City of Tucson

February 23, 2026

Community Meeting
Large-Scale Data Centers Zoning

Presentation Overview

- How we got here

- Existing City Policies and Regulations

- Technical Advisory Committee (TAC)

- Proposed Large Scale Data Center Standards

- Opportunities for Further Input and Discussion

- Next Steps

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How We Got Here

- Mayor and Council directed staff to draft a zoning amendment regulating the development of large-scale data centers

    - Following consideration of the Project Blue proposal

- Establish standards and a review process

- Conduct research on data center impacts and regulations in other communities

- Form Technical Advisory Committee to help develop standards

- Informed by the City's *Large Quantity Water Users* Ordinance

- Proposed code amendment not related to any specific data center proposal

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Zoning regulations are one piece of a larger picture

- A number of city regulations shape where and how large-scale data centers can be developed

- State and federal policies also come into play

Our Focus Today

Zoning and Land Use Regulations

Economic Development Policies

Large Quantity Water User Ordinance

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Meeting Format, Feedback and Guidelines

- Your feedback will be collected in writing in these initial community meetings, via polling and an online survey

- All written feedback (including Zoom chat) will be made publicly available and shared with the Planning Commission and Mayor and Council

- Conversation and additional feedback City staff is available during breakout sessions

- An FAQ will be created on the City website to provide answers to questions

- Please respect everyone's time and refrain from disruption

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Your feedback: Where and When

Plenary Session

- Presentation – Learn about proposed zoning regulations
- Feedback – Submit comments and questions via poll on proposed zoning regulations

Breakout Rooms Following the Presentation

- Dialogue with City staff and share feedback about:
  - Data centers – zoning related
  - Data centers – beyond zoning

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What is a Large-Scale Data Center

- A warehouse filled with thousands of computers working 24/7 to store, process and deliver digital services

- Data centers house computer systems, networking equipment, and storage devices which power the digital world

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Key Components of Every Data Center

- <u>Server Racks</u>: House and organize servers

- <u>Networking Equipment</u>: Moves data securely and quickly

- <u>Storage Systems</u>: Stores data reliably

- <u>Power Infrastructure</u>: Keeps systems running during outages

- <u>Cooling Systems</u>: Removes heat from equipment

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Purpose of Regulating Data Centers Through Zoning

- Sets clear rules for location and design

- Protect sensitive areas

- Address noise, scale and other impacts early

- Ensure public input

- Proactive, not reactive planning

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How Tucson Currently Regulates Data Centers

- Existing Code designates a storage use, historically applied to smaller data centers

- The City's Zoning Administrator determined that large-scale data centers are a Utility Generating System Use only through a PAD or PCD

- Under the current code, there is no substantial guidance for data centers

- Largely up to the applicant to propose regulations

- With additional standards, Mayor & Council could provide guardrails for data centers that reflect Tucson's values

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Large-Scale Data Center
Current Standards vs. Proposed Standards

