

**SATURN PARK ADVISORY REVIEW COMMITTEE (SPARC)
AGENDA**

**REGULAR SPARC MEETING
Monterey Park City Service Club House
440 South McPherrin Avenue**

**Monday
August 19, 2024
6:30 PM**

MISSION STATEMENT

The mission of the City of Monterey Park is to provide excellent services to enhance the quality of life for our entire community.

LAND ACKNOWLEDGMENT

We would like to acknowledge that the land we inhabit today was once known as Tovangaar, the home of the Gabrieleño-Tongva people. We show our respect to the Gabrieleño-Tongva people, as well as all Indigenous people, past, present, and future, and honor their labor as original caretakers of this land. We commit to uplift the Gabrieleño-Tongva people, invite you to acknowledge the history, and join us in caring for this land.

GENERAL INFORMATION

Documents related to an Agenda item are available to the public in the Community Development Department – Planning Division located at 320 West Newmark Avenue, Monterey Park, CA 91754, during normal business hours and the City’s website at <http://www.montereypark.ca.gov/AgendaCenter>.

PUBLIC PARTICIPATION

Pursuant to Government Code § 54954.3(a), the public may address the SPARC only on matters listed on the Agenda. Those wishing to speak on a listed item should come to the podium, be recognized by the Chairperson, and state your name for the record. Each speaker will be provided a maximum three minutes to address the SPARC. Note, however, that public comment will be received by the SPARC throughout the meeting as part of the workshop.

Per the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call City Hall at (626) 307-1359 for reasonable accommodation at least 24 hours before a meeting. Council Chambers are wheelchair accessible.

CALL TO ORDER

Chairperson Wong

FLAG SALUTE

Member Johnny Kwok

ROLL CALL

Chairperson Thomas Wong, Vice Chairperson Vinh Ngo, Member Philip Chang, Member Johnny Kwok, Member Paul Lee, Member Joe Leyva, Member Tammy Sam, Member Victoria Chen Stapleton, Member Maychelle Yee

[1.] CONSENT CALENDAR

1-A. MINUTES

It is recommended that the SPARC consider:

- (1) Approving the minutes for the regular meeting of August 12, 2024; and
- (2) Taking such additional, related, action that may be desirable.

[2.] NEW BUSINESS

2-A. WORKSHOP # 3 TO GATHER COMMUNITY INPUT REGARDING LAND USE REGULATIONS AND POTENTIAL FUTURE USES AT SATURN PARK. THE WORKSHOP WILL BE MODERATED BY REPRESENTATIVES FROM WILLDAN ENGINEERING.

It is recommended that the SPARC consider:

- (1) Discussing land use regulations and potential future uses at Saturn Park and receiving and filing the presentation provided by Willdan Engineering. Potential discussion involves current land use regulations; land use designations and governance adopted by voters via Measure JJ in 2020; future land uses based upon California law and Measure JJ; and other, similar, topics. No particular action is recommended for this meeting;
- (2) Continuing the discussion of land use regulations and future uses at Saturn Park to the next scheduled meeting on August 29, 2024; and
- (3) Taking such additional, related, action that may be desirable.

ADJOURN

Next regular scheduled meeting is on August 29, 2024.

**MINUTES
SATURN PARK ADVISORY REVIEW COMMITTEE (SPARC)
REGULAR MEETING
AUGUST 12, 2024**

**REGULAR SPARC MEETING
Monterey Park City Service Club House
440 South McPherrin Avenue
Monterey Park, CA 91754**

**MONDAY
August 12, 2024
6:00 PM**

The Saturn Park Advisory Review Committee (SPARC) held a Regular Meeting in the Monterey Park City Service Club House, located at 440 South McPherrin Avenue in the City of Monterey Park, Monday, August 12, 2024, at 6:00pm.

CALL TO ORDER:

Chairperson Wong called the meeting to order at 6:01 p.m.

FLAG SALUTE: Member Philip Chang lead the flag salute.

ROLL CALL:

Chairperson Wong called the roll:

Members Present: Vice Chairperson Vinh Ngo, Member Philip Chang, Member Johnny Kwok, Member Paul Lee, Member Joe Leyva, Member Tammy Sam, Member Victoria Chen Stapleton, Member Maychelle Yee

Members Absent: None.

ALSO PRESENT: City Manager Inez Alvarez, Assistant City Manager Diana Garcia, Fire Chief Chris Thompson, Director of Finance Martha Garcia, Director of Public Works Shawn Igoe, Director of Recreation and Community Services Robert Aguirre, Director of Human Resources and Risk Management Christine Tomikawa, Director of Community Development Jessica Serrano, Planning Manager Beth Chow, Finance Manager Laura Borjon, Office Assistant II Megan Cheung

City Consultants from Willdan Engineering: Salvador Lopez, Juliet Arroyo, Jennifer Maria, and Chad Brown.

[1.] CONSENT CALENDAR

1-A. MINUTES

Action Taken: The SPARC approved and adopted the meeting minutes for the regular meeting of July 29, 2024.

Motion: Moved by Vice-Chairperson Ngo and seconded by Member Sam, motion carried by the following vote:

Ayes: SPARC Members: Wong, Ngo, Chang, Kwok, Leyva, Sam, Stapleton, Yee

Noes: SPARC Members: None

Absent: SPARC Members: None

Abstain: SPARC Members: Lee

Recusal: SPARC Members: None

[2.] NEW BUSINESS

2-A. WORKSHOP #2 TO GATHER COMMUNITY INPUT REGARDING LAND USE REGULATIONS AND POTENTIAL FUTURE USES AT SATURN PARK. THE WORKSHOP WILL BE MODERATED BY REPRESENTATIVES FROM WILLDAN ENGINEERING.

Consultant Salvador Lopez made a presentation about Saturn Park including: land area, occupied vs. unoccupied space, number of lots, number of parking spaces, current land use regulations and primary uses. Additionally, information was presented about the City's role in development, pending data center application at Saturn Park, and a summary of community input received at the July 29, 2024 meeting.

Consultant Juliet Arroyo led working group exercises and attendees participated in round table discussions led by Willdan facilitator, including Salvador Lopez, Juliette Arroyo, Jennifer Maria, and Chad Brown. The working group exercises involved having the participants review comments from SPARC Workshop #1 and select which of the following land use categories it belongs to: innovation/technology (current zoning), residential/housing, retail/commercial, and public uses (parks/open space, government/education). The participants were instructed to provide what the strengths, weaknesses, opportunities, and/or threats were for each of the uses.

Comments received from the public included:

Table 1:

- Overall, group was supportive of more development at Saturn Park.
- Innovation/Technology:
 - Concerns: does not fit in with this area due no large universities nearby; group was not against data centers, but have concerns about current proposal due to lack of employment opportunities, needs a public component and better buffering;
- Housing/Residential:
 - Acceptable: residential okay if it is low impact; blends with existing uses; condos/townhomes; mixed use and medium density (3-stories) with retail and walkable area; amenities such as walking paths/trails would be good for residents;

- Not Acceptable: mostly against high-density residential;
- Concerns: vacant retail; RHNA goals should be considered; city lacks affordable housing; retail should be walkable;
- Retail/Commercial:
 - Acceptable: family-oriented; arts district on a portion of the site with local businesses, including service; a pavilion with rotating uses; art walk event in an art center with art space easement; walkable; retail can face main roadways; commercial in moderation;
 - Not Acceptable: no big box retail; Montebello has big box retailers;
 - Concerns: consider business interests;
- Public Uses (parking/open space, government/education):
 - Acceptable: recreation area for exercising (portion of site); circular walking trails with a dog walk; good example: Almanor Park, Alhambra; pocket park would be with demonstration/botanical gardens, with native California plants.

