

After recording, return to:
City Clerk
City of Glendale
5850 W. Glendale Ave., Suite 464
Glendale, AZ 85301

With a copy to:
Baccara Eagle Land, LLC
121 Rivers Edge Drive, Suite 3100
Traverse City, MI 49684

**PRE-ANNEXATION DEVELOPMENT AGREEMENT
FOR
BACCARA EAGLE LAND, LLC**

THIS PRE-ANNEXATION DEVELOPMENT AGREEMENT (“Agreement”) is entered into as of the _____ day of _____, 2026 by and between the CITY OF GLENDALE, an Arizona municipal corporation (the “City”) and BACCARA EAGLE LAND, LLC, a Delaware limited liability company (“Owner”). City and Owner shall collectively be referred to herein as ”Parties” and individually as the “Party”.

RECITALS:

- A. This Agreement pertains to the property legally described and depicted in Exhibit A (“Owner’s Property”)
- B. Owner’s Property is currently located in unincorporated Maricopa County and within the City’s municipal planning area.
- C. Global Water Resources Inc. an Arizona corporation (Global), Global Water – 303 Utilities Company Inc, an Arizona corporation (Utility) entered into Contract C-8208 with the City, dated October 23, 2012 and recorded in the Office of Maricopa County Recorder document 2013010447 for Future Wastewater and Recycled Water Services (the “Glendale Agreement”).
- D. Global, the Utility, the City and EPCOR Water Arizona Inc. an Arizona corporation (“EWAZ”) entered an Assignment and Assumption Agreement for the Future Wastewater and Recycled Water Services (“Assignment”) Contract C-8209-1 on September 24, 2013 and recorded in the Office of Maricopa County Recorder as document 20130946737.
- E. The Parties are entering into this Agreement pursuant to the provisions of A.R.S. § 9-500.5 in order to facilitate the annexation of the Owner’s Property and the proper municipal zoning designations and development of the Owner’s Property by providing for, among other things: (i) conditions, terms, restrictions and requirements for the annexation of Owner’s Property by the City; (ii) conditions, terms, restrictions and requirements for the construction and installation of public/private infrastructure improvements; and (iii) other matters related to the annexation and development of Owner’s Property.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and mutual promises set forth in this Agreement, the Parties state, confirm and agree as follows:

1. **Annexation.** The Parties acknowledge and agree that the intent of the parties is that the Owner's Property shall be annexed into and developed within the City consistent with City development standards in effect as of the date a complete annexation application is submitted. The Parties acknowledge and agree that the development of the Owner's Property may take place in phases over time and is conditioned upon assurance and availability of water, wastewater and recycled water service from a source(s) other than the City. The Parties understand that annexation is a legislative process and nothing in this agreement shall be construed as requiring the City's Council to approve an annexation petition.

2. **Maricopa County Zoning.** To the extent available in the City zoning and entitlements, including the use of the closest comparable zoning and entitlements, the City shall recognize Maricopa County zoning, Military Compatibility Permit (MCP250007) (as long as final approval of MCP250007 is granted by the Maricopa County Board of Supervisors), and all other Maricopa County entitlements for Owner's Property. The pending Military Compatibility Permit is included as Exhibit B to this Agreement. To the extent such zoning and entitlements or the closest comparable City zoning and entitlements are available in the then-existing City Zoning Ordinance, the City shall provide for such zoning and entitlements when applying City zoning to the Owners' Property, or portions thereof, into the City and shall not impose more restrictive land use or development/planning standards, except as mutually agreed in writing by the Parties or as required by applicable law.

2.1. **New Rezoning Applications.** Owner agrees that following the date this Agreement is executed by the City no new re-zoning or other land use entitlement case shall be initiated in Maricopa County for any of the Owner's Property; provided, however, this prohibition against new applications is not applicable to the pending Military Compatibility Permit (MCP250007). Notwithstanding the foregoing, in the event the City's Council denies a request to annex an Owner's Property or fails to take final action on a complete annexation application within one hundred eighty (180) days of the date the last party signs this Agreement, then such Owner shall be permitted to pursue any rezoning or other entitlement application with Maricopa County.

2.2. **City Entitlements.** Upon execution of this Agreement by the Parties, the City agrees to accept and process any fully complete entitlement application or applications through normal City processes by Owner for Owner's Property once the property is annexed.

2.3. **Prohibited Land Uses.** Notwithstanding the foregoing, the following land uses shall be prohibited and not permitted within Owner's Property:

- 1) Adult uses
- 2) Inert landfill
- 3) Prison and/or correctional facility
- 4) Rendering plant
- 5) Solid waste transfer station
- 6) Slaughterhouse

3. **Water.** The Parties acknowledge and agree that the City will not provide water service to the Owner's Property and that the Owner is required to obtain water service from a private company(ies)

for Owner's Property. The City shall not assess or collect any water development impact fees, hook up fees, line extension fees or other fees related to water infrastructure, water resources, or water service that is provided by a private water company(ies) and/or onsite well(s). Owner shall be required to demonstrate and obtain an assured water supply from the Arizona Department of Water Resources prior to processing a preliminary plat or site plan in the City (provided the use requires an assured water supply demonstration), and in no event shall the City's assured water supply be used by the Owner.

4. **Wastewater and Recycled Water.** The Parties acknowledge and agree that the City will not provide wastewater and recycled water services to Owner's Property and that the Owner is required to obtain wastewater and recycled water services from a private company(ies) and/or on-site well(s) for Owner's Property. The City shall not assess or collect any development impact fees for wastewater and recycled water services that are provided by a private company(ies). In order to obtain wastewater and recycled water service the Owner must comply with the Glendale Agreement and the Assignment as indicated in the Recitals.

