City Council of Monterey Park
The City Council Acting on Behalf of the Successor Agency of the Former Redevelopment Agency, the Housing Authority, the Monterey Park Financing Authority and the Monterey Park Geologic Hazard Abatement District Agenda

Regular Meeting
Monterey Park City Hall Council Chambers
320 West Newmark Avenue, Monterey Park, CA 91754

Wednesday, March 4, 2026
6:30 PM

Mission Statement
The mission of the City of Monterey Park is to provide excellent service, foster growth and opportunity, and create a joyous and collaborative environment.

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 uplifting 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 City Clerk's Office located at 320 West Newmark Avenue, Monterey Park, CA 91754, during normal business hours and at www.montereypark.ca.gov/agendas.

The public may watch the meeting live on the city's cable channel MPKTV (AT&T U-verse, channel 99 or Charter Communications, channel 182) or by visiting the city's website at http://www.montereypark.ca.gov/133/City-Council-Meeting-Videos. Per the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please email City Hall at mpclerk@montereypark.ca.gov or call (626) 307-1359 for reasonable accommodation at least 48 hours before a meeting. Council Chambers are wheelchair accessible.

Public Comment for Matters Not on the Agenda
Pursuant to Rule 5 of Resolution No. 12226 (adopted February 17, 2021), speakers are limited to a total of five minutes for Public Comment and a total of five minutes on all other items on the Agenda. Exception - See Public Hearing Procedures under Rule 7, Resolution No. 12226. If desirable, the Mayor and City Council may change the amount of time allowed for speakers.

While all comments are welcome, the Brown Act does not allow the City Council to take action on any item not on the agenda. The Council may briefly respond to comments after Public Communications is closed. Persons may speak to any matter that is not on the Agenda but within the City Council's

subject-matter jurisdiction at this time. Comments regarding an Agenda item, including the Consent Calendar, will be heard when that matter is called. Written Communication is accepted up to 24 hours before the meeting by completing an online form at www.montereypark.ca.gov/writtencomm. Written communications are provided to the City Council.

Live Translation:
Meetings will be translated (transcribed or audio) to the language you select. Instructions are provided below.

即時翻譯：
會議將被翻譯（筆譯或音譯）至您選擇的語言。操作說明如下

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Las reuniones se traducirán (por escrito o por audio) al idioma que seleccione. Las instrucciones se encuentran a continuación.

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Scan QR Code or Go To: 掃描二維碼或前往: Escanee el código QR o visite: https://attend.wordly.ai/join/ERPR-7201	Choose Langauage, Click "Attend" 選擇語言 點擊"Attend"(出席) Seleccione el idioma y haga clic en "Attend"	Read Captions on Device Use Headset for Audio 在設備上閱讀筆譯使用耳機收聽口譯 Lea los subtítulos en su dispositivo y use audífonos para el audio

1. **Call to Order**
   Mayor
2. **Flag Salute**
   The Monterey Park Fire Explorers
3. **Roll Call**
   Henry Lo, Vinh Ngo, Jose Sanchez, Thomas Wong, Elizabeth Yang
4. **Telecommunications Announcement, if requested**
5. **Agenda Revisions and Additions**

6. Public Communications

7. Staff Communications

8. Presentation

8.A. The Metropolitan Water District of Southern California - Garvey Reservoir Rehabilitation Project

9. Old Business

9.A. Solar, Electric Vehicle Charging Stations, and Electrical Improvements Project – Award of Contract to Johnson Controls and Authorization of Lease Financing

It is recommended that the City Council consider:

1. Authorizing the City Manager to execute a public works contract, in a form approved by the City Attorney, with Johnson Controls in the amount of $17,571,525 for the construction and installation of solar panels, electric vehicle charging stations and various electrical improvements at various City facilities (the “Project”);
2. Authorizing the Public Works Director to approve change orders and contingency up to $570,000, for a total Project cost of $18,141,525;
3. Adopting a Resolution authorizing the City Manager to enter into a Master Equipment/Lease Agreement with a bank of city choice, for financing up to $18,141,525 million, in a form approved by the City Attorney, for the construction and installation of solar panels, electric vehicle charging stations and various electrical improvements at various city facilities (the “Project”); and
4. Taking such additional, related action that may be desirable.

CEQA (California Environmental Quality Act):
The City reviewed the environmental impacts of the proposed action pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq. “CEQA”) and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the “CEQA Guidelines”). The proposed activity contemplates installation, maintenance, repair of solar panels, and electric vehicle (“EV”) charging stations at various facilities. The recommended action constitutes a “project” under CEQA. However, the Project is exempt from CEQA pursuant to CEQA Guidelines §§ 15301, 15303, and 15311.

10. Consent Calendar

All items under the Consent Calendar are considered by the City Council to be routine and will be enacted by one motion. Specific items may be removed from the Consent Calendar at the request of any member of the City Council for separate consideration.

10.A. Monthly Investment Report

It is recommended that the City Council consider:

1. Receiving and filing the monthly investment report; and
2. Taking such additional, related, action that may be desirable.

10.B. Consideration of Letter of Support for California Assembly Bill 1786

It is recommended that the City Council consider:

1. If desirable, sending a letter of support for California Assembly Bill 1786, the "Public Contracts: Best Value Construction Contracting for Counties, Cities, and Joint Power Authorities," on behalf of the City Council; and
2. Taking such additional, related, action that may be desirable.

10.C. Purchase of Conducted Energy Device for the Police Department from Axon Enterprises, Inc.

It is recommended that the City Council consider:

1. Waiving bidding requirements pursuant to Monterey Park Municipal Code § 3.20.050(2), and authorizing the City Manager to execute an agreement with Axon Enterprises, Inc., in a form approved by the City Attorney, to purchase Axon Taser 10 Conducted Energy Devices for $602,033.02; and
2. Taking such additional, related, action that may be desirable.

10.D. Acceptance of Emergency Operations Training Cadre Project

It is recommended that the City Council consider:

1. Receiving and filing report;
2. Authorizing the appropriation of $76,185 grant funds to the Fiscal Year 2025-26 budget in Account No. 3143201-5211; and
3. Taking such additional, related, action that may be desirable.

10.E. Award of Professional Services Agreement to BOA Architecture for the preparation of Plans, Specifications and Engineer's estimates ("PS&E") for Fire Station 61 Remodeling

It is recommended that the City Council consider:

1. Authorizing the City Manager to execute a Professional Services agreement with Black, O'Dowd & Associates, dba BOA Architecture, for the preparation of Plans, Specifications and Engineer's estimates ("PS&E") for Fire Station 61 Remodeling in an amount not to exceed $106,700; plus $11,000 contingency for unexpected work; and
2. Taking such additional, related, action that may be desirable.

10.F. Authorize First Amendment to Professional Services Agreement with BOA Architecture

It is recommended that the City Council consider:

1. Authorizing the City Manager to execute a first Amendment to Agreement No. 2497-A with Black, O'Dowd & Associates, dba BOA Architecture, in a form approved by the City Attorney, for an additional amount not to exceed $15,000; and

2. Taking such additional, related, action that may be desirable.

10.G. Community Transportation Updates and Amendment to Via Transportation Inc. for on-demand services

It is recommended that the City Council consider:

1. Receiving and Filing this staff report summarizing the status of the City's Community Transportation pilot and program updates;
2. Authorizing the City Manager to execute an Amendment with Nomad Transit, LLC, a wholly owned subsidiary of Via Transportation Inc., in a form approved by the City Attorney, adding a six-month pilot for Dial-A-Ride support services in the amount of $230,670 for the term of the pilot and extending on-demand services on a month-to-month basis beginning March 2026 in amount not-to-exceed $62,606 per month;
3. Adopting a Resolution approving the Monterey Park Zero Emission Bus Rollout Plan in compliance with the California Air Resources Board ("CARB") Innovative Clean Transit ("ICT") Regulations; and
4. Taking such additional, related, action that may be desirable.

10.H. Sole Source Procurement of Replacement UV Lamps for the Carbon Granular Treatment System (CGTS) from Trojan Technologies Corp.

It is recommended that the City Council consider:

1. Waiving bidding requirements pursuant to Monterey Park Municipal Code Section 3.20.050(2) and authorizing the City Manager to execute a two-year agreement with Trojan Technologies, in a form approved by the City Attorney, for the purchase of replacement ultraviolet (UV) lamps for the City's Carbon Granular Treatment System (CGTS) in an amount not to exceed $555,000, covering replacement of all three UV treatment trains through June 30, 2027; and
2. Taking such additional, related, action that may be desirable.

10.I. Authorize First Amendment to Professional Services Agreement No. 2483-AA with SPEC Services, Inc. for Scada Programming Implementation and Support Services

It is recommended that the City Council consider:

1. Authorizing the City Manager to execute the First Amendment to Agreement No. 2483-AA with SPEC Services, Inc., in a form approved by the City Attorney, for a revised total not-to-exceed amount of $170,700 for services through June 30, 2027; and
2. Taking such additional, related, action that may be desirable.

10.J. Women's History Month Resolution (As Requested by Council Member Sanchez)

It is recommended that the City Council consider:

1. Approving the attached resolution; and,
2. Taking such additional, related, action that may be desirable.

10.K. Read Across America Resolution (As Requested by Council Member Sanchez)

It is recommended that the City Council consider:

1. Approving the attached resolution; and,
2. Taking such additional, related, action that may be desirable.

10.L. American Red Cross Month Resolution (As Requested by Council Member Wong)

It is recommended that the City Council consider:

1. Approving the attached resolution; and,
2. Taking such additional, related, action that may be desirable.

10.M. Employee Appreciation Month Resolution (As Requested by Council Member Ngo)

It is recommended that the City Council consider:

1. Approving the attached resolution; and
2. Taking such additional, related, action that may be desirable.

11. Public Hearing

11.A. Annual Weed Abatement Protest Hearing

It is recommended that the City Council consider:

1. Continuing the public hearing to the March 18, 2026, City Council meeting; and
2. Taking such additional, related, action that may be desirable.

11.B. Consideration and possible action to conduct a public hearing to extend and amend Urgency Ordinance No. 2272 to place a general moratorium on data centers within the City of Monterey Park for 10 months and 15 days

It is recommended that the City Council consider:

1. Opening the public hearing; taking testimonial and documentary evidence;
2. After closing the public hearing and considering the evidence, read by title only, waive further reading, and adopt Urgency Ordinance No. 22XX to amend Urgency Ordinance No. 2272 by at least a four-fifths vote to extend the general moratorium on data centers within the City of Monterey Park for 10 months and 15 days; and
3. Taking such additional, related, action that may be desirable.

CEQA (California Environmental Quality Act):
Adopting the draft Urgency Ordinance is exempt from further environmental review under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA") and CEQA Guidelines (14 California Code of Regulations §§ 15000, et seq.) because it establishes temporary rules and procedures for minor alterations in land use. The Urgency Ordinance, therefore, is categorically exempt from further CEQA review under CEQA Guidelines § 15305. Further, the adoption and extension of the Urgency Ordinance is

also exempt from review under CEQA pursuant to CEQA Guidelines § 15061(b)(3) because the Ordinance is for general policies and procedure-making. This Ordinance does not authorize any new development entitlements. Any proposed project that will utilize the changes set forth in this Ordinance is subject to environmental review as part of the entitlement review of the project. The Ordinance will not adversely impact the environment and is therefore exempt from the provisions of CEQA.

12. New Business

12.A. Consideration and possible action to call for a special election on June 2, 2026 and adding a proposition to the ballot prohibiting data centers citywide

It is recommended that the City Council consider:

1. Adopting Resolution Nos. 2026-R5 through 2026-R8 which, collectively, call for a special election on June 2, 2026, add a proposition to the ballot prohibiting data centers citywide, request an impartial analysis, and establish procedures for ballot arguments;
2. Determining whether the City Council should submit an argument in favor of the ballot proposition;
3. Approving a budget adjustment and appropriation of $210,000 to pay for the special election costs;
4. Approving a budget adjustment and appropriation of $100,000 to pay for anticipated litigation costs; and
5. Taking such additional, related, action that may be desirable.

CEQA (California Environmental Quality Act):
The City Council is required to conduct environmental review of matters it places onto the ballot pursuant to Elections Code § 9222. Placing this matter onto the June 2, 2026 ballot is not subject to further review under the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq*.) for the reasons stated in Section 4 of the draft Proposition. The City Manager, or designee, is directed to file a notice of determination.

12.B. Consideration of Letter of Support for California Assembly Bill 1577, California Senate Bills 886, 887 and 978

It is recommended that the City Council consider:

1. If desirable, sending letters of support for California Assembly Bill 1577, the “Data Center Energy and Water Transparency,” and California Senate Bills 886, the “California Technology Innovation and Ratepayer Protection Act,” 887, the “Data Centers and CEQA Clarity,” and 978, the “Large-Scale Energy Facilities and Electricity,” on behalf of the City Council; and
2. Taking such additional, related, action that may be desirable.

13. City Communications (City Council) / Future Agenda Items

14. Closed Session (if Required; City Attorney to Announce)

15. Adjournment

City Council Staff Report

Date: March 4, 2026
Agenda Item Number: 9.A.

To: The Honorable Mayor and City Council

From: Shawn Igoe, Public Works Director

Subject: Solar, Electric Vehicle Charging Stations, and Electrical Improvements Project – Award of Contract to Johnson Controls and Authorization of Lease Financing

Recommendation:
It is recommended that the City Council consider:

1. Authorizing the City Manager to execute a public works contract, in a form approved by the City Attorney, with Johnson Controls in the amount of $17,571,525 for the construction and installation of solar panels, electric vehicle charging stations and various electrical improvements at various City facilities (the "Project");
2. Authorizing the Public Works Director to approve change orders and contingency up to $570,000, for a total Project cost of $18,141,525;
3. Adopting a Resolution authorizing the City Manager to enter into a Master Equipment/Lease Agreement with a bank of city choice, for financing up to $18,141,525 million, in a form approved by the City Attorney, for the construction and installation of solar panels, electric vehicle charging stations and various electrical improvements at various city facilities (the "Project"); and
4. Taking such additional, related action that may be desirable.

CEQA (California Environmental Quality Act):
The City reviewed the environmental impacts of the proposed action pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq. "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the "CEQA Guidelines"). The proposed activity contemplates installation, maintenance, repair of solar panels, and electric vehicle ("EV") charging stations at various facilities. The recommended action constitutes a "project" under CEQA. However, the Project is exempt from CEQA pursuant to CEQA Guidelines §§ 15301, 15303, and 15311.

Executive Summary:
The City's FY 2025-26 Capital Improvement Plan ("CIP") includes Solar Panels, Battery Storage Systems and EV Charging Stations Project as Project No. 95052. On April 16, 2025, the City Council awarded Johnson Controls, Inc. ("JCI") a Project Development Agreement ("PDA") with the sole consultant who responded to the Request for Proposal ("RFP") advertised by the Director of Public Works. JCI prepared plans for various facilities and

developed various pro forma cash flow models that were reviewed by the City's third-party financial advisor. Following various reviews, it was determined that the original scope of work should be reduced in order to meet the City's financial goals.

While the recommended agreement is structured as a Public Works contract, the Project originated through an energy services performance contracting evaluation process that guided scope refinement and financial feasibility analysis.

The final scope includes solar panels and electrical upgrades at City Hall, Delta Water Plant and George Elder Park. EV charging stations are proposed at City Hall, Langley Senior Center and Bruggemeyer Library. The plans prepared by JCI cover the original larger scope and will be available to the City for possible future construction work.

The project cost is $17,571,525 before a Federal Investment Tax Credit ("ITC") direct pay of $3,316,139. The project is estimated to result in the reduction of 1,101 metric tons of CO_2 annually for 30 years.

It is recommended that the City Council authorize the City Manager to execute a Public Works contract with JCI in the amount of $17,571,525 for the Project and authorize the Director to approve change orders not to exceed $570,000 over the total contract amount.

Background:
Following issuance of the City's Notice to Proceed, JCI worked with staff to assess each facility identified and develop plans that cover solar panels installation, electrical upgrades or replacement of the electric distribution system, and the possibility of EV charging station installation at each location. Once the concept design was completed, JCI developed a pro forma cash flow. The City's Finance Director reviewed the proposal and a third-party financial advisor reviewed the proposed pro forma cash flow. Revisions were proposed to reduce the scope of the project in order to meet the City's financial goals.

The proposed Project at this time incorporates the following facilities and improvements:

FIM ID	Facility Improvement Measure (FIMs)	Description	City Hall – Parking Structure Carport	City Hall	Delta Water Plant	George Elder Park & Pool Roof Mount	Langley Senior Center	Library
1	Solar PV Installation	Install Photovoltaic Solar Power System	X	X	X	X		
2	EV Revenue Charging Stations	Electrical Upgrades	Replace or repair existing electric distribution systems.	X			X	X
3	Electrical Upgrades	Replace or repair existing electric distribution systems.		X	X	X		

The proposed solar panels will provide the following outputs:

Building	Address	PV Solar size (KW DC)	PV Solar size (KW AC)
City Hall - Building	320 W. Newmark Ave., Monterey Park, CA	120.96	100
City Hall – Police	320 W. Newmark Ave., Monterey Park, CA	337.92	280
Delta Water Plant	2657 Delta Ave., Rosemead, CA	883.2	660
George Elder Park & Pool	1950 Wilcox Ave., Monterey Park, CA	66.56	60
Total		1,408.64	1,100

JCI's proposal is proposed as a design-build, turnkey delivery pursuant to a performance-based contract. Under this approach, Johnson Controls, Inc. (JCI) is responsible for providing final engineering, procurement, and construction of the project in accordance with the Monterey Park Facility Improvements Measures ("FIMs") List, for a fixed, lump-sum contract price of $17,571,525.

JCI's work is expected to be completed within 18 months from the City's Notice to Proceed. JCI is planning to start construction by June 30, 2026 to ensure the eligibility of the Elective Pay Federal ITC and finish by December 31, 2027 which is the deadline for the ITC.

The Project as presented is expected to result in Greenhouse Gas Reduction (GHG) as recommended in the City's Sustainability Plan. The solar PV systems are expected to reduce 1,101 metric tons of CO_2 annually for 30 years. The EV Charging Stations are estimated to result in 1,843 metric tons of CO_2 annually in net GHG reduction.

It is recommended that the City Council award the Project to JCI for a total of $17,571,525 with a contingency not to exceed $570,000.

Strategic Plan Goal:
This Project meets the City's goal to maintain, build and modernize infrastructure and facilities to support the current and future needs of our city and community as it aims to meet the City's adopted Sustainability Plan, reduce energy demand and provide the community with the needed EV charging stations.

Fiscal Impact:
Financing Structure
The total contract amount for the Project is $17,571,525, exclusive of contingency. The Project is eligible for an ITC Direct Pay estimated at $3,316,139, subject to final qualification and receipt from the Internal Revenue Service.

The City anticipates financing the Project as follows:

- The Delta Water Plant solar infrastructure will be funded from previously issued bond proceeds and reserves within the Water Enterprise Fund.
- Approximately $15 million will be financed through a 20-year lease revenue financing structure.

The remaining Project costs will be funded through available City funds and the anticipated federal ITC Direct Pay.

Indicative financing terms from Bank of America reflect an estimated all-in true interest cost of approximately 4.3% for a 20-year term.

The financing will be structured to:

1. Assume receipt of the ITC Direct Pay in Year 2;
2. Apply the full ITC amount as a mandatory principal reduction; and
3. Re-amortize the remaining principal beginning in Year 3.

The amortization schedule established at closing will incorporate this structure, such that annual debt service from Year 3 forward reflects the reduced principal balance. This ensures that federal incentive proceeds directly reduce long-term borrowing costs and moderate annual debt service obligations.

Failure to receive the ITC Direct Pay would not affect Project completion but would alter long-term financing assumptions.

Operating Impact and Revenue Assumptions
The Project includes approximately 1.4 MW (DC) of installed solar photovoltaic capacity across City facilities and the installation of public EV charging stations. Based on the Johnson Controls pro forma, annual operating benefit in the initial years following construction is projected to consist of:

- Energy cost avoidance from on-site solar generation; and
- Net operating revenue from public EV charging stations.

Early operating years reflect combined projected energy savings and EV net revenue of approximately $375,000 to $400,000 annually, excluding the one-time ITC Direct Pay. These amounts are based on conservative EV utilization and utility rate assumptions consistent with municipal practice.

The solar installations are projected to reduce greenhouse gas emissions and reduce purchased electricity costs across participating facilities. EV charging revenue assumptions are based on conservative utilization estimates.

Net Fiscal Position
Under the ITC principal reduction and re-amortization structure:

- Years 1 and 2 reflect initial scheduled debt service.
- Beginning in Year 3, annual debt service declines due to the reduced principal balance.
- Based on current modeling, annual operating benefits are projected to largely offset debt service over the financing term.
- Upon retirement of the debt, the City will retain the full benefit of ongoing energy savings and EV charging revenues without associated debt service obligations.

The Delta Water Plant component being funded through the Water Enterprise Fund further reduces General Fund exposure and isolates enterprise-related infrastructure costs within the appropriate fund.

Coverage and Long-Term Benefit
Based on current modeling assumptions:

- Annual operating benefits are projected to offset a substantial portion of annual debt service following re-amortization.
- Long-term cumulative cash flow is projected to be approximately cost-neutral over the useful life of the improvements, exclusive of O&M and lifecycle costs.
- After Year 20, the City benefits from continued energy cost avoidance and EV revenue without debt obligations.

For transparency and prudent fiscal management, staff has prepared a summary illustrating (see Attachment 1):

- Annual debt service before and after ITC principal reduction;
- Annual projected energy savings and EV revenue;
- Debt service coverage ratios beginning in Year 3;
- A sensitivity scenario reflecting reduced EV utilization;
- Additional Fiscal Sensitivities and Risk Considerations;
    1. Timing and receipt of ITC Direct Pay;
    2. Actual solar production levels;
    3. Future electricity rate escalation;
    4. EV charging utilization rates; and
    5. Final interest rate at bond pricing.

Operations, Maintenance and Lifecycle Considerations
The financial analysis presented reflects projected energy cost avoidance and EV charging revenue and assumes application of the Federal ITC Direct Pay as a principal reduction with re-amortization beginning in Year 3. The base model does not embed a fixed annual allowance for operations and maintenance ("O&M") or long-term equipment replacement reserves.

Staff anticipates that O&M services will be competitively procured following project completion in order to promote cost efficiency and pricing transparency. Over the useful life of the improvements, O&M costs and potential equipment replacement (e.g., inverter replacement) will reduce projected annual net savings.

Actual net fiscal performance will depend on future O&M procurement costs and long-term asset performance. It is staff's assessment that inclusion of O&M and lifecycle replacement costs may reduce projected annual net fiscal benefit and could result in certain years that are approximately break-even relative to debt service during the financing term.

However, the structured application of ITC proceeds to principal reduction materially strengthens the financing structure beginning in Year 3 and mitigates long-term financial exposure.

Over the full useful life of the assets, the Project continues to provide:
• Long-term energy cost stabilization,
• Infrastructure modernization,
• Greenhouse gas reduction benefits, and
• Revenue-generating EV charging capacity.

Attachments:
1. Resolution
2. JCI Proposal
3. Proforma Cash Flow
4. Financial Transparency Project

ATTACHMENT 1
Resolution

RESOLUTION NO.

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A LEASE AGREEMENT WITH BANC OF AMERICA PUBLIC CAPITAL CORP., IN A FORM APPROVED BY THE CITY ATTORNEY, FOR FINANCING OF THE SOLAR, VEHICLE CHARGING STATIONS, AND ELECTRICAL IMPROVEMENTS PROJECT

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds as follows:

A. The City has a need for the acquisition and financing of certain property and improvements associated with the Solar, Electric Vehicle Charging Stations, and Electrical Improvements Project (collectively, the "Project").

B. The City desires to participate in a lease-revenue program with Banc of America Public Capital Corp (or one of its affiliates) for the Project as it limits the use of the City's financial reserves.

C. The City complied with all applicable procurement requirements.

D. This Resolution is adopted based upon the entirety of the administrative record including, without limitation, the staff report submitted by the Public Works Director ("Director").

SECTION 2: *Action.* The City Council adopts this resolution authorizing the City Manager, or designee, to enter into a Lease Agreement with Banc of America Public Capital Corp. for financing not to exceed $15 million, in a form approved by the City Attorney, for the Project.

SECTION 3: *Other Actions Authorized.* The City Manager, and designees, are authorized to take all action necessary or reasonably required to carry out, give effect to this Resolution.

SECTION 4: *Construction.* This Resolution must be broadly construed in order to achieve the purposes stated in this Resolution. It is the City Council's intent that the provisions of this Resolution be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Resolution.

SECTION 5*: Reliance on Record.* Every one of the findings and determinations in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the City Council in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 6: *Limitations.* The City Council's analysis and evaluation of the project is based on the best information currently available. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. One of the major limitations on analysis of the project is the City Council's lack of knowledge of future events. In all instances, best efforts have been made to form accurate assumptions. Somewhat related to this are the limitations on the City's ability to solve what are in effect regional, state, and national problems and issues. The City must work within the political framework within which it exists and with the limitations inherent in that framework.

SECTION 7: *Summaries of Information*. All summaries of information in the findings, which precede this section, are based on the substantial evidence in the record. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.

SECTION 8: *Severability*. If any part of this Resolution or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Resolution are severable.

SECTION 9: *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 10: *Recordation*. The Mayor, or presiding officer, is authorized to sign this Resolution signifying its adoption by the City Council of the City of Monterey Park and the City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 11: *Effective Date.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

SECTION 12: The City Clerk is directed to certify to the adoption of this Resolution and enter it into the book of original Resolutions.

PASSED AND ADOPTED this 4th day of March, 2026.

_____
Elizabeth Yang, Mayor

Attest:

_____
Maychelle Yee, City Clerk

Approved as to Form:
Karl H. Berger, City Attorney

By: _____
Joaquin Vazquez, Assistant City Attorney

ATTACHMENT 2
JCI Proposal

February 19, 2026

Shawn Igoe
Director of Public Works
City of Monterey Park
320 West Newmark Avenue
Monterey Park, CA 91754

Subject: Solar PV, EV Public Charging Stations and Electrical Switchgear upgrades

The Monterey Park project is proposed as a **design-build, turnkey delivery** pursuant to a performance-based contract. Under this approach, Johnson Controls, Inc. (JCI) is responsible for providing final engineering, procurement, and construction of the project in accordance with the **Scope of Work set forth in the incorporated design documents**, for a **fixed, lump-sum contract price**. The project cost is $17,571,525 before Federal ITC direct pay. The ITC amount of $3,316,139 is currently eligible. This gross cost includes all the scope noted in the FIM scope table.

Monterey Park FIM List Proposed Less Scope								
FIM ID	Facility Improvement Measure (FIMs)	Description	City Hall - Parking Lot	City Hall - Building - Roof Mount	City Hall - Police - Carport	Delta Water Plant - Carport	George Elder Park & Pool Roof Mount	Langley Senior Center
1	Solar PV Installation	Install Photovoltaic Solar Power System including carport and roof mount designs		X	X	X	X	
3	EV Revenue Charging Stations	Install Revenue Generating Electric Vehicle Level 2 Pay Charging stations for public use throughout the City	X				X	X
5	Electrical Upgrades	Replace or repair existing electric distribution systems.		X		X	X	

This delivery method provides the City with cost certainty and a single point of accountability for project execution. The contract does **not anticipate change orders** for the defined scope of work.

Any modification to the approved scope, design, or specifications requested only by the City would require a **formally executed change order** and would be subject to an equitable adjustment in price and/or schedule in accordance with the terms of the agreement.

JCI is targeting a 18-month completion period from contract signing, however that could be subject to change once the final contract is negotiated and executed.

Lastly, JCI will ensure that we start construction by June 30th, 2026, to ensure the eligibility of the Elective Pay Federal ITC and finish by the December 31st 2027 deadline for the ITC.

Here is the breakdown of the Solar Pv system sizes by site as well as the number of EV charging stations by site.

Building Name	Address	PV Solar Size (kW DC)	PV Solar Size (kW AC)
City Hall - Building	320 W. Newmark Ave., Monterey Park, CA	120.96	100.00
City Hall – Police	320 W. Newmark Ave., Monterey Park, CA	337.92	280.00
Delta Water Plant	2657 Delta Ave., Rose Mead, CA	883.20	660.00
George Elder Park & Pool	1950 Wilcox Ave., Monterey Park, CA	66.56	60.00
Total		1,408.64	1,100

Building Name	Address	IC48 (48 amp)	IC80 (80 amp)
City Hall – Parking Lot	320 W. Newmark Ave.	16	1
George Elder Park & Pool	1950 Wilcox Ave.	9	0
Bruggemeyer Library	318 S. Ramona Ave.	31	2
Langley Senior Center	400 W. Emerson Ave.	8	0
Total		64	3

The project will provide electrical financial savings for energy costs by generating onsite and avoiding the higher cost of utility. The EV charging stations will provide a net revenue to the City from Public use. In addition, Green House Gas (GHG) Reduction will be achieved through onsite solar generation and the availability of EV charging stations.

Please see attached GHG reduction report for the Solar PV systems that will reduce 1,101 metric tons of CO2 annually for 30 years. For the EV Charing Stations the initial annual estimate is provided in table with assumptions.

Item	Result
Public Level 2 Chargers	67
EV Miles Enabled	5.36 million m
Avoided Gasoline Emissions	≈ 2,165 MTCO
Added Electricity Emissions	≈ 322 $MTCO_2e$
Net GHG Reduction	≈ 1,843 MTCO

These are standard, conservative CAP assumptions used by California cities:

- Average EV miles traveled: 10,000 miles/year
- Gasoline vehicle emission factor: 0.404 kg CO_2e/mile
- EV energy consumption: 0.30 kWh/mile
- California grid emission factor: 0.20 kg CO_2e/kWh

(All figures align with CARB / SCAG / typical CAAP practice.)

Lastly, with respect to the proforma Cash flows provided, one of the pro forma Cashflow's shows the entire $17,571,525 as financed and the other Cashflow shows the Delta Plant electrical upgrade scope as non-financed from financing package since it's an Enterprise fund and may be paid for via other means.

Robert Thomasian
Johnson Controls Inc.
Sr. Sustainable Infrastructure
Sustainable Infrastructure Division
7711 Center Avenue, Suite 650
Huntington Beach, CA 92647
323-203-5720

ATTACHMENT 3
Proforma Cash Flow

Johnson Controls

$	13,286,313	Total Project Budget	CITY OF MONTEREY PARK, CALIFORNIA	
$	3,316,139	ITC Direct Payment	City of Monterey Park, CA-PV/EV and Electrical Upgrades (Delta Electrical assumed not financed)	
$	9,970,174	Total	30 YEAR FINANCIAL ANALYSIS	

		INCOME AND COST REDUCTIONS					EXPENSES					
YR #	YR	ENERGY SAVINGS/Avoided Cost PV	EV Charging Net Revenue Public	Federal ITC - Direct Pay		TOTAL Savings/Net Rev	Finance Payment Estimate	SYSTEM PERFORMANCE VERIFICATION (M&V)	O&M PLANNED SERVICE PV & EV (2% escalation Year 3+)	TOTAL EXPENSES	ANNUAL CASH FLOW	CUMULATIVE CASH FLOW
Const	2026	$0	$19,456		$ -	$19,456	$ -			$0	$19,456	$19,456
1	2027	$347,304	$27,803		$ -	$375,107	$375,107	$16,029	$0	$391,136	($16,029)	$3,427
2	2028	$359,460	$28,081	$ 3,316,139	$ -	$3,703,680	$3,703,680	$8,501	$0	$3,712,181	($8,501)	($5,074)
3	2029	$372,041	$28,362		$ -	$400,403	$400,403	$8,501	$0	$408,904	($8,501)	($13,575)
4	2030	$385,062	$28,645		$ -	$413,708	$413,708	$0	$0	$413,708	$0	($13,575)
5	2031	$398,539	$28,932			$427,471	$427,471	$0	$0	$427,471	$0	($13,575)
6	2032	$412,488	$29,221			$441,709	$441,709	$0	$0	$441,709	$0	($13,575)
7	2033	$426,925	$29,513			$456,439	$456,439	$0	$0	$456,439	$0	($13,575)
8	2034	$441,868	$29,809			$471,676	$471,676	$0	$0	$471,676	$0	($13,575)
9	2035	$457,333	$30,107			$487,440	$487,440	$0	$0	$487,440	$0	($13,575)
10	2036	$473,340	$30,408			$503,747	$503,747	$0	$0	$503,747	$0	($13,575)
11	2037	$489,907	$30,712			$520,618	$520,618	$0	$0	$520,618	$0	($13,575)
12	2038	$507,053	$31,019			$538,072	$538,072	$0	$0	$538,072	$0	($13,575)
13	2039	$524,800	$31,329			$556,129	$556,129	$0	$0	$556,129	$0	($13,575)
14	2040	$543,168	$31,642			$574,811	$574,811	$0	$0	$574,811	$0	($13,575)
15	2041	$562,179	$31,959			$594,138	$594,138	$0	$0	$594,138	$0	($13,575)
16	2042	$581,855	$32,278			$614,134	$0	$0	$0	$0	$614,134	$600,559
17	2043	$602,220	$32,601			$634,821	$0	$0	$0	$0	$634,821	$1,235,380
18	2044	$623,298	$32,927			$656,225	$0	$0	$0	$0	$656,225	$1,891,605
19	2045	$645,113	$33,256			$678,370	$0	$0	$0	$0	$678,370	$2,569,975
20	2046	$667,692	$33,589			$701,281	$0	$0	$0	$0	$701,281	$3,271,257
21	2047	$691,062	$33,925			$724,987	$0	$0	$0	$0	$724,987	$3,996,243
22	2048	$715,249	$34,264			$749,513		$0	$0	$0	$749,513	$4,745,756
23	2049	$740,282	$34,607			$774,889		$0	$0	$0	$774,889	$5,520,646
24	2050	$766,192	$34,953			$801,145		$0	$0	$0	$801,145	$6,321,791
25	2051	$793,009	$35,302			$828,312		$0	$0	$0	$828,312	$7,150,103
26	2052	$820,764	$35,655			$856,420		$0	$0	$0	$856,420	$8,006,522
27	2053	$849,491	$36,012			$885,503		$0	$0	$0	$885,503	$8,892,026
28	2054	$879,223	$36,372			$915,596		$0	$0	$0	$915,596	$9,807,621
29	2055	$909,996	$36,736			$946,732		$0	$0	$0	$946,732	$10,754,353
30	2056	$941,846	$37,103			$978,949		$0	$0	$0	$978,949	$11,733,303
Totals:		**$17,928,762**	**$986,580**	**$3,316,139**	**$0**	**$22,231,482**	**$10,465,148**	**$33,031**	**$0**	**$10,498,179**	**$11,733,303**	**$11,733,303**

ATTACHMENT 4
Financial Transparency Project

FINANCIAL TRANSPARENCY SUMMARY
Solar, EV Charging & Electrical Improvements Project

FINANCING ASSUMPTIONS

- Estimated Amount Financed: Approximately $13,000,000
- Term: 20 Years
- Estimated Interest Rate (TIC): Approximately 4.3%
- ITC Direct Pay (Year 2): $3,316,139
- ITC Applied as Mandatory Principal Reduction
- Re-Amortization Beginning Year 3 (Remaining 18 Years)

Final annual debt service will be determined at bond pricing and will reflect the required ITC principal reduction and re-amortization structure.

ANNUAL DEBT SERVICE STRUCTURE
Original Amortization (No ITC Reduction)

Estimated level annual debt service on approximately $13 million over 20 years at current indicative rates is approximately $985,000 per year.

Structured Amortization with ITC Principal Reduction

Under the proposed financing structure:

- Years 1–2 reflect full scheduled debt service.
- In Year 2, ITC proceeds are applied as a mandatory principal reduction.
- Beginning in Year 3, the remaining principal balance will be re-amortized over the remaining term.
- Annual debt service from Year 3 forward will decline materially relative to the original schedule.

The final re-amortized payment amount will be established at closing.

PROJECTED ANNUAL SAVINGS & EV REVENUE
(Operating Year – Excluding ITC)

Based on the Johnson Controls pro forma, early operating years reflect approximately:

- Energy Cost Avoidance (Solar): ~$372,000 annually
- Net EV Charging Revenue: ~$28,000 annually
- Total Annual Operating Benefit: ~ $400,000 annually

These projections exclude the one-time ITC Direct Pay and reflect conservative EV utilization and utility rate assumptions.

DEBT SERVICE RELATIONSHIP

Annual operating benefits are projected to offset a substantial portion of annual debt service following re-amortization.

The Project is structured to:

- Leverage federal incentive funding to reduce borrowing costs;
- Moderate long-term General Fund exposure;
- Improve the debt service profile beginning in Year 3; and
- Provide cumulative long-term benefit over the useful life of the assets.

The Project is not structured as a profit-generating investment, but as a long-term cost stabilization and infrastructure modernization strategy.

SENSITIVITY CONSIDERATIONS

Given EV revenue represents a relatively small portion of total projected annual benefit, overall financial performance is more sensitive to:

- Solar production levels;
- Future electricity rate escalation;
- Final interest rate at bond pricing; and
- O&M and lifecycle cost assumptions.

LONG-TERM FISCAL POSITION

Years 1–2 reflect initial debt service prior to ITC principal reduction.

Beginning Year 3, debt service declines due to mandatory ITC principal reduction and re-amortization.

Over the financing term, annual operating benefits are projected to offset a meaningful portion of debt service.

After Year 20, the City retains full energy savings and EV revenue without debt service obligations.

Funding of the Delta Water Plant component through the Water Enterprise Fund further reduces General Fund exposure and aligns infrastructure costs with the benefiting fund.

OPERATIONS, MAINTENANCE & LIFECYCLE CONSIDERATIONS

The financial projections presented reflect projected energy cost avoidance and EV charging revenue. The base analysis does not embed:

- Annual operations and maintenance (O&M) costs; or
- Long-term capital replacement reserves.

The City intends to competitively procure O&M services following project completion in order to promote cost efficiency and pricing transparency.

Inclusion of O&M and lifecycle replacement costs may reduce projected annual net benefit and could result in certain years that are approximately break-even relative to debt service during the financing term.

However, the structured application of ITC proceeds materially improves the financing profile beginning in Year 3 and mitigates long-term financial exposure.

City Council Staff Report

Date: March 4, 2026
Agenda Item Number: 10.A.

To: The Honorable Mayor and City Council

From: Amy Lee, City Treasurer

Subject: Monthly Investment Report

Recommendation:
It is recommended that the City Council consider:

1. Receiving and filing the monthly investment report; and
2. Taking such additional, related, action that may be desirable.

Executive Summary:
As of January 31, 2026, invested funds for the City of Monterey Park total $80,238,803.06.

Background:
In accordance with the City's Investment Policy, a monthly investment report is presented to the City Council showing the types of investments, dates and maturities, amounts of deposits, rates of interest, and the current market values for securities with maturity more than 12 months. The attached monthly investment report includes a portfolio summary from Chandler Asset Management.

Strategic Plan Goal:
N/A

Fiscal Impact:
N/A

Attachments:
1. Monthly Investment Report

ATTACHMENT 1
Monthly Investment Report

CITY OF MONTEREY PARK
INVESTMENT REPORT
JANUARY 31, 2026

INVESTMENTS PORTFOLIO PROFILE:

TOTAL BALANCE AT 1/31/2026				**$ 80,238,803.06**
INVESTMENT COMPOSITION				
(1) **LA COUNTY POOLED INVESTMENT FUND**		ON DEMAND	3.24%	$ 27,015,381.16
(2) **LOCAL AGENCY INVESTMENT FUND**		ON DEMAND	3.931%	$ 18,465,599.11
(3) **CHANDLER ASSET MANAGEMENT**			4.45%	$ 27,001,789.38

	(4) **CERTIFICATES OF DEPOSIT**	Purchase Date	Maturity Date	Interest Rate	
1	RIZE FED CREDIT UNION	12/13/24	12/14/26	4.25%	245,000
2	FIRST SEACOAST BANK	01/27/25	01/27/27	4.15%	247,000
3	GOLDMAN SACHES BANK	01/28/25	01/28/27	4.15%	244,000
4	FIRST BUSINESS BANK	01/30/25	01/29/27	4.15%	244,000
5	FIRST KY BANK	01/30/25	02/01/27	4.15%	249,000
6	AUSTIN TELCO FED CREDIT UNION	01/31/25	02/01/27	4.25%	249,000
7	SOUND CREDIT UNION	01/31/25	02/01/27	4.20%	249,000
8	MORGAN STANLEY BANK	02/12/25	02/12/27	4.30%	244,000
9	MORGAN STANLEY PRIVATE BANK	02/12/25	02/12/27	4.30%	244,000
10	OREGON COMMUNITY CREDIT UNION	02/24/25	02/24/27	4.30%	249,000
11	MERRICK BANK	02/28/25	02/26/27	4.30%	249,000
12	FIRST WESTERN TRUST BANK	03/06/25	03/06/26	4.25%	249,000
13	SOUTHERN STATES BANK	03/21/25	03/22/27	4.15%	249,000
14	CORPORATE AMERICA FAMILY CREDIT UI	03/27/25	03/27/26	4.25%	249,000
15	PARKWAY BANK & TRUST	03/27/25	03/27/26	4.20%	239,000
16	TOYOTA FINANCIAL SAVINGS BANK	04/10/25	04/12/27	4.00%	245,000
17	UBS BANK	04/23/25	04/23/27	3.95%	249,000
18	AMERICAN EXPRESS NATIONAL BANK	04/30/25	04/30/27	4.05%	245,000
19	STATE BANK INDIA	05/05/25	05/05/27	4.10%	244,000
20	TRANSPORTATION ALLIANCE BANK	05/12/25	05/12/27	4.00%	249,000
21	FINWISE BANK	05/21/25	05/21/27	4.00%	249,000
22	CONNEXUS CREDIT UNION	07/23/25	07/23/27	4.10%	245,000
23	HARBORSTONE CREDIT UNION	08/06/25	08/06/26	4.25%	249,000
24	HOPE FEDERAL CREDIT UNION	08/21/25	08/21/26	4.10%	240,000
25	CIVIC FEDERAL CREDIT UNION	08/29/25	08/28/26	4.15%	249,000
26	PREFERRED BANK	09/03/25	09/03/26	3.93%	113,033
27	OPTUM BANK	09/15/25	09/15/27	3.70%	245,000
28	FIRST BANK	09/19/25	03/19/27	3.70%	245,000
29	UNIVERSITY OF ILLINOIS CREDIT UNION	09/24/25	09/24/27	3.65%	249,000
30	DORT FINANCIAL CREDIT UNION	10/10/25	10/12/27	3.75%	247,000
31	ALLIANT CREDIT UNION	10/30/25	10/30/26	4.00%	249,000
32	DART BANK	01/30/26	02/01/28	3.65%	245,000
	Total CDs (32)			4.076%	***$ 7,756,033.41***

OTHER INFORMATION:

BANK BALANCE: (1)	$24,809,511.55
AVERAGE MATURITY DAYS	160
AVERAGE INTEREST RATE FOR THE MONTH	3.887%

THE CITY'S INVESTMENT HAS SUFFICIENT LIQUIDITY TO MEET THE CITY'S EXPENDITURE REQUIREMENTS FOR THE NEXT 180 DAYS. THE 180-DAY LIQUIDITY DISCLOSURE IS REQUIRED PER GOVERNMENT CODE 53646.

THERE HAVE BEEN NO VARIANCES TO THE INVESTMENT POLICY.

(1) Bank balance is maintained to cover outstanding warrants, payroll checks and on-going operating costs.

PORTFOLIO SUMMARY

City of Monterey Park | Account #11189 | As of January 31, 2026

Portfolio Characteristics

Average Modified Duration	1.87
Average Coupon	4.15%
Average Purchase YTM	4.45%
Average Market YTM	3.73%
Average Credit Quality*	AA+
Average Final Maturity	2.27
Average Life	2.03

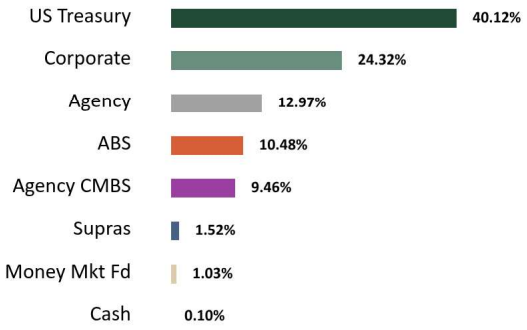
Account Summary

	End Values as of 12/31/2025	End Values as of 01/31/2026
Market Value	27,185,866.31	27,258,938.53
Accrued Interest	246,036.11	240,877.37
Total Market Value	**27,431,902.43**	**27,499,815.90**
Income Earned	109,063.97	76,773.48
Cont/WD	0.00	0.00
Par	27,016,099.96	27,127,106.23
Book Value	26,892,927.50	27,001,789.38
Cost Value	26,780,341.97	26,888,491.73

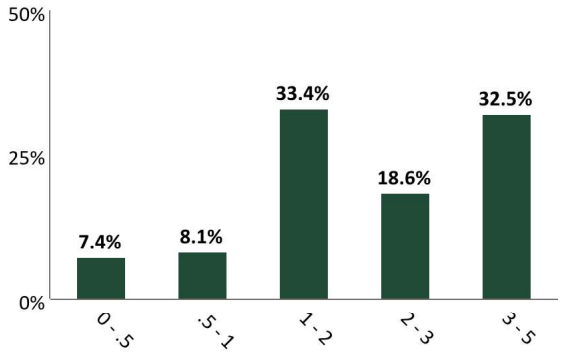
Top Issuers

United States	40.12%
Federal Home Loan Mortgage Corp	9.46%
Farm Credit System	6.65%
Federal Home Loan Banks	6.32%
International Bank for Recon and Dev	1.52%
Bank of America Credit Card Trust	1.39%
John Deere Owner Trust	1.32%
The Home Depot, Inc.	1.28%

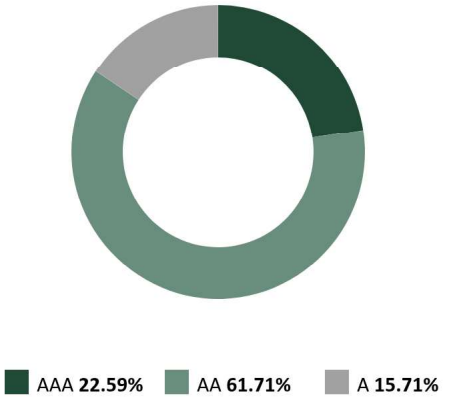
Sector Allocation



Maturity Distribution



Credit Quality*



Performance Review

Total Rate of Return**	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	Since Inception (03/12/24)
City of Monterey Park	0.26%	1.04%	0.26%	5.27%	--	--	--	--	5.39%
Benchmark Return	0.21%	0.99%	0.21%	4.86%	--	--	--	--	4.82%

*The average credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.
**Periods over 1 year are annualized.
Benchmark: ICE BofA 1-3 Year US Treasury & Agency Index

City Council Staff Report

Date: March 4, 2026
Agenda Item Number: 10.B.

To: The Honorable Mayor and City Council

From: Diana Garcia, Assistant City Manager
Rebecca Bojorquez, Principal Management Analyst

Subject: Consideration of Letter of Support for California Assembly Bill 1786

Recommendation:
It is recommended that the City Council consider:

1. If desirable, sending a letter of support for California Assembly Bill 1786, the "Public Contracts: Best Value Construction Contracting for Counties, Cities, and Joint Power Authorities," on behalf of the City Council; and
2. Taking such additional, related, action that may be desirable.

Executive Summary:
The San Gabriel Valley Council of Governments (“SGVCOG”) is a sponsor of Assemblymember John Harabedian’s AB 1786 and has reached out to its membership cities for letters of support. The SGVCOG supports this legislation, as it provides local governments with greater flexibility in managing complex infrastructure projects by allowing best-value construction contracting.

This bill was introduced in January 2026 and is currently pending before its respective policy committee in the Legislature; it has not been approved by both houses or signed into law. If the Council elects to send a letter of support at this time, staff will transmit the letters to the author and committee chairs prior to committee hearings and will monitor the bill’s progress through the legislative process.

Background:
AB 1786 (Harabedian) would expand an existing best value construction contracting program, which is currently limited to counties, to also include general law cities and eligible joint powers authorities. The best value construction contracting program currently allows counties to award contracts of more than $1,000,000 to contractors based on experience and capacity, rather than the lowest bidder. This bill would expand who can participate in the program and similarly also extend the program’s sunset date from January 1, 2030, to January 1, 2040. This bill would not replace low-bid procurement policies but rather authorize an additional project

delivery option for larger construction projects.

Strategic Plan Goal:
N/A

Fiscal Impact:
There is no direct fiscal impact associated with sending the letter of support.

Attachments:
1. Bill Text 1786
2. Letter of Support - AB 1786

ATTACHMENT 1
Bill Text - AB 1786

AB-1786 Public contracts: best value construction contracting for counties, cities, and joint powers authorities. (2025-2026)

SHARE THIS:

Date Published: 02/10/2026 09:00 PM

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL NO. 1786

Introduced by Assembly Member Harabedian

February 10, 2026

An act to amend Sections 20155, 20155.1, 20155.3, 20155.4, 20155.5, 20155.6, 20155.7, and 20155.9 of, and to amend the heading of Article 3.7 (commencing with Section 20155) of Chapter 1 of Part 3 of Division 2 of, the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 1786, as introduced, Harabedian. Public contracts: best value construction contracting for counties, cities, and joint powers authorities.

Existing law establishes a program to allow counties to select a bidder on the basis of best value, as defined, for construction projects in excess of $1,000,000. Existing law also authorizes counties to use a best value construction contracting method to award individual annual contracts, not to exceed $3,000,000, for repair, remodeling, or other repetitive work to be done according to unit prices, as specified. Existing law establishes procedures and criteria for the selection of a best value contractor and requires that bidders verify specified information under oath. Existing law requires the board of supervisors of a participating county to submit a report that contains specified information about the projects awarded using the best value procedures described above to the appropriate policy committees of the Legislature and the Joint Legislative Budget Committee before March 1, 2029. Existing law repeals the program provisions on January 1, 2030.

This bill would, instead, authorize a county, general law city, and eligible joint powers authority, as defined, to utilize this program, would make various conforming changes to the above-described provisions, and would extend the operation of those provisions until January 1, 2040. The bill would delete the provisions authorizing counties to use a best value construction contracting method to award individual annual contracts, not to exceed $3,000,000, for repair, remodeling, or other repetitive work to be done according to unit prices, as specified. With regard to the above-specified reporting requirement, the bill would, instead, require the governing body of a participating county, city, or eligible joint powers authority to submit the report, as specified, to the appropriate policy committees of the Legislature and the Joint Legislative Budget Committee before March 1, 2031. The bill

would expand the crime of perjury by extending the operation of the program and expanding the program to general law cities and eligible joint powers authorities, thereby imposing a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.
Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The heading of Article 3.7 (commencing with Section 20155) of Chapter 1 of Part 3 of Division 2 of the Public Contract Code is amended to read:

Article 3.7. Best Value Construction Contracting for ~~Counties~~ *Counties, Cities, and Certain Joint Powers Authorities*

SEC. 2. Section 20155 of the Public Contract Code is amended to read:

20155. (a) This article provides *optional authority* for a best value procurement program for ~~county~~ construction projects in excess of one million dollars ~~($1,000,000).~~ *($1,000,000) for participating counties, cities, and eligible joint powers authorities, as defined in Section 20155.1.*

(b) The ~~board of supervisors of a county~~ *governing body of a participating county, city, or eligible joint powers authority* shall let any contract for a construction project pursuant to this article to the bidder representing the best value or else reject all bids.

(c) ~~The bidder may be selected on the basis of the best value to the county.~~ In order to implement this method of selection, the ~~board of supervisors~~ *governing body* shall adopt and publish procedures and required criteria that ensure that all selections are conducted in a fair and impartial manner. These procedures shall conform to Sections 20155.3 to 20155.6, ~~inclusive, and shall be mandatory for a county that chooses to participate in the pilot program.~~ *inclusive.*

(d) If the ~~board of supervisors of a county~~ *governing body* deems it to be in the best interest of the ~~county, the board of supervisors,~~ *participating county, city, or eligible joint powers authority,* on the refusal or failure of the successful bidder for a project to execute a tendered contract, *the governing body* may award it to the bidder with the second lowest best value score, as determined in accordance with subdivision (c) of Section ~~20155.5. If the second bidder fails or refuses to execute the contract, the board of supervisors may likewise award it to the bidder with~~ *20155.5 and thereafter to* the third lowest best value score, ~~as determined in accordance with subdivision (c) of Section 20155.5.~~ *if necessary.*

~~(e)(1)A county may also use the best value construction contracting method set out in this article to award individual annual contracts, which shall not exceed three million dollars ($3,000,000), adjusted annually to reflect the percentage change in the California Consumer Price Index, for repair, remodeling, or other repetitive work to be done according to unit prices. The contracts shall be based on plans and specifications for typical work. No annual contracts may be awarded for any new construction.~~

~~(2)For purposes of this subdivision, best value criteria shall be applied to the annual contract for construction services, rather than to an individual, specific project. Annual contracts may be extended or renewed for two subsequent annual terms and a maximum of six million dollars ($6,000,000) over the subsequent two terms of the contract. Contract values shall be adjusted annually to reflect the percentage change in the California Consumer Price Index.~~

~~(3)For purposes of this subdivision, "unit price" means the amount paid for a single unit of an item of work, and "typical work" means a work description applicable universally or applicable to a large number of individual projects, as distinguished from work specifically described with respect to an individual project. For purposes of this section, "repair, remodeling, or other repetitive work to be done according to unit prices" shall not include design or contract drawings.~~

SEC. 3. Section 20155.1 of the Public Contract Code is amended to read:

20155.1. As used in this article:

(a) "Best value" means a procurement process whereby the selected bidder may be selected on the basis of objective criteria for evaluating the qualifications of bidders with the resulting selection representing the best combination of price and qualifications.

(b) "Best value contract" means a competitively bid contract entered into pursuant to this article.

(c) "Best value contractor" means a properly licensed person, firm, or corporation that submits a bid for, or is awarded, a best value contract.

(d) City means any general law city and does not include a charter city.

~~(d)~~

(e) "County" means any chartered or general law ~~county. "County"~~ *county and* includes a city and county.

~~(e)~~

(f) "Demonstrated management competency" means the experience, competency, capability, and capacity of the proposed management staffing to complete projects of similar size, scope, or complexity.

(g) (1) "Eligible joint powers authority" means a joint powers authority formed pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code that is expressly authorized in its joint powers agreement to finance, develop, construct, or deliver public works, public infrastructure, affordable housing, or a combination thereof.

(2) An eligible joint powers authority shall not include a joint powers authority that exercises independent land use regulatory authority or general police powers.

~~(f)~~

(h) "Financial condition" means the financial resources needed to perform the contract. The criteria used to evaluate a bidder's financial condition shall include, at a minimum, capacity to obtain all required payment bonds, performance bonds, and liability insurance.

~~(g)~~

(i) "Labor compliance" means the ability to comply with, and past performance with, contract and statutory requirements for the payment of wages and qualifications of the workforce. The criteria used to evaluate a bidder's labor compliance shall include, as a minimum, the bidder's ability to comply with the apprenticeship requirements of the California Apprenticeship Council and the Department of Industrial Relations, its past conformance with those requirements, and its past conformance with requirements to pay prevailing wages on public works projects.

~~(h)~~

(j) "Qualifications" means the financial condition, relevant experience, demonstrated management competency, labor compliance, and safety record of the bidder, and, if required by the bidding documents, some or all of the preceding qualifications as they pertain to subcontractors proposed to be used by the bidder for designated portions of the work. A ~~county~~ *county, city, or eligible joint powers authority* shall evaluate financial condition, relevant experience, demonstrated management competency, labor compliance, and safety record, using, to the extent possible, quantifiable measurements.

~~(i)~~

(k) "Relevant experience" means the experience, competency, capability, and capacity to complete projects of similar size, scope, or complexity.

~~(j)~~

(l) "Safety record" means the prior history concerning the safe performance of construction contracts. The criteria used to evaluate a bidder's safety record shall include, at a minimum, its experience modification rate for the most recent three-year period, and its average total recordable injury or illness rate and average lost work rate for the most recent three-year period.

SEC. 4. Section 20155.3 of the Public Contract Code is amended to read:

20155.3. A ~~county~~ *county, city, or eligible joint powers authority* shall proceed in accordance with the following when awarding best value contracts under this article:

(a) The ~~county~~ *county, city, or eligible joint powers authority* shall not select a bidder on the basis of the best value to a ~~county~~ *county, city, or eligible joint powers authority* unless, after evaluating at a public meeting the alternative of awarding the contract on the basis of the lowest bid price, the ~~county~~ *county, city, or eligible joint powers authority* makes a written finding that awarding the contract on the basis of best value, for the specific project under consideration, will accomplish one or more of the following objectives: reducing project costs, expediting the completion of the project, or providing features not achievable through awarding the contract on the basis of the lowest bid price.

(b) The ~~county~~ *county, city, or eligible joint powers authority* shall prepare a solicitation for bids and give notice pursuant to Section 20125. A ~~county~~ *county, city, or eligible joint powers authority* may identify specific types of subcontractors that are required to be included in the bids. A ~~county~~ *county, city, or eligible joint powers authority* shall comply with Chapter 4 (commencing with Section 4100) of Part 1 with regard to construction subcontractors identified in the bid.

