit Developments (PUD's) requiring the special permits. **Mr. Gillespie** wanted some districts not to go through special permit processes such as A-1 or A-2. Mr. Gillespie said that it might make sense to include the PUD's in the text amendment.

Floor/Public Discussion Closed: Motion, Discussion, and Vote.

MOTION

Ken DuBose motioned to recommend approval of Z-TA-2-25-Y per the staff recommendation. **Warren Norgaard** seconded the motion.

VOTE

13-0, Motion to recommend approval of Z-TA-2-25-Y per the staff recommendation passed, with Committee Members Acevedo, Alonzo, Cole, DePascal, DuBose, Galaviz, Jimenez, Norgaard, Ramirez, Stahl, Weber, Derie and Barba in favor.

STAFF COMMENTS REGARDING VPC RECOMMENDATION:

None.



Village Planning Committee Meeting Summary Z-TA-2-25-Y

Date of VPC Meeting	May 8, 2025
Request	Amend the Phoenix Zoning Ordinance Chapter 2, Section 202 (Definitions) to add a definition for data centers; amend Chapter 5, Section 507 Tab A.II.D (Guidelines for Design Review, City-Wide Design Review Guidelines, Specialized Uses) to modify the section title and add design standards for data centers and amend Chapter 6, Section 647 (Special Permit Uses), Section 647.A.2 to add data centers within the C-2 (Intermediate Commercial), C-3 (General Commercial), CP/GCP (Commerce Park/General Commerce Park), A-1 (Light Industrial) and A-2 (Industrial) zoning districts, with performance standards.
VPC Recommendation	Approval, per the staff recommendation
VPC Vote	8-0

VPC DISCUSSION:

Agenda Item 3 (GPA-2-25-Y) and Agenda Item 4 (Z-TA-2-25-Y) are companion cases and were heard concurrently.

One member of the public registered to speak on this item, in opposition.

Staff Presentation:

Adrian Zambrano, staff, provided an overview of GPA-2-25-Y and Z-TA-2-25-Y. Mr. Zambrano discussed concerns with data centers that the General Plan Amendment and Text Amendment are trying to address. Mr. Zambrano explained the policy guidance for data centers that the General Plan Amendment includes. Mr. Zambrano then discussed the three main components of the Text Amendment. Mr. Zambrano shared the proposed Zoning Ordinance definition for a data center. Mr. Zambrano then discussed the proposed design guidelines and their purpose. Mr. Zambrano shared the zoning districts that data centers would be permitted in, subject to a Special Permit and other performance standards, and noted that Special Permits go through the same public hearing process as rezoning cases. Mr. Zambrano stated that a noise study would be

required if the data center is within a certain distance from residential. Mr. Zambrano shared the upcoming public hearing schedule and stated that staff recommends approval per the language in Exhibit A of the staff report.

Questions from Committee:

Committee Member Kylie Kennelly asked if there are any successful cases where data centers have been integrated into communities. **Mr. Zambrano** responded that some of the design guidelines were inspired by the Evans Churchill APS substation in Downtown Phoenix, which is hidden behind an enhanced design interface with murals and art installations.

Vice Chair Michelle Ricart stated that data centers should be separated from each other. Vice Chair Ricart asked for clarification that data centers usually do not employ many people and do not bring many jobs to an area. **Mr. Zambrano** responded affirmatively.

Public Comments:

Henry Hardy, with Rose Law Group, introduced himself as a stakeholder opposed to this item. Mr. Hardy stated that stakeholders were only made aware of this about a week and a half ago. Mr. Hardy stated that the public hearing process would be about a month and a half, which they believe is extremely abbreviated. Mr. Hardy requested a continuance or delay in the process for more stakeholder input. Mr. Hardy stated that their primary concern is with existing data centers and data centers that are currently being developed. Mr. Hardy asked that those data centers be grandfathered-in under the existing code. Mr. Hardy expressed concerns with Proposition 207 for diminution in property value. Mr. Hardy noted that each data center is billions of dollars of development being brought into the City of Phoenix and tens of millions of dollars coming back to the City in the form of tax revenue. Mr. Hardy added that data centers are an essential element of tech infrastructure and are essential for Phoenix to remain a competitive employment hub and tech hub. Mr. Hardy reiterated that they just want more time to talk about the proposal with staff and with stakeholders.

Staff Response:

Mr. Zambrano responded that Proposition 207 concerns are a City Council concern and should not be a concern at the Village Planning Committee level. Mr. Zambrano added that existing data centers would be considered legal non-conforming and would be “grandfathered-in”, but if they want to expand in the future, then that is when the new regulations would apply.

Discussion:

Committee Member Scott McGill asked if there are any data centers that are coming into North Phoenix or the North Gateway Village at this time. **Mr. Hardy** responded that he is not aware of any. Mr. Hardy stated that there has been an increased demand for them, and the industry is getting ready to build more to meet that demand. Committee Member McGill asked for clarification that data centers are not generators of job growth. Mr. Hardy responded that data centers are typically not major employers and could have between five to 20 employees within the data center. Mr. Hardy expressed

concerns with the will-serve letter from the power company, noting that it is not consistent with industry standards and would make development not feasible. Mr. Hardy stated that a 10-year timeframe for the will-serve letter would be better since data centers are typically phased and their energy demand would be related to when each phase is built. Mr. Hardy asked for more time to work through these details with staff and stakeholders. Committee Member McGill asked how long of a continuance Mr. Hardy is asking for. Mr. Hardy responded that there is no specific timeline, but staff and stakeholders could discuss it over the summer.

Vice Chair Ricart stated that fire departments are concerned with data centers as well due to their massive size, complex floor plans, and the type of equipment and batteries within them. Vice Chair Ricart stated that she agrees with the Special Permit requirement because the community needs to be able to have an input on data centers before they are approved. Vice Chair Ricart stated that self-service storage facilities also require a Special Permit and noted that it is good for the surrounding community to know that a data center is being proposed nearby their community. Vice Chair Ricart stated that she likes the location criteria and design policy proposed.

Committee Member Thomas Salow asked for clarification if the turnaround time for the public hearing process is typical or expedited. **Mr. Zambrano** responded that it is expedited by about a month, noting that the Mayor and City Council has directed staff to get these two items to the City Council before their summer recess, which is why staff is moving forward with the proposed schedule. Mr. Zambrano stated that rezoning cases typically have at least a three-month public hearing process with the Village Planning Committee, Planning Commission, and City Council hearings a month apart. Mr. Zambrano added that he was not involved in the stakeholder meetings but believes there have been one or two meetings so far.

Vice Chair Ricart added that there are 14 other Village Planning Committee hearings that are coming up.

Committee Member Kennelly asked what the difference is between the General Plan Amendment and the Text Amendment. **Mr. Zambrano** responded that the General Plan Amendment would amend the 2025 General Plan, which is the policy guidance, and the Text Amendment would amend the Zoning Ordinance to create zoning regulations for data centers.

Committee Member Andrea Crouch asked if the design guidelines for data centers are intended to blend the data center into the surrounding area, similar to how some cellphone towers look like trees. **Mr. Zambrano** responded affirmatively, noting that the design guidelines are trying to discourage massive, monolithic buildings and are trying to soften the design.

