




## City of Phoenix

PLANNING AND DEVELOPMENT DEPARTMENT

**To:** Alan Stephenson  
Deputy City Manager

**Date:** July 1, 2025

**From:** Joshua Bednarek   
Planning and Development Director

**Subject:** ITEM 108 ON THE JULY 2, 2025, FORMAL AGENDA – PUBLIC HEARING - AMEND CITY CODE - ORDINANCE ADOPTION – DATA CENTERS - Z-TA-2-25-Y (ORDINANCE G-7396) - CITYWIDE

Item 108, is a request to hold a public hearing on a proposed text amendment Z-TA-2-25-Y to 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 a Special Permit and performance standards.

This memo provides additional information that builds upon the June 26, 2025, memo from the PDD Director and attached Health and Safety Impacts Data Center Report. In response to further input from the Mayor and City Council, staff proposes the following additional changes to the draft text amendment.

### Section 202 - Definition

The proposed change updates the definition to address ancillary data centers located on business campuses that are located on-site to serve the enterprise function of a single site with common business ownership by increasing the gross floor area from 10% to 25% up to a maximum amount of 450,000 square feet of building area.

### Section 647.A.2.KK(3)(a) – Sound Level

The proposed change updates the language from “residential zoning district” to “residentially-zoned property” to match language in (3)(b).

### Section 647.A.2.KK(4) - Applicability

The proposed change updates the applicability section from Final to Preliminary Site Plan approval. These data center developments with preliminary site plan approval have done extensive work with City staff through the Planning and Development Department review process.

### Binding Waiver of Enforcement

Staff recommends additional language in Section 6 of the G-Ordinance (G-7396) that establishes a process for the review of requests for Binding Waivers of Enforcement submitted pursuant to A.R.S. §12-1134 (also known as Prop 207).

The Binding Waiver of Enforcement outlines a process for a property owner to file a waiver from the Special Permit requirements in Section 647 that affected the property owner's rights to use, divide, sell, or possess the real property in a way that reduced the fair market value.

Staff recommend approval, per the modified text amendment language in **CAPITAL** and **BOLD** font below. This includes the proposed changes from the June 26, 2025 memo from the PDD Director.

**Amend Chapter 2, Section 202 (Definitions) to add a definition for data centers.**

### **Section 202. Definitions.**

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**DATA CENTER:** A FACILITY USED PRIMARILY FOR DATA SERVICES, INCLUDING THE STORAGE, PROCESSING, MANAGEMENT, AND TRANSMISSION OF DIGITAL DATA. A FACILITY SHALL NOT BE CONSIDERED A DATA CENTER ~~WHEN IF~~ IT DOES NOT EXCEED 40% **25%** OF THE GROSS FLOOR AREA OF ALL ON-SITE BUILDINGS **AND THE FACILITY CANNOT EXCEED A MAXIMUM OF 450,000 SQUARE FEET IN TOTAL;** IT IS USED TO SERVE THE ENTERPRISE FUNCTIONS OF ~~THE~~ **AN** ON-SITE PROPERTY OWNER **OR LESSEE HAVING COMMON OWNERSHIP OR CONTROL OF THE WHOLE BUSINESS CAMPUS;** AND IT IS NOT USED TO LEASE DATA SERVICES TO THIRD PARTIES.

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**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 to read as follows:**

### **Section 507 Tab A. Guidelines for design review.**

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- II. CITY-WIDE DESIGN REVIEW GUIDELINES. The design review guidelines indicate specific standards of implementation and are categorized as Requirements (R), Presumptions (P), or Considerations (C). INDICATED WITH THE MARKERS (R), (R\*), (P), (T), AND (C) SHALL BE APPLIED AND ENFORCED IN THE SAME MANNER AS INDICATED IN SECTION 507. ITEMS NOT INDICATED WITH AN (R), (R\*), (P), (T), AND (C) SHALL BE TREATED AS (R).

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D. **Specialized Uses.**

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5. **DATA CENTERS.**

- 5.1. **SETBACKS.** ALL MECHANICAL EQUIPMENT, INCLUDING BUT NOT LIMITED TO ELECTRICAL TRANSFORMERS AND GENERATORS, SHALL BE SET BACK A MINIMUM OF 150 FEET FROM ABUTTING RIGHT-OF-WAY OR RESIDENTIALLY ZONED PROPERTY; IN ADDITION TO THE FOLLOWING: (R\*)

5.1.1. THE EQUIPMENT MUST BE FULLY SCREENED BY A BUILDING THAT IS VISUALLY INTEGRATED WITH THE DESIGN OF THE OVERALL DEVELOPMENT;  
OR

5.1.2 THE EQUIPMENT MUST BE FULLY SCREENED BY A DECORATIVE SCREEN WALL HAVING VARIATIONS IN COLORS, MATERIALS, PATTERNS, TEXTURES, AND/OR AN ART INSTALLATION SUCH AS A MURAL.