(c) The ~~county~~ *county, city, or eligible joint powers authority* shall establish a procedure to prequalify bidders pursuant to Section 20101. The information required pursuant to this section shall be verified under oath by the bidder in the manner in which civil pleadings in civil actions are verified. Information submitted by the bidder as part of the evaluation process shall not be open to public inspection to the extent that information is exempt from disclosure under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code).

(d) Each solicitation for bids shall do all of the following:

(1) Invite prequalified bidders to submit sealed bids in the manner prescribed by this article.

(2) Include a section identifying and describing the following:

(A) Criteria that the ~~county~~ *county, city, or eligible joint powers authority* will consider in evaluating bids.

(B) The methodology and rating or weighting system that will be used by the ~~county~~ *county, city, or eligible joint powers authority* in evaluating bids.

(C) The relative importance or weight assigned to the criteria identified in the request for bids.

(e) Final evaluation of the best value contractor shall be done in a manner that prevents cost or price information from being revealed to the committee evaluating the qualifications of the bidders prior to completion and announcement of that committee's decision.

SEC. 5. Section 20155.4 of the Public Contract Code is amended to read:

20155.4. (a) A best value contractor shall not be prequalified or shortlisted unless the contractor provides an enforceable commitment to the ~~county~~ *county, city, or eligible joint powers authority* that the contractor and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades, in accordance with Chapter 2.9 (commencing with Section 2600) of Part 1.

(b) This section shall not apply if any of the following requirements are met:

(1) The ~~county~~ *county, city, or eligible joint powers authority* has entered into a project labor agreement that will bind all contractors and subcontractors performing work on the project or contract to use a skilled and trained workforce, and the contractor agrees to be bound by that project labor agreement.

(2) The project or contract is being performed under the extension or renewal of a project labor agreement that was entered into by the ~~county~~ *county, city, or eligible joint powers authority* prior to January 1, 2017.

(3) The contractor has entered into a project labor agreement that will bind the contractor and all its subcontractors at every tier performing the project or contract to use a skilled and trained workforce.

(c) For purposes of this section, "project labor agreement" has the same meaning as in paragraph (1) of subdivision (b) of Section 2500.

SEC. 6. Section 20155.5 of the Public Contract Code is amended to read:

20155.5. Selection of the best value contractor shall be made as follows:

(a) (1) An evaluation committee appointed by the ~~county~~ *county, city, or eligible joint powers authority* shall evaluate the qualifications of the bidders based solely upon the criteria set forth in the solicitation documents, and shall assign a qualifications score to each bid.

(2) A ~~county~~ *county, city, or eligible joint powers authority* shall establish written policies and procedures, consistent with applicable law, to ensure that members of an evaluation committee are free from conflicts of interest, if the ~~county~~ *county, city, or eligible joint powers authority* has not already established applicable written policies and procedures.

(b) A ~~county~~ *county, city, or eligible joint powers authority* shall not award a contract for a construction project pursuant to this article if a solicitation for bids for that construction project results in the submission of fewer than three responsive bids to the ~~county~~ *county, city, or eligible joint powers authority* for evaluation.

(c) Except as provided in subdivision (d) of Section 20155, the award of the contract shall be made to the bidder whose bid is determined by a county, *city, or eligible joint powers authority,* in writing, to be the best value to the ~~county.~~ *county, city, or eligible joint powers authority.* To determine the best value contractor, the ~~county~~ *county, city, or eligible joint powers authority* shall divide each bidder's price by its qualifications score. The lowest resulting cost per quality point will represent the best value bid.

(d) A ~~county~~ *county, city, or eligible joint powers authority* shall issue a written decision of its contract award.

(e) Upon issuance of a contract award, a ~~county~~ *county, city, or eligible joint powers authority* shall publicly announce its award identifying the best value contractor to which the award is made, the project, the project price, and the selected best value contractor's score based on the evaluation criteria listed in the request for bids. The notice of award shall be made public and include the score of the selected best value contractor in relation to all other responsive bidders and their respective prices. The contract file shall include documentation sufficient to support the decision to award.

SEC. 7. Section 20155.6 of the Public Contract Code is amended to read:

20155.6. (a) If a ~~county~~ *county, city, or eligible joint powers authority* elects to award a project pursuant to this article, retention proceeds withheld by the ~~county~~ *county, city, or eligible joint powers authority* from the selected best value contractor shall not exceed 5 percent if a performance and payment bond, issued by an admitted surety insurer, is required in the solicitation of bids.

(b) In a contract between the selected best value contractor and a subcontractor, and in a contract between a subcontractor and any subcontractor thereunder, the percentage of the retention proceeds withheld shall not exceed the percentage specified in the contract between the ~~county~~ *county, city, or eligible joint powers authority* and the selected best value contractor. If the selected best value contractor provides written notice to a subcontractor that, prior to or at the time the bid is requested, a bond may be required and the subcontractor subsequently is unable or refuses to furnish a bond to the selected best value contractor, then the selected best value contractor may withhold retention proceeds in excess of the percentage specified in the contract between the ~~county~~ *county, city, or eligible joint powers authority* and the selected best value contractor from any payment made by the selected best value contractor to the subcontractor.

SEC. 8. Section 20155.7 of the Public Contract Code is amended to read:

20155.7. (a) Before March 1, ~~2029, the board of supervisors of a participating county~~ *2031, the governing body of a participating county, city, or eligible joint powers authority* shall submit a report to the appropriate policy committees of the Legislature and the Joint Legislative Budget Committee. ~~The~~

(b) The report shall include, but is not limited to, *all of* the ~~following information:~~ *following:*

(1) A description of the projects awarded using the best value procedures.

(2) The contract award amounts.

(3) The best value contractors awarded the projects.

(4) A description of any written protests concerning ~~any aspect of~~ the solicitation, bid, or award of the ~~best value contracts, including~~ *contracts and* the resolution of ~~the~~ *those* protests.

(5) A description of the prequalification process.

(6) The criteria used to evaluate the bids, including the weighting of the ~~criteria and an assessment of the effectiveness of the methodology.~~ *criteria.*

(7) ~~If a project awarded under this article has been completed, an~~ *If applicable, an* assessment of ~~the~~ project performance, ~~to include a summary of any~~ *including* delays or cost increases.

~~(b)~~

(c) A report submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 9. Section 20155.9 of the Public Contract Code is amended to read:

20155.9. This article shall remain in effect only until January 1, ~~2030,~~ *2040,* and as of that date is repealed.

SEC. 10. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

ATTACHMENT 1
Letter of Support

CITY CLERK
MAYCHELLE YEE
CITY TREASURER
AMY LEE

CITY COUNCIL
HENRY LO
VINH NGO
JOSE SANCHEZ
THOMAS WONG
ELIZABETH YANG

March 4, 2026

The Honorable John Harabedian
California State Assembly
1021 O Street, Suite 4350
Sacramento, CA 95814

RE: AB 1786 (Harabedian): Best Value Contracting
NOTICE OF SUPPORT – City of Monterey Park

Dear Assembly Member Harabedian:

On behalf of the City of Monterey Park, I write in strong support of your AB 1786, which extends existing best value construction contracting authority to cities and certain infrastructure focused joint powers authorities, creating parity with procurement tools already available to counties.

Cities across California are responsible for delivering increasingly complex capital projects, including transportation improvements, water and sewer infrastructure upgrades, public safety facilities, parks, stormwater systems, and affordable housing developments. These projects are often funded through layered financing structures that combine local revenue, state grants, federal appropriations, and bond proceeds. They are delivered in a construction environment marked by material cost volatility, skilled labor shortages, supply chain disruptions, and heightened schedule pressures tied to grant deadlines and performance requirements.

Under current law, general law cities are generally required to award construction contracts to the lowest responsible bidder. While that framework remains appropriate for many projects, it can constrain a city's ability to account for important risk factors when delivering large scale or technically complex infrastructure. Lowest bid procurement may limit the ability to meaningfully evaluate contractor experience with similar projects, demonstrated capacity to manage complex staging or coordination requirements, safety performance history, and long-term value considerations.

AB 1786 provides cities with an optional procurement tool that allows objective qualifications to be evaluated alongside price through a transparent and competitive process. Best value contracting does not eliminate competition or bypass accountability. Instead, it establishes clear evaluation criteria, maintains public notice and bidding requirements, requires documentation of award decisions, and preserves reporting obligations and a sunset date. Cities would retain full discretion to continue using traditional lowest responsible bidder procurement where appropriate.

For projects involving complicated phasing, sensitive community impacts, coordination with utilities and outside agencies, or heightened safety concerns, best value contracting can reduce the risk of delays, litigation, change orders, and cost escalation. By selecting the contractor offering the strongest overall combination of price and qualifications, cities can better safeguard taxpayer resources, improve schedule reliability, and deliver higher quality outcomes for residents.

AB 1786 ensures parity between counties, cities, and qualified regional delivery entities while maintaining transparency and legislative oversight. We commend your leadership on this issue and are proud to support this legislation.

Sincerely,

Elizabeth Yang
Mayor

Henry Lo
Mayor Pro Tem

Jose Sanchez
Councilmember

Thomas Wong
Councilmember

Vinh T. Ngo
Councilmember

City Council Staff Report

Date: March 4, 2026
Agenda Item Number: 10.C.

To: The Honorable Mayor and City Council

From: Scott Wiese, Police Chief

Subject: Purchase of Conducted Energy Device for the Police Department from Axon Enterprises, Inc.

Recommendation:
It is recommended that the City Council consider:

1. Waiving bidding requirements pursuant to Monterey Park Municipal Code § 3.20.050(2), and authorizing the City Manager to execute an agreement with Axon Enterprises, Inc., in a form approved by the City Attorney, to purchase Axon Taser 10 Conducted Energy Devices for $602,033.02; and
2. Taking such additional, related, action that may be desirable.

Executive Summary:
The Monterey Park Police Department ("Department") recommends the acquisition of Axon Taser 10 conducted energy devices ("CED") to replace the Department's existing Axon X26P Tasers. Conducted energy devices are a critical less than lethal force option used to safely manage volatile encounters and reduce the risk of injury to officers, subjects, and the public.

The Department's current conducted energy devices reached the end of their effective service life and are experiencing equipment failures that can no longer be resolved through manufacturer repair support. Transitioning to the Axon Taser 10 will allow the Department to modernize its less than lethal equipment, improve operational reliability, and ensure sworn personnel are equipped with current, industry-standard technology consistent with modern law enforcement practices and officer safety expectations.

Background:
The Department has utilized CEDs for more than 20 years as part of its use of force continuum to safely de-escalate volatile encounters while minimizing the risk of injury to officers, subjects, and the public. CEDs are frequently deployed during incidents involving individuals experiencing emotional distress, mental health crises, or substance induced impairment, where effective less than lethal options are critical to resolving situations without resorting to higher levels of force.

The X26P has served as the Department's primary CED since 2018. TASER CED technology is proprietary and manufactured exclusively by Axon Enterprise, Inc., which is the sole source provider of TASER devices for law enforcement use. Axon maintains exclusive ownership and control over the TASER platform, including device hardware, cartridges, firmware, training protocols, warranties, accessories, and system compatibility. The TASER platform is the standardized, CED technology utilized by regional Southern California law enforcement agencies, and no alternative manufacturers are used by these agencies. Because this technology, regional standardization, and associated support and training infrastructure are unique to Axon, no other manufacturer can provide a compatible or equivalent conducted energy device.

The Axon Taser 10 represents the current generation of conducted energy device technology and provides substantial operational enhancements compared to the X26P. These enhancements include an extended engagement distance of up to 45 feet, providing officers with increased standoff distance and additional reaction time during volatile encounters. The Taser 10 also features ten independently fired probes, allowing officers to deploy additional probes without reloading and to correct missed deployments, thereby improving effectiveness and reducing the need to escalate to higher levels of force.

Additional advancements include improved deployment accuracy and reliability, which increase the likelihood of effective neuromuscular incapacitation while reducing ineffective deployments. Collectively, these capabilities reduce the need for close contact physical struggles, thereby lowering the risk of injury to both officers and subjects.

The X26P platform is now three generations behind current conducted energy device technology, and the Department has experienced equipment failures that can no longer be resolved through manufacturer repair support. Replacing X26P with the Axon Taser 10 allows the Department to modernize its less than lethal equipment, enhance operational reliability, and ensure sworn personnel are equipped with current, industry standard tools consistent with modern law enforcement practices and officer safety expectations.

Strategic Plan Goal:
The subscription purchase of the Axon Taser 10 CED aligns with the City of Monterey Park's Strategic Plan goal:

1. Ensure Public Safety with a Modernized and Community Oriented Approach

By purchasing the Axon Taser 10 less than lethal devices, the Department will strengthen community engagement by enhancing emergency preparedness by modernizing a lifesaving de-escalation tool to save lives.

Fiscal Impact:
The total project cost for 99 Axon Taser 10 CEDs is $602,033.02, based on a five-year subscription agreement. Funding has been budgeted in FY 25/26 under account number 1015002-5501-EPD01 to cover the first year subscription payment of $120,406.58.

Subscription payments for Years 2 through 4 are $120,406.58 per year, with a Year 5 payment

of $120,406.70, for a total five-year cost of $602,033.02.

Funding for the subscription payments beyond FY 25/26 will be subject to approval through the annual budget process. The Department will request the necessary appropriations in subsequent fiscal years to fund the remaining purchase obligations.

Attachments:

1. Axon Monterey Park Police Dept. TASER 10 Certification Pro (99) Quote

Staff Report

March 4, 2025

ATTACHMENT 1

Axon Taser 10 Quote

Axon Enterprise, Inc.
17800 N 85th St
Scottsdale, Arizona 85255
United States
VAT: 86-0741227
Domestic:(800) 978-2737
International: +1.800.978.2737

Q-801995-46050KP

Issued: 01/28/2026

Quote Expiration: 03/31/2026

Estimated Contract Start Date: 05/01/2026

Account Number: 112712

Payment Terms: N30

Mode of Delivery: UPS-GND

Credit/Debit Amount: $0.00

SHIP TO	BILL TO
Monterey Park Police Dept. - CA 320 W Newmark Ave Monterey Park, CA 91754-2818 USA	Monterey Park Police Dept. - CA 320 W Newmark Ave Monterey Park CA 91754-2818 USA Email:

SALES REPRESENTATIVE	PRIMARY CONTACT
Kyle Panasewicz Phone: +1 4803294734 Email: kpanasewicz@axon.com Fax: (480) 905-2071	Bob Hung Phone: (626) 307-1253 Email: bhung@montereypark.ca.gov Fax: (626) 307-1441

Quote Summary

Program Length	60 Months
TOTAL COST	$565,710.40
ESTIMATED TOTAL W/ TAX	$602,033.02

Discount Summary

Average Savings Per Year	$51,198.14
TOTAL SAVINGS	$255,990.70

Payment Summary

Date	Subtotal	Tax	Total
Apr 2026	$113,142.08	$7,264.50	$120,406.58
Apr 2027	$113,142.08	$7,264.50	$120,406.58
Apr 2028	$113,142.08	$7,264.50	$120,406.58
Apr 2029	$113,142.08	$7,264.50	$120,406.58
Apr 2030	$113,142.08	$7,264.62	$120,406.70
Total	**$565,710.40**	**$36,322.62**	**$602,033.02**

Quote Unbundled Price:	**$821,665.00**
Quote List Price:	**$649,880.20**
Quote Subtotal:	**$565,710.40**

Pricing

All deliverables are detailed in Delivery Schedules section lower in proposal

Item	Description	Qty	Term	Unbundled	List Price	Net Price	Subtotal	Tax	Total
Program									
C00031	TASER 10 CERTIFICATION PRO PLAN	99	60	$137.25	$108.33	$94.16	$559,310.40	$36,322.62	$595,633.02
A la Carte Services									
102597	TASER CEW + VR INSTRUCTOR CERT + VR IMPLEMENTATION (2-DAY)	1			$6,400.00	$6,400.00	$6,400.00	$0.00	$6,400.00
Total							**$565,710.40**	**$36,322.62**	**$602,033.02**

Delivery Schedule

Hardware

Bundle	Item	Description	QTY	Shipping Location	Estimated Delivery Date
TASER 10 CERTIFICATION PRO PLAN	100122	AXON VR - HEADSET - BATTERY	4	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	100126	AXON VR - TACTICAL BAG	4	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	100390	AXON TASER 10 - HANDLE - YELLOW CLASS 3R	99	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	100390	AXON TASER 10 - HANDLE - YELLOW CLASS 3R	3	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	100394	AXON TASER 10 - MAGAZINE - HALT TRAINING BLUE	4	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	100396	AXON TASER 10 - MAGAZINE - INERT RED	30	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	100399	AXON TASER 10 - CARTRIDGE - LIVE	1980	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	100400	AXON TASER 10 - CARTRIDGE - HALT	990	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	100401	AXON TASER 10 - CARTRIDGE - INERT	300	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	100591	AXON TASER - CLEANING KIT	1	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	100616	AXON TASER 10 - HOLSTER - BLACKHAWK - RH	99	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	100623	ENHANCED HOOK-AND-LOOP TRAINING (HALT) SUIT (V2)	1	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	100748	AXON VR - CONTROLLER - TASER 10	4	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	100832	AXON VR - CONTROLLER - HANDGUN VR19H	4	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	101124	AXON VR - HOLSTER - T10 BLACKHAWK GRAY - RH	8	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	101294	AXON VR - TABLET	4	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	101300	AXON VR - TABLET CASE	4	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	101455	AXON TASER 10 - REPLACEMENT TOOL KIT - INTERPOSER BUCKET	1	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	101456	AXON TASER 10 - REPLACEMENT INTERPOSER BUCKET	9	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	101751	AXON VR - HEADSET - HTC FOCUS VISION	4	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	101755	AXON TASER 10 - MAGAZINE - LIVE DUTY BLACK V2	3	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	101755	AXON TASER 10 - MAGAZINE - LIVE DUTY BLACK V2	99	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	101757	AXON TASER 10 - MAGAZINE - LIVE TRAINING PURPLE V2	30	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	102389	AXON VR - MULTI-USER ROOM MARKER	2	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	20018	AXON TASER - BATTERY PACK - TACTICAL	10	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	20018	AXON TASER - BATTERY PACK - TACTICAL	3	1	04/01/2026

Hardware

Bundle	Item	Description	QTY	Shipping Location	Estimated Delivery Date
TASER 10 CERTIFICATION PRO PLAN	20018	AXON TASER - BATTERY PACK - TACTICAL	99	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	70033	AXON - DOCK WALL MOUNT - BRACKET ASSY	2	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	71019	AXON BODY - DOCK POWERCORD - NORTH AMERICA	2	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	74200	AXON TASER - DOCK - SIX BAY PLUS CORE	2	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	80087	AXON TASER - TARGET - CONDUCTIVE PROFESSIONAL RUGGEDIZED	2	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	80090	AXON TASER - TARGET FRAME - PROFESSIONAL 27.5 IN X 75 IN	2	1	04/01/2026
TASER 10 CERTIFICATION PRO PLAN	100400	AXON TASER 10 - CARTRIDGE - HALT	800	1	04/01/2027
TASER 10 CERTIFICATION PRO PLAN	100400	AXON TASER 10 - CARTRIDGE - HALT	790	1	04/01/2028
TASER 10 CERTIFICATION PRO PLAN	100210	AXON VR - TAP REFRESH 1 - TABLET	4	1	10/01/2028
TASER 10 CERTIFICATION PRO PLAN	101009	AXON VR - TAP REFRESH 1 - HANDGUN CONTROLLER	4	1	10/01/2028
TASER 10 CERTIFICATION PRO PLAN	101012	AXON VR - TAP REFRESH 1 - TASER CONTROLLER	4	1	10/01/2028
TASER 10 CERTIFICATION PRO PLAN	20373	AXON VR - TAP REFRESH 1 - HEADSET	4	1	10/01/2028
TASER 10 CERTIFICATION PRO PLAN	100400	AXON TASER 10 - CARTRIDGE - HALT	790	1	04/01/2029
TASER 10 CERTIFICATION PRO PLAN	100400	AXON TASER 10 - CARTRIDGE - HALT	790	1	04/01/2030

Software

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
TASER 10 CERTIFICATION PRO PLAN	101180	AXON TASER - DATA SCIENCE PROGRAM	99	05/01/2026	04/30/2031
TASER 10 CERTIFICATION PRO PLAN	20248	AXON TASER - EVIDENCE.COM LICENSE	99	05/01/2026	04/30/2031
TASER 10 CERTIFICATION PRO PLAN	20248	AXON TASER - EVIDENCE.COM LICENSE	1	05/01/2026	04/30/2031
TASER 10 CERTIFICATION PRO PLAN	20370	AXON VR - USER ACCESS - FULL VR	99	05/01/2026	04/30/2031

Services

Bundle	Item	Description	QTY
TASER 10 CERTIFICATION PRO PLAN	100751	AXON TASER 10 - REPLACEMENT ACCESS PROGRAM - DUTY CARTRIDGE	99
TASER 10 CERTIFICATION PRO PLAN	101193	AXON TASER - ON DEMAND CERTIFICATION	99
A la Carte	102597	TASER CEW + VR INSTRUCTOR CERT + VR IMPLEMENTATION (2-DAY)	1

Warranties

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
TASER 10 CERTIFICATION PRO PLAN	100197	AXON VR - EXT WARRANTY - HEADSET	4	04/01/2027	04/30/2031
TASER 10 CERTIFICATION PRO PLAN	100213	AXON VR - EXT WARRANTY - TABLET	4	04/01/2027	04/30/2031
TASER 10 CERTIFICATION PRO PLAN	100704	AXON TASER 10 - EXT WARRANTY - HANDLE	99	04/01/2027	04/30/2031
TASER 10 CERTIFICATION PRO PLAN	100704	AXON TASER 10 - EXT WARRANTY - HANDLE	3	04/01/2027	04/30/2031
TASER 10 CERTIFICATION PRO PLAN	101007	AXON VR - EXT WARRANTY - TASER CONTROLLER	4	04/01/2027	04/30/2031
TASER 10 CERTIFICATION PRO PLAN	101008	AXON VR - EXT WARRANTY - HANDGUN CONTROLLER	4	04/01/2027	04/30/2031
TASER 10 CERTIFICATION PRO PLAN	80374	AXON TASER - EXT WARRANTY - BATTERY PACK T7/T10	10	04/01/2027	04/30/2031
TASER 10 CERTIFICATION PRO PLAN	80374	AXON TASER - EXT WARRANTY - BATTERY PACK T7/T10	3	04/01/2027	04/30/2031
TASER 10 CERTIFICATION PRO PLAN	80374	AXON TASER - EXT WARRANTY - BATTERY PACK T7/T10	99	04/01/2027	04/30/2031
TASER 10 CERTIFICATION PRO PLAN	80396	AXON TASER - EXT WARRANTY - DOCK SIX BAY T7/T10	2	04/01/2027	04/30/2031

Shipping Locations

Location Number	Street	City	State	Zip	Country
1	320 W Newmark Ave	Monterey Park	CA	91754-2818	USA
1	320 W Newmark Ave	Monterey Park	CA	91754-2818	USA

Payment Details

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 1	102597	TASER CEW + VR INSTRUCTOR CERT + VR IMPLEMENTATION (2-DAY)	1	$1,280.00	$0.00	$1,280.00
Year 1	C00031	TASER 10 CERTIFICATION PRO PLAN	99	$111,862.08	$7,264.50	$119,126.58
Total				**$113,142.08**	**$7,264.50**	**$120,406.58**

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Invoice Upon Fulfillment	C00031	TASER 10 CERTIFICATION PRO PLAN	99	$0.00	$0.00	$0.00
Total				**$0.00**	**$0.00**	**$0.00**

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 2	102597	TASER CEW + VR INSTRUCTOR CERT + VR IMPLEMENTATION (2-DAY)	1	$1,280.00	$0.00	$1,280.00
Year 2	C00031	TASER 10 CERTIFICATION PRO PLAN	99	$111,862.08	$7,264.50	$119,126.58
Total				**$113,142.08**	**$7,264.50**	**$120,406.58**

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 3	102597	TASER CEW + VR INSTRUCTOR CERT + VR IMPLEMENTATION (2-DAY)	1	$1,280.00	$0.00	$1,280.00
Year 3	C00031	TASER 10 CERTIFICATION PRO PLAN	99	$111,862.08	$7,264.50	$119,126.58
Total				**$113,142.08**	**$7,264.50**	**$120,406.58**

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 4	102597	TASER CEW + VR INSTRUCTOR CERT + VR IMPLEMENTATION (2-DAY)	1	$1,280.00	$0.00	$1,280.00
Year 4	C00031	TASER 10 CERTIFICATION PRO PLAN	99	$111,862.08	$7,264.50	$119,126.58
Total				**$113,142.08**	**$7,264.50**	**$120,406.58**

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 5	102597	TASER CEW + VR INSTRUCTOR CERT + VR IMPLEMENTATION (2-DAY)	1	$1,280.00	$0.00	$1,280.00
Year 5	C00031	TASER 10 CERTIFICATION PRO PLAN	99	$111,862.08	$7,264.62	$119,126.70
Total				**$113,142.08**	**$7,264.62**	**$120,406.70**

Tax is estimated based on rates applicable at date of quote and subject to change at time of invoicing. If a tax exemption certificate should be applied, please submit prior to invoicing.

Standard Terms and Conditions

Axon Enterprise Inc. Sales Terms and Conditions

Axon Master Services and Purchasing Agreement:

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at https://www.axon.com/sales-terms-and-conditions), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. In the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern to the extent it includes the products and services being purchased and does not conflict with the Axon Customer Experience Improvement Program Appendix as described below.

ACEIP:

The Axon Customer Experience Improvement Program Appendix, which includes the sharing of de-identified segments of Agency Content with Axon to develop new products and improve your product experience (posted at www.axon.com/legal/sales-terms-and-conditions), is incorporated herein by reference. By signing below, you agree to the terms of the Axon Customer Experience Improvement Program.

Acceptance of Terms:

Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Exceptions to Standard Terms and Conditions

Rewrite Estimates

Estimated Amounts and Contract Terminations. Any amounts stated as due under existing or terminated contracts — including contract transfer balances carried forward to new or pending contracts — are estimates based on payments received as of the calculation date. These estimates may be adjusted if new contracts are not executed on the anticipated dates or if expected payments are not made.

Refresh Shipment Timing

Technology Assurance Plan (TAP) Refresh Prior to Renewal. For Customers with expiring agreements that include TAP refresh rights, Axon may, in its discretion, ship refresh hardware under the existing contract while renewal or replacement agreements are in progress. Any such shipments will be deemed made under the terms of the existing contract until the new contract is fully executed, after which any applicable updates, fees, or adjustments will apply.

Shipment Timing

Shipment Variance. Estimated shipment dates are provided for planning purposes only and are not guarantees. Axon may ship hardware before or after the estimated shipment date, and failure to meet an estimated shipment date will not, by itself, constitute a breach, provided Axon uses commercially reasonable efforts to meet estimated shipment dates.

Signature

Date Signed

1/28/2026



City Council Staff Report

Date: March 4, 2026
Agenda Item Number: 10.D.

To: The Honorable Mayor and City Council

From: Jason Hing, Fire Chief
Michelle Marquez, Principal Management Analyst

Subject: Acceptance of Emergency Operations Training Cadre Project

Recommendation:
It is recommended that the City Council consider:

1. Receiving and filing report;
2. Authorizing the appropriation of $76,185 grant funds to the Fiscal Year 2025-26 budget in Account No. 3143201-5211; and
3. Taking such additional, related, action that may be desirable.

Executive Summary:
The City of Monterey Park Fire Department acknowledges and accepted the subrecipient agreement for the EMG Emergency Management CADRE Training project under the 2022 ($76,185) and 2023 ($300,000) State Homeland Security Program (SHSP) grants. This initiative is designed to strengthen the City's and the region's emergency preparedness and response capabilities by providing specialized training to members of the Community Assistance and Disaster Response Effort (CADRE). In accordance with Resolution No. 11740, adopted by the City Council on May 6, 2015, staff is reporting to the City Council the source of funds received and the associated project details.

Background:
The EOC Academy is a regional training program designed to efficiently and effectively prepare non-emergency management city personnel to fulfill emergency operations center (EOC) roles during special delivering a streamlined and optimized version of the standardized EOC training provided by the Californi Training Institute. The EOC Academy's condensed program is designed to be completed in approximatel Department has acted as host in the past and looks forward to the continued partnership with Los Angele Management Cadre training and serving as fiduciary for the grant funding, the city will benefit by having th City will be able to allocate funds to the City of Monterey Park Fire Department for emergency manageme

Strategic Plan Goal:

This initiative directly supports the City's Strategic Plan Goal 1, Ensure Public Safety with a Modernized and Community-Oriented Approach, by enhancing emergency preparedness and response capabilities through specialized Cadre training. By equipping personnel to serve in Emergency Operations Center roles, the City ensures a flexible and mission-ready service model during major incidents and disasters. Additionally, the project advances Goal 2, Maintain Stability of the City's Fiscal and Human Resources, by leveraging State Homeland Security Program grant funding, resulting in no fiscal impact to the City while providing professional development opportunities that strengthen workforce capacity and resilience.

Fiscal Impact:
The State Homeland Security Program (SHSP) grant program has been approved by Los Angeles County. Staff is requesting an appropriation of the awarded $76,185 in grants funds to the Fiscal Year 2025-2026 budget in Account No. 3143201-5211.

Attachments:
None

City Council Staff Report

Date: March 4, 2026
Agenda Item Number: 10.E.

To: The Honorable Mayor and City Council

From: Shawn Igoe, Public Works Director

Subject: Award of Professional Services Agreement to BOA Architecture for the preparation of Plans, Specifications and Engineer's estimates ("PS&E") for Fire Station 61 Remodeling

Recommendation:
It is recommended that the City Council consider:

1. Authorizing the City Manager to execute a Professional Services agreement with Black, O'Dowd & Associates, dba BOA Architecture, for the preparation of Plans, Specifications and Engineer's estimates ("PS&E") for Fire Station 61 Remodeling in an amount not to exceed $106,700; plus $11,000 contingency for unexpected work; and
2. Taking such additional, related, action that may be desirable.

Executive Summary:
Fire Station 61 was constructed in the early 1970s and is beginning to exceed its useful life. The living quarters are reminiscent of the time in which they were constructed, with communal showers and dorms. The City of Monterey Park was notified in November 2023 that United States Senator Alex Padilla had secured $1.5 million in federal funding for upgrades at Fire Station 61, which will be used to upgrade the living quarters at Fire Station 61. The Director requested proposals from three architectural firms, and selected BOA Architecture to provide the necessary architectural services to complete the development of PS&E for the remodeling.

The Director requests City Council approval to enter into a professional services agreement with BOA Architecture in an amount not to exceed $106,700; plus $11,000 contingency for unexpected work, for the preparation of PS&E for Fire Station 61 remodeling (the "Contract")

Background:
Fire Station 61 was constructed in the early 1970s and is over 50 years old. Due to its age, Station 61 is beginning to exceed its useful life. The living quarters are reminiscent of the time in which they were constructed, with communal showers and dorms.

The City of Monterey Park was notified in November 2023 that United States Senator Alex

Padilla had secured $1.5 million in federal funding for upgrades at Fire Station 61. The funding will be used to upgrade the living quarters at Fire Station 61.

On August 21, 2024, the City Council accepted the $1.5M in federal earmarked funds. As a condition of acceptance of the funds, the City was required to complete the National Environmental Policy Act (NEPA) review prior to finalizing the process and providing the City with an agreement to be able to receive the funds. It was determined that the proposed improvements met the NEPA Categorical exemption. The recent federal government shutdown delayed the process as many other projects were in the queue. Finally, on February 3, 2026, the City received the signed agreement from HUD authorizing the City to proceed with the Project.

The Director requested proposals from three architectural firms: BOA Architecture, PBK and TYLin, and selected BOA Architecture to provide the necessary architectural services to complete the development of PS&E for the remodeling.

The Director received a proposal from BOA Architecture for $106,700 The Director is currently working with BOA Architecture for the redesign of the City Council Chambers and is satisfied with the provided services.

It is recommended that City Council authorize the City Manager to execute an agreement with BOA Architecture in an amount not to exceed $106,700; plus $11,000 contingency for unexpected work, for the preparation of PS&E for Fire Station 61 remodeling

Strategic Plan Goal:
This Project meets the City's goal to maintain, build and modernize infrastructure and facilities to support the current and future needs of our City and community as it aims to continue public facility improvements.

Fiscal Impact:
The proposed contract cost will not exceed $106,700; plus $11,000 contingency for unexpected work. Funds for this project are budgeted as part of Capital Improvement Project ("CIP") 95048.

Attachments:
1. BOA Architectural Proposal

ATTACHMENT 1
BOA Architecture Proposal

BOA Architecture
Government Services

1511 Cota Avenue
Long Beach, CA 90813
Telephone: 562-912-7900
Telephone: 310-832-2681
www.boaarchitecture.com

Ziad Mazboudi, PE, Project Manager
City of Monterey Park

March 17, 2025

Re: Fee for Architectural-Engineering Services for: Monterey Park 2nd Floor Remodel for Fire Station 61

Based on our site meeting with you on 3-17-25 we are pleased to submit our Fee Proposal for PSE (plans, specs, estimate) for approval from the City Building-Safety Dept. and customary public bidding to general contractors. We will also provide bidding assistance and Construction Administration services for this phase of design work. We understand that we will completely renovate the entire 3400 sf 2nd floor which includes the renovation of the kitchen-dining-living areas and creating private dorms and gender-neutral bathrooms. Our scope for this project is outlined below, and our itemized fee spreadsheet is attached.

Scope for Interior Remodel

1. Provide Architectural-Engineering design services to renovate the entire 2nd floor interior living area of this Fire Station #61. At minimum, provide 10 private dorms with fire-escape windows to the exterior for 10 firefighters. It is ideal for dorm lockers to be accessed from the hallway side and the dorm side to allow firefighters to sleep during the shift change. Provide 1 unisex ADA compliant bathroom, and 3 private non-ADA compliant regular bathrooms, for a total of 4 private bathrooms with shower. Remodel the kitchen and dining areas for efficient circulation. Add a guardrail at the 2nd BBQ deck for safety. Replace the roofing as it is worn and is near the end of its useful life. The existing HVAC equipment is relatively new and is in good working order and will not need to be replaced. The existing apparatus bays and offices on the 1st floor will not be worked on at this time and are not in this Scope of Work. See the attached floor plan sketch showing the Area of Work.
2. Provide design for ADA compliance on the 2nd floor as required by the City Building-Safety Dept.
3. Because of its high construction cost, work within the existing building envelope, avoid a building addition.
4. Verify site conditions w measurements, produce CADD as-built drawings for the building and site.
5. In the preliminary design phase, create 3 conceptual floor plans for the Client to select the desired one that will be refined into a final recommendation. Provide 3-dimensional color renderings showing especially the kitchen-dining areas.
6. Project management and meetings to expedite the project and communicate with Client.
7. Provide submittals at 30%, 60%, 90%, 100%.
8. Provide Construction Cost Estimate.
9. Provide formal specifications.
10. Provide façade improvement design for the 2nd floor to integrate new dorm windows. The façade improvements shall be compatible and enhance the existing architecture of the Fire Station.
11. Provide structural engineering for new walls and reconfigure the 2nd floor plan layout.
12. Provide mechanical engineering for the new HVAC ducting for the new 2nd floor plan layout.
13. Provide electrical engineering for new electrical lighting and power.
14. Provide Construction Support for bidding assistance and Construction Administration services

Items Not Included

a. Land Survey with underground utility lines (there drawings will be provided by the Client)
b. Asbestos, Lead paint, Hazardous Materials Report
c. Design of ADA parking stalls, as the existing ADA parking stalls are assumed to be ADA compliant.
d. Design of any part of the exterior sitework.
e. Landscape architecture and Civil Engineering
f. Furniture selection
g. Design of the 1st first of this Fire Station.

BOA Architecture can begin work immediately upon your Notice to Proceed. If you have any questions, please do not hesitate to contact me personally at (310) 480-7730 cell.

BOA Architecture

Edward Lok Ng, Architect, LEED AP, President

FIXED FEE PROPOSAL

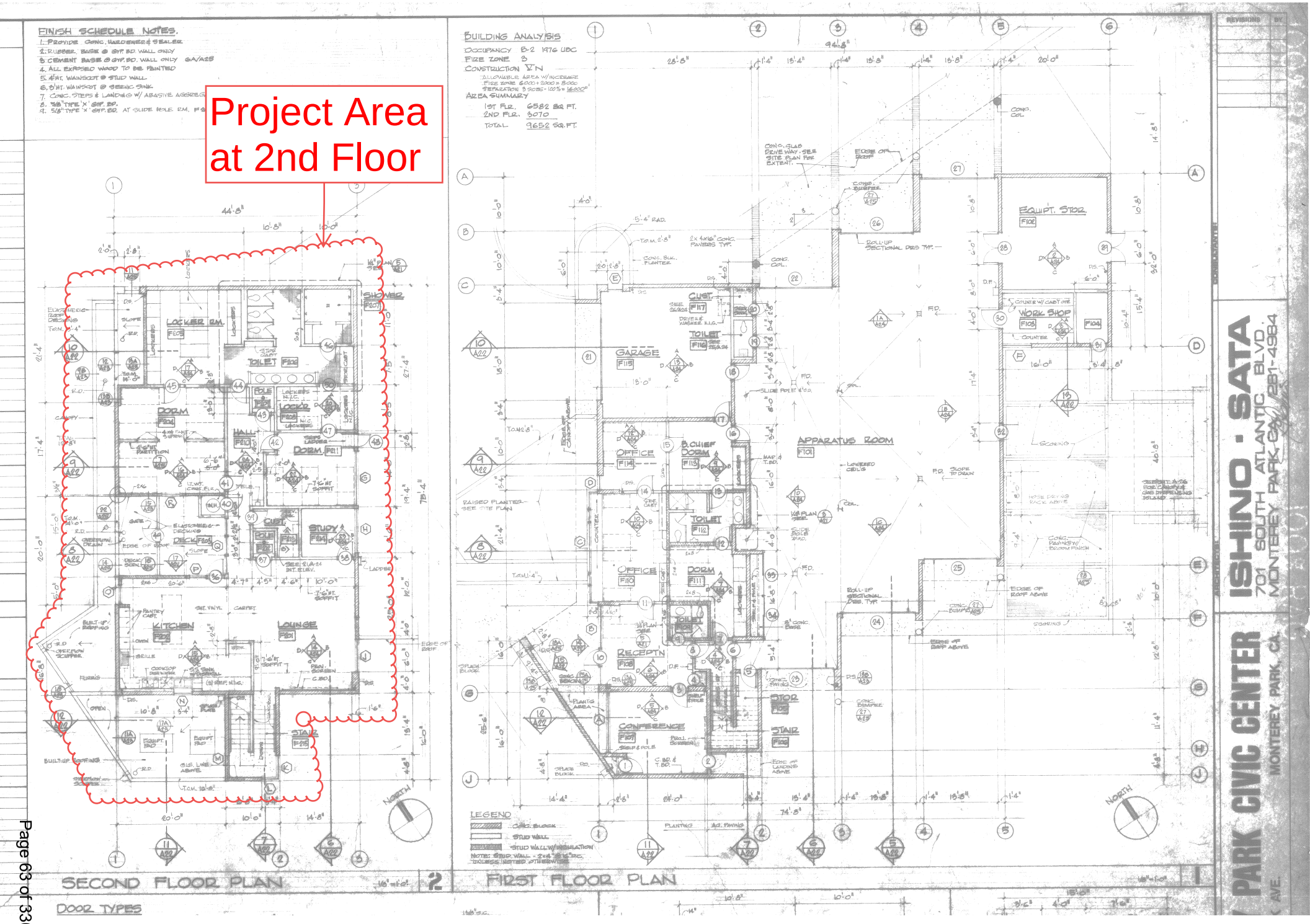
Architectural-Engineering Services for:

City of Monterey Park 2nd Floor Renovation of Fire Station 61

date: Nov. 25, 2025 — Construction Cost Estimate: To Be Determined

prepared by: BOA, Edward Lok Ng, Architect — prepared for: City of Monterey Park, Ziad Mazboudi

	PERSON	HRS	UNIT	RATE	COST	TOTAL
PRE-DESIGN						
kick-off meeting to verify scope of work,obtain as-built dwgs.	PM-Arch	4	hrs	150	600	
project management, confirm cost/work plan & prep field work	PM-Arch	6	hrs	150	900	
site assessment, as-built measurements & photos	Sr.Tech	10	hrs	110	1,100	
CADD-3D	Sr.Tech	20	hrs	110	2,200	
						4,800
ARCHITECTURAL SCHEMATIC DESIGN						
preliminary design; 3 floor plan options, refine 1 option	PM-Arch	16	hrs	150	2,400	
CADD-3D drawings	Sr.Tech	70	hrs	110	7,700	
3-D color renderings	Sr.Tech	20	hrs	110	2,200	
project management	PM-Arch	8	hrs	150	1,200	
construction cost estimate	PM-Arch	6	hrs	150	900	
meeting or coordination with Client	PM-Arch	8	hrs	150	1,200	
						15,600
ENGINEERING and EXPENSES						
structural engineering					9,000	
mechanical, new HVAC equipment, provide new ducts					8,000	
plumbing					7,000	
electrical					11,000	
civil engineering					0	
expenses for blueprints, photocopies, mailing, misc.					200	
						35,200
ARCHITECTURAL DESIGN DEVELOPMENT & CONSTRUCTION DOCUMENTS						
refine preliminary design	PM-Arch	16	hrs	150	2,400	
CADD-3D modeling of construction document drawings	Sr.Tech	120	hrs	110	13,200	
project management, design development,coord. w engineers	PM-Arch	50	hrs	150	7,500	
meeting or coordination with Client	PM-Arch	20	hrs	150	3,000	
specifications in CSI format	PM-Arch	30	hrs	150	4,500	
construction cost estimate	PM-Arch	6	hrs	150	900	
quality control	PM-Arch	20	hrs	150	3,000	
City bldg-safety dept. and client submittal&corrections	Sr.Tech	40	hrs	110	4,400	
						38,900
CONSTRUCTION SUPPORT						
pre-bid meeting	PM-Arch	0	hrs	150	0	
bidding RFI's	PM-Arch	4	hrs	150	600	
pre-construction meeting	PM-Arch	0	hrs	150	0	
project management, RFI & submittal response	PM-Arch	50	hrs	150	7,500	
CADD-3D modeling and record drawings	Sr.Tech	10	hrs	110	1,100	
construction site meetings, punchlist meeting	PM-Arch	20	hrs	150	3,000	
						12,200
					TOTAL	**$106,700**


Project Area at 2nd Floor
FINISH SCHEDULE NOTES.
1. PROVIDE CONC. HARDENER & SEALER.
2. RUBBER BASE @ GYP. BD. WALL ONLY
3. CEMENT BASE @ GYP. BD. WALL ONLY GA/A25
4. ALL EXPOSED WOOD TO BE PAINTED
5. 4'HT. WAINSCOT @ STUD WALL
6. 8'HT. WAINSCOT @ SCENIC SINK.
7. CONC. STEPS & LANDING W/ ABASIVE AGGREG.
8. 3/8" TYPE 'X' GYP. BD.
9. 5/8" TYPE 'X' GYP. BD. AT SLIDE POLE R.M. F#
BUILDING ANALYSIS
OCCUPANCY B-2 1976 UBC
FIRE ZONE 3
CONSTRUCTION V-N
ALLOWABLE AREA W/INCREASE
FIRE ZONE 6,000 + 3,000 = 9,000
SEPARATION 3 SIDES - 100% = 16,000
AREA SUMMARY
1ST FLR. 6582 SQ FT.
2ND FLR. 3070
TOTAL 9652 SQ.FT.
SECOND FLOOR PLAN
FIRST FLOOR PLAN
DOOR TYPES
LEGEND
CONC. BLOCK
STUD WALL
STUD WALL W/INSULATION
NORTH
ISHINO · SATA
701 SOUTH ATLANTIC BLVD.
MONTEREY PARK, CA. 281-4984
PARK CIVIC CENTER
MONTEREY PARK, CA.

City Council Staff Report

Date: March 4, 2026
Agenda Item Number: 10.F.

To: The Honorable Mayor and City Council

From: Shawn Igoe, Public Works Director

Subject: Authorize First Amendment to Professional Services Agreement with BOA Architecture

Recommendation:
It is recommended that the City Council consider:

1. Authorizing the City Manager to execute a first Amendment to Agreement No. 2497-A with Black, O'Dowd & Associates, dba BOA Architecture, in a form approved by the City Attorney, for an additional amount not to exceed $15,000; and
2. Taking such additional, related, action that may be desirable.

Executive Summary:
The City Council, on July 16, 2025, awarded BOA Architecture a professional service agreement for the preparation of Plans, Specifications and Engineer's estimates ("PS&E") for City Hall Council Chamber and restroom remodeling.

The scope of the proposal by BOA Architecture was limited to the Council Chambers and did not include any design of the back conference room including ensuring ADA compliance of the back restroom, the relocation of the AV room and incorporation of safety measures.

BOA Architecture provided a proposal for the additional scope in the amount of $15,000. The amendment will increase the total contract amount to a total not to exceed contract amount of $154,300.

Background:
The City Hall and its Council Chambers were constructed almost 50 years ago. Over the years, some improvements were made to bring the audio-visual and technological needs to current standards at that time.

The City Council, on July 16, 2025, awarded BOA Architecture a professional service agreement for the preparation of Plans, Specifications and Engineer's estimates ("PS&E") for City Hall Council Chamber and restroom remodeling.

During design work, it was determined that additional scope is required to incorporate additional services that were not initially incorporated into the scope of work. BOA Architecture provided a proposal for the additional scope of work in the amount of $15,000.

The Director of Public Works recommends an amendment to Agreement 2497-A with BOA Architecture by an additional amount of $15,000.

Strategic Plan Goal:
This Project meets the City's goal to maintain, build and modernize infrastructure and facilities to support the current and future needs of our City and community as it aims to continue public facility improvements and provide multiple forms of usage of the Council Chambers.

Fiscal Impact:
The Contract cost will not exceed $154,300. The Contract funds are budgeted as part of Capital Improvement Project (“CIP”) 95065.

Attachments:
1. BOA Architecture Proposal

ATTACHMENT 1
BOA Architecture Extra Fee Proposal

BOA Architecture
Government Services

1511 Cota Avenue
Long Beach, CA 90813
Telephone: 562-912-7900
Telephone: 310-832-2681
www.boaarchitecture.com

Mr. Ziad Mazboudi, PE
City of Monterey Park

January 3, 2026

Re: Extra Fee for Architecture-Engineering Services for Remodel of Monterey Park City Council Conference Room Area

Based on your request (as you have stated in recent meetings) to remodel the City Council conference room area, which includes the conference room, restroom, and kitchenette, and incorporated into our current Construction Documents, we are requesting an Extra Fee for this additional scope. Please note that this area of the City Council Chambers was not included in our original fee/scope proposal. See attached original fee/scope proposal. Our Scope of Work for this additional scope is outlined below, and our itemized Extra Fee spreadsheet is attached for your review.

Scope of Work

1. Provide the AV technology in the conference room as desired by the City.
2. Provide bulletproofing in the wall that separates this area from the main public Council Chambers.
3. Provide interior design to remodel the conference room, restroom, and kitchenette, as desired by the City. See the attached sketch showing the project area.
4. Provide ADA compliance for the area of work.
5. Provide sufficient Construction Documents (drawings and specs) to secure a building permit approval and public bidding to general contractors.
6. Attend meetings and provide overall project coordination with you, our sub-consultant engineers, the Client, to expedite the Scope of Work.
7. Respond to RFI's from the Contractor during the construction phase of this project.

Per the attached fee spreadsheet, we are requesting an **Extra Fee of $15,000** for this additional work. When approved, BOA's overall project design fee will now be $139,300 Original Fee + $15,000 Extra Fee = $154,300 total Overall Fee. Please review and let us know if this meets your approval. If you have any questions, please do not hesitate to contact me at (310) 480-7730 cell.

BOA Architecture

Edward Lok Ng, Architect, LEED AP, President

EXTRA FEE PROPOSAL

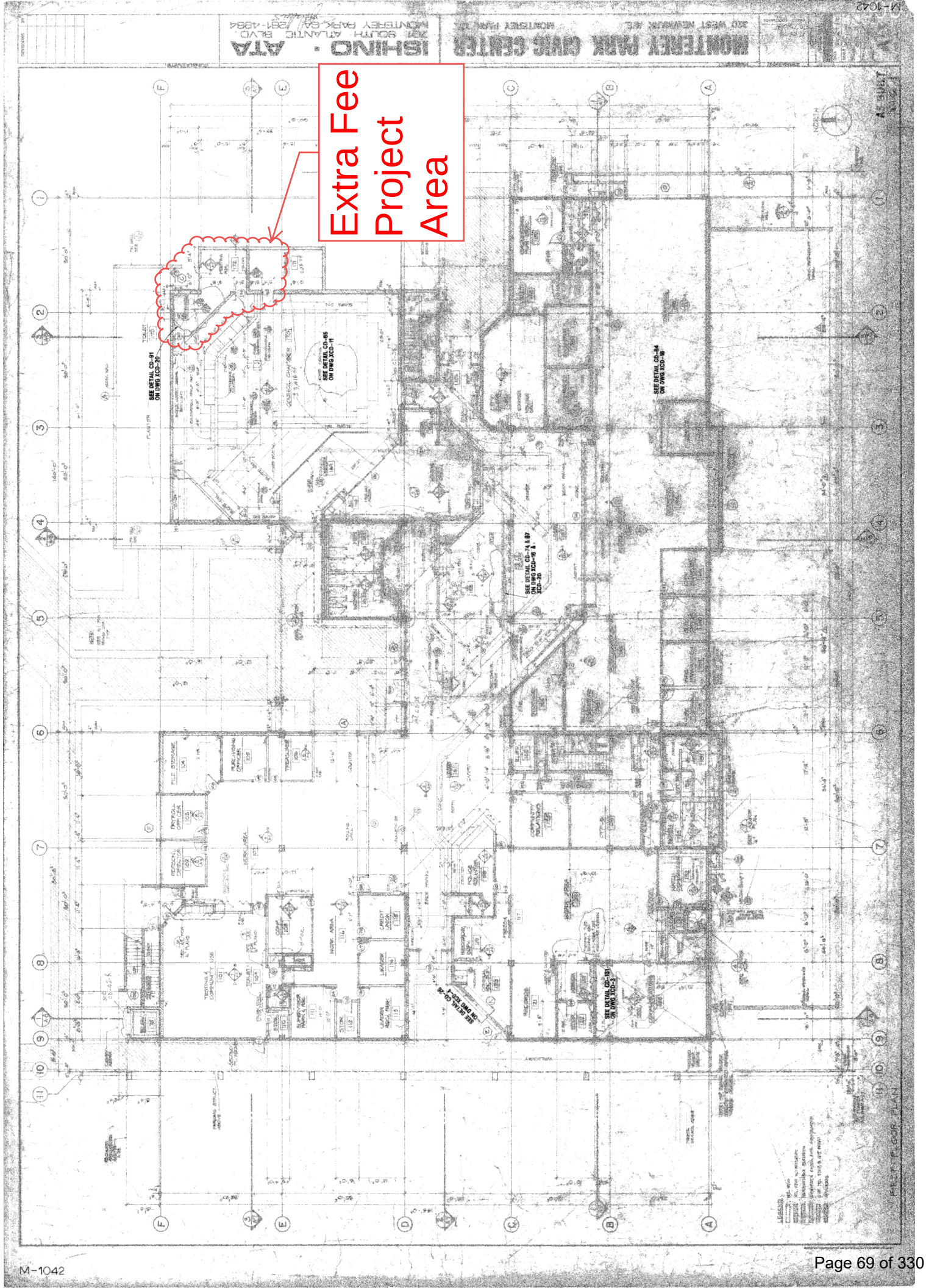
Architectural-Engineering Services for:

Monterey Park City Council Conference Room Remodel

date: Jan. 30, 2026 — Construction Cost Estimate: To Be Determined

prepared by: BOA, Edward Lok Ng, Architect — prepared for: City of Monterey Park, Ziad Mazboudi

	PERSON	HRS	UNIT	RATE	COST	TOTAL
PRE-DESIGN						
kick-off meeting to verify scope of work,obtain as-built dwgs.	PM-Arch	0	hrs	150	0	
project management, confirm cost/work plan & prep field work	PM-Arch	0	hrs	150	0	
site assessment, as-built measurements & photos	Sr.Tech	2	hrs	110	220	
CADD-3D	Sr.Tech	3	hrs	110	330	
						550
ARCHITECTURAL SCHEMATIC DESIGN						
preliminary design; 3 floor plan options, refine 1 option	PM-Arch	6	hrs	150	900	
CADD-3D drawings	Sr.Tech	20	hrs	110	2,200	
3-D color renderings	Sr.Tech	0	hrs	110	0	
project management	PM-Arch	2	hrs	150	300	
construction cost estimate	PM-Arch	0	hrs	150	0	
meeting or coordination with Client	PM-Arch	3	hrs	150	450	
						3,850
ENGINEERING and EXPENSES						
structural engineering					1,000	
mechanical, new HVAC equipment, provide new ducts					1,000	
plumbing					1,000	
electrical					1,000	
lighting designer					0	
AV consultant					0	
acoustical engineering					0	
civil engineering					0	
expenses for blueprints, photocopies, mailing, misc.					0	
						4,000
ARCHITECTURAL DESIGN DEVELOPMENT & CONSTRUCTION DOCUMENTS						
refine preliminary design	PM-Arch	2	hrs	150	300	
CADD-3D modeling of construction document drawings	Sr.Tech	30	hrs	110	3,300	
project management, design development,coord. w engineers	PM-Arch	4	hrs	150	600	
meeting or coordination with Client	PM-Arch	2	hrs	150	300	
specifications in CSI format	PM-Arch	0	hrs	150	0	
construction cost estimate	PM-Arch	0	hrs	150	0	
quality control	PM-Arch	4	hrs	150	600	
City bldg-safety dept. and client submittal&corrections	Sr.Tech	0	hrs	110	0	
						5,100
CONSTRUCTION SUPPORT						
pre-bid meeting	PM-Arch	0	hrs	150	0	
bidding RFI's	PM-Arch	2	hrs	150	300	
pre-construction meeting	PM-Arch	0	hrs	150	0	
project management, RFI & submittal response	PM-Arch	6	hrs	150	900	
CADD-3D modeling and record drawings	Sr.Tech	0	hrs	110	0	
construction site meetings, punchlist meeting	PM-Arch	2	hrs	150	300	
						1,500
					TOTAL	**$15,000**


Extra Fee Project Area

City Council Staff Report

Date: March 4, 2026
Agenda Item Number: 10.G.

To: The Honorable Mayor and City Council

From: Shawn Igoe, Public Works Director
Robert Aguirre, Director of Recreation & Community Services

Subject: Community Transportation Updates and Amendment to Via Transportation Inc. for on-demand services

Recommendation:
It is recommended that the City Council consider:

1. Receiving and Filing this staff report summarizing the status of the City's Community Transportation pilot and program updates;
2. Authorizing the City Manager to execute an Amendment with Nomad Transit, LLC, a wholly owned subsidiary of Via Transportation Inc., in a form approved by the City Attorney, adding a six-month pilot for Dial-A-Ride support services in the amount of $230,670 for the term of the pilot and extending on-demand services on a month-to-month basis beginning March 2026 in amount not-to-exceed $62,606 per month;
3. Adopting a Resolution approving the Monterey Park Zero Emission Bus Rollout Plan in compliance with the California Air Resources Board ("CARB") Innovative Clean Transit ("ICT") Regulations; and
4. Taking such additional, related, action that may be desirable.

Executive Summary:
In early 2024, the City implemented a pilot program for transportation services, which included restructured Spirit Bus routes and implementation of on-demand services, MPK Transit Express operated by Via Transportation Inc ("Via"). This report summarizes the status of the pilot program and also proposes the use of Via's services to help augment the City's current Dial-a-Ride services. The City currently operates Dia-a-Ride through its Recreation and Community Services department with limited availabilities due to staffing and program resources. Due to the success of MPK Transit Express's on-demand service and Via's staffing and technology resources, the Director of Recreation and Community Services recommends that City Council authorize a six-month term agreement with Via for Dial-a-Ride augmentation services.

Additionally, it is recommended that City Council adopt a Resolution approving the City of

Monterey Park's Zero Emission Bus Roll Out Plan. In December 2018, the California Air Resources Board ("CARB") adopted the Innovative Clean Transit ("ICT") (Cal. Code Regs. Tit. 13 § 2023.1) regulation, which requires all public transit agencies to gradually transition to 100-percent zero-emission bus ("ZEB") fleets by 2040. The regulation requires transit agencies to publish ZEB Rollout Plans and has purchase requirements for transit agencies of different sizes by year.

Background:
On November 6, 2024, City Council approved a restructuring of Spirit Bus routes and authorized a one-year pilot of MPK Transit Express, an on-demand rideshare program operated in partnership with Via Transportation, Inc. The changes came after an evaluation of the Spirit Bus system by Arcadis/IBI where it reviewed ridership data, cost trends, and community feedback to evaluate the efficiency of the system. Findings in the study included declining ridership, rising costs in operations, and service inefficiencies. Community feedback demonstrated a public interest in more direct routes, easier transfers, and flexible service like app-based, on-demand rides.