Current Standards
- Permitted as a PAD or PCD as a utility generation use
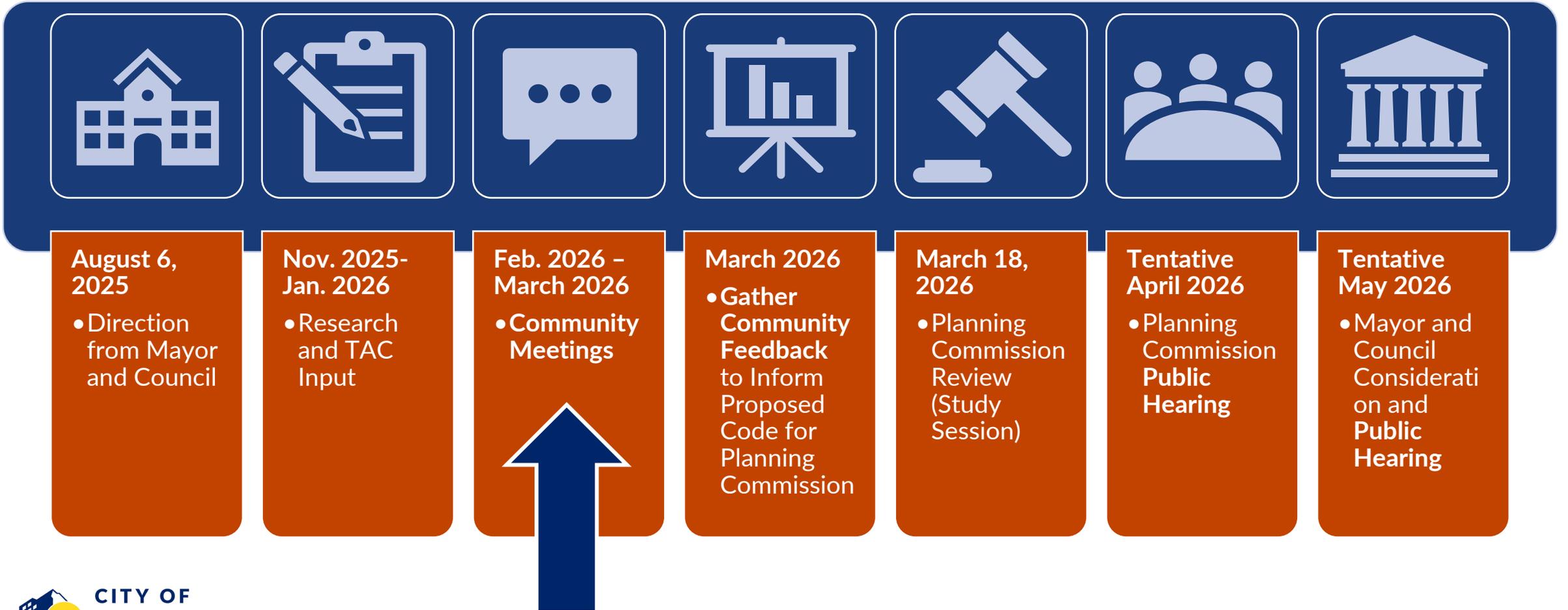
Proposed Standards
- Establish a clear definition for large-scale data center
- Establish where and how they would be allowed
- Establish a clear, transparent public review process requiring Mayor and Council approval
- Must demonstrate access to adequate energy supply
- Must disclose proposed energy use and energy mix
- Must demonstrate access to adequate water supply
- Prohibit the use of potable water for cooling if not subject to the Large Water User Ordinance
- Require additional setbacks from sensitive uses
- Require an independent noise study
- Set clear noise limitations
- Require sound walls or screening
- Require cleaner high efficiency generators and battery backup
- Prohibit load shifting (running generators instead of connecting to the grid)
- Require enhanced landscaping and right sized parking

Regulating Data Centers Through Zoning

State Law sets limits on what cities can regulate through zoning

- The City can regulate:
  - Land use
  - Building size, shape, height, materials, and purpose
  - Site dimensions, setbacks, lot coverage
  - Location and use of buildings and land

- <u>Limited in what can be regulated related to water and energy</u> use through zoning

- How we define data centers is critical to their regulation through zoning

- Any data center proposal would need to comply with *Plan Tucson 2025*

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Zoning Code Amendment Process

August 6, 2025
- Direction from Mayor and Council

Nov. 2025-Jan. 2026
- Research and TAC Input

Feb. 2026 – March 2026
- **Community Meetings**

March 2026
- **Gather Community Feedback** to Inform Proposed Code for Planning Commission

March 18, 2026
- Planning Commission Review (Study Session)

Tentative April 2026
- Planning Commission **Public Hearing**

Tentative May 2026
- Mayor and Council Consideration and **Public Hearing**

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Guidance from Existing Plans and Policies

- Plan Tucson 2025 policies

- Tucson Resilient Together Climate Action Plan

- Comprehensive Economic Development Strategy

- One Water 2100 Master Plan

- Large Quantity Water User Ordinance

- Building Codes

- Other provisions in the Unified Development Code (Zoning Code)

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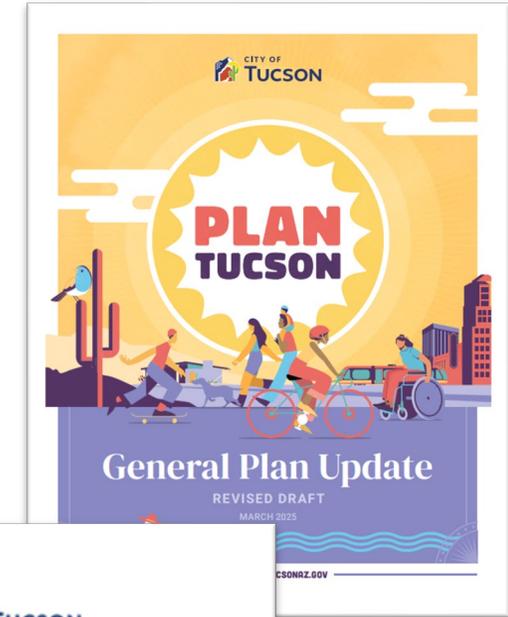
Large Quantity Water Users Ordinance