Vice Chair Ricart asked if tattoo parlors also require a Special Permit. **Mr. Zambrano** responded that they require a Use Permit, which goes through a different process. Mr. Zambrano stated that Special Permits are heard by the Village Planning Committee

and go through the rezoning process. Vice Chair Ricart reminded Committee members that they could abstain from the vote.

MOTION – Z-TA-2-25-Y:

Committee Member Andrea Crouch motioned to recommend approval of Z-TA-2-25-Y, per the staff recommendation. **Committee Member Kylie Kennelly** seconded the motion.

VOTE – Z-TA-2-25-Y:

8-0; the motion to recommend approval of Z-TA-2-25-Y per the staff recommendation passes with Committee members Crouch, Kennelly, Li, Manion, McGill, Salow, Stein, and Ricart in favor.

STAFF COMMENTS REGARDING VPC RECOMMENDATION:

None.

Village Planning Committee Meeting Summary Z-TA-2-25-Y

Date of VPC Meeting	May 21, 2025
Request	Amend the Phoenix Zoning Ordinance Chapter 2, Section 202 (Definitions) to add a definition for data centers; amend Chapter 5, Section 507 Tab A.II.D (Guidelines for Design Review, City-Wide Design Review Guidelines, Specialized Uses) to modify the section title and add design standards for data centers and amend Chapter 6, Section 647 (Special Permit Uses), Section 647.A.2 to add data centers within the C-2 (Intermediate Commercial), C-3 (General Commercial), CP/GCP (Commerce Park/General Commerce Park), A-1 (Light Industrial) and A-2 (Industrial) zoning districts, with performance standards.
VPC Recommendation	Denial, with direction
VPC Vote	12-0-1

VPC DISCUSSION:

Item No. 6 (GPA-2-25-Y) and Item No. 7 (Z-TA-2-25-Y) are companion cases and were heard together.

Two members of the public registered to speak on this item.

STAFF PRESENTATION

Robert Kuhfuss, staff, provided a presentation regarding both proposals, reviewing the background, concerns, proposed policy changes, proposed regulatory changes, and the staff recommendations. Mr. Kuhfuss stated that both items were scheduled for Planning Commission on June 5, 2025 and City Council on June 18, 2025.

QUESTIONS FROM THE COMMITTEE

Committee Member Jason Barraza asked if staff had consulted with the industry regarding the proposed changes. **Mr. Kuhfuss** stated that it was his understanding that staff consulted with the industry, but did not know the number of groups that were contacted. Committee Member Barraza asked if will-serve letters were commonly

used in the City of Phoenix or if it was novel to data centers. Mr. Kuhfuss stated that he did not specifically know the extent to which the City of Phoenix requires will-serve letters but was aware of other jurisdictions that routinely require will-serve letters.

Committee Member Fred Hepperle stated that data centers are generally quiet and that servers do not care about looking out a window. Committee Member Hepperle stated that employees working in a data center would not necessarily care about the distance to a transit center. Committee Member Hepperle stated that the ability to serve could be compared to a water service provider. Committee Member Hepperle stated that he did not see a reason to pause the General Plan Amendment.

Vice Chair Joshua Matthews asked if there were any Proposition 207 concerns and if there were any zoning districts today that allow data centers that would not be allowed if the Zoning Text Amendment were to be approved. **Mr. Kuhfuss** stated that the City's Legal Department has evaluated the risk associated with Proposition 207 and has determined there is minimal risk. Mr. Kuhfuss stated that the zoning ordinance was silent on data centers and that data centers were currently being allowed as a result of an informal interpretation of the zoning ordinance.

Committee Member Steve Pamperin asked what the results were from the other villages. **Mr. Kuhfuss** stated that one village did not have quorum and that some villages were supportive while others were apprehensive.

Committee Massimo Sommacampagna asked about the 5% over ambient noise provision. **Mr. Kuhfuss** stated that a noise study would be required prior to preliminary site plan approval and that the noise study would require that ambient noise levels would be taken at the site, presumably over a period of time, to obtain an average. Mr. Kuhfuss stated the data center would then be allowed to operate at a level that is 5% above the measured ambient level.

Committee Member Steve Pamperin stated that Arizona Public Service was in the process of seeking approval from the Arizona Corporation Commission to allow a rate increase to offset the cost of the energy and infrastructure needed to support data centers, and that the General Plan Amendment should include language that places more cost burden on the data centers as opposed to the costs being absorbed by the homeowners. **Mr. Kuhfuss** stated that the issue ties back to the reason for the will-serve letter and that if the electrical provider does not have the capacity or infrastructure available to serve the facility, the provider would not issue a will-serve letter. Committee Member Pamperin expressed concerns that residents would be required to pay for the infrastructure needed to support data centers when the data center operators should be responsible for any infrastructure improvements needed to support the facility. Committee Member Pamperin reiterated that residents should not have to pay for the infrastructure needed to support data centers. Mr. Kuhfuss stated that it appeared there were two issues being discussed: one being a rate increase being considered by the Arizona Corporation Commission versus a city requirement that the developer make those investments. Mr. Kuhfuss stated that the discussion should not necessarily mix the city's proposed General Plan Amendment with Arizona

Corporation Commission's policy. Mr. Kuhfuss stated that if there was some additional policy that could be included in the General Plan Amendment, the Committee could consider those changes.

Committee Massimo Sommacampagna asked if there was language that would encourage adaptive reuse. **Mr. Kuhfuss** stated that he did not recall specific language in the proposed Zoning Text Amendment regarding adaptive reuse but there was existing language in the zoning code that might apply.

Chair Stephanie Fogelson stated that she has been part of the Village Planning Committee for approximately four to five years and has never received a phone call from the Mayor's Office expressing an opinion regarding the Mayor's position on a proposed case and asked if that was common practice. **Mr. Kuhfuss** stated that he did not know the Council's common practice, but understands there is some urgency regarding the matter, which has led to the June 18th City Council date. Chair Fogelson asked what the urgency was. Mr. Kuhfuss referenced a slide containing six bullet points that expressed the rationale for the proposed General Plan Amendment and Zoning Text Amendment. Chair Fogelson stated that many of those issues seemed to be based on opinion rather than data and wanted to know where the urgency is coming from. Mr. Kuhfuss stated that he did not know specifically.

Committee Member Fred Hepperle asked if the art installations would be internal to the building or visible to the public. **Mr. Kuhfuss** stated they would be visible to the public.

Committee Member Jason Barraza stated that his understanding is that nothing like this currently exists in the city and that data centers pretty much have free reign currently. **Mr. Kuhfuss** stated that he would not classify it as "free reign" and reiterated the existence of the informal interpretation of the code. Committee Member Barraza asked if there were any existing data centers in the city that would not be in compliance if the proposed Zoning Text Amendment were to be approved. Mr. Kuhfuss stated that he did not have the answer to that question.

Committee Member Massimo Sommacampagna asked about the timing of the hearing schedule. **Mr. Kuhfuss** stated that the timing of the matter was handed to us.