Pilot program

MPK Transit Express, powered by Via, was launched in April 2025. The on-demand service supplements the City's fixed-route Spirit Bus system. The service helps bridge first- and last-mile gaps, provides transit access to areas no longer served by traditional routes, and offers expanded service hours and flexible pick-up/drop-off options. By working in tandem with the Spirit Bus, MPK Transit Express enhances mobility for residents, especially seniors, students, and those with limited transportation access.

Due to demand and mobility needs, on August 7, 2025 MPK Transit Express's coverage area expanded to include high-priority areas, including California State University, Los Angeles, larger coverage surrounding Mark Keppel High School, key destinations along South Atlantic Boulevard such as the County library, courthouse, and regional transit connections, including the Metro E Line station at Atlantic/Pomona, and Wal-Mart in the City of Rosemead. Since the zone expansion, ridership to the City of Rosemead has been requested daily. Additionally, service hours were extended to provide weekday service starting at 6:30 a.m. through 7:30 p.m. Fares for MPK Transit Express also took effect on September 10, 2025. Fare is $2.00 per ride, or $1.00 per ride for riders over 55 years old and wheelchair accessible vehicle ("WAV") riders. Riders can book additional seats for passengers for just $1. Payment options include credit or debit cards through the app or phone. Additionally, the City offers a voucher program that allows riders to use cash to purchase ride credit in increments of $2, $12, and $20. Vouchers are available for purchase at the Langley Senior Center.

Spirit Bus service changes were implemented later in August 2025. This allowed for a transition period to allow for riders to learn and use MPK Transit Express before routes were changed or discontinued. The changes included route restructuring for Routes 1,2,3 and 5, and elimination of Route 4.

Evaluation

The City has continued its work with its consultants, now Flexlynqs, to evaluate the pilot program and service changes. Recent performance data shows that the City's fixed-route and

micro-transit services continue to serve a significant role in local mobility and transportation. In 2024, the Spirit Bus system recorded 74,117 annual riders, averaging 6,167 riders per month, at a cost per trip of $29.31. In 2025, ridership varied by period. From January through March 2025, Spirit Bus carried 16,823 riders (5,607 average monthly) at $31.14 per trip. From April through July 2025, ridership increased to 23,172 (5,793 average monthly) with a slightly higher cost per trip of $32.02. However, from August through December 2025, ridership declined to 17,754 (3,550 average monthly), and the cost per trip rose to $46.04. On an annualized basis, 2025 Spirit Bus ridership is projected at approximately 57,749, with an average monthly ridership of 4,813 and a cost per trip of $34.67.

In further review of Spirit Bus, the Link service route has consistently demonstrated the lowest ridership productivity, averaging fewer than one passenger per service hour—resulting in high cost per ridership. Based on this data, it is recommended to discontinue the Link beginning July 2026. Riders in this area currently have access to transportation through MPK Transit Express and higher usage of the on-demand service in lieu of a fixed-route shuttle would be more efficient and cost effective.

MPK Transit Express, which launched in 2025 to supplement Spirit Bus, served 9,513 riders from April through November, averaging 1,189 riders per month at a cost per trip of $36.85. On an annual basis, MPK Transit Express is projected to serve approximately 14,772 riders, maintaining the same monthly average and cost per trip.

Overall, the Spirit Bus route changes and MPK Transit Express service appear to be an efficient model for transportation services in the City. The joint programs allow the City to provide reliable and cost-efficient public transit throughout the City for all types of riders. It also allows for regional connectivity and increased use of services. The City conducted a community survey from December 2025 through February 2026 to obtain community feedback on transportation services. The survey results showed that survey respondents rely on the primary use of a personal vehicle. Close to one-third of respondents did indicate that both Spirit Bus and MPK Transit Express services were used. Current riders reported generally positive satisfaction levels, with approximately 75% of Spirit Bus riders and nearly 50% of MPK Transit Express riders indicating they are “almost always” or “often” satisfied. The survey also identified work, education, and medical trips are primary use of MPK Transit Express. The most frequently cited reasons for not using Spirit Bus is that they use MPK instead, it doesn’t go close enough to where people need to travel, that service is infrequent, and that it doesn’t operate the hours or days of week needed.

The evaluation of the Spirit Bus fixed-route system and MPK Transit Express program demonstrates that Monterey Park is at an important transition point in the evolution of its local mobility services from a traditional fixed-route model toward a more flexible, performance-based mobility framework.

As the City prepares to release an RFP incorporating the evaluation’s findings and service recommendations for fixed-route and on-demand services, it is recommended that City Council authorize a month-to-month extension to the agreement with Via Transportation, Inc., for services after February 2026. This will allow for continuity of services until the RFP process is completed and a new contractor is selected. The City would also have the flexibility to terminate micro transit services within 30 days of termination with Via.

Dial-A-Ride

While Dial-A-Ride ("DAR") was not part of the pilot launched in 2024, it is a City transportation service available to Monterey Park residents aged 55 years or older and/or those who have a signed form from a physician attesting to a disability. The service provides transportation within City limits, and to medical appointments in adjacent communities within five miles. DAR is overseen by the Recreation and Community Services department and operated with City employees Monday through Friday, 8:30 a.m. to 4 p.m., with appointments made in advance. The program is free to qualifying residents.

The City has experienced service challenges with DAR due to limited resources such as drivers and technology. The City received a proposal from Via to help augment DAR service using its existing fleet and current MPK Transit technology for expanded coverage and availability. Neighboring cities such as Rosemead have transitioned their services from City operated programs to an on-demand contractor due to its efficient and cost effective model. Similar to the current MPK Transit Express, Via would offer on-demand app-based appointment scheduling, as well as dispatch services for DAR. By having Via operate Dial-A-Ride services, it would supplement current services to support City staff, create efficiency in scheduling, book rides in real-time, and serve as staff augmentation. It is recommended that City Council authorize a six-month term with Via for DAR support.

Monterey Park Zero Emission Bus Plan

CARB adopted the ICT which requires all public transit agencies to gradually transition their bus fleet to zero-emission technologies. The City is subject to regulations for "small agencies (fewer than 100 buses) which requires 25% of all new bus purchases to be zero-emission beginning 2026, by 2029, 100% of all new fixed-route purchases by transit agencies must be zero emissions. CARB's goal is for all transit operators to be fully transitioned by 2040.

The City currently owns eight transit buses as part of the Spirit Bus fixed-route service However, due to service changes and anticipated RFP, the new contractor would be responsible for owning and maintaining a fleet of 6 buses for services. The proposed ZEB Roll out plan, outlines how the City's bus fleet will be phased into zero-emission including purchase and charging considerations by the City and future contractor.

It is recommended that the City adopts a resolution approving the plan and proceeding with the RFP process based on the results of the Pilot program and future service changes.

Strategic Plan Goal:
These implementations support the Strategic Plan Goal of Expanding Access to Community Resources and Services by providing an additional transportation option for seniors and individuals with disabilities.

Fiscal Impact:
The FY 2025-26 budget included $573,869 for on-demand micro-transit service. There are sufficient funds in the FY 2025–26 budget to cover the remaining on-demand micro-transit service provided by Via. Funds for the DAR support services are budgeted in the Recreation and Community Services Department's annual budget. Both services are funded with Prop A/Prop C funds.

Attachments:

1. Spirit Bus & MPK Transit Express Evaluation
2. Via Cost Proposal
3. Resolution

TECHNICAL MEMORANDUM

Spirit Bus Fixed-Route & MPK Transit Express

Service Evaluation

Prepared for the City of Monterey Park
by Flexlynqs
February 2026

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1 Introduction

The City of Monterey Park has retained consulting firm *Flexlynqs* to assist in the conduct of a Transit System Evaluation of its *Spirit Bus* and *MPK Transit Express* public transportation program.

This initiative of the City is both timely and provides for an opportunity to critically evaluate the City's local transit system to present foundational data for the preparation of a Request for Proposal (RFP) document for the near term (effective July 1, 2026) contracting for the provision of service.

Current Public Transportation Services: Public transportation services that are available to the community of Monterey Park include a local fixed-route circulator, the Spirit Bus, rideshare app micro transit service, MPK Transit Express, and regional bus service that is provided by two operators: Los Angeles County Metro Bus and Montebello Bus Lines. Also available to the community is a local Dial-A-Ride service for seniors and disabled persons (operated by the City's Recreation and Community Services).

Spirit Bus - Updates to Routes and Schedule – Effective August 1, 2025, changes to the Spirit Bus routes included:

- Routes 1 and 2 went from one-way loops to two-way routes
- Route 3 no longer serves the area of Graves Ave to Garvey Ranch Park
- Route 4 was discontinued, with MPK Transit Express covering this area
- Route 5 connects to the Metro E Line Station at Atlantic and Pomona. Service east of Atlantic Blvd. and Riggin St. was eliminated, with MPK Transit Express covering Riggin St. and the Monterey Park Marketplace.
- LINK shuttle between Corporate Center Drive and the CSULA Metrolink station.



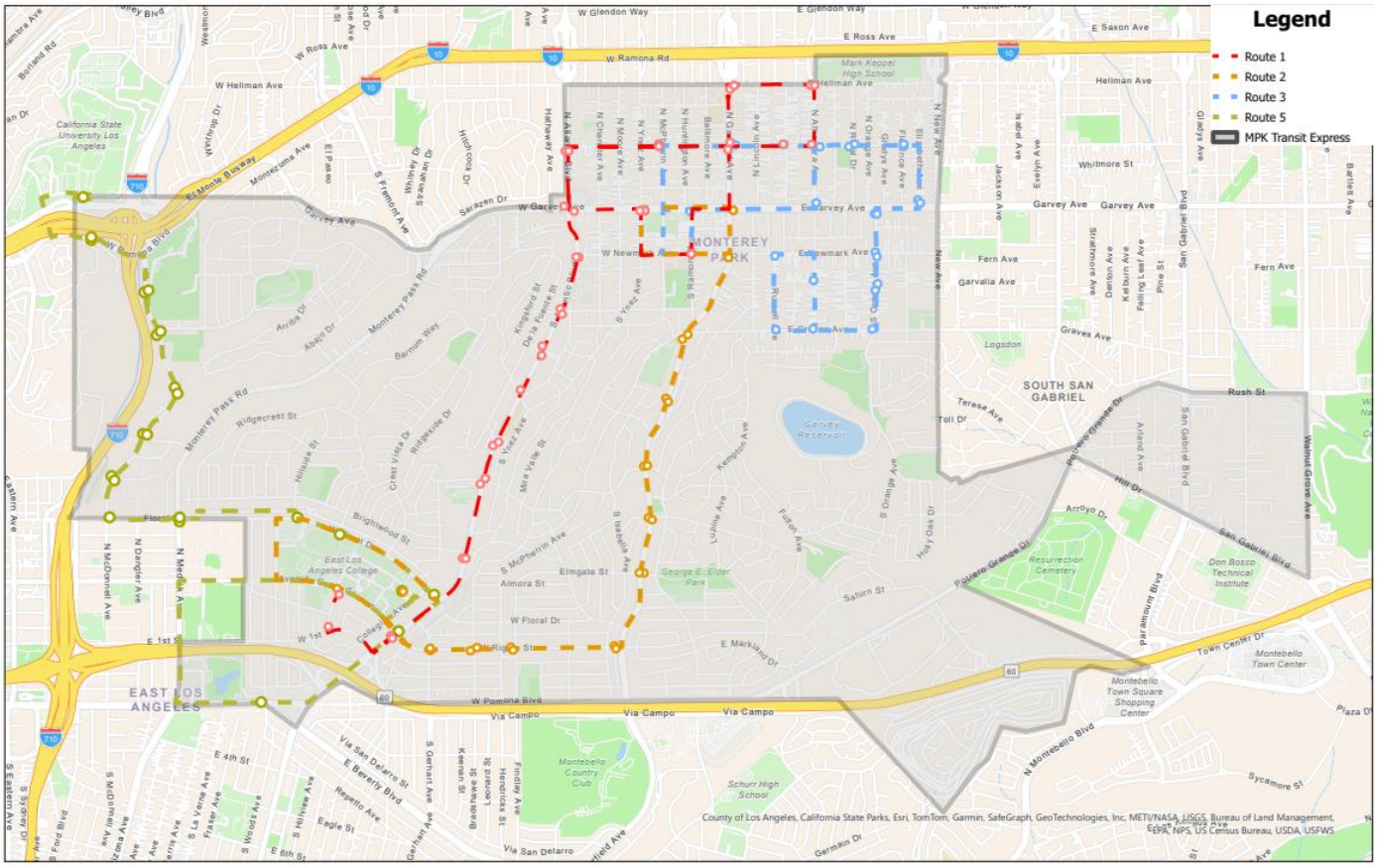
Riders have access to real-time status of Spirit Bus routes through the Passio GO! app. Riders can view the buses' expected arrival times, plan trips and check out specific routes. The Spirit Bus fare remains at 25 cents.

MPK Transit Express – Introduced in April 2025, MPK Transit Express is an on-demand public rideshare service. Riders are able to book a trip using a smartphone application or by calling the program's call center and also track their vehicle. Rides are available Monday - Friday, 6:30am - 7:30pm. As of September 10, 2025, a $2 fare was introduced.

Spirit Bus and MPK Transit Express routes and service area are presented in Figure 1.1.

Dial-A-Ride (DAR) is a free shared transportation service for Monterey Park senior residents ages 55 years or older and/or have a signed form from a physician attesting to a disability. The service provides transportation within city limits, and to medical appointments in adjacent communities within five miles (Alhambra, Montebello, San Gabriel, and other unincorporated LA County areas).

Figure 1.1: Spirit Bus Routes and MPK Transit Express Service Area



2 Spirit Bus & MPK Transit Express - Evaluation

An evaluation of Spirit Bus and MPK Transit Express services is presented in this section.

2.1 Spirit Bus

The following presents operating and financial data for the Spirit Bus fixed route bus system.

For historical context, Figure 2.1 presents Spirit Bus 2024 (a) ridership and (b) revenue hours by route.

Figure 2.2 presents Spirit Bus 2025 ridership and revenue hours by route. 2025 ridership and revenue hour data by month and route are presented in Figure 2.3. Data is segregated to reflect: (1) pre-MPK Express deployment (Jan. to April ’25); (2) pre-route changes (May-July ’25); post route changes (Aug.-Dec. ’25)

Financial performance is presented in Figures 2.4 (Cost per Month) and 2.5 (Cost per Trip).

Figure 2.1(a): Spirit Bus 2024 Ridership

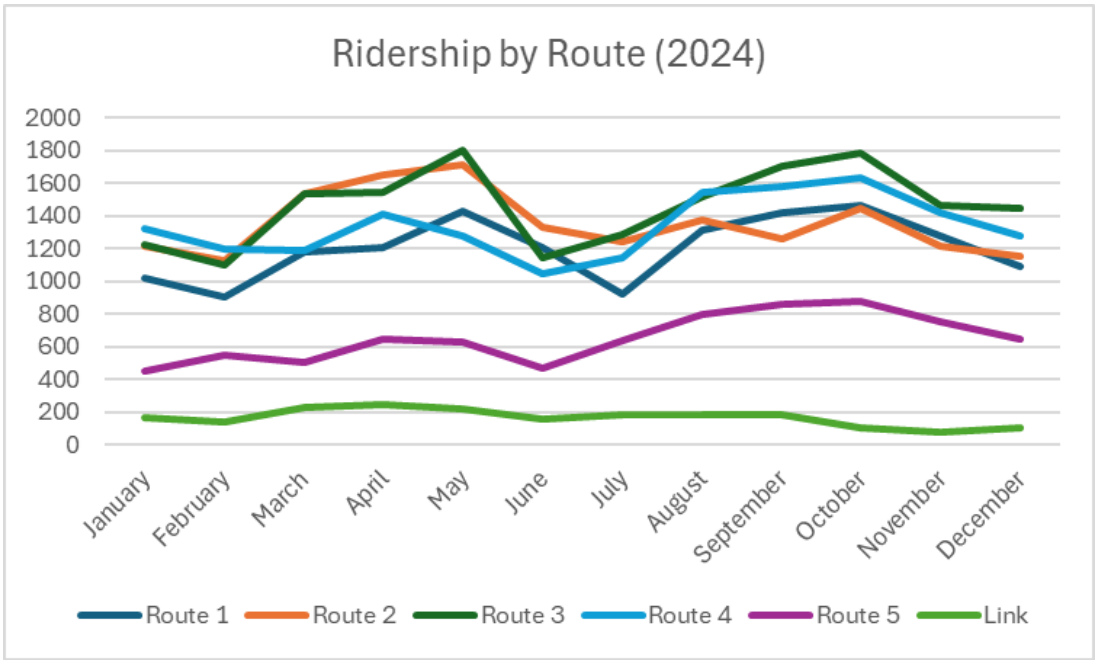
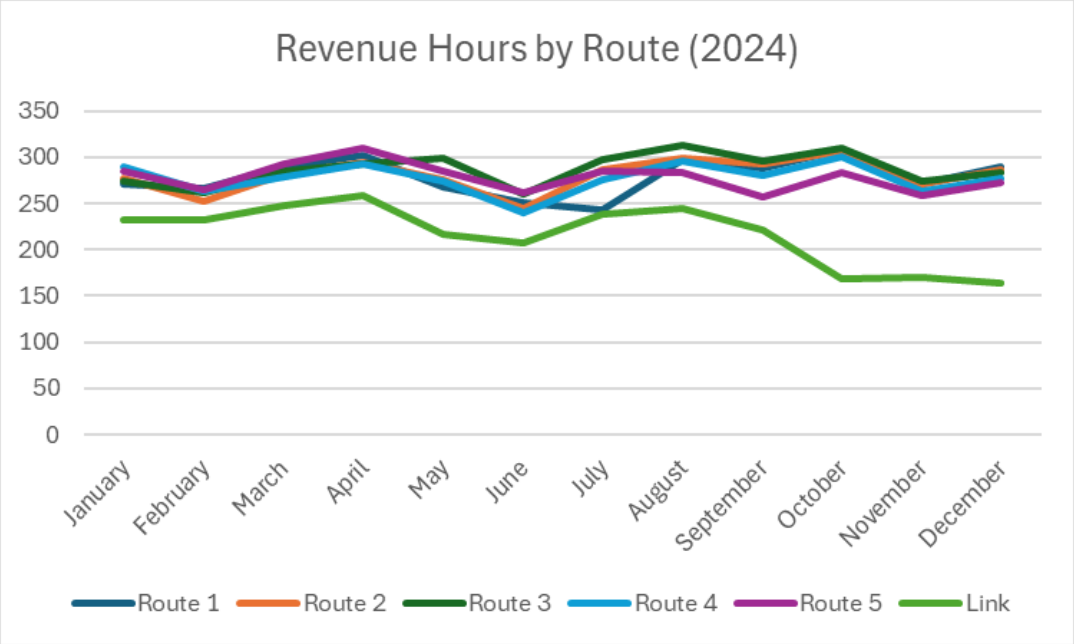
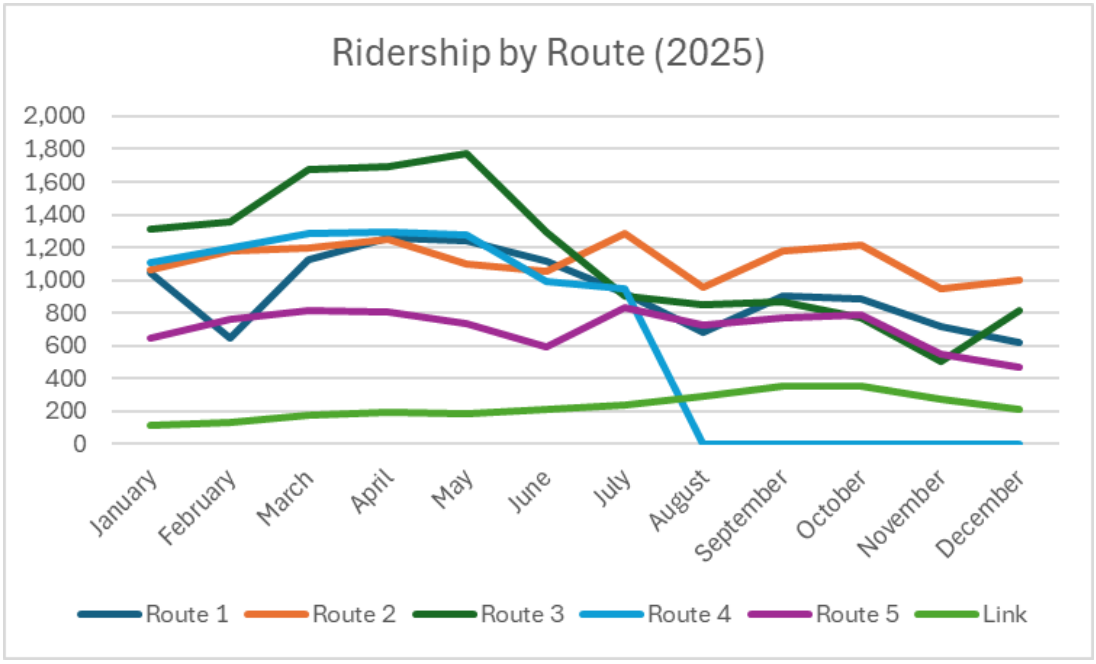


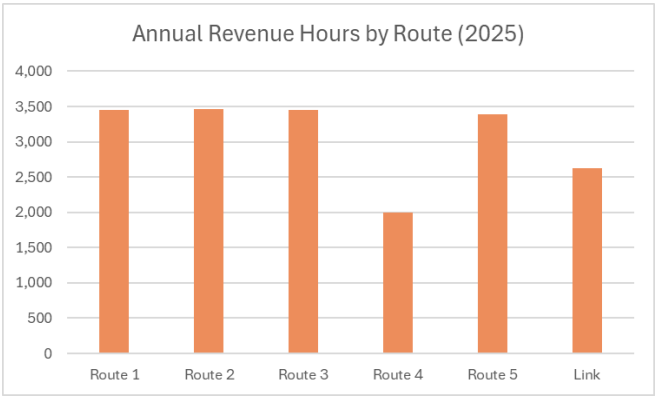
Figure 2.1(b): Spirit Bus 2024 Revenue Hours by Route

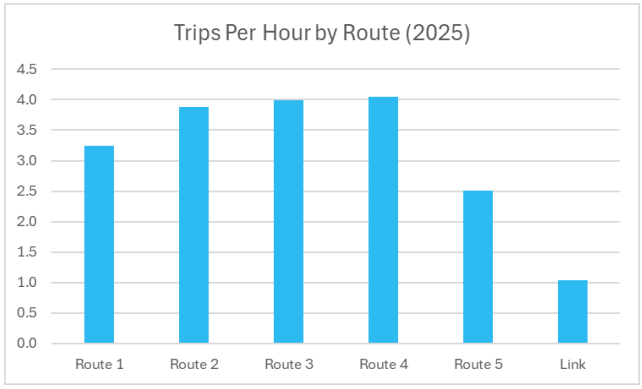


Spirit Bus 2024	TRIPS PER HOUR					
	Route 1	Route 2	Route 3	Route 4	Route 5	Link
Ridership	14,423	16,248	17,557	16,040	7,832	2,017
Hours	3,347	3,371	3,447	3,332	3,340	2,603
TRIPS PER HOUR	4.3	4.8	5.1	4.8	2.3	0.8

Figure 2.2: Spirit Bus 2025 Ridership and Revenue Hours by Route







	Route 1	Route 2	Route 3	Route 4	Route 5	Link
Ridership	11,164	13,422	13,805	8,088	8,491	2,725
Hours	3,445	3,457	3,455	1,999	3,388	2,620
TRIPS PER HOUR	3.2	3.9	4.0	4.0	2.5	1.0

Figure 2.3: 2025 Spirit Bus Ridership & Revenue Hours by Month and Route

	Spirit Bus 2025								
		Route 1	Route 2	Route 3	Route 4	Route 5	Link		
Ridership	January	1,048	1,065	1,312	1,104	643	115		
	February	649	1,174	1,352	1,193	757	133		
	March	1,124	1,197	1,678	1,287	818	174		
		2,821	**3,436**	**4,342**	**3,584**	**2,218**	**422**		**16,823**
	April	1,262	1,247	1,690	1,290	803	191		
	May	1,240	1,095	1,770	1,280	736	182		
	June	1,118	1,054	1,291	988	595	212		
	July	921	1,283	901	946	836	241		
		4,541	**4,679**	**5,652**	**4,504**	**2,970**	**826**		**23,172**
	August	678	958	850	0	728	290		
	September	904	1,181	869	0	770	349		
	October	885	1,217	770	0	790	353		
	November	718	951	506	0	546	271		
	December	671	1,000	816	0	469	214		
		3,856	**5,307**	**3,811**	**0**	**3,303**	**1,477**		**17,754**
	Spirit Bus 2025								
		Route 1	Route 2	Route 3	Route 4	Route 5	Link		
Hours	January	298.3	287.75	288.77	282.27	271.4	170.82		
	February	169.78	277.8	270.8	279.5	257.68	205.68		
	March	283.88	279.33	278.11	277.27	282.07	226.17		
		751.96	**844.88**	**837.68**	**839.04**	**811.15**	**602.67**		**4,687.38**
	April	298.33	291.07	285.28	292.38	280.52	231.08		
	May	293.42	284.33	280.37	280.68	230.48	225.83		
	June	298.75	281.04	287.38	289.90	275.62	225.75		
	July	297.60	297.28	289.95	296.53	282.87	241.70		
		1,188.10	**1,153.72**	**1,142.98**	**1,159.49**	**1,069.49**	**924.36**		**6,638.14**
	August	289.90	278.73	278.49	0.00	296.95	235.13		
	September	304.55	291.80	297.95	0.00	302.87	233.78		
	October	342.62	322.88	325.12	0.00	343.74	246.75		
	November	275.20	268.68	269.78	0.00	263.82	179.13		
	December	292.35	296.47	303.47	0.00	299.97	198.37		
		1,504.62	**1,458.56**	**1,474.81**	**0.00**	**1,507.35**	**1,093.16**		**7,038.50**
	Spirit Bus 2025								
		Route 1	Route 2	Route 3	Route 4	Route 5	Link		
TRIPS PER HOUR	Jan.-March	3.75	4.07	5.18	4.27	2.73	0.70		
	April-July	3.82	4.06	4.94	3.88	2.78	0.89		
	Aug.-Dec.	2.56	3.64	2.58	0.00	2.19	1.35		

Figure 2.4 Cost per Month

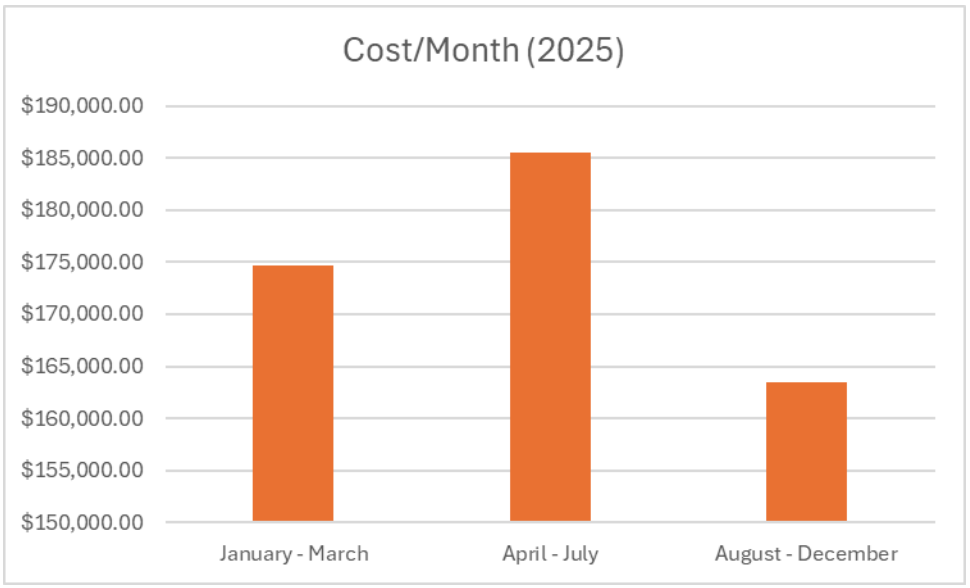


Figure 2.5: Cost per Trip



Months	Total Cost	Cost/Month	Cost/Hour	Cost/Trip
January - March	$523,908.46	$174,636.15	$111.77	$31.14
April - July	$741,944.91	$185,486.23	$111.77	$32.02
August - December	$817,451.39	$163,490.28	$116.14	$46.04
Total / Average	**$2,083,304.76**			**$36.08**

Key Observations

The Spirit Bus system exhibits uneven productivity and efficiency, driven by misalignment between service deployment and passenger demand. Core routes perform satisfactorily, while select services operate with disproportionately low productivity.

Spirit Bus routes fall into three functional categories:

Tier 1 – Productive Core Routes - Routes 1- 3
→ Operationally viable, demand-aligned, defensible investments

Tier 2 – Marginal Routes - Route 5
→ Candidate for restructuring, frequency reduction, or redesign

Tier 3 – Structurally Inefficient Services - Link
→ Candidate for elimination

2.2 MPK Transit Express

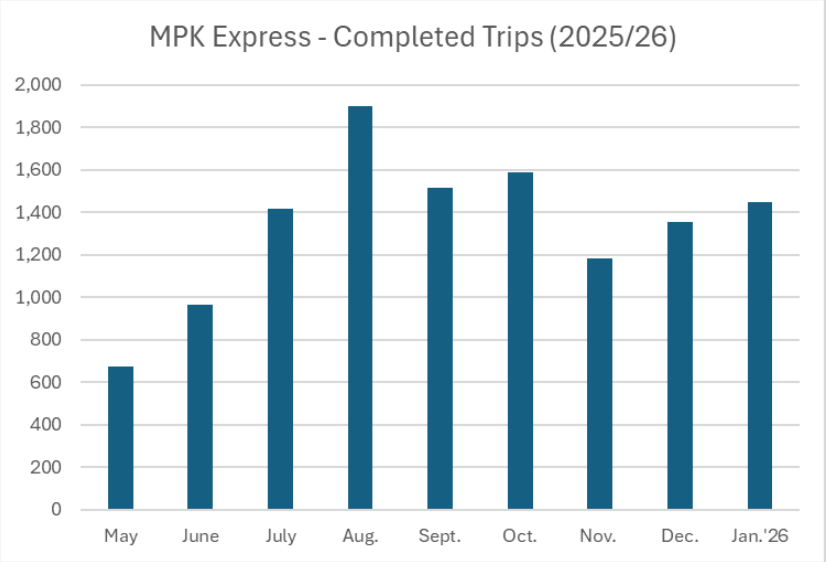
The following presents operating and financial data for the MPK Transit Express service.

Figure 2.6 illustrates the number of completed trips from April 2025 to January 2026 (10-month period). Trips per revenue hour are presented in Figure 2.7. A summary of operational and financial performance is presented in Figure 2.8.

In addition to the aforementioned, qualitative performance indicators include:

- Average pick-up ETA's are 11.9 minutes (response time)
- Average ride duration is 8.4 minutes (travel time)
- Average ride distance is 2.3 miles

Figure 2.6: Number of Completed Trips (April 2025 – January 2026)

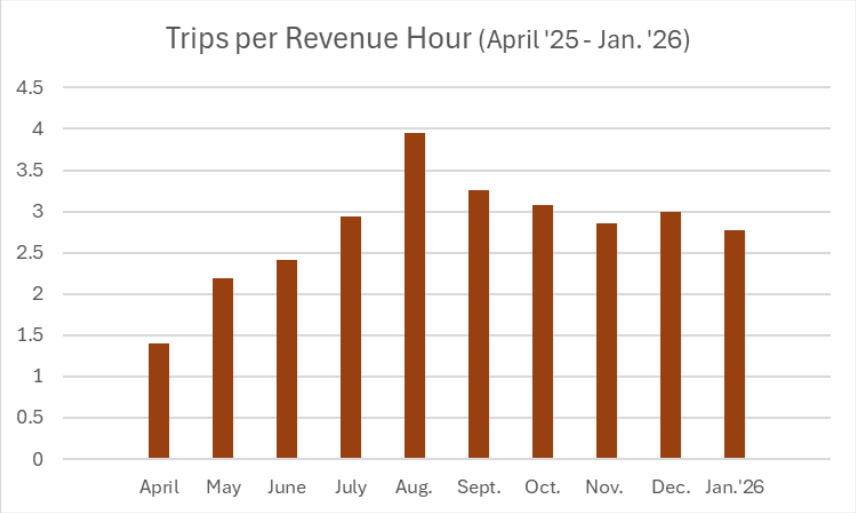


The completed trips metric (Figure 2.6) reflects actual service utilization and market uptake across the 10-month period. This indicator is important because it measures real demand, not theoretical capacity.

Analytical interpretation:

- Growth or stability in completed trips indicates service-market fit
- Flat or declining trip completion would have indicated misalignment between service levels and user demand
- Provides empirical justification for service investment.

Figure 2.7: Trips per Revenue Hour



Trips per revenue hour is a core efficiency metric that directly links operational input (service hours) to output (passenger trips). From a policy perspective, this metric is relevant for the following reasons:

- High values = efficient resource deployment
- Low values = oversupply, misallocation, or poor service design
- Enables direct comparison between fixed-route services and MPK Express

Figure 2.8: Operational & Financial Summary (April 2025 – January 2026)

			Via - MPK Express					
			($85.98/hr.)					
Month (2025/26)	**Completed Trips**	**Vehicle Hours (invoice)**	**Revenue Hours**	**Gross Cost (per invoice)**	**Farebox Revenue**	**Net Cost**	**Net Cost per Trip**	**Trips per Revenue Hour**
April	271	450.87	194.3	$38,765.80	$0.00	$38,765.80	$143.05	1.39
May	675	447.67	308.9	$38,490.67	$0.00	$38,490.67	$57.02	2.19
June	963	495.48	399.6	$42,601.37	$0.00	$42,601.37	$44.24	2.41
July	1,416	538.72	482.4	$46,319.15	$0.00	$46,319.15	$32.71	2.94
Aug.	1,899	540.48	481.3	$46,470.47	$0.00	$46,470.47	$24.47	3.95
Sept.	1,516	549.95	465.8	$47,284.70	$1,071.72	$46,212.98	$30.48	3.25
Oct.	1,589	616.8	517.3	$53,032.46	$1,599.12	$51,433.34	$32.37	3.07
Nov.	1,184	488.54	415.2	$42,004.67	$1,747.57	$40,257.10	$34.00	2.85
Dec.	1,351	553.1	451.1	$47,555.54	$1,915.13	$45,640.41	$33.78	2.99
Jan.'26	1,447	627.9	523.1	$53,986.84	$1,931.68	$52,055.16	$35.97	2.77
TOTAL (10 mths.)	**12,311**	**5,309.51**	**4,239.00**	**$456,511.67**	**$8,265.22**	**$448,246.45**	**$36.41**	**2.90**

2.3 Spirit Bus and MPK Ridership & Cost Comparisons

Figure 2.9 presents a ridership and cost comparison of Spirit Bus and MPK services.

Figure 2.9: Spirit Bus and MPK Ridership & Cost Comparisons

			Total Ridership	Avg. Monthly Ridership	Cost per Trip
Spirit Bus	2024	Annual	74,117	6,167	**$29.31**
	2025	Jan.- March	16,823	5,607	$31.14
		April - July	23,172	5,793	$32.02
		Aug. - Dec.	17,754	3,550	$46.04
		Total	57,749	4,813	**$34.67**
MPK					
	2025/26	April '25 - Jan. '26	12,311	1,231	$36.85
		Annualized	14,772	1,189	**$36.85**
Annualized Total (Spirit & MPK)			**72,521**	**6,043**	

Key Observations:

- Spirit Bus annual ridership declined 22.08% from 2024 to 2025
- Spirit Bus cost per trip increased by 18.29% from 2024 ($29.31) to 2025 ($34.67)
- The cost per trip of MPK is 6.29% greater than the cost per trip for Spirit Bus
- Total ridership (Spirit Bus and MPK combined) of 72,521 is 2.15% less than Spirit Bus ridership of 74,117 in 2024

3 Community Survey – *What We Heard?*

The goal of the Spirit Bus and MPK Transit Express of the Community Surveys was to gather information and gain a better understanding of how current Spirit Bus and/or MPK riders view the services, what barriers to using the services may exist for Monterey Park residents who do not currently use either of them, or how the services may be improved. The surveys were available to the public from December 2025 to early February 2026, during which time 76 responses were gathered. The survey was promoted through the City of Monterey Park's social media channels, and at in-person engagement events and presentations.

Responses to key questions are presented below.

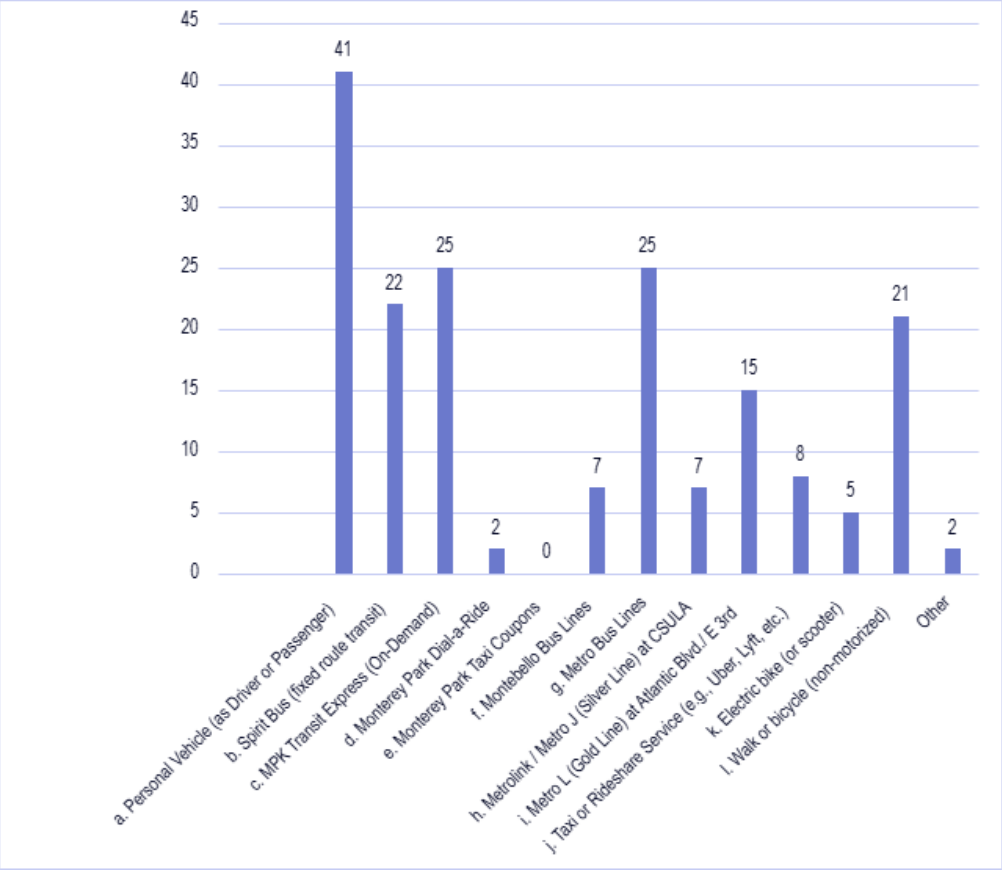
Response Overview

- Total Responses: 76

Responses by Language

- English: 63
- Spanish: 1
- Chinese: 12

In a typical week, what types of transportation do you use to get around?



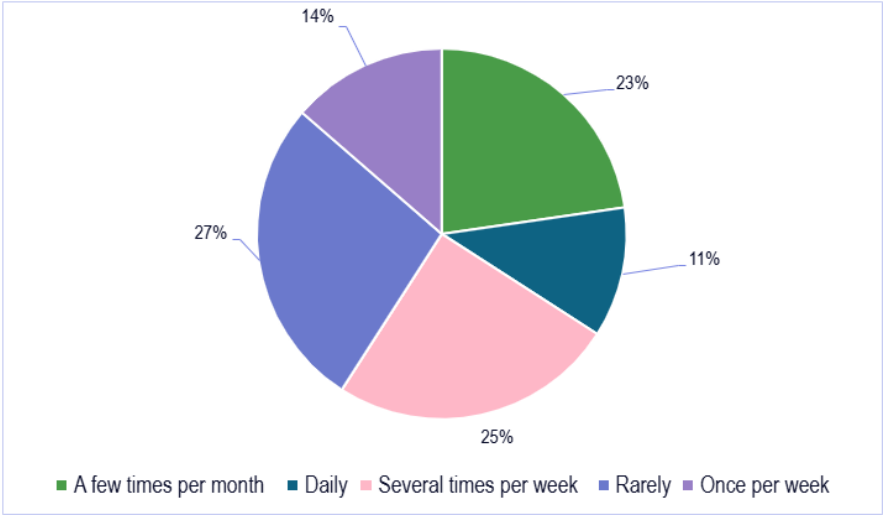
The use of a personal vehicle was the primary mode used. Close to one-third of respondents did indicate that both Spirit Bus and MPK Transit Express services were used. A similar percentage indicated they used of Metro bus.

If you now use *MPK Transit Express* (On-Demand) *Service*, what do you think of the service?



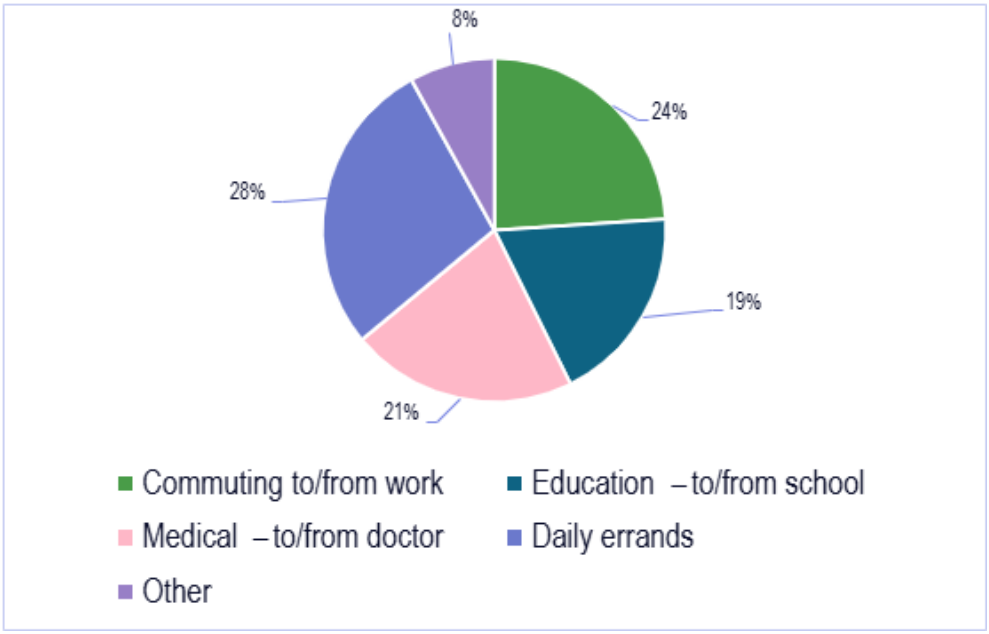
Current MPK Transit Express riders are happy with many aspects of the service. Close to 50% responded that they are “almost always” or “often” satisfied with MPK service.

How often do you typically ride MPK Express service?



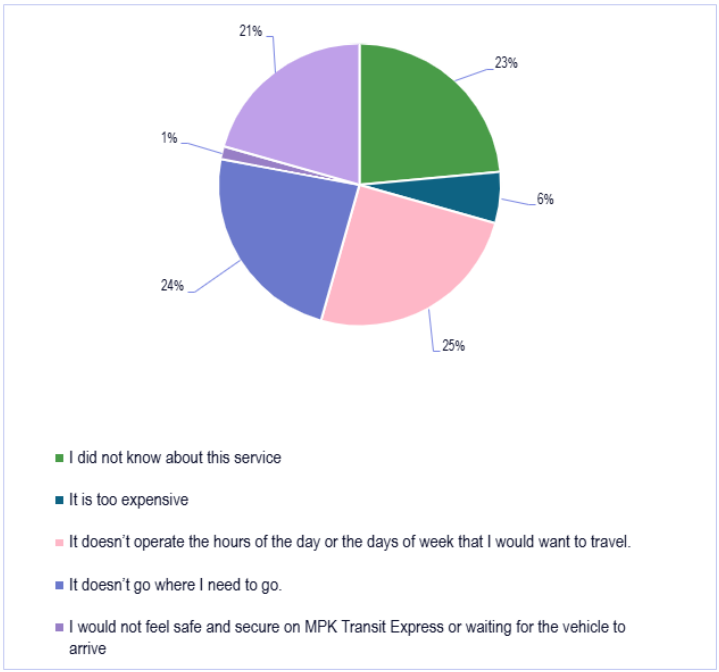
Close to 50% of respondents use MPK service either daily or several times per week. That rises to 62% when ‘Once a week’ is included.

For what trip purposes do you use the MPK Express service?



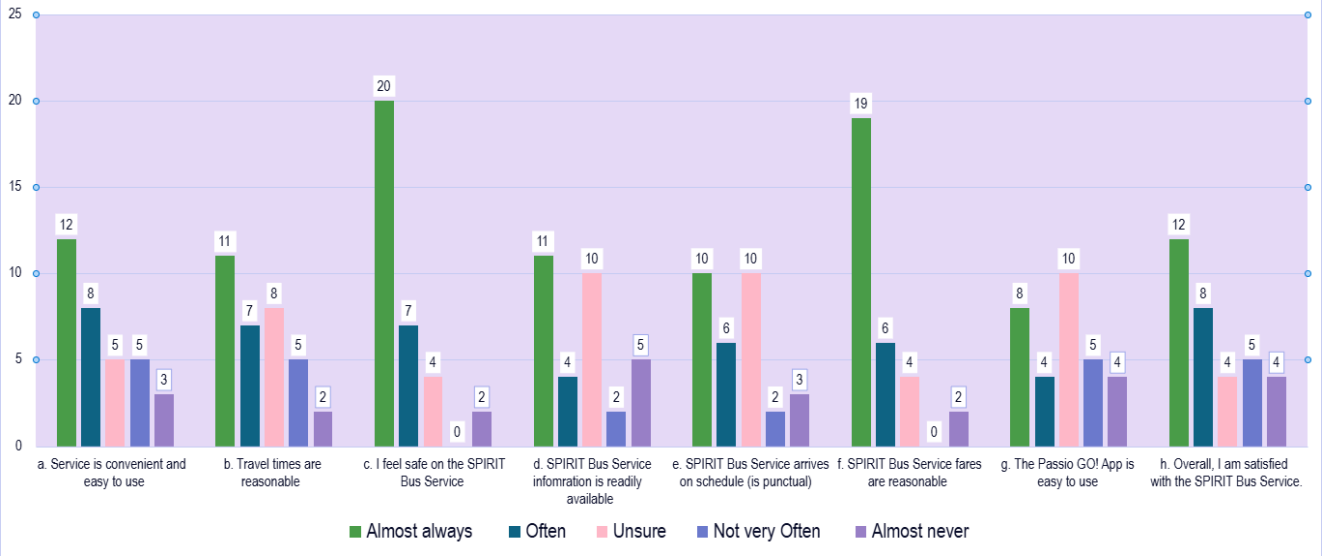
MPK Transit Express is used primarily for work, education, and medical trips (combine for representing 64% of trips).

If you do NOT use MPK Transit Express (On-Demand) Service, why not?



Primary reasons for not using MPK Transit Express include 'not feeling safe' and they 'did not know about the service'. Of a similar percentage was 'doesn't operate on the days of week want to travel'.

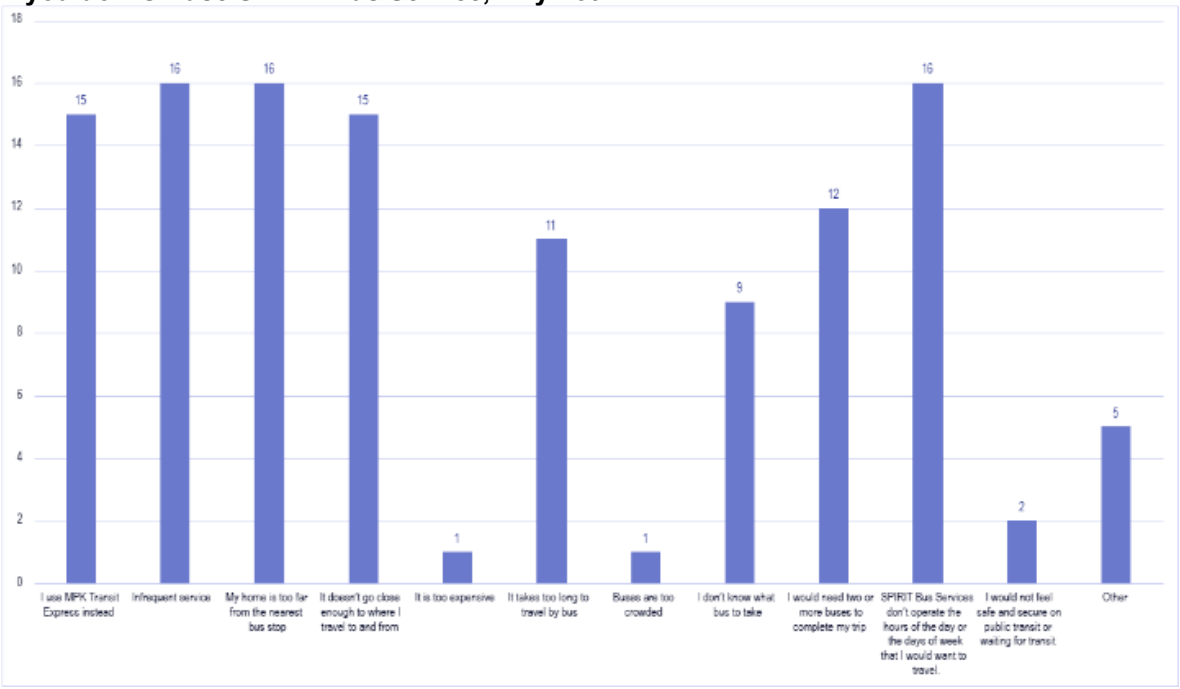
If you now use *SPIRIT Bus Service*, what do think of the service?



Current Spirit Bus riders are happy with many aspects of the service. They find it to be affordable and safe, and about 75% responded that they are “almost always” or “often” satisfied with Spirit Bus service.

Respondents also identified a number of pain points with current service. Nearly 50% said the service “not very often” or “almost never” operates on schedule, and less than 25% said that travel times are “not very often” or “almost never” reasonable.

If you do NOT use SPIRIT Bus Service, why not?



The most frequently cited reasons for not using Spirit Bus is that they use MPK instead, it doesn't go close enough to where people need to travel, that service is infrequent, and that it doesn't operate the hours or days of week needed.

Other frequently cited reasons were that the bus takes too long to travel where people need to go, they would need to transfer between multiple lines, or they need more information about which bus to take.

4 A Way Forward

The evaluation of the Spirit Bus fixed-route system and MPK Transit Express program demonstrates that Monterey Park is at an important transition point in the evolution of its local mobility services. The data indicates that while core fixed routes remain defensible investments, select services are structurally inefficient, and on-demand service has demonstrated strong market acceptance and operational performance.

This section outlines a recommended policy direction and establishes the framework to inform preparation of the forthcoming Request for Proposals (RFP) for contracted transit operations effective July 1, 2026.

4.1 Strategic Direction for Local Transit Services

1. Preserve and Strengthen Core Fixed-Route Service

Routes 1 - 3 continue to demonstrate acceptable productivity and provide important network stability. These services should remain the backbone of the City's transit program, with refinements focused on:

- Improved on-time performance
- Schedule optimization based on demand patterns
- Enhanced passenger information and stop amenities
- Integration with regional transit providers

These routes provide essential circulation within Monterey Park and critical connections to regional services, including Metro Bus and Montebello Bus Lines.

2. Restructure or Reduce Marginal Fixed-Route Service

Route 5 should be evaluated for service redesign, frequency adjustment, or potential consolidation with other services. Its productivity suggests that service levels may exceed the demand demonstrated in certain segments.

Any restructuring should prioritize:

- Maintaining connectivity to major trip generators
- Coordinating with MPK Transit Express coverage
- Avoiding duplication of higher-frequency regional routes

3. Discontinue the LINK Shuttle Service

The LINK shuttle service exhibits persistently low productivity and represents a structurally inefficient allocation of service hours. With trips per revenue hour significantly below system averages, continuation of this service cannot be justified from a cost-effective perspective.

Additionally:

- Regional transit connectivity to CSULA and surrounding areas is available through Metro and Montebello services.
- Both Route 5 and MPK Transit Express can serve localized demand within Monterey Park where appropriate.

It is therefore recommended that the LINK shuttle service be discontinued in the next service contract cycle, with any residual mobility needs addressed through more flexible or demand-responsive service models.

4. Continue and Optimize MPK Transit Express

MPK Transit Express has demonstrated:

- Strong and growing ridership
- High utilization rates (trips per revenue hour)
- Positive customer satisfaction
- Competitive cost per trip relative to fixed-route service

The service effectively addresses first/last-mile needs, work and education trips, and medical travel. Continued operation is recommended, with a focus on:

- Ongoing service area calibration
- Monitoring cost per trip trends
- Addressing safety perception and public awareness gaps
- Exploring fare integration options

4.2 Potential Deployment of LA Metro TAP Fare Payment

As part of the City's modernization efforts, consideration should be given to implementing LA Metro's TAP fare payment system across Spirit Bus and MPK Transit Express services.

Benefits of TAP integration include:

- Seamless fare payment across regional transit providers
- Reduced cash handling and administrative burden
- Improved ridership data collection and reporting
- Enhanced customer convenience
- Potential eligibility for regional fare subsidy or integration programs

TAP deployment would position Monterey Park's transit services within the broader Los Angeles County mobility ecosystem and improve connectivity between local and regional services.

The RFP should therefore request:

- Proposer experience with TAP integration and farebox technology

- Hardware and software requirements for TAP validation on fixed-route and microtransit vehicles
- Implementation timeline and cost estimates
- Data reporting compatibility with Metro systems

4.3 Financial and Policy Considerations

The evaluation indicates:

- MPK Transit Express cost per trip is comparable to fixed-route service
- Combined system ridership has marginally decreased relative to 2024

This suggests that a hybrid mobility model - combining productive fixed routes with demand-responsive service - is both financially defensible and aligned with community needs.

Future policy decisions should prioritize:

- Cost per passenger trip
- Trips per revenue hour
- Equity and geographic coverage
- Alignment with regional transportation investments

4.4 Implications for the Preparation of the RFP

The findings of this evaluation directly inform the scope and structure of the forthcoming RFP for transit operations beginning July 1, 2026.

The RFP should:

1. Define a Hybrid Service Model

- Fixed-route service (Routes 1 - 3, modified Route 5)
- On-demand microtransit (MPK Transit Express)
- Elimination of LINK shuttle

2. Establish Clear Performance Metrics

Proposers should be required to meet performance standards including:

- Minimum trips per revenue hour
- Maximum cost per trip thresholds
- On-time performance standards
- Maximum average response time (for on-demand service)
- Customer satisfaction benchmarks

3. Require Technology Integration

- Real-time vehicle tracking
- Passenger information systems
- TAP fare compatibility (if adopted)
- Data reporting and dashboard capabilities

4. Provide Scalable Service Options

The RFP should request base and optional service scenarios, allowing the City flexibility to:

- Adjust service levels based on funding
- Expand or contract MPK service zones
- Pilot additional service innovations

5. Emphasize Data-Driven Management

Contract language should include:

- Monthly performance reporting
- Quarterly service review meetings
- Adjustment mechanisms tied to productivity thresholds

4.5 Conclusion

The Spirit Bus and MPK Transit Express evaluation confirms that Monterey Park's transit system is transitioning from a traditional fixed-route model toward a more flexible, performance-based mobility framework.

Maintaining productive core routes, discontinuing structurally inefficient services such as the LINK shuttle, and continuing to refine MPK Transit Express will position the City to:

- Improve cost efficiency
- Enhance service responsiveness
- Strengthen regional connectivity
- Better align service deployment with demonstrated demand

Incorporating potential LA Metro TAP fare integration and embedding clear performance standards into the upcoming RFP will ensure that the City secures a modern, accountable, and adaptable transit operating partner.

This evaluation provides the analytical foundation necessary to define the scope of work, service expectations, and performance framework for the City's next generation transit services contract.

ATTACHMENT 2
Via Cost Proposal

MICROTRANSIT SERVICES:

City of Monterey Park: Via Total Not-to-Exceed Contract Value

	Microtransit		
	Price per Vehicle Hour	**Total Price (9 Months)**	**Total Implied Price per Month**
Fixed (Upfront) Costs	N/A	$0	$0
Total Upfront Cost		***$0***	***$0***
Project Management & Other Operations*	$30.93	$207,200	$23,022
Driver Pay (Incl. WAV)	$48.59	$325,504	$36,167
Customer Service	$4.59	$30,748	$3,416
Total Cost per Vehicle Hour	***$84.11***	***$563,453***	***$62,606***
Total Not-to-Exceed Cost to City of Monterey Park		**$563,453**	**$62,606**

Note: Pricing excludes all taxes and assumes service hours of 6:30am-7:30pm M-F.

* Includes IT hosting, technology access, operations support, and other miscellaneous costs.