*RATIONALE:* GROUND EQUIPMENT SHOULD BE ENCLOSED AND SET BACK TO PROVIDE VISUAL SCREENING AND REDUCE NOISE LEVELS.

- 5.2. **LANDSCAPE SETBACK.** A MINIMUM 30-FOOT WIDE PERIMETER LANDSCAPE SETBACK SHALL BE PROVIDED, SUBJECT TO THE FOLLOWING:

5.4.1. TWO STAGGERED ROWS OF LARGE CANOPY SHADE TREES PLANTED 20 FEET ON CENTER OR IN EQUIVALENT GROUPING SHALL BE PROVIDED, AS APPROVED BY THE PDD LANDSCAPE ARCHITECT. (T)

5.4.2 FIVE 5-GALLON SHRUBS PER TREE SHALL BE PROVIDED, AT A MINIMUM. (T)

5.4.3 GROUNDCOVERS SHALL BE PROVIDED TO SUPPLEMENT THE TREES AND SHRUBS SO THAT A MINIMUM 75% LIVE COVERAGE IS ATTAINED. (T)

*RATIONALE:* AN ENHANCED LANDSCAPE SETBACK WITH A DENSE NUMBER OF TREES AND SHRUBS HELPS TO MITIGATE NEGATIVE VISUAL IMPACTS.

5.3. **ARCHITECTURE.**

- 5.3.1. BUILDING FACADES THAT EXCEED 100 FEET SHOULD CONTAIN ARCHITECTURAL EMBELLISHMENTS AND DETAILING SUCH AS TEXTURAL CHANGES, PILASTERS, OFFSETS, RECESSES, WINDOW FENESTRATION (INCLUDING FAUX WINDOWS), SHADOW BOXES, AND OVERHEAD/CANOPIES. (P)
- 5.3.2. ALL SIDES OF A BUILDING/STRUCTURE SHOULD PROVIDE AN ENHANCED DESIGN INCLUDING A VARIATION IN COLORS, MATERIALS, PATTERNS, TEXTURES, HEIGHT, WINDOWS (INCLUDING FAUX WINDOWS), ARTICULATION, AND/OR ART INSTALLATIONS. (P)
- 5.3.3. EACH MAIN ENTRANCE SHOULD INCLUDE A FEATURE THAT DIFFERENTIATES IT FROM THE REMAINDER OF THE BUILDING FACADE BY A CHANGE IN BUILDING MATERIAL, PATTERN, TEXTURE, COLOR, AND/OR ACCENT MATERIAL, AND THAT PROJECTS OR IS RECESSED FROM THE ADJOINING BUILDING PLANE. (P)
- 5.3.4. ARCHITECTURAL DESIGN SHOULD TAKE INTO ACCOUNT THE SOLAR CONSEQUENCES OF BUILDING HEIGHT, BULK, AND AREA. (C)

*RATIONALE:* DATA CENTER BUILDINGS SHOULD INCLUDE ENHANCED ARCHITECTURAL DESIGN FEATURES IN ORDER TO PROVIDE VISUAL INTEREST, TO BREAK UP THE MASS OF THE BUILDING/STRUCTURE AND TO PROVIDE AN ENHANCED DESIGN INTERFACE WHERE VISIBLE FROM A RIGHT-OF-WAY AND/OR RESIDENTIALLY ZONED PROPERTY.