PUBLIC COMMENT

Cepand Alizadah stated that he is the Government Relations Specialist with the Arizona Technology Council. Mr. Alizadah stated that he was present during the Alhambra Village Planning Committee meeting the previous night and had also attended the Ahwatukee Village Planning Committee meeting. Mr. Alizadah stated anecdotally that he had emergency surgery a month prior as a result of a car accident in a remote area and that all of his medical data was readily available to the medical staff as it had been saved to a data center, which gave the healthcare team access to his allergies and other health conditions. Mr. Alizadah stated that the Arizona Technology Council is a trade association that represents 750 technology companies

of all sizes. Mr. Alizadah stated that the future of technology is Artificial Intelligence and that AI's backbone is data centers. Mr. Alizadah stated that data centers are job creators, not only in manufacturing, but during operation, ranging from 10 to 15 employees for a small facility to as many as 50 employees for a large facility and generate hundreds of thousands of dollars in wages. Mr. Alizadah stated that data centers generate tax revenue and pay permit fees. Mr. Alizadah stated that the City of Chandler passed a data center ordinance in February of 2022, which has been well received by the data center community, and that he wished to speak on two specific aspects of the proposed Zoning Text Amendment. Mr. Alizadah stated that audio engineers do not measure sound levels as percentages but use an A-Weighted decibel threshold and asked the Committee to replace the language relating to percentages with language referencing an A-Weighted decibel threshold, and to include period measurement specifications. Mr. Alizadah also expressed concerns over the requirement for a utility will-serve letter stating that a will-serve letter is common, but the two-year item frame is too short as data centers require several years of planning. Mr. Alizadah stated that a ten-year time frame is more appropriate. Mr. Alizadah stated that the Ahwatukee Village Planning Committee did not vote in favor of the General Plan Amendment or Zoning Text Amendment citing concerns over the noise measurement standards and a desire for more stakeholder engagement.

Samantha DeMoss, with Rose Law Group, asked for either a denial of the proposed General Plan Amendment and Zoning Text Amendment or a 90-day continuance. Ms. DeMoss stated that the current General Plan Amendment and Zoning Text Amendment is moving through the process too quickly for such a complex use with no stakeholder input, or Village input prior to the public hearing process. Ms. DeMoss stated that the proposed language of the Zoning Text Amendment would effectively constitute a ban on data centers. Ms. DeMoss also expressed concerns over the requirement for a will-serve letter stating that Arizona Public Service currently has an eight- to twelve-year back up on major projects and that a two-year window would make data centers impossible to achieve. Ms. DeMoss expressed concerns over Proposition 207 with respect to data centers that are already being sought out. Ms. DeMoss stated there is a lot of conversation around job creation and that data centers create jobs both directly and indirectly. Ms. DeMoss stated that for every direct job there are six related but indirect jobs and that there are currently 200,000 jobs within the City of Phoenix that are affiliated with data centers. Ms. DeMoss also stated that data centers create tens of millions of dollars in tax revenue. Ms. DeMoss reiterated that the currently proposed language would make data centers infeasible and requested the Committee deny the request with a 90-day continuance to allow a redraft following appropriate stakeholder input. **Committee Member**

Sommacampagna asked for additional clarification regarding will-serve letters. Ms. DeMoss stated that the utility company issues a letter stating that they will provide services in a specified amount of time based on capacity. Ms. DeMoss stated that utility companies are ramping up production and data centers will need to wait their turn but that will not happen within two years, which makes financial feasibility improbable. Ms. DeMoss stated that co-location also becomes difficult as only 10% may be shared. **Committee Member Pérez-Pawloski** asked who is responsible for

obtaining a will-serve letter. Ms. DeMoss stated that it was the developer's responsibility, and that it is probable that a facility may be constructed in more than one phase which may require multiple will-serve letters and should be addressed in the proposed language. Committee Member Pérez-Pawloski stated that it was her recollection that data centers were allowed with a Special Permit. Ms. DeMoss stated that data centers do not currently require a Special Permit but rely on an informal interpretation. Ms. DeMoss stated that the proposed language came out too fast and there would be Proposition 207 implications if approved as proposed. **Committee Member Pamperin** asked about water and whether data centers would be considered high water users. Ms. DeMoss stated that was the case but that water consumption associated with data centers has decreased over the years.

COMMITTEE DISCUSSION

Committee Member Heather Garbarino stated that a Proposition 207 Waiver is an option that the city could offer to a developer seeking to build a data center. Committee Member Garbarino stated that she has read Chandler's ordinance regarding data centers and finds the language to be very similar to that being proposed.

Vice Chair Joshua Matthews stated that the issue with Proposition 207 is that a change to the zoning ordinance could render a potential site ineligible for a data center and if that site was already under contract, the property owner could claim diminution of value. Vice Chair Matthews stated that he had been contacted by a zoning attorney who stated that he did not object to the idea of enacting new language but that the currently proposed language was being rushed. Vice Chair Matthews stated that it was his understanding that the stakeholder input process had been run concurrently with the Village Planning Committee hearing process as opposed to it being a linear process. Vice Chair Matthews stated that typically, a proposed Text Amendment would go to the stakeholder and neighborhood meetings, then incorporate changes to the proposed language prior to it coming before the Village Planning Committee. Vice Chair Matthews stated that he supported what the city is trying to accomplish but expressed concerns that it was being rushed through the process. Vice Chair Matthews stated that he did not understand why a three-month delay was not possible. Vice Chair Matthews stated that he was leaning towards denial.

Committee Member Massimo Sommacampagna stated that he agreed with the Vice Chair and that the city can do a better job.

Chair Stephanie Fogelson reiterated that this was the first time that she had been contacted by a city official regarding a proposal and stated that she did not appreciate the unwelcome influence.

Committee Member Heather Garbarino stated that she generally prefers to support staff but, in this instance, waiting another three months to allow additional discussion seems more appropriate.

Vice Chair Joshua Matthews emphasized that he in no way was being critical of staff as they are responding to directions from the Mayor and City Council. Vice Chair Matthews stated that he does question the intent of the elected officials. Vice Chair Matthews stated that in his capacity as a Planning Commissioner, the Planning Commission is often presented with an urgent matter that needs to be addressed, including changes in state law that must be implemented within a certain time frame to avoid consequences. Vice Chair Matthews stated that without a compelling explanation, there is no reason not to delay action for three months to allow time for more discussions with the stakeholders.

Committee Member Fred Hepperle stated that he was supportive of the proposed General Plan Amendment but was not supportive of the proposed Zoning Text Amendment.

Committee Member Elizabeth Pérez-Pawloski stated that if a developer wants to build in the city, they should expect to meet certain requirements, but also stated that the will-serve letter component was too quick.

Committee Member Jason Barraza stated that he was supportive of the language of the Zoning Text Amendment as currently written with respect to noise levels but had concerns with requiring a will-serve letter from the power company in that his understanding is that the state legislature was considering a bill that would allow data centers to internalize their own power production in which case a will-serve letter would be unnecessary. Committee Member Barraza stated there were also discussions regarding nuclear power and its potential effect on data center locations and expressed concerns with rushing forward just to get something on the books when that may not be appropriate at this time given that information is evolving.

Vice Chair Joshua Matthews stated that the noise level methodology implies that if the ambient noise level was 10 decibels, then a specified percent increase would bring the noise level up to a certain higher level; however, that noise level may not be disruptive since we live in an environment that operates about 40 to 70 decibels. Vice Chair Matthews stated that working with industry standards up to a certain level could be an acceptable option. Vice Chair Matthews stated that it could be worked out, but more time was needed.