Vehicle Hours Summary:

Total Implied Vehicle Hours	6,699
Total Implied Vehicle Hours (Weekly)	171

C O N F I D E N T I A L

DIAL-A-RIDE SERVICES:

City of Monterey Park: Via Total Not-to-Exceed Contract Value

	DAR	
	Price per Vehicle Hour	**Total Price**
Fixed (Upfront) Costs	N/A	$31,000
Total Upfront Cost		***$31,000***
Project Management & Other Operations*	$33.43	$101,861
Driver Pay (Incl. WAV)	$29.59	$90,161
Customer Service	$2.51	$7,648
Total Cost per Vehicle Hour	***$65.53***	***$199,670***
Total Not-to-Exceed Cost to City of Monterey Park		**$230,670**

Note: Pricing excludes all taxes and assumes service hours of 6:30am-7:30pm M-F. Pricing assumes launch within 4 months of contract signing. Upfront fees include vehicle wraps for City's fleet, which will be treated as a pass-through, as well as a $15k technology installation fee.

* Includes IT hosting, technology access, operations support, and other miscellaneous costs.

Vehicle Hours Summary:

Total Implied Vehicle Hours	3,047
Total Implied Vehicle Hours (Weekly)	117

C O N F I D E N T I A L

ATTACHMENT 3
Resolution

RESOLUTION NO. ____

A RESOLUTION APPROVING THE CITY OF MONTEREY PARK ZERO EMISSION BUS ROLLOUT PLAN IN COMPLIANCE WITHTHE CALIFORNIA AIR RESOURCES BOARD INNOVATIVE CLEAN TRANSIT REGULATION 13 CCR § 2023.1.

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds as follows:

A. Pursuant to California Code of Regulations ("CCR") Title 13 § 2023.1, the Innovative Clean Transit ("ICT") requires each transit agency to submit a complete Zero Emission Bus ("ZEB") Rollout Plan, as approved by its governing body.

B. Each transit agency must approve and submit to the California Air Resources Board ("CARB") a ZEB Rollout Plan describing how the agency will transition to a zero-emission fleet.

C. The City of Monterey Park prepared a ZEB Rollout Plan, which meets the following requirements:

   a. A goal to transition its bus fleet to zero-emission by 2040 with careful planning that avoids early retirement of CNG and unleaded buses.
   b. A goal to pursue all available and viable options to seek funding opportunities to accelerate the transition ahead of what is identified in the Plan.
   c. Identifies types of ZEB technologies that the City of Monterey Park intends to continue to deploy through an operator, including battery electric and hydrogen fuel cell electric buses.
   d. Describe how the City plans to deploy ZEB's in disadvantaged communities as listed in the latest version of "CalEnviroScreen."
   e. Identify potential funding sources.

D. This Resolution is adopted based upon the evidence submitted during the March 4, 2026, City Council meeting including, without limitation, all documents presented to the City Council and public testimony.

SECTION 2: *Adoption and Authorization.* The City Council adopts the City of Monterey Park ZEB Rollout Plan attached as Exhibit A and incorporated by reference and authorizes the City Manager, or designee, to submit the plan to any government agencies as may be required by law.

SECTION 3: *Severability*. If any part of this Resolution or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provision or application and, to this end, the provisions of this Resolution are severable.

SECTION 4: *Reliance* On Record. Each and every one of the findings and determinations in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the City Council in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 5: *Limitations*. The City Council's analysis and evaluation of the project is based on the best information currently available. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. One of the major limitations on analysis of the project is the City Council's lack of knowledge of future events. In all instances, best efforts were made to form accurate assumptions. Somewhat related to this are the limitations on the City's ability to solve what are in effect regional, state, and national problems and issues. The City must work within the political framework within which it exists and with the limitations inherent in that framework.

SECTION 6: *Summaries of Information.* All summaries of information in the findings, which precede this section, are based on the substantial evidence in the record. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.

SECTION 7: *Construction.* This Resolution must be broadly construed in order to achieve the purposes stated in this Resolution. It is the City Council's intent that the provisions of this Resolution be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Resolution.

SECTION 8: *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 9: *Recordation*. The Mayor, or presiding officer, is authorized to sign this Resolution signifying its adoption by the City Council of the City of Monterey Park and the City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 10: *Effective Date.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this ___ day of _____, 2026.

_____
Elizabeth Yang, Mayor

Attest:

_____
Maychelle Yee, City Clerk

Approved as to Form:

_____
Karl H. Berger, City Attorney

Exhibit A - ZEB Rollout Plan

CITY OF MONTEREY PARK
320 West Newmark Avenue • Monterey Park • California 91754-2896
www.ci.monterey-park.ca.us

City Council
Henry Lo
Vinh Lo
Jose Sanchez
Thomas Wong
Elizabeth Wang

City Clerk
Maychelle Yee

City Treasurer
Amy Lee

CITY OF MONTEREY PARK
Innovative Clean Transit (ICT) Regulation
Zero-Emission Bus (ZEB) Small Transit Fleet
Rollout Plan (ROP)

March 4, 2026

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Section A: Transit Agency Information

Addresses:

City of Monterey Park
320 W. Newmark Ave.
Monterey Park, CA 91754

Background:

The City of Monterey Park (City) operates a fixed-route service - Spirit Bus - and a demand responsive service - Dial-A-Ride. In April 2025, the City launched a pilot program for new on-demand service, MPK Transit Express. All services operate generally within City limits. The City contracts with a private company to operate the Spirit Bus; the service is available to the general public for a cash fare of 25 cents for Routes 1 to 3 and 50 cents for Route 5 and the Metrolink feeder service. Dial-A-Ride is operated in-house and is restricted to senior residents who are 55 years and older and individuals with disabilities. Dial-A-Ride is a free service. The City's pilot, MPK Transit Express, is also contractor-operated. Service area covers most of the City's jurisdiction and is open to the general public for $2 per ride. Seniors and individuals with disabilities receive a discounted rate of $1.

Contact:

Primary
Judy Witrago
Management Analyst
320 W. Newmark Ave
Monterey Park, CA 91754
626.307.1291
jwitrago@montereypark.ca.gov

Secondary
Xochitl Tipan
Public Works Manager
320 W. Newmark Ave
Monterey Park, CA 91754
626.307.1383
xtipan@montereypark.ca.gov

Zero-Emission Bus Group

The City of Monterey Park is not part of a Joint Zero-Emission Bus Group.

Section B: Transition Plan General Information

General Information

The City of Monterey Park's rollout plan will transition the agency's fixed-route bus fleet and demand response vehicle fleet to 100% zero-emission by 2040 per ICT regulation. The plan directs Monterey Park to procure heavy-duty battery electric buses in 2029 to replace heavy-duty compressed natural gas (CNG) buses that have met or exceeded their useful lives; the demand-response fleet will also

introduce battery electric vehicles as existing fleet have met or exceeded their useful lives and as technology improves. No vehicles are planned for early retirement to comply with the ICT regulation. This plan is intended to be a living document that is subject to change as zero-emission vehicle technology and infrastructure technology matures.

Year	Planned Procurement	ZEB Count	Notes
2026-2027	Replacement wave	1	Contractor-owned
2028-2029	All new ZEB procurements	1	ICT requirement
2032-2040	Gradual replacement	All ZEB	As vehicles reach end of useful life

Adoption

The ROP was adopted by the City of Monterey Park City Council on March 4, 2026. The resolution is included in Appendix A.

Contact

For additional information regarding the ROP, please contact:

Judy Witrago
Management Analyst
320 W. Newmark Ave
Monterey Park, CA 91754

Section C: Technology Portfolio

Vehicle Deployment

The City of Monterey Park plans to deploy battery electric buses (BEBs) and battery electric vehicles (BEVs) as the fleet transitions to 100% zero-emission. The City will ensure compliance with ICT requirements through contractual obligations placed on its transit service provider.

Infrastructure Deployment

As the City transitions to a contracted fleet model, future service contracts will require the contractor to deploy zero-emission buses consistent with the City's ICT Rollout Plan and CARB requirements. The City recognizes that its existing CNG fueling infrastructure will be phased down as zero-emission technologies are introduced.

Section D: Current & Future Bus Purchases

Current Fleet

The Spirit Bus fleet currently includes 9 vehicles: (3) 2018 Arboc Spirit of Mobility, (1) 2015 Arboc low floor cutaway, (3) 2013 El Dorado BRT mid-sized buses, (1) 2011 El Dorado AeroElite cutaway, and (1) contractor-owned cutaway spare. The City's Dial-a-Ride and MPK Transit Express do not use buses as part of their fleet. The City recently completed a transportation study which resulted in route restructures and service changes reducing the fleet size needed for service. Based on continued service of four fixed-routes, the City will maintain a fleet of 6 buses, which will be contractor-owned. The current fleet listed in Table 1 will be phased out as part of a new contracted anticipated for 2026.

Table 1. Current Fleet

Asset Class	Service Name	Manufacturer	Model	Owner	Agency Fleet ID	Vehicle Length (in feet)	Seating Capacity	Vin Number/Id. Number
CU-Cutaway bus	Monterey Park Spirit Bus	El Dorado	E-Z RIDER II 8.9 ISL G	City of Monterey Park	085	30	29	1N9MNALG4DC084183
CU-Cutaway bus	Monterey Park Spirit Bus	El Dorado	E-Z RIDER II 8.9 ISL G	City of Monterey Park	086	30	29	1N9MNALG2DC084182
CU-Cutaway bus	Monterey Park Spirit Bus	El Dorado	E-Z RIDER II 8.9 ISL G	City of Monterey Park	087	30	29	1N9MNALG0DC084181
CU-Cutaway bus	Monterey Park Spirit Bus	Ford	F550 6.8L CNG	City of Monterey Park	103	33	26	1FDAF5GY1BEC48173
CU-Cutaway bus	Monterey Park Spirit Bus	Chevrolet/Arboc	4500 6.0L CNG	City of Monterey Park	106	26	26	1GB6G5BG1F1209624
CU-Cutaway bus	Monterey Park Spirit Bus	Chevrolet/Arboc	4500 6.0L CNG	City of Monterey Park	148	26	26	1HA6GUBB5JN007294
CU-Cutaway bus	Monterey Park Spirit Bus	Chevrolet/Arboc	4500 6.0L CNG	City of Monterey Park	149	26	26	1HA6GUBB7JN007314
CU-Cutaway bus	Monterey Park Spirit Bus	Chevrolet/Arboc	4500 6.0L CNG	City of Monterey Park	150	26	26	1HA6GUBBXJN007341
CU-Cutaway bus	Monterey Park Spirit Bus	El Dorado	Aerotech	First Transit (Contractor)	19	26	28	1FDGF5GY9BEC48822

Future Fleet

The City is currently working on an RFP for a new transportation contractor for fixed-route and on-demand services. The RFP requires that the bus fleet is owned and maintained by the new contractor. Based on a 6 bus fleet requirement, Table 2. Shows the proposed phase in for ZEB into the City's Spirit Bus service.

Table 2. Future Fleet

Timeline	Total Number of Buses to Purchase	Number of ZEB Purchase	Percentage of Annual ZEB purchase	ZEB Bus Type	ZEB Fuel Type(s)	Number of Conv Bus Purchased	Percent of Annual Conventional Bus Purchases	Types of Conv. Buses	Fuel Type
2026-2027	4	1	25%	Minibus	Battery-electric	3	75%	Cutaway	CNG
2027-2028	1	0	NA	NA	NA	1	100%	Cutaway	CNG
2028-2029	1	1	100%	Minibus	Battery-electric	0	NA	NA	NA

Section E: Facilities & Infrastructure

Primary Charging Facility

The City currently contracts with First Transit for its fixed-route Service. Vehicles are stored and maintained at the contractor-operated facility. The City owns and operates a CNG fueling station used to subsidize fuel costs for the current fleet. This facility supports the existing CNG fleet but is not suitable for zero-emission bus charging without modification. As the City transitions toward zero-emission vehicles, future charging infrastructure is anticipated to be located at contractor-operated facilities or shared charging sites within the City. The exact locations and charging configurations will be determined in coordination with the future service provider and local utility. The City anticipates coordination with the local electric utility provider to evaluate grid capacity, service upgrades, and energization timelines necessary to support zero-emission bus charging.

Planned Secondary Charging Facility

The City recognizes the importance of charging redundancy and will require future contractors to provide backup charging solutions or operational contingencies to ensure service reliability.

Section F: Disadvantaged Communities

SB 535 Disadvantaged Community

According to the California Office of Environmental Health Hazard Assessment (OEHHA), disadvantaged communities are defined as the top 25% in terms of scoring in the CalEnviroScreen. CalEnviroScreen is a tool that identifies communities that are most vulnerable to pollution by using environmental, health, and socioeconomic data to produce a score for every census tract within the state of California. Based on the cities listed in the latest version of CalEnviroScreen, Spirit Bus currently services one disadvantaged community, Census Tract 6037530400, and will continue for the foreseeable future. Spirit Bus buses service all areas of Monterey Park, and as they are replaced, they will serve disadvantaged communities providing cleaner, quieter service to the local ridership. ZEB deployment will prioritize routes serving disadvantaged communities where feasible.

Section G: Workforce Training

Workforce Training

The training of bus operators and maintenance and repair staff on zero-emission bus technologies is the responsibility of the City's fixed-route service provider. The City will require its contractor to provide training consistent with manufacturer and industry standards. Training will be included as part of the OEM procurement.

Section H. Funding

Vehicles

The City uses Metro Local Return Funds, Prop A and Prop C to fund its fixed-route and dial-ride services and vehicles acquisition. Through its contractor-operator relationship, the City will rely on its contractor and local funds to reach its zero-emission goals.

Infrastructure

The City is currently working on a city-wide solar and EV charging project to install charging infrastructure within city limits. This project will help the availability of chargers within the service area for both fixed-route and on-demand service. Additionally, the City will rely on its contractors charging resources to supplement the City's EV network.

Section I: Start-Up & Scale Up Challenges

The City anticipates challenges with availability of charging infrastructure in close proximity to the City's service area. Although the City is working on citywide solar and EV charging infrastructure implementation, charging capacity for large Zero-emission buses may be limited.

Appendix A: Resolution 2026-XX (City Council Adoption)

City Council Staff Report

Date: March 4, 2026
Agenda Item Number: 10.H.

To: The Honorable Mayor and City Council

From: Shawn Igoe, Public Works Director

Subject: Sole Source Procurement of Replacement UV Lamps for the Carbon Granular Treatment System (CGTS) from Trojan Technologies Corp.

Recommendation:
It is recommended that the City Council consider:

1. Waiving bidding requirements pursuant to Monterey Park Municipal Code Section 3.20.050(2) and authorizing the City Manager to execute a two-year agreement with Trojan Technologies, in a form approved by the City Attorney, for the purchase of replacement ultraviolet (UV) lamps for the City's Carbon Granular Treatment System (CGTS) in an amount not to exceed $555,000, covering replacement of all three UV treatment trains through June 30, 2027; and
2. Taking such additional, related, action that may be desirable.

Executive Summary:
The City's Carbon Granular Treatment System (CGTS) relies on proprietary ultraviolet (UV) disinfection equipment manufactured and supplied by Trojan Technologies Corp. (Trojan). The UV lamp trains are mission-critical components of the water treatment process and are required to maintain compliance with State Water Resources Control Board Division of Drinking Water regulations and ensure continuous delivery of safe drinking water.

UV lamps have a defined service life. As operating hours accumulate, UV output declines, reducing treatment efficiency and potentially impacting regulatory compliance if not replaced in a timely manner. Based on manufacturer specifications and system operating data, staff has determined that replacement of lamps for two (2) of the three UV treatment trains is required during Fiscal Year 2025–2026. The remaining treatment train will be replaced in Fiscal Year 2026–2027 to strategically phase expenditures while maintaining full operational reliability. Because the existing UV system was designed and supplied by Trojan and utilizes proprietary lamps that are not manufactured or distributed by other vendors, this procurement qualifies as a sole source purchase pursuant to Monterey Park Municipal Code 3.20.050(2).

Background:

The City's advanced oxidation ultraviolet treatment system was specifically designed to treat groundwater constituents, including volatile organic compounds (VOCs) and 1,4-dioxane. Trojan engineered and supplied the UV reactors, controls, and proprietary lamp assemblies that form the core of this system. The performance of the UV system is directly dependent on lamp intensity and proper calibration with the manufacturer's equipment specifications. Over time, lamp output degrades in accordance with predictable operational life cycles. Failure to replace lamps within recommended intervals may result in diminished UV dosage, reduced treatment effectiveness, and potential regulatory compliance concerns.

The proposed phased replacement is part of the City's proactive asset management and preventive maintenance program. Replacing two treatment trains during the current fiscal year and the third train during the following fiscal year ensures uninterrupted treatment capability, reduces risk of unexpected system downtime, and distributes financial impacts responsibly across budget cycles.

Trojan Technologies is the original equipment manufacturer (OEM) of the City's UV treatment system and the sole authorized supplier of compatible replacement lamps for this equipment. The lamps are proprietary components specifically engineered to function within Trojan's reactors and control systems. No other manufacturer produces lamps certified, with appropriate warranties, or approved for use in the City's installed UV equipment.

Pursuant to Monterey Park Municipal Code Section 3.20.050(2), competitive bidding may be waived when goods are available from only one source. Staff has determined that this purchase qualifies as a sole source procurement due to the proprietary nature of the equipment and the absence of alternative suppliers.

Installation of the replacement lamps will be performed under the City's existing maintenance agreement with Trojan, ensuring continuity of service and manufacturer oversight.

Strategic Plan Goal:
This action directly supports the City's strategic goal of maintaining and protecting critical water infrastructure to ensure the continued delivery of safe, reliable, and regulatory-compliant drinking water.

Fiscal Impact:
Funding for the replacement UV lamps is budgeted in the Water Treatment Fund (402). The cost to replace the initial two treatment trains during Fiscal Year 2025–2026 will not exceed $370,000. The total cost to replace all three treatment trains over two fiscal years will not exceed $555,000.

Funds are budgeted and will be reimbursed for eligible expenses through the City's existing agreement with the Water Quality Authority (WQA) and the Department of Toxic Substances Control (DTSC), minimizing financial impact to the Water Treatment Fund. There is no impact to the General Fund.

Attachments:
1. Trojan Sole Source Letter

ATTACHMENT 1
Trojan Technologies Corp.
Sole Source Letter

TROJAN
technologies®

Patricia Cruz
City of Monterey Park
320 W Newmark Ave
Monterey Park, CA 91754

RE: Trojan System Replacement Parts- Trojan UVPHOX PJ#112439

Dear Ms. Cruz:

In the Engineered Submittal Package for the Trojan UVPHOX, Trojan provided an equipment performance guarantee stating that those systems will meet the required level of disinfection provided that the systems are operated and maintained in accordance with recommendations made by Trojan Technologies.

For this equipment guarantee to be maintained, it is imperative that the appropriate components and replacement parts be used in those systems. There are key replacement parts and system components that directly influence the performance and reliability of each system. Among these critical replacement parts are the UV lamps, electronic ballasts, wiper components and printed circuitry. Without using these critical replacement parts that are approved and validated by Trojan Technologies, we cannot guarantee that those systems will provide the required germicidal output.

In order to keep the equipment performance guarantee intact, it is recommended that specialized system components be purchased directly from Trojan Technologies. Trojan purchases only validated system components (lamps, ballasts etc.) from our suppliers and only those components meeting our performance standards are passed on to the customer.

If you have any questions regarding this matter or require any additional information, please do not hesitate to contact me.

Best regards,

Heather Conine

Heather Conine – Regional Account Manager

TROJAN TECHNOLOGIES
(760) 648-3289 mobile
westernus@trojantechnologies.com

City Council Staff Report

Date: March 4, 2026
Agenda Item Number: 10.I.

To: The Honorable Mayor and City Council

From: Shawn Igoe, Public Works Director

Subject: Authorize First Amendment to Professional Services Agreement No. 2483-AA with SPEC Services, Inc. for Scada Programming Implementation and Support Services

Recommendation:
It is recommended that the City Council consider:

1. Authorizing the City Manager to execute the First Amendment to Agreement No. 2483-AA with SPEC Services, Inc., in a form approved by the City Attorney, for a revised total not-to-exceed amount of $170,700 for services through June 30, 2027; and
2. Taking such additional, related, action that may be desirable.

Executive Summary:
On June 16, 2025, the City entered into Agreement No. 2483-AA (the “Agreement”) with SPEC Services Inc. (SPEC) in the amount of $45,700 to prepare a comprehensive SCADA (Supervisory Control and Data Acquisition) Master Plan (“Master Plan”) for the City’s water system.

The Master Plan’s intent is to identify aging equipment, cybersecurity vulnerabilities, and system weaknesses that could affect the reliability and security of the City’s water operations if left unaddressed. The Master Plan also prioritizes necessary upgrades to ensure continued delivery of safe, reliable drinking water.

During the plan’s development, the consultant identified several program updates that needed to be addressed to complete the Master Plan. In order to effectively and efficiently complete the Master Plan, it is recommended that the City approve an amendment to authorize SPEC to implement the priority improvements identified, including system programming updates, cybersecurity enhancements, system reconfiguration, and technical support. The Amendment increases the contract amount by $125,000, for a total not-to-exceed amount of $170,700, and extends the Agreement term through June 30, 2027, to allow for phased implementation and system stabilization.

Background:
The City's SCADA system is the operational backbone of its water utility. It monitors and controls wells, pump stations, reservoirs, and treatment facilities that are essential to delivering safe and reliable drinking water.

Several system components are approaching end-of-life, certain software platforms and communications infrastructure are outdated, and cybersecurity risks require mitigation to protect critical infrastructure.

Under the original Agreement, SPEC was to perform a comprehensive system discovery and assessment that includes field site evaluations, software and network review, programmable logic controller and radio system analysis, cybersecurity vulnerability identification, and the development of a modernization and implementation roadmap. The proposed additional scope of work will address system updates that are considered priority improvements for the continued operation of the system. By completing these updates, SPEC will be able to deliver an up-to-date Master Plan and improvement recommendations.

As the City's SCADA consultant, SPEC has a deep understanding of how the City's control system is designed and how it operates — including its equipment, communications, programming, and known problem areas. Because SPEC is currently developing the plan, they are uniquely positioned to carry out the work efficiently and with minimal risk of delays or misunderstandings. The implementation phase requires hands-on knowledge of the system setup, programming, and technical analysis that were developed during the planning process.

Retaining SPEC ensures continuity with the development of the Master Plan, avoids duplication of effort, and eliminates the learning curve that a new consultant would require. Bringing in a new firm at this stage would increase costs, delay implementation, and introduce avoidable risk to a critical public safety system. Continuing with SPEC is therefore in the City's best operational and financial interest.

The amendment also extends the term of the Agreement by one year, from June 30, 2026, to June 30, 2027, to allow for phased implementation, programming support, and system stabilization.

Strategic Plan Goal:
This action supports the City's strategic goal of maintaining and protecting critical water infrastructure to ensure continued delivery of safe, reliable, and regulatory-compliant drinking water.

Fiscal Impact:
The proposed First Amendment increases the Agreement by $125,000, resulting in a revised total not-to-exceed amount of $170,700. Sufficient funds are budgeted within the Water Fund to support this Amendment for services through June 30, 2026, and no additional appropriation is required. Funds for services through FY 2026-27 will be budgeted as part of the annual budget process.

Attachments:
None

City Council Staff Report

Date: March 4, 2026
Agenda Item Number: 10.J.

To: The Honorable Mayor and City Council

From: Diana Garcia, Assistant City Manager

Subject: Women's History Month Resolution (As Requested by Council Member Sanchez)

Recommendation:
It is recommended that the City Council consider:

1. Approving the attached resolution; and,
2. Taking such additional, related, action that may be desirable.

Executive Summary:
The attached resolution is being brought forth to the Council for consideration at the request of Council Member Sanchez.

Background:
N/A

Strategic Plan Goal:
N/A

Fiscal Impact:
There is no expected fiscal impact associated with adopting this resolution.

Attachments:
1. Women's History Month Resolution

ATTACHMENT 1
Draft Resolution

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK, CALIFORNIA, DECLARING AND RECOGNIZING THE MONTH OF MARCH 2026 AS WOMEN'S HISTORY MONTH, A NATIONAL CELEBRATION THAT HIGHLIGHTS THE CONTRIBUTIONS OF WOMEN TO EVENTS IN HISTORY AND CONTEMPORARY SOCIETY

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds as follows:

A. In February 1980, President Jimmy Carter issued a presidential proclamation declaring the week of March 8 as National Women's History Week. The proclamation stated, "From the first settlers who came to our shores, from the first American Indian families who befriended them, men and women have worked together to build this nation. Too often the women were unsung and sometimes their contributions went unnoticed. However, the achievements, leadership, courage, strength, and love of the women who built America were as vital as that of the men whose names we know so well."

B. Women's History Month originated as a national celebration in 1981 when Congress passed Public Law 97-28 which authorized the President to proclaim the week beginning March 7, 1982, as Women's History Week. Throughout the next five years, Congress continued to pass joint resolutions designating a week in March as Women's History Week.

C. In 1987, after being petitioned by the National Women's History Project, Congress passed Public Law 100-9 which designed the month of March 1987 as Women's History Month.

D. Between 1988 and 1994, Congress passed additional resolutions requesting and authorizing the President to proclaim March of each year as Women's History Month. Since 1995, U.S. Presidents, regardless of political party, have issued a series of annual proclamations designating the month of March as Women's History Month. These proclamations celebrate the contributions women have made and recognize the specific achievements women have made throughout American history in a variety of fields.

E. Women's History Month corresponds with International Women's Day which is celebrated on March 8 worldwide. It provides an opportunity to celebrate the achievements of women while calling for greater equality.

F. The National Women's History Alliance designates a yearly theme for Women's History Month. For 2026, the National Women's History Alliance (NWHA) proudly presents the theme "Leading the Change: Women Shaping a Sustainable Future." This theme celebrates women who are rebuilding systems for long-term

sustainability, covering environmental, economic, and social justice. It recognizes leaders driving holistic change, creating a more resilient future.

G. American women have played and continue to play a critical economic, cultural, and social role in every sphere of the life of the Nation by constituting a significant portion of the labor force working inside and outside of the home.

H. American women have been leaders, not only in securing their own rights of suffrage and equal opportunity, but also in the abolitionist movement, the emancipation movement, the industrial labor movement, the civil rights movement, and other movements, especially the peace movement, which create a more fair and just society for all.

I. According to the latest data from the U.S. Census Bureau, women constitute approximately 52% of Monterey Park's population, reflecting their significant presence in the community. Additionally, 54.7% of women aged 16 and over in Monterey Park are part of the civilian labor force, underscoring their vital contributions to the local economy.

J. Currently, Elizabeth Yang serves as Mayor, representing District 2. Maychelle Yee serves as the City Clerk and Amy Lee serves as the City Treasurer.

K. The City of Monterey Park has a rich history of female leadership. Notably, Lily Lee Chen became the first Chinese American woman to serve as mayor in the United States when she was elected in 1984. Congresswoman Judy Chu served on the City Council from 1988 to 1994. Louise Davis, Patricia Reichenberger, Betty Couch, Marie T. Purvis, Rita Valenzuela, Sharon Martinez, Betty Tom Chu and Teresa Real have served as Councilmembers. Marguerite Alstrom, Laura Lee McMillen, Theresa Amador and Pauline Lemire have served as City Clerks. Florence Hirt and Louise Davis have served as City Treasurers.

L. The City Council of the City of Monterey Park declares the month of March 2026 as Women’s History Month and encourages all residents to celebrate with appropriate programs, ceremonies, and activities.

SECTION 2: *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 3: *Recordation*. The Mayor, or presiding officer, is authorized to sign this Resolution, signifying its adoption by the City Council of the City of Monterey Park, and the City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 4: *Effective Date.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 4th day of March 2026.

_____
Elizabeth Yang, Mayor

Attest:

_____
Maychelle Yee, City Clerk

City Council Staff Report

Date: March 4, 2026
Agenda Item Number: 10.K.

To: The Honorable Mayor and City Council

From: Diana Garcia, Assistant City Manager

Subject: Read Across America Resolution (As Requested by Council Member Sanchez)

Recommendation:
It is recommended that the City Council consider:

1. Approving the attached resolution; and,
2. Taking such additional, related, action that may be desirable.

Executive Summary:
The attached resolution is being brought forth to the Council for consideration at the request of Council Member Sanchez.

Background:
N/A

Strategic Plan Goal:
N/A

Fiscal Impact:
There is no expected fiscal impact associated with adopting this resolution.

Attachments:
1. Read Across America Week Resolution

ATTACHMENT 1
Draft Resolution

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK, CALIFORNIA, DECLARING AND RECOGNIZING MARCH 2-6, 2026, AS READ ACROSS AMERICA WEEK

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds as follows:

A. The act of reading has been around for thousands of years since the invention of the written word, and in the earliest years, reading was a skill that only the wealthy and educated segment of society possessed. As the years progressed, more individuals began to read and write, and reading came to be the common skill that it is today.

B. In 1998, the National Education Association (NEA) established the nation's largest year-round celebration of reading known as NEA's Read Across America which focuses on motivating children and teens to read through events, partnerships, and reading resources that are about everyone, for everyone.

C. NEA's Read Across America Day is celebrated every March 2 and commences Read Across America Week which spans through March 6. Read Across America Week is a celebration of reading and promotes adult involvement in the education of students throughout the nation.

D. Across the nation, teachers, librarians, politicians, actors, athletes, parents, grandparents, and others develop Read Across America activities to bring reading excitement to children of all ages. Governors, mayors, and other elected officials recognize the role reading plays in their communities with proclamations and floor statements.

E. The annual theme for NEA's Read Across America Day and Week is to Create & Celebrate a Nation of Diverse Readers. Monterey Park Residents are encouraged to read books with children and promote NEA's message that there is always room in the community for all readers.

F. The City Council of the City of Monterey Park is committed to inspiring all residents, especially children and youth, to explore diverse perspectives and cultures through the eyes of others. Books provide lessons that improve the overall quality of life, encourage curiosity, promote knowledge, and support the countless possibilities available to every person.

G. The City Council of the City of Monterey Park encourages all residents to stand firmly committed to promoting reading as the catalyst for students' future academic success, their preparation for jobs of the future, and their ability to compete in a global economy, and hereby proclaim March 2-6, 2026, as Read Across America Week.

SECTION 2: *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 3: *Recordation*. The Mayor, or presiding officer, is authorized to sign this Resolution, signifying its adoption by the City Council of the City of Monterey Park, and the City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 4: *Effective Date.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 4th day of March 2026.

_____
Elizabeth Yang, Mayor

Attest:

_____
Maychelle Yee, City Clerk

City Council Staff Report

Date: March 4, 2026
Agenda Item Number: 10.L.

To: The Honorable Mayor and City Council

From: Diana Garcia, Assistant City Manager

Subject: American Red Cross Month Resolution (As Requested by Council Member Wong)

Recommendation:
It is recommended that the City Council consider:

1. Approving the attached resolution; and,
2. Taking such additional, related, action that may be desirable.

Executive Summary:
The attached resolution is being brought forth to the Council for consideration at the request of Council Member Wong.

Background:
N/A

Strategic Plan Goal:
N/A

Fiscal Impact:
There is no expected fiscal impact associated with adopting this resolution.

Attachments:
1. American Red Cross Month Resolution

ATTACHMENT 1
Draft Resolution

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK, CALIFORNIA, DECLARING AND RECOGNIZING THE MONTH OF MARCH 2026 AS AMERICAN RED CROSS MONTH

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds as follows:

A. Clarissa (Clara) Harlowe Barton is one of the most honored women in American history known for her astounding devotion and dedication to helping others. Barton is considered a visionary whose humanitarian spirit helped change the world, and on May 21, 1881, founded the American Red Cross.

B. After hearing of the Swiss-inspired global Red Cross network while visiting Europe following the Civil War, Barton and a few of her acquaintances campaigned for an American Red Cross and ratification of the Geneva Convention protecting the war-injured, which the United States ratified in 1882.

C. Barton led the American Red Cross for 23 years and conducted its very first domestic and overseas disaster relief efforts. The American Red Cross also aided the U.S. military during the Spanish-American War and successfully campaigned for the inclusion of peacetime relief work as part of the global Red Cross network.

D. The American Red Cross introduced its first aid, water safety, and public health nursing program prior to World War I, and by 1918, local chapters grew from 107 to 3,864 with more than 30 million adult and junior Red Cross members. Following the war, the Red Cross focused its service to veterans and enhanced its programs in safety training, accident prevention, in-home care, and nutrition education.

E. Extensive services provided by the American Red Cross were once again needed for the U.S. military in World War II. This request initiated a national blood program that collected 13.3 million pints of blood for use by the armed forces. Following World War II, the Red Cross introduced the first nationwide civilian blood program that now supplies more than 40% of the blood and blood products in the United States today.

F. The American Red Cross has since expanded its services to include civil defense, CPR/AED training, HIV/AIDS education, and the provision of emotional care and support in the wake of disasters and continues to assist government agencies and community organizations plan, coordinate and provide feeding, sheltering, and family reunification services for people affected by disasters.

G. Today, the American Red Cross provides compassionate care in five critical areas: people affected by disasters in America; support for members of the military and their families; blood collection, processing, and distribution; health and safety education and training; and international relief and development.

H. Since 1943, every United States President regardless of political party has issued messages and proclamations recognizing the tremendous efforts made by the American Red Cross including providing aid during disasters, ensuring access to lifesaving blood, providing education and training, and alleviating human suffering in the face of emergencies by mobilizing the power of volunteers and the generosity of donors.

I. The Monterey Park City Council recognizes the compassion of people in the Monterey Park community and reaffirms their commitment to care for one another in times of crisis. Kindhearted individuals in Monterey Park exemplify Barton's commitment as they step up through humanitarian efforts to provide a beacon of hope for those in need. Their voluntary and selfless contributions make a lifesaving difference and strengthen the Monterey Park community.

J. The Monterey Park City Council hereby proclaims March 2026 as American Red Cross Month and encourages all residents of Monterey Park to reach out and support its humanitarian mission whether it is volunteering, donating blood, giving financially, or saving a life with first aid and CPR skills.

SECTION 2: *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 3: *Recordation*. The Mayor, or presiding officer, is authorized to sign this Resolution, signifying its adoption by the City Council of the City of Monterey Park, and the City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 4: *Effective Date.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 4th day of March 2026.

_____
Elizabeth Yang, Mayor

Attest:

_____
Maychelle Yee, City Clerk

City Council Staff Report

Date: March 4, 2026
Agenda Item Number: 10.M.

To: The Honorable Mayor and City Council

From: Diana Garcia, Assistant City Manager

Subject: Employee Appreciation Month Resolution (As Requested by Council Member Ngo)

Recommendation:
It is recommended that the City Council consider:

1. Approving the attached resolution; and
2. Taking such additional, related, action that may be desirable.

Executive Summary:
The attached resolution is being brought forth to the Council for consideration at the request of Council Member Ngo.

Background:
N/A

Strategic Plan Goal:
N/A

Fiscal Impact:
There is no expected fiscal impact associated with adopting this resolution.

Attachments:
1. Employee Appreciation Month Resolution

ATTACHMENT 1
Draft Resolution

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK RECOGNIZING MARCH 2026 AS EMPLOYEE APPRECIATION MONTH

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds as follows:

A. The City of Monterey Park is committed to providing high-quality services that enhance the safety, well-being, and quality of life for all residents and visitors.

B. The dedicated full-time and part-time employees of the City of Monterey Park work tirelessly to ensure the efficient operation of our City government and the delivery of essential services to the community.

C. Each department and division is an integral part of the City, ensuring that governance, safety, fiscal sustainability, infrastructure, community engagement, community enrichment programs, neighborhood and economic vitality, and customer service are supported through daily actions and work performed by staff.

D. The City Council acknowledges and appreciates all full-time and part-time City employees, for their hard work, knowledge, and dedication that contribute to the success of Monterey Park, making it a safe and welcoming community.

E. The Monterey Park City Council hereby declares March 2026 as Employee Appreciation Month.

SECTION 2: *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 3: *Recordation*. The Mayor, or presiding officer, is authorized to sign this Resolution, signifying its adoption by the City Council of the City of Monterey Park, and the City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 4: *Effective Date.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 4th day of March 2026.

_____
Elizabeth Yang, Mayor

Attest:

_____
Maychelle Yee, City Clerk

City Council Staff Report

Date: March 4, 2026
Agenda Item Number: 11.A.

To: The Honorable Mayor and City Council

From: Jason Hing, Fire Chief

Subject: Annual Weed Abatement Protest Hearing

Recommendation:
It is recommended that the City Council consider:

1. Continuing the public hearing to the March 18, 2026, City Council meeting; and
2. Taking such additional, related, action that may be desirable.

Executive Summary:
The Fire Chief recommends that this item be continued to the March 18, 2026, City Council meeting to allow for sufficient public hearing notice.

Background:
N/A

Strategic Plan Goal:
N/A

Fiscal Impact:
N/A

Attachments:
None

City Council Staff Report

Date: March 4, 2026
Agenda Item Number: 11.B.

To: The Honorable Mayor and City Council

From: Timothy Hou, Director of Community Development

Subject: Consideration and possible action to conduct a public hearing to extend and amend Urgency Ordinance No. 2272 to place a general moratorium on data centers within the City of Monterey Park for 10 months and 15 days

Recommendation:
It is recommended that the City Council consider:

1. Opening the public hearing; taking testimonial and documentary evidence;
2. After closing the public hearing and considering the evidence, read by title only, waive further reading, and adopt Urgency Ordinance No. 22XX to amend Urgency Ordinance No. 2272 by at least a four-fifths vote to extend the general moratorium on data centers within the City of Monterey Park for 10 months and 15 days; and
3. Taking such additional, related, action that may be desirable.

CEQA (California Environmental Quality Act):
Adopting the draft Urgency Ordinance is exempt from further environmental review under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA") and CEQA Guidelines (14 California Code of Regulations §§ 15000, et seq.) because it establishes temporary rules and procedures for minor alterations in land use. The Urgency Ordinance, therefore, is categorically exempt from further CEQA review under CEQA Guidelines § 15305. Further, the adoption and extension of the Urgency Ordinance is also exempt from review under CEQA pursuant to CEQA Guidelines § 15061(b)(3) because the Ordinance is for general policies and procedure-making. This Ordinance does not authorize any new development entitlements. Any proposed project that will utilize the changes set forth in this Ordinance is subject to environmental review as part of the entitlement review of the project. The Ordinance will not adversely impact the environment and is therefore exempt from the provisions of CEQA.

Executive Summary:
On January 21, 2026, the City Council adopted Urgency Ordinance No. 2272 establishing a 45-day moratorium that would prohibit processing land use applications for any data center within Saturn Park (Attachment 1). That ordinance will expire on March 7, 2026, if not extended.

While the original Urgency Ordinance established a moratorium on land use applications for any data center in Saturn Park and any construction or operation in the City, the proposed extension of the Urgency Ordinance would establish a moratorium on processing any data centers within the City of Monterey Park (Attachment 2).

Pursuant to Government Code Section 65858(b), cities can extend the moratorium for 22 months and 15 days (for a total of two years) by a four-fifths vote of the legislative body. However, only a 10 and a half month time extension, with an expiration date of January 21, 2027, is proposed to allow City staff to analyze and conduct an adequate study within that time period (if not sooner) and formulate new regulations to address data center use in the City of Monterey Park.

A copy of the January 21, 2026, staff report is attached and incorporated by reference (Attachment 3).

Background:
Section 65858 Report

Government Code Section 65858(d) requires that 10 days before the expiration of the moratorium, the City Council must issue a written report describing the measure taken to alleviate the condition which led to the adoption of the ordinance.

At the City Council's direction, since January 21, 2026, the Director implemented the following measures and actions to alleviate the conditions set forth in Ordinance No. 2272:

- Identifying which zones allow data centers within the City.
- Discussed potential revisions to the zoning regulations within the MPMC.
- Modified the urgency ordinance to include a citywide prohibition on data centers.

Lastly, at its February 4, 2026 meeting, the City Council directed the City Manager to return at the March 4, 2026 City Council meeting with additional options related to prohibiting data center uses and future land use planning possibilities. This direction included evaluating zoning regulations that may be adopted by the City Council and drafting a potential ballot proposition to prohibit data centers throughout the City and potentially expand residential options within Saturn Park.

Pursuant to Government Code Section 65858(b), the City may extend the moratorium for an additional 22 months and 15 days (for a total of two years) by a four-fifths vote of the legislative body.

Public Notice

The legal notice of this hearing was published in the Monterey Park Press and posted at City Hall, Monterey Park Bruggemeyer Library, and Langley Center on February 19, 2026, with affidavits of posting on file.

Strategic Plan Goal:

Fiscal Impact:
There are no identifiable fiscal impacts associated with adopting the draft urgency ordinance.

Attachments:
1. Ordinance No. 2272
2. Urgency Ordinance No. 22XX
3. Staff Report - January 21, 2026

ATTACHMENT 1

Ordinance No. 2272

ORDINANCE NO. 2272

AN INTERIM ORDINANCE PROHIBITING PROCESSING OF PENDING, AND ACCEPTANCE OF NEW, DATA CENTER LAND USE APPLICATIONS WITHIN SATURN PARK TO CONSIDER ADOPTING ADDITIONAL REGULATIONS FOR SUCH LAND USES

The City Council for the City of Monterey Park does ordain as follows:

SECTION 1: This Ordinance is adopted pursuant to Government Code §§ 36937, 65858, and other applicable laws.

SECTION 2: *Findings.* The City Council finds, determines and declares as follows:

A. The City may adopt and enforce all laws and regulations not in conflict with the general laws and the City holds all rights and powers established by California law.

B. On November 6, 2024, the City Council adopted new regulations governing data centers in Saturn Park. As codified at Monterey Park Municipal Code ("MPMC") § 21.14.220, data centers may only be permitted within Saturn Park pursuant to the terms of a development agreement approved by the City Council.

C. While the provisions of the development agreement law (Government Code §§ 65864–65869.5) make it plain that any decision regarding data centers within Saturn Park are completely discretionary for the City Council, additional regulations governing data center provide certainty to the public and private property owners regarding the City's overall expectations for developing such land uses. Such regulations were first considered by the City Council on November 6, 2024 and should be reexamined to protect public health, safety, and welfare. The City requires additional time to study which regulations are in the public interest.

D. To prevent frustration of these studies and the implementation of new regulations, the public interest, health, safety, and welfare require enactment of this Ordinance. The absence of this Ordinance would impair the orderly and effective implementation of contemplated MPMC amendments, and any further authorization of data center land uses within Saturn Park during the period of the moratorium may conflict with or frustrate the contemplated updates and revisions of the MPMC.

E. Based on the foregoing, the City finds that that this Ordinance is necessary in order to protect the City from the potential effects and impacts of data center land uses and the accompanying impacts from energy use, noise, air quality, aesthetic impacts to the City, and other similar or related effects on property values and the quality of life in the City's neighborhoods.

F. The City Council further finds that this moratorium is a matter of local and City-wide importance and is not directed towards any business that currently seeks to utilize MPMC Chapter 21.14.

G. The City Council finds that this Ordinance is authorized by the City's police powers. The City Council further finds that the length of the moratorium imposed by this Ordinance will not in any way deprive any person of rights granted by state or federal laws, because the moratorium is short in duration and essential to protect the public health, safety and welfare.

SECTION 3: *Environmental Assessment.* Adopting the draft Urgency Ordinance is exempt from further environmental review under the California Environmental Quality Act (California Public Resources Code §§ 21000, *et seq*., "CEQA") and CEQA Guidelines (14 California Code of Regulations §§ 15000, *et seq*.) because it establishes temporary rules and procedures for minor alterations in land use. The Urgency Ordinance, therefore, is categorically exempt from further CEQA review under CEQA Guidelines § 15305. Further, the adoption of the Urgency Ordinance is also exempt from review under CEQA pursuant to CEQA Guidelines § 15061(b)(3) because the Ordinance is for general policies and procedure-making. This Ordinance does not authorize any new development entitlements. Any proposed project that will utilize the changes set forth in this Ordinance is subject to environmental review as part of the entitlement review of the project. The Ordinance will not adversely impact the environment and is therefore exempt from the provisions of CEQA.

SECTION 4: *Interim regulations.* The following provisions are adopted as interim requirements for issuing permits pursuant to the MPMC for data center land uses within Saturn Park, and any construction or operation in the City in conflict with these provisions is expressly prohibited:

A. Restricted Activities. For a period of 45 days after adoption of this Ordinance, the City will not process any pending application for a data center land use within Saturn Park or accept new applications for data center land uses.

B. "Data center" is defined at MPMC § 21.14.210.

C. Based upon a review of the City's entire administrative record including, without limitation, from the City Council's previous meetings in October and November 2024, along with a cursory review of information within the public domain, there is a plethora of substantial evidence demonstrating a reasonable argument exists that any proposed data center in California "may have a significant effect on the environment" necessitating a fair-argument that any application for a data center requires preparation of an environmental impact report (EIR). Publicly available materials document that large data centers have high and continuous electricity demand, often supported by diesel or gas backup generation with associated air quality, greenhouse gas, and noise impacts; that they may place significant demands on local water supplies for cooling; and that they can drive related infrastructure and land use changes, all of which have been specifically identified as needing robust CEQA analysis. In light of CEQA's requirement that an EIR be prepared whenever there is substantial evidence, in view of the whole record, that a project may cause a significant environmental effect, and the well-established "low threshold" nature of the fair-argument test, this body of evidence supports a finding that any data center proposal in California presents at least a reasonable argument of potentially significant environmental impacts such that an EIR is required.

D. The City Manager, or designee, must review any application for a data center land use entitlement to determine compliance with the provisions of this Ordinance. City employees, and City boards and commissions, are directed to refrain from accepting or processing any application for any land use entitlement, including, without limitation, use permits, variances, building permits, licenses and certificates of occupancy, necessary for constructing, placing, or operating data centers within the Saturn Park area, and to refrain from processing any land use entitlement for any pending applications already received. These prohibitions will remain effective for 45 days following adoption of this Ordinance.

E. The City Manager and City Attorney are directed to draft regulations that prohibit data centers within the City's jurisdiction. Noticing for a public hearing to consider adopting such proposed regulations should occur forthwith to ensure timely public input regarding such regulations and provide certainty to private property owners contemplating data center developments within Saturn Park regarding the City's expectations and regulation of such land uses.

SECTION 5: *Construction*. This Ordinance must be broadly construed to achieve

the purposes stated in this Ordinance. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 6: *Enforceability*. Repeal of any provision of the MPMC does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 7: *Validity of Previous Code Sections*. If this entire Ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the MPMC or other city ordinance by this Ordinance will be rendered void and cause such previous MPMC provision or other the city ordinance to remain in full force and effect for all purposes.

SECTION 8: *Severability*. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the city council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 9: *Publication.* The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of Monterey Park's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 10: *Report*. Pursuant to Government Code § 65858, the City Manager, or designee, must prepare a report for City Council consideration describing the measures taken to address the conditions which led to adoption of this Ordinance. This report must be provided to the City Council so that it may be considered and issued not later than 10 days before this Ordinance expires.

SECTION 11: *Effective Date.* This Ordinance will become effective immediately upon adoption pursuant to Government Code §§ 36937 and 65858 for the immediate preservation of the public peace, health, safety, and welfare. Pursuant to those statutes this Ordinance is adopted by a four-fifths vote.

SECTION 12: *Expiration Date*. After adoption, this Ordinance will be repealed by operation of law on March 7, 2026, unless a subsequent ordinance is adopted by the City Council that extends this date.

PASSED AND ADOPTED this 21st day of January, 2026.

Elizabeth Yang, Mayor

ATTEST:

Maychelle Yee, City Clerk

APPROVED AS TO FORM:

Karl H. Berger, City Attorney

State of California)
County of Los Angeles) §.
City Of Monterey Park)

I, Maychelle Yee, City Clerk of the City of Monterey Park, California, do hereby certify that the foregoing Urgency Ordinance No. 2272 was duly passed, approved and adopted at its special meeting held on 21st day of January, 2026 by the following vote:

Ayes:	Council Members: Ngo, Wong, Sanchez, Lo, Yang
Noes:	Council Members: None
Absent:	Council Members: None
Abstain:	Council Members: None
Recusal:	Council Members: None

Dated this 21st day of January, 2026.

Maychelle Yee, City Clerk

ATTACHMENT 2

Urgency Ordinance No. 22XX

ORDINANCE NO. 22XX

AN URGENCY ORDINANCE AMENDING ORDINANCE NO. 2272 TO EXTEND THE TEMPORARY MORATORIUM PROHIBITING PROCESSING OF PENDING, AND ACCEPTANCE OF NEW, DATA CENTER LAND USE APPLICATIONS WITHIN THE CITY OF MONTEREY PARK

The City Council for the City of Monterey Park does ordain as follows:

SECTION 1: This Ordinance is adopted pursuant to Government Code §§ 36937, 65858, and other applicable laws and is an extension of a moratorium adopted pursuant to Ordinance No. 2272

SECTION 2: *Findings.* The City Council finds, determines and declares as follows:

A. The City may adopt and enforce all laws and regulations not in conflict with the general laws and the City holds all rights and powers established by California law.

B. Monterey Park Municipal Code ("MPMC") § 21.14.220 provides that data centers within Saturn Park may only be approved in accordance with a development agreement approved by the City Council.

C. While the provisions of the development agreement law (Government Code §§ 65864–65869.5) make it plain that any decision regarding data centers within Saturn Park are completely discretionary for the City Council, additional regulations governing data centers proposed in other zones within the City provide certainty to the public and private property owners regarding the City's overall expectations for developing such land uses.

D. To prevent frustration of these studies and the implementation of new regulations, the public interest, health, safety, and welfare require enactment of this Ordinance. The absence of this Ordinance would impair the orderly and effective implementation of contemplated MPMC amendments, and any further authorization of data center land uses within the City of Monterey Park during the period of the moratorium may conflict with or frustrate the contemplated updates and revisions of the MPMC.

E. Based on the foregoing, the City finds that that this Ordinance is necessary in order to protect the City from the potential effects and impacts of data center land uses and the accompanying impacts

from energy use, noise, air quality, aesthetic impacts to the City, and other similar or related effects on property values and the quality of life in the City's neighborhoods.

F. The City Council further finds that this moratorium is a matter of local and City-wide importance and is not directed towards any business that currently seeks to utilize MPMC Chapter 21.14 or any other zoning within the City.

G. The City Council finds that this Ordinance is authorized by the City's police powers. The City Council further finds that the length of the moratorium imposed by this Ordinance will not in any way deprive any person of rights granted by state or federal laws, because the moratorium is short in duration and essential to protect the public health, safety and welfare.

SECTION 3: *Environmental Assessment.* Adopting the draft Urgency Ordinance is exempt from further environmental review under the California Environmental Quality Act (California Public Resources Code §§ 21000, *et seq*., "CEQA") and CEQA Guidelines (14 California Code of Regulations §§ 15000, *et seq*.) because it establishes temporary rules and procedures for minor alterations in land use. The Urgency Ordinance, therefore, is categorically exempt from further CEQA review under CEQA Guidelines § 15305. Further, the adoption of the Urgency Ordinance is also exempt from review under CEQA pursuant to CEQA Guidelines § 15061(b)(3) because the Ordinance is for general policies and procedure-making. This Ordinance does not authorize any new development entitlements. Any proposed project that will utilize the changes set forth in this Ordinance is subject to environmental review as part of the entitlement review of the project. The Ordinance will not adversely impact the environment and is therefore exempt from the provisions of CEQA.

SECTION 4: *Interim regulations.* The following provisions are adopted as interim requirements for issuing permits pursuant to the MPMC for data center land uses within the City of Monterey Park, and any construction or operation in the City in conflict with these provisions is expressly prohibited:

A. Restricted Activities. For a period of 10 months and 15 days after adoption of this Ordinance, the City will not process any pending application for a data center land use within the City of Monterey Park or accept new applications for data center land uses.

B. "Data center" is defined at MPMC § 21.14.210 and within the Market Place Specific Plan as adopted by Ordinance No. 2231 on June 21, 2023.

C. Based upon a review of the City's entire administrative record

including, without limitation, from the City Council's previous meetings in October and November 2024, along with a cursory review of information within the public domain, there is a plethora of substantial evidence demonstrating a reasonable argument exists that any proposed data center in California "may have a significant effect on the environment" necessitating a fair-argument that any application for a data center requires preparation of an environmental impact report (EIR). Publicly available materials document that large data centers have high and continuous electricity demand, often supported by diesel or gas backup generation with associated air quality, greenhouse gas, and noise impacts; that they may place significant demands on local water supplies for cooling; and that they can drive related infrastructure and land use changes, all of which have been specifically identified as needing robust CEQA analysis. In light of CEQA's requirement that an EIR be prepared whenever there is substantial evidence, in view of the whole record, that a project may cause a significant environmental effect, and the well-established "low threshold" nature of the fair-argument test, this body of evidence supports a finding that any data center proposal in California presents at least a reasonable argument of potentially significant environmental impacts such that an EIR is required. Accordingly, the City Manager, or designee, is directed to require that any applicant with a pending data center application prepare an EIR in accordance with applicable law to fully inform decision-makers regarding potential significant impacts of such land uses.

D. The City Manager, or designee, must review any application for a data center land use entitlement to determine compliance with the provisions of this Ordinance. City employees, and City boards and commissions, are directed to refrain from accepting or processing any application for any land use entitlement including, without limitation, use permits, variances, building permits, licenses and certificates of occupancy, necessary for constructing, placing, or operating data centers within the City of Monterey Park, and to refrain from processing any land use entitlement for any pending applications already received. These prohibitions will remain effective for 10 months and 15 days following adoption of this Ordinance.

E. The City Manager and City Attorney are directed to draft regulations that are substantially similar to those previously considered on November 6, 2024 to govern data centers within Saturn Park. Noticing for a public hearing to consider adopting such proposed regulations should occur forthwith to ensure timely public input regarding such regulations and provide certainty to private

property owners contemplating data center developments within the City of Monterey Park regarding the City's expectations and regulation of such land uses.

SECTION 5: *Construction*. This Ordinance must be broadly construed to achieve the purposes stated in this Ordinance. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 6: *Enforceability*. Repeal of any provision of the MPMC does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 7: *Validity of Previous Code Sections*. If this entire Ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the MPMC or other city ordinance by this Ordinance will be rendered void and cause such previous MPMC provision or other the city ordinance to remain in full force and effect for all purposes.

SECTION 8: *Severability*. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the city council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 9: *Publication.* The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of Monterey Park's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 10: *Report*. Pursuant to Government Code § 65858, the City Manager, or designee, must prepare a report for City Council consideration describing the measures taken to address the conditions which led to adoption of this Ordinance. This report must be provided to the City Council so that it may be considered and issued not later than 10 days before this Ordinance expires.

SECTION 11: *Effective Date.* This Ordinance will become effective immediately upon adoption pursuant to Government Code §§ 36937 and 65858 for the immediate preservation of the public peace, health, safety, and welfare. Pursuant to those statutes this Ordinance is adopted by a four-fifths vote.

SECTION 12: *Expiration Date*. After adoption, this Ordinance will be repealed by

operation of law on January 21, 2027, unless a subsequent ordinance is adopted by the City Council that extends this date.

PASSED AND ADOPTED this 4th day of March, 2026.

_____
Elizabeth Yang, Mayor

ATTEST:

_____
Maychelle Yee, City Clerk

APPROVED AS TO FORM:

_____
Karl H. Berger, City Attorney

ATTACHMENT 3

Staff Report – January 21, 2026

City Council Staff Report

Date: January 21, 2026
Agenda Item Number: 5.A.

To: The Honorable Mayor and City Council

From: Council Member Vinh Ngo

Subject: Consideration and possible action to adopt an urgency ordinance implementing interim development regulations for data centers within Saturn Park upon a four-fifths vote

Recommendation:
It is recommended that the City Council consider:

1. Adopting an Urgency Ordinance upon 4/5 vote pursuant to Government Code § 65858 establishing a moratorium on new data centers within Saturn Park for 45 days; and
2. Taking such additional, related action that may be desirable.

CEQA (California Environmental Quality Act):
Adopting the draft Urgency Ordinance is exempt from further environmental review under the California Environmental Quality Act (California Public Resources Code §§ 21000, *et seq*., "CEQA") and CEQA Guidelines (14 California Code of Regulations §§ 15000, *et seq*.) because it establishes temporary rules and procedures for minor alterations in land use. The Urgency Ordinance, therefore, is categorically exempt from further CEQA review under CEQA Guidelines § 15305. Further, the adoption of the Urgency Ordinance is also exempt from review under CEQA pursuant to CEQA Guidelines § 15061(b)(3) because the Ordinance is for general policies and procedure-making. This Ordinance does not authorize any new development entitlements. Any proposed project that will utilize the changes set forth in this Ordinance is subject to environmental review as part of the entitlement review of the project. The Ordinance will not adversely impact the environment and is therefore exempt from the provisions of CEQA.

Executive Summary:
On November 6, 2024, the City Council adopted new zoning regulations for Saturn Park based upon recommendations from the Saturn Park Advisory Review Committee (SPARC). The draft ordinance proposed to the City Council at that time included regulations for design and studies governing data centers. Following City Council consideration of those draft regulations, however, the Council ultimately decided that requiring a development agreement for all data centers would ensure comprehensive City oversight of such projects.

Since then, it is apparent that the City Council may wish to reconsider regulations governing

data centers. While the City Council generally considered all issues identified by recent public communications in 2024, it is apparent that it is in the public interest to revisit those issues.