Table 2:

- Overall, group wants to keep the area as is and does not support any new development and were concerned about impacts to the surrounding community. A minority of the group was supportive of new development to support economic vitality.
- Innovation/Technology:
 - Acceptable: want to keep the area as is;
 - Concerns: want to keep area quiet; undesirables and unsafe conditions; noise impacts such as a grocery store and delivery trucks; rodents; trash; crime;
- Housing/Residential:
 - Acceptable: minimal support; would consider low-density single-family development; a minority of this group was open to residential development
 - Not Acceptable: area is too small for affordable housing; no apartments or townhomes; no density;
 - Concerns: building height and view obstruction; traffic; noise
- Retail/Commercial:
 - Acceptable: minority of this group was open to neighborhood serving retail/commercial;
 - Not Acceptable: no commercial, retail or entertainment;
 - Concerns: existing infrastructure/street grid cannot support new development; traffic and noise impacts;
- Public Uses (parking/open space, government/education):
 - Acceptable: open space barrier should be provided between existing residential and any new development; indoor/covered open space sensitive to the outlying residential; pickleball courts; free public pool.

Table 3:

- Overall, the group reached consensus on many topics although there were differences in opinion.
- Innovation/Technology:
 - Acceptable: data center (although there were mixed opinions about whether this use should be allowed); life science business; medical device manufacturing;
 - Concerns: traffic impacts; energy consumption;
- Housing/Residential:
 - Acceptable: affordable housing; mixed use to create housing and convenience to retail/food service and freeways; senior housing;
 - Not Acceptable: affordable housing;
 - Concerns: City's RHNA numbers and progress towards meeting the housing goals; consider proximity to Edison site;
- Retail/Commercial:
 - Acceptable: higher-end retail; Amazon Fresh; food services; medical device manufacturing; promote local businesses; make more welcoming to nearby residents; new tax revenues; new jobs;
 - Not Acceptable: no commercial uses;
 - Concerns: preserve residential feel; high number of commercial vacancies; traffic; noise;
- Public Uses (parking/open space, government/education):
 - Acceptable: regional sports center including tennis, pickleball courts, racquetball; swimming pool;
 - Not Acceptable: No recreation;
 - Concerns: current facilities are run down; risk losing access to existing pool due to its condition; closest regional sports center too far from MPK; private ownership of properties makes it difficult to create more open space; City has not intention to purchase land at Saturn Park; traffic concerns; data center proposal could include public park with playground and/or dog park and offer fiber optic capabilities to nearby residents.

Table 4:

- There was a mixture of opinions for and against new development. There was a request for examples of what is low, medium, and high density.
- Innovation/Technology:
 - Acceptable: expansion of cemetery; tech incubator; Edison training area; technology related school; tech job; EV charging stations; data centers bring utility taxes, \$400 million on improvements; undergrounding power lines; other businesses will benefit from data center investments.
 - Not Acceptable: electrical infrastructure;
 - Concerns: potential environmental impacts of data centers;
- Housing/Residential:

- Acceptable: mixed use and higher density;
- Not Acceptable: no mixed use or high density;
- Concerns: business owner in the area worried about housing impacting his business including traffic to and from and his ability to sell his business in the future, but not opposed to residential; more fire protection desired, questions about police services; traffic; ample parking for any use; high density residential would bring undesirable conditions;
- Retail/Commercial:
 - Acceptable: Whole foods, Trader Joes, Sprouts, Amazon Fresh, not Ralphs; sales tax, more revenue; potential revitalization; more jobs;
 - Concerns: no retail demand; traffic; trash; increased crime; theft; noise; inability to fill current vacancies; most worried about residential that abuts the businesses; pedestrian safety; no sidewalks; environmental impacts; focus on bringing in more complimentary industries;
- Public Uses (parking/open space, government/education):
 - Acceptable: dog park; manmade lake with recreation; pickleball courts; community theater; playhouse; fine arts center; amphitheater; musical (enclosed);
 - Not Acceptable: No recreation;
 - Concerns: wants a buffer with residential.

Wall Charts (direct quote from participants):

- Innovation/Technology:
 - Tech Incubator; should be close to Cal Tec; research center.
- Housing/Residential:
 - Some rental residential units; some condominiums;
 - No affordable housing;
 - Mixed-use housing (medium to high density);
 - Bunker Hill Apartments (example);
 - Medium density; 10-12 units per acre; 70 acres can yield 500 to 600 units.
 - Single family use, no high-density housing.
- Retail/Commercial:
 - Tell the State of California to stop being anti-business. Chevron moved to Texas after being in California for 100 years.
- Public Uses (parking/open space, government/education):
 - Green space near Edison powerlines;
 - This is such an important topic and change. After antics, we have little time for actual impact; and
 - “Smorgasburg” concept, weekend public market, high end market, retail.

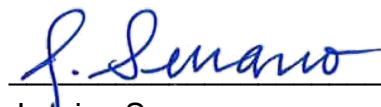
Written Comments submitted prior to or on August 12, 2024 (see Attachments 1-4):

- Email from Jairo Avalos, dated August 6, 2024
 - Supports mixed use development at Saturn Park and provided case studies.
- Email from Deb, dated August 7, 2024
 - Provided research with regulations from other municipalities regarding data centers.
 - Supports residential development at Saturn Park.
- Email from Joe Leyva, dated August 12, 2024
 - Provide link to article about impacts of data centers including delay in conversion to clean energy in CA, increase in electrical bills for everyone else, increased risk of blackouts, and increase water use, among others.
- Handout from Scott Rynders, submitted August 12, 2024
 - Draft Saturn Park Data Center Zoning Overlay Areas

Comments were received from SPARC members and attendees. No action was taken by the SPARC. The workshop and discussion of land use regulations and future uses at Saturn Park will continue at the next scheduled meeting on August 19, 2024.

ADJOURNMENT

There being no further business for consideration, the meeting was adjourned at 7:42 p.m.



Jessica Serrano
Director of Community Development

Attachments:

1. Email from Jairo Avalos, dated August 6, 2024
2. Email from Deb, dated August 7, 2024
3. Email from Joe Leyva, dated August 12, 2024
4. Handout from Scott Rynders, submitted August 12, 2024

SPARC Meeting Minutes
August 12, 2024

ATTACHMENT 1
Email from Jairo Avalos, dated August 6, 2024

From: [Jairo Avalos](#)
To: [Wong, Thomas](#)
Cc: [Ngo, Vinh T.](#); [Alvarez, Inez](#); [Wong, Diana](#); [Serrano, Jessica](#)
Subject: Re: Sent over Saturn Park ideas but email was blocked
Date: Wednesday, August 7, 2024 12:23:11 PM

[EXTERNAL EMAIL]

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Thank you all!

On Tue, Aug 6, 2024 at 9:57 PM Wong, Thomas <twong@montereypark.ca.gov> wrote:

Thanks! Want to make sure we incorporate this as something for the committee to think about.

Sent from my iPhone

On Aug 6, 2024, at 9:34 PM, Ngo, Vinh T. <vngo@montereypark.ca.gov> wrote:

Thanks Jairo,

Hope to see you at the next SPARC meeting. If not, we will be sure to share your vision of a mixed-use community of high density housing over retail.

