Leo Lew
County Manager

PINAL COUNTY
WIDE OPEN OPPORTUNITY

MEETING DATE: AUGUST 26, 2026 **(CONTINUED FROM MAY 27, 2026)**

TO: PINAL COUNTY BOARD OF SUPERVISORS

CASE NO(S): **PZ-003-26/PZ-PD-003-26- LA OSA ENERGY PROJECT**

CASE COORDINATOR(s): SANGEETA DEOKAR, PLANNING SUPERVISOR

***Executive Summary**:*

La Osa Project, a request by Vermaland LLC, applicant to rezone a total of 3,385 acres from **General Rural (GR)** to 2,393 acres of **Industrial (I-3) zoning district** and 992 acres of **Proposed Open Space** for a Data Center, Gas Fired Power Generation, Battery Storage, and associated offices and facilities (known as the La Osa Energy Center, located along the Greene Wash of the Santa Cruz Wash, in the planning area boundary south of the City of Eloy, in the unincorporated area of Pinal County.

If this request is approved:

The applicant may pursue Site Plan Review Approval for Phase 1 of the La Osa Energy project for Data Center, and a Gas fired power plant permitted under I-3/PAD zoning.

Items for Consideration for the Board:

1. Planning and Zoning recommended approval with **33 stipulations** of approval on April 16
   PZ-003-26: Recommended **Approval 7-2**
   PZ-PD-003-26: Recommended **Approval 7-2**

2. The first BOS hearing was held 27th of May, 2026 and 134 comments cards received by Board. The case was continued to the 26th August, 2026.

3. County received following proposed amendments to the Application for La Osa Energy Center:
   a. Applicant changed from Rose Law Group PC to Earl & Curly. Taylor Earl, Attorney.
   b. Additional 22 stipulations to address community concerns submitted to the County on 7th &14th August.
   c. Number of Data center buildings reduced from 59 to 11 buildings, under stipulation # 34.

4. Pinal County staff have not reviewed the additional 22 stipulations submitted by the applicant.

5. Planning and Zoning Commission have not reviewed the additional 22 stipulations submitted by the applicant.

6. To date, Staff received 123 opposition letters from people and 16 letters of support for the case.

7. The land-use designation for La Osa Energy Center was approved under Major Comprehensive Plan Amendment case PZ-PA-011-25 for Employment, General Public Facilities/Services and Proposed Open Space.

8. Proposed rezone is for a total of 3,385 acres of GR (General Rural) to **2,393 acres** of **I-3, Industrial zoning** and **992 acres** of **Proposed Open Space, which** is consistent with the approved Land-use Designation.

9. The conceptual site plan for the build-out of the La Osa Energy Center may include up to 59 data center buildings and two sites for the gas-fired power plants. A maximum building height of 60 feet is included within the PAD Overlay to accommodate equipment within each data center building.

10. Two 115kv WAPA (Western Area Power Administration) transmission lines bisect the project site, and there is a 230kv transmission line south of the La Osa Energy Center. The primary access to the property in question is from Baumgartner Road, a roadway classified as a "Regionally Significant Route for Safety and Mobility"

11. Pinal County staff will review and address the environmental impacts of the project, structural stability, drainage concerns, Open Space regulations, and trail development during the site development phase of the project and site plan review.

12. Applicant to develop the portion of multi-use trail within the project area, per Pinal County Design Manuel Standards, and dedicate to the County in a form acceptable to the County.