- Ordinance adopted in August 2025 created a Large Quantity Water User Program for new water connections and meter upsizing requests

- Applies to any customer projected to use 10,000 ccf (7,480,000 gallons) or more average monthly average

- Applies to
  - New development with high anticipated use
  - Existing users requesting meter upsizing that enables higher demand due to change in site use

- Applicants must file a Sustainable Water Service Application and a Water Conservation Plan

- Plans must be approved by M&C

Technical Advisory Committee (TAC)

- Mayor and Council directed PDSD staff to convene the TAC

- Share knowledge and expertise

- Discuss key issues related to land use, environment, resource consumption, and infrastructure

- Learn about and provide input on best practices, new technologies, and approaches from other cities

- Advise on options for regulating large-scale data centers

- Recommend topics and standards for a proposed zoning amendment

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Technical Advisory Committee Members

- Includes 13 members from various groups including Watershed Management Group and TEP

- Staff support from various City and County departments

TAC Areas of Expertise

Environmental Resources · Power Supply · Energy Equity · Data Center Construction · Data Center Operations

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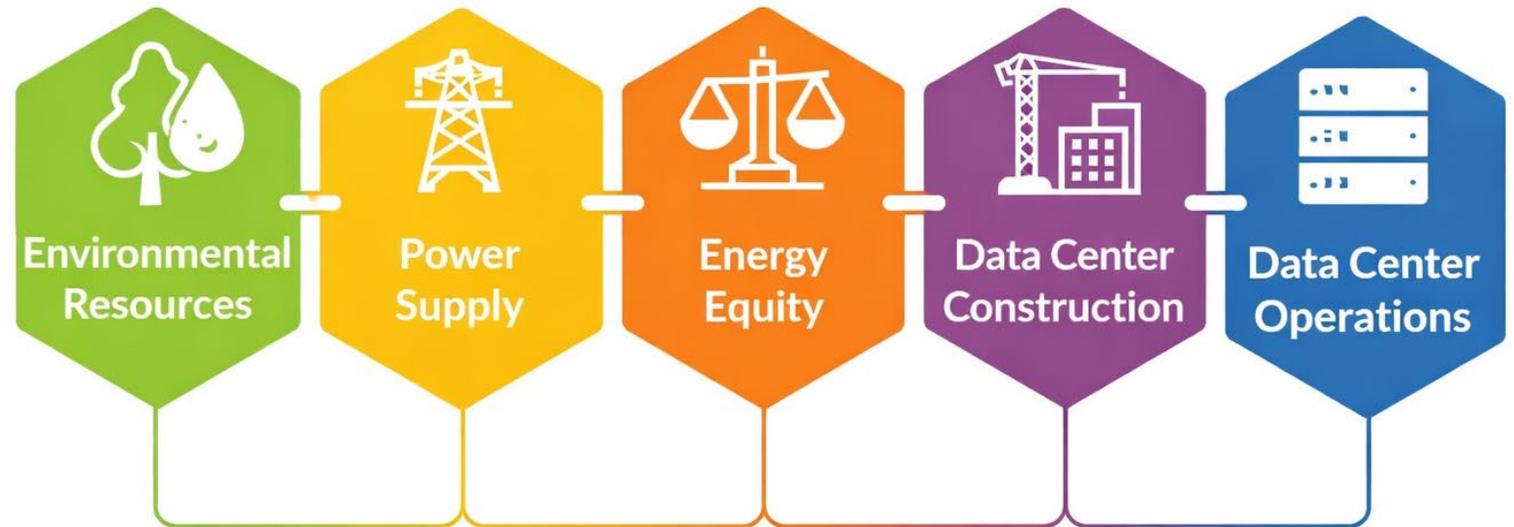
Summary of Rankings from Previous TAC Meeting