To give the City Manager and City Attorney additional time to craft refined regulations that the City Council may wish to reconsider, I request that the City Council adopt interim regulations and a moratorium on processing land use applications for any data center within Saturn Park. If adopted, the draft urgency ordinance included with this report would prohibit the City from processing any pending applications for a data center and prevent acceptance of any new applications. Additionally, it would require the City Manager, or designee, to prepare a draft environmental impact report (DEIR) for any pending application once the City Council considers and, hopefully, adopts new land use regulations for data centers. This initial moratorium would last at least 45 days but may be extended up to a total of two years.

Background:

2024 City Council Actions and SPARC Recommendations

On October 2, 2024, the City Council considered the SPARC recommendations and directed the City Manager and City Attorney to draft amendments to MPMC Chapter 21.14 to include regulations governing data centers. The Council specifically requested that regulations address concerns related to energy, water, air quality, noise, and building design.

Originally Proposed Regulations (November 6, 2024)

On November 6, 2024, draft ordinances included with the staff report proposed regulations integrating sustainability requirements and comprehensive design standards:

Sustainability Requirements

- Requirement for Leadership in Energy and Environmental Design (LEED®) certified building designs
- On-site electric vehicle charging stations
- Noise reduction for generators and mechanical equipment

Development Standards

- Data center definition
- Development standards for lots, yards, building height, floor area ratio, and off-street parking
- Required walls and landscaping
- Specific design standards for data centers addressing screening and aesthetics

Design Guidelines Resolution

The staff report also included a proposed resolution implementing design guidelines for data centers that would have governed:

- Architectural aesthetics to enhance the Saturn Park community
- Integration with surroundings
- Design standards specific to data center operations

The City Council continued the design guidelines resolution to a future meeting without adoption.

City Council Modifications and Adopted Approach
The most significant change made by the City Council during its deliberation was the addition of a mandatory development agreement requirement for all data centers. The MPMC now includes the following language in MPMC § 21.14.220:
Section 21.14.220 Data Centers -- Development Agreement Requirements:
"Data centers are permitted only with a development agreement in accordance with Chapter 21.44 of this code."
This requirement fundamentally alters the historical regulatory approach to data processing facilities. Rather than allowing such uses with a conditional use permit or a permitted principal use, data centers – as now defined in the MPMC – may only be developed pursuant to a development agreement approved by the City Council and adopted by ordinance (which is subject to referendum).

Implications of Mandatory Development Agreement Requirement
Approving a development agreement is a discretionary, legislative, decision that may be made by the City Council in its sole discretion. This means that data center projects cannot proceed solely under the "by-right" standards previously part of the MPMC's zoning regulations. Instead, each data center must negotiate a development agreement with the City, providing greater opportunity for:

- Community input and negotiation
- Project-specific conditions addressing environmental, traffic, and design concerns
- Public benefits requirements specific to each project
- Ongoing oversight and compliance mechanisms

Need for Further Refinement
Adopting a moratorium will provide the City Manager and City Attorney an opportunity to give the City Council an informed recommendation regarding new regulations governing data centers in Saturn Park. If adopted by a 4/5 vote of the City Council, the urgency ordinance would impose a temporary moratorium on processing pending applications for data center entitlements within Saturn Park and prohibit new applications from being accepted. The temporary moratorium would expire on March 7, 2026 unless extended before that time.

Strategic Plan Goal:
N/A

Fiscal Impact:
There are no identifiable fiscal impacts with adopting the draft urgency ordinance.

Attachments:
1. Draft Urgency Ordinance
2. November 6, 2024 Staff Report with attachments

ATTACHMENT 1
Draft Urgency Ordinance

ORDINANCE NO. _____

AN INTERIM ORDINANCE PROHIBITING PROCESSING OF PENDING, AND ACCEPTANCE OF NEW, DATA CENTER LAND USE APPLICATIONS WITHIN SATURN PARK TO CONSIDER ADOPTING ADDITIONAL REGULATIONS FOR SUCH LAND USES

The City Council for the City of Monterey Park does ordain as follows:

SECTION 1: This Ordinance is adopted pursuant to Government Code §§ 36937, 65858, and other applicable laws.

SECTION 2: *Findings.* The City Council finds, determines and declares as follows:

A. The City may adopt and enforce all laws and regulations not in conflict with the general laws and the City holds all rights and powers established by California law.

B. On November 6, 2024, the City Council adopted new regulations governing data centers in Saturn Park. As codified at Monterey Park Municipal Code ("MPMC") § 21.14.220, data centers may only be permitted within Saturn Park pursuant to the terms of a development agreement approved by the City Council.

C. While the provisions of the development agreement law (Government Code §§ 65864–65869.5) make it plain that any decision regarding data centers within Saturn Park are completely discretionary for the City Council, additional regulations governing data center provide certainty to the public and private property owners regarding the City's overall expectations for developing such land uses. Such regulations were first considered by the City Council on November 6, 2024 and should be reexamined to protect public health, safety, and welfare. The City requires additional time to study which regulations are in the public interest.

D. To prevent frustration of these studies and the implementation of new regulations, the public interest, health, safety, and welfare require enactment of this Ordinance. The absence of this Ordinance would impair the orderly and effective implementation of contemplated MPMC amendments, and any further authorization of data center land uses within Saturn Park during the period of the moratorium may conflict with or frustrate the contemplated updates and revisions of the MPMC.

E. Based on the foregoing, the City finds that that this Ordinance is necessary in order to protect the City from the potential effects and impacts of data center land uses and the accompanying impacts from energy use, noise, air quality, aesthetic impacts to the City, and other similar or related effects on property values and the quality of life in the City's neighborhoods.

F. The City Council further finds that this moratorium is a matter of local and City-wide importance and is not directed towards any business that currently seeks to utilize MPMC Chapter 21.14.

G. The City Council finds that this Ordinance is authorized by the City's police powers. The City Council further finds that the length of the moratorium imposed by this Ordinance will not in any way deprive any person of rights granted by state or federal laws, because the moratorium is short in duration and essential to protect the public health, safety and welfare.

SECTION 3: *Environmental Assessment.* Adopting the draft Urgency Ordinance is exempt from further environmental review under the California Environmental Quality Act (California Public Resources Code §§ 21000, *et seq*., "CEQA") and CEQA Guidelines (14 California Code of Regulations §§ 15000, *et seq*.) because it establishes temporary rules and procedures for minor alterations in land use. The Urgency Ordinance, therefore, is categorically exempt from further CEQA review under CEQA Guidelines § 15305. Further, the adoption of the Urgency Ordinance is also exempt from review under CEQA pursuant to CEQA Guidelines § 15061(b)(3) because the Ordinance is for general policies and procedure-making. This Ordinance does not authorize any new development entitlements. Any proposed project that will utilize the changes set forth in this Ordinance is subject to environmental review as part of the entitlement review of the project. The Ordinance will not adversely impact the environment and is therefore exempt from the provisions of CEQA.

SECTION 4: *Interim regulations.* The following provisions are adopted as interim requirements for issuing permits pursuant to the MPMC for data center land uses within Saturn Park, and any construction or operation in the City in conflict with these provisions is expressly prohibited:

A. Restricted Activities. For a period of 45 days after adoption of this Ordinance, the City will not process any pending application for a data center land use within Saturn Park or accept new applications for data center land uses.

B. "Data center" is defined at MPMC § 21.14.210.

C. Based upon a review of the City's entire administrative record including, without limitation, from the City Council's previous meetings in October and November 2024, along with a cursory review of information within the public domain, there is a plethora of substantial evidence demonstrating a reasonable argument exists that any proposed data center in California "may have a significant effect on the environment" necessitating a fair-argument that any application for a data center requires preparation of an environmental impact report (EIR). Publicly available materials document that large data centers have high and continuous electricity demand, often supported by diesel or gas backup generation with associated air quality, greenhouse gas, and noise impacts; that they may place significant demands on local water supplies for cooling; and that they can drive related infrastructure and land use changes, all of which have been specifically identified as needing robust CEQA analysis. In light of CEQA's requirement that an EIR be prepared whenever there is substantial evidence, in view of the whole record, that a project may cause a significant environmental effect, and the well-established "low threshold" nature of the fair-argument test, this body of evidence supports a finding that any data center proposal in California presents at least a reasonable argument of potentially significant environmental impacts such that an EIR is required. Accordingly, the City Manager, or designee, is directed to require that any applicant with a pending data center application prepare an EIR in accordance with applicable law to fully inform decision-makers regarding potential significant impacts of such land uses.

D. The City Manager, or designee, must review any application for a data center land use entitlement to determine compliance with the provisions of this Ordinance. City employees, and City boards and commissions, are directed to refrain from accepting or processing any application for any land use entitlement, including, without limitation, use permits, variances, building permits, licenses and certificates of occupancy, necessary for constructing, placing, or operating data centers within the Saturn Park area, and to refrain from processing any land use entitlement for any pending applications already received. These prohibitions will remain effective for 45 days following adoption of this Ordinance.

E. The City Manager and City Attorney are directed to draft regulations that are substantially similar to those previously considered on November 6, 2024 to govern data centers within Saturn Park. Noticing for a public hearing to consider adopting such proposed regulations should occur forthwith to ensure timely public input regarding such regulations and provide certainty to private

property owners contemplating data center developments within Saturn Park regarding the City's expectations and regulation of such land uses.

SECTION 5: *Construction*. This Ordinance must be broadly construed to achieve the purposes stated in this Ordinance. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 6: *Enforceability*. Repeal of any provision of the MPMC does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 7: *Validity of Previous Code Sections*. If this entire Ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the MPMC or other city ordinance by this Ordinance will be rendered void and cause such previous MPMC provision or other the city ordinance to remain in full force and effect for all purposes.

SECTION 8: *Severability*. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the city council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 9: *Publication.* The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of Monterey Park's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 10: *Report*. Pursuant to Government Code § 65858, the City Manager, or designee, must prepare a report for City Council consideration describing the measures taken to address the conditions which led to adoption of this Ordinance. This report must be provided to the City Council so that it may be considered and issued not later than 10 days before this Ordinance expires.

SECTION 11: *Effective Date.* This Ordinance will become effective immediately upon adoption pursuant to Government Code §§ 36937 and 65858 for the immediate preservation of the public peace, health, safety, and welfare. Pursuant to those statutes this Ordinance is adopted by a four-fifths vote.

SECTION 12: *Expiration Date*. After adoption, this Ordinance will be

repealed by operation of law on March 7, 2026, unless a subsequent ordinance is adopted by the City Council that extends this date.

PASSED AND ADOPTED this 21st day of January, 2026.

_____
Elizabeth Yang, Mayor

ATTEST:

_____
Maychelle Yee, City Clerk

APPROVED AS TO FORM:

_____
Karl H. Berger, City Attorney

ATTACHMENT 2

November 6, 2024 Staff Report with attachments

City Council Staff Report

DATE: November 6, 2024

AGENDA ITEM NO: Public Hearing - 4A

TO: The Honorable Mayor and City Council

FROM: Director of Community Development

SUBJECT: Consideration and possible action to adopt regulations governing data centers within Saturn Park in accordance with Section 3(A) of Ordinance No. 2198 (adopted by voters as Measure JJ on November 3, 2020).

RECOMMENDATION:
It is recommended that the City Council consider:

1. Opening the public hearing and taking testimonial and documentary evidence;
2. After closing the public hearing and considering the evidence submitted during that public hearing:
    a. Adopting an Urgency Ordinance (Attachment 1) upon 4/5 vote pursuant to Government Code § 65858 amending Monterey Park Municipal Code ("MPMC") Chapter 21.14 to add regulations governing data centers in accordance with Section 3(A) of Ordinance No. 2198 (adopted by voters as Measure JJ on November 3, 2020);
    b. Introducing and waiving first reading of Ordinance No. _____ (ZCA-24-02) (Attachment 2) amending Monterey Park Municipal Code ("MPMC") Chapter 21.14 to add regulations governing data centers in accordance with Section 3(A) of Ordinance No. 2198 (adopted by voters as Measure JJ on November 3, 2020); and
    c. Adopting Resolution No. _____ (Attachment 3) adopting design guidelines for data centers in accordance with MPMC Chapter 21.14; and
3. Taking such additional, related, action that may be desirable.

CEQA (California Environmental Quality Act):
Pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq.; "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, *et seq*.; the "CEQA Guidelines"), the City reviewed the environmental impacts of the proposed regulations. No additional environmental review is required for these regulations pursuant to CEQA Guidelines § 15060(c)(2), § 15378(b)(5) § 15301 § 15303 and § 15061(b)(3). These regulations are exempt from additional CEQA review because the regulations would amend existing zoning to govern data centers within Saturn Park in accordance with the voter enacted Land Use Element. This will not have a direct or reasonably foreseeable indirect physical change in the environment and does not qualify as a "project" under CEQA because it will not make physical changes to the environment. Additionally, the regulations are exempt from additional CEQA review under the

commonsense exemption that it will not affect the environment. Any future data center project applications will require separate environmental review as required by applicable law.

EXECUTIVE SUMMARY:

On October 2, 2024, the City Council considered the Saturn Park Advisory Review Committee's ("SPARC's") recommendation regarding potential future land uses as part of implementation of the Land Use and Urban Design Element ("LUE") to the General Plan. The City Council directed staff to draft amendments to MPMC Chapter 21.14 affecting properties within Saturn Park, including conducting research and developing regulations governing data centers to address concerns related to energy, water, air quality, noise and building design.

ZCA-24-02 proposes regulations for data centers within Saturn Park which implement the LUE. As a separate document, design guidelines for data centers are included for City Council consideration.

BACKGROUND:

TYPE OF ACTION: LEGISLATIVE

Decision-Making Body: Pursuant to MPMC § 2.56.020(c), the City Council is the City's Planning Agency for this matter. In considering the recommended actions, the City Council acts in its discretionary legislative capacity (formulating rules that apply to all future cases).

For the proposed Zoning Ordinance Text Amendment, the City Council must make the findings in MPMC § 21.38.050:

- That the proposed text amendment is consistent with the goals, policies, and objectives of the General Plan;
- That the proposed text amendment will not adversely affect surrounding properties; and
- That the proposed text amendment promotes public health, safety, and general welfare and serves the goals and purposes of the MPMC's zoning regulations.

These findings are included in the draft ordinances; the facts upon which these findings rely are also included with the draft documents.

EXISTING DATA CENTER REGULATIONS

The current regulations within MPMC Chapter 21.14 were enacted by the voters in 1998 and are generally identified as "Office Professional" or "O-P." To avoid confusion with other zoning regulations that were adopted by the City Council in 2013, the regulations affecting Saturn Park were designated as "O-P (Voter Enacted)."

The City is currently processing an application for a “data center” at 1977 Saturn. One of the City Council’s topics of discussion – which was also discussed by the SPARC – is the public interest in regulating data centers within Saturn Park. While the proposed use at 1977 Saturn was classified as a “data processing facility,” voters in 1998 could not have contemplated a “data center” use.

CURRENT AND PROPOSED DEFINITIONS

The MPMC does not current define a data center; data processing facilities are defined as

> “a building, dedicated space within a building, or group of buildings primarily used for the processing, storage, and management of electronic data on less than an acre of land. This type of facility typically involves activities such as data entry, storage, conversion, and analysis for onsite use.”

Should the proposed regulations be adopted, the MPMC would be amended to include the following definition of a “data center”:

> “a building, dedicated space within a building, or group of structures located on one or more acres of land used to house a large group of networked computer systems used for data storage and processing for off-site users, to be used for the remote storage, processing, or distribution of large amounts of data. Such facilities may also include air handlers, power generators, water cooling and storage facilities, utility substations, back-up batteries, fire suppression systems, enhanced security features, and other associated utility infrastructure to support operations. This definition does not apply to smaller data processing facilities that are located on less than one acre of land and where such facilities are accessory or incidental to another primary use.”

This definition more accurately describes the data centers utilized nationwide for cloud storage; data transmissions; and other internet related activities. It also reflects the resource intense nature of such land uses.

PROPOSED REGULATIONS

The proposed regulations would help mitigate the impact of data centers on both surrounding land uses and on environmental resources. These efforts are reflected in:

- Aesthetics – the proposed design guidelines would craft data center buildings that are more than a box with wires. Such structures should help enhance the Saturn Park community and its surroundings with attractive architectural.

- Leadership in Energy and Environmental Design (“LEED®”) certified building designs for sustainable construction – this will help alleviate the impact of data

centers on energy, water, and other resources. The intent is to encourage use of renewable resources and reduce electrical use.

- Public benefits – the regulations would require data centers to execute a development agreement with the City to ensure that the community benefits from the presence of these land uses. Because data centers do not "sell" anything, they are not generally a significant source of tax revenue (other than limited property taxes). A development agreement will help not only protect the investment of data center developers but also provide a vehicle by which benefits may flow to the City.

- Green technology – among other things, data center would be required to provide onsite electric vehicle charging stations. Additionally, such uses must ensure that noise emanating from generators, etc., are reduced to the extent practicable.

LEGAL NOTIFICATION:

The legal notice of this hearing was posted at City Hall, Monterey Park Bruggemeyer Library, and Langley Center and published in Monterey Park Press on October 24, 2024, with affidavits of posting on file.

2024-25 STRATEGIC PLAN GOAL:

The proposed code amendments meet the 2024-25 Strategic Plan Goal to "Strengthen our local economy and enhance housing opportunities" by providing a framework from which data centers will be allowed to be built in a sustainable way that will create benefits to the community.

FISCAL IMPACT:

There are no identifiable fiscal impacts associated with adopting the Ordinance itself (other than costs associated with codifying the Ordinance).

Respectfully submitted and prepared by:



Jessica Serrano
Director of Community Development

Approved by:

Inez Alvarez
City Manager

Reviewed by:

Karl H. Berger
City Attorney

ATTACHMENTS:

1. Urgency Ordinance No. ____ amending the Monterey Park Municipal Code
2. Regular Ordinance No. ____ amending the Monterey Park Municipal Code
3. Resolution No. ____ adopting design standards that apply to data center developments
4. Data Center Research:
    a. County of Fairfax, Virginia – *Data Centers Report and Recommendations*, dated January 9, 2024
    b. Article – *As Data Centers Zap Power, Some Pols Ponder The Unthinkable: Pulling The Plug*, dated October 9, 2024
    c. Article – Recommendations for Proposed Zoning Ordinance Amendment for Data Center Impacts in Fairfax County, dated May 20, 2024
5. Notice of Determination

ATTACHMENT 1

Urgency Ordinance No. ____ amending the Monterey Park Municipal Code

ORDINANCE NO.

AN URGENCY ORDINANCE AMENDING MONTEREY PARK MUNICIPAL CODE CHAPTER 21.14 (ZCA-24-02) TO AMEND REGULATIONS GOVERNING DATA PROCESSING FACILITIES IN ACCORDANCE WITH SECTION 3(A) OF ORDINANCE NO. 2198 (ADOPTED BY VOTERS AS MEASURE JJ ON NOVEMBER 3, 2020).

The City Council of the City of Monterey Park does ordain as follows:

SECTION 1: The City Council finds and declares that:

A. This Ordinance is adopted pursuant to the voters' directives in Ordinance No. 2198, as adopted November 3, 2020 via Measure JJ.

B. Based upon recommendations of the Saturn Park Advisory Review Commission ("SPARC"), the City Council will be considering expansion of uses within Saturn Park.

C. As a preliminary matter, however, the City Council finds that there is a current interest by developers to construct "data centers" within Saturn Park. A review of the Monterey Park Municipal Code ("MPMC") confirms that the "data center" land use is not considered as part of the current zoning regulations. While a "data processing facility" is listed as an allowed land use within Saturn Park, that term is not defined. Additionally, since this term was added to the MPMC in 1998, it was well before the concept internet commerce emerged as the "new economy"; the term did not encompass the scope of uses contemplated by contemporary data center developers.

D. It is plain that data centers – as they have developed in the 25 years since the Saturn Park regulations were first added to the MPMC – are energy hungry land uses that are generally aesthetically displeasing and provide few public benefits. Current data show that, overall, buildings consume 74% of all electricity in the United States.

E. Goal 2 of the City's Environmental Justice Element provides that "Community health and the reduction of exposure to environmental pollutants is a priority and part of all planning and policy practices." Additionally, Goal 3.1 provides that the City should "[m]aximize the use of the City's existing open space network and recreation facilities by enhancing those facilities and providing connections, particularly from disadvantaged neighborhoods."

F. These Goals and Policies reflect the City Council's overall intent to provide for a cleaner, greener, and more enjoyable community both for our current

residents and for future generations.

G. Requiring data centers to adhere with green building principles is a form of climate action that minimizes greenhouse gas emissions, relies on energy efficiency and renewable resources, conserves water, optimizes material use, provides healthy and biodiverse environments, and bolsters an equitable society.

H. Third party rating systems characterize the lifecycle considerations for green buildings. These programs can offer credibility, transparency, and consistency to project teams in pursuit of an elevated and well-defined performance standards for data centers.

I. It is in the public interest to update the MPMC as to data centers while also considering additional uses for Saturn Park as contemplated by Measure JJ, SPARC, and the City Council.

J. Without the enactment of this Ordinance, the voter's vision for revitalizing Saturn Park via Measure JJ would be thwarted: anticipated applications for land uses currently allowed by MPMC Chapter 21.14, if approved, would lock in certain types of land uses for the foreseeable future.

K. The City Council determines that the MPMC requires updating to protect the public against health, safety, and welfare dangers that may result from allowing applicants for data centers to rely upon outdated land use regulations.

L. The City Council finds that that this Ordinance is necessary in order to protect the City from the potential effects and impacts of outdated land uses and the accompanying impacts from traffic and commerce on City streets, impacts on parking availability in the business areas of the City, the aesthetic impacts to the City, and other similar or related effects on property values and the quality of life in the City's neighborhoods.

M. Based on the foregoing, and, in accordance with Government Code §§ 36934 and 36937(b) and the City's police powers, the City Council finds that that this Ordinance should be adopted on an urgency basis to preserve public peace, health, safety and welfare.

SECTION 2: Pursuant to MPMC § 21.38.050, the City Council finds as follows:

A. Land Use and Urban Design Element: This Ordinance complies with Policy 4.2 (Sustainable Practices); Policy 4.3 (Environmental Burden); Policy 4.4 (Freeway Buffer Greening); Policy 4.5 (New Development); Policy 4.6 (Active Transportation); Policy 11.1 (Privacy); Policy 12.1

(Compatibility); Policy 12.2 (Comprehensive Design); and Policies 25.1, 25.2, and 25.3 (specific as to Saturn Park).

B. Environmental Justice Element: This Ordinance complies with Policy No. 2.1 (limiting environmental pollution); Policy 2.2 (promote enhanced health outcomes and improved quality of life); and Policy 3.2 (work with local business community to expand green space programs).

C. These regulations will not adversely affect surrounding properties. Such regulations will operate citywide and will not affect a change in the use or the intensity of use of property in any zone.

SECTION 3: *Environmental Review.* The City Council finds and determines that this ordinance is not subject to further review under the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq*.; "CEQA") for the following reasons: (1) it will not result in a direct or reasonably foreseeable indirect physical change in the environment (14 Cal. Code Regs. § 15060(c)(2); (2) there is no possibility that the ordinance may have a significant effect on the environment (14 Cal. Code Regs. § 15061(b)(3); and (3) the ordinance, by itself, does not constitute a "project" as defined in the CEQA Guidelines (14 Cal. Code Regs. § 15378).

SECTION 4: *Renaming of Zone; Amendment of Zoning Map; Amendment of MPMC § 21.02.210*. All references to "O-P—OFFICE PROFESSIONAL ZONE (VOTER ENACTED)" within the MPMC are amended to read "S-P – SATURN PARK INNOVATION/TECHNOLOGY ZONE." All references to the "O-P zone" within MPMC Chapter 21.14 are amended to read "S-P zone." The reference to the "McCaslin Business Park (O-P Voter Enacted)" in the Zoning Map is amended to read "Saturn Park Innovation/Technology Zone." MPMC § 21.02.210(B) is amended to add the "Saturn Park Innovation/Technology Zone" to the table of Zone Designations.

SECTION 4: MPMC Chapter 21.14 is amended to read as follows:

"Chapter 21.14

S-P – SATURN PARK INNOVATION/TECHNOLOGY ZONE

21.14.010. **Purpose**.

In order to provide for the development of innovation and technology uses that exhibit a diversity of business activity from both revenue and service quality standpoints, and which are compatible and responsive to abutting land uses, including residential developments, the following regulations apply to all properties classified in the S-P zone.

21.14.020. **Definitions**.

Unless the contrary is stated or clearly appears from the context, the following definitions govern the construction of the words and phrases used in this chapter:

“Data center” means a building, dedicated space within a building, or group of structures located on one or more acres of land used to house a large group of networked computer systems used for data storage and processing for off-site users, to be used for the remote storage, processing, or distribution of large amounts of data. Such facilities may also include air handlers, power generators, water cooling and storage facilities, utility substations, back-up batteries, fire suppression systems, enhanced security features, and other associated utility infrastructure to support operations. This definition does not apply to smaller data processing facilities that are located on less than one acre of land and where such facilities are accessory or incidental to another primary use.

“Data processing facility” means a building, dedicated space within a building, or group of buildings primarily used for the processing, storage, and management of electronic data on less than an acre of land. This type of facility typically involves activities such as data entry, storage, conversion, and analysis for onsite use.

“Director” means the City Manager or designee. Unless otherwise designated by the City Manager, the Community Development Director is the Director.

“Green Building Rating System” means an assessment tool, created and managed by LLED, a reputable organization in good standing and recognized by the building industry as meeting the standard of care, that includes the following general characteristics, at a minimum:

A. Holistic approach to program requirements, with established and comprehensive sustainability metrics for measuring performance in a range of impact areas, such as energy; environmental justice; human and environmental health; integrative process; materials; site and surrounds; and water;

B. Independent third-party verification;

C. Mechanism for consistent evaluation and communication of achievement or levels of achievement;

D. Standardized processes for project data tracking and project team support; and

E. Commitment to continuous improvement with clearly delineated and transparent methods for program updates.

“Green Business Certification Inc.” or “GBCI” is the global certification body for the LEED green building program and other sustainability rating systems, as well as the administrator of related professional credentials. (www.gcbi.org)

“Leadership in Energy and Environmental Design” or “LEED®” is an internationally recognized and third-party verified green building rating system developed by the U.S. Green Building Council. (www.usgbc.org/leed)

21.14.030. **Permitted Uses**.

It is unlawful for any person to use, nor may any property owner permit the use of any lot classified in any S-P zone for any use, other than the following as set out in this chapter.

21.14.040. **Prohibited Uses**.

All uses not permitted in this chapter are prohibited.

21.14.050. **Principal Uses**.

The principal uses are permitted as follows:

Administrative and professional offices; beauty salon or barber shop; bookstore;

Cellular phone, telephone and pager store; coffee shop;

Computer store, sales and service; confectionary shop;

Data processing facility;

Delicatessen;

Employment agency;

Financial institutions’ corporate offices, no retail banking;

General research facility, not involving testing, manufacturing, fabrication or processing or sale of products, nor the use of a hazardous material that has a degree of hazard rating in health, flammability or reactivity of Class 4 as ranked by U.F.C. Standard 79-3 or succeeding standard;

Gift shop;

Ice cream parlor;

Import and export offices;

Investment service offices, stock brokers; Jewelry store, sales and service;

Legal offices;

Mailbox and service store;

Medical equipment and supplies, sales and service; notary public;

Photocopying and blueprinting; public utility customer service office;

Real estate offices and title companies; restaurant, tearoom and café;

Service businesses;

Stationery;

Studio, art, dance, martial arts, photography; tax consulting;

Tobacco store;

Travel agency;

Video sales and rentals.

21.14.060. **Conditional uses**.
Conditional uses are uses specifically enumerated in this chapter.

21.14.070. **Standards of Development Generally**.

All premises in the S-P zone must comply with the following standards of development as set out in this chapter and as may be adopted by city council resolution.

21.14.080. **Lots**.

A. Lot Area. The minimum lot building on the S-P zone area of each lot is 5,000 square feet.

B. Lot Width. The minimum width of each lot is 50 feet.

C. Lot Depth. The minimum depth of each lot is 100 feet.

21.14.090. **Yards**.

The following minimum yards are required on all lots:

A. Front Yard. No minimum front yard is required.

B. Side and Rear Yards. Every lot must have and maintain minimum side and rear yards as follows:

1. When the side yard is adjacent to a street, the yard must be at least 15 feet in depth.

2. When adjacent to an R-zone, the yard must be not less than 50 feet, plus five feet in depth for each story above one story of building or each 10 foot increment above 15 feet in height of

building on the S-P zoned lot. Where there is an opening, including, without limitation, windows, pedestrian doors and roll-up doors, in any facing a yard adjacent to an R-zone, the yard must be not less than 100 feet from any opening to minimum width of the R zoned lot. The yard may be used for parking, excepting a minimum 15 foot wide area abutting the R zone which must be landscaped and maintained in such a condition so as not to violate this code. The required landscaping must also conform to the standards set forth in Section 21.14.150.

3. When the S-P zoned lot is separated from an R zone by an alley, a rear yard setback of 40 feet must be provided, as measured from the centerline of the alley. A minimum three-foot wide landscaped planter must be installed and maintained along the alley, excepting at any vehicular access driveway.

4. When adjacent to a non-residential zone, commercially-zoned or M zoned lot, no yard is required.

21.14.100. **Building Height**.

No building or structure exceeding 40 feet or three stories may be located on any lot. Buildings or structures exceeding the height limits may be permitted upon approval of a conditional use permit.

21.14.110. **Floor Area Ratio (FAR)**.

The floor area ratio may not exceed 0.5 when the lot is less than 10,000 square feet in area. When the lot is between 10,000 and 20,000 square feet in area, the floor area ratio may not exceed 0.65. When the lot is more than 20,000 square feet in area, the floor area ratio may not exceed 0.8. The floor area ratio may be increased to a maximum of 1.0 for all lots, upon approval of a conditional use permit.

21.14.120. **Off-Street Parking and Loading**.

Each S-P zoned lot must have and maintain off-street parking and loading facilities as required by this title.

21.14.130. **Required Walls**.

Except as otherwise provided in this chapter the following standards apply:

A. Where any part of the front yard or street side yard of an S-P zoned lot is used for parking or loading, a masonry wall compatible in color with the commercial building and/or sight- obscuring hedge a minimum of three

feet in height must be erected and maintained within a landscaped area a minimum of three feet in width adjacent to the sidewalk at the front or side yard property line as required by this title.

B. When any S-P zoned lot has a common side or rear lot line with any R zoned property, a six-foot solid decorative masonry or concrete block wall compatible in color with the commercial building must be constructed and maintained along all such common side or rear lot lines. Where an easement exists, abutting the common property line, the decorative wall may be constructed along the boundary of the easement on the commercial lot. A minimum three-foot wide landscaped planter with automatic irrigation system must be placed adjacent to the wall, planted with trees, shrubs, ground cover and vines. Where a parking lot on the S-P zoned lot abuts a R zoned lot, the additional parking lot landscaping requirements of this chapter apply.

21.14.140. **Trash Facilities**.

Each S-P zoned lot must provide facilities for the storage and collection of trash as follows:

A. Any outdoor trash facility must be enclosed by a minimum five-foot high solid masonry, brick or concrete wall except for the access way which must be enclosed with solid decorative gates of the same height.

A. Location and size are subject to approval by the Director. When any S-P zoned lot has a common property line with a R zoned lot, no trash facility may be located within the required building setback.

B. Open vehicular and pedestrian access to and from such trash facility must be provided. No parking spaces may block such access to the trash facility.

C. Trash facilities must be maintained in a closed manner at all times to prohibit visibility from public rights-of-way or adjacent property.

21.14.150. **Buffering and Maintenance of Landscaping and Easements**.

A. For S-P zoned lots with side or rear yards that are adjacent to an R zoned lot, the following buffering provisions must be provided and maintained:

1. Landscaping, irrigation and maintenance plans are required and the plans are subject to approval of the planning agency. The plans must incorporate, without limitation, 15 gallon minimum trees at time of planting, interspersed shrubs, ground cover, raised earthen

berms and automatic sprinkler systems. The City may require the maintenance plan to include a bona fide service agreement with a City licensed landscaping service business. Maintaining an active service agreement on file with the Director is the responsibility of the owner of the subject property or authorized agent.

2. All landscaped areas and easements must be maintained in good condition, weed and disease free, and in compliance with this code.

21.14.160. **Compressors, Air-Conditioning Units or Similar Mechanical Equipment**.

Each S-P zoned lot which has compressors, air-conditioning units or similar mechanical equipment, located on the roof and outside of the exterior walls of any building or structure, must comply with the following:

A. All such equipment must be installed with permanent sound proofing measures, including, without limitation, enclosures, parapet and sound attenuating walls and screens. All such equipment must comply with noise standards set forth in this code. The location, type and scope of soundproofing measures for such equipment are subject to the approval of the Director.

B. All such equipment must be maintained in a clean and proper condition to prevent collection of litter and filth, emissions of dust or fumes, vibration or electrical disturbances.

21.14.170. **Lighting**.

All outdoor lighting must be located and shielded so as to prevent the direct spillage of light or glare onto adjacent lots and streets.

21.14.180. **Site Development Plan Approval**.

Site development plans must be approved by the Director in accordance with this code before the Building Official issues a building permit.

21.14.190. **Limitations on Permitted Uses**.

Every use permitted in the S-P zone must comply with the following:

A. All uses must be conducted totally within a completely enclosed building, except for those uses which are customarily conducted in the open. Those uses conducted in the open may not be closer than 100 feet to any R zoned lot, except for parking.

B. No outdoor storage is allowed unless the same is enclosed by a view-obscuring fence or wall, provided that no stored material is visible above the fence or wall, that the fence or wall is approved by the Director and that such storage is limited to the accessory storage of items sold or utilized in the conduct of a permitted use on the premises. Where the S-P zoned lot is adjacent to a R zoned lot, no outdoor storage is permitted within 100 feet of a R zoned lot.

C. No loading and unloading is permitted in any required side or rear yard.

D. Where the S-P zoned lot is adjacent to a R zoned lot, no deliveries of goods and commodities nor loading or unloading shall be conducted during the hours from 10:00 p.m. to 7:00 a.m.

E. Overnight parking of vehicles is prohibited, except those vehicles used in conjunction with a permitted use.

F. Driveways cannot exceed 30 feet in width or 60% of the lot frontage.

G. No use is permitted which produces or causes or emits any dust, gas, smoke, glare, noise, fumes, odors, electromagnetic emanations or vibrations which are or may be detrimental to the health, safety, welfare and peace of the City and its residents and businesses.

H. No use is permitted which uses or stores a hazardous material that has a degree of hazard rating in health, flammability or reactivity of Class 4 as ranked by U.F.C. Standard 79-3 or succeeding standard. A business materials usage and operations form must be filed with the Public Works Director before the Building Official issues a certificate of occupancy.

I. No person may, at any location within the S-P zone, create nor allow the creation of noise which causes the noise level to exceed the applicable noise standards set forth in this code. Where the S-P zoned lot is adjacent to an R zoned lot, the noise level at the property line of the R zoned lot may not exceed the allowable noise level for residential properties.

21.14.200. **Conditional Uses**.

Auditorium, not within 300 feet of an R zone

Buildings exceeding height limit

Business college (office or medical, dental)

Child care center, not within 300 feet of an R zone

Commercial office or service units which are shared by more than 1 independently owned business enterprise

Commercial developments of 5 or more units or with an area of more than 1 acre, and within 300 feet of a R-zone

Financial institution (retail banking)

Floor area ratio not to exceed 1.0

Government or public facility, except those owned or operated by the City of Monterey Park

Gymnasium, reducing salon and health center

Hotel

Lot size over 1 acre

Places of entertainment, except as otherwise provided in this title.

21.14.210. Data Centers – Development Agreement Required - Requirements

A. Data centers are permitted only with a development agreement in accordance with Chapter 21.44 of this code.

B. For new buildings, modifications to existing buildings, and/or additions to existing structures greater than 25,000 square feet in building area or located on sites greater than 30,000 square feet in land area, projects must comply with the following:

1. Primary and secondary facades. Buildings must have identifiable primary and secondary facades. Public-facing facades must have dimensions, use mixed materials, and provide identification for the facility through the placement and design of entrances, lighting, canopies, artwork, signage, and other special features. Screening and enclosures must be installed to disguise outside mechanical equipment and storage. Rooftop equipment, stairwells, and features must be designed as integral to the building and enhance the form of the site. Ventilation and air-handling equipment must be screened from view with materials designed to attenuate noise.

2. Pedestrian access. Sites must be designed and constructed in a pedestrian friendly manner. The design must be harmonious with the surrounding built and natural environments and identifiable with the site's location. Pedestrian walkways must be considered before designing vehicle driveways and parking areas for the safety and enjoyment of pedestrians.

3. Landscape. Landscaping must be harmonious with off-site and

streetscape landscaping. Where adjacent properties contain residential or other noise-sensitive uses, a minimum 15-foot-wide landscaped buffer must be placed along the property line in addition to any required boundary masonry block wall or fence.

4. Parking. Minimum parking requirement for data center uses is one parking space per 250 square feet of office/meeting/technician workspace, plus one parking space per each 5,000 square feet of floor area or fraction thereof, devoted to computer equipment space.

5. Noise Study. A noise study must be conducted by a third-party acoustic engineer to document baseline sound levels and include expected maximum noise output with all mechanical, electrical, and any other noise generating equipment operating simultaneously at full operational load.

C. In addition to any other public benefits provided in a development agreement, data center projects must provide the following public benefits:

1. Rating requirement. Applicants must submit documentation demonstrating achievement of LEED “Gold” certification by GBCI.

2. Indoor water use reduction. Applicants must submit documentation verifying that a project meets maximum prescriptive fixture flow rates in accordance with the California Plumbing Code. The project must also achieve the LEED WE Prerequisite Indoor Water Use Reduction (WEp2) and a minimum 30 percent reduction in the use of indoor potable water, as calculated to meet the LEED WE credit Indoor Water Use Reduction (WEc2).

3. Construction waste management. Applicants must submit documentation verifying the diversion of a minimum 75 percent of the project’s construction and demolition waste, as calculated to meet LEED MR Prerequisite Construction and Demolition Waste Management Planning and LEED MR Credit Construction and Demolition Waste Management.

4. Monitoring. Applicants must submit documentation verifying that a project will meet the criteria necessary to achieve California Building Code and Option 1 of LEED EA credit (Enhanced Commissioning), in addition to LEED EA Prerequisite (Fundamental Commissioning) and Verification.

5. Light pollution reduction. Meet LEED SS Credit Light Pollution

Reduction.

6. Prohibitions. CFCs and halons are not allowed in HVAC, refrigeration and fire suppression equipment. Meet LEED EA Credit Enhanced Refrigerant Management, and additionally document that all HVAC refrigeration, and fire suppression systems do not contain CFCs or halons.

7. Electric vehicle charging. In addition to meeting the requirements of the Title 15 of this code, applicant will provide an additional 10% electric vehicle charging stations.

8. Such additional design standards that may be adopted by city council resolution."

SECTION 5: *Electronic Signatures*. This Ordinance may be executed with electronic signatures in accordance with Government Code § 16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 6: *Construction*. This Ordinance must be broadly construed to achieve the purposes stated in this Ordinance. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 7: *Severability*. If any part of this Ordinance or its Application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 8: *Recordation*. The City Clerk, or designee, is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of Monterey Park's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within 15 days after the passage and adoption of this Ordinance, and cause it to be published or posted in accordance with California law.

SECTION 9: *Effective Date*. Based on the findings in Section 1, this urgency ordinance is adopted by a four-fifths vote for the immediate preservation of the public peace, health, safety and welfare and becomes effective immediately pursuant to Government Code § 36937(b).

PASSED AND ADOPTED this ____ day of _____, 2024.

_____
Thomas Wong, Mayor

ATTEST:

_____
Maychelle Yee, City Clerk

APPROVED AS TO FORM:



_____
Karl H. Berger, City Attorney

ATTACHMENT 2

Regular Ordinance No. ____ amending the Monterey Park Municipal Code

ORDINANCE NO.

AN ORDINANCE AMENDING MONTEREY PARK MUNICIPAL CODE CHAPTER 21.14 (ZCA-24-02) TO AMEND REGULATIONS GOVERNING DATA PROCESSING FACILITIES IN ACCORDANCE WITH SECTION 3(A) OF ORDINANCE NO. 2198 (ADOPTED BY VOTERS AS MEASURE JJ ON NOVEMBER 3, 2020).

The City Council of the City of Monterey Park does ordain as follows:

SECTION 1: The City Council finds and declares that:

A. This Ordinance is adopted pursuant to the voters' directives in Ordinance No. 2198, as adopted November 3, 2020 via Measure JJ.

B. Based upon recommendations of the Saturn Park Advisory Review Commission ("SPARC"), the City Council will be considering expansion of uses within Saturn Park.

C. As a preliminary matter, however, the City Council finds that there is a current interest by developers to construct "data centers" within Saturn Park. A review of the Monterey Park Municipal Code ("MPMC") confirms that the "data center" land use is not considered as part of the current zoning regulations. While a "data processing facility" is listed as an allowed land use within Saturn Park, that term is not defined. Additionally, since this term was added to the MPMC in 1998, it was well before the concept internet commerce emerged as the "new economy"; the term did not encompass the scope of uses contemplated by contemporary data center developers.

D. It is plain that data centers – as they have developed in the 25 years since the Saturn Park regulations were first added to the MPMC – are energy hungry land uses that are generally aesthetically displeasing and provide few public benefits. Current data show that, overall, buildings consume 74% of all electricity in the United States.

E. Goal 2 of the City's Environmental Justice Element provides that "Community health and the reduction of exposure to environmental pollutants is a priority and part of all planning and policy practices." Additionally, Goal 3.1 provides that the City should "[m]aximize the use of the City's existing open space network and recreation facilities by enhancing those facilities and providing connections, particularly from disadvantaged neighborhoods."

F. These Goals and Policies reflect the City Council's overall intent to provide for a cleaner, greener, and more enjoyable community both for our current

residents and for future generations.

G. Requiring data centers to adhere with green building principles is a form of climate action that minimizes greenhouse gas emissions, relies on energy efficiency and renewable resources, conserves water, optimizes material use, provides healthy and biodiverse environments, and bolsters an equitable society.

H. Third party rating systems characterize the lifecycle considerations for green buildings. These programs can offer credibility, transparency, and consistency to project teams in pursuit of an elevated and well-defined performance standards for data centers.

I. It is in the public interest to update the MPMC as to data centers while also considering additional uses for Saturn Park as contemplated by Measure JJ, SPARC, and the City Council.

SECTION 2: Pursuant to MPMC § 21.38.050, the City Council finds as follows:

A. Land Use and Urban Design Element: This Ordinance complies with Policy 4.2 (Sustainable Practices); Policy 4.3 (Environmental Burden); Policy 4.4 (Freeway Buffer Greening); Policy 4.5 (New Development); Policy 4.6 (Active Transportation); Policy 11.1 (Privacy); Policy 12.1 (Compatibility); Policy 12.2 (Comprehensive Design); and Policies 25.1, 25.2, and 25.3 (specific as to Saturn Park).

B. Environmental Justice Element: This Ordinance complies with Policy No. 2.1 (limiting environmental pollution); Policy 2.2 (promote enhanced health outcomes and improved quality of life); and Policy 3.2 (work with local business community to expand green space programs).

C. These regulations will not adversely affect surrounding properties. Such regulations will operate citywide and will not affect a change in the use or the intensity of use of property in any zone.

SECTION 3: *Environmental Review.* The City Council finds and determines that this ordinance is not subject to further review under the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq*.; "CEQA") for the following reasons: (1) it will not result in a direct or reasonably foreseeable indirect physical change in the environment (14 Cal. Code Regs. § 15060(c)(2); (2) there is no possibility that the ordinance may have a significant effect on the environment (14 Cal. Code Regs. § 15061(b)(3); and (3) the ordinance, by itself, does not constitute a "project" as defined in the CEQA Guidelines (14 Cal. Code Regs. § 15378).

SECTION 4: *Renaming of Zone; Amendment of Zoning Map; Amendment of MPMC §*

21.02.210. All references to "O-P—OFFICE PROFESSIONAL ZONE (VOTER ENACTED)" within the MPMC are amended to read "S-P – SATURN PARK INNOVATION/TECHNOLOGY ZONE." All references to the "O-P zone" within MPMC Chapter 21.14 are amended to read "S-P zone." The reference to the "McCaslin Business Park (O-P Voter Enacted)" in the Zoning Map is amended to read "Saturn Park Innovation/Technology Zone." MPMC § 21.02.210(B) is amended to add the "Saturn Park Innovation/Technology Zone" to the table of Zone Designations.

SECTION 4: MPMC Chapter 21.14 is amended to read as follows:

"Chapter 21.14

S-P – SATURN PARK INNOVATION/TECHNOLOGY ZONE

21.14.010. **Purpose**.

In order to provide for the development of innovation and technology uses that exhibit a diversity of business activity from both revenue and service quality standpoints, and which are compatible and responsive to abutting land uses, including residential developments, the following regulations apply to all properties classified in the S-P zone.

21.14.020. **Definitions**.

Unless the contrary is stated or clearly appears from the context, the following definitions govern the construction of the words and phrases used in this chapter:

"Data center" means a building, dedicated space within a building, or group of structures located on one or more acres of land used to house a large group of networked computer systems used for data storage and processing for off-site users, to be used for the remote storage, processing, or distribution of large amounts of data. Such facilities may also include air handlers, power generators, water cooling and storage facilities, utility substations, back-up batteries, fire suppression systems, enhanced security features, and other associated utility infrastructure to support operations. This definition does not apply to smaller data processing facilities that are located on less than one acre of land and where such facilities are accessory or incidental to another primary use.

"Data processing facility" means a building, dedicated space within a building, or group of buildings primarily used for the processing, storage, and management of electronic data on less than an acre of land. This type of facility typically involves activities such as data entry, storage, conversion, and analysis for onsite use.

"Director" means the City Manager or designee. Unless otherwise designated by the City Manager, the Community Development Director is the Director.

"Green Building Rating System" means an assessment tool, created and managed by LLED, a reputable organization in good standing and recognized by the building industry as meeting the standard of care, that includes the following general characteristics, at a minimum:

A. Holistic approach to program requirements, with established and comprehensive sustainability metrics for measuring performance in a range of impact areas, such as energy; environmental justice; human and environmental health; integrative process; materials; site and surrounds; and water;

B. Independent third-party verification;

C. Mechanism for consistent evaluation and communication of achievement or levels of achievement;

D. Standardized processes for project data tracking and project team support; and

E. Commitment to continuous improvement with clearly delineated and transparent methods for program updates.

"Green Business Certification Inc." or "GBCI" is the global certification body for the LEED green building program and other sustainability rating systems, as well as the administrator of related professional credentials. (www.gcbi.org)

"Leadership in Energy and Environmental Design" or "LEED®" is an internationally recognized and third-party verified green building rating system developed by the U.S. Green Building Council. (www.usgbc.org/leed)

21.14.030. **Permitted Uses**.

It is unlawful for any person to use, nor may any property owner permit the use of any lot classified in any S-P zone for any use, other than the following as set out in this chapter.

21.14.040. **Prohibited Uses**.

All uses not permitted in this chapter are prohibited.

21.14.050. **Principal Uses**.

The principal uses are permitted as follows:

Administrative and professional offices; beauty salon or barber shop; bookstore;

Cellular phone, telephone and pager store; coffee shop;

Computer store, sales and service; confectionary shop;

Data processing facility;

Delicatessen;

Employment agency;

Financial institutions' corporate offices, no retail banking;

General research facility, not involving testing, manufacturing, fabrication or processing or sale of products, nor the use of a hazardous material that has a degree of hazard rating in health, flammability or reactivity of Class 4 as ranked by U.F.C. Standard 79-3 or succeeding standard;

Gift shop;

Ice cream parlor;

Import and export offices;

Investment service offices, stock brokers; Jewelry store, sales and service;

Legal offices;

Mailbox and service store;

Medical equipment and supplies, sales and service; notary public;

Photocopying and blueprinting; public utility customer service office;

Real estate offices and title companies; restaurant, tearoom and café;

Service businesses;

Stationery;

Studio, art, dance, martial arts, photography; tax consulting;

Tobacco store;

Travel agency;

Video sales and rentals.

21.14.060. **Conditional uses**.
Conditional uses are uses specifically enumerated in this chapter.

21.14.070. **Standards of Development Generally**.

All premises in the S-P zone must comply with the following standards of development as set out in this chapter and as may be adopted by city council resolution.

21.14.080. **Lots**.

A. Lot Area. The minimum lot building on the S-P zone area of each lot is 5,000 square feet.

B. Lot Width. The minimum width of each lot is 50 feet.

C. Lot Depth. The minimum depth of each lot is 100 feet.

21.14.090. **Yards**.

The following minimum yards are required on all lots:

A. Front Yard. No minimum front yard is required.

B. Side and Rear Yards. Every lot must have and maintain minimum side and rear yards as follows:

1. When the side yard is adjacent to a street, the yard must be at least 15 feet in depth.

2. When adjacent to an R-zone, the yard must be not less than 50 feet, plus five feet in depth for each story above one story of building or each 10 foot increment above 15 feet in height of building on the S-P zoned lot. Where there is an opening, including, without limitation, windows, pedestrian doors and roll-up doors, in any facing a yard adjacent to an R-zone, the yard must be not less than 100 feet from any opening to minimum width of the R zoned lot. The yard may be used for parking, excepting a minimum 15 foot wide area abutting the R zone which must be landscaped and maintained in such a condition so as not to violate this code. The required landscaping must also conform to the standards set forth in Section 21.14.150.

3. When the S-P zoned lot is separated from an R zone by an alley, a rear yard setback of 40 feet must be provided, as measured from the centerline of the alley. A minimum three-foot wide landscaped planter must be installed and maintained along the alley, excepting at any vehicular access driveway.

4. When adjacent to a non-residential zone, commercially-zoned or M zoned lot, no yard is required.

21.14.100. **Building Height**.

No building or structure exceeding 40 feet or three stories may be located on any lot.

Buildings or structures exceeding the height limits may be permitted upon approval of a conditional use permit.

21.14.110. **Floor Area Ratio (FAR)**.

The floor area ratio may not exceed 0.5 when the lot is less than 10,000 square feet in area. When the lot is between 10,000 and 20,000 square feet in area, the floor area ratio may not exceed 0.65. When the lot is more than 20,000 square feet in area, the floor area ratio may not exceed 0.8. The floor area ratio may be increased to a maximum of 1.0 for all lots, upon approval of a conditional use permit.

21.14.120. **Off-Street Parking and Loading**.

Each S-P zoned lot must have and maintain off-street parking and loading facilities as required by this title.

21.14.130. **Required Walls**.

Except as otherwise provided in this chapter the following standards apply:

A. Where any part of the front yard or street side yard of an S-P zoned lot is used for parking or loading, a masonry wall compatible in color with the commercial building and/or sight- obscuring hedge a minimum of three feet in height must be erected and maintained within a landscaped area a minimum of three feet in width adjacent to the sidewalk at the front or side yard property line as required by this title.

B. When any S-P zoned lot has a common side or rear lot line with any R zoned property, a six-foot solid decorative masonry or concrete block wall compatible in color with the commercial building must be constructed and maintained along all such common side or rear lot lines. Where an easement exists, abutting the common property line, the decorative wall may be constructed along the boundary of the easement on the commercial lot. A minimum three-foot wide landscaped planter with automatic irrigation system must be placed adjacent to the wall, planted with trees, shrubs, ground cover and vines. Where a parking lot on the S-P zoned lot abuts a R zoned lot, the additional parking lot landscaping requirements of this chapter apply.

21.14.140. **Trash Facilities**.

Each S-P zoned lot must provide facilities for the storage and collection of trash as follows:

A. Any outdoor trash facility must be enclosed by a minimum five-foot high

solid masonry, brick or concrete wall except for the access way which must be enclosed with solid decorative gates of the same height.

A. Location and size are subject to approval by the Director. When any S-P zoned lot has a common property line with a R zoned lot, no trash facility may be located within the required building setback.

B. Open vehicular and pedestrian access to and from such trash facility must be provided. No parking spaces may block such access to the trash facility.

C. Trash facilities must be maintained in a closed manner at all times to prohibit visibility from public rights-of-way or adjacent property.

21.14.150. **Buffering and Maintenance of Landscaping and Easements**.

A. For S-P zoned lots with side or rear yards that are adjacent to an R zoned lot, the following buffering provisions must be provided and maintained:

1. Landscaping, irrigation and maintenance plans are required and the plans are subject to approval of the planning agency. The plans must incorporate, without limitation, 15 gallon minimum trees at time of planting, interspersed shrubs, ground cover, raised earthen berms and automatic sprinkler systems. The City may require the maintenance plan to include a bona fide service agreement with a City licensed landscaping service business. Maintaining an active service agreement on file with the Director is the responsibility of the owner of the subject property or authorized agent.

2. All landscaped areas and easements must be maintained in good condition, weed and disease free, and in compliance with this code.

21.14.160. **Compressors, Air-Conditioning Units or Similar Mechanical Equipment**.

Each S-P zoned lot which has compressors, air-conditioning units or similar mechanical equipment, located on the roof and outside of the exterior walls of any building or structure, must comply with the following:

A. All such equipment must be installed with permanent sound proofing measures, including, without limitation, enclosures, parapet and sound attenuating walls and screens. All such equipment must comply with noise standards set forth in this code. The location, type and scope of soundproofing measures for such equipment are subject to the approval of the Director.

B. All such equipment must be maintained in a clean and proper condition to prevent collection of litter and filth, emissions of dust or fumes, vibration or electrical disturbances.

21.14.170. **Lighting**.

All outdoor lighting must be located and shielded so as to prevent the direct spillage of light or glare onto adjacent lots and streets.

21.14.180. **Site Development Plan Approval**.

Site development plans must be approved by the Director in accordance with this code before the Building Official issues a building permit.

21.14.190. **Limitations on Permitted Uses**.

Every use permitted in the S-P zone must comply with the following:

A. All uses must be conducted totally within a completely enclosed building, except for those uses which are customarily conducted in the open. Those uses conducted in the open may not be closer than 100 feet to any R zoned lot, except for parking.

B. No outdoor storage is allowed unless the same is enclosed by a view-obscuring fence or wall, provided that no stored material is visible above the fence or wall, that the fence or wall is approved by the Director and that such storage is limited to the accessory storage of items sold or utilized in the conduct of a permitted use on the premises. Where the S-P zoned lot is adjacent to a R zoned lot, no outdoor storage is permitted within 100 feet of a R zoned lot.

C. No loading and unloading is permitted in any required side or rear yard.

D. Where the S-P zoned lot is adjacent to a R zoned lot, no deliveries of goods and commodities nor loading or unloading shall be conducted during the hours from 10:00 p.m. to 7:00 a.m.

E. Overnight parking of vehicles is prohibited, except those vehicles used in conjunction with a permitted use.

F. Driveways cannot exceed 30 feet in width or 60% of the lot frontage.

G. No use is permitted which produces or causes or emits any dust, gas, smoke, glare, noise, fumes, odors, electromagnetic emanations or

vibrations which are or may be detrimental to the health, safety, welfare and peace of the City and its residents and businesses.

H. No use is permitted which uses or stores a hazardous material that has a degree of hazard rating in health, flammability or reactivity of Class 4 as ranked by U.F.C. Standard 79-3 or succeeding standard. A business materials usage and operations form must be filed with the Public Works Director before the Building Official issues a certificate of occupancy.

I. No person may, at any location within the S-P zone, create nor allow the creation of noise which causes the noise level to exceed the applicable noise standards set forth in this code. Where the S-P zoned lot is adjacent to an R zoned lot, the noise level at the property line of the R zoned lot may not exceed the allowable noise level for residential properties.

21.14.200. **Conditional Uses**.

Auditorium, not within 300 feet of an R zone

Buildings exceeding height limit

Business college (office or medical, dental)

Child care center, not within 300 feet of an R zone

Commercial office or service units which are shared by more than 1 independently owned business enterprise

Commercial developments of 5 or more units or with an area of more than 1 acre, and within 300 feet of a R-zone

Financial institution (retail banking)

Floor area ratio not to exceed 1.0

Government or public facility, except those owned or operated by the City of Monterey Park

Gymnasium, reducing salon and health center

Hotel

Lot size over 1 acre

Places of entertainment, except as otherwise provided in this title.

21.14.210. Data Centers – Development Agreement Required - Requirements

A. Data centers are permitted only with a development agreement in accordance with Chapter 21.44 of this code.

B. For new buildings, modifications to existing buildings, and/or additions to existing structures greater than 25,000 square feet in building area or located on sites greater than 30,000 square feet in land area, projects must comply with the following:

1. Primary and secondary facades. Buildings must have identifiable primary and secondary facades. Public-facing facades must have dimensions, use mixed materials, and provide identification for the facility through the placement and design of entrances, lighting, canopies, artwork, signage, and other special features. Screening and enclosures must be installed to disguise outside mechanical equipment and storage. Rooftop equipment, stairwells, and features must be designed as integral to the building and enhance the form of the site. Ventilation and air-handling equipment must be screened from view with materials designed to attenuate noise.

2. Pedestrian access. Sites must be designed and constructed in a pedestrian friendly manner. The design must be harmonious with the surrounding built and natural environments and identifiable with the site's location. Pedestrian walkways must be considered before designing vehicle driveways and parking areas for the safety and enjoyment of pedestrians.