13. The City of Eloy Mayor submitted a recommendation of support for the proposed La Osa Energy project.

14. The La Osa Energy Center represents the first proposed data center campus for Pinal County.

PZ-003-26 – PUBLIC HEARING/ACTION: Should the Board find, after the presentation of the applicant and together with the testimony and evidence presented at the public hearing, that this Rezone is needed and necessary at this location and time, will not negatively impact adjacent properties, will promote orderly growth and development of the County and will be compatible and consistent with the applicable goals and policies of the Pinal County Comprehensive Plan, then **the Board** may approve the rezone of a total of 3,385 acres of GR (General Rural) District to ±2,393 acres of Industrial Zoning (I-3), and ±992 acres of **Proposed Open Space** with **one (1) stipulation as follows:**

1. Approval of this zone change (PZ-003-26) shall require, at the time of application for development, that the applicant/owner submit and secure from the applicable and appropriate Federal, State, County and Local regulatory agencies, all required applications, plans, permits, supporting documentation and approvals.

PZ-PD-003-26 – PUBLIC HEARING/ACTION: Should the Board find, after the presentation of the applicant and together with the testimony and evidence presented at the public hearing, that this Planned Area Development is needed and necessary at this location and time, will not negatively impact adjacent properties, will promote orderly growth and development of the County and will be compatible and

consistent with the applicable goals and policies of the Pinal County Comprehensive Plan, then **the Board** may approve of a **Planned Area Development (PAD) Overlay District** on 3,385± acres of land to apply proposed development standards specifically related to a Data Center, Gas Fired Power Generation, Battery Storage, and associated office and facilities, with **fifty-two (52) stipulations as follows:**

1. Approval of this zone change (PZ-PD-003-26) shall require, prior to issuance of building permits, that the applicant/owner submit and secure from the applicable and appropriate Federal, State, County and Local regulatory agencies, all required applications, plans, permits, supporting documentation and approvals;

2. Baumgarter Road is designated as a Regionally Significant Route (Principal Arterial). The applicant shall dedicate a right-of-way (ROW) of seventy-five (75) feet, free and clear of all liens and encumbrances, to Pinal County by Warranty Deed. Furthermore, any additional right-of-way as determined and required by the County Engineer shall be similarly dedicated to Pinal County, free and unencumbered, by Warranty Deed prior to approval of the site plan;

3. Coachway Road, South La Osa Ranch Road, Continental Avenue, and various unnamed section line roads are located along section lines. The applicant shall dedicate a half-street right-of-way (ROW) of fifty-five (55) feet for minor arterials situated on section lines, free and clear of all liens and encumbrances, to Pinal County via Warranty Deed;

4. A drainage report will be required to be submitted to the County Engineer at the time of Site Plan submittal for review and approval. The drainage report shall include a drainage plan that complies with the current Pinal County Drainage Ordinance and Manual and shall be approved prior to the Site Plan approval. The approved Drainage Report and drainage plan shall include provisions to accommodate offsite runoff and shall provide retention for storm waters in an onsite retention/common retention area or as approved by the County Engineer;

5. A Traffic Impact Analysis (TIA) will be required to be submitted to the County Engineer at the time of Site Plan submittal for review and approval. All peripheral road and infrastructure improvements shall be per the approved Traffic Impact study to mitigate impacts on all surrounding roadways to be completed at the developer's cost. These may include construction of acceleration/deceleration lanes, left turn pockets, traffic signals or other public improvements as approved by the County Engineer. The TIS shall be in accordance with the current Pinal County TIA Guidelines and Procedures and shall be approved prior to the Site Plan approval;

6. A Geotechnical Report shall submitted for review and approval at the time of Site Plan submittal. The report shall cover all recommended pavement sections for this development, include offsite and half-street pavement. The Geotechnical report shall be approved prior to the Final Plat and improvement plan approvals;

7. A paved, all-weather, 28' wide public access road shall be provided to and from the development. Approval of adequate access by the County Engineer shall be a condition of approval of the Site Plan;

8. Any additional right-of-way dedications needed for any required infrastructure improvements (as identified in the approved Traffic Impact Analysis) for any roadways shall be the responsibility of the applicant. All roadway and infrastructure improvements shall be in accordance with the current Pinal County Subdivision Standards or as approved by the County Engineer;