- 5.4. **STREETSCAPE.** FOR EACH STREET FRONTAGE, A MINIMUM 6-FOOT-WIDE DETACHED SIDEWALK SEPARATED FROM THE CURB BY A MINIMUM 8-FOOT-WIDE LANDSCAPE STRIP, SUBJECT TO THE FOLLOWING:

- 5.4.1. SINGLE-TRUNK, LARGE CANOPY SHADE TREES, PLANTED 20 FEET ON CENTER OR IN EQUIVALENT GROUPINGS, SHALL BE PROVIDED ON BOTH SIDES OF THE SIDEWALK AND PROVIDE A MINIMUM OF 75% SHADE. (T)
- 5.4.2 A MIXTURE OF SHRUBS, ACCENTS, AND VEGETATIVE GROUNDCOVERS WITH A MAXIMUM MATURE HEIGHT OF TWO FEET SHALL BE DISTRIBUTED THROUGHOUT THE LANDSCAPE AREAS TO ACHIEVE A MINIMUM OF 75% LIVE COVERAGE. (T)
- 5.4.3 ALL NEW OR RELOCATED ELECTRIC LINES 12 KV AND SMALLER, COMMUNICATIONS AND CABLE TELEVISION AND ALL ON PREMISE WIRING SHALL BE PLACED UNDERGROUND IN ALL DEVELOPMENTS WHERE VISIBLE FROM STREETS OR ADJOINING PROPERTIES, UNLESS OTHERWISE APPROVED THROUGH A TECHNICAL APPEAL. (T)

*RATIONALE:* AN ENHANCED STREETSCAPE HELPS TO SOFTEN THE EDGE OF THE DEVELOPMENT OF A LARGER NON-RESIDENTIAL USE.

**5.5. SHADE.**

- 5.5.1. ALL ON-SITE PEDESTRIAN PATHWAYS SHOULD BE SHADED A MINIMUM OF 75% BY A STRUCTURE, LANDSCAPING, OR A COMBINATION OF THE TWO. (P)
- 5.5.2 DEDICATED MULTI-USE TRAILS ADJACENT TO THE SITE SHOULD BE SHADED A MINIMUM OF 50% AT TREE MATURITY. (P)

*RATIONALE:* ENHANCED PEDESTRIAN COMFORT SHOULD BE PRIORITIZED ADJACENT TO AND WITHIN DATA CENTER DEVELOPMENTS ACROSS THE CITY.

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**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 to read as follows:**



## Section 647. Special Permit Uses.

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- A. **Permitted uses.** There shall be permitted, in addition to the uses enumerated in the several use districts, certain additional uses subject to the requirements of this section.

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2. A special permit may be granted by the Council upon recommendation of the Commission to establish the following uses in the use districts named:

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KK. DATA CENTERS IN THE C-2, C-3, CP/GCP, A-1 AND A-2 ZONING DISTRICTS, SUBJECT TO THE FOLLOWING REQUIREMENTS. THE APPLICANT FOR THE SPECIAL PERMIT WILL BE REQUIRED TO COMPLY WITH ADDITIONAL STIPULATIONS OR STUDY REQUIREMENTS TO ADDRESS HEALTH AND SAFETY CONCERNS, WHICH MAY INCLUDE BUT ARE NOT LIMITED TO FIRE PROTECTION, WATER CONSUMPTION, POWER CONSUMPTION, ON-SITE ENERGY GENERATION, NOISE, AND HAZARDOUS MATERIALS, AND TO MITIGATE ADVERSE IMPACT TO EXISTING USES. FAILURE TO COMPLY WITH THESE REQUIREMENTS MAY BE GROUNDS FOR REVOCATION PER SECTION 504.1.C.6.b.

- (1) THE DEVELOPMENT SHALL BE NO CLOSER THAN 2,640 FEET FROM AN APPROVED HIGH-CAPACITY TRANSIT STATION.
- (2) PRELIMINARY SITE PLAN APPROVAL WILL NOT BE GRANTED FOR A DATA CENTER UNTIL SUCH TIME THAT A LOCAL UTILITY COMPANY PROVIDES A CONTRACTUAL AGREEMENT THAT AFFIRMS ITS CAPACITY AND COMMITMENT TO SERVE THE ENERGY DEMAND FOR THE PROPOSED DATA CENTER. THE AGREEMENT FROM THE UTILITY COMPANY SHALL BE SUBMITTED TO PDD CONCURRENT WITH THE PRELIMINARY SITE PLAN.
- (3) THE FOLLOWING SHALL APPLY ~~WHEN THE SITE IS LOCATED WITHIN 300 FEET OF A RESIDENTIAL ZONING DISTRICT:~~