Most Important Regulations and Standards to Include in Code
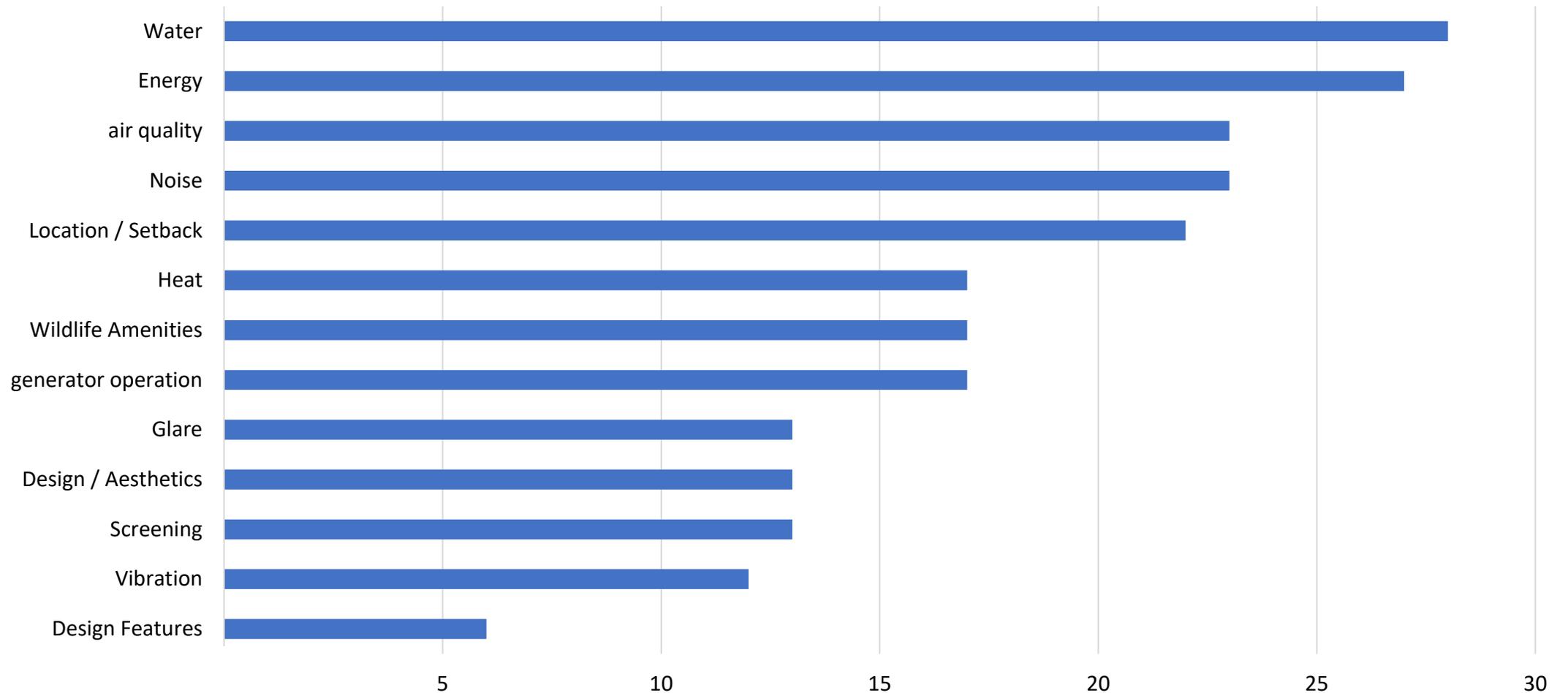
Proposed Large-Scale Data Center Standards

Proposed standards developed through staff engagement with the TAC in the following areas:

- Definition, Review Process and Location
- Energy and Water Use and Sourcing
- Setbacks
- Environmental Compatibility, Landscaping, and Parking
- Noise and Generator Use

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Polling Questions and Feedback

- Polling questions will be asked for each topic

- All feedback posted to the PDSD website, and provided to the Planning Commission and Mayor and Council