5. **Roadway and Transportation.** Following annexation of Owner's Property, or any portion thereof, into the City, the Owner shall be responsible for constructing its roadway and transportation improvements in accordance with City standards in effect at the time of development. The Owner shall be subject to all Transportation Development Impact Fees assessed at the time of development or as agreed upon within this Agreement.

6. **Fire and Police.** Following annexation of Owner's Property, or any portion thereof, into the City, the City, or its contractor, shall be the fire, police and emergency medical services provider to Owner's Property. The Owner shall be subject to all Fire and Police Development Impact Fees assessed at the time of development.

7. **Municipal Services.** Following annexation of the Owner's Property(ies), or portion thereof, into the City, the City shall provide all required City services not provided by private companies or the County in compliance with A.R.S. §9-471.

8. **Development Fees.** Following annexation of Owner's Property, the Owner shall be responsible to pay all other applicable development fees which are not subject to this agreement or as agreed upon within this Agreement.

9. **Impact Fee Credits.** Owner reserves the right to pursue relevant impact fee credits from the City for any qualifying improvements or infrastructure installed at Owner's expense.

10. **General Provisions.**

10.1. **Term.** This agreement shall become effective on the date it is recorded with the Maricopa County Recorder after execution by the Parties and shall automatically terminate on the twentieth (20th) anniversary of such date.

10.2. **Owner's Representative.** Owner agrees to designate and appoint a representative to act as a liaison between the Owner and the City.

10.3. **City's Representative.** The City's representative shall be the City Manager or designee.

10.4. Notices and Filings. All notices, filings, consents, approvals and other communications provided for herein or given in connection herewith shall be validly given, filed, made, delivered or served if in writing and delivered personally, faxed, sent by overnight carrier or sent by certified United States Mail, postage pre-paid, return receipt requested if to:

City: City Manager's Office
City of Glendale
5850 W Glendale Ave., Suite 431
Glendale, AZ 85301
Attn: Patrick Banger
Phone: 623-930-2870
Facsimile: 623-847-1399
pbanger@glendaleaz.com

With a copy to: City Attorney
City of Glendale
5850 W Glendale Ave., Suite 450
Glendale, AZ 85301
Attn: Michael Bailey
Phone: 623-930-2930
Facsimile: 623-915-2391
Mbailey@glendaleaz.com

Owner: Baccara Eagle Land, LLC
121 Rivers Edge Drive, Suite 3100
Traverse City, MI 49684
Attn: Kenneth Davies
Phone: 231-252-2525
Email: legal@takanock.com

With a copy to: Burch & Cracchiolo, P.A
702 E. Osborn Road, Ste. 200
Phoenix, AZ 85014
Attn: Brian Greathouse
Phone: 602-234-9903
Facsimile: 602-343-7903
Email: bgreathouse@bcattorneys.com

EPCOR Water Arizona Inc.
2355 W. Pinnacle Peak Rd., Ste. 300
Phoenix, AZ 85024
Attn: President

Montera Infrastructure I, LLC
345 California Street, Suite 600
San Francisco, CA 94104
Attn: Tricia Arneson
Phone: 415-470-7070

Email: tarneson@montera.com

or such other address or addresses as may hereafter be specified by notice given by any of the above for itself to the others. Any notice or other communications shall become effective upon the earliest of the following: (a) actual receipt by that party; or (b) two (2) business days after deposit with the United States Postal Service.

10.5. Default. Failure or unreasonable delay by any Party to perform or otherwise act in accordance with any term or provision hereof shall constitute a breach of this Agreement by such Party. Any failure to pay money not cured within ten (10) business days after written notice received by the non-paying Party (or to the Owner in the case of a non-paying Owner) shall constitute a default under this agreement by the non-paying Party. Any breach not cured within thirty (30) calendar days after written notice is received, shall constitute a default by the breaching Party under this agreement; provided, however, that if the failure is such that more than thirty (30) calendar days would reasonably be required to perform such action or comply with any term or provision hereof then the breaching Party shall have additional time as may be necessary to perform or comply so long as the breaching party commences performance or compliance within said thirty (30) calendar day period and diligently proceeds to complete such performance or fulfill such obligation after written notice is received by the breaching Party (or the Owner in the case of a breaching Owner). Any notice of breach shall specify the nature of the alleged breach and the manner in which said breach may be satisfactorily cured, if possible. Each Party shall have all rights and remedies for any breach that is not cured within the applicable cure period, except that each Party waives any right to seek recovery of, or recover, any indirect, consequential (including lost profits), exemplary, punitive, or other monetary damages of any kind other than actual damages. Notwithstanding anything herein to the contrary, any mortgagee or deed of trust beneficiary of Owner shall be given notice of any alleged default and shall have the same cure rights as Owner, plus an additional thirty (30) days thereafter to cure.

10.6. Dispute Resolution. In the event that there is a dispute hereunder which the Parties cannot resolve between themselves, the Parties agree that there will be a forty-five (45) day moratorium on litigation during which time the Parties agree to attempt to settle the dispute by nonbinding mediation before commencement of litigation. The mediation shall be held under the commercial mediation rules of the American Arbitration Association or other rules mutually agreed upon. The matter in dispute shall be submitted to the mediator mutually selected by the Parties. In the event that the Parties cannot agree upon the selection of a mediator within seven (7) days, then within three (3) days thereafter, the City and Owner shall request the presiding judge of the Superior Court in and for the County of Maricopa, State of Arizona, to appoint an independent mediator. The mediator selected shall have at least five (5) years of experience in mediating or arbitrating disputes relating to land development. The cost of any such mediation shall be divided equally between the City and Owner. The results of the mediation shall be nonbinding on the Parties, and any Party shall be free to initiate litigation subsequent to moratorium.

