PLANNING AND DEVELOPMENT SERVICES REPORT

Zoning Code Text Amendment

PUBLIC HEARING

PZ-26-00018

DATE: October 19, 2026

MEETING DATE: November 12, 2026

REPORT BY: Tiffany Antol, AICP

REQUEST:

City's request for a Zoning Code Text Amendment to modify Zoning Code provisions in Division 10-40.60: Specific to Uses to add development standards for Resource Intensive Industrial uses, and Chapter 10-80: Definitions to add a definition for Resource Intensive Industrial. Resource Intensive Industrial uses include industrial land uses characterized by exceptionally high demands on utility and public service systems, including electricity, water, and wastewater discharge. These uses typically rely on specialized infrastructure, operate continuously, and create significant, sustained pressures on electrical, water, wastewater, and communications networks.

STAFF RECOMMENDATION:

Staff recommends the Planning and Zoning Commission, in accordance with the findings presented in this report, make a recommendation to the City Council for approval of PZ-26-00018 Resource Intensive Industrial Zoning Code Text Amendment.

I. Proposed Amendment:

The purpose of the proposed amendment is to address community concerns in relation to Data Center and other resource intensive land uses and ensure that appropriate public hearings, required project information, mitigation measures and compliance provisions are provided. The proposed amendment includes adding a specific land use category called Resource Intensive Industrial that can only be permitted with a Zoning Map Amendment within the Planned Community Zone with specific use standards as described below:

- **Chapter 10-40: Specific to Zones, Division 10-40.60: Specific to Uses** – is amended to a new Section 10-40.60.301: Resource Intensive Industrial Uses with the following requirements:

  1. A conditionally approved Site Plan application that complies with the following provisions:
     a. Compliance with Division 10-30.60: Site Planning Design Standards.
     b. Compliance with Division 10-50.20: Architectural Design Standards.
     c. All mechanical, electrical, and cooling equipment shall be fully enclosed or screened from view from rights-of-ways and adjacent properties. Screening methods shall be provided.
     d. A minimum 150-foot setback shall be provided from a property line abutting a residential use or residential zoning district.
     e. 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.
  2. Outdoor storage of equipment or materials shall be prohibited, except during permitted construction or maintenance activities.
  3. Noise generated by all on-site operations, including cooling equipment and generators, shall not exceed a maximum outdoor dBA of 55 dBA / 60 dBC during the daytime (7 a.m. to 10 p.m.) and 45 dBA / 50 dBC

during the nighttime (10 p.m. to 7 a.m.) at the property line. Sound attenuation walls shall be provided on any property line abutting a residential use or residential zoning district.

4. On-site power production including the use of generators shall be in compliance with all applicable state and federal regulations.
    a. Generators shall be used solely for emergency operations, testing, and maintenance, and shall not serve as a primary power source which includes momentary grid disturbances, bridging power, demand response, and planned outages.
    b. Battery energy storage systems that provide a minimum of several hours of battery capacity to eliminate or minimize the use of backup generators shall be used to the greatest extent feasible.
    c. If a development uses diesel generators for emergency operations, testing or maintenance, only tier IV or newer generators are permitted.
    d. Generator use shall be limited to daytime hours and scheduled to minimize impacts on adjacent uses.
    e. Generator testing and maintenance outside of emergencies shall be limited to 50 hours per year. Emergencies include extended unplanned losses of power and declared disasters.
    f. Every time the backup generators are used, operators must log the event, duration, and reason. This information shall be submitted to the City as part of the annual Compliance Certificate documentation required in Section 10-40.60.301.D.1.
5. 100% renewable energy for all energy needs shall be used to the greatest extent feasible and is attainable through methods including but not limited to on-site generation, virtual power purchase agreements, and purchasing Renewable Energy Certificates (REC) through electric utility providers.
6. Mechanical cooling systems shall utilize air-cooled heat rejection systems only. The use of evaporative or water-based heat rejection systems, including but not limited to cooling towers, evaporative condensers, adiabatic systems, and water-cooled chillers, is prohibited.
7. Hazardous materials, including fuel storage, shall be limited to those necessary for operation and shall be stored and handled in accordance with applicable regulations.
8. Developments shall not emit smoke, dust, odors, or vibration detectable beyond the property boundary, except during emergency generator operation.
9. A decommissioning plan shall be provided that includes the following:
    a. Removal of all equipment, structures, and above-ground facilities; and
    b. Proper disposal of any hazardous materials in accordance with applicable state and federal regulations; and
    c. Restoration of the site to a safe, stable condition, including grading and seeding of disturbed areas.