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Poll

Proposed Large-Scale Data Center Definition

- Defining large-scale data centers is key to regulating them

- Size threshold of over 50,000 square feet

- General description of equipment and use

Proposed Definition for a Large-Scale Data Center

A large-scale data center is a facility, multiple facilities, or portion of a facility on a contiguous site with the same controlling ownership interest, and a gross floor area greater than 50,000 square feet, housing networked computer systems and / or telecommunications equipment used for remote storage, processing, and distribution of data.
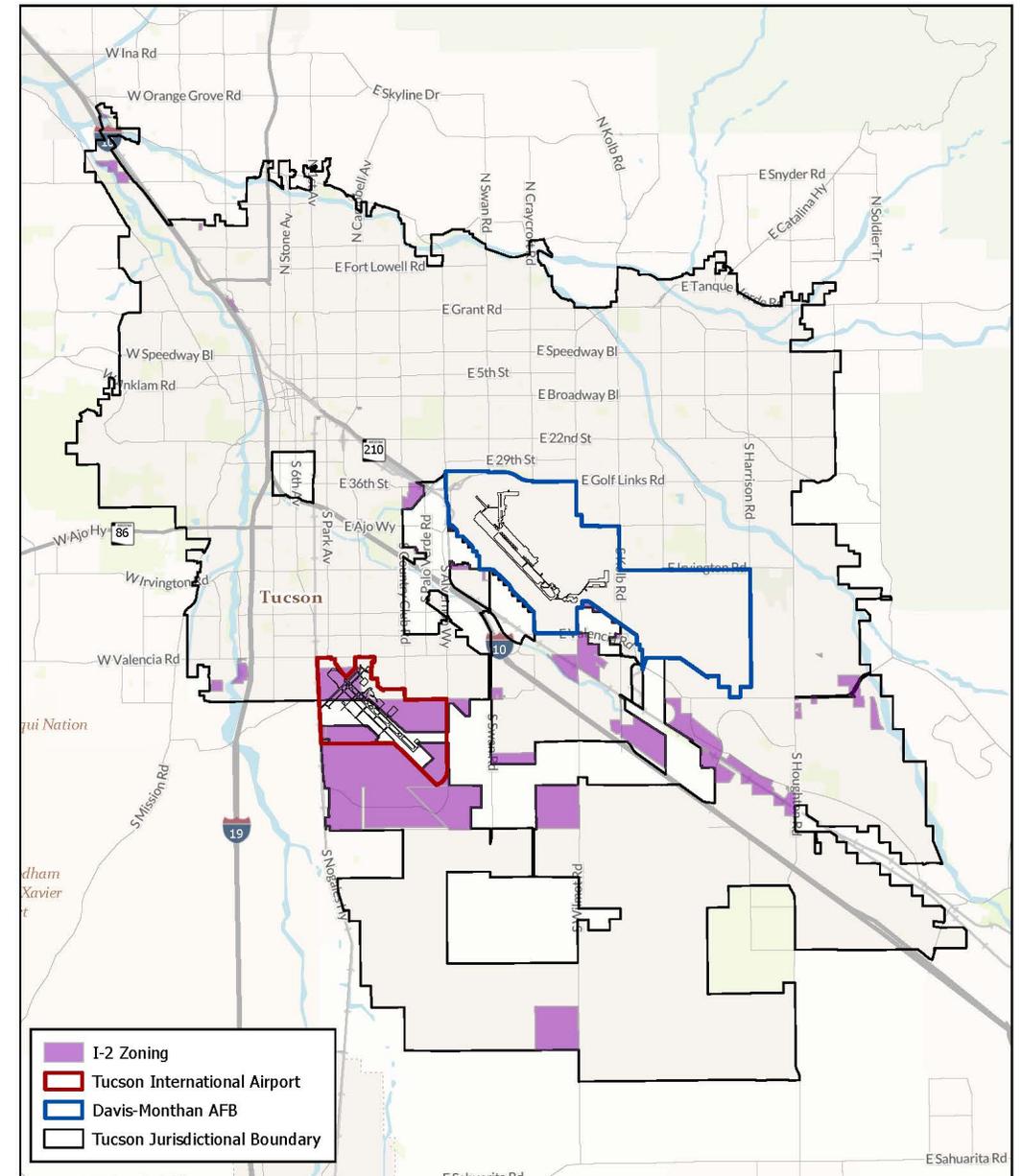
Proposal: Allowed Zones

Data Centers proposed to be allowed in:

- Heavy Industrial (I-2) zone via Mayor & Council Special Exception
- Planned Area Development (PAD) OR
- Planned Community Development (PCD)