10.7. Choice of Law, Venue and Attorney's Fees. Any dispute, controversy, claim or cause of action arising out of or related to this Agreement shall be governed by Arizona law. The venue for any such dispute shall be Maricopa County, Arizona and each Party waives the right to object to venue in Maricopa County for any reason. The prevailing Party shall be entitled to recover any of its attorney's fees or other costs from the non-prevailing Party incurred in any such dispute, controversy, claim, or cause for action, whether the same is resolved through arbitration, litigation in court, or otherwise.

10.8. Good Standing Authority. Each Party represents and warrants that it is duly formed and validly existing under laws of the state of its formation, is duly authorized to transact business

in the State of Arizona and that all individuals executing this Agreement on its behalf are authorized and empowered to bind such Party.

10.9. Assignment. The provisions of this Agreement are binding upon and shall inure to the benefit of the Parties, and all of their successors in interest and assigns; provided; however, that an Owner's rights and obligation hereunder may be assigned, in whole or in part, only to a person or entity that has acquired title to Owner's Property or a portion thereof and only by a written instrument recorded in the Official Records of Maricopa County, Arizona, expressly assigning such rights and obligations. In the event of a complete or partial assignment by an Owner, all or a portion of Owner's rights and obligations hereunder shall terminate effective upon the assumption by Owner's assignee of such rights and obligations and the execution of an addendum that recognizes the assignment.

10.10. Third Parties. No term or provision of this Agreement is intended to or shall be for the benefit of any person or entity not a party hereto, and no such other person or entity shall have any right or cause of action hereunder.

10.11. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof; and no waiver of any breach shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant, or condition of this Agreement.

10.12. Severability. If any provision of this Agreement is declared void or unenforceable by a court of competent jurisdiction, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect if the remaining provisions permit the Parties to achieve the practical benefits of the arrangements contemplated by this Agreement. Otherwise, either Party may terminate this Agreement. If any applicable law or court of competent jurisdiction prohibits or excuses the City or Owner, as applicable, from undertaking any contractual commitment to perform any act hereunder, this Agreement shall remain in full force and effect. But the provisions requiring such action shall be deemed to permit the City or Owner, as applicable, to take such action at its discretion, if such a construction is permitted by law.

10.13. Further Documentation. The Parties agree in good faith to execute such further or additional instruments and documents and to take such further acts as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement. Such additional instruments and documents may require the approval of the City's Council.

10.14. Fair Interpretation. The Parties have been represented by counsel in the negotiation and drafting of this Agreement and this Agreement shall be construed according to the fair meaning of its language.

10.15. Headings. The headings of this Agreement are for the purposes of reference only and shall not limit or define the meaning of any provision of this Agreement.

10.16. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

10.17. Computation of Time. In computing any period of time under this Agreement, the date of the act or event from which the designated period of time begins to run shall not be included. The last day of the period so completed shall be included unless it is a Saturday, Sunday or legal holiday of the City of Glendale, in which event the period shall run until the end of the next day that is not a Saturday, Sunday or legal holiday of the City of Glendale.

10.18. Entire Agreement. This Agreement, together with the following Exhibits attached hereto (which are incorporated herein by this reference) constitutes the entire Agreement between the Parties.

- 1) Exhibit A: Legal Description and depiction of Owner's Property
- 2) Exhibit B: Military Compatibility Permit (MCP250007)

All prior and contemporaneous agreements, representations and understanding of the Parties, oral or written are superseded by and merged in this Agreement.

10.19. Time. Time is of the essence of this Agreement and with respect to the performance required by each Party.

10.20. Covenants Running with Land. Owner's Property shall be held, transferred, sold, conveyed, leased, occupied and used subject to the terms, covenants and conditions of this Agreement, which shall run with the land and be binding upon, benefit and burden Owner's Property and all persons having or acquiring any right, title or interest in or to any portion of Owner's Property.

10.21. Incorporation of Recitals. The recitals set forth above are hereby incorporated by reference into this Agreement.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

EXHIBIT "A"
TO
SPECIAL WARRANTY DEED

The Land referred to herein below is situated in the County of Maricopa, State of Arizona, and is described as follows:

PARCEL NO. 1:

The Southwest quarter of Section 28, Township 3 North, Range 1 West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT that portion described as follows:

BEGINNING at a point on the Easterly line of the Southwest quarter of said Section 28, said point being 33.00 feet North from the Southeast corner of the Southwest quarter of Section 28;

THENCE Northerly along the Easterly line of the Southwest quarter of Section 28, a distance of 453.53 feet;

THENCE Southwesterly along the arc of a curve whose radius is 578.805 feet and concave to the Northwest, a distance of 731.11 feet;

THENCE Westerly on a line parallel to and 83.00 feet North of the Southerly line of the Southwest quarter of Section 28, a distance of 2094.97 feet to a point on the Westerly line of Section 28;

THENCE Southerly along the Westerly line of Section 28, a distance of 50.01 feet to a point, said point being 33.00 feet Northerly from the corner common to sections 28, 29, 32 and 33;

THENCE Easterly along a line parallel to and 33.00 feet Northerly from the Southerly line of the Southwest quarter of Section 28, a distance of 2653.09 feet to the POINT OF BEGINNING.