Vinh

Sent from my iPhone

On Aug 6, 2024, at 7:10 PM, Jairo Avalos <jairo.r.avalos@gmail.com> wrote:

[EXTERNAL EMAIL]

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Attempting to resend with smaller images (I also sent this earlier to Sal from Will Dan which seemed to go through)

Hi,

Thank you for working on this project and incorporating the community's input. It is vital for the city and all of us who live nearby that the Saturn Park area gets revitalized. The area today is a ghost town, with tons of empty parking lots, no sidewalks, and a dangerous feeling. Families and residents don't feel safe walking around that area, especially close to sunset or in the early morning. The best way to change this is to bring life to the Saturn Park area, while providing amenities that all residents can enjoy.

I wanted to pass on some ideas that should be considered and put into the plan, specifically that we should:

1. Allow and encourage the development of housing above retail
2. Let this area be zoned in such a way that housing density and building height are

maximized

1. Allow and encourage the development of housing above retail

By allowing and encouraging housing to be built over retail, the area will be transformed. New residents will make the area vibrant and safe. Having retail on the ground floor of residential will allow for businesses to open up that can cater to the new residents and everyone in the surrounding community. Building housing right above those ground floor businesses will mean that there will always be people to patronize them.

I wanted to share two case studies of places that have done something similar to what we are trying to do with Saturn Park. These areas were industrial and then changed to be residential, where housing was built above ground floor retail.

Case studies

Park & Paseo

Santa Ana CA

<https://parkandpaseo.com/>

<Park & Paseo copy.png>

Park & Paseo is exactly the type of development we should be allowing and incentivizing in the Saturn Park area. Park & Paseo is a development that has

- Housing above retail (coffee shops, beauty spas, etc)
- A community park, with space for a food truck to drive into
- Community running/walking loop
- Dog park & Basketball courts
- Gym
- A coworking space

It has amenities for all residents and for people in the surrounding community. All spaces are active at all hours of the day and residents don't have to travel far to get their basic needs met, this means less driving and traffic and more living.

This development area is almost IDENTICAL to the Saturn Park area. It is right near a freeway and used to be an industrial area with high vacancy until changes were made to allow for this type of development. The similarities are very clear and the benefits to allowing this are very clear as well

Before (high vacancy industrial area)	After (vibrant community of housing over retail)
	

Culdesac

Tempe, AZ

<https://culdesac.com/>

<Cul de sac copy.png>

Culdesac is a housing development where the ground floor can be retail or additional units of housing. The flexibility allows the space to evolve with the community and their needs. This development is particularly great because it incorporates a

- Grocery store
- Gym
- Laundry
- Barber shop
- Restaurant
- Bike shop

among other things. Having all key necessities like food and entertainment in the same space both increases the taxes that the city gets but also reduces car dependency (and traffic) because all basic necessities are easily accessible. The development also provides car and scooter-share on-site for when those are needed.

This is another example of a successful project of housing over retail that has revitalized an area that didn't have much happening for years.

2. Let this area be zoned in such a way that housing density and building height are maximized

Hand in hand with point #1, it's important that we incentivize beneficial projects like this by ensuring that they can get built. Potential partners to redevelop this site will be swayed more by allowing the maximum density and building height so that projects can pencil out.

Thank you once again for adding these thoughts and ideas to the development team's discussion and I hope we can move forward with allowing and incentivizing these types of uses.

On Tue, Aug 6, 2024 at 8:05 AM Wong, Thomas <twong@montereypark.ca.gov> wrote:

Our filters can be pretty aggressive, maybe try again, and send to Inez as well? If it still doesn't come through, we can have IT check.

Sent from my iPhone

On Aug 6, 2024, at 7:52 AM, Jairo Avalos <jairo.r.avalos@gmail.com> wrote:

[EXTERNAL EMAIL]

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hi Mayor Wong and Mayor Pro tem Ngo,

I sent over an email with some ideas for Saturn Park, along with some useful short examples of types of good developments to allow but I received a note saying the email was blocked. Do you all know if emails

sent with images or links etc are blocked? I would love for you two to be able to see the examples.

SPARC Meeting Minutes
August 12, 2024

ATTACHMENT 2
Email from Deb, dated August 7, 2024

From: [Deb SGV](#)
To: [Ngo, Vinh T.](#); [Wong, Thomas](#); [Yiu, Yvonne](#); [Lo, Henry](#); [Sanchez, Jose](#); [MPClerk](#); [CMO](#); [Serrano, Jessica](#); slopez@willdan.com
Subject: Saturn Park - Data Center Laws From AZ, VA
Date: Wednesday, August 7, 2024 10:14:25 PM
Attachments: [Fairfax County VA Data-Centers-Draft-text.pdf](#)
[ChandlerAZ DataCenter Final Ordinance.pdf](#)

[EXTERNAL EMAIL]

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hi - it's Deb Shibuyama Simone from Orange Ave, less than a quarter mile from the 1977 Saturn site. I spoke at the first SPARC meeting, and plan to speak again this week. I've been doing research and I found several municipalities, counties, and states that have had to retroactively regulate data centers after concerns about noise and power usage.

I'm going to present a synopsis of what I found to the committee, but I wanted to share these two ordinances, directly with all of you, because they sum up the issues well. If we go with the new data center, regulations like this will save a lot of headaches later, literally and figuratively.

Not sure if any of this has already been discussed, but I figured I'd do due diligence.

The issues basically are: Noise, Power Usage, and Accountability.

I plan to advocate for re-zoning that area as residential and putting up some townhomes for younger families, because these new giant data centers seem like more trouble than they're worth. I'll say that in the meeting as well.

Thanks,

Deb



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

April 23, 2024

ZONING ORDINANCE AMENDMENT – DATA CENTERS Staff Summary

BACKGROUND

On March 19, 2024, the Board of Supervisors (Board) directed staff to prepare a Zoning Ordinance amendment to strengthen the current provisions for data centers and authorized the scheduling of public hearings on an amendment. The [Board Matter](#) stated that the public hearing before the Board should be scheduled for July 2024. Public hearings on a proposed Zoning Ordinance amendment relating to data centers are scheduled for:

- Planning Commission: June 5, 2024, at 7:00 p.m.
- Board of Supervisors: July 16, 2024, at 4:00 p.m.

This document provides a summary of potential options for consideration and draft text for discussion (Attachment 1). The draft text is based on the research included in the [Data Centers Report and Recommendations](#), dated January 9, 2024, and the discussions at the Board's Land Use Policy Committee meeting on March 12, 2024. Prior to the Planning Commission public hearing, a staff report with proposed text will be published.

CURRENT REGULATIONS

The [Zoning Ordinance](#) currently allows data centers in the zoning districts shown in Table 1 below. Lot size and bulk regulations vary according to the zoning district. In addition, transitional screening and barriers are required in accordance with the recently amended [Section 5108](#) of the Zoning Ordinance. Among other provisions, these regulations require a 50-foot-wide landscaped transitional screening yard between industrial and residential uses.

The use standards for data centers include the building size thresholds for by-right development listed in the table below, as well as a requirement that, except in the I-4, I-5, and I-6 Districts, all equipment for cooling, ventilating, or otherwise operating the facility, including emergency power generators and other power supply equipment, be contained in an enclosed building.