Would not be allowed anywhere by-right

Mayor & Council review approval required in all instances


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Proposed Review Process

- **Public review process** include a neighborhood meeting, Zoning Examiner public hearing, and Mayor & Council decision

- **Enhanced public notice** include notice of all property owners within ½ mile, and all Neighborhood Associations within 2 miles

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Proposed Procedure for Data Center Review

Neighbor-hood meeting → Application submittal → Public notice of Zoning Examiner Public Hearing → Zoning Examiner Public Hearing → Zoning Examiner Recommendation → Mayor and Council Decision
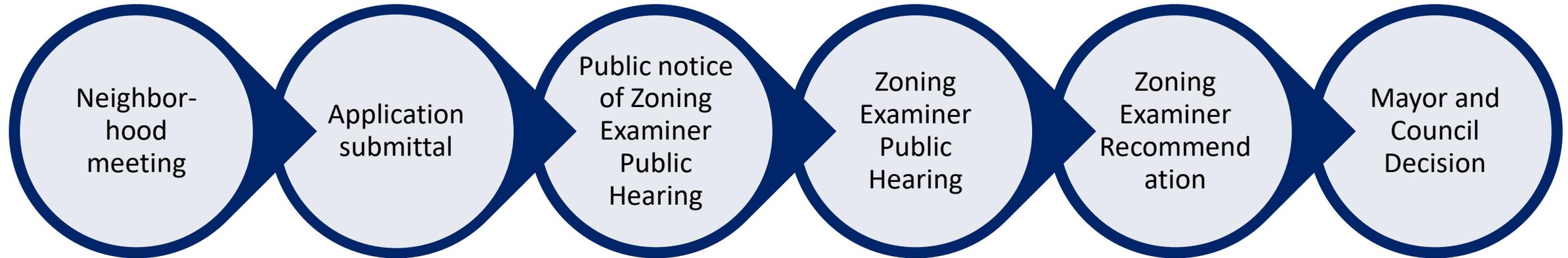
- A neighborhood meeting is required – property owners and Neighborhood Associations must be invited

- A pre-application meeting with staff is required

- Proposed notice to properties within ½ mile and Neighborhood Associations within two miles

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Proposed Regulation of Energy Consumption and Sourcing

- Demonstrate access to adequate energy supply at time of application

- Applicant must disclose the proposed amount of energy and energy mix, including renewables, in application materials

Proposed Regulation of Water Use and Sourcing

- Must comply with the City's *Large Quantity Water User* Ordinance if Tucson Water customer
  - Requires a water conservation plan
  - Recycled water requirements, if possible
  - Regular monitoring and compliance
- Applicant must demonstrate access to adequate water supply
- Prohibit the use of potable water for data center cooling, if not subject to Large Water User Ordinance (through Zoning)
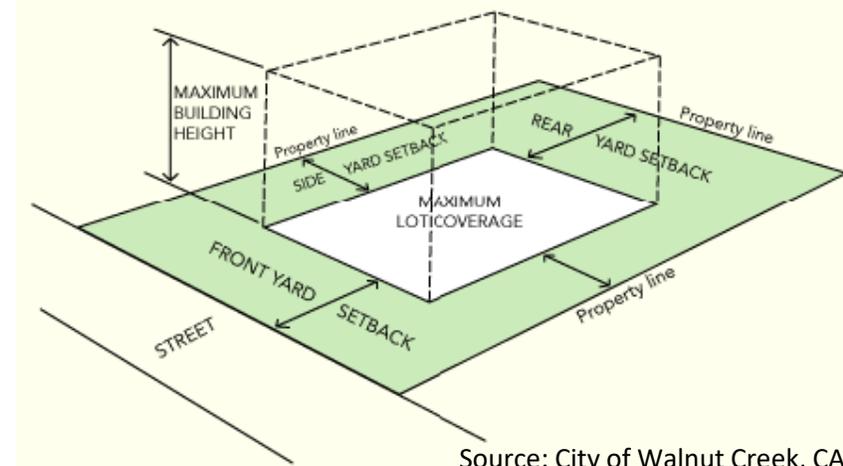
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Proposed Setbacks

- Require a 400-foot setback from data center use to urban residential areas and noise sensitive uses such as schools