PARCEL NO. 2:

That portion of Parcel No. 2 as identified in those Special Warranty Deeds from Tal Wi Wi Ranches LLC, an Arizona limited liability company to the City of Phoenix, recorded as Document Nos. 2000-0325402 and 2000-0325403, dated April 28, 2000, records of Maricopa County Recorder, lying Westerly of the Easterly right of way line of the California, Arizona and Santa Fe Railway Company's Perpetual Easement identified in Misc. Book 59, Pages 411-413, and also described as:

Parcel No. 2-B:

A portion of the Southeast quarter of Section 28, Township 3 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at a (aluminum cap) monument at the center of said Section 28 which bears North 89 degrees 19 minutes 50 seconds West, 2632.98 feet from a (aluminum cap) monument in Litchfield Road, at the East quarter corner of said Section 28;

THENCE South 89 degrees 19 minutes 50 seconds East, along the Northerly line of said Southeast quarter of Section 28, a distance of 421.58 feet to a point on the Westerly boundary of that perpetual easement for the construction, operation and maintenance of tracks identified in Misc. Book 59, Pages 411-413;

THENCE South 89 degrees 19 minutes 50 seconds East, continuing along said Northerly line of said Southeast quarter of Section 28, a distance of 245.73 feet to a point on the Easterly boundary of that perpetual easement for the construction, operation and maintenance of tracks identified in Misc. Book 59, Pages 411-413;

THENCE Southwesterly, along said perpetual easement boundary and a tangent curve to the left whose 578.81 foot radius bears South 00 degrees 40 minutes 10 seconds West, through a central angle of 90 degrees 50 minutes 05 seconds, an arc length of 917.62 feet to a point on a line parallel with and offset 80.00 feet Easterly from the Westerly boundary of said Southeast quarter of Section 28;

THENCE South 00 degrees 09 minutes 55 seconds East, continuing along said easement boundary and offset line, a distance of 1376.17 feet;

THENCE Southerly, along said perpetual easement boundary and a tangent curve to the right whose 628.05 foot radius bears South 89 degrees 50 minutes 05 seconds West, through a central angle of 29 degrees 14 minutes 07 seconds, an arc length of 320.46 feet to a point on the Westerly boundary of said Southeast quarter of Section 28 which bears North 00 degrees 09 minutes 55 seconds West, 364.64 feet from a (brass cap in handhole) monument at the South quarter corner of said Section 28;

THENCE North 00 degrees 09 minutes 55 seconds West, along the Westerly boundary of said Southeast quarter of Section 28, a distance of 122.94 feet to a point on the Northwesterly boundary of said perpetual easement;

THENCE North 00 degrees 09 minutes 55 seconds West, along the Westerly boundary of said Southeast quarter of Section 28, a distance of 2148.44 feet returning to the POINT OF BEGINNING.

Project Team

Tony Burley, Takanock LLC

tburley@takanock.com

757-617-1302

Sarah Justus, KP Environmental

sjustus@kpenvironmental.com

608-279-0129

Purpose of the Request

This request is for approval of a Military Compatibility Permit (“MCP”) without a Plan of Development for approximately 160 acres located on West Olive Avenue between North Reems Road and Litchfield Road (the “Site”). See Exhibit 1 – Aerial Location Map for the location of the Site.

Description of the Proposal

The Site is intended to be developed with an industrial development that is compatible and consistent with the land uses permitted under Section 706 of the Maricopa County Zoning Ordinance and the Use Compatibility and Consistency Determination (“UCCD”) issued by Luke AFB on March 13, 2026 attached as Exhibit 2. The Site is envisioned to be developed with a co-located data center and natural gas generation facility as shown on the conceptual site plan (Exhibit 3). The proposed land use table is provided in this narrative. Other restrictions on the Site shall include such restrictions as Luke Air Force Base deems necessary.

Existing and Proposed Zoning and Surrounding Land Uses

The Site is currently zoned Heavy Industrial (IND-3) and within Luke’s 80 Ldn boundary and within the “territory of a military airport.” The adjacent parcels’ zoning is as follows: to the west and south is property within the City of Glendale zoned Planned Area Development (PAD), to the east and north is property within unincorporated Maricopa County zoned RU-43. Nearby existing land uses are industrial and agricultural. The proposed industrial development is well suited for this area as it is a compatible use with the current zoning and fits within the larger area of industrial development.

General Plan Conformance

This proposal is consistent with both the Maricopa County Comprehensive Plan ‘Vision 2030’ (“Comprehensive Plan”) and the White Tank/Grand Avenue Area Plan (“Area Plan”). In the Comprehensive Plan, Maricopa County identifies Economic Growth Goal #3 as “Attracting knowledge industries in a range of Basic Sector clusters”. This MCP will allow this exact type of industry and will contribute to economic growth. In addition, the Area Plan outlines “Strategic Priority #5: Ensure that development in the County has the appropriate services for water,

wastewater, education, and public safety.” The Site’s location along a major arterial corridor facilitates access to regional transportation networks, promoting efficient goods movement and job creation, which is consistent with the plan’s emphasis on infrastructure-supported development. The Site has/will have sufficient utilities and services to support the proposed land uses.

The Site is not within a master plan area as identified in the Area Plan. The Site is located in a land use and future growth area for military compatibility and utilities, which are both compatible with this proposal. Additionally, the proposal conforms with the County’s intent to balance growth with surrounding land uses by concentrating industrial activity in designated areas, helping to preserve open space and maintain rural character elsewhere. This proposal contributes to a diversified economy and strengthens the County’s long-term sustainability objectives.