PLANNING & DEVELOPMENT

Department of Planning and Development
Zoning Administration Division
12055 Government Center Parkway, Suite 807
Fairfax, Virginia 22035-5507
Phone 703-324-1314
Fax 703-803-6372
www.fairfaxcounty.gov/planning-development

Zoning District	By Right	Special Exception
C-3 (Office) C-4 (High Intensity Office)	Up to 40,000 SF of GFA; or larger if repurposing a building existing on May 10, 2023	Required for larger size; or for increase in height or FAR
I-2 (Low Intensity Industrial) I-3 (Light Intensity Industrial)	Up to 80,000 SF of GFA; or larger if repurposing a building existing on May 10, 2023	Required for larger size; or for increase in height or FAR
I-4 (Medium Intensity Industrial) I-5 (General Industrial) I-6 (Heavy Industrial)	Yes (limited by district height of 75 feet and FAR of 0.5)	Required for increase in height or FAR
PRC (Town Center, Convention/Conference Center) PDC (Planned Development Commercial) PTC (Planned Tysons Corner Urban)	Yes, if shown on the development plan	n/a

Table 1: Current Zoning Permissions¹

POTENTIAL ZONING ORDINANCE REVISIONS

The overall approach of the draft text (Attachment 1) is to add new use standards and revise the existing use standards that apply to data centers permitted by right, and to allow a special exception (SE) application to modify certain of those standards. Similarly, the draft text proposes additional standards for data centers in P districts that could be modified by the Board. This approach recognizes that the potential impacts of a data center may vary based on its size, location, equipment, and other features, as well as the evolving nature of the data center industry. Further, the approach reflects the purpose of each zoning district and intends to guide data centers to the heaviest industrial districts.

Permissions

The draft text revises the permissions for data centers to show that in all conventional districts where a data center is allowed, it could be approved by right, subject to use-specific standards, and an SE could be allowed to modify certain standards. For example, if a use standard specifies a maximum building size or a minimum distance to residential, then an SE could allow for a larger size or a lesser distance. To provide flexibility for the Board, the permission options are broadly proposed to allow the Board to adopt this permission structure (by right with use standards/modifications by SE) for certain districts, while regulations in other districts could require an SE for any data center or disallow any new data centers.

¹Abbreviations used in the table: SF – square feet; GFA – gross floor area; FAR – floor area ratio.

The draft text does not propose any changes to the zoning districts in which data centers are allowed, except for the PRC District. While data centers are currently permitted in the PRC District, no existing or approved data centers are currently located in the PRC District. Additionally, no other industrial uses are allowed in the PRC District except for craft beverage production establishment and small-scale production establishment – uses with a customer focus that is compatible with the Town Center and Convention/Conference Center areas. Therefore, the draft text shows an option to remove the permission for data centers in the PRC District. Additionally, in the P districts, sometimes the proffers allow all or most of the uses permitted in the zoning district. To ensure that a data center is specifically planned for a particular location, the draft text revises the permissions in the P districts to SE (including the PRC District if the use is not removed).

Use Standards

Several new and revised standards are listed in Table 2 and further described below.

	By-right standards	SE standards
Equipment screening/enclosure	All districts	Same
Maximum size	C-3, C-4: 40,000 SF or repurposing I-2 – I-4: 80,000 SF or repurposing	Size limit may be exceeded; zoning district FAR still applies
Setback from residential	200 feet (up to 500 feet)	SE for lesser distance
Distance from Metro	½ mile	SE for lesser distance
Noise study	All districts	Same
Building design standards	Conventional districts: main entrance feature; variation in façade surface every 150 feet; minimum 30% fenestration	SE or development plan: submit architectural sketches, sight line studies; variation in massing if within 200 feet of residential

Table 2: Data Center Use Standards

In addition to the use-specific standards, all SE uses must comply with the general SE standards in the Zoning Ordinance and must be in harmony with the Comprehensive Plan. The general SE standards (subsection [4102.1.F](#)) include, among other standards, that the proposed use must not adversely affect the use or future development of neighboring properties. The Comprehensive Plan review includes the Policy Plan and any site-specific text and may recommend that issues such as green building and renewable energy commitments, stormwater quality, and other environmental topics be addressed. On December 6, 2022, the Board authorized consideration of a Comprehensive Plan [amendment](#) to update the Countywide Policy Plan. The first stage of community engagement is scheduled to begin in the summer of 2024.

Revised use-specific standards are shown in the draft text to mitigate potential impacts. Certain standards that apply to by right development could be modified as part of an SE process. In addition to the standards below, staff is reviewing whether additional provisions should be considered for surface containment around above-ground fuel tanks.

- Screening and enclosure of equipment – The Zoning Ordinance currently requires equipment for data centers (HVAC, generators, etc.) to be in an enclosed building, except in the I-4, I-5, and I-6 Districts. The draft text includes several revisions to this standard: (a) removes the exception for the I-4, I-5, and I-6 Districts; (b) adds that the purpose of the provision is to provide visual screening and reduce noise; (c) requires equipment to be fully enclosed, except where the Director of Land Development Services determines that it is not mechanically feasible and adds a requirement for a screening wall if the equipment cannot be fully enclosed; and (d) adds a requirement for a screening wall for any accessory electrical substation. The changes recognize that certain types of systems, such as a cooling tower, cannot be located within an enclosed building.
- Size thresholds for by-right data centers – The potential for certain localized impacts of data centers increases in accordance with the gross floor area. Size thresholds allow data centers to be approved by right up to a certain size, or larger with SE approval. In order to guide data centers to locate in the I-5 and I-6 Districts, the heaviest industrial areas in the County, no additional building size limit is proposed for these districts. Each district’s limitations on floor area ratio would continue to apply.
 - C-3 and C-4: These are commercial office districts. Recognizing that data centers are industrial uses which may not be compatible with the surrounding development, the Zoning Ordinance currently allows a maximum size of 40,000 square feet of gross floor area, or a larger size with repurposing of an existing building or with SE approval in a new building. No changes are proposed for these districts. However, options are included to remove the allowance for a larger by-right size with repurposing or to add a maximum size of 200,000 square feet of GFA for a data center proposed by right through repurposing.
 - I-2, I-3, and I-4: The draft text adds the I-4 District to the standard that currently applies to I-2 and I-3, which limits the maximum size of a data center to 80,000 square feet of gross floor area. As with the standard that applies to C-3 and C-4, the 80,000-square-foot limit can be exceeded with SE approval or with the repurposing of an existing building; options are included to remove the allowance for a larger by-right size with repurposing or to add a maximum size of 200,000 square feet of GFA for a data center proposed by right through repurposing.
- Setback from residential – Setbacks can minimize potential visual and noise impacts on surrounding areas. A new standard is included in the draft text that requires a data center building and/or its equipment (e.g., HVAC, generators) to be located a minimum distance from residential zoning, and a lesser distance would be allowed with SE approval. The proposed standard refers to an “R district” which includes both conventional and planned

district residential areas in accordance with subsection [9100.11](#) of the Zoning Ordinance. The draft standard includes a setback of 200 feet, but a broad range could be considered. This setback is based on a review of other setbacks in the Zoning Ordinance for uses which can have impacts on adjacent residential property including, among other uses, 100 feet for a barn for livestock or poultry with an agricultural operation, 150 to 250 feet for an extraction activity, and 250 feet for a crematory. In addition, Loudoun County, with the recent update of its zoning ordinance, requires a 200-foot setback for a data center from residential property.