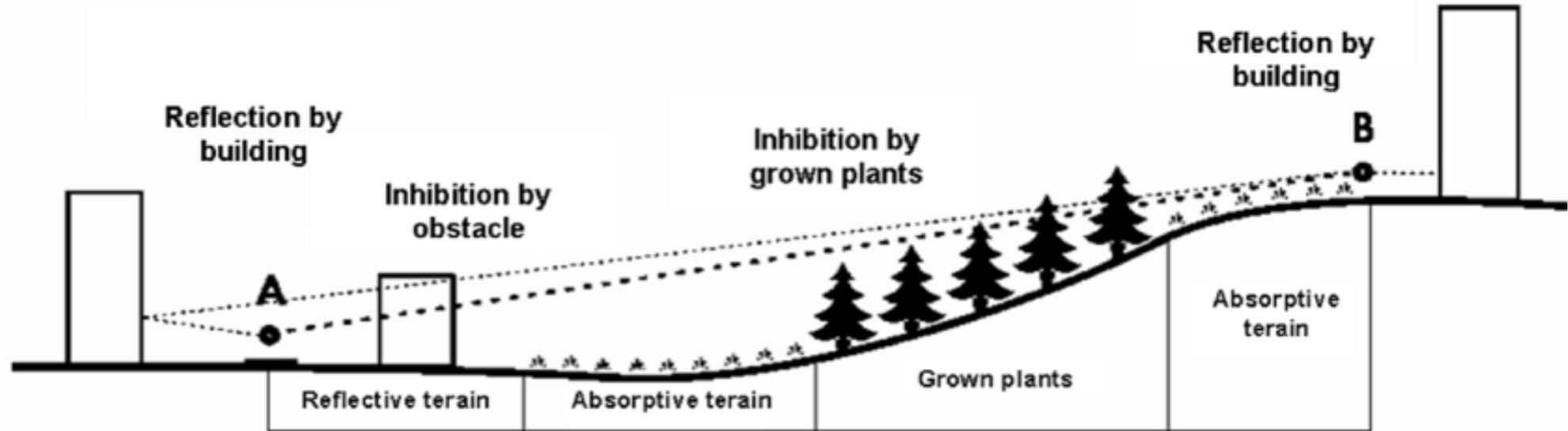- Require a 200-foot setback from data center use to commercial or office uses

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Source: City of Walnut Creek, CA

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Proposed Regulation of Noise

- Require an independent noise study that measures sound levels & tone

- Set clear noise limits at the property line

- Require sound walls or roof screening around generators and other loud equipment

Source: researchgate.net

Proposed Regulation of Generator Use

- Use cleaner, high-efficiency generators (Tier IV or natural gas/dual fuel)

- Battery backup used first during power disruptions

- No "load shifting" (no running generators instead of using grid power)

- Generators run only during emergencies or required maintenance

- Non-emergency maintenance limited to weekdays, 9 a.m. to 5 p.m.

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Proposed Landscaping and Parking Standards

- Require enhanced landscaping borders of 20 feet.

- Define minimum parking ratios for data center use based on anticipated low parking needs.

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Environmental Compatibility

Utilize Existing Standards, Including:

- Require applicants adhere to existing ERZ (Environmental Resource Zone), and WASH (Watercourse Amenities, Safety and Habitat), commercial rainwater harvesting, and hillside development standards
  - Includes protection of existing arroyos and washes
  - Use of low water and drought tolerant plants
  - Harvest 50% of total landscape water demands
- Utilize existing Airport Hazard District and Industrial Use Group standards for glare.

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Breakout Sessions

- You will be moved to a randomly assigned breakout room
- Breakout rooms provide an opportunity for additional feedback and discussion
- Each participant will have one minute to speak
- Each participant will have an opportunity to speak before anyone speaks a second time
- Please be respectful of others' opinions and allow everyone time to share
- Additional written comments from the breakout session can be provided at the QR code

Opportunities For Further Input and Discussion

- Now: Further discussion of topic in breakout rooms
- Additional Community Meetings
  - **Wednesday, March 4: 11 a.m. – 1 p.m., Virtual**
  - **Thursday, March 5: 6 – 8 p.m., In-Person Rincon/University High School**
- Proposed standards posted online
- More information on the PDSD Website, including written survey form
- The website will be updated periodically as it becomes available, including comments, and FAQ's

PDSD Website on Large-Scale Data Centers Zoning Amendment

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