- (a) PRELIMINARY SITE PLAN APPROVAL FOR A DATA CENTER SHALL NOT BE GRANTED UNLESS IT HAS BEEN DEMONSTRATED THAT THE DATA CENTER, INCLUDING ALL ON-SITE MECHANICAL EQUIPMENT AND FACILITIES, WILL NOT EXCEED **A SOUND LEVEL OF 55 DB(A) WHEN MEASURED AT THE PROPERTY LINE OF THE NEAREST RESIDENTIALLY-ZONED PROPERTY TO THE PROPOSED DATA CENTER PROPERTY BETWEEN THE HOURS OF 7:00 A.M. AND 10:00 P.M. AND 45 DB(A) BETWEEN THE HOURS OF 10:00 P.M. AND 7:00 A.M. THE EXISTING AMBIENT NOISE LEVEL FOR THE SITE BY MORE THAN 5% OR A SPECIFIC NOISE STANDARD MAY BE STIPULATED AS A CONDITION OF AN APPROVED SPECIAL PERMIT.**
- (b) ~~TO DETERMINE COMPLIANCE WITH THE PRIOR SUBSECTION, THE DEVELOPER SHALL SUBMIT A NOISE STUDY TO PDD PRIOR TO OR CONCURRENT WITH THE PRELIMINARY SITE PLAN. THE NOISE STUDY SHALL BE PERFORMED BY A THIRD-PARTY ACOUSTICAL ENGINEER TO DOCUMENT BASELINE NOISE LEVELS IN THE AREA OF THE PROPOSED DATA CENTER, INCLUDING NOISE LEVELS MEASURED AT THE PROPERTY LINE OF THE NEAREST RESIDENTIAL ZONING DISTRICT TO THE PROPOSED DATA CENTER PROPERTY.~~
- (b)-(c) UPON APPROVAL OF THE NOISE STUDY, THE METHODS PROPOSED TO MITIGATE NOISE SHALL BE STIPULATED AS A CONDITION OF FINAL SITE PLAN APPROVAL. A FINAL CERTIFICATE OF OCCUPANCY SHALL NOT BE ISSUED IF THE **AMBIENT NOISE LEVELS EXCEEDS A SOUND LEVEL OF 55 DB(A) WHEN MEASURED AT THE PROPERTY LINE OF THE NEAREST RESIDENTIALLY-ZONED PROPERTY TO THE PROPOSED DATA CENTER PROPERTY BETWEEN THE HOURS OF 7:00 A.M. AND 10:00 P.M. OR 45 DB(A) BETWEEN THE HOURS OF 10:00 P.M. AND 7:00 A.M. THE PRIOR EXISTING NOISE LEVEL BY MORE THAN 5% OR THE SPECIFIC NOISE STANDARD STIPULATED AS A CONDITION OF THE APPROVED SPECIAL PERMIT.**



- (4) THESE REGULATIONS AND THE DESIGN GUIDELINES SET FORTH IN SECTION 507 TAB A.II.D.5., DATA CENTERS ARE NOT APPLICABLE TO DATA CENTERS WHICH HAVE RECEIVED **FINAL PRELIMINARY** SITE PLAN APPROVAL; OR A DATA CENTER USE THAT IS SPECIFICALLY LISTED AS A PERMITTED USE OR SPECIFICALLY DISCUSSED IN A COUNCIL ADOPTED PLANNED UNIT DEVELOPMENT NARRATIVE PRIOR TO *[THE EFFECTIVE DATE OF THIS ORDINANCE]*. OTHERWISE, THE DEVELOPMENT IS SUBJECT TO THESE REGULATIONS AND ALL APPLICABLE DESIGN GUIDELINES SET FORTH IN SECTION 507 TAB A, INCLUDING THOSE FOR SECTION II.D.5, DATA CENTERS.

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Section 6 of the G-Ordinance (G-7396)

SECTION 6: AS PERMITTED BY ARIZONA REVISED STATUTES ("A.R.S.") § 12-1134, AN OWNER OF REAL PROPERTY (THE "OWNER") MAY REQUEST A BINDING WAIVER OF ENFORCEMENT (A "WAIVER") OF THE SPECIAL PERMIT PROVISIONS OF THIS ORDINANCE (THE "SPECIAL PERMIT REQUIREMENTS") IF THE OWNER CLAIMS THE SPECIAL PERMIT REQUIREMENTS HAVE AFFECTED THE OWNER'S RIGHTS TO USE, DIVIDE, SELL, OR POSSESS THE OWNER'S REAL PROPERTY (THE "AFFECTED PROPERTY") IN A WAY THAT REDUCED THE FAIR MARKET VALUE OF THE AFFECTED PROPERTY.