- Distance from Metro – Because of the expectation for pedestrian activity and active street fronts, and the desire to put high-population and employment centers near transit, data centers would not generally be compatible with the type of development planned for transit station areas and other areas near Metro stations. Therefore, a standard is included in the draft text that would not allow a data center within ½ mile of a Metro station entrance without SE approval. The SE approval would allow an innovative data center form, such as wrapping a building with active uses, to be accommodated on a site-specific basis.
- Noise study – To ensure that data centers incorporate the features needed to mitigate potential noise impacts and comply with the Noise Ordinance, the draft text includes a standard requiring a noise study to be submitted for by right data centers as well as those undergoing rezoning or SE review. The standard also requires a post-construction noise study to confirm compliance with the Noise Ordinance prior to issuance of a Nonresidential Use Permit. Noise studies have been submitted as part of the review of certain data centers within Fairfax that have been approved by a rezoning or SE, and are required by other jurisdictions, including Loudoun County.
- Building design – A data center is an industrial building, and many have large blank facades. To facilitate a high-quality building design, standards are proposed for by-right data centers. The draft standards are objective and would require building designs that include a main entrance feature, façade variation, and a minimum amount of fenestration design features, which can include faux windows. For data centers undergoing rezoning or SE review, architectural renderings and sight-line studies would be required to demonstrate that the building would be reflective of a high-quality design. For data centers that are closer to residential areas, a variation in massing would also be required, such as changes in the building height.

Submission requirements

The draft text includes new submission requirements for a rezoning or SE to support the use standards for a noise study and architectural depictions.

NEXT STEPS

Community meetings are scheduled for:

Thursday, May 2, 2024, at 12:00 noon

Thursday, May 2, 2024, at 7:00 p.m.

Monday, May 6, 2024, at 7:00 p.m.

Wednesday, May 8, 2024, at 12:00 noon

All four meetings will be virtual and include the same content. The different dates and times are intended to provide flexibility for attendees. Information about these meetings is posted on this website: <https://www.fairfaxcounty.gov/planning-development/zoning-ordinance/amendments>.

In addition, questions and comments can be directed to Carmen Bishop, Deputy Zoning Administrator, at 703-324-1314, or ffx-data-centers@PublicInput.com. A staff report with the proposed amendment will be published before the Planning Commission public hearing.

ATTACHMENT

1. Draft Zoning Ordinance Text for Discussion

4. Use Table for Planned Development Districts

TABLE 4101.2: Use Table for Planned Development Districts

✓ = permitted if shown on final development plan/PRC development plan and PRC plan;
 ✓/SE = permitted if shown on final development plan/PRC development plan and PRC plan, or as special exception if not on plan(s)
 SE = special exception; SP = special permit; blank cell = not allowed
 A = allowed as accessory use only; A+ = permitted as an associated service use;
 AP = allowed with approval of administrative permit

Use	PDH		PRC					PDC		PRM		PTC	PCC		Use-Specific Standards NOTE: General Standards also apply
	Principal	Secondary	Residential	Neighborhood Convenience Center	Village Center	Town Center	Convention/Conference Center	Principal	Secondary	Principal	Secondary		Principal	Secondary	
Industrial Uses															
Freight Movement, Warehousing, and Wholesale Distribution: uses involving the movement, storage, and distribution of goods. Goods are generally delivered to other firms or the final consumer.															
Data Center OPTION 1						✓	✓	✓ SE				✓ SE			4102.6.A
Data Center OPTION 2						✓ SE	✓ SE	✓ SE				✓ SE			4102.6.A

4102. Use Standards

INSTRUCTION: Revise the standards as shown below. Renumber/reletter as needed. *Options included below.*

6. Industrial Uses

Freight Movement, Warehousing, and Wholesale Distribution

A. Data Center

Standards applicable to all data centers:

- (1) ~~In all districts except the I-4, I-5, and I-6 Districts, To provide visual screening and reduce noise levels, all equipment necessary for cooling, ventilating, or otherwise operating the facility, including power generators or other power supply equipment, must be contained within an fully enclosed, except where determined by the Director to not be mechanically feasible. building where the use is located. This includes emergency power generators and other emergency power supply equipment. If the equipment is not enclosed, it must be screened by a wall or similar barrier. In addition, any accessory electrical substation must be screened by a wall or similar barrier.~~

- (2) In the C-3 and C-4 Districts, the maximum building size is 40,000 square feet of gross floor area. However, this size limit may be exceeded:
 - (a) If the use is located in a building existing on ~~May 10, 2023~~ *(insert effective date of the amendment)*; or *[option to delete this allowance for a larger size in an existing building or to add a maximum size of up to 200,000 square feet of gross floor area when the use is located in an existing building]*
 - (b) With special exception approval in accordance with subsection 8100.3.
- (3) In the I-2, ~~and I-3,~~ and I-4 Districts, the maximum building size is 80,000 square feet of gross floor area. However, this size limit may be exceeded:
 - (a) If the use is located in a building existing on ~~May 10, 2023~~ *(insert effective date of the amendment)*; or *[option to delete this allowance for a larger size in an existing building or to add a maximum size of up to 200,000 square feet of gross floor area when the use is located in an existing building]*
 - (b) With special exception approval in accordance with subsection 8100.3.
- (4) Any data center building, equipment for cooling, ventilating, or otherwise operating the facility, power generator, or other power supply equipment must be located at least 200 feet from the lot line of an R district. A lesser distance may be allowed with special exception approval in accordance with subsection 8100.3. *[option for a minimum distance up to 500 feet, and for a different distance within the 500-foot limit for I-5 and I-6 than other districts]*
- (5) A data center building must be located at least one-half mile from a Metro station entrance. A lesser distance may be allowed with special exception approval in accordance with subsection 8100.3.
- (6) Prior to site plan approval, a noise study must be submitted demonstrating to the Zoning Administrator's satisfaction that the operation of the data center will comply with the Noise Ordinance, Chapter 108.1 of the County Code. In addition, prior to issuance of a Nonresidential Use Permit, a post-construction noise study must be submitted demonstrating to the Zoning Administrator's satisfaction that the operation complies with the Noise Ordinance.

Standards when permitted by right:

- (7) A data center building must include a main entrance feature that is differentiated from the remainder of the building façade by a change in building material, pattern, texture, color, or accent material. The entrance feature must also either project or recess from the adjoining building plane.
- (8) All building façades must include:
 - (a) A change in the facade surface for every 150 horizontal feet of at least one of the following: building material, pattern, texture, color, or accent material; and
 - (b) Windows, doors, or similar fenestration design features such as faux windows, must be distributed horizontally and vertically across the façade and comprise a minimum of 30 percent of the individual façade.

Standards when permitted by development plan or special exception:

- (9) A data center building must be designed to minimize adverse visual impacts on surrounding development as demonstrated by the submission of elevations, architectural sketches, or sight line studies. The building should have a high-quality design as evidenced by the use of materials, color, and texture. If the building is located less than 200 feet *[distance to match the distance in*

A(4) above] from an R district, it should include changes in building height or other design techniques to provide variation in building mass as viewed from the nearby residential district.

INSTRUCTION: Add rezoning and special exception submission requirements for a data center. Renumber as needed.

ARTICLE 8 - ADMINISTRATION, PROCEDURES, AND ENFORCEMENT

8101. Submission Requirements

2. Zoning Map Amendments (Rezoning)

E. Supporting Reports and Studies

The following additional information must be submitted:

(12) Data Center

For a rezoning to allow a data center, the application requires the following additional information:

- (a) A noise study demonstrating that the operation of the data center will comply with the Noise Ordinance, Chapter 108.1 of the County Code.
- (b) Architectural depictions of the proposed building and associated equipment as viewed from all lot lines and street lines.

3. Special Exceptions, Special Permits, and Variances

D. Additional or Modified Submission Requirements for Specific Special Exception Applications

The following are additional or modified submission requirements for special exception applications for:

(8) Data Center

- (a) A noise study demonstrating that the operation of the data center will comply with the Noise Ordinance, Chapter 108.1 of the County Code.
- (b) Architectural depictions of the proposed building and associated equipment as viewed from all lot lines and street lines.