Additional Required Analysis. A request for a Planned Community zoning map amendment that includes a Resource Intensive Industrial uses shall include the following information, prepared by a qualified professional, in addition to all requirements for a Zoning Map Amendment:

1. A baseline noise study establishing existing noise levels prior to project construction including a Low-Frequency Noise Impact Report prepared by a licensed acoustical engineer including a noise contour exhibit depicting the anticipated noise levels (including low frequency noise) to be generated by the development.

2. An assessment of current and future energy needs for the site. The applicant must include an estimate of annual energy consumption over all phases of the project, expected peak demand, and the percentage of energy demands that will be met by carbon-free energy, during each year of project operations.
3. Identification of the proposed energy source(s) and documentation from the utility provider(s) affirming sufficient power exists to serve the site. If on site power production is intended to serve the proposed development an assessment of that power source shall be provided including a proposal for mitigating impacts of such power source.
4. A carbon emission and waste heat assessment shall be provided that includes an inventory of carbon and heat emission sources, a quantification of carbon and heat output, heat quality and recoverability rating, an assessment of reuse or capture opportunities, a mitigation or recovery plan and an analysis of environmental and community impacts.
5. An estimate of peak day, average day, and annual water consumption and wastewater discharge for the site.
6. Identification of the source of water requested for the proposed development, reclaimed water or potable water, and documentation from the Water Services Division affirming sufficient water resources to serve the development under its Designation of Adequate Water Supply. A Water and Sewer Impact Analysis (WSIA) must be approved by the Water Services Division. The use of 100% non-potable and/or recycled water for non-potable needs is preferred.
7. Identification and concentration of constituents in the wastewater stream that may have negative effects on the Publicly Owned Treatment Works (POTW). Effluent from the facility must meet the requirements of City Code 7-02-001-007 and 7-02-001-008.
8. A Hazard Mitigation Analysis (HMA) should identify potential hazards associated with a development and evaluate measures to eliminate, reduce, or control those risks. This may include hazard identification, fire and explosion scenario evaluation, shutdown procedures, assessments of fire protection systems, hazardous materials management, emergency response planning, environmental mitigation, and recommended strategies for enhancing life safety.
9. A Fire Department Impact Analysis (FDIA) should evaluate how a proposed development may affect emergency response operations and broader community risk. This evaluation may consider response time impacts, staffing or deployment changes, specialized equipment needs, training requirements, water supply adequacy, access or operational concerns, the potential for long-duration incidents, mutual aid demands, and any applicable cost recovery or mitigation measures.

Compliance with Specific to Use Standards and Conditions of Approval.

1. Operators of Resource Intensive Industrial uses shall submit a compliance certificate each year after receiving a certificate of occupancy. The compliance certificate shall confirm adherence to all approved conditions and provisions included in this Section.
    a. Within 30 days of any material modification to operations, equipment, or management that could affect compliance, the operator must file an updated compliance certificate documenting the change and verifying continued compliance.
2. Operators of a Resource Intensive Industrial use shall notify the City if operation of the use is ceased within 30 days. Any Developments that have ceased operations for a continuous period of 12 months must be decommissioned. Decommissioning must be completed with 12 months per the approved decommissioning plan included in the Planned Community master plan.

3. If a violation is found, the operator will receive a written notice of non-compliance specifying the violated condition or standard, required corrective actions, and a timeline for remediation. If non-compliance persists past the deadline the Planning Director may revoke site development and operation permits, rendering the land use unauthorized.

II. Zoning Code Text Amendment

The Planning Director shall provide a recommendation to the Planning and Zoning Commission for its review. The Director's recommendation shall be transmitted to the Planning and Zoning Commission in the form of a staff report prior to a scheduled public hearing. The recommendation shall include the following: an evaluation of the consistency and conformance of the proposed amendment with the goals and policies of the General Plan and any applicable specific plans; the grounds for the recommendation based on the standards and purposes of the zones set forth in Section 10-40.20 (Establishment and Designation of Zones) of the Zoning Code; and a recommendation on whether the amendment should be granted or denied.

A Zoning Code Text Amendment shall be evaluated based on the following findings:

A. Finding #1:

The proposed amendment is consistent with and conforms to the objectives and policies of the General Plan and any applicable specific plan.

Core Priority Supporting Policies

Climate Action Goal (CA): The City achieves and maintains carbon neutrality by reducing emissions from all sectors.