9. All right-of-way dedication shall be free and unencumbered;

10. Any roadway sections, alignments, access locations, and access movements shown in the rezoning application are conceptual only and have not been approved by the Pinal County Engineer;

11. Drainage/irrigation canals/ditches in project-dedicated Right-of-Way, will be required to be under grounded prior to dedication;

12. If offsite improvements are required to be completed by the project per the Traffic or Drainage report, an offsite plan for the improvement is required with the first submittal of the site plan;

13. Perimeter/boundary buffering Santa Cruz River and Greene Wash with 150' width will be required;

14. Perimeter/boundary buffering of riparian areas of a 50' width will be required;

15. Prohibition of exotic an invasive species in landscaping are listed below:
Fountain grass (Pennisetum setaceum)
Buffelgrass (Pennisetum ciliare)
Johnson grass (Sorghum halapense)
Giant reed (Arundo donax)
Common crabgrass (Digitaria sanguinalis)
Pampas grass (Cortaderia selloana)
Red brome (Bromus rubens)
Mediterranean grass (Schismus spp.)
Tree of heaven (Ailanthus altissima)
African sumac (Rhus lancea)
Russian olive (Eleagnus angustifolia)
Salt cedar/Tamarisk (Tamarix pertandra & T. ramosissima)
Bermuda grass (Cynodon dactylon) excluding sod hybrid Bermuda
Lovegrasses (Eragrostis spp.) excluding Plains lovegrass (Eragrostis intermedia)
African rue (Peganum harmala)
Iceplant (Mesembryanthemem crystallinum)
Arabian Grass (Schismus arabicus)
Natal Grass (Melinis repens (-Rhynchelythrum repens)
Aquatics Eurasian Watermilfoil (Myriophyllum spicatum)
Giant Salvinia (Salvinia molesta)
Hydrilla (Hydrilla verticillata)
Water hyacinth (Eichhomia crassipes)

16. Invasive plant species listed on the AZDA noxious weed list such as ***Oncosiphon piluliferum***, ***Brassica tournefortii, Cenchrus ciliaris (Pennisetum ciliare), Bromus spp***., and ***tamarix spp***. occur in this area and need to be identified, mitigated for, and managed. An invasive vegetation management plan needs to be implemented for plant removal prior to seed dispersal stages;

17. On the ground archaeological survey and appropriate mitigation, measures shall be conducted on the subject property. A cultural resources mitigation plan for any identified archaeological sites on the subject property shall be submitted at the time of, or prior to submittal of any development plan;

18. Planned regional multi-use trails (Greene Wash and Sasco Rd), supported by Pinal County's Comprehensive Plan, are located transecting portions of the project area. According to Development Services code 2.176.170 B it is the applicant's responsibility to develop the trail according to Pinal County's standards;

19. Tread width and setbacks will be determined at site plan review by the distances listed in our department-published Open Space and Recreation Area Design Guidelines Manual https://www.pinal.gov/DocumentCenter/View/13039/Open-Space-and-Recreation-Area-Guideline-Manual-2012-PDF

20. Trail corridor requirements would include:
    - Signage would need to be approved by the Open Space and Trails Department.
    - Decomposed granite pedestrian paths would consist of natural subsoil compacted to 95%.
    - The corridor would need to be dedicated to the County in a form acceptable to the County

21. Preservation of natural areas such as dense stands of native vegetation, rocky outcrops, slopes greater than 7 %, and riparian habitat;

22. Salvage and mitigation plan for the uprooting of any Saguaro are required in accordance with State legislation provided by the Arizona Department of Agriculture (AZDA) (ARS § 3-906)

23. All salvaged plants shall be planted on site to remediate the effects of disturbed areas;

24. Wildlife friendly fencing for boundary lines in accordance with Arizona Game and Fish recommendations. These recommendations can be found in Arizona Game and Fish Department's *"Wildlife Compatible Fencing"* publication, available in the link below. https://s3.amazonaws.com/azgfd-portal-wordpress/PortalImages/files/wildlife/planningFor/wildlifeFriendlyGuidelines/110125_AGFD_fencing_guidelines.pdf