Location, Accessibility, and Circulation

The Site is both accessible and supported by local utilities and services. The development anticipates having several connections to public rights-of-way located north, west and south of the Site. Primary access is anticipated to be the already constructed Hatcher Road right-of-way that extends to the western property line. Hatcher Road is planned to be extended into the Site as a private roadway with restricted, secure access. A second point of connection to public right-of-way is planned to be made to Peoria Avenue by extending a roadway along the Bullard Road alignment from the Site’s northwestern corner. A roadway dedication is being coordinated with the property owners across whose land that roadway will extend. Lastly, the Site has a permanent easement across the BNSF railway that allows direct access to Olive Avenue on the Site’s southern side. This connection is currently anticipated to be secondary to the other two points of access. All driveway connections to existing public right-of-way will be permitted and constructed in accordance with the respective jurisdiction’s standards. A network of driveways will be constructed within the development to provide circulation and emergency access throughout the Site.

Public Utilities and Services

Water and sewer service for the Site will be provided by EPCOR. There are existing EPCOR water mains running to or adjacent to the Site in Hatcher Road and in Olive Avenue. It is anticipated that connections will be made to both of these lines to create a looped water system within the Site. In addition, the proposed development has a letter of intent from Mark Anthony Brewing to receive recycled wastewater. Potable water will be supplied by EPCOR and on-site groundwater could also be used to supplement other sources as needed within the water rights associated with the Site. There is an existing EPCOR sewer main in Olive Avenue that will serve as the point of connection for the Site’s sewer system.

Future development is anticipated to interconnect with APS’s power grid. An on-site APS substation is expected to be constructed on the Site. Distribution-level electrical service will be provided to the data center by ED7, which will have transmission and distribution equipment

inside the on-site substation. Gas service will be through a tie-in and line extension with Southwest Gas.

Takanock is working with the adjacent Plains Terminal to design and permit a lateral line for liquid propane gas (LPG), reducing the need for onsite storage or truck traffic for refilling. LPG is a backup fuel source for the power generation.

Fire and police services are expected to be provided by Rural Metro and the Maricopa County Sheriff's office, until the Site is annexed into the City of Glendale. From that point forward, fire and police services will be provided by the City.

Relationship to State Statute

Arizona state statute, A.R.S. §28-8481, and Maricopa County's Zoning Ordinance, Section 706, outline the requirements to ensure that development in proximity to Luke Air Force Base is compatible with ongoing operations. The UCCD included in this application provides conditions for compatibility and additional requirements—all of which will be met per the response letter attached as Exhibit 4.

Development Schedule (Phasing)

Development is expected to commence in 2027. The precise development and phasing schedule for the Site is not determined at this time.

Community Facilities and Services

The Site is in the Dysart Unified #89 School District. There are three schools within two miles of the Site: Canyon View High School (Grades 9-12), Mountain View School (Grades Pre-K-8) and American Leadership Academy – West Foothills which has two on-site school buildings for Pre-K-6 grade and 7-12 grade. There are two park or recreation areas within approximately one mile, the Rancho Gabriela HOA Park and Falcon Dunes Golf Course. Between one and two miles from the Site are several neighborhood parks including Marley Park, Veramonte Park, Willow Swim Park, Legacy Park, Fowler Park and Heritage Park.

Permitted Uses

Uses permitted by this MCP are those approved by Luke AFB and are specified as follows:

- Data Center to include buildings, gas turbines for backup power with propane as back up field electrical substation, parking and security provisions for the Site.

Development Standards

The proposed Development Standards for this MCP are provided in the attached Development Standards Table. The Development Standards are IND-3 Standards unless otherwise modified.

Requested Deviations and Justifications

The following standards are proposed to be modified.

- a. Stack Height. We are requesting height for stacks on gas turbines of up to 72 feet tall when setback a minimum of 150 feet measured from any property line. This increased setback will ensure there are no impacts on adjacent properties.
- b. Parking. Current zoning regulation requires one parking stall per 1,000 square feet of floor area. Given the low parking demand for the uses permitted by MCP, parking at a rate of one stall per 10,000 square feet of floor space for data center uses and one space per 1,500 square feet of turbine yard building floor space is requested.
- c. Screening requirements. 8' perimeter fence required. This is appropriate for maintaining security and visibility of the site and when considering neighboring industrial properties.

Conclusion

This MCP request is appropriate for the area and is in accordance with the approved UCCD. We kindly request the County's approval.