3. Landscape. Landscaping must be harmonious with off-site and streetscape landscaping. Where adjacent properties contain residential or other noise-sensitive uses, a minimum 15-foot-wide landscaped buffer must be placed along the property line in addition to any required boundary masonry block wall or fence.

4. Parking. Minimum parking requirement for data center uses is one parking space per 250 square feet of office/meeting/technician workspace, plus one parking space per each 5,000 square feet of floor area or fraction thereof, devoted to computer equipment space.

5. Noise Study. A noise study must be conducted by a third-party acoustic engineer to document baseline sound levels and include expected maximum noise output with all mechanical, electrical, and any other noise generating equipment operating simultaneously at full operational load.

C. In addition to any other public benefits provided in a development agreement, data center projects must provide the following public benefits:

1. Rating requirement. Applicants must submit documentation

demonstrating achievement of LEED “Gold” certification by GBCI.

2. Indoor water use reduction. Applicants must submit documentation verifying that a project meets maximum prescriptive fixture flow rates in accordance with the California Plumbing Code. The project must also achieve the LEED WE Prerequisite Indoor Water Use Reduction (WEp2) and a minimum 30 percent reduction in the use of indoor potable water, as calculated to meet the LEED WE credit Indoor Water Use Reduction (WEc2).

3. Construction waste management. Applicants must submit documentation verifying the diversion of a minimum 75 percent of the project’s construction and demolition waste, as calculated to meet LEED MR Prerequisite Construction and Demolition Waste Management Planning and LEED MR Credit Construction and Demolition Waste Management.

4. Monitoring. Applicants must submit documentation verifying that a project will meet the criteria necessary to achieve California Building Code and Option 1 of LEED EA credit (Enhanced Commissioning), in addition to LEED EA Prerequisite (Fundamental Commissioning) and Verification.

5. Light pollution reduction. Meet LEED SS Credit Light Pollution Reduction.

6. Prohibitions. CFCs and halons are not allowed in HVAC, refrigeration and fire suppression equipment. Meet LEED EA Credit Enhanced Refrigerant Management, and additionally document that all HVAC refrigeration, and fire suppression systems do not contain CFCs or halons.

7. Electric vehicle charging. In addition to meeting the requirements of the Title 15 of this code, applicant will provide an additional 10% electric vehicle charging stations.

8. Such additional design standards that may be adopted by city council resolution.”

SECTION 5: *Electronic Signatures*. This Ordinance may be executed with electronic signatures in accordance with Government Code § 16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 6: *Construction*. This Ordinance must be broadly construed to achieve the purposes stated in this Ordinance. It is the City Council’s intent that the provisions of

this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 7: *Severability*. If any part of this Ordinance or its Application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 8: *Recordation*. The City Clerk, or designee, is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of Monterey Park's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within 15 days after the passage and adoption of this Ordinance, and cause it to be published or posted in accordance with California law.

SECTION 9: *Effective Date*. This Ordinance will become effective 30 days after second reading and adoption.

PASSED AND ADOPTED this ____ day of _____, 2024.

_____
Thomas Wong, Mayor

ATTEST:

_____
Maychelle Yee, City Clerk

APPROVED AS TO FORM:

_____
Karl H. Berger, City Attorney

ATTACHMENT 3

Resolution No. ____ adopting design standards that apply to data center developments

RESOLUTION NO. _____

A RESOLUTION ADOPTING DEVELOPMENT STANDARDS FOR DATA CENTERS IN ACCORDANCE WITH MONTEREY PARK MUNICIPAL CODE CHAPTER 21.14.

THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1: *Authorizations*. This Resolution may be referred to as the "Data Center Development Standards." It is adopted in accordance with Monterey Park Municipal Code ("MPMC") § 21.14.210(C)(8). The City Manager is authorized to promulgate administrative policies and procedures ("AP&P") to implement this Resolution.

SECTION 2: *Standard Development Standards*. The standards set forth in attached Exhibit "A," and incorporated by reference, constitute the Data Center Development Standards that represent public benefits required of any person executing a development agreement with the City.

SECTION 3: *Contracting Authority*. The City Manager is authorized to solicit bids, award contracts, and execute on-call contracts to ensure uniform application of the Data Center Development Standards.

SECTION 4: If any part of this Resolution or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Resolution are severable.

SECTION 5: *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 6: The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of Monterey Park, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

SECTION 7: This Resolution will become effective immediately upon adoption.

PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MONTEREY PARK ON THIS __ DAY OF NOVEMBER 2024.

_____
Thomas Wong, Mayor

Attest:

_____
Maychelle Yee, City Clerk

APPROVED AS TO FORM:

_____
Karl H. Berger, City Attorney

RESOLUTION NO.___

EXHIBIT A

Design Guidelines
(Data Centers)

Data Centers must comply with the following to the Director's satisfaction:

1. Building Orientation: Prioritize public-facing elevations, screen less appealing elements, maximize daylighting.

2. Access: Provide pedestrian and bicycle access along primary frontages, limit vehicle access width to 20 feet.

3. Parking and Loading: Locate to the rear, separate from pedestrian/bicycle access.

4. Landscaping: Use native plants, create transitions between private/public spaces, buffer sensitive areas.

5. Lighting: Highlight features, prevent light spillage, use downward-directed lights with shields.

6. Security: Incorporate crime prevention and natural disaster protection measures.

7. Screening: Use architecturally compatible screening for mechanical/utility equipment.

8. Amenities: Include elements like outdoor seating, water features, vertical gardens, or artwork.

9. Signage: Keep unobtrusive but functional

10. Hierarchy: Identify primary, secondary, and ancillary structures.

11. Architecture: Balance proportions, avoid monolithic scale, promote human-scale elements.

12. Facades: Compose identifiable segments, design corner lots with two public-facing facades.

13. Roofs: Use identifiable, proportionate roof forms.

14. Materials: Incorporate at least 2-3 materials, select colors for depth and dimension.

15. Context: Ensure compatibility with surrounding neighborhood in scale and design.

16. Walls/Fences: Use compatible materials, break up long expanses, avoid chain link or barbed wire.

Sample Data Center Designs:

The following photographs provide examples of designs which integrate the intent of these Design Guidelines. These are merely sample designs and are not intended to be used as protypes.




Image: City of Avondale documents




44245




STACK

ATTACHMENT 4
Data Center Research

ATTACHMENT 4.a

County of Fairfax, Virginia – *Data Centers Report and Recommendations*, dated January 9, 2024

January 9, 2024

DATA CENTERS
Report and Recommendations

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INTRODUCTION

On May 9, 2023, the Board of Supervisors (Board) approved a Board Matter that recognized data centers as an evolving industry that merits further research and analysis.[1] The Board Matter directed staff to provide a report with research, findings, and recommendations on topics including environmental issues and mitigation; locational guidelines for siting facilities; how data centers should be permitted; and where any new guidelines should be located, including the Comprehensive Plan and the Zoning Ordinance.

Research has included a review of written materials, site visits, and meetings with stakeholders and the community. In addition, staff engaged Clarion Associates for background research; Clarion's report is provided as Attachment 3. Engagement with key stakeholders was critical for staff to understand the data center industry in Northern Virigina and to collect feedback from the

[1] Board's Board Matter: "Guidelines for Data Centers" https://www.fairfaxcounty.gov/planning-development/sites/planning-development/files/assets/documents/pdf/5-9-2023-board-matter.pdf

variety of interests. In addition to hosting a general community input session, over 20 meetings were held with various stakeholders, including representatives of the following:

- Dominion Energy
- Fairfax Water
- Virginia Department of Environmental Quality
- Fairfax County Environmental Quality Advisory Committee (EQAC)
- Fairfax County Tree Commission
- Nature Forward
- Sierra Club
- Faith Alliance for Climate Solutions
- Various data center consultants
- Noise consultant
- Amazon
- CoreSite
- Stack Infrastructure
- Data Center Coalition
- Fairfax County's Land Use Attorneys Work Group
- Northern Virginia Building Industry Association (NVBIA)
- Northern Virginia Commercial Real Estate Development Association (NAIOP)

A project webpage and email address for public comment were created. Presentations were also provided to the Board's Land Use Policy Committee on October 17, 2023, and the Planning Commission's Land Use Process Review Committee on October 26, 2023.[2]

This report is intended, in part, to address questions and feedback that have been shared by the community and industry. It is based on the work of an interagency staff team consisting of staff from the Planning, Zoning Administration, and Zoning Evaluation Divisions within the Department of Planning and Development, the Office of Environmental and Energy Coordination, the Northern Virginia Soil and Water Conservation District, the Operations and Building Divisions in Land Development Services, and the Stormwater Management and Wastewater Management Divisions in the Department of Public Works and Environmental Services.

RESEARCH TOPICS

Information is presented below according to seven topic areas: land use and site design; energy demand; water demand; water quality; air quality; noise; and building design. Each topic area includes a summary of current regulations and guidelines followed by a discussion of research and recommendations. These sections are followed by a summary of recommendations for the Board's consideration.

A data center is a facility that houses computer servers and their network connections. This report focuses on data centers as a principal land use, not those cases where an accessory server

[2] Project webpage with information about the community input session, and Board and Planning Commission committee meetings: https://www.fairfaxcounty.gov/planning-development/data-centers

room is located within another business facility or office. Data centers can be developed as stand-alone buildings or as part of a complex that may include other uses. The growth of digital data has expanded exponentially in recent years, resulting in a rapid increase in data center facilities that is anticipated to continue. This growth is needed to support the increased online population as well as business applications in all sectors, including finance, entertainment, healthcare, and education. Major factors contributing to data center growth in Northern Virginia include the long history of a robust fiber optic network in the area and reliable electric power.

Some of the benefits that data centers bring are job creation with good wages, few impacts to transportation systems or schools, and positive tax revenues. Individual businesses can benefit from the scale of cloud computing services where they share in the use of data center resources. Data centers are designed with optimal cooling and other systems to support computer servers and for 99.999% reliability. Data centers can provide better computer processing, storage, data security, and energy efficiency than if each individual business were to manage its own servers. However, data centers are industrial uses that may affect surrounding uses (through noise and visual impacts), or affect energy demand and associated greenhouse gas emissions, air quality, and water supplies.

1. Land Use and Site Design

Current Regulations and Guidelines

The Zoning Ordinance[3] currently[4] allows data centers in the zoning districts shown in Table 1 below.[5] These districts are currently located across the County, with industrial districts primarily in the western portion of the County along Route 50 and Route 28, in the Herndon and Reston areas along the Dulles Toll Road, in the Merrifield/Mosaic areas between I-66 and Route 50, near the intersection of I-495 and I-395, and along I-95 in the southern portion of the County. Zoning districts can be viewed by using the Zoning District Analyzer or JADE.[6] Additionally, the locations of existing, approved, and proposed data centers with surrounding zoning districts are identified in Attachment 1. As shown on these maps, existing data centers are located in the I-3, I-4, I-5, and PTC Districts, and pending data center applications are in the I-5 and PDC Districts.[7]

[3] Zoning Ordinance: https://online.encodeplus.com/regs/fairfaxcounty-va/index.aspx
[4] Before the new Zoning Ordinance (re-adoption effective May 10, 2023), starting in 2000, data centers were considered by interpretation to be telecommunication facilities which were allowed by right in all C and I districts, in all P districts when shown on an approved development plan, and with SE approval in all R districts. Par. 5 of Sect. 9-101 and Sect. 9-102.
[5] Abbreviations used in the table: SF – square feet; GFA – gross floor area; FAR – floor area ratio.
[6] Zoning District Analyzer: https://fairfaxcountygis.maps.arcgis.com/apps/webappviewer/index.html?id=e64b68aa834d46b0ad0e6cd4d831f843 or JADE: https://www.fairfaxcounty.gov/GeoApps/Jade/Index.html?configBase=https://www.fairfaxcounty.gov/GeoApps/Geocortex/Essentials/REST/sites/Jade/viewers/Jade/virtualdirectory/Resources/Config/Default
[7] Pending (in-progress) data centers include those with site plan and building permit approval for at least one building.

Zoning District	By Right	Special Exception (SE)
C-3 (Office) C-4 (High Intensity Office)	Up to 40,000 SF of GFA; 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; 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)[8]	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 Permissions

Setbacks vary according to the zoning district. In the I-4, I-5, and I-6 Districts, the front setback must equal the building height (but be at least 40 feet) and there are no minimum side and rear setbacks. In addition to building setbacks, the Zoning Ordinance requires transitional screening and barriers on the lot of a more intense use when it is located next to a less intense use, as prescribed in Table 5108.2.[9] Transitional screening yards are required to be 25, 35, or 50 feet wide and planted with trees and shrubs in accordance with Zoning Ordinance standards. Currently, a data center is required to provide a 35-foot transitional screening yard when located next to single-family detached or attached dwellings, or a 25-foot transitional screening yard when located next to certain other uses, such as multifamily dwellings, religious assemblies, and child care centers. Under the proposed Zoning Ordinance amendment for Landscaping and Screening, the transitional screening requirements would be the same for most industrial uses, including data centers, and would require 50 feet of screening (the maximum) next to all residential uses and 25 feet next to most public, institutional, and community uses and commercial uses.[10]

[8] FAR is also subject to the provisions of the Route 28 Highway Transportation Improvement District, and the Dulles Phase I and Phase II Transportation Improvement Districts.
[9] Transitional screening and barriers: https://online.encodeplus.com/regs/fairfaxcounty-va/doc-viewer.aspx#secid-3017
[10] Webpage for the proposed Landscaping and Screening Zoning Ordinance amendment: https://www.fairfaxcounty.gov/planning-development/zoning-ordinance/landscaping-screening

Appendix 12 of the Land Use Element of the Comprehensive Plan's Policy Plan includes guidelines for certain uses, including data centers, that propose higher intensities than what is shown on the Comprehensive Land Use Plan Map.[11] The guidance in this Appendix applies during the review of a rezoning or SE and provides an option for higher-intensity development in designated industrial areas, while ensuring proposals are compatible with surrounding uses and can be supported by existing infrastructure. The criteria used to review such proposals are organized into five topic areas: transportation, mitigation of noise and other impacts, building design, lot size and parcel consolidation, and site design. The use of this option for additional intensity is not meant to supersede any site-specific Plan guidance for intensity and applies only to areas with a baseline Plan recommendation for industrial use.

Research and Recommendations

As outlined above, data centers are currently allowed by right in certain zoning districts. However, as further discussed under the topic areas below, data centers have the potential for impacts to surrounding uses, environmental resources, and infrastructure, and the SE process may provide for a more site- and application-specific review of impacts and mitigations. As indicated in subsection 4102.1.F(1) of the Zoning Ordinance, the SE process is appropriate for certain uses which by their nature or design can have an undue impact upon or be incompatible with other uses of land. Requiring SE approval for data centers in the C-3, C-4, and I-2 through I-6 Districts would allow the Board to consider land use impacts and mitigations through a public process. In the Planned Districts—where the use is allowed if represented on the approved development plan—the current standards could remain because the current process provides for an in-depth, site-specific review. However, the Board could consider clarifying the requirement for a data center to be specifically shown on the development plan, including its location, size, height, and setbacks.

While data centers could continue to be allowed by right with additional standards or conditions, some of the recommendations included in this report—such as reviewing building design and noise studies and encouraging increased open space, tree planting, and stormwater treatment—may be more appropriately and effectively implemented through an SE review in accordance with SE standards in the Zoning Ordinance and guidelines in the Comprehensive Plan. Applications for rezoning are reviewed for conformance with the applicable guidelines in the Comprehensive Plan, and SEs must be found to be in harmony with the Plan. The SE review process also allows for consideration of flexibility through Board modification of standards where appropriate.

A new appendix to the Land Use Element of the Policy Plan could be created with updated performance criteria that would apply in the review of all data centers undergoing a rezoning or SE review, not just those seeking additional intensity. As shown on the maps in

[11] Land Use Appendix 12: https://www.fairfaxcounty.gov/planning-development/sites/planning-development/files/assets/compplan/policy/landuse.pdf#page=39

Attachment 1, some industrial districts are close to residential districts. Revised guidelines in a new Policy Plan appendix and SE standards in the Zoning Ordinance could bolster existing guidelines and regulations. These could address land use compatibility with existing and planned uses for the property and surrounding properties, including the size of the proposed data center, and the distance of the proposed building and generators from surrounding development. Setbacks and buffering can serve to minimize visual, noise and other impacts; therefore, guidelines could encourage enhanced buffering for data centers near residential development, other noise-sensitive uses, and environmentally sensitive areas.

As industrial uses, data centers are currently allowed in industrial zoning districts, and Appendix 12 of the Policy Plan provides guidelines for additional intensity in areas that are planned for industrial use; however, additional investigation may be warranted for consideration of data centers in areas that are planned in the Comprehensive Plan for future residential or mixed use. Although this report is focused on the potential impacts of larger data centers, smaller data centers with upgraded equipment and design features may be appropriate in areas not planned for industrial use if they meet certain performance criteria.

Additionally, as discussed below, due to the energy demands of data centers, they are typically located near a substation that is connected to major transmission lines. To reduce the need for new transmission lines and substations, a new Plan appendix could include consideration of the distance from and availability of a substation and transmission lines to serve a proposed data center.

2. Energy Demand

Current Regulations and Guidelines

The Zoning Ordinance does not include regulations for energy use and efficiency. As noted above, data centers are typically located close to an electrical substation, which is considered a light utility facility under the Zoning Ordinance and is allowed by right in the I-3 through I-6 Districts; with SE approval in all other conventional zoning districts; and in planned districts if shown on the development plan or with SE approval. When a substation is located in a residential area, the Zoning Ordinance requires a finding that there is no alternative site in a commercial or industrial district. Substations are also subject to the 2232 review process for public facilities.[12] Data centers also need to be located close to electrical transmission lines which, if over 138kv and approved by the Virginia State Corporation Commission (SCC), are not subject to the Zoning Ordinance.[13]

[12] The public facility 2232 process is summarized at: https://www.fairfaxcounty.gov/planning-development/public-facilities-review/process

[13] If the voltage exceeds 138kv, SCC approval satisfies the requirements of local zoning and Virginia Code Sect. 15.2-2232 for the transmission line. Virginia Code Sect. 56-46.1(F). The locality retains jurisdiction to enforce local zoning over "associated facilities." For any transmission line of 138kv and associated facilities, a public utility must either obtain a certificate of public necessity from the SCC or obtain approval under 15.2-2232 and the local zoning ordinance where the transmission line will be located. Virginia Code Sect. 56-265.2(A)(2).

Starting on January 18, 2024, the newly approved 2021 Virginia Energy Conservation Code (VECC)[14] will require data centers to comply with "ASHRAE 90.4 - Energy Standard for Data Centers," which will include several changes to the design and construction of these facilities. Prior to the 2021 VECC, there were no specific enforceable requirements for energy conservation related to data centers. With the adoption of the 2021 VECC, a new data center will be treated like any other commercial building for the purpose of energy conservation. ASHRAE 90.4 is a performance-based standard and will encourage a more efficient design, presumably leading to less energy usage.

The Environment Element of the Comprehensive Plan encourages the design and construction of new buildings and associated landscapes to use energy and water resources efficiently and to minimize short- and long-term negative impacts on the environment and building occupants. The Comprehensive Plan also recommends that development within designated Industrial Areas incorporate green building practices sufficient to attain certification through LEED-NC, -CS or equivalent. Additional recommendations exist within the Comprehensive Plan guidance for certain Suburban Centers, Transit Station Areas (TSAs), and other development centers. The Environment Element does not contain existing guidance for the evaluation or consideration of energy demand.

Research and Recommendations

Data center operations rely on large amounts of electricity from the electrical grid. Although there is not a consistent correlation between square footage and energy demand (expressed in megawatts, MW), a data center of about 400,000 square feet would likely have a capacity of 48 to 60 MW. Also, with the advent of more powerful computer chips, future data centers may need even more energy. For comparison, the energy demand for 250 homes is approximately 1 MW, the Fairfax County Government Center uses about 2 MW, a typical hospital uses 3 to 4 MW, and the Noman Cole wastewater treatment facility uses 5 to 6 MW. As discussed below, the large energy demand of data centers poses several concerns: a) the availability and reliability of energy for existing and planned development; b) the potential need for clearing and construction of new major transmission lines and substations and related costs relayed to rate-payers; c) potential water quality and air quality impacts of large numbers of diesel backup generators (see Water Quality and Air Quality sections below); and d) increases in greenhouse gas (GHG) emissions.

Availability and reliability: Most of Fairfax is served by Dominion Energy, and a portion of the western part of the County is served by the Northern Virginia Electric Cooperative (NOVEC). Both Dominion and NOVEC purchase power from the Pennsylvania-New Jersey-Maryland Interconnection (PJM), the regional transmission organization. Concerns have

[14] Land Development Services Technical Bulletin, No: 23-07: https://www.fairfaxcounty.gov/landdevelopment/sites/landdevelopment/files/assets/documents/23-07-adoption-2021-virginia-uniform-statewide-building-code-usbc.pdf?utm_medium=email&utm_source=govdelivery

been raised by the public that the uniquely large energy demands of data centers could present a challenge in planning for reliable power to all customers. However, in meetings with staff, Dominion has indicated that data center growth does not pose a risk in terms of reliability to residential and other customers. Dominion has also stated that PJM has sufficient power available, and the risks of inadequate transmission capacity would be borne by the data center customer. While the planning for power infrastructure falls to PJM and the utility companies, with regulation by the SCC, land use approvals for data centers are the purview of the County. Therefore, staff recommends that the County pursue discussions with Dominion and NOVEC on enhancing coordination on data center applications through the review of energy capacity analyses. Communication about proposed data centers could facilitate planning for utility service and inform County land use decisions. Energy capacity analyses would allow an assessment of regional power supplies into the future and a common understanding of the power demands of data centers. The growth in data centers and their associated electricity load could be compared against the ability of the existing infrastructure to satisfy those forecast load demands to identify needed transmission infrastructure upgrades, and potential reliability issues, including the timeframe and duration of any electricity delivery shortages. The analyses could also state whether electricity constraints may impact other electricity customers.

Transmission lines and substations: Because of their energy demands, data centers need to be located near a substation that is near a major transmission line. If sufficient substation and transmission line infrastructure does not exist, the utility company will have to plan for and construct the necessary infrastructure to serve its customers. Construction of substations and transmission lines usually involves land clearing. Once constructed, the utilities can have visual and noise impacts and, depending on their location, impacts on natural resources and environmentally sensitive areas. Although utility infrastructure is usually separate from a data center project, and the infrastructure is part of the larger grid that supports other customers, the need for certain infrastructure can be directly attributed to data center development. Therefore, when a proposed data center is proposed, related needs for utility infrastructure and its impacts should be evaluated as part of the new coordination process suggested above. Dominion has indicated that the costs of infrastructure projects are absorbed across the system's customers, with some of the costs covered by PJM as well. Because of the need for proximity, some data center developers seek land near existing transmission lines or include enough land area to support a substation. A substation typically has a 300 MW capacity, so a data center campus may need to provide a new substation. Data center developers may coordinate with the utility company in various ways to facilitate the development of a new substation, if needed, including selling or donating land. As noted above, a new Plan appendix could include consideration of the distance from and availability of a substation and transmission lines to serve a proposed data center.

Greenhouse gas emissions: Increased electricity demand also increases GHG emissions, which may make it harder to meet the state and County GHG emission reduction goals:

- The Virginia Clean Economy Act (VCEA) establishes mandatory renewable portfolio standards for Dominion Energy to deliver electricity from 100% renewable sources by 2045 and Appalachian Power by 2050.
- Fairfax County's Community-wide Energy and Climate Action Plan (CECAP) sets a goal for the entire community to be carbon neutral by 2050. Based on the 2020 GHG inventory, 48% of emissions come from the use of energy in buildings (25% commercial plus 23% residential).

Approximately 25% of GHG emissions in Fairfax County comes from commercial buildings. Fairfax County community-wide GHG emissions have decreased by 30% between 2005 and 2020, despite a 12% growth in population.[15] This decline in GHG emissions reflects a strong and consistent effort across multiple sectors, especially increased energy efficiency and conservation in residential and commercial buildings, cleaner vehicles travelling fewer miles, and a greener electric grid. Strategies to reduce energy use and related GHG emissions include improving energy efficiency and transitioning to clean, renewable energy.

Energy Efficiency: A review of best practices indicates that data centers can improve energy efficiency with current technology. Data centers typically measure their power utilization efficiency (PUE), which is the total facility power including cooling systems divided by IT equipment power. The PUE is a performance metric, with a PUE of 1.1 to 1.3 or less representing an efficient facility. To promote energy efficiency, a PUE standard or another performance metric could be included in the new appendix in the Policy Plan for data centers undergoing rezoning or SE review. The ability for staff to review this standard would need to be considered. Additionally, given the substantial energy demands of data centers, proposed data centers could be encouraged to achieve LEED-Data Center Silver certification or greater. Under Section C405.12 of the 2021 Virginia Energy Conservation Code, data centers will be required to monitor their energy consumption. The County could pursue partnerships with data center operators for the voluntary sharing of that information with the County, which could assist in measuring the achievement of CECAP goals.

Renewables: Regarding the use of clean, renewable energy sources, data centers rely on the power grid and are not able, at this time, to generate sufficient power onsite through solar or other renewable sources. As previously noted, a data center of about 400,000 square feet would likely have a capacity of 48 to 60 MW. With current solar panel technology, approximately 5 acres of solar panels would be needed to produce 1 MW of power. Therefore, a 48 MW data center would need at least 260 acres of solar panels to be self-sufficient. Nevertheless, data centers should be encouraged to install onsite solar and invest in offsite renewable energy. Some data center operators have sustainability goals. For example, Meta states that they have maintained net zero GHG in global operations since

[15] Community-Wide Greenhouse Gas Emissions Inventory Summaries, MWCOG: https://www.mwcog.org/documents/2022/12/27/community-wide-greenhouse-gas-emissions-inventory-summaries-featured-publications-greenhouse-gas/

2020, primarily by purchasing 100% renewable energy. Meta has an additional goal to reach net zero emissions across its value chain by 2030.[16] Amazon states that it is the world's largest corporate purchaser of renewable energy and is on target to power its operations with 100% renewable energy by 2025 and to reach net-zero carbon emissions by 2040.[17]

3. Water Demand

Current Regulations and Guidelines

The Zoning Ordinance does not regulate water demand. The Environment Element of the Comprehensive Plan Policy Plan provides limited recommendations on water demand topics through the discussion of water conservation for buildings sufficient to attain certification through LEED-NC, -CS, or equivalent. A majority of water-related recommendations in the Comprehensive Plan Policy Plan are related to exterior stormwater management mitigation and best practices.

Research and Recommendations

The amount of water used by a data center depends on the type of cooling system used. There are reports of data centers in other jurisdictions that use large amounts of water. However, since water demand is highly variable according to the technology used onsite and the climate of the area, the analysis in this report relies primarily on water use data and recommendations provided by Fairfax Water, which are included in Attachment 2.

Fairfax Water reviewed water use by data centers located on Sunrise Valley Drive and found that they use an average of approximately 38,000 gallons per day (gpd) which equals about 90 to 100 gallons/1,000 square feet. This is higher than the planning values Fairfax Water uses for office uses (60 gallons/1,000 square feet), but lower than retail (140 gallons/1,000 square feet) or hotel (180 gallons/1,000 square feet). Fairfax Water also compared water usage information from the Prince William County Service Authority and Loudoun Water and found comparable average water usage by data centers. Fairfax Water has concluded that with its periodic planning process, it is well prepared to address overall water supply needs.

Typically, it has been reported that air cooling systems use more energy but less water, while evaporative cooling systems use more water and less energy. However, not all data centers with evaporative cooling systems use large amounts of water. Techniques that data centers may use to reduce water consumption include, but are not limited to, rainwater harvesting and closed-loop cooling systems. The direct evaporative cooling systems being employed by newer data centers do not require chillers or cooling towers and the water usage is reported as approximately ten percent of older evaporative cooling systems. For example, Amazon has indicated that its typical data centers (250,000 square feet) use an average of approximately three million gallons of water per year, which equals only 8,220 gpd. [While recent articles

[16] Meta sustainability: https://sustainability.fb.com/2023-sustainability-report/
[17] Amazon: https://sustainability.aboutamazon.com/products-services/the-cloud?energyType=true

regarding a proposed Amazon data center campus in central Virginia reported a projected use of approximately 21 million gallons per building per year based on 640,000 gpd, Amazon has indicated this report is a miscalculation because the 640,000 gpd is the peak day demand, with an estimated average number of ten peak days per year.] According to industry sources, a data center with direct evaporative cooling systems in Virginia only needs to use water during the hot summer months.

Some data center companies have goals to reduce their water demand. For example, both Meta and Amazon have a water positive goal to return more water to communities than they use in data center operations by 2030.[18] One approach to reducing water usage is to use recycled or reclaimed water systems for non-potable water uses, such as industrial cooling. Loudoun Water operates such a system serving over 50 data centers. Fairfax has a reclaimed water system available in the Lorton area, but to date, no data centers are using that system.[19]

Based on this information, staff has not identified any potential Comprehensive Plan or Zoning Ordinance amendments related to water demand at this time. As Fairfax Water noted, it is possible that the declining per capita and per employee water use trends could change; therefore, staff recommends that monitoring of data centers and coordination with Fairfax Water continue, and the issue of water demand be revisited on a regular basis.

4. Water Quality

Current Regulations and Guidelines

Stormwater runoff: The County's Stormwater Management Ordinance (Chapter 124 of the County Code[20]) is designed to mitigate stormwater runoff impacts from all impervious cover regardless of land use type. Runoff from a data center building is no different than runoff from any other building. Additionally, development that requires a site plan and occurs within the Water Supply Protection Overlay District[21] must provide water quality control measures designed to reduce the projected phosphorus runoff pollution by one-half for the proposed use. Stormwater impacts can also be mitigated by other measures, such as preservation of open space, floodplain protection, and landscaping and screening as required

[18] Meta: https://datacenters.atmeta.com/wp-content/uploads/2023/10/Water-Stewardship.pdf; Amazon: https://www.aboutamazon.com/news/aws/aws-water-positive-by-2030
[19] Fairfax reclaimed water system: https://www.fairfaxcounty.gov/publicworks/wastewater/water-reuse
[20] Chapter 124: https://library.municode.com/va/fairfax_county/codes/code_of_ordinances?nodeId=THCOCOFAVI1976_CH124STMAOR
[21] WSPOD: https://online.encodeplus.com/regs/fairfaxcounty-va/doc-viewer.aspx?tocid=001.004.004.005#secid-2542

under the Zoning Ordinance, as well as tree preservation as required under the Tree Conservation Ordinance (Chapter 122 of the County Code[22]).

Additionally, to ensure that stormwater is appropriately managed (water quality and water quantity), the Comprehensive Plan promotes site design and low-impact development (LID) techniques that reduce stormwater runoff volumes and peak flows; increase groundwater recharge; and increase the preservation of undisturbed areas. Developments are expected to optimize stormwater management and water quality controls through the use of innovative infiltration techniques, nonstructural BMPs and bioengineering practices, and infiltration landscaping. The Environment Element of the Comprehensive Plan Policy Plan also identifies Environmental Quality Corridors (EQCs) as an integrated network of ecologically valuable land and surface waters that should be protected and enhanced for the present and future residents of Fairfax County. The policy categorizes characteristics of EQCs including habitat quality, connectivity, pollution reduction capabilities, hydrology, stream buffering, and stream protection; the policy recognizes that EQCs are delineated through the entitlement process based on policy criteria. The Plan also recommends protecting and restoring the ecological integrity of streams and protecting the Chesapeake Bay from the avoidable impacts of land use activities.[23]

Diesel tanks for backup generators (spills): Federal, state, and County regulations address the fuel storage tanks for backup generators:

- Virginia Department of Environmental Quality (DEQ) requirements – Aboveground Storage Tanks | Virginia DEQ[24]
- Fairfax County Fuel Storage Tank requirements – Fuel Storage Tanks | Planning, Permitting and Construction (fairfaxcounty.gov)[25]

Research and Recommendations

Water quality impacts can include: a) cooling system discharges to the wastewater system; b) spills or leaks from diesel tanks; and/or c) stormwater runoff.

Cooling systems: According to data center industry sources, most newer interior cooling systems utilized by data centers, even those that use water, do not have cooling towers that discharge to wastewater or stormwater systems. However, for those that do have cooling

[22] Chapter 122: https://library.municode.com/va/fairfax_county/codes/code_of_ordinances?nodeId=THCOCOFAVI1976_CH122TRCOOR

[23] Objective 2, 3 and 9: Fairfax County Comprehensive Plan, 2017 Edition, Policy Plan, Environment: https://www.fairfaxcounty.gov/planning-development/sites/planning-development/files/assets/compplan/policy/environment.pdf

[24] VDEQ storage tank requirements: https://www.deq.virginia.gov/our-programs/land-waste/petroleum-tanks/aboveground-storage-tanks

[25] County storage tank requirements: https://www.fairfaxcounty.gov/plan2build/fuel-storage-tanks#:~:text=Tank(s)%20capacity%20of%20500,and%20plan%20reviews%20may%20apply

towers, evaporative cooling concentrates salts in the water that must be periodically discharged to the wastewater system. Even if no other chemicals are added to the system, the discharge has concentrated sodium, a constituent of concern in drinking water. If the facility is in the sewer collection area of the Upper Occoquan Service Authority (UOSA), the treated wastewater discharges to the Bull Run River upstream of the Occoquan Reservoir, which is a potable water source. Although this is true of any commercial or industrial use that employs a cooling tower, the extensive cooling systems needed by data centers heighten the potential concern. Currently, the County prohibits the use of bromide as a treatment additive in cooling water systems that discharge to UOSA based on direction from UOSA.

As noted in the attached comments from Fairfax Water, their facility for treatment of raw water from the Occoquan Reservoir is not designed to remove salts or other emerging contaminants of concern. Although the federal Environmental Protection Agency (EPA) set a health advisory of 20 mg/L for sodium levels in potable water,[26] an advisory is not an enforceable federal standard and the UOSA pre-treatment requirements do not include a standard for sodium. Consideration could be given to establishing Comprehensive Plan guidance to encourage data centers to monitor their discharges and, if needed, provide for pre-treatment. Additionally, to reduce the potential for impacts to potable water, within the UOSA service area, the Plan could encourage the use of non-chemical/non-water-based cooling systems or systems that do not discharge to the wastewater or stormwater systems.

Diesel tanks for backup generators (spills): Typically, depending on the size of the generator, about 5,000 to 15,000 gallons of diesel fuel are stored in individual, above-ground, double-walled tanks below each generator to provide sufficient fuel for 24 to 72 hours. Existing state regulations include procedures to prevent pollution of state waters, lands, and storm drain systems from the discharge of fuel from aboveground storage tanks that are 25,000 gallons or more. Further analysis could be done to determine whether these existing regulations could be enhanced. Consideration could also be given to including SE standards in the Zoning Ordinance (or amending another chapter of the County Code) for tanks smaller than 25,000 gallons for proper surface grading, berms, or other additional containment practices to protect surface water and ground water by ensuring that if the tank were to fail or if a spill were to occur during filling, the fuel does not enter the stormwater system or open space areas.

Stormwater runoff: Regarding stormwater runoff, data centers are similar to other nonresidential uses with expansive impervious surfaces. With the provisions in place to address stormwater runoff as described above, in staff's opinion no additional recommendations are necessary for data centers. However, in general, water quality on industrial sites would benefit from site designs that include green roofs, increased open space and native tree and plant vegetation. Projects subject to rezoning or SE review should be

[26] EPA advisory on sodium: https://www.epa.gov/sites/default/files/2014-09/documents/support_cc1_sodium_dwreport.pdf

encouraged to exceed minimum requirements for open space, tree preservation and planting, and stormwater treatment.

5. Air Quality

Current Regulations and Guidelines

The Zoning Ordinance does not directly regulate air quality. Through the Comprehensive Plan, the County seeks to preserve and improve air quality and expects that state-of-the-art technologies will be applied to minimize emissions from stationary sources of air pollution.[27]

For data centers, backup generators are the source of air pollutants that are a concern, and these emissions are regulated by DEQ. DEQ monitors criteria air pollutants across the state, in accordance with the Clean Air Act, a federal law that provides for the protection of human health and the environment. Data center projects require Minor New Source Review (NSR) permits from DEQ for their backup generators, which are powered by diesel fuel. Minor NSR permits in Northern Virginia receive stricter scrutiny due to non-attainment of air quality standards in the Washington, DC region. Over the past decades, the EPA has developed a tiered regulatory system that applies to backup generators (non-road diesel engines):[28]

- Tier I – phased in from 1994 to 1997
- Tier II – phased in from 2000 to 2005
- Tier III – phased in from 2006 to 2008 for smaller engines with 50 to 750 hp
- Tier IV – phased in from 2008 to 2015 and requires a 90% reduction of certain emissions with reductions made possible through newer control technologies.

Research and Recommendations

Potential pollutants released into the air from generator use include nitrogen oxides (NO_X), particulate matter (PM_{10} and $PM_{2.5}$), carbon monoxide (CO), volatile organic compounds (VOC), and sulfur dioxide (SO_2), all of which are regulated by DEQ. DEQ maintains 36 monitoring sites across the Commonwealth to measure air pollutants. One air quality monitoring station is located in Loudoun County and two are located in Fairfax County:

- Broad Run High School: Ashburn, Loudoun County, Virginia - Pollutants measured: O_3, NO_2, and $PM_{2.5}$
- Franconia District Park: Franconia, Fairfax County, Virginia - Pollutants measured: SO_2, O_3, $PM_{2.5}$, and PM_{10}
- 6831 Backlick Road: Springfield, Fairfax County, Virginia - Pollutants measured: CO, NO_2, and $PM_{2.5}$

[27] Objective 1: Fairfax County Comprehensive Plan, 2017 Edition, Policy Plan, Environment, Amended through 6-28-2022, Pages 2-5

[28] EPA: https://www.epa.gov/regulations-emissions-vehicles-and-engines/regulations-emissions-heavy-equipment-compression

Due to the current and expected growth of the data center industry in Northern Virginia, additional monitoring may be beneficial in tracking air quality near large numbers of data centers.

Along with lower emissions, Tier IV generators provide increased fuel efficiencies, incorporate modern pollution-control technologies, require less maintenance, and reduce operating costs. These emission reductions are typically achieved by using advanced exhaust gas after-treatment technologies, with most Tier IV engine families using urea-selective catalyst reduction filters (SCR) for emissions control. The use of diesel generators for backup is the current industry standard. Until cleaner alternatives become more available, staff recommends that the Comprehensive Plan encourage the use of Tier IV generators and state-of-the-art technology to reduce GHG emissions.

Renewables: As energy providers are able to produce more power from renewable sources, air pollutants and GHG emissions from non-renewable sources will decrease over time. Dominion does not allow commercial consumers to choose the generating source for the power they consume, since all types of energy sources are placed into the entire grid; however, as noted above under Energy Demand, data center operators should be encouraged to invest in renewable energies to offset their carbon footprint. Through the Virginia Clean Economy Act, Dominion Energy Virginia and Appalachian Power are required to retire electric generating units located in the Commonwealth that emit carbon as a by-product of combusting fuel to generate electricity; the utilities are also required to construct, acquire, or enter into agreements to purchase generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind.[29]

6. Noise

Current Regulations and Guidelines

The Fairfax County Noise Ordinance (Chapter 108.1 of the County Code) regulates sound generation for all uses, including data centers. Among other standards, the Noise Ordinance limits the maximum sound levels that can be generated when the sound is measured at the property boundary or at any point within another property affected by the sound. The standards in the table below apply according to the use and zoning district of the property impacted by the noise (not the property generating the noise).[30]

[29] Virginia House of Delegates Bill 1526, adopted as the Virginia Clean Economy Act
[30] Section 108.1-4-2 of the Noise Ordinance: https://library.municode.com/va/fairfax_county/codes/code_of_ordinances?nodeId=THCOCOFAVI1976_CH108.1NOOR

Maximum Sound Levels			
Use and Zoning District Classification	Time of Day	Continuous Sound (dBA)	Impulse Sound (dB)
Residential areas in residential districts	7 a.m. to 10 p.m.	60	100
Residential areas in residential districts	10 p.m. to 7 a.m.	55	80
Nonresidential areas in residential districts	All	60	100
Mixed use area	7 a.m. to 10 p.m.	65	100
Mixed use area	10 p.m. to 7 a.m.	60	80
Commercial districts	All	65	100
Industrial districts	7 a.m. to 10 p.m.	72	120
Industrial districts	10 p.m. to 7 a.m.	65	100

Table 2: Noise Ordinance Standards

Section 108.1-5-1(g) of the Noise Ordinance exempts the operation of backup generators during power outages from storms or other emergencies as well as the testing and maintenance of generators between 7 a.m. and 9 p.m. for up to two hours per day. Separately, DEQ does not allow for generator testing between 7 a.m. and 5 p.m. from May 1 to September 30 to minimize impacts on air quality from ozone. Therefore, during those months, generator testing would be limited to the evening hours from 5 p.m. to 9 p.m.

To reduce noise impacts, a use standard for data centers in the Zoning Ordinance requires all equipment for cooling and backup generators to be contained within an enclosed building, except in the I-4, I-5, and I-6 Districts.[31]

The Environment Element of the Comprehensive Plan Policy Plan currently provides guidance and recommendations only for transportation-related noise, such as motor vehicle and airport-related noise. There are no other policies for non-transportation-related noise uses.

Research and Recommendations

Noise from data centers, which can be significant if not mitigated, is primarily generated by two sources: the cooling systems and the backup generators. The potential impacts vary considerably according to the type of equipment, location (proximity to residential or other noise-sensitive uses), site design, and the mitigation measures employed. Related infrastructure such as electric substations may also generate noise.

[31] Subsection 4102.6.A(1) of the Zoning Ordinance: https://online.encodeplus.com/regs/fairfaxcounty-va/doc-viewer.aspx#secid-2854

Data centers require substantially more cooling as compared to other uses due to the heat produced from densely packed servers. To provide context, a data center server room might require 100 tons of cooling (per 10,000 square feet, using a median total heat number) as compared to a shopping mall which would require 40 tons, or an office which would need 29 tons. Cooling systems generate a continuous noise, and concerns have also been noted in articles about the low frequency of the noise generated by certain cooling equipment. Generally, the sound from lower frequencies propagates farther than that from higher frequencies and may be felt, even if it is not audible. As noted above, the use of diesel generators for backup is the current industry standard. To provide for backup in the case of power interruption, data centers have large numbers of generators as compared to other uses. For example, a hospital would typically have three to five backup generators, while a data center typically has over 20 generators.[32] Although the generators are only for emergencies, each one needs to be tested and maintained, requiring a runtime of about five to 15 minutes per generator each month. It appears that in the past, the emergency use of backup generators in Fairfax and surrounding areas has been infrequent. One data center representative indicated that backup generators are typically used for emergency purposes a few hours each year while another stated that the generators are typically used for about 53 total hours per facility per year. Consideration could be given to amending the Noise Ordinance for uses such as data centers with large numbers of backup generators to remove the exemptions for testing and maintenance of generators, as well as the full emergency use of backup generators.

A review of noise studies submitted as part of rezoning or SE applications for data center projects in Fairfax County indicated that measures were consistently needed to reduce the potential noise to comply with the Noise Ordinance. A variety of measures were proposed in those cases, including upgraded equipment, sound-attenuating enclosures for generators, acoustical barriers and louvers, silencers on air handling equipment, attenuators on both the intake and exhaust for generators, and the location of the mechanical yard. Given the need for noise mitigation and the variety of options that may be tailored for each site and facility, consideration could be given to providing guidelines in the Comprehensive Plan for the review of noise studies for projects undergoing rezoning or SE review and for amending the Zoning Ordinance to include noise study submission requirements for zoning applications. Noise studies could be submitted as part of a rezoning or SE application and updated pre-construction (prior to building permit approval) and post-construction (prior to issuance of a Nonresidential Use Permit) to demonstrate compliance with the Noise Ordinance. The noise modeling could address the worst-case scenario, including all cooling equipment at full operational load, as well as the maximum number of generators that may be tested at one time. In addition, the noise modeling could address the emergency use of backup generators

[32] The number of generators varies according to the energy demand of the data center. For example, one data center in Fairfax with approximately 400,000 square feet of gross floor area has 20 generators with a total capacity of about 45 MW. Another campus project with over 2 million square feet is planned to have over 100 generators with a total capacity of about 259 MW.

and include the frequency octave band limits. Comprehensive Plan guidance could be considered for noise studies to include particular attention to impacts on residential uses and sensitive habitats. Noise mitigation equipment could be considered to avoid noise impacts to both the human environment and the habitats of local fauna.

As previously noted, the Zoning Ordinance requires all equipment for cooling and backup generators for data centers to be contained within an enclosed building, except in the I-4, I-5, and I-6 Districts.[33] The exemption of these industrial districts recognized other industrial uses allowed in those districts. However, given the potential noise impacts from data centers because of their unique cooling requirements and use of generators, consideration could be given to requiring equipment enclosures for all data centers and other similar industrial uses.

As noted above, the maximum sound levels apply to all uses, whether that be the cooling system for an office building, the trucking associated with a freight distribution facility, or a contractor's storage yard. It has been suggested that lower sound levels should apply to data centers; however, staff does not have information that the dBA for a data center should be regulated differently from that for other uses. On the other hand, further research and consideration could be given to establishing standards for lower frequencies, perhaps measured as dBC.[34]

7. Building Design

Current Regulations and Guidelines

The Zoning Ordinance does not currently have any regulations regarding the architectural design of data centers. Architectural design standards are included in the Ordinance for large retail sales establishments and goods distribution hubs when approved by SE, to minimize the impacts of building bulk through variations in roof lines and setbacks, landscaping, and enhanced architectural treatments such as windows. Standards are also included for self-storage facilities in certain zoning districts to require that storage bay doors or lighted hallways not be visible from the outside, and the building must be multistory and office-like in appearance. The I-4, I-5, and I-6 Districts limit the maximum building height to 75 feet and the FAR to 0.5, without SE approval. For projects undergoing rezoning or SE review, Appendix 12 of the Policy Plan specifies criteria for building design, including the need for high-quality design and materials that complement the architecture of surrounding uses. Loading areas should be screened, and visual impacts should be minimized by avoiding undifferentiated facades and providing variation in height, fenestration, materials, patterns, textures, colors, and accent materials.

[33] Subsection 4102.6.A(1) of the Zoning Ordinance: https://online.encodeplus.com/regs/fairfaxcounty-va/doc-viewer.aspx#secid-2854

[34] Generally, dBA is intended to match typical human hearing; dBC does not have the weighting applied for dBA and may be more appropriate for consideration of low frequencies.

Research and Recommendations

The development of large data centers raises concerns regarding building design and aesthetics because of their bulk and height. They are typically constructed of concrete with minimal fenestration. Larger data centers are often 75 feet in height or more. Also, data centers have related equipment, which, in addition to backup generators, may include water towers and electrical substations.

As identified in the attached report from Clarion Associates, certain other jurisdictions have or are in the process of adopting zoning standards for building design, including Prince William and Loudoun Counties, and Atlanta, Georgia. Similar to the Comprehensive Plan guidance, the standards are intended to provide for variation and interest in design, such as requiring façade changes for height, recesses, fenestration, building and accent materials, and a defined main entrance, as well as mechanical screening.

Given the potential impacts of the bulk of larger data centers, the current guidelines for building design in Appendix 12 of the Policy Plan could be reviewed and considered for all data centers undergoing rezoning or SE review to improve the view of the data center and related equipment from public roads and nearby residential uses. Additionally, submission requirements for rezoning or SE applications could be added to the Zoning Ordinance for architectural elevations (for consideration of the large massing and scale impacts), proposed materials and color palette, and provision of sight line studies with renderings or perspectives from surrounding roads and residential areas.

SUMMARY OF RECOMMENDATIONS FOR GUIDELINES AND STANDARDS

Below is a summary of the recommendations included in the text of this report. These recommendations are presented for Comprehensive Plan guidelines and Zoning Ordinance standards that could be established for data centers to be approved by SE in conventional zoning districts and rezoning/development plan approval in planned districts, where permitted. As previously noted, data centers could continue to be allowed by right; however, some of the recommendations, such as a review of noise studies and building design and encouraging increased open space, tree planting, and stormwater treatment, may be more effectively implemented through an SE review. The SE review process would ensure a robust County review with careful consideration of potential impacts and allow for public hearings to solicit community feedback.

1. Land Use and Site Design

Zoning Ordinance:

- Consider revising permissions to require SE approval for data centers, regardless of size, in the C-3, C-4, and I-2 through I-6 Districts. In addition to recommendations included below under other topic areas, standards for special exception review should include the

consideration of the size of a proposed data center and its distance (buildings and generators) from surrounding existing and planned residential development.
- Where data centers are allowed in the Planned Districts, add a standard to clarify that the use must be specifically identified on the approved development plan, including the location, size, height, and setbacks.

Comprehensive Plan:
- Create a new appendix to the Land Use Element of the Policy Plan for data centers with updated performance criteria. The new appendix should include guidelines that would be utilized in the review of all data centers through the rezoning or special exception process, not just those seeking additional intensity in industrial areas. The guidelines could include consideration of compatibility with future planned uses for the property and surrounding properties.
- Consider recommendations for enhanced buffering for data centers located near residential, noise sensitive uses, and environmentally sensitive areas.
- Consider guidelines for distances from existing or planned substations or transmission lines that can service the data center.

2. Energy Demand

Zoning Ordinance:
- Add zoning application submission requirements for rezoning and SE applications for assessments of future energy needs that will be used in staff's review in accordance with Comprehensive Plan guidelines.

Comprehensive Plan:
- Consider adding an energy performance standard like PUE to promote energy efficiency data centers undergoing rezoning or SE review.
- Encourage LEED-Data Center Silver certification or greater for data centers undergoing rezoning or SE review.
- Encourage data centers to install onsite solar and invest in offsite renewable energy to offset their energy demand and carbon footprint for data centers undergoing rezoning or SE review.

Other Recommendations:
- Establish a new process for coordination with Dominion and NOVEC about proposed data centers during the review of zoning applications, which may include assessments of future energy needs as it relates to existing and planned power infrastructure.
- Pursue partnerships with data center operators for the voluntary sharing of facility energy consumption to assist the County in measuring the achievement of CECAP goals.

3. Water Quality

Zoning Ordinance:

- Consider adding SE standards in the Zoning Ordinance (or amending another chapter of the County Code) for fuel tanks smaller than 25,000 gallons for proper surface grading, berms, or other additional containment practices to protect surface water and ground water by ensuring that if the tank were to fail or if a spill were to occur during filling, the fuel does not enter the stormwater system or open space areas.

Comprehensive Plan:

- Encourage data centers to address potential water quality concerns through the monitoring of cooling system discharge into the wastewater system and, if needed, providing pre-treatment.
- To avoid potential impacts on potable water, within the UOSA service area, encourage the use of cooling systems that do not discharge to the wastewater or stormwater systems, or non-chemical and non-water-based cooling systems.
- Encourage projects subject to rezoning or SE review to exceed minimum requirements for open space and tree preservation and planting.

4. Air Quality

Comprehensive Plan:

- Encourage data centers undergoing rezoning or SE review to minimize air quality impacts through a variety of approaches:
  - Apply state of the art technology to minimize air pollution from backup generators.
  - Encourage the use of Tier IV backup generators, and replacement of existing Tier II generators with Tier IV generators.

Other Recommendations:

- Request DEQ to install additional air quality monitoring stations in Fairfax County.

5. Noise

Zoning Ordinance:

- Consider adding zoning application submission requirements for data centers undergoing rezoning or SE review to quantify the increase in noise on adjacent uses, support review in accordance with Comprehensive Plan guidelines, and demonstrate compliance with the Noise Ordinance.
- Consider expanding the current Zoning Ordinance equipment enclosure requirement to apply in all zoning districts where data centers and other similar industrial uses are allowed.

Noise Ordinance:

- Consider amending the Noise Ordinance to remove exemptions for uses with large numbers of backup generators and require the testing and maintenance as well as the full emergency use of backup generators to comply with the Noise Ordinance standards.

Comprehensive Plan:

- Noise studies for projects undergoing rezoning or SE review could include an evaluation of impacts on residential uses and sensitive habitats. Noise mitigation equipment should be considered to avoid noise impacts to both the human environment and the habitats of local fauna.
- Consider amending the Plan to recommend that data center proposals evaluate and mitigate potential noise impacts:
  - Noise studies could be submitted as part of a rezoning or SE application, for pre-construction (prior to building permit approval) and post-construction (prior to issuance of a Nonresidential Use Permit) to quantify the increase in noise on adjacent uses and demonstrate compliance with the Noise Ordinance.
  - Noise modeling could address the worst-case scenario, including all cooling equipment at full operational load, as well as the maximum number of generators that may be tested at one time.
  - Noise modeling could also address the backup use of backup generators.
  - Noise modeling could include the frequency octave band limits.

Other Recommendations:

- Conduct additional research on establishing standards for lower frequencies in the Noise Ordinance.

6. Building Design

Zoning Ordinance:

- Consider adding submission requirements for rezoning and SE applications to include:
  - Architectural elevations (to address the large massing and scale of data centers)
  - Materials and color palette
  - Sight line studies, including renderings or perspectives from the right-of-way and nearby residential uses.

Comprehensive Plan:

- Review the current guidelines for Building Design in Appendix 12 and consider applying them to projects undergoing rezoning or SE review, including consideration of façade variation, a defined entrance feature, screening of equipment, and other techniques to improve the view of the building from public roads and nearby residential uses.

NEXT STEPS

Data centers are important facilities to support the modern, digital world – particularly in the Northern Virginia region where data center infrastructure is significant. Given their unique characteristics, careful consideration of their location, design, and impacts (including potential mitigation measures) is needed to ensure that data centers are compatible with the surrounding community. This report presents research and related recommendations for possible amendments to the Comprehensive Plan, Zoning Ordinance, Noise Ordinance, and potentially other chapters of the County Code. While staff will use these considerations in the review of any data center entitlement applications in the context of our current guidelines and regulations, staff recommends that the Board direct staff to begin work on amendments to the Comprehensive Plan, Zoning Ordinance, and other chapters of the County Code to facilitate implementation of the recommendations as outlined above and any others the Board might recommend.

Additionally, staff would support future direction from the Board on a closer evaluation of legislative authority for related topics in which the County currently lacks sufficient regulatory authority. Examples of this could include addressing energy efficiency (e.g., PUE), salinity in water discharges, and air quality.

The County's One Fairfax policy would provide the framework to consider equity in the development of any future amendments to the Comprehensive Plan, the Zoning Ordinance, or other chapters of the County Code. This could include enhanced outreach to ensure diverse perspectives are heard and respected. An equity impact analysis could include consideration of the location of vulnerable areas within the County and their relationship to potential data center locations.

If requested, staff is available to present these recommendations at an upcoming Land Use Policy Committee meeting. Questions and comments can be directed to Carmen Bishop at 703-324-1314, and Katie Hermann at 703-324-1280, or by email to ffx-data-centers@PublicInput.com.