25. Revegetation of disturbed areas with native drought-tolerant species that represent the natural surrounding landscape. Landscaping with native plants can help support wildlife and pollinator species in the area while reducing dust and erosion. In addition, the applicable land management agencies should be consulted regarding guidelines for revegetation efforts. Acceptable plant species can be found in the Pinal AMA Low Water Use/Drought Tolerant Plant List publication with origins of the following areas: Sonoran, Mojave, and Chihuahuan Deserts, Southern Sonoran Desert, Southwest US and Mexico, Western US, Arizona and northwestern Mexico, and Southwestern Deserts. https://www.azwater.gov/sites/default/files/media/PAMA2020LWUPL_0.pdf

26. All areas identified as riparian habitat, washes, drainage channels shall be preserved with a minimum 50-foot buffer. This requirement shall remain applicable in the event of any future project or site plan modifications;

27. The property is to be developed with an approved Site Plan, in accordance with the applicable criteria set forth in Section 2.200.070 of the Pinal County Development Services Code (PCDSC) and the applicant's submittal documents;

28. Facility shall employ the best available technology pertinent to sound mitigation, to the satisfaction of the Community Development Director, or his designee;

29. The La Osa Energy Center shall meet the Lighting Zone 1 requirements of the Pinal County Development Services code for areas zoned for 'Proposed open Space'. Applicant to follow all guidelines for minimum amount of light recommended by Arizona Game and Fish Department for species impacted by lighting;

30. I-3 zoned areas shall meet the Lighting zone 2 requirements, use motion censored lighting. All lighting should be shielded, canted, or cut to ensure lighting reached only areas needing illumination;

31. An air quality industrial permit would be required if generators are installed;

32. All Construction activity must conform to the earthmoving activity requirements in accordance with Section 4-3-160 thru 190 of Pinal County's Air Quality Code of Regulations;

33. The proposed Site Plan shall provide for an all-weather road access to the project, and paved road access within the project, or as required by the County Engineer, and paved parking lots. Access and roads will be designed to accommodate for emergency vehicles.

34. The number of data center buildings within the Subject Property shall be limited to eleven, plus ancillary structures associated with each data center building. Ancillary structures may not be used for data center processing or data storage.

35. No data center building shall exceed 400,000 square feet in gross floor area; plus ancillary structures associated with each data center building.

36. Owner shall comply with all applicable water-use regulations, service agreements, conservation requirements, and allocation limitations approved by federal, state, and local water providers serving the property.

37. Prior to the issuance of a building permit for any data center or battery storage structure, the owner shall submit to the County Director of Development Services, a cooling technology disclosure identifying the proposed primary cooling method and provide an estimated water demand for the applicable phase.

38. The Owner shall not exceed an aggregate of 600 net acre-feet per year of potable water for all on-site data center, power generation, and battery storage uses, and all data center and battery storage buildings shall utilize only closed-loop systems for cooling and shall not use evaporative cooling towers, adiabatic cooling systems, or once-through cooling systems.

39. The owner may elect to negotiate with the County to reduce water usage or otherwise offset usage through a separate Effluent Purchase Agreement.

40. An annual water demand and usage report shall be filed with the County Manager of Pinal County, which is allowed to be made public on the County's website.

41. Water consumption attributable to any on-site power generation equipment shall be included in the estimated water demand disclosure and shall be supplied pursuant to the same water provider agreements applicable to the remainder of the property.

42. Water use associated with any such on-site power shall not exceed the per-acre consumption benchmarks applicable to other power generation or heavy industrial uses.

43. Owner agrees that, unless and until electric utility interconnection capacity is sufficient to serve the data center use that has been constructed, commissioned, and placed in service, any data center usage shall utilize on-site generation or behind the meter power generation facilities and associated infrastructure being constructed, owned, or operated by, or on behalf of, the owner.