MOTION:

Vice Chair Joshua Matthews motioned to recommend denial of Z-TA-2-25-Y, with direction for the city to reengage with the stakeholders and return to the Committee with revised language in 90 days. **Committee Member Gabriel Jaramillo** seconded the motion.

VOTE:

12-0-1, motion to recommend denial of Z-TA-2-25-Y, with direction for the city to reengage with the stakeholders and return to the Committee with revised language in 90 days passes with Committee Members Alauria, Barraza, Garbarino, Harris,

Hepperle, Jaramillo, Larson, Pamperin, Pérez-Pawloski, Sommacampagna, Matthews, and Fogelson in favor; and Committee Member Edwards in abstention.

STAFF COMMENTS REGARDING VPC RECOMMENDATION:

None



Village Planning Committee Meeting Summary Z-TA-2-25-Y

Date of VPC Meeting	June 2, 2025
Request	Amend the Phoenix Zoning Ordinance Chapter 2, Section 202 (Definitions) to add a definition for data centers; amend Chapter 5, Section 507 Tab A.II.D (Guidelines for Design Review, City-Wide Design Review Guidelines, Specialized Uses) to modify the section title and add design standards for data centers and amend Chapter 6, Section 647 (Special Permit Uses), Section 647.A.2 to add data center within the C-2 (Intermediate Commercial), C-3 (General Commercial), CP/GCP (Commerce Park/General Commerce Park), A-1 (Light Industrial) and A-2 (Industrial zoning districts, with performance standards.
VPC Recommendation	Approval, per the staff recommendation with modifications
VPC Vote	8-5-1

VPC DISCUSSION:

Item Nos. 3 (GPA-2-25-Y) and 4 (Z-TA-2-25-Y) are companion cases and were heard concurrently.

One member of the public registered to speak on this item.

Staff Presentation

Matteo Moric, staff, provided an overview related to the data center agenda items. Mr. Moric explained that the general plan amendment and text amendment would be heard together, however, each would require its own vote. Mr. Moric noted the Mayor and Council provided direction to staff in December of 2024 to work on the policies for data centers. Mr. Moric explained “the why” for why the data center policy is necessary. Mr. Moric mentioned the policy for the general plan amendment would focus on three key areas, including: location criteria policy, design policy, and energy and sustainability policy. Mr. Moric stated the location criteria policy was to identify areas to discourage and encourage data centers while the design policy focused on design elements to incorporate within the site and facilities, and the energy and sustainability policy was to ensure capacity and efficiency.

Mr. Moric noted the main components of the proposed text amendment to include a provision for a definition, specific design guidelines and special permit requirements and performance standards.

Mr. Moric concluded by laying out the staff recommendations.

Questions from Committee

Regina Schmidt was concerned there were energy requirements but no water requirements.

Marc Soronson said he was specifically concerned about land use placement when the Arizona Republic building in Downtown Phoenix was converted into a technology center which led to an immense decrease in employment relative to the previous user.

Diane Petersen also expressed concerns with the water supply and asked if staff reviewed the water issue. **Mr. Moric** said that when new facilities come in they would need to go through the Water Services Department and ensure there was an assured water supply.

Ms. Petersen expressed additional concern with the rushing of the policy and text amendment through the process. **Mr. Moric** indicated the Council is seeking direction and if the Committee sees fit to do so they should add a concern regarding the water issue.

Patrice Marcolla wanted to understand the stakeholders involved in establishing these amendments and questioned the “will serve” letter. Ms. Marcolla believed it was an unknown item of understanding with APS and SRP, and thought there was more time needed prior to making a decision.

Anna Sepic was concerned with the high power and water usage of data centers. Ms. Sepic indicated not being in favor of C-1 and C-2 zoning, as that is typically where you would see retail centers and shops and those properties are high community-traffic areas. Ms. Sepic felt these sites should be located in heavy industrial areas such as where A-2 zoning can be found. Ms. Sepic felt locating these sites where there was already existing higher manufacturing and energy support was appropriate.

Public Comments

Ty Utton with Rose Law Group indicated he represented a broad coalition of data center developers and land use attorneys. Mr. Utton noted they were just recently notified about these data center policies and this was an unusually fast for a text amendment especially as it is one of the most capital intense land uses out there. Mr. Utton requests a recommendation of denial so it can be sent back to staff and have more stakeholder engagement. Mr. Utton explained the stakeholder engagement was three meetings with five people at the first meeting and one hundred people at the last meeting. Mr. Utton said there needed to be more engagement and voiced concerns

about the fairness and legal exposure to the City and added concern about the language not including a grandfather clause for landowners and developers as many companies have already invested millions of dollars into the planning of these facilities and the purchasing of land. Mr. Utton felt this could be a regulatory taking of property rights. Mr. Utton also does not like the vague provision of “will serve” letter, and feels the stakeholders investing in this need to be engaged. Mr. Utton emphasized the proposal leaves significant risks for the City and wants the utility language to be clarified. Mr. Utton concluded that he did not want the City to stop the Ordinance change but just to get it right. Mr. Utton wanted the proposal to be denied or delayed so they could work together. Mr Utton provided a response to the water question, that all the data center projects he had been working on do not use water as data centers used to because of the newer technology and most of the cooling was done by electric power. Mr. Utton noted that some of the data centers still use a lot of water.

Ms. Sepic asked how much energy was being used and thought data centers should have a green energy component.

Ms. Marcolla reminded the Committee of the previous case for an 8-lot subdivision and said it was going through the development process for 2 ½ years and believed the short turnaround time for the data center text amendment is a concern. Ms. Marcolla believed with the limited information that it was not clear where data centers shall be placed within the community.

Ms. Sepic initially felt the item needed to be postponed and there needed to be further clarification and input. Additionally, Ms. Sepic said there should be heat mapping to determine where these data centers should be strategically placed.

Ms. Petersen wanted to better understand what the difference would be between a denial and a postponement and how it would affect the outcome of these policies. Ms. Petersen did not want to see it postponed then come up in another 45 days or deny with a caveat that certain components be done before it gets brought back to the Committee.

Mr. Moric said it would be at the discretion of the Committee, but the recommendation would still get moved forward to the Planning Commission and City Council since there are 15 Villages it goes through.

Robert Goodhue reiterated that it goes to 15 different Village Planning Committees and the Committee could act or deny the proposal, but it would still get forwarded on for action to the Planning Commission and City Council. Mr. Goodhue reminded the Committee of their role as an advisory body and the VPC’s decision would help the future decision makers get a pulse of the community. Mr. Goodhue said there are no adequate requirements for data centers and there are a lot coming in and would hate for there to be black outs because of all the electricity being used up. Mr. Goodhue emphasized his feeling that this was coming in front of the Committee since it is an important issue.

Marc Soronson reminded the VPC that they were an advisory group and he wanted to better understand why it was being fast tracked and said he would be reluctant to deny this proposal and would support the staff recommendation as written.

Roy Wise felt a denial would be better as it would set a stronger message to the Planning Commission and City Council.

Robert Gubser was afraid there was not enough input in the process. **Mr. Moric** reminded the Committee that the City was working under the old interpretation from 20 years ago and said that he heard there were at least 5 to 10 data center cases coming in now and said the City is trying to play catchup.

Chair Mortensen asked if there is a motion to postpone the item. **Anna Sepic** stated it would not make sense to allow data centers on the C-1 and C-2 zoned properties and had concerns of them going too close to residential areas. Ms. Sepic added that she thought it would make the most sense to locate data centers in A-2 and maybe in A-1 zoned areas.