ORDINANCE NO. 5033

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AMENDING ARTICLES II. DEFINITIONS, AND XXII. ADDITIONAL HEIGHT AND AREA REGULATIONS OF CHAPTER 35 OF THE CITY CODE OF THE CITY OF CHANDLER, RELATING TO DATA CENTERS.

WHEREAS, in accordance with A.R.S. 9-462, the legislative body may adopt by ordinance, any change or amendment to the regulations and provisions as set forth in the Chandler Zoning Code; and

WHEREAS, this amendment, including the draft text, has been published as an 1/8-page display ad in a local newspaper with general circulation in the City of Chandler, giving fifteen (15) days' notice of time, date and place of public hearing; and

WHEREAS, a public hearing was held by the Planning and Zoning Commission as required by the Zoning Code, on October 19, 2022.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Chandler, Arizona, as follows:

Section 1. Section 35-200, of Article II. Definitions, of Chapter 35 of the City Code of the City of Chandler, is hereby amended by adding the following definition:

Data Center: A facility or portion of a facility housing networked computer systems and telecommunications equipment used for remote storage, processing, and distribution of data.

Section 2. Section 35-2214, of Article XXII. ADDITIONAL HEIGHT AND AREA REGULATIONS, of Chapter 35, of the City Code of the City of Chandler, is hereby added to read as follows:

35-2214. Data Centers.

- (1) Data Centers are not permitted to operate in the City of Chandler unless explicitly approved as part of a Planned Area Development zoning district. Data Centers that are ancillary to another primary use are permitted if they a) occupy no more than ten percent of the building footprint, b) are used to serve the enterprise functions of the on-site property owner and are not used to lease data storage and processing services to third parties, and c) are not housed in a separate stand-alone structure on the parcel.
- (2) Before a Data Center is constructed within a Planned Area Development zoning district, the property owner proposing to build a Data Center must comply with the following:

- a. The Data Center operator or property owner must notify residents within a half-mile radius of the parcel, including any affiliated homeowners' association operating within the half-mile radius, that the property owner intends to build and operate a Data Center on the property. The notice required in this section must be mailed to all postal addresses and homeowners' association addresses contained within a half-mile radius extending from the property line where the proposed Data Center will be built.
 - b. The Data Center operator must schedule and attend two neighborhood meetings with residents to describe the project and the proposed sound-mitigation aspects of the project design. Notice of the neighborhood meetings must be mailed to all residents and homeowners associations within a half-mile radius of the parcel. A representative of the developer or owner with decision-making authority on the design of the Data Center must attend the neighborhood meetings. The Data Center operator or property owner must also post a sign on the subject property, at least fifteen days before each neighborhood meeting, in accordance with design standards specified in Section 35-2601.1. The sign must be located along an arterial street or other high-visibility location as reasonably determined by the Zoning Administrator. The content of the sign shall (i) be consistent with the City's generally applicable sign guidelines for posting signs for notification of neighborhood meetings, (ii) include the applicant name and contact information, a brief description of the Data Center project, and the date, time, and location of the neighborhood meeting, and (iii) must be reviewed and approved by the Zoning Administrator before installation. The applicant must remove the sign at the conclusion of the citizen review process.
- (3) Upon request by City staff after issuance of a certificate of occupancy and commencement of the operation of the Data Center, the operator of a Data Center must provide an on-site neighborhood liaison between the hours of 8:00 am and 10:00 pm MST each day to respond to complaints about noise emanating from the Data Center.
 - (4) Before the first neighborhood meeting is held, the property owner proposing to build a Data Center must conduct a sound study performed by a third-party acoustic engineer to document baseline sound levels in the area of the proposed Data Center, including noise levels measured at the property line of the nearest property to the Data Center property that is planned or zoned for residential land uses, or other noise sensitive use as reasonably determined by the Zoning Administrator. The property owner must provide a copy of the results of the study to the City before the first neighborhood meeting.
 - (5) The Data Center must be designed and built to incorporate sound mitigation methods sufficient to prevent the sound levels emanating from the Data Center (as determined by a third-party acoustic

engineer) from exceeding the ambient noise levels that were observed in the baseline study. Design specifications for such sound mitigation must be provided to the City before building permit approval.

- (6) Upon issuance of a certificate of occupancy or certificate of completion, whichever occurs first, the Data Center operator must conduct a noise study performed by a third-party acoustical engineer to document noise levels emanating from the Data Center measured at the property line of the nearest property to the Data Center property that is planned or zoned for residential land uses, or other noise sensitive use as reasonably determined by the Zoning Administrator during peak operation of the Data Center mechanical equipment. The Data Center operator must also conduct an additional noise study, as measured at the property line of the nearest property to the Data Center property that is planned or zoned for residential land uses, or other noise sensitive use as reasonably determined by the Zoning Administrator, annually during peak operation of the Data Center mechanical equipment for five years after completion of the initial post-construction noise study. The Data Center operator must provide the results of the noise study to the City within thirty days of the anniversary of the date on which the certificate of occupancy or certificate of completion was issued by the City.
- (7) If the Data Center operator intends to use backup power generators on the parcel, the operator must maintain a public website announcing the times when the generators will be in operation. Any routine operation of the backup generators, including for testing purposes, must be announced on the website at least twenty-four hours in advance. The operator shall also notify the City of Chandler Communications and Public Affairs Department at least 24 hours in advance of a test. Unless the generators are supplying backup electrical supply during a power outage, backup generators may operate between the hours of 9:00 am and 5:00 pm, Monday through Friday, excluding holidays. Upon request by City staff, the Data Center operator must provide the address of the website where the notices required by this section are published.

Section 3. Providing for Repeal of Conflicting Ordinances.

All ordinances or parts of ordinances in conflict with the provisions of this ordinance, or any parts hereof, are hereby repealed.

Section 4. Providing for Severability.

If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

INTRODUCED AND TENTATIVELY APPROVED by the City Council of the City of Chandler, Arizona, this 5 day of December, 2022.

ATTEST:

Dana R. Dizon
CITY CLERK

Kevin Harthe
MAYOR

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this 8 day of December, 2022.

ATTEST:

Dana R. Dizon
CITY CLERK

Kevin Harthe
MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Ordinance No. 5033 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the 8 day of December, 2022, and that a quorum was present thereat.

Dana R. Dizon
CITY CLERK



APPROVED AS TO FORM:

Sharon Allen
CITY ATTORNEY TA

Published in the Arizona Republic on: December 16, and December 23, 2022.

REFERENCED EXHIBIT(S) AND/OR ATTACHMENT(S) ON FILE AT THE CITY CLERK'S OFFICE.

SPARC Meeting Minutes
August 12, 2024

ATTACHMENT 3

Email from Joe Leyva, dated August 12, 2024

From: [Joe Leyva \(HPC\)](#)
To: [Serrano, Jessica](#); [Chow, Beth](#)
Subject: Explosion of power-hungry data centers could derail California clean energy goals
Date: Monday, August 12, 2024 9:22:07 AM

[EXTERNAL EMAIL]

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

I thought you would be interested in this story I found on MSN: Explosion of power-hungry data centers could derail California clean energy goals - <https://www.msn.com/en-us/money/companies/explosion-of-power-hungry-data-centers-could-derail-california-clean-energy-goals/ar-AA1oEeJN?ocid=socialshare&cvid=d1ac5d9c115243e8b60ddadbc9ff2dba&ei=33>



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└ A Santa Clara neighborhood sits in the shadow of a large data center. There are more than 50 data centers in the city of Santa Clara that consume 60% of the power from the municipal utility called Silicon Valley Power. ((Paul Kuroda / For The Times)
© (Paul Kuroda / For The Times)

Near the Salton Sea, a company plans to build a data center to support artificial intelligence that would cover land the size of 15 football fields and require power that could support 425,000 homes.