Proposed Development Standards

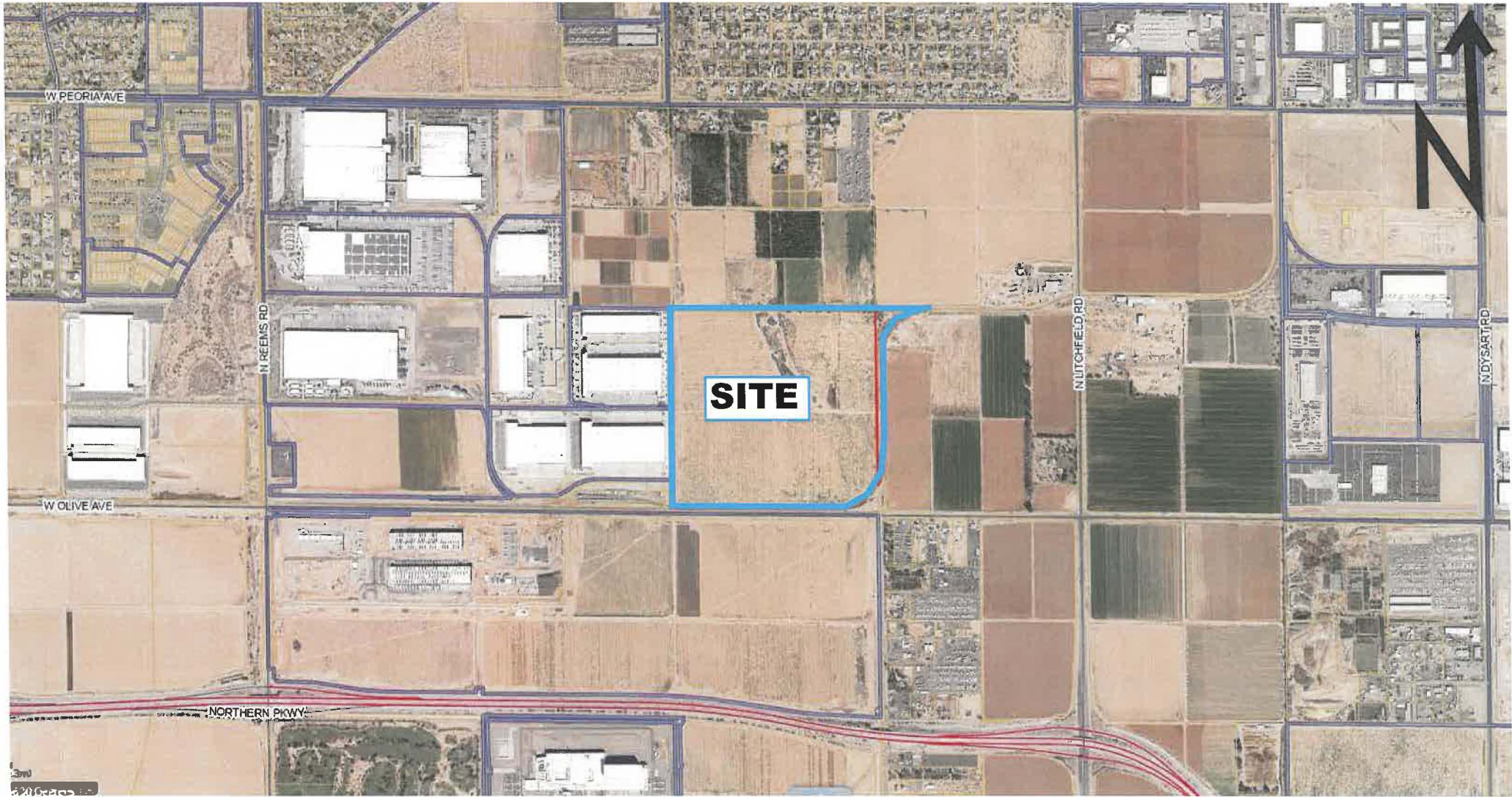
IND-3 / MAAMF DISTRICT STANDARD	PROPOSED IND-3 / MAAMF IUPD ZONING DISTRICT STANDARD
60 Feet	72 Feet – for Turbines stacks. Turbines stacks of such height will be setback a minimum of 150' from any property boundary.
Front Yard:	
a. All properties abutting a public street shall have an open setback area extending for the full width of the property. This setback shall be parallel to the centerline of the street and shall be measured from the setback line or the ultimate right-of-way line of a local street, and shall be of a depth as indicated below:	
1. Abutting any major street, section line road, State or Federal highway not less than 20 feet.	Not less than 75' to buildings (does not apply to ancillary facilities such as wells, pump houses or security structures).
2. Abutting collector streets and midsection line roads not less than 15 feet.	Not less than 75' to buildings (does not apply to ancillary facilities such as wells, pump houses or security structures).
3. Abutting local streets and interior streets of industrial subdivision not less than ten feet.	Not less than 75' to buildings (does not apply to ancillary facilities such as wells, pump houses or security structures).
b. Where the frontage between two intersecting streets is located partly in the IND-3 Zoning District and partly in a rural, residential or commercial zoning district, there shall be a front yard equal to the front yard required in the adjoining rural, residential or commercial zoning district, but such yard need not exceed 25 feet in depth.	Not less than 75' to buildings (does not apply to ancillary facilities such as wells, pump houses or security structures).
Side Yard:	
a. Where a lot is adjacent to a rural or residential zoning district, there shall be a side yard on the side of the lot adjacent to such rural or residential zoning district having a width of not less than five feet.	Not less than 75' to buildings (does not apply to ancillary facilities such as wells, pump houses or security structures).

b. Where a corner lot abuts a rural or residential zoning district whether or not separated by an alley, there shall be a side yard on the street side of such corner lot having a width of not less than ten feet.	Not less than 75' to buildings (does not apply to ancillary facilities such as wells, pump houses or security structures).
c. If a side yard is otherwise provided it shall have a width of not less than three feet.	Not less than 75' to buildings (does not apply to ancillary facilities such as wells, pump houses or security structures).
Rear Yard:	
where a lot abuts a rural or residential zoning district whether or not separated by an alley, there shall be a rear yard having a depth of not less than 25 feet.	Not less than 75' to buildings (does not apply to ancillary facilities such as wells, pump houses or security structures).
One space per 600 square feet of floor space	Data Center: One space per 10,000 square feet of floor space; 5% shall be handicapped spaces
	Turbine Yard: Once space per 1,500 square feet of habitable building space; 5% shall be handicapped spaces
One loading and unloading space for every 10,000 square feet of floor area	One loading and unloading space for every 150,000 square feet of floor area
Site Enclosure and Screening Requirements: Industrial sites and/or uses shall be enclosed to provide effective site screening from adjoining properties, uses or streets as follows:	
a. Adjacent to any rural or residential zone automobile parking shall be screened from view	
b. A solid masonry wall not less than six feet in height shall be required along and adjacent to any side or rear property line abutting any rural or residential zone boundary, or any alley abutting such zone boundary. Further, any access gates shall be constructed of view-obscuring material to provide effective site screening.	

c. The perimeter of any portion of a site not adjacent to a rural or residential zone boundary upon which any outdoor use of an industrial nature is permitted shall be enclosed to a height of not less than six feet by building walls, walls or fences of any view-obscuring material. No outdoor industrial use or enclosure thereof shall encroach into any required setback area adjacent to any street, nor shall any storage products or materials exceed the height of any such enclosure.