MOTION 1:

Anna Sepic motioned to recommend denial or postponement of Z-TA-2-25-Y. **Roy Wise** seconded the motion.

Committee Discussion:

Ms. Sepic asked to see the list of districts where a special permit would be required and explained that the C-2 and C-3 districts allow any type of retail uses and C-3 zoning allows for heavy material storage but materials are not supposed to be stored outside in these districts. Ms. Sepic reiterated that she does not want data centers near residential areas and felt these data centers would be better suited in heavy industrial areas where there are more intense energy users. Ms. Sepic favored the denial of any C-2 and C-3 areas and wanted to limit them to A-1 and A-2 areas.

Robert Goodhue asked if Ms. Sepic thought it should be eliminated in the C-2, C-3 and CP/GCP zoned areas. Ms. Sepic thought this was the best and believed they should only be allowed in A-1 and A-2 zoned areas. Mr. Goodhue then said the motion would need to be amended.

Ms. Sepic said she wanted to amend her motion to only allow data centers in A-1 and A-2 zoned areas.

Mr. Utton said there were good points but he said that it would not be allowed by right in C-2 and C-3 zoned areas but the proposal required a special permit. Mr. Utton noted a lot of companies such American Express have data centers to support their campus.

Ms. Sepic said it's hard to find A-1 or A-2 sites over ten acres and it should be limited and thought they would be allowed if a PUD was crafted. Ms. Sepic felt if the likes of

Google would develop a campus they would not pick A-1 or A-2 as a mandatory box and most likely go to create a PUD.

Ms. Petersen said it brings up a point for grandfathering such as an American Express. **Mr. Utton** said grandfathering is an issue of concern.

Ms. Marcolla noted this type of data center use does not drive a lot of traffic and usually requires larger lots.

Ms. Sepic said additional use permits are not the same process as rezoning and would not protect the community. Ms. Sepic said lots of communities do not like data centers as they do not generate many jobs and they put a constraint on the grid system. Ms. Sepic added they push land prices up but are not a great benefit. Ms. Sepic voiced her support for approval within the A-1 and A-2 zoned areas only. Ms. Sepic repeated the motion that she requests an amendment only to allow them within A-1 and A-2 and wanted to remove them from the C-2, C-3 and CP districts.

Mr. Moric indicated the general plan item is usually heard first.

Ms. Sepic asked where data centers were allowed on the General Plan.

Ms. Sepic withdrew her earlier motion, and Roy Wise withdrew the second.

MOTION 2:

Diane Petersen motioned to deny Z-TA-2-25-Y. **Anna Sepic** seconded the motion.

Ms. Sepic said she was concerned by the performance standards.

Mr. Goodhue expressed confusion about making a full denial when the Committee already approved the General Plan Amendment. Mr. Goodhue thought Ana's earlier recommendation was good as the Planning Commission and City Council could look at what was approved and potentially modify it.

Ms. Sepic felt it may be approved in A-1 and A-2 with a caveat of performance standards.

Rob Gubser said it would not make sense in the C-2 and C-3 zoning districts. Mr. Gubser said this is where he thought there should be a modification to the text amendment recommendation.

Ms. Sepic said she only wanted to see data centers in the A-1 and A-2 zoned areas.

Ms. Petersen said to keep the motion as a denial and there was a new second by **Ms. Marcolla**.

Ms. Balarama asked if she could abstain since she felt there was not enough information. **Mr. Moric** said yes, if that is what you feel comfortable with.

MOTION 3:

Diane Petersen motioned to deny Z-TA-2-25-Y. **Ms. Marcolla** seconded the motion.

Vote

5-8-1; Motion to recommend denial per staff recommendation fails with Committee Members Franks, Marcolla, Petersen, Wise and Sommer in favor. Goodhue, Gubser, Hamra, Mazza, Schmidt, Sepic, Soronson, and Mortensen in opposition. Balderrama abstained.

Ms. Marcolla asked if the Committee was comfortable with all the other performance standards within the proposed text amendment. Ms. Marcolla also expressed concerns with the “will serve” letter from the utility companies.

Mr. Mazza offered a friendly amendment to modify the “will serve” letter.

Mr. Goodhue said data centers use a lot of energy.

Mr. Mazza said it was Mr. Goodhue’s motion and left the friendly amendment up to him.

Mr. Goodhue said data centers use a lot of energy and they will use more and more and by putting it in the text amendment it will allow the discussion between the City and the utility companies. Mr. Goodhue said that it would probably take up to two years to build these data centers.

Ms. Marcolla was concerned that data centers have invested lots of money and that a guarantee for electricity would be difficult.

Mr. Gubser was concerned that this text amendment was being rushed.

Mr. Mazza said that he hoped the Planning Commission and City Council would look more into the “will serve” letter and possibly remove it.

Ms. Schmidt echoed Mr. Gubser concern of needing more time.

Ms. Sepic felt if the rezoning and site plan for an 8-lot subdivision took 2 years that she did not want these data centers being rushed as they would have a massive impact on the grid system. Ms. Sepic explained she does not want Phoenix to turn into California or Texas where there is a possibility of no air conditioning in the summertime. Ms. Sepic said utility companies may need to upgrade their grid system and does not want a rushed process.

MOTION 4:

Robert Goodhue motioned to recommend the approval of the text amendment with the modification to require the Special Permit, but to only allow it within the A-1 and A-2 Zoning Districts. **Danielle Mazza** seconded the motion.

Vote

8-5-1; Motion to recommend the approval of the text amendment with the modification to require the Special Permit, but to only allow it within the A-1 and A-2 Zoning Districts, passes with Committee Members Franks, Goodhue, Hamra, Mazza, Sepic, Soronson, Wise, and Mortensen in favor; Gubser, Marcolla, Petersen, Schmidt, and Sommer opposed; and Balderrama abstained.

Village Planning Committee Meeting Summary

Z-TA-2-25-Y

Date of VPC Meeting	May 13, 2025
Request	Amend the Phoenix Zoning Ordinance Chapter 2, Section 202 (Definitions) to add a definition for data centers; amend Chapter 5, Section 507 Tab A.II.D (Guidelines for Design Review, City-Wide Design Review Guidelines, Specialized Uses) to modify the section title and add design standards for data centers and amend Chapter 6, Section 647 (Special Permit Uses), Section 647.A.2 to add data centers within the C-2 (Intermediate Commercial), C-3 (General Commercial), CP/GCP (Commerce Park/General Commerce Park), A-1 (Light Industrial) and A-2 (Industrial) zoning districts, with performance standards.
VPC Recommendation	Denial, with direction
VPC Vote	3-2

VPC DISCUSSION:

Agenda Item 4 (GPA-2-25-Y) and Agenda Item 5 (Z-TA-2-25-Y) are companion cases and were heard concurrently.

One member of the public registered to speak on this item, in opposition.

Staff Presentation:

John Roanhorse, staff, provided an overview of GPA-2-25-Y and Z-TA-25-Y. Mr. Roanhorse discussed why the General Plan Amendment and Text Amendment are needed. Mr. Roanhorse summarized and explained the policy guidance for data centers that the General Plan Amendment includes. Mr. Roanhorse then discussed the three main components of the Text Amendment. Mr. Roanhorse shared the proposed Zoning Ordinance definition for a data center and proposed design guidelines. Mr. Roanhorse shared the zoning districts that data centers would be permitted in, subject to a Special Permit and other performance standards. Mr. Roanhorse shared the upcoming public hearing schedule and stated that staff recommends approval per the language in Exhibit A of the Staff Report.