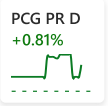
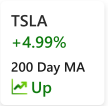
In Santa Clara — the heart of Silicon Valley — electric rates are rising as the municipal utility spends heavily on transmission lines and other infrastructure to accommodate the voracious power demand from more than 50 data centers, which now consume 60% of the city's electricity.

And earlier this year, Pacific Gas & Electric told investors that its customers have proposed more than two dozen data centers, requiring 3.5 gigawatts of power — the output of three new nuclear reactors.



 

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└ Vantage Data Center in Santa Clara is equipped with its own electrical substations. ((Paul Kuroda / For The Times)
© (Paul Kuroda / For The Times)



While the benefits and risks of AI continue to be debated, one thing is clear: The technology is rapacious for power. Experts warn that the frenzy of data center construction could delay California's transition away from fossil fuels and raise electric bills for everyone else. The data centers' insatiable appetite for electricity, they say, also increases the risk of blackouts.



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Even now, California is at the verge of not having enough power. An analysis of public data by the nonprofit GridClue ranks California [49th of the 50](#) states in resilience — or the ability to avoid blackouts by having more electricity available than homes and businesses need at peak hours.

“California is working itself into a precarious position,” said Thomas Popik, president of the Foundation for Resilient Societies, which created GridClue to educate the public on threats posed by increasing power use.

The state has already extended the lives of Pacific Gas & Electric Co.'s Diablo Canyon nuclear plant as well as some natural gas-fueled plants in an attempt to avoid blackouts on sweltering days when power use surges.

Worried that California could no longer predict its need for power because of fast-rising use, an association of locally run electricity providers called on state officials in May to immediately analyze how quickly demand was increasing.

The California Community Choice Assn. [sent its letter](#) to the state energy commission after officials had to revise their annual forecast of power demand upward because of skyrocketing use by Santa Clara's dozens of data centers.



L A large NTT data center rises in a Santa Clara neighborhood. ((Paul Kuroda / For The Times))
© (Paul Kuroda / For The Times)

The facilities, giant warehouses of computer servers, have long been big power users. They support all that Americans do on the internet — from online shopping to streaming Netflix to watching influencers on TikTok.

But the specialized chips required for generative AI use far more electricity — and water — than those that support the typical internet search because they are designed to read through vast amounts of data.

▶ **Related video:** Saving on your next energy bill in Bakersfield and across Kern (KERO 23 Bakersfield, CA)



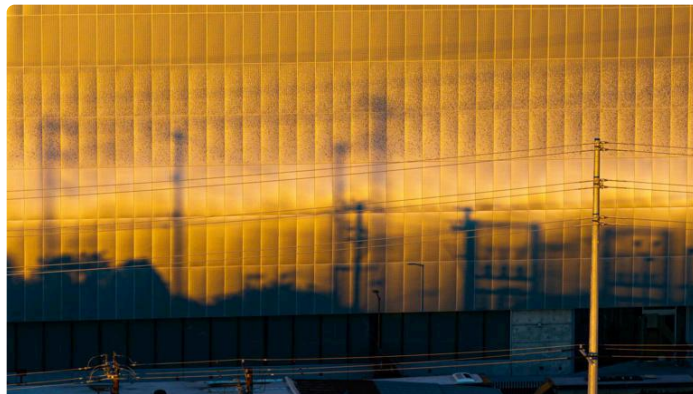
A ChatGPT-powered search, according to the International Energy Agency, consumes 10 times the power as a search on Google without AI.

And because those new chips generate so much heat, more power and water is required to keep them cool.

“I’m just surprised that the state isn’t tracking this, with so much attention on power and water use here in California,” said Shaolei Ren, associate professor of electrical and computer engineering at UC Riverside.

Ren and his colleagues [calculated](#) that the global use of AI could require as much fresh water in 2027 as that now used by four to six countries the size of Denmark.


Driving the data center construction is money. Today’s stock market rewards companies that say they are investing in AI. Electric utilities profit as power use rises. And local governments benefit from the property taxes paid by data centers.



Transmission lines are reflected on the side of the NTT data center in Santa Clara. ((Paul Kuroda / For The Times)
© (Paul Kuroda / For The Times)

Silicon Valley is the world's epicenter of AI, with some of the biggest developers headquartered there, including Alphabet, Apple and Meta. OpenAI, the creator of ChatGPT, is based in San Francisco. Nvidia, the maker of chips needed for AI, operates from Santa Clara.

The big tech companies leading in AI, which also include Microsoft and Amazon, are spending billions to build new data centers around the world. They are also paying to rent space for their servers in so-called co-location data centers built by other companies.



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In a Chicago suburb, a developer recently [bought 55 homes](#) so they could be razed to build a sprawling data center campus.

Energy officials in northern Virginia, which has more data centers than any other region in the world, have proposed a transmission line to shore up the grid that would [depend on coal plants](#) that had been expected to be shuttered.

In Oregon, Google and the city of The Dalles [fought for 13 months](#) to prevent the Oregonian from getting records of how much water the company's data centers were consuming. The newspaper won the court case, learning the facilities drank up 29% of the city's water.

By 2030, data centers could account for as much as 11% of U.S. power demand — up from 3% now, according to analysts at Goldman Sachs.

"We must demand more efficient data centers or else their continued growth will place an unsustainable strain on energy resources, impact new home building, and increase both carbon emissions and California residents' cost of electricity," [wrote](#) Charles Giancarlo, chief executive of the Santa Clara IT firm Pure Storage.


Santa Clara a top market for data centers



Boys ride their bikes on Main Street near a large data center in Santa Clara. ((Paul Kuroda / For The Times)
© (Paul Kuroda / For The Times)

California has [more than 270 data centers](#), with the biggest concentration in Santa Clara. The city is an attractive location because its electric rates are 40% lower than those charged by PG&E.

But the lower rates come with a higher cost to the climate. The city's utility, Silicon Valley Power, [emits more greenhouse gas](#) than the average California electric utility because 23% of its power for commercial customers comes from gas-fired plants. Another 35% is purchased on the open market where the electricity's origin can't be traced.



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The utility also gives data centers and other big industrial customers a discount on electric rates.

While Santa Clara households pay more for each kilowatt hour beyond a certain threshold, the rate for data centers declines as they use more power.

The city receives millions of dollars of property taxes from the data centers. And 5% of the utility's revenue goes to the city's general fund, where it pays for services such as road maintenance and police.

An [analysis last year](#) by the Silicon Valley Voice newspaper questioned the lower rates data centers pay compared with residents.

"What impetus do Santa Clarans have to foot the bill for these environmentally unfriendly behemoth buildings?" wrote managing editor Erika Towne.

In October, Manuel Pineda, the utility's top official, told the City Council that his team was working to double power delivery over the next 10 years. "We prioritize growth as a strategic opportunity," he said.



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He said usage by data centers was continuing to escalate, but the utility was nearing its power limit. He said 13 new data centers were

under construction and 12 more were moving forward with plans.

“We cannot currently serve all data centers that would like to be in Santa Clara,” he said.



└ Dozens of data centers have been built for artificial intelligence and the internet in Santa Clara. ((Paul Kuroda / For The Times))
© (Paul Kuroda / For The Times)

To accommodate increasing power use, the city is now spending heavily on transmission lines, substations and other infrastructure. At the same time, electric rates are rising. Rates had been increasing by 2% to 3% a year, but they jumped by 8% in January 2023, another 5% in July 2023 and 10% last January.