ATTACHMENTS

1. Data Center Maps
2. Fairfax Water Comments
3. Clarion Report

Attachment 1: Data Center Maps

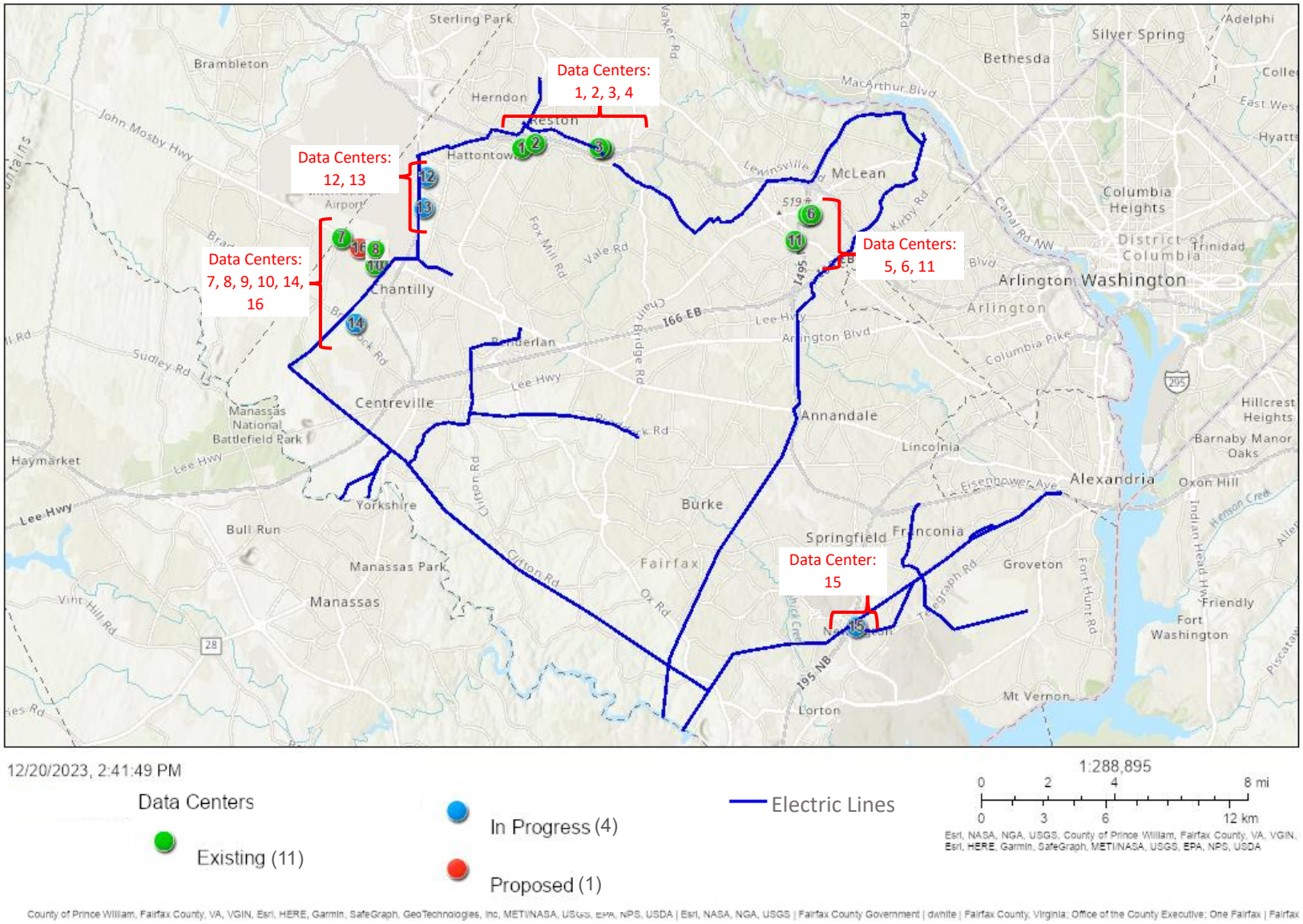
Fairfax Data Centers

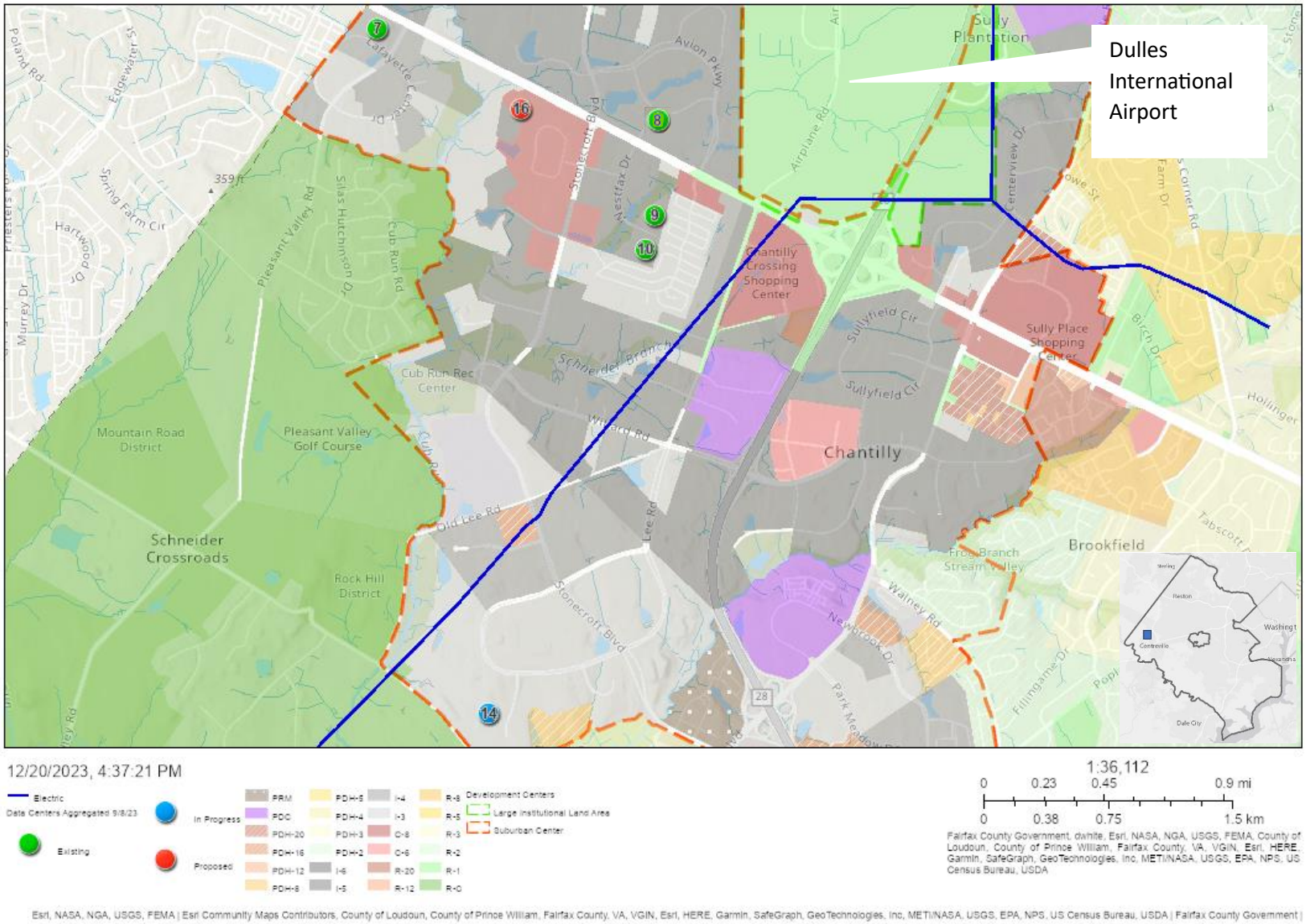
	Name	Address	Tax Map	Zoning District	Square Feet of Gross Floor Area	Zoning Case or By Right
	Existing					
1[1]	Coresite VA3	12379A Sunrise Valley	17-3 ((1)) 32A	I-5	332,957 (existing) 943,600 (total approved by SE)	RZ 2017-HM-032 & SE 2017-HM-030; Rezoning & increase in FAR
2	Coresite 12100 SV & 12098 SV	12098 Sunrise Valley	17-3 ((8))(3A) 1A	I-4	423,341 (existing)	SE 2011-HM-019 for increase in FAR
3	Faraday Building	1807 Michael Faraday	18-3 ((5)) 10	I-5	30,609 (existing	By right
4	Digital Realty/Lemur Properties	1780 Business Center	18-3 ((8)) 9A	I-3/I-4	264,888 (existing)	By right
5	Elias DC Assets	1764A Old Meadow	29-4 ((6)) 97F	PTC	69,089 (existing)	Pre-existing use before rezoning to PTC under RZ -2014-PR-021
6	Roosevelt Building	1755 Old Meadow	29-4 ((6)) 105	PTC	72,546 (existing)	Pre-existing use before rezoning to PTC under RZ -2014-PR-021
7	Lafayette Business Data Center	4030 Lafayette Center	33-2 ((1)) 10D	I-4	145,409 (existing)	By right
8	AWS Virginia Mallory	3980 Virginia Mallory / 14501 Avion	34-1 ((3)) 13	I-5	542,942 (existing) 768,392 (approved by site plan)	By right
9	AWS Westfax B	4100 Westfax	34-3 ((9)) 3A	I-5	95,000 (existing)	By right
10	AWS Westfax A	4101 Westfax	34-3 ((9)) 4	I-5	95,000 (existing)	By right
11	Equinix	7990 Quantum	39-2 ((1)) 13D	I-3	202,500 (existing)	By right
	In Progress[2]					
12	Renaissance Technology Park	13860 Redskin	24-2 ((14)) 1 - 6	I-5	2,136,040 (approved by SE) 2,130,000 (approved by site plan)	SE-2021-SU-00017 for increase in height
13	Perspecta Datacenter Campus/AWS	13600 EDS	24-4 ((1)) 6B7, 6B8	I-5	1,046,632 (approved by site plan)	By right

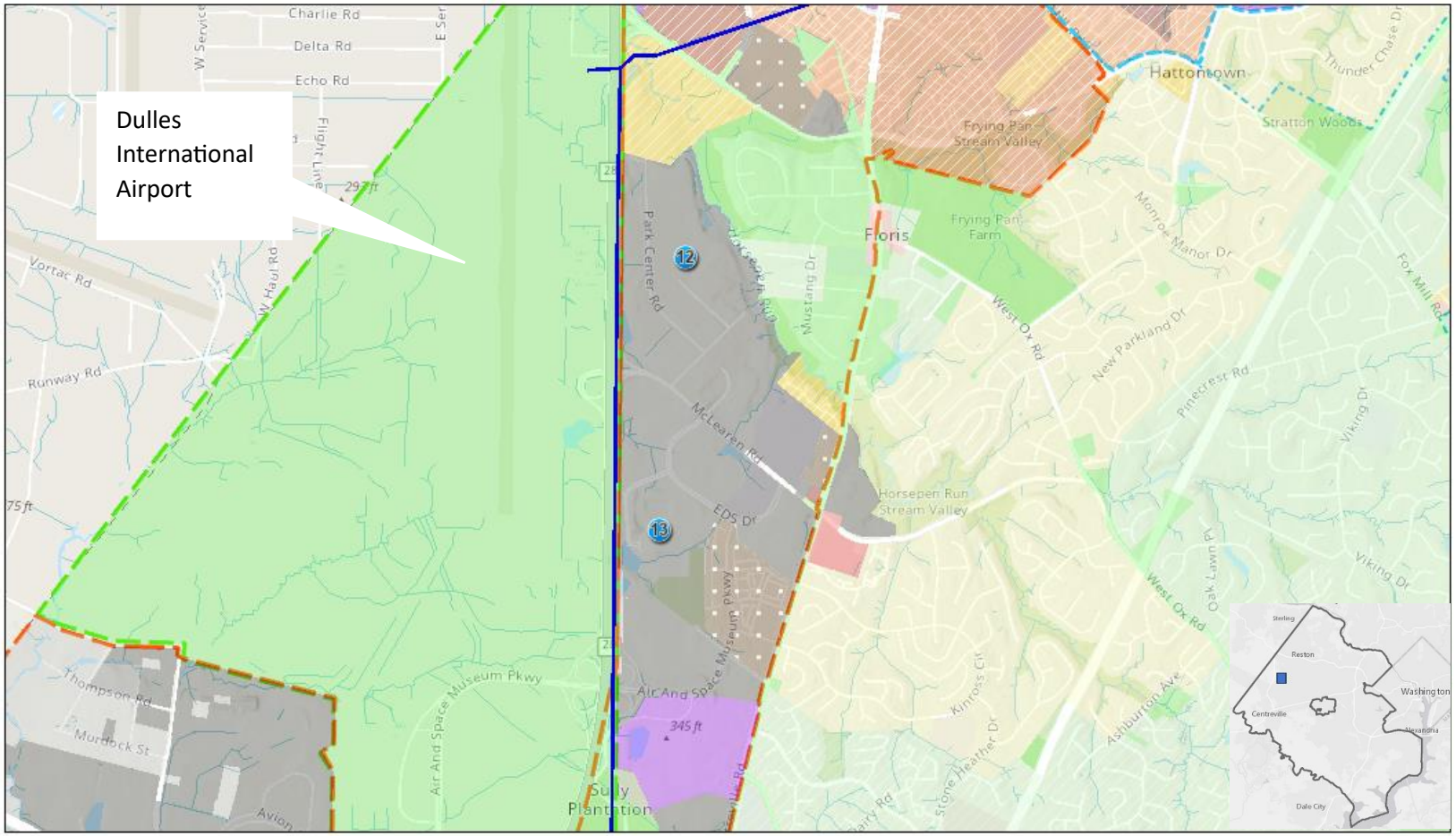
[1] Numbers correspond to maps

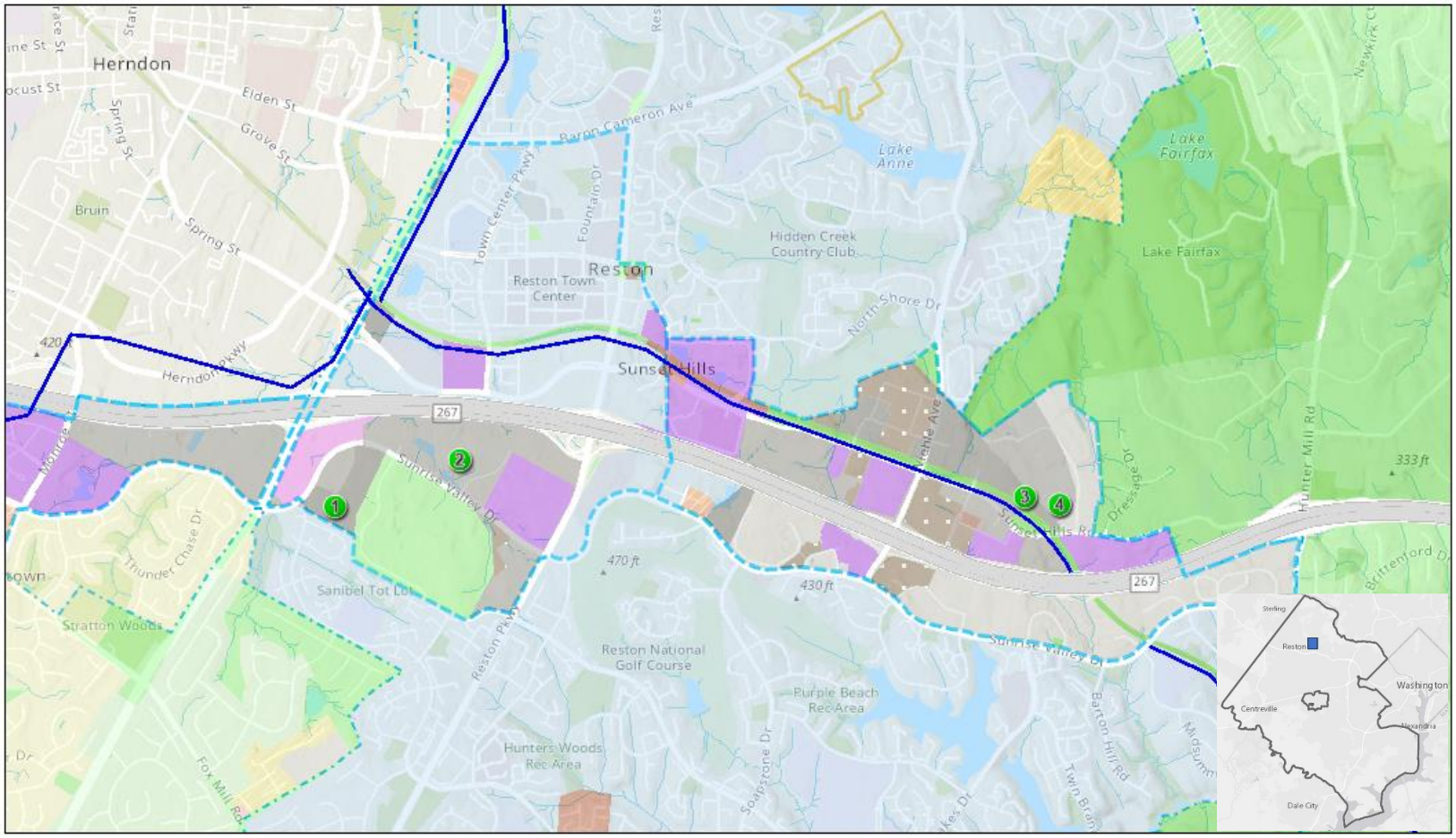
[2] In progress includes projects where any necessary zoning entitlement has been approved, or for by right projects, a site plan has been approved, but a certificate of occupancy has not been issued.

	Name	Address	Tax Map	Zoning District	Square Feet of Gross Floor Area	Zoning Case or By Right
14	Parkstone Tech Park	5140 Parkstone	43-4 ((6)) 37B	PDC	500,000 (approved by RZ) 419,410 (approved by site plan)	RZ-2021-SU-003
15	AWS Loisdale Station	7951 and 7961 Loisdale	99-2 ((1)) 8A	I-5	240,000 (approved by RZ/SE) 235,422 (approved by site plan)	RZ-2021-LE-015 & SE-2021-LE-010; Rezone & increase in height
	Proposed					
16	Chantilly Premier	None	33-2 ((1)) 6 pt	I-5 (proposed)	402,000 (proposed)	RZ-2022-SU-00019 & SE-2022-SU-00038; Rezone & increase in height


Data Centers: 1, 2, 3, 4
Data Centers: 12, 13
Data Centers: 7, 8, 9, 10, 14, 16
Data Centers: 5, 6, 11
Data Center: 15
Sterling Park
Brambleton
Herndon
Reston
Hattontown
Chantilly
Centreville
Manassas National Battlefield Park
Haymarket
Manassas
Manassas Park
Bull Run
Yorkshire
Sudley Rd
Lee Hwy
John Mosby Hwy
Vint Hill Rd
Fox Mill Rd
Vale Rd
Chain Bridge Rd
Clifton Rd
Ox Rd
Fairfax
Burke
Annandale
Lincolnia
Springfield
Franconia
Groveton
Fort Hunt Rd
Alexandria
Arlington
Arlington Blvd
Columbia Pike
Eisenhower Ave
Lorton
Mt Vernon
Fort Washington
Friendly
Oxon Hill
Hillcrest Heights
Barnaby Manor Oaks
Columbia Heights
District of Columbia
Trinidad
Washington
McLean
Bethesda
Silver Spring
Adelphi
MacArthur Blvd
Leesburg Pike
Kirby Rd
Canal Rd NW
Hyatts
Colle
East West
Indian Head Hwy
Henson Creek
Piscataw
Fairfax County Airport
Braddock Rd
Rolling Rd
Telegraph Rd
Old Keene Mill Rd
Pohick Creek
Accotink Creek
Aller
Pimmit Run
Four Mile Run
Cameron Run
Hunting Creek
Dogue Creek
Belmont Bay
Occoquan Bay
Occoquan Reservoir
Bull Run Mountains
Catharpin Creek
Broad Run
Cub Run
Kettle Run
Bull Run Run
Difficult Run
Turkey Run
Scotts Run
Rocky Run
Cedar Run
Little Rocky Run
Popes Head Creek
Accotink Creek
Long Branch
Little


Dulles International Airport
Chantilly
Schneider Crossroads
Mountain Road District
Pleasant Valley Golf Course
Rock Hill District
Cub Run Rec Center
Chantilly Crossing Shopping Center
Sully Place Shopping Center
Brookfield
Sully Plantation
Pleasant Valley Rd
Silas Hutchinson Dr
Cub Run Rd
Schneider Branch
Willard Rd
Old Lee Rd
Lee Rd
Stonecroft Blvd
Walney Rd
Sullyfield Cir
Westfax Dr
Stonecroft Blvd
Avion Pkwy
Airplane Rd
Centerview Dr
Lafayette Center Dr
Poland Rd
Edgewater St
Spring Farm Cir
Hartwood Dr
Murrey Dr
Birch Dr
Hollinger
Tabscott
Newbrook Dr
Fillingame Dr
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Development Centers
Large Institutional Land Area
Suburban Center
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Dulles International Airport
Charlie Rd
Delta Rd
Echo Rd
Vortac Rd
Runway Rd
Thompson Rd
Murdock St
Air And Space Museum Pkwy
Park Center Rd
Mustang Dr
McLearen Rd
EDS Dr
Sully Plantation
Hattontown
Frying Pan Stream Valley
Stratton Woods
Floris
Frying Pan Farm
Monroe Manor Dr
West Ox Rd
New Parkland Dr
Pinecrest Rd
Viking Dr
Fox Mill Rd
Horsepen Run Stream Valley
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Reston Area Boundary
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Suburban Center
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Esri, NASA, NGA, USGS, FEMA | Esri Community Maps Contributors, County of Loudoun, County of Prince William, Fairfax County, VA, VGIN, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA | Fairfax County Government |



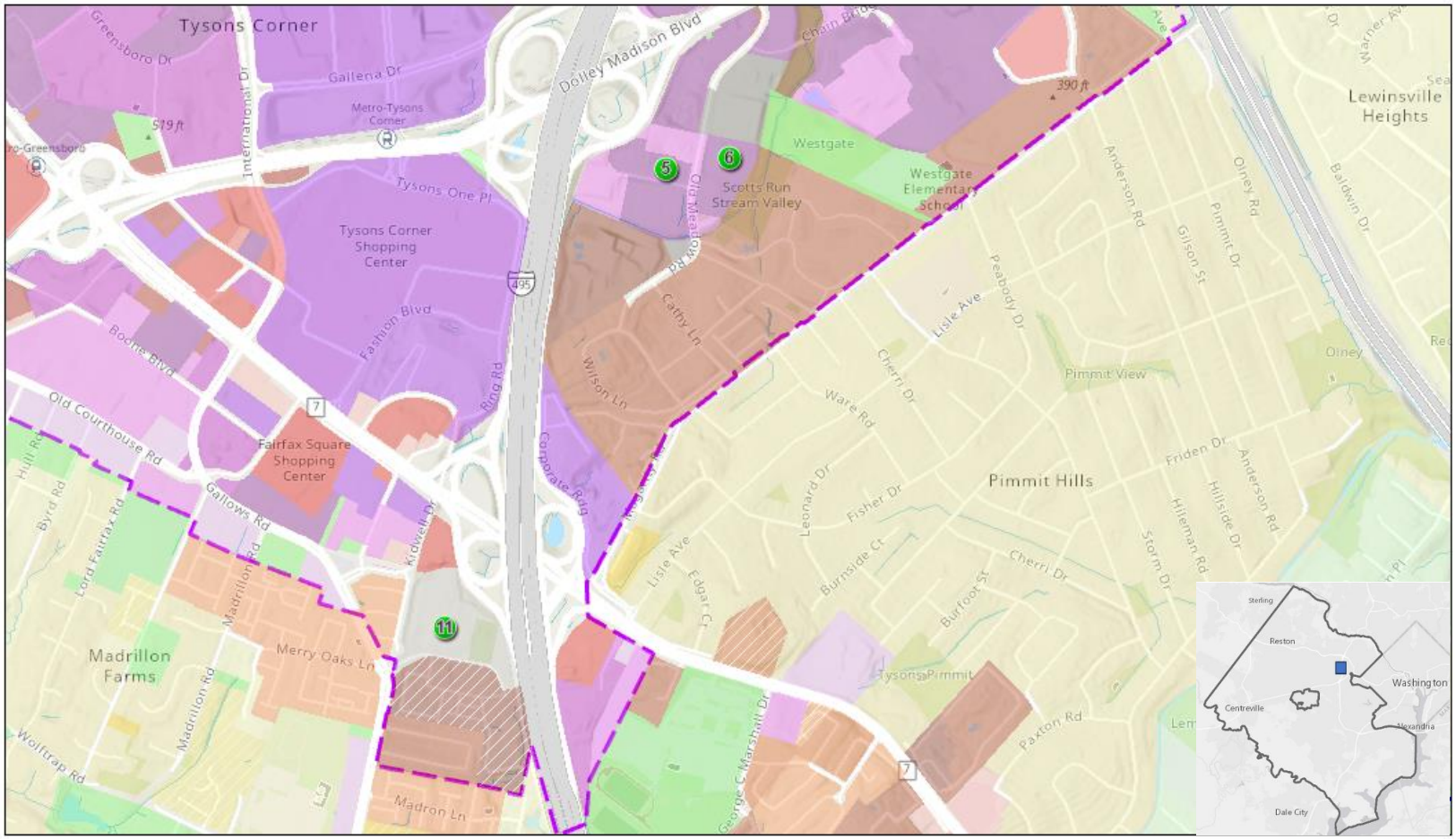
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Electric
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C-3
C-2
R-30
R-20
R-12
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R-2
R-1
R-E
Commercial Revitalization Districts & Areas
AREA
Reston Area Boundary
Development Centers
Transit Station Area

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Esri, NASA, NGA, USGS, FEMA | Esri Community Maps Contributors, County of Loudoun, Fairfax County, VA, MNCPPC, VGIN, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA | Fairfax County Government | dwhite | Fairfax



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Electric
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Existing
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Development Centers
Urban Center

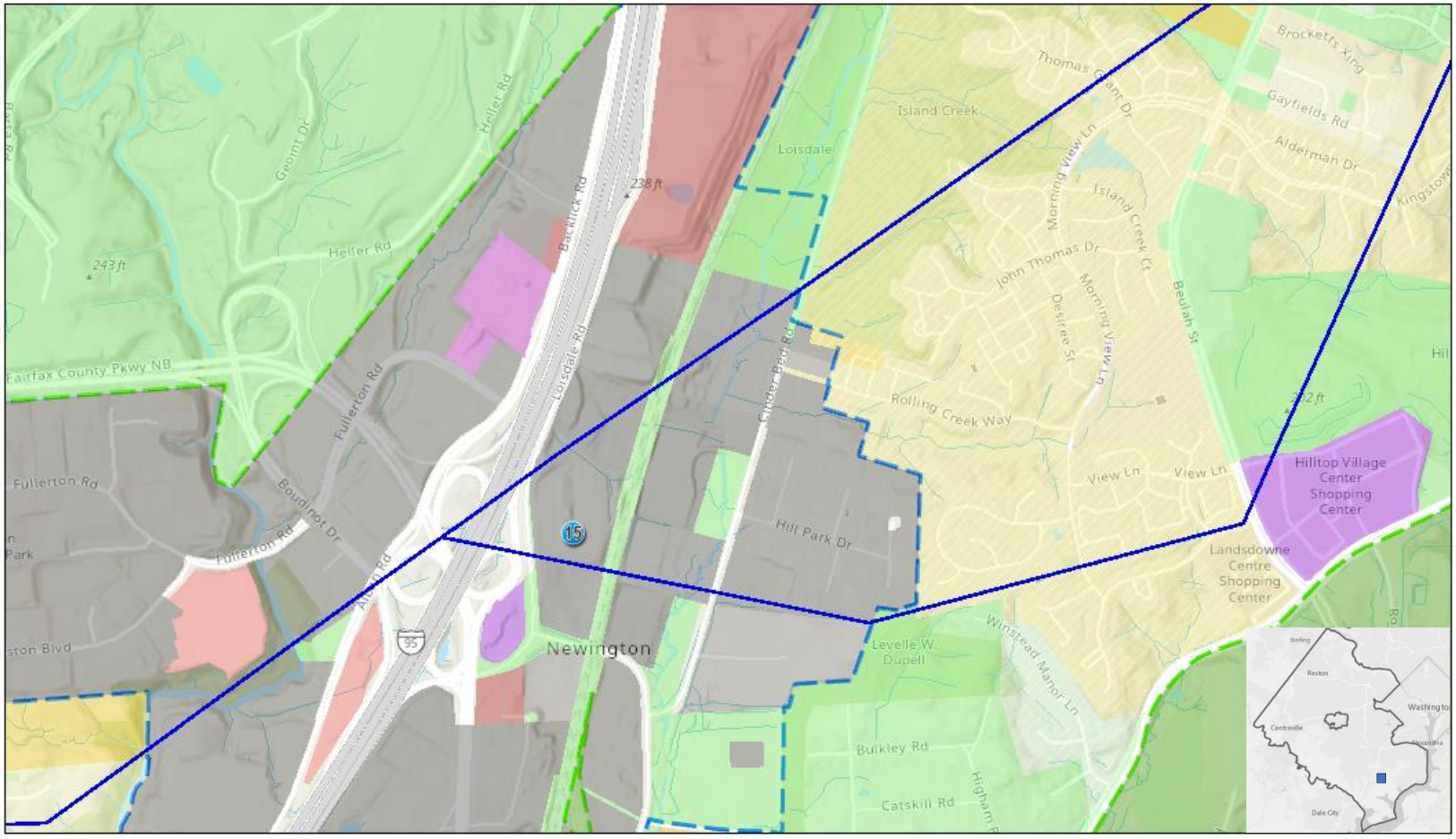
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Electric

Data Centers Aggregated 9/8/23

In Progress

PDC

PDH-5 PDH-4 PDH-3 PDH-2 I-6 I-5 I-4 C-8 C-6 C-4 R-8 R-5 R-4 R-3 R-2 R-1 R-C

Development Centers

Industrial Area

Large Institutional Land Area

1:18,056

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Fairfax Water
8560 Arlington Boulevard, Fairfax, Virginia 22031

PLANNING & ENGINEERING DIVISION
Nat Atapoor, P.E., CCM
Director
(703) 289-6325

November 6, 2023

Ms. Carmen Bishop
Deputy Zoning Administrator
Ordinance Administration Section
Zoning Administration Division
12055 Government Center Parkway, Suite 807
Fairfax, VA 22035

Re: Fairfax Water Responses to Fairfax County Staff Questions Regarding Data Centers

Dear Ms. Bishop:

Please find the following summarizing water system impacts to assist in your response to the Board of Supervisors directive to evaluate guidelines for new data centers.

Question 1: *Do we have sufficient water and infrastructure to accommodate data centers and other projected growth?*

Response: Fairfax Water uses land use and demographic information furnished by local governments to evaluate projected water demands on the water system and plan sufficient water infrastructure system to meet the community's need. Future demands are calculated based on projected regional population and employment growth projections provided by the Metropolitan Washington Council of Governments. Projections are developed and used to evaluate the water system to meet demands, currently assessed through the year 2045. As a result of this periodic planning process, Fairfax Water remains well-prepared to address any water infrastructure needs that may be needed.

Employee water unit use in Fairfax Water's retail service area continues to decline, a long-term trend that has occurred over the past few decades and continues today. This trend is consistent with national water use trends that have documented declining per capita and per employee water use. Please note that data center water use depends on many site-specific factors, including but not limited to the type of cooling used (air/water) and facility specifics (size, equipment, cooling technology, and other factors). Given the uncertainty in site-specific factors, it's possible that a large increase in the number of data centers could, over the long term, change or reverse Fairfax Water's employee unit water use trend.

A more in-depth evaluation of this would require an assessment of data center re-development potential, data center development market viability, and land-use entitlement potential for land units under consideration for data centers. Given a comprehensive inventory of land units that could be converted to data centers in Fairfax County, a comparison of water use with Fairfax Water's projected population and employment forecasts could be estimated. Such an analysis could be useful to assess the maximum potential water demand that may be required to serve new data centers in Fairfax Water's retail service area.

Question 2: *How does the water consumption from data centers compare to other nonresidential users?*

Response: It can be difficult to directly compare data center water use with other non-residential uses. As mentioned, water consumption of data centers depends on many site-specific factors, including but not limited to the type of cooling used (air/water) and facility specifics (size, equipment, cooling technology, etc.). At the request of Fairfax County DPD staff, Fairfax Water recently reviewed data center water use for a few large data center facilities (both in the 12000 block of Sunrise Valley Drive) located in our retail service area with sufficient operating history to assess their water use. Our review determined that during calendar year 2022, data center water use for each facility was approximately 38,000 gallons per day. Based on the gross floor area of these facilities, water use averaged between 90 and 100 gallons per 1,000 square feet of area. By comparison, planning values used by Fairfax Water for other types of commercial use include:

- Retail: 140 gallons per 1,000 sq ft
- Office: 60 gallons per 1,000 sq ft
- Hotel: 180 gallons per 1,000 sq ft

Therefore, based on square footage basis, water use of data centers appears to be more than office use but less than retail and hotel use.

Question 3: *Using known water usage rates by existing and proposed data centers in the County and in other nearby jurisdictions, could Fairfax Water provide a value for typical water usage, perhaps correlated to the gross floor area of these existing data centers?*

Response: Recognizing that water consumption of data centers depends on many site-specific factors, data center water use in our region for existing operational data centers can serve as a reference point.

Consider the following:

- The Prince William County Service Authority provided information to the Prince William County Planning Department summarizing water use for 25 operating data centers in Prince William County (as of late 2021). This records review found the

average daily water consumption of a single data center building was about 18,000 gallons per day, while the maximum day consumption of a single data center building is about 88,000 gallons per day. Reference: https://www.pwcva.gov/assets/2021-10/DCOZOD%20%20Economic%20Development%20memo.pdf

- Loudoun Water operates a reclaimed water system serving over 50 data centers in Loudoun County. The water use of the reclaimed water system by these data center customers averaged 1.9 MGD in 2022, or about 37,000 gallons per day per data center. Reference: https://www.loudounwater.org/commercial-customers/reclaimed-water-program

Recognizing that many site-specific factors need to be considered, the water use review conducted by Fairfax Water (mentioned in the response to Question #2) confirmed the general water use ranges for data centers in Northern Virginia identified by our neighboring systems. Average water use on a unit basis is estimated in the response to question #3.

Question 4: *Do you anticipate any changes to water demand forecasts based on a potential increase in data centers in Fairfax?*

Response: Consistent with our long-range planning process, Fairfax Water's water demand forecasts will be adjusted over time to reflect changes in population and employee unit water use. Site-specific factors including the equipment specifics, type of cooling and other site-specific factors that impact water use vary among different facilities. Fairfax Water's long-term decline in per employee water use has continued despite dozens of existing data centers in Fairfax Water's retail service area. Currently, there is no evidence that our water demand forecast requires a change to our traditional forecasting methodology.

Question 5: *How do data centers impact the water quality of the Occoquan?*

Response: Fairfax Water is concerned with chemical use in the Occoquan watershed, particularly from commercial and industrial sources. These chemicals are discharged into the sanitary sewer system and readily pass through the municipal wastewater and water treatment process. Chemical use associated with data centers can include sodium and bromide-based chemicals (salts) designed to provide and protect water quality in the recirculating cooling water systems. A portion of the water used in these systems needs to be "blowdown" or discharged into the sanitary sewer system. Since the municipal wastewater treatment process at the Upper Occoquan Service Authority (UOSA) is not designed to remove these chemicals, they can pass through without substantial reduction and increase pollutant load into the Occoquan Reservoir, one of the two water supply sources of drinking water for Fairfax Water. Fairfax Water's water treatment plant is not designed to remove salts (and other emerging compounds such as per-and polyfluoroalkyl substances or PFAS) through the water treatment process.

Question 6: *Overall, what concerns do data centers raise for Fairfax Water and does Fairfax Water have suggested approaches to addressing those concerns?*

Response: Fairfax Water suggests that data centers within the Occoquan watershed (such as Fairfax County's sewershed treated at the UOSA plant) use non-chemical/non-water based cooling or have industrial pre-treatment permit requirements to eliminate chemical discharge to the sanitary sewer system upstream of the Occoquan Reservoir. As noted above, Fairfax Water has concerns with certain chemical uses associated with data centers that can be transmitted to the UOSA sanitary sewershed and pass through the wastewater treatment process without reduction or removal. To address potential non-point source pollutant impacts on the Occoquan Reservoir, Fairfax Water suggests: the use of stormwater management practices consistent with County and Water Supply Overlay District (WSPOD) requirements that go above and beyond Virginia Stormwater Management requirements, and the use of environmental, stream resource and tree protection management practices to reduce the impacts of runoff on the Occoquan Reservoir.

Should you have any further questions or require additional information, please do not hesitate to contact me at (703) 289-6318.

Sincerely,

Gregory J. Prelewicz, P.E.
Manager, Planning

ATTACHMENT 4.b

Article – *As Data Centers Zap Power, Some Pols Ponder The Unthinkable: Pulling The Plug*, dated October 9, 2024

As Data Centers Zap Power, Some Pols Ponder The Unthinkable: Pulling The Plug

October 9, 2024 | By Dan Rabb and Maddy McCarty

It isn't every day that Texas legislators liken an industry to pigs at the trough or accuse it of "crashing our grid and turning the lights off."

But it is happening in the famously business-friendly Lone Star State as lawmakers turn increasingly hostile toward a real estate asset class playing an outsized role in nearly doubling (https://apnews.com/us-news/texas-state-government-texas-general-news-d8f648128b1661d0c86865eab788b4e5) statewide demand on its mostly self-contained power grid (https://www.bisnow.com/tags/power-grid) over the next six years.



Data centers (https://www.bisnow.com/tags/data-centers), which house thousands of servers providing the computing power for major corporations, are a booming industry in Texas. Much of the growth is fueled by demand from the world's largest tech companies — Amazon (https://www.bisnow.com/tags/amazon), Microsoft (https://www.bisnow.com/tags/microsoft), Google (https://www.bisnow.com/tags/google) and Meta (https://www.bisnow.com/tags/meta) — which need facilities to support their massive cloud (https://www.bisnow.com/tags/cloud) businesses and, increasingly, artificial intelligence (https://www.bisnow.com/tags/artificial-intelligence).

Texas has also emerged as the undisputed U.S. capital for bitcoin (https://www.bisnow.com/tags/bitcoin) mines, specialty data centers devoted to processing cryptocurrency (https://www.bisnow.com/tags/cryptocurrency) transactions.

All that growth is expected to account for more than half of a projected power demand spike that hit legislators like a ton of bricks this summer when the Electricity Reliability Council of Texas presented new and startlingly higher numbers.

And it came as the state was making progress toward shoring up its grid after a catastrophic 2021 winter storm shut it down, killing hundreds and wreaking billions (https://www.bisnow.com/houston/news/infrastructure/project-eyes-a-link-of-ercot-grid-with-other-southeastern-states-122278) in property damage.

Texas isn't alone in worrying about energy stability. National projections show usage from data centers will double by the end of the decade and rise even further in industry hot spots like Dallas-Fort Worth. Some jurisdictions have imposed limits (https://www.bisnow.com/national/news/data-center/loudoun-countys-new-data-center-rules-leaving-some-developers-in-limbo-115766), and the Biden administration made developing new solutions to the industry's increasingly acute energy crisis (https://www.bisnow.com/national/news/data-center/were-not-even-close-data-center-power-crunch-gets-worse-with-no-end-in-sight-122415) a national priority.

Yet the unexpected surge has Texas lawmakers reeling, asking questions about the worth of huge power consumers to the economy and calling for ways to put the brakes on an industry speeding ahead faster than anywhere else in the U.S. outside of Northern Virginia.

"I'm more interested in building the grid to service customers in their homes, apartments, and normal businesses and keeping costs as low as possible for them instead of for very niche industries that have massive power demands and produce few jobs," Texas Lt. Gov. Dan Patrick (https://www.bisnow.com/tags/lt.-gov.-dan-patrick) said on social media platform X (https://x.com/LtGovTX/status/1800968003636408657?lang=en) after ERCOT (https://www.bisnow.com/tags/ercot) presented the new projections.

"We want data centers, but it can't be the Wild Wild West of data centers and crypto miners crashing our grid and turning the lights off."

The debate has refocused attention on the state's fragile grid and limited energy infrastructure. And the avalanche of new demand is spiking fears of massive bills ahead for residents and businesses.

“It has huge policy implications,” Texas Sen. Nathan Johnson, a Democrat from Dallas, said at a June hearing. “And every assumption that we've made over the past four years is now called into question.”

From Dozens Of Megawatts To Hundreds

Dallas is the country's second-largest data center market and one of the industry’s traditional hubs. More data center firms are headquartered in Dallas than any other city.

At the end of the second quarter, there were 966 megawatts of total inventory, with 339 MW under construction and 3,091 MW planned in DFW, according to JLL (https://www.us.jll.com/en/trends-and-insights/research/na-data-center-report). The total number of megawatts in use by data centers in the Dallas market is up 77% since 2020, according to CBRE (https://www.cbre.com/insights/reports/north-america-data-center-trends-h1-2024).



Meanwhile, the Austin-San Antonio region is considered the largest of the nation’s “secondary” data center markets. It was the fastest-growing data center market through the first half of this year, the CBRE report says, and its combined under-construction activity more than quadrupled from a year earlier.

Data centers are attracted to sites with low power costs, targeted tax incentives and robust optical fiber network infrastructure nearby. Many parts of Texas hit all these marks.

But the new wave of data center demand caught ERCOT and utilities across the nation (https://www.bisnow.com/national/news/data-center/more-skin-in-the-game-power-utilities-say-data-centers-must-foot-the-bill-for-billions-in-grid-upgrades-124385) by surprise.

Data centers will represent 6.6% of electricity (https://www.bisnow.com/tags/electricity) consumption in the U.S. by 2028, up from just 1.5% in 2018, according to TD Cowen (https://www.bisnow.com/national/news/data-center/td-cowen-data-centers-share-of-us-energy-use-to-quadruple-124474). Other studies (https://carboncredits.com/us-data-centers-power-requirement-will-double-by-2030/) predict the industry's share of power use will be as high as 9.1%.

In Texas, 60% of the 40 GW of new load expected in the months ahead consists of new data centers and bitcoin mining (https://www.bisnow.com/tags/bitcoin-mining), according to Texas Public Utility Commissioner Lori Cobos. But what is catching providers most off guard is that each new facility is using far more power than ever before.

The size of data center campuses, measured in the amount of energy they consume, has shot up over the past four years from dozens of megawatts to hundreds, with major tech companies now looking to deploy more than a gigawatt of capacity at a time.

The reason is AI (https://www.bisnow.com/tags/ai). High-performance computing equipment, such as the graphics processing units made by companies like Nvidia (https://www.bisnow.com/tags/nvidia), use far more power than traditional data center servers. A Google search using AI computing consumes around 10 times more energy (https://www.goldmansachs.com/insights/articles/AI-poised-to-drive-160-increase-in-power-demand)than a traditional search.

"We're not talking about 50-MW data centers anymore," said Enchanted Rock Chief Commercial Officer Allan Schurr, whose firm partners with large energy users to locate on-site power generation. "We're talking about 500-MW or gigawatt-scale data centers."

'Too Many Pigs At The Table'

"Five years ago, we didn't see AI-type data centers coming on the grid. No one was talking about that," ERCOT Chief Operating Officer Woody Rickerson told lawmakers at a June Senate Business and Commerce Committee hearing when lawmakers first learned expectations about future power demand had been upended.

"Those are extremely large. Just for comparison's sake, the city of Lubbock is about 700 MW, and some of these AI data centers are over 2,000 MW, so we're talking about putting three Lubbocks in 24 months at a site."

When Texas demand hit a new high of 85 gigawatts in 2023, the hottest year recorded in the state, ERCOT expected demand to rise to 110 GW by 2030. After changing its projection methodology (https://www.kvue.com/article/news/local/texas/ercot-long-term-planning-procress/269-adf87150-d459-42cb-b826-029b506bcb20) in April, it raised that number to 150 GW.

The new projection brought worries about the health of the Texas grid to a head, seemingly sending some lawmakers into panic mode. Some wondered aloud whether the state could stop data centers and bitcoin mines from coming at all.

“AI’s just come on the scene, but who knows what’s next, even after that, that will consume even more?” said Sen. Donna Campbell, a Republican whose district includes parts of Austin and San Antonio. “Can we just say, ‘No, you can’t come’? Can we just say no? Too many pigs at the table just run out of food if they don’t come with their own trough full of food.”

Much of the concern stems from 2021's Winter Storm Uri (https://www.bisnow.com/tags/winter-storm-uri), which laid bare the Texas grid's vulnerability. More than 4 million homes and businesses were left without power amid freezing temperatures.



Power demand before Uri-related blackouts began was 69 gigawatt-hours (https://experience.arcgis.com/experience/cc48fcfebfae414b99b3d18f86c72c27/page/Power-Demand-During-Uri/), a new winter high. The Texas grid can typically handle 70 GWh, but 14 GW of natural gas and coal-fired power plants were offline for maintenance (https://experience.arcgis.com/experience/cc48fcfebfae414b99b3d18f86c72c27/page/Power-Supply-During-Uri/), a common practice during winter months.

But this time, disaster ensued. In addition to loss of life, by March 2022 (https://www.tdi.texas.gov/reports/documents/feb2021-tx-winter-weather-summary-mar2022.pdf), the Texas Department of Insurance had tallied 510,772 freeze-related insurance claims, with an expected payout total of $11.2B. The average incurred loss for commercial property was about $149K.

ERCOT, the Public Utilities Commission and lawmakers responded by going all out to ensure adequate generation resources would become available when the system is under stress. But with the gears of that fraught process in motion, the unexpected wave of electrical demand from data centers and bitcoin mines tossed a new wrench in the works.

There is a chance the state is “building a system that won’t fit,” said state Sen. Robert Nichols, a Republican from Jacksonville.

“This is so far different from anything we’ve ever seen.”

Fear And Black Swans

But is the influx of data centers actually increasing the risk of catastrophic blackouts across Texas? The answer is complicated.

On one hand, experts refute the notion that a data center with the power consumption of a small city could suddenly switch on and take grid operators by surprise, plunging large swaths of Texas into darkness. Connecting a data center to the ERCOT grid isn't a free-for-all — it requires an extensive approval process, and permission is only granted once sufficient infrastructure is in place.

Still, energy experts like Enchanted Rock’s Schurr acknowledge that the ERCOT grid becomes more vulnerable as the addition of data centers and other large industrial power loads keeps demand on the grid in the upper range of its capacity. Grid operators must make sure there is always enough capacity operating or ready to operate for anticipated power demand, with extra in reserve in case of plant failures or other unforeseen events.

The problems come when an event like Uri reduces grid capacity, but data centers are already encroaching on the reserve margins of extra power, Shurr said.

“We have to plan for the extreme events, the black swans,” he said. “If data centers are the cause of squeezing that reserve margin, then the reliability during those extreme events can be at risk.”

Many in the industry are quick to point out that data centers have their own backup electricity sources on-site, typically in the form of diesel or natural gas generators, allowing facilities to remain fully operational off grid. Nearly every data center in Texas remained online (https://www.bisnow.com/dallas-ft-worth/news/data-center/despite-arctic-inspired-panic-texas-data-centers-are-doing-alright-107802) during Winter Storm Uri, and their on-site power meant they didn’t contribute stress on the already overmatched ERCOT system.

But much of the concern around data centers’ impact on the Texas power grid has focused on one contentious corner of the broader data center ecosystem: bitcoin mines.

Unlike traditional data centers, bitcoin mining facilities don’t use the same amount of power all the time. As long as a miner’s power costs are less than the price of bitcoin, a facility will run at full tilt. But during times of energy scarcity, when the price of power goes up, bitcoin miners typically shut down entirely, pulling potentially hundreds of megawatts off the grid.

This pattern of electricity usage aligns with what ERCOT's operators want. Yet it can also raise the risk of catastrophic grid failures. ERCOT and utilities have little transparency into bitcoin miners' operations, making real-time predictions about energy demand challenging.



And if grid operators don't correctly anticipate when bitcoin miners will shut down during periods of high demand, disaster can follow.

"It's a little bit of a hold-your-breath moment when we go into scarcity, not knowing for sure what that demand response is going to look like from one day to the next," ERCOT's Rickerson told lawmakers in June.

However, the characterization of bitcoin mining as an inherently destabilizing force on the state's energy infrastructure has also received pushback from miners and ERCOT leadership, who say bitcoin miners can be part of the solution.

ERCOT has implemented demand response programs, in which major power consumers agree to effectively give their allotted power back to the grid by dramatically reducing electricity consumption during times of peak demand — for a price. Bitcoin mines are a natural fit for demand response.

But only about a third of Texas bitcoin mining operations are in such a program, according to Texas Blockchain Council President Lee Bratcher.

ERCOT leadership and mining groups like Bratcher's are aligned in wanting to see all miners become so-called controllable load resources, giving ERCOT transparency into their operations and a say in when they disconnect during periods of high demand. These facilities could become an important stability resource, effectively adding gigawatts of emergency capacity to the grid.

Who's Stuck With The Bill?

Texas lawmakers aren't just worried about data centers and crypto mines making the state's electricity less reliable. They're also worried about them making it more expensive.

The flood of massive data centers and bitcoin mining developments seeking connections to the ERCOT grid far exceeds the capacity of Texas' existing power infrastructure, particularly the transmission lines and substations needed to deliver power to these projects. ERCOT and its associated utilities, like all U.S. power providers, are legally obligated to fulfill these requests.

That means spending billions to expand grid capacity.

ERCOT already has $14B worth of transmission projects in some stage of preconstruction or development, and a significant increase in spending is needed to meet the wave of demand projected to be just around the corner, ERCOT's leadership told lawmakers. In theory, the cost of these capital projects will be covered by data centers paying for the power they use.

But if billions of dollars are spent building transmission lines for a data center campus that never ends up being built or uses just a fraction of the electricity its developers asked for, the huge cost of these projects would be borne by all Texans in their power bills.

State lawmakers were quick to raise concerns about the potential for higher power rates, which they said would have the greatest impact on the state's most vulnerable households.

"I want to make sure that we don't increase the cost of everybody who can least afford it for a specialized project that's for industries that are very profitable," Sen. Jose Menendez, a San Antonio Democrat, told ERCOT leadership at the hearing.

Clouding the issue, ERCOT has little insight into how much of its record interconnection queue will materialize. In the data center industry and among utilities, there is broad consensus that much of the projected increase will never come to fruition — as much as 80% of ERCOT's projection, Bratcher said.

A data center developer might apply for interconnections for 100 MW in five potential locations but only plan on building at one of them. That looks like 500 MW to ERCOT, but in reality it would only be 100 MW, Bratcher said.

Adding to this "phantom load," landowners or developers with no relevant experience have made large connection requests for properties to boost land values and potentially flip the parcels to data center firms.

"In every single market, we've seen a flood of private equity guys and landowners who go to the utility and get a power study for 500 MW for a farm just so that land's worth six times as much," JLL U.S. Data Center Managing Director Andy Cvengros (https://www.bisnow.com/tags/andy-cvengros) said. "Utilities are looking at us to help them understand who's real and who's not."



Some steps are already being taken to help ERCOT make more accurate demand projections and separate the wheat from the chaff, hoping to lower the risk Texans will be stuck with the bill for billions in unneeded transmission infrastructure.

Oncor (https://www.bisnow.com/dallas-ft-worth/news/data-center/data-center-demand-continues-to-boom-in-dfw-even-as-other-assets-falter-119757), which transmits and delivers electricity to much of the Dallas-Fort Worth region and parts of the Permian Basin (https://www.bisnow.com/tags/permian-basin), started taking advantage of a law passed last year allowing transmission providers to give input on which loads they felt were likely to connect, Oncor Vice President Ellen Buck said during the Senate hearing.

Oncor determined that only 25 GW of the 47 GW seeking connections were likely to move forward after examining whether the requesting entity was legitimate, like a major tech firm or known developer, and whether they had started making financial commitments toward their projects, such as securing property or ordering equipment.

“What we're looking at is, what's the customer's evidence of skin in the game?” Buck told the committee.

There is also support for charging potential connectors (https://www.bisnow.com/national/news/data-center/the-machete-approach-a-fight-between-data-centers-and-an-ohio-utility-may-preview-more-turmoil-ahead-125992) large fees, securing another form of collateral or requiring expensive studies as part of the application to request a connection. Those measures, widely used in other markets, could make speculative requests less likely.

“As a data center industry, as a bitcoin mining industry, we are all supportive of ERCOT charging fees for loads to be in the interconnection queue because we understand how important it is for them to have an accurate picture of what load is coming,” Bratcher said. “If that hurts our bottom line, then so be it.”

Reaching A ‘Tipping Point’

The increasingly hostile rhetoric from Texas lawmakers may signal a changing political landscape for the data center and bitcoin mining industries, which until recently were welcomed with open arms.

The severest suggestions floated by elected officials, banning bitcoin mining or new grid connections for data centers, have yet to manifest as concrete legislative proposals. But more limited bills were introduced, including a measure to limit bitcoin miners’ participation in demand response programs (https://www.coindesk.com/policy/2023/05/30/texas-bill-that-would-limit-miners-participation-in-cost-saving-grid-programs-stopped-in-house-committee/).

Meanwhile, there is a sense that the tone of the conversation around data centers and crypto mining in Austin is taking a rapid turn toward the negative.

“Suddenly they flipped on crypto a few months ago,” said University of Houston (https://www.bisnow.com/tags/university-of-houston) energy fellow Ed Hirs, who predicted in 2013 (https://www.chron.com/opinion/outlook/article/texas-suffers-from-soviet-style-electricity-4301693.php) that ERCOT’s deregulated grid would result in power generation and distribution shortfalls. “I guess they read the pieces I've been putting out.”

Texas would hardly be the first place where data centers have worn out their welcome. That pattern has played out (https://www.bisnow.com/national/news/data-center/an-expensive-lesson-facing-growing-local-hostility-data-center-developers-are-finally-trying-to-win-hearts-and-minds-122476) in a growing number of development hotbeds, where a data center building boom has sparked political efforts (https://www.bisnow.com/national/news/data-center/virginia-lawmakers-look-to-eliminate-data-centers-as-by-right-use-125001) to control or limit the industry’s growth.

While specific grievances driving opposition vary by market, concerns over the impact of skyrocketing electricity demand have led government officials and utilities in places like Columbus, Ohio (https://www.bisnow.com/national/news/data-center/the-machete-approach-a-fight-between-data-centers-and-an-ohio-utility-may-preview-more-turmoil-ahead-125992), and Dublin (https://www.irishtimes.com/business/2023/11/27/data-centre-moratorium-could-strangle-digital-growth-and-impact-carbon-targets/) to pursue what are effectively moratoriums on new data center development (https://www.bisnow.com/tags/data-center-development).

The risks data centers pose to the reliability and price of electricity in Texas may be solvable through policy and regulatory changes. But industry players like Bill Thomas, chief energy officer at data center campus developer CleanArc (https://www.bisnow.com/tags/cleanarc-data-centers), caution that lawmakers and ERCOT could follow other jurisdictions' lead and decide that data centers just aren’t worth the trouble.

“I don't know what that tipping point is,” Thomas said. “Everything's bigger in Texas, but I think they've probably reached it.”

Check out Bisnow early next week when Data Centers Reporter Dan Rabb takes a closer look at crypto mining. The industry has been maligned by some politicians, but industry leaders say they can be part of the state's energy solution.

Contact Maddy McCarty at maddy.mccarty@bisnow.com (mailto:maddy.mccarty@bisnow.com)

See Also: Europe’s Largest Property Lender To Pull Back From New Office Loans (/london/news/capital-markets/europes-largest-property-lender-to-pull-back-from-new-office-loans-126242)

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ATTACHMENT 4.c

Article – Recommendations for Proposed Zoning Ordinance Amendment for Data Center Impacts in Fairfax County, dated May 20, 2024

(https://www.facebook.com/GreatFallsVASierraClubChapter/) (https://www.meetup.com/Sierra-Club-GFG-Meetup/)

Recommendations for Proposed Zoning Ordinance Amendment for Data Center Impacts in Fairfax County

Recommendations for Proposed Zoning Ordinance Amendment for Data Center Impacts in Fairfax County

May 20, 2024

Dear Members of the Board of Supervisors and Planning Commissioners,

We are writing to share our recommendations to address the impacts of accelerated growth of the data center industry in Fairfax County. We appreciate that the county has studied and issued "Data Centers – Report and Recommendations." At the same time, the public deserves stronger protections than those that have been proposed in the Staff Summary dated April 23, 2024 with draft Zoning Ordinance Amendment (ZOA) language and the May 17, 2024 Staff Report in order to ensure that county policies adequately mitigate the myriad of negative environmental and public health impacts of this use.

Our concerns about the magnitude of future data center development focus particularly on the massive energy demand, water consumption and resulting increases in carbon emissions. In addition to the few standards offered in this draft ZOA in order to obviate the significant environmental impacts, it is essential that the county require:

comprehensive building energy efficiency; procurement of new renewable energy by companies; the use of sustainable building materials, avoiding highly toxic diesel generator pollution and other natural resources protections.

In order to try to meet the unique set of impacts associated with data centers, we recommend that:

1. The county take a comprehensive regulation approach to the data center "use" and also expand "use-specific standards" as part of this effort.

2. Data centers be regulated so that environmental and health mitigations are proportional to harmful impacts.

3. All data center proposed developments be subject to a Special Exception (SE).

Impacts of Virginia's Data Centers

With the acceleration of computing and cooling demands from artificial intelligence and other rapidly- changing technologies, data centers now require far more energy and water to run. Today, the industry seeks data centers that are larger and often taller to pack in more servers to run more energy and water intensive applications. Yesterday's data centers use far fewer resources compared to those planned to host artificial intelligence and other new applications, which could require at least 10 times the power to run.

Fairfax County has recently begun to approve larger facilities in tandem with market demand and their impacts won't be fully understood until they come online. Those facilities (such as Chantilly Premier and Renaissance) are not in operation but appear to be more in line with data centers built in neighboring jurisdictions, giving us a reasonable basis for predicting impact.

We are deeply concerned about the projected total demand of energy to service data centers. With revised forecasts from PJM, the region's grid provider, the data center industry in Virginia is now expected

to need over 25,000 MW (25 GW) just to service Virginia's data centers by 20391. This would be the equivalent of 28 coal plants (the size of Clover Power Plant in Hallifax County, still in operation at 877 MW.) Newly approved transmission lines are expected to bring coal to Virginia already delaying coal plant closures.2 Dominion has also revived pre-pandemic plans to build a natural gas peaker plant in Chesterfield County to meet growing grid demand in the coming years, due to data center growth. Data center developers, rather than the ratepayer or taxpayer, should bear the expense of infrastructure needed to operate their facilities so that Fairfax County residents do not shoulder the burden.

Because the data center growth is driving Dominion's reliance on fossil-fueled generation,3 Dominion has projected to double greenhouse gas emissions to 36,000,000 metric tons by 2048.4 That Loudoun County's GHG emissions have increased by over 50% due to data centers5 is a serious concern for the region and the state and foreshadows what will happen in other jurisdictions if mitigating protective measures aren't enacted. The energy trajectory created with this unprecedented industrial build out could reverse the ongoing work to deliver a cleaner grid, which will also undermine the county's ability to meet its Community-wide Energy and Climate Action Plan (CECAP) goals. All of this is to say that the increases in carbon we are seeing makes clear that effective local policies to mitigate these impacts are imperative.

Recommendations for Data Center Use Standards

Screening/Enclosures:
We support requiring equipment enclosures. Does this include enclosing diesel generators? Is that considered "mechanically feasible" or would we expect a waiver on those? We recommend that generators and HVAC equipment be located away from (not adjacent to) residential, public and commercial uses, in order to reduce pollution, noise and aesthetic impacts to adjacent properties.