Questions from Committee:

Committee Member Ozzie Virgil stated that these cases are going through the process very quickly and asked what they are needed for. **Mr. Roanhorse** responded that data centers are used for storage and processing of digital data, such as photos saved in the digital cloud.

Vice Chair Scott Lawrence stated that municipalities did not have to worry about data centers because they did not exist 20 to 30 years ago, so they are trying to find a way to make them more aesthetically pleasing and to fit into the community.

Chair Dino Cotton stated that there are some existing data centers around and more are being built.

Vice Chair Lawrence asked why it would matter if data services are leased to third parties or not. **Mr. Roanhorse** responded that existing data centers would likely be retrofitted.

Committee Member Virgil asked how many data centers will be built. **Mr. Roanhorse** responded that it is unknown, and the market is open for data centers to be built at a number of different locations.

Chair Cotton stated that Tricia Gomes, Deputy Director with the Planning and Development Department, reached out to him to discuss the proposed General Plan Amendment and Text Amendment.

Committee Member Virgil expressed concerns with the rushed public hearing schedule.

Chair Cotton asked Mr. Roanhorse to clarify the water usage of data centers. **Mr. Roanhorse** stated that he is not too familiar with how a data center functions, but they likely use a large amount of water for cooling.

Committee Member Eileen Baden stated that this topic came up during the Maricopa County Comprehensive Plan Framework 2040 conference and members of the public were concerned with increased water usage. Committee Member Baden added that the Maricopa County Planning and Development Director said that they could add into the Comprehensive Plan that they will work more closely with cities and towns when these big projects come in. Committee Member Baden asked if there would need to be some coordination with Maricopa County if the project is over a certain size. **Mr. Roanhorse** responded that there would not be. Mr. Roanhorse stated that for all rezoning cases, utilities are looked at to ensure there is access and capacity for water, wastewater, and electricity. Committee Member Baden expressed concerns with affecting the power grid due to the increased energy demand created from data centers. Committee Member Baden recommended increasing the sidewalk width to eight feet so emergency response vehicles could use the sidewalk path in the event of an emergency. Committee Member Baden added that language could be added that improvements for data centers may be needed off-site due to the larger impact they could have on the surrounding community. Mr. Roanhorse responded that those comments can be

included in the recommendation and added that capacity is always looked at for any development before it is approved.

Committee Member Virgil expressed concerns with what was being stored in data centers.

Chair Cotton clarified that the Village Planning Committee is reviewing the land use and design, not what is inside of the data center.

Mr. Roanhorse clarified the elements that the design guidelines would affect.

Committee Member Will Holton asked if there is a maximum square footage requirement for data centers. **Mr. Roanhorse** responded that there is not. Mr. Roanhorse clarified that the main concern is how data centers can best fit into a location. Committee Member Holton expressed concerns with building height. Committee Member Holton asked if data centers have backup generators. Mr. Roanhorse responded that the three data centers he is aware of do.

Committee Member Baden recommended increasing the sidewalk width required around data center sites to eight or 10 feet.

Chair Cotton expressed concerns with widening the sidewalks due to the urban heat island effect.

Vice Chair Lawrence agreed with the design guidelines, noting that they make an unattractive building that a developer could get away with more community-friendly. Vice Chair Lawrence stated that it would be more important where the data center building is placed on a site rather than how tall it is.

Committee Member Holton stated that it would be seen regardless due to the height.

Chair Cotton stated that a comment could be added that the Committee does not want data centers to be tall.

Committee Member Baden stated that a difference of two feet in the sidewalk width would likely not make a difference in the urban heat island effect. Committee Member Baden expressed concerns with accessibility and connectivity.

Public Comments:

Henry Hardy, with Rose Law Group, introduced himself as a representative of stakeholders in the industry, opposed to the proposal. Mr. Hardy stated that they were made aware of this proposal about two weeks ago. Mr. Hardy stated that the public hearing process is a very quick turnaround time. Mr. Hardy added that the Accessory Dwelling Unit (ADU) Text Amendment public hearing process was about a seven-month process. Mr. Hardy stated that they would like more time to go through the details of this proposal. Mr. Hardy stated that the data center stakeholders are fine with the architectural and landscape standards and understand that data centers should fit

properly into a community. Mr. Hardy explained that there are elements of the proposal that do not align with investment and do not address how existing investments for data centers would be affected. Mr. Hardy expressed concerns with Proposition 207 for diminution of property values. Mr. Hardy asked for a continuance to allow more time over the summer for everyone to understand the impacts. Mr. Hardy stated that although data centers do not employ as many employees as other major employers, each data center could employ between 80 to 150 people and are high-paying jobs with median incomes of \$95,000 annually. Mr. Hardy added that recent studies said indirect employment in this industry in Phoenix is around 80,000 employees and direct employment is about 20,000 employees. Mr. Hardy stated that the will-serve letter requirement is not consistent with how data centers are developed. Mr. Hardy stated that other business leaders and investors are watching this amendment and see it as anti-enterprise legislation. Mr. Hardy stated that they understand that data centers should better the community and should not be forced upon a community. Mr. Hardy clarified that they need more engagement.

Staff Response:

None.

Discussion:

Committee Member Holton asked how data centers specifically benefit the community. Committee Member Holton asked how long the amendment has been in the works. **Mr. Hardy** responded that they were notified of the amendment about two weeks ago. Committee Member Holton asked how many major cities are doing a similar amendment. Mr. Hardy responded that he was not sure. Mr. Hardy stated that nationally there is a lot of discussion around data centers and some cities are trying to attract them. Committee Member Holton asked how data centers are benefiting the community. Mr. Hardy responded that data centers are multi-billion-dollar investments that each return tens of millions of dollars to the City in tax revenue. Committee Member Holton asked what data centers do. Mr. Hardy responded that data centers handle everything from the GPS system in a car to the data storage where people work. Mr. Hardy stated that every time a file is saved to the computer or to the phone, it is saved somewhere in the cloud, which is stored and processed by data centers. Mr. Hardy stated that the future is data centers.

Vice Chair Lawrence stated that the City seems to be contradicting of wanting to be a tech center by wanting investment from the Taiwan Semiconductor Manufacturing Company (TSMC) but not wanting investment from data centers.

Committee Member Holton stated that he could understand how TSMC could make something that he would actually use versus a data center.

Mr. Hardy stated that TSMC is making chips that go into data centers. Mr. Hardy stated that it is the future of the economy nationally and globally. Mr. Hardy asked the Committee to express concerns that the timeline is too fast and to come back with a better proposal.

Chair Cotton asked for clarification if the data center industry is wanting more time to go through the design guidelines and make them less restrictive. **Mr. Hardy** responded that the design guidelines are not an issue. Mr. Hardy stated that their issues are Proposition 207, that the text does not say anything about existing data centers and how the text amendment would affect them, and the text does not say anything about proposed data centers currently in the development review process and how the text amendment could affect their existing investments. Mr. Hardy added that the will-serve letter from the power company to be able to serve the power of the data center in two years is another major concern. Mr. Hardy stated that a data center cannot get a commitment for power within two years, and it is probably more around 10 years. Mr. Hardy added that the power company would ask if the data center has a permit from the local municipality before providing a will-serve letter. Chair Cotton stated that it seems the City is trying to rush the text amendment to avoid legal input.