Permitter screening shall require an 8 foot fence.

EXHIBIT 1



SITE

W PEORIA AVE

W OLIVE AVE

N REEMIS RD

N NUTCHFIELD RD

N DYCUS RD

NORTHERN PKWY



EXHIBIT 2



**DEPARTMENT OF THE AIR FORCE
AIR EDUCATION AND TRAINING COMMAND**

13 March 2026

Brigadier General David J. Berkland
Commander, 56th Fighter Wing
14185 W. Falcon Street
Luke AFB AZ 85309-1629

Mr. Daniel Johnson
Maricopa County Planning & Development Department
301 W Jefferson Street Ste 170
Phoenix, AZ 85003

RE: MCP20250007; Takanock Project Baccara (APNs: 501-43-016A, 501-43-028A)

Thank you for providing Luke Air Force Base (LAFB) with the opportunity to comment on the Military Compatibility Permit application for the Takanock, Project Baccara. We have reviewed the proposal for the 159.50-acre site at the northwest corner of Olive Avenue and 143rd Avenue in unincorporated Maricopa County, which includes the development of an electric substation, gas powered turbine generation facility and private data center with two 500,000-square-foot buildings and additional gas-powered generators. The project site is located within a "high noise or accident potential zone" and the "territory in the vicinity of a military airport," as defined by A.R.S. § 28-8461.

Compatibility Finding

Recognizing that LAFB is not the final approval authority, we continually appreciate the opportunity to review and comment on development in the vicinity of our installation. We have conducted a diligent review of the proposed project, which included meetings with key stakeholders and mission sustainment professionals. Based on this review, we note that all information provided to us shows Project Baccara is a utility, using a plain language definition, due to Takanock's description as an "electric generation facility for transmission of electricity to the grid and a co-located data center". A.R.S. § 28-8461 states utilities are generally not a permissible land use, absent the military airport determining the plan for development is compatible and consistent with its high noise or accident potential zone. Accordingly, we have determined this particular development is not compatible and consistent with the high noise and accident potential associated with LAFB's operations unless the following conditions are met.

Conditions for Compatibility

We ask that the following conditions are met given this area serves as a critical arrival and departure corridor for the Luke AFB mission. To mitigate potential risks to LAFB flight and base operations, the following should be addressed during the design and post-construction phases:

Spectrum utilization and Electromagnetic interference – The project should incorporate proper EMF and RFI shielding to prevent any interference with aircraft or installation-level equipment and to avoid any loss of RADAR coverage.

Impairment of pilot's visibility – The facility's operations must not release at any time any substances into the air, such as steam, dust, high-velocity plumes, or smoke, that could impair pilot visibility or otherwise interfere with the safe operation of aircraft.

Air Quality – To safeguard the health of base personnel and their families, the project will actively control and mitigate all pollutants from its gas-powered turbines. This will be accomplished through rigorous and continuous monitoring to ensure adherence to the most stringent standards set by the Arizona Department of Environmental Quality (ADEQ).

Explosives facilities or similar activities – A catastrophic fire in these facilities could result should an aircraft mishap occur on site. Mitigation measures for a gas plant failure are critical to avoid risking the health/safety of LAFB personnel or the surrounding communities.

Natural Gas Facility – It is our understanding that the facility's design ensures that natural gas is supplied via a direct underground pipeline from an external source and is used exclusively for on-demand electrical power generation. No natural gas will be stored on the Project Baccara site, a critical measure to mitigate terrorist threats and ensure public safety in accordance with A.R.S. § 49-1502.

Additional Requirements

- **FAA and FCC Authorizations:** All structures, including new transmission lines, are subject to the results of an FAA Obstruction Evaluation/Airport Airspace Analysis (OE/AAA) and Spectrum Analysis. Full FCC authorizations must be obtained for all equipment that may impact communication and equipment systems.
- **DoD Siting Clearinghouse Review:** The project must be submitted for an informal review through the DoD Siting Clearinghouse for Energy, Installations, and Environment. The project narrative can be sent to: osd.dod-siting-clearinghouse@mail.mil.
- **CFIUS Review:** Investments and real estate transactions within the military installation footprint of Luke AFB may be subject to review by the Committee on Foreign Investment in the United States (CFIUS). For more information, please refer to the Department of the Treasury's website at <http://www.treasury.gov/cfius>.
- **Sound Attenuation and Notification:** As the development is within the "territory in the vicinity of a military airport," it will be subject to approximately 170 overflights per day. We recommend a review of the sound attenuation requirements in A.R.S. § 28-8482. A robust notification program is essential to inform all potential occupants about LAFB's operations.

Adherence to the conditions discussed above is essential for ensuring the long-term sustainment of our mission. LAFB reserves the right to provide further comment as the development progresses and amended plans become available. Should you have any questions, please do not hesitate to contact the Community Initiatives Team at 56fw.cit.communityinitiative@us.af.mil.