- Policy CA.2: Reduce energy consumption, reliance on fossil fuels, and the carbon footprint of new and existing buildings and public facilities through efficient building construction, orientation, and appliances.
- Policy CA.4: Support the development of carbon dioxide removal (CDR) and storage projects, capture of point source carbon emissions, and low carbon materials development projects, and through appropriate tools and land use contexts.

Energy Goal (E): The Region increases and diversifies its use of renewable energy sources and systems while planning for the infrastructure needed to support an expanding and evolving electric grid.

- Policy E.1: Support renewable energy production; promote battery storage in the residential, commercial, and transportation sectors; and support energy storage in new, utility-scale renewable energy developments.

Growth Management Goal (GM): Future development and associated infrastructure in the Region use land and water resources efficiently and are built to mitigate the impacts of climate change.

Complementary Priority Supporting Policies

Natural Resource Stewardship Goal (RS): The Region stewards its natural resources using scientific, social, economic, and cultural best practices.

Healthy Economy Goal (HE): The Region creates and maintains a vibrant and diverse economy for all that supports a thriving workforce, innovative businesses, and expansion of compatible new industries.

- Policy HE.1: Attract and retain businesses and industries that complement the Region's vision and priorities and support a stable and healthy workforce.

- Policy HE.4: Develop industrial properties that support light and heavy industrial uses, manufacturing, and forestry industries necessary for jobs and climate resilience in the Region.

Employment District Goal (ED): The Region maintains and protects a supply of land to accommodate the needs of existing and future employment and manufacturing.

- Policy ED.1: Promote a variety of employment uses, including heavy and light industrial uses, to allow for the creation of quality employment for a variety of trades and industries and affordable construction practices.

Water Resource Management Goal (WR): Balance water demand and water supply to maintain the 100-year water adequacy designation, support sustainable regional hydrology, and meet ecosystem needs.

- Policy WR.1: Manage infrastructure and develop partnerships that support water, stormwater, wastewater, and reclaimed water utility facilities that are safe, secure, reliable, cost effective, and adequate for the Region's future growth and continued environmental health.
- Policy WR.2: Support and incentivize water conservation and other water efficiency measures to protect water resources, support projected community growth, reduce the costs for water systems, and conserve energy.
- Policy WR.3: Maximize the beneficial use of all water sources by implementing water reuse programs.
- Policy WR.4: Provide sustainable and reliable water and sewer services within the Urban Growth Boundary.

Resilience Goal (R): The Region works across all government operations and services to reduce the risk of natural and human-caused hazards.

- Policy R.1: Prepare the Region's human and natural systems to be more resilient to short-term catastrophic events and long-term impacts of climate change.

Infrastructure Goal (I): The Region provides sustainable and equitable public facilities, services, and infrastructure systems in an efficient and effective manner to serve all population areas and demographics.

Public Safety Goal (PS): The Region provides high-quality emergency response and public safety services including law enforcement, fire, medical, and ambulance transport services for all.

Action Items

Encourage or assist industrial operations in the City to capture carbon emissions at the source to prevent emissions from being released into the atmosphere or support an equivalent amount of carbon dioxide removal

B. Finding #2

The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

The amendment provisions are not anticipated to be detrimental to the public interest, health, safety, convenience, or welfare of the City. The proposed Resource Intensive Industrial land use may only be established with a Zoning Map Amendment using the Planned Community zone. The proposed land use is not a listed land use in any zoning category. Specific to use standards are created to off-set potential impacts of these resource intensive uses.

C. Finding #3

The proposed amendment is internally consistent with other applicable provisions of this Zoning Code.

The amendments are internally consistent, utilize the existing format, and do not conflict with other Zoning Code provisions. The amendments maintain the Zoning Code's purpose as a comprehensive contemporary set of land uses and requirements that are straightforward, usable, and easily understood.

III. CITIZEN PARTICIPATION

In accordance with Arizona Revised Statutes and the Zoning Code, the public hearing before the Planning and Zoning Commission was advertised in the Arizona Daily Sun on October 24, 2026, which is 18 days before the scheduled meeting date.

IV. PLANNING AND ZONING COMMISSION WORK SESSION

At the Planning and Zoning Commission Work Session of October 14, 2026, staff reviewed the proposed Zoning Code Text Amendment application with the Commission. The Commission reviewed the proposal and asked several clarifying conditions. No specific direction was provided to modify the proposed draft.

Attachments:

1. Draft of Case No. PZ-26-00018 – Resource Intensive Industrial