Committee Member Virgil stated that he feels like he does not have enough information to vote on this item, such as what the height is.

Vice Chair Lawrence concurred.

Mr. Hardy stated that this is the fastest they have seen a text amendment go through the public hearing process.

Committee Member Holton asked where data centers are being proposed within the Rio Vista Village.

Committee Member Baden stated that they would be allowed anywhere where that is zoned for them.

Chair Cotton stated that he does not believe the Village Planning Committee asking for a continuance would have any impact, since it is still scheduled to be heard by the Planning Commission and the City Council on their scheduled dates.

Mr. Hardy stated that they want that concern to be passed along to the Planning Commission and City Council.

Mr. Roanhorse stated that the City has a narrow timeframe to approve or deny a request due to the State Legislature, and a continuance is typically reserved for the City Council.

Committee Member Holton stated that he does not understand how the proposal would impact pending permits.

Vice Chair Lawrence stated that if all the Village Planning Committees vote against it, then the City Council may negotiate a longer term for this proposal.

Committee Member Baden stated that she believes the City is trying to minimize the impacts that data centers have. Committee Member Baden stated that she is generally

supportive of a majority of the proposal. Committee Member Baden stated that she understands there are a few elements that may need some more discussion and more review.

Committee Member Cotton concurred and stated that he is supportive of the design guidelines and would vote to approve the design guidelines.

Committee Member Baden added that the Fire Department should have sufficient time to review this proposal because they are supportive of perimeter paths around new developments, which help with accessibility and connectivity. Committee Member Baden requested that the sidewalk requirement be widened so emergency vehicles could use them in the event of an emergency. Committee Member Baden added that language should be added to state that data centers may require off-site improvements for fire safety of very large data centers.

MOTION – Z-TA-2-25-Y:

Vice Chair Lawrence motioned to recommend denial of Z-TA-2-25-Y, with direction to allow more time for stakeholder input. **Committee Member Holton** seconded the motion.

VOTE – Z-TA-2-25-Y:

3-2; the motion to recommend denial of Z-TA-2-25-Y with direction passed with Committee members Holton, Virgil and Lawrence in favor and Committee members Baden and Cotton opposed.

STAFF COMMENTS REGARDING VPC RECOMMENDATION:

None.

Village Planning Committee Meeting Summary Z-TA-2-25-Y

Date of VPC Meeting	May 13, 2025
Request	Amend the Phoenix Zoning Ordinance Chapter 2, Section 202 (Definitions) to add a definition for data centers; amend Chapter 5, Section 507 Tab A.II.D (Guidelines for Design Review, City-Wide Design Review Guidelines, Specialized Uses) to modify the section title and add design standards for data centers and amend Chapter 6, Section 647 (Special Permit Uses), Section 647.A.2 to add data centers within the C-2 (Intermediate Commercial), C-3 (General Commercial), CP/GCP (Commerce Park/General Commerce Park), A-1 (Light Industrial) and A-2 (Industrial) zoning districts, with performance standards.
VPC Recommendation	Approval, per the staff recommendation, with direction
VPC Vote	14-1-1

Item Nos. 5 (GPA-2-25-Y) and 6 (Z-TA-2-25-Y) are companion cases and were heard concurrently.

Two members of the public registered to speak on this item, one in support, and one that did not indicate support or opposition.

STAFF PRESENTATION

Samuel Rogers, staff, provided a presentation regarding the proposed General Plan Amendment, including background and details of the location criteria, design, and energy and sustainability policies proposed to be added for data centers. Mr. Rogers provided information about further about the proposed Text Amendment, including a definition for data centers, design guidelines, and a requirement for a Special Permit and performance standards, finally noting the timeline for the proposals.

QUESTIONS FROM THE COMMITTEE

Committee Member Greg Brownell asked if they could add a requirement to not allow Data Centers within one mile of the Rio Salado Restoration Area. **Mr. Rogers** stated that the requirement could be recommended as a part of the motion.

Committee Member Gene Holmerud explained that Iceland is a popular location for data centers, stated that places like Iceland make more sense because data centers produce so much heat, and stated he was surprised there is a demand for data centers in Phoenix.

Committee Member Trent Marchuk explained that the lack of natural disasters in the Phoenix area make it an attractive place to locate data centers and asked about the definition of high-capacity transit. **Mr. Rogers** explained that high-capacity transit options are the light rail and bus rapid transit. Committee Member Marchuk asked about existing data centers. Mr. Rogers stated that existing data centers would be grandfathered and explained staff is still looking into other items such as phased developments.

Committee Member Petra Falcon asked for staff to display the slide showing the public hearing dates. **Mr. Rogers** displayed the slide.

Committee Member Tamala Daniels asked how health hazards are being addressed and explained that data centers contribute to noise pollution, air pollution, respiratory illnesses, heat emissions, traffic congestion, and security risks. **Mr. Rogers** explained that data centers will be required to go through the Special Permit process and the Village Planning Committees will have the opportunity to analyze if a site is appropriate. Mr. Rogers explained a Will Serve letter will be required to ensure data centers are not over burdening the electric grid, stated that a noise study will be required, stated that data centers will not be allowed to exceed five percent of the area's ambient noise, explained that some data centers have been in the news because of pollution generated from natural gas fueled fans, and stated that he expects the data centers in Phoenix to get their power from the electric grid.

Committee Member Mark Beehler echoed Committee Member T. Daniels' concerns, stated the cases that the Village Planning Committee (VPC) recommends for denial are not always ultimately denied by the City Council, stated that he foresees data centers as something that will be dumped on South Phoenix, and echoed Committee Member Brownell's concerns about data centers near the Rio Salado Habitat Restoration area. **Mr. Rogers** explained that General Plan Amendment includes guidance to not allow data centers near corridors and explained that the Rio Salado area is one of the potential corridors that will be designated as a part of the General Plan implementation.

Committee Member Kay Shepard asked about rezoning requirements. **Mr. Rogers** explained that a Special Permit would be needed to allow a data center.

Committee Member Ralph Thompson II asked about the number of data centers in South Phoenix and asked how many jobs data centers generate. **Mr. Rogers** stated that he does not have data on the number of data centers in South Phoenix and explained that at the Central City Village Planning Committee an attorney had stated that data

centers create 80 to 150 jobs. **Chair Arthur Greathouse III** stated that a further breakdown of the jobs would be needed to understand the job creation.

Committee Member George Brooks stated that the issues of data centers will continue to increase, asked if this is something we can spend more time on, described environmental concerns, and stated that data centers have loud air conditioning units and heat pumps that will make areas hotter. Committee Member Brooks stated he does not want data centers to be dumped on South Phoenix, stated that savvy attorneys will argue for permitting data centers, and stated that more time should be spent on the topic.

Committee Member Lee Coleman asked for confirmation that data centers can currently go into any office location. **Mr. Rogers** explained that data centers are currently allowed anywhere an office use is allowed.