1. WAIVER SUBMITTAL PROCESS. A WAIVER REQUEST IS SUBJECT TO THE FOLLOWING:

- A) A WAIVER MAY ONLY BE REQUESTED BY AN OWNER WHO OWNED AN AFFECTED PROPERTY ON THE EFFECTIVE DATE OF THIS ORDINANCE. A WAIVER MAY NOT BE REQUESTED BY AN OWNER WHO OWNED AN AFFECTED PROPERTY BEFORE OR AFTER THE EFFECTIVE DATE OF THIS ORDINANCE, BUT WHO DID NOT OWN THE AFFECTED PROPERTY ON THE EFFECTIVE DATE OF THIS ORDINANCE.
- B) TO REQUEST A WAIVER, AN OWNER MUST SUBMIT A WRITTEN DEMAND IN A SPECIFIC AMOUNT FOR JUST COMPENSATION TO THE DIRECTOR OF THE CITY OF PHOENIX PLANNING AND DEVELOPMENT DEPARTMENT (THE "DIRECTOR"), WITHIN THE TIME PERIODS SET FORTH IN A.R.S. § 12-1134, THAT INCLUDES: (I) A DESCRIPTION OF THE RIGHTS TO USE, DIVIDE, SELL, OR POSSESS THE AFFECTED PROPERTY THAT HAVE BEEN REDUCED BY THE ENACTMENT OR APPLICABILITY OF THE SPECIAL PERMIT REQUIREMENTS; (II) EVIDENCE OF THE AMOUNT BY WHICH THE FAIR MARKET VALUE OF THE AFFECTED PROPERTY WAS REDUCED BECAUSE OF ENACTMENT OR APPLICABILITY OF THE



SPECIAL PERMIT REQUIREMENTS; AND (III) EVIDENCE THAT THE OWNER SUBMITTING THE WAIVER REQUEST OWNED THE AFFECTED PROPERTY ON THE EFFECTIVE DATE OF THIS ORDINANCE.

2. EVALUATION OF WAIVER REQUEST.

- A) IF THE WAIVER REQUEST MEETS ALL THE SUBMITTAL REQUIREMENTS, AS DETERMINED BY THE DIRECTOR OR THE DIRECTOR'S DESIGNEE, WHO SHALL, IN CONJUNCTION WITH THE CITY ATTORNEY, OR THE CITY ATTORNEY'S DESIGNEE, PREPARE AN ANALYSIS OF THE WAIVER REQUEST, WHICH SHALL INCLUDE EVALUATION OF THE REQUEST IN LIGHT OF THE CONSIDERATIONS SET FORTH IN THE HEALTH AND SAFETY REPORT, FOR REVIEW BY THE CITY MANAGER OR THE CITY MANAGER'S DESIGNEE, WHO SHALL PREPARE A RECOMMENDATION TO THE CITY COUNCIL RELATING TO THE WAIVER REQUEST.
- B) WITHIN 90 DAYS AFTER RECEIPT OF THE OWNER'S DEMAND, THE CITY COUNCIL WILL REVIEW THE CITY MANAGER'S RECOMMENDATION AND DETERMINE WHETHER TO ISSUE THE OWNER A WAIVER OF THE SPECIAL PERMIT REQUIREMENTS FOR THE AFFECTED PROPERTY. AN APPROVED WAIVER GRANTS THE OWNER ONLY THE RIGHT TO USE THE AFFECTED PROPERTY FOR A DATA CENTER WITHOUT THE NEED FOR A SPECIAL PERMIT. AN APPROVED WAIVER DOES NOT WAIVE OR MODIFY ANY LAND USE LAWS IN THE PHOENIX ZONING ORDINANCE OR IN THE PHOENIX CITY CODE OTHER THAN THE SPECIAL PERMIT REQUIREMENTS. AN APPROVED WAIVER IS ONLY APPLICABLE TO THE AFFECTED PROPERTY FOR WHICH IT IS GRANTED. AN APPROVED WAIVER RUNS WITH THE LAND; PROVIDED, HOWEVER, A WAIVER AUTOMATICALLY TERMINATES WHEN THE AFFECTED PROPERTY IS REZONED. A WAIVER DOES NOT LIMIT, PREVENT, ALTER, OR AFFECT A DEVELOPMENT AGREEMENT THAT RESTRICTS OR PROHIBITS DATA CENTERS OR OTHER LAND USES.

Approved: \_\_\_\_\_



Alan Stephenson, Deputy City Manager