44. Prior to the issuance of a building permit for any on-site power generation facility, the owner shall, in addition to any requirement of the County Code, submit to the County Director of Development Services, a power generation disclosure identifying the proposed generation technology, which will include the capacity in megawatts, and the primary fuel source. The disclosure shall include a summary of all applicable federal and state environmental permits required for the installation and operation of the on-site power generation equipment.

45. All on-site power shall meet or exceed emission standards for non-attainment zones and shall comply with I-3 zoning standards and will be subject to all applicable laws, including the zoning and permitting laws of the County.

46. In the event the owner pursues interconnection with a utility provider's transmission or distribution system, owner shall bear all costs associated with such interconnections, including studies, transmission upgrades, substation or switchyard construction or modification, and distribution system improvements.

47. Any on-site power generation facilities shall comply with all applicable requirements of the Arizona Department of Environmental Quality, the U.S. Environmental Protection Agency, the Federal Energy Regulatory Commission, and the Arizona Corporation Commission.

48. Prior to the issuance of a building permit for any data center or on-site power generation facility, the owner shall commission and submit to the County a noise impact study prepared by a licensed acoustical engineer. The study shall identify existing ambient noise levels at all adjacent property lines, model projected operational noise levels at all adjacent property lines from all material noise generating equipment and specify design measures to ensure compliance.

49. The campus shall be designed and constructed so that noise generated by the datacenter, on-site power generation, and electrical infrastructure does not exceed 60dBA between the hours of 8:00 a.m. and 9:00 p.m., and 55dBA between the hours of 9:00 p.m. and 8:00 a.m., as measured from the nearest property line of the Subject Property.

50. Within 90 days after the data center becomes operational, the owner shall commission a post-construction noise measurement study prepared by an acoustical engineer.

51. Any Battery Energy Storage System (BESS) associated with the Subject Property shall be designed, installed, and operated in compliance with applicable fire and life safety codes, including NFPA 855, as adopted and applicable. Prior to issuance of any building permit for a BESS, the Owner shall provide documentation to the County that demonstrates that the applicable fire district has reviewed the BESS plans for compliance with applicable adopted fire and life safety requirements.

52. The Owner shall include within the required Geotechnical Report, a geologic hazards evaluation, including a land subsidence and earth fissure investigation, prepared by a qualified geotechnical professional. The Owner shall incorporate into the development design and construction all mitigation measures identified in the evaluation as necessary to address geologic hazards associated with the development, including, without limitation, impacts to site grading, foundations, and underground infrastructure, consistent with applicable engineering standards and County requirements.

53. Any discharge of cooling-system fluid, blowdown, water treatment reject or backwash, once-through cooling water, process wastewater, or humidification wastewater from the Subject Property shall comply with all applicable governmental laws, permits, and standards. No such discharge shall be released into any wash, drainage way, or directly onto the ground surface. Within 90 days following the end of each

calendar year, the Owner shall provide an annual report to the County disclosing whether any such discharge occurred during the prior year and, if so, identifying the nature and method of such discharge.

54. If, after construction, any data center, power-generation facility, or battery energy storage facility on the Subject Property permanently ceases operations and remains unused for a period of twenty-four (24) consecutive months, the Owner of the portion of the Subject Property containing such facility(ies) shall, at the request of the County, either: (a) decommission and remove such facility(ies) and restore the site to a safe condition within 24 months or (b) actively pursue an alternative tenant or use of such facility(ies).

55. The aggregate operational electrical generating capacity of all on-site power generation facilities on the Subject Property that generate electricity through the combustion of natural gas shall not exceed 1,000 megawatts, excluding generators installed and operated solely for emergency backup power, including routine testing and maintenance, and not for normal, continuous, or peak-shaving electrical generation.