Pineda told The Times that it wasn't just the new infrastructure that pushed rates up. The biggest factor, he said, was a spike in natural gas prices in 2022, which increased power costs.

He said residential customers pay higher rates because the distribution system to homes requires more poles, wires and transformers than the system serving data centers, which increases maintenance costs.

Pineda said the city's decisions to approve new data centers "are generally based on land use factors, not on revenue generation."

Loretta Lynch, former chair of the state's public utilities commission, noted that big commercial customers such as data centers pay lower rates for electricity across the state. That means when transmission lines and other infrastructure must be built to handle the increasing power needs, residential customers pick up more of the bill.

"Why aren't data centers paying their fair share for infrastructure? That's my question," she said.

PG&E eyes profits from boom

The grid's limited capacity has not stopped PG&E from wooing companies that want to build data centers.

"I think we will definitely be one of the big ancillary winners of the demand growth for data centers," Patricia Poppe, PG&E's chief executive, told Wall Street analysts on an April conference call.

Poppe said she recently invited the company's tech customers to an event at a San José substation.

"When I got there, I was pleasantly surprised to see AWS, Microsoft, Apple, Google, Equinix, Cisco, Western Digital Semiconductors, Tesla, all in attendance. These are our customers that we serve who want us to serve more," she said on the call. "They were very clear: they would build ... if we can provide."

In June, PG&E revealed it had received 26 applications for new data centers, including three that need at least 500 megawatts of power, 24 hours a day. In all, the proposed data centers would use 3.5 gigawatts. That amount of power could support nearly 5 million homes, based on the average usage of a California household of 6,174 kilowatts a year.

In the June presentation, PG&E said the new data centers would require it to spend billions of dollars on new infrastructure.

Already PG&E can't keep up with connecting customers to the grid. It has fallen so far behind on connecting new housing developments that last year legislators passed a law to try to shorten the delays. At that time, the company [told Politico](#) that the delays stemmed from rising electricity demand, including from data centers.

In a statement to The Times, PG&E said its system was "ready for data centers."

The company said its analysis showed that adding the data centers would not increase bills for other customers.

Most of the year, excluding extreme hot weather, its grid "is only 45% utilized on average," the company said.

"Data centers' baseload will enable us to utilize more of this percentage and deliver more per customer dollar," the company said. "For every 1,000 MW load from data centers we anticipate our customers could expect 1-2% saving on their monthly electricity bill."

The company added that it was "developing tools to ensure that every customer can cost-effectively connect new loads to the system with minimal delay."

Lynch questioned the company's analysis that adding data centers could reduce bills for other customers. She pointed out that utilities earn profits by investing in new infrastructure. That's because they get to recover that cost — plus an annual rate of return — through rates billed to all customers.

"The more they spend, the more they make," she said.

In the desert, cheap land and green energy





— A geothermal plant viewed from across the Salton Sea in December 2022. ((Gina Ferazzi / Los Angeles Times))
© (Gina Ferazzi / Los Angeles Times)

The power and land constraints in Santa Clara and other cities have data center developers looking for new frontiers.

“On the edge of the Southern California desert in Imperial County sits an abundance of land,” begins the sales brochure for the data center that a company called CalEthos is building near the south shore of the Salton Sea.

Electricity for the data center’s servers would come from the geothermal and solar plants built near the site in an area that has become known as Lithium Valley.

The company is negotiating to purchase as much as 500 megawatts of power, the brochure said.

Water for the project would come from the state’s much fought over allotment from the Colorado River.

Imperial County is one of California’s poorest counties. More than 80% of its population are Latino. Many residents are farmworkers.

Executives from Tustin-based CalEthos told The Times that by using power from the nearby geothermal plants it would help the local community.

“By creating demand for local energy, CalEthos will help accelerate the development of Lithium Valley and its associated economic benefits,” Joel Stone, the company’s president, wrote in an email.

“We recognize the importance of responsible energy and water use in California,” Stone said. “Our data centers will be designed to be as efficient as possible.”

For example, Stone said that in order to minimize water use, CalEthos plans a cooling system where water is recirculated and “requires minimal replenishment due to evaporation.”

Already, a local community group, *Comite Civico del Valle*, [has raised concerns](#) about the environmental and health risks of one of the

nearby geothermal plants that plans to produce lithium from the brine brought up in the energy production process.

One of the group's concerns about the geothermal plant is that its water use will leave less to replenish the Salton Sea. The lake has been decreasing in size, creating a larger dry shoreline that is laden with bacteria and chemicals left from decades of agricultural runoff. Scientists have tied the high rate of childhood asthma in the area to dust from the shrinking lake's shores.

James Blair, associate professor of geography and anthropology at Cal Poly Pomona, questioned whether the area was the right place for a mammoth data center.

"Data centers drain massive volumes of energy and water for chillers and cooling towers to prevent servers from overheating," he said.

Blair said that while the company can tell customers its data center is supported by environmentally friendly solar and geothermal power, it will take that renewable energy away from the rest of California's grid, making it harder for the state to meet its climate goals.

This story originally appeared in [Los Angeles Times](#).

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ATTACHMENT 4
Handout from Scott Rynders, submitted
August 12, 2024

DRAFT

Saturn Park
Data Center Zoning Overlay Areas

Section 1. Establishment of the Saturn Park Specific Plan Overlay Areas. The City Council establishes the Saturn Park Specific Plan, which shall be applicable to the area of the City shown in Exhibit A – Specific Plan Boundary Map; and establishes Zoning Overlay Area 1 and Zoning Overlay Area 2, shown in Exhibit B – Zoning Overlay Areas, to establish permissive zoning and use standards for data centers, and other permitted uses set forth in the Monterey Park Municipal Code (MPMC) and Monterey Park General Plan (General Plan).

Section 2. Purpose. The Saturn Park Specific Plan is intended to guide the development of that portion of the City of Monterey Park as shown on the Specific Plan Boundary Map. The proposed overlays intend to further guide development by ensuring the following:

- A. The Saturn Park Specific Plan provides appropriate regulatory controls and incentives to implement expressed policies set forth in the General Plan; and
- B. Encourage development of a mix of uses as designated in the General Plan and the Saturn Park Specific Plan; and
- C. Expand the economic base of the City by providing additional employment opportunities and attracting new revenue to the region.

Section 3. Specific Plan Overlay Areas. The Saturn Park Specific Plan establishes two overlay areas as shown below in Exhibit B – Zoning Overlay Areas.

Section 4. Existing and Proposed Land Use and Zoning.

The overlay areas are meant to ensure consistency with the underlying General Plan Land Use designation while also advancing the purpose of the Saturn Park Specific Plan by expanding permissible uses, and expressly permitting data center development within the overlay areas.

Section 5. Relationship to Monterey Park Municipal Code.

This Specific Plan was prepared in conformity with Government Code §§ 65451, et seq. Together with the zoning regulations adopted by the MPMC, and other applicable law, this Specific Plan sets forth the regulations for the Saturn Park Specific Plan area. The regulations of this Specific Plan are in addition to those set forth in the planning and zoning provisions of the MPMC as amended, and any other relevant ordinances. Wherever this Specific Plan contains provisions which establish regulations which are different from, more restrictive, or more permissive than would be allowed pursuant to the provisions contained in the MPMC, this Specific Plan shall prevail and supersede the applicable provisions of the MPMC and those relevant ordinances.

Exhibit A. Specific Plan Boundary Map



Exhibit B. Zoning Overlay Areas