Sincerely



DAVID J. BERKLAND
Brigadier General, USAF
Commander

cc:

Colonel John D. Ryan, Deputy Commander, 56th Fighter Wing
Lt Col Bradley Palmer, Staff Judge Advocate, 56th Fighter Wing
Ms. Demetria Themistocles, General Law Attorney, 56th Fighter Wing

EXHIBIT 3

EXHIBIT 4



March 18, 2026

Tom ellsworth@maricopa.gov
Maricopa County
Planning & Development Director

RE: MCP20250007; Takanock Project Baccara (APNs: 501-43-016A, 501-43-028A)

Dear Mr. Ellsworth,

This letter is in response to a March 13, 2026 letter to Maricopa County from Luke Air Force Base (LAFB) regarding Takanock's Project Baccara. The Project Baccara team has been collaborating with LAFB for many months during their review of Takanock's Military Compatibility Permit application. Throughout this process we have worked with the LAFB team to understand their concerns and ensure compliance according to their national security and operational readiness responsibilities. We have shared studies, plans and Project information in response to LAFB and the public's questions and concerns.

As Founder and Chief Executive Officer of Takanock, I can confirm that Project Baccara will comply with each of the "Conditions for Compatibility" and "Additional Requirements" set forth in LAFB's March 13, 2026 letter. A summary response to each of these conditions and requirements is below.

Conditions for Compatibility:

Spectrum Utilization and Electromagnetic Interference – Project Baccara will not generate measurable interference with military or civilian aviation systems. Project Baccara's systems operate solely on fiber optic networks, with no microwave, radar or high frequency transmitters, and are compliant with all FCC, FAA and DOD requirements.

Impairment of Pilot's Visibility – Project Baccara will not create any glare, glint, reflection or nighttime light interference that could impair pilot visibility or otherwise interfere with the safe operation of aircraft. All exterior lighting will comply with the County's lighting code and will utilize cutoff fixtures directed downward. No reflective materials, solar panels or mirrored glass will be used. Project Baccara will comply with all County dust control regulations during both construction and operations. To address potential plume or exhaust impact, Takanock hired an expert consultant to conduct an independent study assessing the impacts of turbine exhaust on military or civilian aviation. The study utilized the standard, government developed modeling tool and methodology, also used by the FAA, which showed that exhaust from the turbine stacks, which is hot air only (not steam or vapor), poses no significant risk and is within the thresholds of FAA regulatory guidance. Takanock went further and engaged another consultant with military aviation experience to provide the pilot's perspective and to perform observation flights at similarly situated turbines near a Virginia airfield. All of this research was presented to LAFB to demonstrate that there will be no impairment of pilots' visibility or safety.

Air Quality – Project Baccara will actively monitor and control emissions to the level allowable under its air permits. As acknowledged in the LAFB March 13 2026 letter, air quality is regulated



by Maricopa Air Quality Department (MCAQD), the US Environmental Protection Agency (EPA) and Arizona Department of Environmental Quality (ADEQ). Project Baccara has received a draft air permit from MCAQD which is currently under review by EPA. The draft permit shows that, with proposed operational limits, Project Baccara will remain within the acceptable limits necessary to protect air quality.

Explosive Facilities or Similar Activities & Natural Gas Facilities – Project Baccara will meet or exceed all relevant fire and safety codes to mitigate any fire risks. All natural gas fuel will be delivered via underground pipelines with no on-site storage. Propane, which is a backup fuel, will also be delivered via underground pipelines except for limited on-site storage for rapid deployment which will be stored in compliance with applicable National Fire Protection Association (NFPA) standards.

Additional Requirements:

FAA and FCC Authorizations – Full FCC authorizations will be obtained for all equipment that may impact communication equipment systems. Project Baccara will file for and be compliant with all FAA and FCC authorizations and regulations.

DOD Siting Clearinghouse Review – Project Baccara will be submitted for informal review through the DOD Siting Clearinghouse for Energy, Installations and Environment. As required, a project narrative will be submitted, and Project Baccara will incorporate any recommendations into the final design.

CFIUS Review – Project Baccara is privately developed and financed by US based entities.

Sound Attenuation and Notification – Project Baccara is aware of the projected overflights and has reviewed and will abide by the sound attenuation requirements in A.R.S. § 28-8482 to ensure notification to occupants regarding LAFB operations.

We have the highest of respect for the LAFB, its personnel, and its critically important mission. We look forward to a continued partnership with LAFB and being a compatible neighbor.

Best Regards,

Kenneth Davies
Founder and CEO
kdavies@takanock.com
(650)-318-1066

Cc:

Brigadier General, David J. Berkland, Commander, 56th Fighter Wing
Colonel John D. Ryan, Deputy Commander, 56th Fighter Wing
Lt Col Bradley Palmer, Staff Judge Advocate, 56th Fighter Wing
Ms. Demetria Themistocles, General Law Attorney, 56th Fighter Wing



Mr. Mark James, Director of Community Initiatives Team, 56th Fighter Wing
Darren Gerard, Planning Division Manager, Maricopa County
Rachel Appelgate, Planning Supervisor, Maricopa County
Daniel Johnson, Planner, Maricopa County
Craig McKesson, Chief Commercial Officer, Takanock, LLC
Gener Gotiangco, Senior Vice President of Development, Takanock, LLC
Jennifer Daniels, Chief Executive Officer, AZP Consulting
Ed Bull, Attorney, Burch & Cracchiolo, P.A.