Committee Member Fred Daniels asked if there are any data centers that are currently in the pipeline. **Mr. Rogers** explained he is not aware of any data centers currently in the pipeline in South Mountain, but he is aware of others around the City.

Chair Greathouse asked about a buffer between data centers and residential and stated that there is a data center on 40th Street and McDowell Road that is right next to residential. **Committee Member Marcia Busching** stated that there is a 150-foot buffer required from residential. Chair Greathouse stated that 150 feet is not very far.

Committee Member Busching stated that landscape setbacks are required, but walls are not addressed, stated that there is not a definition of live coverage, stated that water consumption is not addressed, explained that the buildings have architecture requirements indicating that the building will likely be able to be seen from the street, and stated that she likes the idea of a distance requirement from the Rio Salado Habitat Restoration area.

Mr. Rogers stated that live coverage is often a stipulation on rezoning cases, explained that live coverage means the area that is covered in trees and shrubs, stated that walls greater than three feet are not allowed in landscape setbacks, and explained that additional architecture concerns can be addressed through stipulations during the Special Permit process.

Committee Member Edward Aldama asked for confirmation that data centers are currently allowed anywhere an office is and asked if the text amendment will create a formalized process for the data centers. **Mr. Rogers** confirmed the General Plan Amendment and Text Amendment requests will create a formalized process to permit data centers and mitigate their impacts.

Committee Member Marchuk explained that he had visited a data center for work, explained that the site he visited had a water treatment facility on site that processed grey

water, and stated that using grey water would be something that would be interesting to investigate. **Mr. Rogers** explained that the city has high water user requirements that require a certain percent of water be recycled.

Committee Member Marchuk asked about the location policy that encourages data centers in identified redevelopment areas where infrastructure investments are needed and asked about identified redevelopment areas within South Mountain. **Mr. Rogers** explained there is the Target Area B Redevelopment Area in South Mountain, stated much of it is along proposed and existing corridors, and explained that areas with needed infrastructure investments are generally areas on the periphery of the city that need roads and utilities.

Committee Member Brownell described some of the challenges of South Mountain and explained attorneys will argue for data centers. **Mr. Rogers** explained that this is putting in a process to regulate data centers rather than the status quo that lets data centers come in wherever an office use is allowed.

Committee Member Brownell asked about live coverage and asked about the height limitations. **Mr. Rogers** explained live coverage is provided through shrubs and tree coverage and stated that building heights will be regulated through the underlying zoning district. Committee Member Brownell stated that he would rather have a human scale wall closer to the sidewalk than a large wall further from the sidewalk.

Committee Member T. Daniels asked if data centers can be restricted to only be allowed on industrially and commercially zoned parcels. **Mr. Rogers** explained that the proposal only allows for data centers to be allowed on industrially and commercially zoned properties.

PUBLIC COMMENT

Jon Gillespie introduced himself, explained that he is from Rose Law Group, described tax revenue generated from data centers, stated he is concerned about the timeline of the process, stated he would like at least 60 more days for public comment, stated that there has been a lot of investment by data center users, discussed grandfathering of developments, expressed concerns about phased developments, explained potential Proposition 207 litigation, and explained the Will Serve Letter requirement is unfeasible.

Ron Norse explained that he is a building inspector, stated that he is a former City of Phoenix inspector, offered a tour of a data center, and stated that he has been inspecting microchip factories for the last 5 years.

Kay Shepard asked if data centers are the same thing as chip makers. **Mr. Rogers** stated that it is his understanding that they are different.

Gene Holmerud described different sound decibel levels and stated he wants to know more about the sound regulations.

STAFF RESPONSE

Mr. Rogers explained that the City's Law Department has determined there will not be any Proposition 207 issues, stated that the City is still working on what projects will be grandfathered in, and explained that the Central City Village Planning Committee had asked for more time.

Committee Member Marchuk asked about phased data center developments. **Mr. Rogers** explained that his team is still working through questions about what projects will be grandfathered in.

Committee Member Kay Shepard asked about how the other villages have voted. **Mr. Rogers** summarized the results of the other villages that have heard the items.

Vice Chair Emma Viera stated that she appreciates that we are putting regulations on data centers and stated that she would like to see distance requirements for schools and residential. **Mr. Rogers** stated that there is a distance requirement from residential areas but not from schools. Vice Chair Viera stated that 150 feet is not enough and stated that a distance requirement from schools should be added.

Committee Member Brownell stated support for a distance requirement from schools, stated that there are high asthma rates in Arizona schools, and explained data centers will make it worse.

Mark Beehler stated that determining specific distance requirements is out of the Village Planning Committee's scope and stated that he agrees that distance from schools should be added.

Committee Member Busching stated that she would like any motion on the General Plan amendment to include direction to encourage recycling of water.

Committee Member Marchuk asked about the motion and providing direction versus requiring modifications. **Mr. Rogers** explained that other committees have made motions with direction.

FLOOR/PUBLIC DISCUSSION CLOSED: MOTION, DISCUSSION, AND VOTE

Motion:

Committee Member Marcia Busching made a motion to recommend approval of Z-TA-2-25-Y with direction that no data centers be allowed within 1.5 miles of the Rio Salado Habitat Restoration Area, that II.D.5.1 be modified to require a 150-foot setback from

schools, and that a provision be included that encourages the recycling of water and usage of recycled water on site. **Committee Member Greg Brownell** seconded the motion.

Committee Member Beehler introduced a friendly amendment to modify II.D.5.1 to require that the setback requirement be from a building. **Committee Member Busching** stated that she accepts the friendly amendment.

Committee Member Shepard introduced a friendly amendment to only allow data centers on properties that have A-1 or A-2 zoning. **Committee Member Marchuk** stated that C-2 had been removed in the General Plan Amendment motion. **Committee Member Busching** did not accept the friendly amendment.

Committee Member Marchuk stated something should be added regarding grandfathering in projects that are already in the process or that have phased plans. **Chair Greathouse** stated that his company has land that has grandfathered rights, stated that governance will understand grandfathered rights, and stated that he expects that projects will have to abide by the rules and regulations at the time they applied. **Committee Member Marchuk** stated that there is still ambiguity and stated that providing some direction on the matter will be beneficial. **Committee Member Brownell** suggested having a five-year timeframe for projects to be constructed under the current code. **Chair Greathouse** stated he does not like the idea of a five-year timeframe and stated that there could be an event like a pandemic that causes delays. **Committee Member Beehler** stated that he does not think that there should be grandfathering rights.

Committee Member Busching called the question.

Vice Chair Viera asked if **Committee Member Busching** would be open to adding a requirement regarding the usage of renewable energy. **Committee Member Busching** stated that the question has been called so she is not open to an amendment.

Vote:

14-1-1, motion to recommend approval of Z-TA-2-25-Y with direction that no data centers be allowed within 1.5 miles of the Rio Salado Habitat Restoration Area, that a provision be included that encourages the recycling of water and usage of recycled water on site, and that II.D.5.1 be modified to require a 150-foot setback from schools and that that the setback be measured from a building, passed with **Committee Members Aldama, Beehler, Brooks, Brownell, Busching, Coleman, F. Daniels, T. Daniels, Falcon, Jackson, Marchuk, Thompson, Viera, and Greathouse** in favor, **Committee Member Shepard** opposed, and **Committee Member Holmerud** abstained.

STAFF COMMENTS REGARDING VPC RECOMMENDATION:

None.