Maximum Size:
Data Centers are rapidly growing in size and server capacity. For instance, newly built or proposed data centers in Loudoun County are generally over 200,000 square feet and increasingly as much as 1,000,000 square feet. Demand for hyperscale size buildings reflect market conditions post 2023, thereby precluding the need for by right

standards under 80,000 square feet. (The currently under review by right Plaza 500 Bren Mar proposal is for 461,244 sf and Chantilly Premier was approved at 402,000 sf and other recent projects are over 1 million sf)

Likewise, we believe that the demand for and speculation around data center development does not warrant a credit for repurposing under a by right standard. Repurposing of underperforming commercial properties for data centers is already underway at an accelerated pace in other jurisdictions, so the incentivizing redevelopment for data centers is unnecessary. Further, a possible 200,000 square foot addition is a substantial 2.5 times the square footage that is proposed as a by right maximum. Either way, our strong recommendation is to require the data center use to be subject to a Special Exception across the board so that proffers can be offered to mitigate impacts.

While there are some similarities in transportation, freight, warehouse and distribution-related industrial facilities, the data center use differs significantly from other industrial uses in the sheer magnitude of its impact on land, energy and water resources. The possibility that under certain conditions it could

1 https://www.pjm.com/-/media/planning/res-adeq/load-forecast/load-forecast-supplement.ashx
2 https://www.washingtonpost.com/business/interactive/2024/data-centers-internet-power-source-coal/
3 (https://www.sierraclub.org/press-releases/2023/05/dominion-announces-future-energy-production-customers- and-its-bleak)
4 Dominion Energy's 2023 IRP, page 7, preferred plans B and C summary. https://www.dominionenergy.com/- /media/pdfs/global/company/desc-2023-integrated-resource-plan.pdf
5Metropolitan Washington Council of Governments

function as a power plant must also be taken into consideration. This concept, to provide an air quality variance for diesel generators in Fairfax, Loudoun and Prince William Counties, was floated last year by the Department of Environmental

Quality.6 And while it was later withdrawn, it could be revived due to energy and transmission constraints. One must consider that Fairfax County is highly populated and quickly urbanizing, and with the majority of I-5 districts residing directly adjacent to residential areas, the health hazards to adding thousands of diesel generators near population centers could be harmful to far larger numbers of residents based on proximity.

Further, since the county's Policy Plan does not currently have adequate standards for data centers, a Special Exception gives the board flexibility to address issues such as green building and renewable energy, stormwater, water use that also cannot adequately be regulated under by right conditions.

Noise Impacts:
We support pre and post construction studies with adequate standards to protect adjacent properties 24/7. Further, we believe data center noise should not be audible over the property line and the ZOA and/or county Noise Ordinance should provide for this. This measure would protect neighbors from the continuous low humming noises as well as noise from generators. Generators should not run from 8 pm to 8 am. This is a health issue, as well as a comfort issue for residents.

Setbacks:
Setbacks should not only be from residential areas, they also should be from schools, hospitals, parks and other public amenities. We generally suggest a buffer of 500 feet. In terms of noise and disturbance, the usefulness of a protective buffer adjacent neighbors and uses is also predicated on the efficacy of the noise ordinance and/or noise mitigations required by the county and provided by the developer for the combined impacts of the building, cooling systems and generators. In order the achieve the property line measurement under "noise impacts," buffers may have to be expanded and natural barriers, such as mature trees planted.

It was shocking to learn that a new substation for the Plaza 500 by right data centers, currently under review by the county, is proposed a very short distance of 80 feet from residential townhomes. While the state plays a large role in approving substations, localities must have protections in place so that major energy infrastructure is far from homes, schools, hospitals and other public spaces. There is no way such placement could "minimize adverse visual impacts" as well. On the other side of this proposed development, transmission lines are planned to be constructed in the Resource

Protection Area of Turkeycock Run. In this current situation, a small buffer of 200 feet would be wholly inadequate to protect adjacent properties. We suggest that additional protective language be included in this ZOA to avoid these situations.

Distance from Metro:
Data Centers should be sited at least 1 mile from TSAs and major transit hubs such as Metro stations. Siting Data centers within walking distance of 15-20 minutes of transit undermines the County's smart growth goals to populate residential, employment centers and mixed-use residential near transit. Data Centers employ few people and if near transit, take up valuable space, reducing the utility of critical county transit infrastructure. Current data centers near the Reston Town Center and Loudoun Station Metros are examples of this. For the same reason, even under an SE, at least a 1-mile standard should be in force. Further, the SE process would allow the county to ensure that data centers are not sited in industrial zones a mile or more from major transit near incompatible development. For instance, the Mosaic District is a mile or more from the Dunn Loring Metro and there are similar areas near the Springfield Metro where existing industrial areas or commercial areas that would qualify for larger data center development by repositioning under this proposed ZOA would be incompatible with other uses

6 https://www.deq.virginia.gov/Home/Components/Calendar/Event/971/17

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and/or would reduce the potential to build for transit use. So, instead of a (5) "lesser" distance, a holistic look at a transit area might call for a greater distance.

Zoning Districts:
We support the option to remove permission for data centers in the PRC District. This use seems incompatible with the PRC focus on green open space.

Use-Specific Standards addressed in the Study, but not in the draft ZOA

Several significant issues were addressed in the January 9, 2024 Data Center Study that are excluded from the draft ZOA language. Deferring the implementation of use-specific standards contributes risk to the power grid, increases in carbon emissions,

depletion of local water resources and public health. The county should be prepared now to address the emerging and more intense resource demands and environmental impacts of any proposed development. There should be a pause in approvals of the data center use until the following critical issues are adequately addressed.

Diesel Generator Impacts:

We ask that you avoid the use of unhealthy diesel fuel or natural gas for back-up generators. Alternatively, we ask that you require on-site microgrids for back up for each building with solar and battery storage. We recommend that if diesel is allowed, a requirement be established for Tier IV generators or the best available/highest standard technology that is the least polluting. These generators should be treated as having the potential to be used as power plants (see above), so their cumulative effects to public health should be well understood.

One Fairfax/Equity Protections
We urge the county to protect vulnerable populations under One Fairfax from health and pollution harms. Has DPD or other agencies conducted a formal analysis of the potential impact on neighborhoods likely to see data center development? Low-income areas which already suffer or may suffer from neighborhood conditions that challenge public health should be protected from the polluting effects of data centers and not located near them. Such protections should be integrated into this ZOA.

Energy Impacts:
We must require state-of-the-art building and cooling efficiency to address the massive energy demand associated with this use. Given the extent of potential use for the purpose, Fairfax County data centers should be at least in the top 10% nationwide for efficiency and water use. As mentioned in the Study, a Power Utilization Standard (PUE) performance metric should be required to promote energy efficiency. We suggest a PUE of 1.12 or less with a method of third-party certification be required under a Special Exception.

It is our understanding that LEED-silver does not ensure that the building will deliver the needed level of energy efficiency. LEED-DC Gold or stronger certification with ASHRAE 90.4 is needed. All buildings must be constructed and operated using best practices or better in the industry with respect to building construction, noise attenuation, and cooling technologies. We suggest that third party certification be

required of the building's design and construction according to the standards which are utilized. We ask that you benchmark renewable and total energy use for data center reporting requirements and make the information public. We recommend the following best practices language for energy efficiency in any data center application:

***Best Practices for Energy Efficiency**: All buildings on the Property must be constructed and operated using best practices or better in the industry with respect to building construction, noise attenuation, and cooling technologies. All data center buildings must be constructed to LEED (Leadership in Energy and Environmental Design) "Gold" standards for Building Design and*

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Construction, achieving at least 16 of the 18 points available in the Optimize Energy Performance section of the Energy and Atmosphere category or a recognized industry equivalent such as EnergyStar certification, with a certification score of at least 90 points. Prior to the issuance of the permanent certificate of occupancy for such building, a licensed engineer or architect must provide the Planning Department with certification that such building was constructed according to the standards specified under LEED Gold or EnergyStar certification at the 90-point scoring level. Any other recognized building industry equivalent that may be used for the building design and construction must produce equal or better energy efficiency performance than the two standards mentioned above. The operation and maintenance of all data center buildings must be consistent with generally recognized industry energy efficiency standards and guidelines for data centers (i.e. ASHRAE Standard 90.4), to the maximum extent possible.

Carbon Costs:

Data Centers are a climate issue. Strong proffers could also reduce future climate mitigation costs resulting from emissions associated with data centers. Projects of this magnitude should require thorough impact analyses of its impact on the county's carbon footprint. Since we know that emissions increases are associated with the data center use, and it will increasingly depend on going "back to coal" to meet energy demand, what will the county do to ensure that its carbon emissions do not increase if new and data centers come online?

Water Impacts:
It is imperative to have a solid understanding of the water quantity needed for operation of the centers, as well as water quality issues presented. When data centers are serviced by public water sources, the public should have an understanding of water demand and quality impact.

Jurisdictions servicing data centers with AI applications have seen huge increases in water consumption. This is an emerging area of concern and discussion by the industry and in many local communities. Based on limitations of air cooling for AI applications and what might have been an industry standard in the past, the use of liquid cooling is increasing by necessity.7 The experience of Des Moines, Iowa gives us a peek into water usage8 and the additional strain that can be placed on the region's drinking water supply.

Therefore, water impact studies should be performed before any approvals and the data should be made publicly available sufficiently in advance to allow for public consideration and comment; water pollution prevention measures should protect soils and capture chemical residue; outflows should protect from residue such as bromine and salt; a significant percentage of water should be recycled or reclaimed and should neither deplete nor imperil surface or groundwater sources needed for drinking water; and drinking water for residents should be designated as a priority use during drought conditions.

Transportation Impacts:
The traffic analysis and plan should take into consideration the impact on transportation and imperative of safe delivery of diesel fuel and that the time of delivery should not impact nearby neighborhoods.

7 https://www.datacenterknowledge.com/industry-perspectives/data-center-liquid-cooling-moving-niche- mainstream#close-modal
8 https://apnews.com/article/chatgpt-gpt4-iowa-ai-water-consumption-microsoft-f551fde98083d17a7e8d904f8be822c4

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Conclusion

Last year (2023) was the hottest year in 170 years of record keeping, even *exceeding scientists' predictions*. The fact that climate change is an existential threat to all of us requiring swift action of every level of government has been repeated so often that scientists sound like a broken record. And yet, this is an existential issue and so their warnings must be heeded.

The land use regulatory power at the local level is foundational to ensuring data center developers are held accountable for short and long-term impacts and therefore are protecting ratepayers and Fairfax County residents from the long-term costs for carbon mitigation, and the impacts on air quality, and energy and water bills.

As always, we are happy to discuss these recommendations at any time.

Thanks,

Ann Bennett
Land Use Chair, Sierra Club Great Falls Group Virginia Chapter Data Center Issues Chair

Susan Bonney
Chair, Sierra Club Great Falls Group

CC: John Morrill OEEC, Rachel Flynn, DCE

Carmen Bishop, DZA Katherine Hermann, DPD

9 https://www.nytimes.com/interactive/2024/04/20/upshot/carbon-dioxide-growth.html

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Sierra Club News

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This company is racing to fix Pennsyvania's leaking wells

Meet the Mainers at the Bleeding Edge of the Home Electrification Revolution (/sierra/2024-3-fall/notes-here-there/meet-mainers-bleeding-edge-home-electrification-revolution)
Progressive state incentives, plus the IRA, allow Maine to install heat pumps faster than any other state

Electrify Your Wheels: Check Out the New Range of E-Bikes (/sierra/2024-3-fall/feature/electrify-your-wheels-check-out-new-range-e-bikes)
What kind of cyclist are you?

Electrify Your Wheels: Here Are the Latest EVs for Bargain Hunters (/sierra/2024-3-fall/feature/electrify-your-wheels-here-are-latest-evs-bargain-hunters)
There are more affordable EVs than ever before

How to Navigate the Clean Energy Transition (/sierra/2024-3-fall/feature/how-navigate-clean-energy-transition)
Some tips for electrifying your home and transportation

More Sierra Club news (/articles)

ATTACHMENT 5
Notice of Determination

Notice of Exemption

From: City of Monterey Park Planning
320 W. Newmark Avenue
Monterey Park, CA 91754

To:

X Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

☐ Los Angeles, County Clerk
Environmental Filings
12400 Imperial Highway #1201
Norwalk, CA 90650
Attn: Business Filings and Registration

Project Title: Data Center Regulations
Project Location - Specific: Citywide
Project Location - City: Monterey Park
Project Location - County: Los Angeles

Description of Project:
Adopt regulations governing data centers within Saturn Park in accordance with Section 3(A) of Ordinance No. 2198 (adopted by voters as Measure JJ on November 3, 2020).

Name of Public Agency Approving Project: City of Monterey Park
Name of Person or Agency Carrying Out Project: City of Monterey Park

Exempt Status: (*check one*)

☐ Ministerial (Sec. 21080(b)(1); 15268);

☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));

☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));

X Categorical Exemption. State type and section number: § 15060(c)(2), § 15378(b)(5) § 15301 § 15303 and § 15061(b)(3)

☐ Statutory Exemptions. State code number: _____

Reasons why project is exempt:
Pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq.; "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, *et seq.*; the "CEQA Guidelines"), the City reviewed the environmental impacts of the proposed regulations. No additional environmental review is required for these regulations pursuant to CEQA Guidelines § 15060(c)(2), § 15378(b)(5) § 15301 § 15303 and § 15061(b)(3). These regulations are exempt from additional CEQA review because the regulations would amend existing zoning to govern data centers within Saturn Park in accordance with the voter enacted Land Use Element. This will not have a direct or reasonably foreseeable indirect physical change in the environment and does not qualify as a "project" under CEQA because it will not make physical changes to the environment. Additionally, the regulations are exempt from additional CEQA review under the commonsense exemption that it will not affect the environment. Any future data center project applications will require separate environmental review as required by applicable law.

Lead Agency Contact Person: Jessica Serrano Telephone (626) 307-1463

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a notice of exemption been filed by the public agency approving the project? ☐ Yes ☐ No

Signature: J. Serrano Date: 11/6/24 Title: Director of Community Development

☐ Signed by Lead Agency Date received for filing at OPR:

☐ Signed by Applicant

City Council Staff Report

Date: March 4, 2026
Agenda Item Number: 12.A.

To: The Honorable Mayor and City Council

From: Inez Alvarez, City Manager
Karl Berger , City Attorney

Subject: Consideration and possible action to call for a special election on June 2, 2026 and adding a proposition to the ballot prohibiting data centers citywide

Recommendation:
It is recommended that the City Council consider:

1. Adopting Resolution Nos. 2026-R5 through 2026-R8 which, collectively, call for a special election on June 2, 2026, add a proposition to the ballot prohibiting data centers citywide, request an impartial analysis, and establish procedures for ballot arguments;
2. Determining whether the City Council should submit an argument in favor of the ballot proposition;
3. Approving a budget adjustment and appropriation of $210,000 to pay for the special election costs;
4. Approving a budget adjustment and appropriation of $100,000 to pay for anticipated litigation costs; and
5. Taking such additional, related, action that may be desirable.

CEQA (California Environmental Quality Act):
The City Council is required to conduct environmental review of matters it places onto the ballot pursuant to Elections Code § 9222. Placing this matter onto the June 2, 2026 ballot is not subject to further review under the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq*.) for the reasons stated in Section 4 of the draft Proposition. The City Manager, or designee, is directed to file a notice of determination.

Executive Summary:
Pursuant to City Council direction, the proposed actions would call a June 2, 2026 special election and place a citywide prohibition on data centers on the ballot. These proposed actions are protected legislative activities that are not directed toward any particular property or applicant. If approved by voters, the Proposition would amend the voter-approved Land Use and Urban Design Element to prohibit data centers in every zone. It is not recommended that the City Council undertake its own zoning amendments until after the June 2nd election date.

Background:

On February 4, 2026, the City Council directed the City Manager and City Attorney to draft a proposed ballot measure prohibiting data centers within the City. If adopted by the City Council, the draft resolutions included with this staff report would (1) call a special election for June 2, 2026; (2) place a proposition onto the ballot for that election; and (3) take all of the ancillary actions needed to effectuate voter consideration of that ballot proposition.

While the City Council already made it plain that it supports a citywide prohibition on data centers, it seems prudent to also discuss litigation threats challenging the City Council's potential actions.

- *Data Centers in Saturn Park*

As discussed on multiple occasions, there is a pending application for a data center at 1977 Saturn. **That matter is not on this agenda.** While that project was scheduled for public hearing in November, the applicant requested that it be continued to a date uncertain. The attached letter from February 4, 2026, responds to the litigation threats made by that applicant. There is no change in the facts regarding that application since then.

What *is* on tonight's agenda are (1) an item regarding extending the existing moratorium on data centers; and (2) this item. Both are related: were the City Council to extend the moratorium, part of the basis for that decision would be whether to place the draft Proposition on the June 2, 2026 ballot. If the Proposition is approved by voters, then the moratorium would become moot as data centers would then be prohibited on a citywide basis. A voter-approved prohibition on data centers offers the strongest legal protection for the City against litigation threats.

- *Public Comment regarding Ordinance No. 2253*

Some public commentators urged the City Council to repeal Ordinance No. 2253. Their argument is that repealing this Ordinance would result in data centers being a prohibited land use within Saturn Park. Repealing Ordinance No. 2253, however, would significantly weaken the City's ability to defend against potential legal challenges.

A. Environmental Argument

Part of the argument is that the City now has "new evidence" regarding data centers that require an update to Ordinance No. 2253's CEQA findings. There are two issues with this argument: (1) all the data cited by the public commentators was referenced *after* Ordinance No. 2253 became effective; and (2) any CEQA challenge to the Ordinance needed filing by May 19, 2025. That did not occur and is now time barred.

Ordinance No. 2253 did not approve any data center project; it is a legislative decision made by the City Council establishing rules that apply to future projects. Any such future data center project is subject to individual CEQA review and must stand on its own merits.

B. Differentiating between a data processing facility and a data center

Another part of the argument is that the City Council added a "new" land use to Saturn Park, i.e., a data center land use category. Arguably, this is accurate. However, clarifying the

difference between a data processing facility and a data center is a crucial element of Ordinance No. 2253. A data center project requires City Council approval via a development agreement; a data processing facility project does not. The latter may be approved ministerially, i.e., there are no public hearings associated with the project and it must be approved if it meets objective legal standards.

In contrast, a data center project *cannot be approved without a development agreement.* A development agreement may only be approved by adopting an ordinance. Deciding to adopt an ordinance requires the City Council to exercise its legislative discretion and ensures each project under consideration undergoes environmental review. The City and City Council have legislative immunity when making such decisions, i.e., it is highly unlikely that the City could be held liable for the City Council's reasonable decision-making.

C. A data center is not heavy manufacturing
The argument that a data center constitutes "heavy manufacturing" and is therefore prohibited within Saturn Park also misses important considerations. A data center does not meet the definition of "heavy manufacturing" in either the General Plan or the Monterey Park Municipal Code, since it involves neither the transformation of raw materials into finished goods nor constitutes a manufacturing use.

D. Ordinance No. 2253 regulates Saturn Park, not the entire City
The argument assumes that data centers are a permitted use only in Saturn Park. That is incorrect. Data centers are also an allowed use within the Market Place Specific Plan (adopted in 2023). That means data center projects proposed for the Market Place – like data processing facilities in Saturn Park – may be processed ministerially without public hearings.

Even if repealing the Ordinance would make data centers a prohibited use within Saturn Park (which is incorrect), therefore, such action would not affect zoning regulations in other areas of the City. The City Council's desire is to prohibit data centers *citywide.*This necessarily means that all zoning regulations would need amending to also prohibit data centers.

- *Legislative Decisions are Protected*

In California, legislative actions by elected officials are exercises of the right of petition and free speech on matters of public concern under Code of Civil Procedure § 425.16. Legislative acts such as introducing, debating, and voting on ordinances or resolutions, participating in public hearings, or making official statements in the course of lawmaking are generally considered "official proceedings" or speech made in connection with such proceedings, which falls squarely within the categories of protected activity set out in the statute. When a lawsuit targets an official for these kinds of legislative decisions or statements – for example, claiming damages based on how they voted or what they said in a council meeting – the official can move to strike the claims through an anti-SLAPP motion. If the court grants the motion, the challenged claims are thrown out, the case is stopped as to those claims, and the defendant is generally entitled to recover their attorney's fees and court costs from the plaintiff, with only narrow exceptions written into the statute.

Here, the record is plain – despite written and public complaints from the data center applicant for 1977 Saturn – that the City Council's discussions, debates, and actions are all legislative.

Moreover, any decision regarding 1977 Saturn – had the City Council ever considered that project – would also be legislative (for the reasons noted above). Every public discussion regarding data centers focused on the “big picture” impact of data centers in Monterey Park. These are squarely legislative decisions constituting mainly political activity where the City Council “declare[s] a public purpose and make[s] provisions for the ways and means of its accomplishment.” The City Council’s ability to engage in such action is presumptively protected.

- *Ballot Proposition*

The City Council’s direction regarding the draft Proposition is clear: a prohibition on data centers citywide. This direction is reflected in the Proposition included with this staff report.

To ensure that the prohibition would be effective citywide – not just in Saturn Park – the Proposition (if approved by voters) would amend the Monterey Park Land Use and Urban Design Element (approved by voters as Measure JJ on November 3, 2020) to prohibit data centers in every zone within the City. The Proposition also directs the City Council to adopt zoning regulations to implement this prohibition within the Monterey Park Municipal Code.

The City Council has the authority to place a measure on the ballot up until 88 days before the election (Elections Code § 9222). For the June 2, 2026 election, the last date for placing something on the ballot is March 6, 2026.

Pursuant to Elections Code § 9280, the City Council has the discretion to direct the City Clerk to transmit the measure to the City Attorney, and per that same section the City Attorney may be directed to prepare impartial analyses of the measure for inclusion in the Sample Ballot and Voters Information Pamphlet. A proposed resolution directing the City Attorney to prepare an impartial analysis is included.

The City Council also has the discretion of authorizing its membership, by majority vote, to file written argument(s) regarding the measure and to adopt provisions to provide for the filing of rebuttal arguments. The following persons may write an argument, not exceeding 300 words, for or against the measure:

1. The City Council;
2. Councilmembers authorized by the City Council;
3. Voters eligible to vote on the measure (i.e., a registered voter in the city);
4. A bona fide citizens' association; or
5. Any combination of voters and associations.

An argument cannot be accepted unless it is accompanied by the name(s) of the person(s) submitting it. If an organization submits an argument, it must include the organization's name and the name of at least one principal officer. Only the first five signatures appearing with an argument will be printed on the sample ballot.

The City Clerk must select a reasonable deadline for submitting arguments, taking into account that voters must be allowed to examine the elections material for at least 10 calendar days

before printing.

When submitted, one argument for the measure and one argument against the measure must be printed on the sample ballot. If there is more than one argument submitted, the City Clerk must select from among them. The City Clerk must give preference and priority to arguments in the following order:

1. The City Council, or Councilmembers authorized by the City Council.
2. A bona fide association of citizens.
3. Individual voters eligible to vote on the measure.

If the City Council adopts the provisions in Elections Code § 9285(a) by majority vote before the election, rebuttal arguments may be included on the sample ballot. If the Council adopts provisions of that section, the following rules apply:

- The City Clerk must send copies of the argument supporting the measure to opponents of the measure, and must send copies of the argument against the measure to measure proponents. Each side is then entitled to submit a rebuttal argument, not exceeding 250 words.
- Rebuttal arguments must be submitted within 10 days after the deadline for filing direct arguments. Each rebuttal argument must be printed immediately following the direct argument it seeks to rebut.

Proposed Timeline and Los Angeles County Election Deadlines

If the City Council places the Proposition on the June 2, 2026 ballot, the following timeline applies:

March 4, 2026	Approve adding measure to the June 2, 2026, ballot
March 5, 2026	Post Notice of Deadline for Filing Arguments
March 6, 2026	Last day to file a resolution with Board of Supervisors and County elections official requesting consolidation for a ballot measure
March 6, 2026	Last day to file a resolution with the County elections official and the Board of Supervisors to amend/withdraw a measure previously submitted for placement on the ballot
March 13, 2026	Last day to file Arguments and City Attorney's Impartial Analyses
Mar. 14-23, 2026	10-calendar-day public examination period
Mar. 23, 2026	Last day to file Rebuttal Arguments
Mar. 24-April 2, 2026	10-calendar-day public examination period
June 2, 2026	Election Day

Strategic Plan Goal:
N/A

Fiscal Impact:
The estimated cost charged by the County of Los Angeles to add the proposition to the ballot for the June 2, 2026 election is $193,267.24. The cost includes a city-wide reach of voters. A ballot measure will also require more printed materials in the Official Sample Ballot, which may increase the cost. A budget amendment and appropriation of $210,000 for election costs is proposed. Additionally, the City expects potential litigation regarding this topic; a budget amendment and appropriation of $100,000 is requested for these costs. Combined, the total budget amendment and appropriation is $310,000.

Attachments:
1. February 4, 2026 Response to HMC/ Sheppard Mullin from City Attorney
2. Draft Resolution Calling a Special Election on June 2, 2026 Pursuant to Elections Code § 9222
3. Draft Reso. Adding a Prop. to the Ballot Prohibiting Data Centers for Previously Called June 2, 2026 Special Election Pursuant to Elections Code §9222
4. Draft Resolution Directing the City Attorney to Prepare an Impartial Analysis of the Proposition Prohibiting Data Centers
5. Draft Reso. Est. Requirements for Ballot Arguments Filed with the City Clerk to be Included with Voter Info for the General Election on June 2, 2026

ATTACHMENT 1
February 4, 2026 Response to HMC/ Sheppard Mullin from City Attorney

CITY OF MONTEREY PARK

320 West Newmark Avenue • Monterey Park • California 91754-2896
www.montereypark.ca.gov

City Council
Henry Lo
Vinh Ngo
Jose Sanchez
Thomas Wong
Elizabeth Yang

City Clerk
Maychelle Yee

City Treasurer
Amy Lee

Mr. James Pugh
Sheppard, Mullin, Richter & Hampton LLP
650 Town Center Drive, 10th Floor
Costa Mesa, California 92626-1993

Re: Response to Your February 4, 2026 Letter Regarding Agenda Item 9.A

Dear Mr. Pugh:

Thank you for your letter dated February 4, 2026. Notably, despite the agenda being posted last week, your correspondence arrived at 3:35 p.m. on the date of the Council meeting. This does not provide the City Council a meaningful opportunity to absorb your letter before considering Council Member Ngo's agenda item.

My review of your correspondence shows that there is nothing new in your misplaced arguments. Your client's project is not on tonight's agenda. And, at your client's request, it is unclear when it will be rescheduled for consideration.

Your letter, once again, complains that the City somehow created roadblocks for your client's application. The administrative record, however, shows the contrary is true.

On November 14, 2025, your correspondence requested a continuance:

> Importantly, we understand that Councilmember Vinh T. Ngo will be absent from the November 19, 2025 hearing. The Project is in Councilmember Ngo's district. In order to ensure that Councilmember Ngo has an adequate opportunity to consider the Project, the Applicant request that the City continue Item 10.A to the next regularly scheduled City Council hearing date.
>
> In addition, we recognize that other members of the City Council, and the public, may benefit from additional time to consider the staff report and attached materials issued on November 14, 2025. The Applicant encourages and supports full consideration of the administrative record by the councilmembers before deliberating on the Project. Thus, a continuance until December 3, 2025 facilitates further informed decision making.

On December 3, 2025, your correspondence again requested a continuance and committed your client to "informing the community regarding the reality and facts of the Project":

> However, we understand that additional community concerns have been raised in the last few days. We have demonstrated in prior correspondence to the City that such concerns are based largely on misinformation. We believe the City Council would benefit from additional time to further dispel misinformation and understand the Project. In addition, the Applicant is committed to further informing the community regarding the reality and facts of the Project. This further facilitates informed decision making.

On December 20, 2025, your correspondence again committed your client to community outreach and voluntarily agreed to prepare an EIR:

> The Applicant desires a long-term relationship with the City that can provide value to the community and its residents. In December 2025, certain residents raised concerns about the Project. The Applicant takes that feedback seriously. Accordingly, the Applicant asked the City to pause consideration of the Project so the Applicant could take time to listen, share information, and better understand community concerns. In the coming weeks and months, the Applicant will share more updates, online resources, and invite residents to community meetings. The Applicant looks forward to more meaningful conversations and engagement with the community.
>
> In addition, at this time, the Applicant has decided to voluntarily engage in preparation of an Environmental Impact Report ("EIR") for the Project. Doing so will provide additional time for community engagement and deeper environmental analysis before decision-making on the Project. We note that there is misinformation swirling in the community based on unvetted positions being pushed by an opposition campaign. The Applicant looks forward to clarifying those positions and providing the City and community with fact- and evidence-based analysis regarding the Project.

Contrary to your client's commitment to "share information," "better understand community concerns," and "share more updates, online resources, and invite residents to community meetings," your client did nothing. Instead, your client left the City and its residents guessing regarding what – if anything – would happen with your client's application.

Since your letter characterizes the various threats and misinformation contained therein as "legal," I remind you that your client's application is subject to the City Council's legislative decision-making process. To be approved, your client's project requires both a development agreement and a zone change. These are legislative decisions made by the City Council. Judicial interference with such decisions is unlikely. Accordingly, if your client chooses to inadvisably take legal action against the City for damages, this office will seek to recover defense costs, including attorney's fees, pursuant to Code of Civil Procedure § 1038.[1]

Your claims of "hostility," "bias," or a "flip" in the City's position are unfounded. The City Council is entitled to evaluate whether additional policy direction is warranted for a citywide land use category, separate and apart from any particular application. Your efforts to chill the valid exercise of the City's elected officials associated with the very public issue of data centers in general (not your client's application in particular) interferes with the City's and public officials' constitutional rights.[2]

[1] S*ee Kobzoff v. Los Angeles County Harbor/UCLA Medical Center* (1998) 19 Cal.4th 851.
[2] *Sipple v. Foundation For Nat. Progress* (1999) 71 Cal.App.4th 226, 235; *see* Code Civ. Proc. § 425.16

Finally, your repeated assertions that City actions are "targeted" at the 1977 Saturn project are contradicted by the record. As recently as January 21, 2026, I wrote to you that the agenda item applied to data centers generally. Nothing has changed.

The City will proceed with tonight's agenda in accordance with law. Nothing in your letter alters the Council's discretion to adopt, modify, or decline any generally applicable policy measure concerning data centers. When and if your client's project returns for hearing, it will receive a fair process consistent with applicable law and the evidentiary record.

Very truly yours,

Karl H. Berger
City Attorney

c: City Council
City Manager

ATTACHMENT 2

Draft Resolution Calling a Special Election on June 2, 2026 Pursuant to Elections Code § 9222

RESOLUTION NO.

A RESOLUTION CALLING A SPECIAL ELECTION ON JUNE 2, 2026 PURSUANT TO ELECTIONS CODE § 9222

The City Council of the city of Monterey Park resolves as follows:

SECTION 1: Pursuant to Elections Code § 9222, the City Council calls for a Special Election to be held in the City of Monterey Park on Tuesday, June 2, 2026, for the purpose of considering a proposition placed on the ballot by the City Council.

SECTION 2: Pursuant to Elections Code § 320, the City Clerk is the Elections Official and is authorized to take all legal actions to administer the election.

SECTION 3: The City Council authorizes the City Clerk to administer said election and the City will pay all reasonable and actual election expenses upon presentation of a properly submitted invoice.

SECTION 4: The polls for the election will open at seven o'clock a.m. on the day of the election and continuously remain open from that time until eight o'clock p.m. of the same day when the polls will close pursuant to Election Code § 10242, except as provided in Elections Code § 14401.

SECTION 5: Notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 6: In all particulars not specifically recited in this Resolution, the election will be held and conducted as provided by law for holding municipal elections.

SECTION 7: If the Los Angeles County Board of Supervisors permits the Special Election to be consolidated with the Statewide Primary Election on June 2, 2026, then, notwithstanding anything to the contrary in Sections 5, 6, or 7, above, within the City the precincts, polling places, and election officers of the two elections will be the same the Registrar-Recorder/County Clerk of the County of Los Angeles will canvass the returns of the Special Election and the election will be held in all respects as if there were only one election.

SECTION 8: The City Clerk is directed to certify the passage and adoption of this Resolution and enter it into the book of original Resolutions.

SECTION 9: This Resolution will become effective immediately upon adoption.

PASSED, APPROVED AND ADOPTED this 4th day of March, 2026.

_____
Elizabeth Yang, Mayor

ATTEST:

_____
Maychelle Yee, City Clerk

APPROVED AS TO FORM:

_____
Karl H. Berger, City Attorney

ATTACHMENT 3

Draft Resolution Adding a Proposition to the Ballot Prohibiting Data Centers for the Previously Called June 2, 2026 Special Election Pursuant to Elections Code § 9222

RESOLUTION NO.

A RESOLUTION ADDING A PROPOSITION TO THE BALLOT PROHIBITING DATA CENTERS FOR THE PREVIOUSLY CALLED JUNE 2, 2026 SPECIAL ELECTION PURSUANT TO ELECTIONS CODE § 9222

THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1. The City Council called a Special Election to be held on Tuesday, June 2, 2026, for the purpose of placing a proposition on the ballot for voter consideration.

SECTION 2. Pursuant to Elections Code § 9222, the City Council places a proposition captioned the "Community Act Prohibiting Data Centers" on the ballot for the special election scheduled for Tuesday, June 2, 2026 pursuant to Resolution No. XX, adopted March 4, 2026.

SECTION 3. Pursuant to the requirements of Elections Code § 10403, the Board of Supervisors of the County of Los Angeles is requested to consent and agree to the consolidation of a proposition on the ballot for the General Municipal Election consolidated with the General Election on Tuesday, November 5, 2024.

SECTION 4. *Environmental Review.* To ensure compliance with all applicable law including, without limitation, *Friends of Sierra Madre v. City of Sierra Madre* (2001) 25 Cal.4th 165, the City Council finds and determines that this Proposition is not subject to further review under the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq*.; "CEQA") for the following reasons:

A. It will not result in a direct or reasonably foreseeable indirect physical change in the environment (14 Cal. Code Regs. § 15060(c)(2)). A prohibition on data centers means they cannot be constructed.

B. There is no possibility that the Proposition may have a significant effect on the environment (14 Cal. Code Regs. § 15061(b)(3)). A prohibition on data centers means they cannot be constructed.

C. This Proposition, by itself, does not constitute a "project" as defined in the CEQA Guidelines (14 Cal. Code Regs. § 15378).

D. Additionally, CEQA Guidelines § 15168(c)(2) provides that if a project is proposed which has been the subject of a prior certified EIR, and "[i]f the [City] finds that pursuant to [14 Cal. Code of Regs.] Section 15162, no new effects could occur or new mitigation measures would be required, the agency can approve the activity as being within the scope of the project covered by the … EIR, and no new environmental document would be required." The City Council finds that it certified a Final Environmental Impact Report ("FEIR") for the Monterey Park Land Use and Urban Design Element (as adopted by Ordinance

No. 2198 and approved by voters as Measure JJ on November 3, 2020) which was filed as State Clearing House No. 2001-01-1074. This Proposition will not result in any new environmental impact not already considered in the FEIR and no further environmental review is required.

SECTION 5. A copy of the Proposition to be considered by the voters is attached as Exhibit "A," and incorporated by reference.

SECTION 6. Pursuant to Elections Code §§ 9222 and 13119, the exact form of the question to be voted on at the election as it should appear on the ballot is as follows:

Proposition to Prohibit Data Centers in Monterey Park Shall the ordinance amending the City of Monterey Park General Plan to prohibit data centers citywide to protect air quality, drinking water resources and public health; prevent impacts to electricity and water rates; with the prohibition of data centers continuing until ended by voters, be adopted?	**YES**
	NO

SECTION 7. The vote requirement for the proposed ballot measure to pass is a majority (50% + 1) of the votes cast.

SECTION 8. The County election department is authorized to canvass the returns of the General Municipal Election. The election will be held in all respects as if there were only one election and only one form of ballot may be used. The election will be held and conducted in accordance with the provisions of law regulating the statewide or special election.

SECTION 9. The Board of Supervisors is requested to issue instructions to the County election department to take all steps necessary for the holding of the consolidated election.

SECTION 10. The City of Monterey Park recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs.

SECTION 11. The City Clerk is directed to file a certified copy of this Resolution with the Board of Supervisors and the County election department of the County of Los Angeles.

SECTION 12. The City Clerk will certify to the passage and adoption of this Resolution; enter the same in the book of original Resolutions; and make a minute of the passage and adoption thereof in the records of the proceedings of the City Council in the minutes of the meeting at which the same is passed and adopted.

SECTION 13. Electronic Signatures. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 14. The City Clerk must certify to the passage and adoption of this Resolution; enter the same in the book of original Resolutions; and make a minute of the passage and adoption thereof in the records of the proceedings of the City Council in the minutes of the meeting at which the same is passed and adopted.

SECTION 15. The Mayor, or presiding officer, is hereby authorized to affix a signature to this Resolution signifying its adoption by the City Council of the City of Monterey Park, and the City Clerk, or designee, is directed to attest thereto.

SECTION 16. This Resolution will become effective immediately upon adoption.

PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MONTEREY PARK ON THIS 4TH DAY OF MARCH, 2026.

Elizabeth Yang, Mayor

Attest:

Maychelle Yee, City Clerk

APPROVED AS TO FORM:

Karl H. Berger, City Attorney

Attachment:

Exhibit A – Full Text of the Ballot Measure

Exhibit A: BALLOT PROPOSITION TO BE SUBMITTED DIRECTLY TO THE VOTERS

The People of the City of Monterey Park do ordain as follows:

SECTION 1: *Adoption of Data Center Prohibition*. The Monterey Park Land Use and Urban Design Element, as adopted by Ordinance No. 2198 (approved by voters as Measure JJ on November 3, 2020), is amended to add the following prohibition for all land use designations:

"**Prohibited Land Use Designations**

Prohibited: All data centers are prohibited throughout the City. "Data Center" means a building, dedicated space within a building, or group of structures located on one or more acres of land used to house a large group of networked computer systems used for data storage and processing for off-site and on-site users, to be used for the remote storage, processing, or distribution of large amounts of data. Such facilities may also include air handlers, power generators, water cooling and storage facilities, utility substations, back-up batteries, fire suppression systems, enhanced security features, and other associated utility infrastructure to support operations. This definition does not apply to smaller data processing facilities that are located on less than one acre of land and where such facilities are accessory or incidental to another primary use."

SECTION 2: *Implementation of this Proposition.*

A. Upon the effective date of this Proposition and notwithstanding any limitation on the City Council's authority set forth in this Proposition, the City Council is authorized and directed pursuant to Elections Code § 9217 to promptly take appropriate actions needed to implement this Proposition including, without limitation, adopting all zoning regulations needed to effectuate this Proposition by ordinance.

B. In the event another ballot measure (a "Competing Proposition") appears on the same ballot as this Proposition that seeks to adopt, impose, or amend any limitations or restrictions, or other regulations or requirements, including, without limitation, those with respect to the actions authorized by this Proposition, that differ in any respect to or supplement, those contained in this Proposition, the voters declare their intention that, if both the Competing Proposition and this Proposition receive a majority of votes cast, the Competing Proposition and this Proposition be fully adopted except to the extent that specific provisions contained in each measure are deemed to be in direct conflict with each other on a "provision by provision" basis pursuant to *Yoshisato v. Superior Court* (1992) 2 Cal. 4th 978. With respect to any such directly conflicting provisions, the specific provisions of the Proposition receiving the greater number of votes will prevail.

SECTION 3: *Interpretation*. This Proposition must be interpreted to be consistent with all federal and state laws, rules, and regulations. If any section, sub-section, sentence, clause, phrase, part, or portion of this Proposition is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision does not affect the validity of the remaining portions of this Proposition. The voters declare that this Proposition, and each section, sub-section, sentence, clause, phrase, part, or portion thereof, would have been adopted or passed irrespective of the fact that any one or more sections, sub-sections, sentences, clauses, phrases, part, or portion is found to be invalid. If any provision of this Proposition is held invalid as applied to any person or circumstance, such invalidity does not affect any application of this Proposition that can be given effect without the invalid application.

SECTION 4: *Repeal and Supersession*. The People adopt this Proposition with the specific intent of superseding any contrary regulation, including those previously adopted by the People, or administrative policy and procedure. Consequently, all regulations that conflict with this Proposition are repealed or modified to reconcile them with this Proposition.

SECTION 5: *Construction*. This Proposition must be broadly construed to achieve the purposes stated in this Proposition. It is the People's intent that the provisions of this Proposition be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Proposition.

SECTION 6: *Enforceability*. Repeal of any provision of the MPMC does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Proposition's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Proposition.

SECTION 7: *Validity of Previous Code Sections*. If this entire Proposition or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the MPMC or other ordinance by this Proposition will be rendered void and cause such previous MPMC provision or other the ordinance to remain in full force and effect for all purposes.

SECTION 8: *Severability*. If any portion of this Proposition is held by a court of competent jurisdiction to be invalid, the remainder of the Proposition and the application of such provision to other persons or circumstances will not be affected thereby. We the People indicate our strong desire that: (i) the City Council use its best efforts to sustain and reenact that portion, and (ii) the City Council implement this Proposition by taking all steps possible to cure any inadequacies or deficiencies identified by the court in a manner consistent with the express and implied intent of this Proposition, and then adopting or reenacting such portion as necessary or desirable to allow imposition of the tax.

SECTION 9: *Effective Date*. This Proposition will be submitted to a general election on June 2, 2026 for voter approval. If a majority of voters vote in favor of this Proposition, it will become valid and binding 10 days after the date that the City Council certifies the election results in accordance with Elections Code § 9217. The Mayor will sign this Proposition, and the City Clerk will attest and certify to the passage and adoption of this Proposition.

PASSED AND ADOPTED this ___ day of June, 2026.

_____
Elizabeth Yang, Mayor

ATTEST:

_____
Maychelle Yee, City Clerk

APPROVED AS TO FORM:

_____
Karl H. Berger, City Attorney

ATTACHMENT 4

Draft Resolution Directing the City Attorney to Prepare an Impartial Analysis of the Proposition Prohibiting Data Centers

RESOLUTION NO.

A RESOLUTION DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE PROPOSITION PROHIBITING DATA CENTERS

The City Council of the city of Monterey Park resolves as follows:

SECTION 1. Pursuant to Elections Code § 9280, the City Clerk is directed to transmit a copy of the Community Act Prohibiting data centers ("CAP") to the City Attorney for an impartial analysis.

SECTION 2. Upon receiving the ballot measure, the City Attorney is directed to prepare an impartial analysis of the proposed ballot measure showing its effect, if any, on existing law and the operation of the measure. Such analysis must not be more than 500 words.

SECTION 3. The impartial analysis must include a statement indicating whether the proposed measure was placed on the ballot by a petition signed by the requisite number of voters or by the governing body of the City.

SECTION 4. In the event the entire text of the measure is not printed on the ballot, nor in the voter information portion of the sample ballot, there must be printed immediately below the impartial analysis, in not less than 10 point bold type, the City Clerk should have the following language printed: "The above statement is an impartial analysis of the proposed ballot measure (Resolution No. XXX). If you desire a copy of the legislation affected by this measure, please call the City Clerk's office at (626) 307-1359, and a copy will be mailed at no cost to you."

SECTION 5. The impartial analysis of the proposed ballot measure must be filed by the date set by the City Clerk for the filing of primary arguments.

SECTION 6. Pursuant to 52 U.S.C.A. § 10503, the City Clerk will:

A. Translate the City Attorney's analysis in accordance with regulations set forth by the Los Angeles County Registrar Recorder's office; and

B. Make copies of the translations of the City Attorney's analysis publicly available.

SECTION 7. The City Clerk will certify to the passage and adoption of this Resolution; enter the same in the book of original Resolutions; and make a minute of the passage and adoption thereof in the records of the proceedings of the City Council in the minutes of the meeting at which the same is passed and adopted.

SECTION 8: **Electronic Signatures**. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 9: **Recordation**. The Mayor, or presiding officer, is authorized to sign this Resolution signifying its adoption by the City Council of the City of Monterey Park and the City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 10: **Effective Date**. This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 4th day of March 2026.

_____
Elizabeth Yang, Mayor

ATTEST:

_____
Maychelle Yee, City Clerk

APPROVED AS TO FORM:

_____
Karl H. Berger, City Attorney

ATTACHMENT 5

Draft Resolution Establishing Requirements for Ballot Arguments Filed with the City Clerk to be Included with Voter Information for the General Election on June 2, 2026

RESOLUTION NO.

A RESOLUTION ESTABLISHING REQUIREMENTS FOR BALLOT ARGUMENTS FILED WITH THE CITY CLERK TO BE INCLUDED WITH VOTER INFORMATION FOR THE GENERAL ELECTION ON JUNE 2, 2026

The City Council of the City of Monterey Park resolves as follows:

SECTION 1: Pursuant to Elections Code § 9281, qualified voters may submit arguments for and against the ballot measures, in addition to rebuttal arguments, for the June 2, 2026, Special Municipal Election on forms provided by the City Clerk.

SECTION 2: Arguments filed in accordance with this Resolution must comply with the following requirements in accordance with Elections Code §§ 9282, 9283, 9285, and 9286:

A. Arguments must be in writing and not exceed three hundred (300) words except for rebuttal argument which may not exceed two hundred and fifty (250) words;

B. Arguments may be submitted by the City Council; any councilmember authorized to submit an argument by the City Council; any individual voter eligible to vote on the measures; any bona fide association of citizens; or any combination of voters and associations;

C. Arguments must be typewritten in at least a 12-point font;

D. Arguments may not include underlining, italics, asterisks, or other, similar, type of formatting;

E. Arguments must be accompanied by the printed name and signature or printed names and signatures of the person or persons submitting it, or, if submitted on behalf of an organization, the name of the organization and the printed name and signature of at least one of its principal officers.

F. If more than five (5) signatures accompany an argument, only the first five (5) will be printed.

G. Arguments for or against the ballot measures must be received in the City Clerk's office not later than 9 days after the City Council calls for an election. Rebuttal arguments must be received not later than 10 days after the Arguments submittal deadline.

SECTION 3: **Electronic Signatures**. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 4: **Recordation**. The Mayor, or presiding officer, is authorized to sign this

Resolution signifying its adoption by the City Council of the City of Monterey Park and the City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 5: **Effective Date**. This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 4th day of March, 2026.

_____
Elizabeth Yang, Mayor

ATTEST:

_____
Maychelle Yee, City Clerk

APPROVED AS TO FORM:

_____
Karl H. Berger, City Attorney

City Council Staff Report

Date: March 4, 2026
Agenda Item Number: 12.B.

To: The Honorable Mayor and City Council

From: Diana Garcia, Assistant City Manager
Rebecca Bojorquez, Principal Management Analyst

Subject: Consideration of Letter of Support for California Assembly Bill 1577, California Senate Bills 886, 887 and 978

Recommendation:
It is recommended that the City Council consider:

1. If desirable, sending letters of support for California Assembly Bill 1577, the "Data Center Energy and Water Transparency," and California Senate Bills 886, the "California Technology Innovation and Ratepayer Protection Act," 887, the "Data Centers and CEQA Clarity," and 978, the "Large-Scale Energy Facilities and Electricity," on behalf of the City Council; and
2. Taking such additional, related, action that may be desirable.

Executive Summary:
The City Council has expressed interest in supporting California Legislature bills addressing data center regulation. February 20 was the last day for bills to be introduced. Four bills relevant to this topic have been introduced and are summarized below. Council may direct staff to submit letters of support for any or all of these bills.

These bills were introduced in January 2026 and are currently pending before their respective policy committees in the Legislature; none has yet been approved by both houses or signed into law. If the Council elects to send letters of support at this time, staff will transmit the letters to the authors and relevant committee chairs prior to committee hearings and will monitor the bills' progress through the legislative process.

Background:
AB 1577 (Bauer-Kahan) would require data center owners to report monthly to the State Energy Resources Conservation and Development Commission ("Energy Commission") on the data center's power usage effectiveness, water usage effectiveness, total water consumption, and the quantity of fuel consumed by onsite generators or other fuel-based energy systems. The Energy Commission would be required to annually publish this data in a manner that

anonymizes the information. Similarly, this bill would also require data center developers to disclose this information to local agencies during the permitting process, ensuring local jurisdictions are provided with the information needed to fully understand any potential impacts.

SB 886 (Padilla) would require the Public Utilities Commission ("PUC"), by July 1, 2027, to establish or revise a special tariff for large load customers interconnecting to electrical corporations. The tariff must set eligibility criteria, evaluate impacts on other ratepayers, and prevent stranded costs or cost shifts to nonparticipating customers. It must require participating customers, like large data centers, to pay for transmission upgrades they trigger, disclose duplicate interconnection applications, install onsite zero-carbon energy storage, and pay early termination fees in certain cases, while utilities must publish maps showing feasible interconnection locations. The bill encourages publicly owned utilities to adopt similar tariffs that also prevent cost shifting to nonparticipating customers.

SB 887 (Padilla) clarifies that data center development and operation projects are not exempt from the California Environmental Quality Act ("CEQA") as ministerial projects and are not eligible for the advanced manufacturing exemption, requiring full CEQA review, where applicable. As a result, public agencies must conduct environmental review for data center projects that might otherwise have been exempt, creating a state-mandated local program. The bill would also allow qualifying data centers to seek certification under the Jobs and Economic Improvement Through Environmental Leadership Act of 2021, making them eligible for CEQA streamlining benefits. Expanding these responsibilities for lead agencies likewise creates a state-mandated local program. Under the California Constitution, local agencies and school districts must be reimbursed for certain state-mandated costs.

SB 978 (Perez) would require the PUC to create a special rate structure for large-scale energy users—defined as customers operating facilities requiring at least 75 megawatts of electricity—to protect other ratepayers and prevent cost shifts. These large users must pay the upfront costs of any transmission or distribution upgrades needed to serve them, and construction of their facilities must meet specified labor standards. The bill also requires the state's annual clean energy progress report to evaluate how large-scale energy users affect California's ability to meet its renewable and zero-carbon electricity targets for 2035, 2040, and 2045. Local agencies and school districts would be reimbursed for certain mandated costs under existing constitutional and statutory procedures.

Strategic Plan Goal:
N/A

Fiscal Impact:
There is no direct fiscal impact associated with sending the letters of support.

Attachments:
1. Bill Text AB 1577
2. Bill Text SB 886
3. Bill Text SB 887
4. Bill Text SB 978
5. SB 978 Fact Sheet

6. Letters of Support

ATTACHMENT 1
Bill Text – AB 1577

AB-1577 Data centers: monthly reporting. (2025-2026)

SHARE THIS:

Date Published: 01/12/2026 09:00 PM

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL NO. 1577

Introduced by Assembly Member Bauer-Kahan

January 12, 2026

An act to add Section 25302.10 to the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1577, as introduced, Bauer-Kahan. Data centers: monthly reporting.

Existing law establishes the State Energy Resources Conservation and Development Commission (Energy Commission) and vests the commission with various responsibilities with respect to developing and implementing the state's energy policies. Existing law requires the commission to biennially adopt an integrated energy policy report, as specified, and to make the reports accessible to state, local, and federal entities and to the general public.

This bill would require the commission to establish a process for the owner of a data center, as defined, to submit specified information to the commission on a monthly basis, including, among other information, the data center's power usage effectiveness, as defined, water usage effectiveness, as defined, and total water consumption and the quantity of fuel consumed by onsite generators or other fuel-based energy systems, as specified. The bill would require the owner of a data center to submit the required information in the manner and timeframe specified by the commission. The bill would require the commission, as part of the 2029 edition of the integrated energy policy report, to include an assessment of electrical load trends for data centers, as provided. The bill would require the commission to annually publish the information submitted in an anonymized and aggregated format on its internet website.

The bill would require the owner or developer of a data center, upon applying for a discretionary permit, entitlement, or land use authorization required for the construction or operation of the data center, to submit to the applicable local agency, as defined, the information described above, as provided. By imposing a new duty on local agencies, the bill would impose a state-mandated local program. The bill would authorize the local agency to use this information for various purposes, including, but not limited to, land use planning, infrastructure planning, energy and water supply assessment, and environmental review. The bill would further authorize a

lead local agency to use this information in the preparation of environmental documentation pursuant to the California Environmental Quality Act.

The bill would prohibit the commission or a local agency from disclosing information submitted on a monthly basis or upon applying for a discretionary permit, entitlement, or land use authorization, as described above, in a manner that would result in the disclosure of personally identifiable information or energy consumption data for a specific utility customer.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.
Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 25302.10 is added to the Public Resources Code, to read:

25302.10. (a) For purposes of this section, all of the following definitions apply:

(1) "Applicable local agency" means a city, county, or city and county that has discretionary land use or permitting authority over the construction or operation of a data center, or a public agency serving as the lead agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000)).

(2) (A) "Data center" means a room, or a portion of a room, in a building used primarily to house information technology equipment that serves a total information technology equipment load greater than 10 kilowatts and 20 watts per square foot of conditioned floor area.

(B) "Data center" does not include a facility with an installed information technology equipment electrical capacity of less than 500 kilowatts.

(3) "Power usage effectiveness" means a ratio of the total energy consumption of a data center to the energy specifically used by the information technology equipment housed in that data center.

(4) "Water usage effectiveness" means a ratio of the total water consumption of a data center to the water specifically used by the information technology equipment housed in that data center.

(b) (1) The commission shall establish a process for the owner of a data center to submit all of the following information to the commission on a monthly basis:

(A) (i) The name of the data center.

(ii) Any physical addresses associated with the operation of the data center.

(iii) The name of, and contact information for, the owner and operator of the data center.

(iv) The year and month that the data center began operating.

(v) The total floor area of the data center, expressed in square feet.

(vi) The floor area of the data center occupied by information technology equipment, expressed in square feet.

(B) (i) The total electrical capacity of the data center, expressed in kilowatts.

(ii) The installed information technology electrical capacity of the data center, expressed in kilowatts.

(iii) The total energy consumption of the data center, expressed in kilowatthours.

(iv) The power usage effectiveness of the data center.

(v) Whether any functions supporting the stability, reliability, and resilience of California's electrical grid are provided by the data center.

(C) (i) The total water consumption of the data center, expressed in gallons.

(ii) The potable water consumption of the data center, expressed in gallons.

(iii) The water usage effectiveness of the data center.

(D) (i) The quantity of waste heat reused by the data center, expressed in kilowatthours.

(ii) The average waste heat temperature of the data center, expressed in degrees Celsius.

(iii) The average intake air temperature setpoint for information technology equipment, expressed in degrees Celsius.

(iv) Which types of refrigerants are used to cool information technology equipment.

(v) Cooling degree days for the data center, expressed in degree-days.

(E) (i) The quantity of electricity generated onsite, separated by generation type, expressed in kilowatthours.

(ii) The quantity of fuel consumed by onsite generators or other fuel-based energy systems, separated by fuel type.

(iii) The quantity of electricity consumed during the reporting month that was derived from renewable and carbon-free sources, separated by each of the following categories and expressed in kilowatthours:

(I) The quantity of renewable or carbon-free energy generated onsite or procured from renewable electrical generation facilities, as defined in Section 25741, and used to directly power the data center.

(II) The quantity of electricity generated onsite or procured from hydroelectric generation facilities exceeding 30 megawatts and used to directly power the data center.

(III) The quantity of electricity generated onsite or procured from nuclear power plants and used to directly power the data center.

(IV) The quantity of electricity associated with renewable energy credits, identified by portfolio content category pursuant to Section 399.16 of the Public Utilities Code, and not used to directly power the data center.

(2) (A) The owner of a data center shall submit the required information to the commission in a manner and timeframe specified by the commission.

(B) An owner of a data center shall not be required to resubmit information that has previously been submitted to the commission pursuant to this section.

(C) If an owner of a data center has prepared a report or submission containing substantially similar information for the purpose of complying with state, federal, or international law, the owner may satisfy the requirements of this section by submitting that report or submission, if the information meets the requirements of this section.

(c) As part of the 2029 edition of the integrated energy policy report required pursuant to Section 25302, the commission shall include an assessment of electrical load trends for data centers. This assessment shall include all of the following:

(1) A projection of future load trends from data centers.

(2) Identification of potential net peak load demands.

(3) Recommendations for mitigating data center electricity consumption impacts on grid capacity, grid reliability, and greenhouse gas emissions, including any recommended energy efficiency and demand response measures.

(d) The commission shall annually publish the information submitted pursuant to subdivision (b) in an anonymized and aggregated format on its internet website.

(e) (1) Upon applying for a discretionary permit, entitlement, or land use authorization required for the construction or operation of a data center, the owner or developer of the data center shall submit to the applicable local agency the information described in subdivision (b), to the extent applicable to the proposed facility.

(2) The information submitted pursuant to subdivision (b) shall be based on the best available estimates at the time of submission.

(3) A local agency may use the information submitted pursuant to this subdivision for various purposes, including, but not limited to, land use planning, infrastructure planning, energy and water supply assessment, and environmental review.

(4) Information submitted pursuant to this subdivision may be used by a lead agency in the preparation of environmental documentation under the California Environmental Quality Act (Division 13 (commencing with Section 21000)).

(f) The commission or a local agency shall not disclose information submitted pursuant to subdivision (b) or (e) in a manner that would result in the disclosure of personally identifiable information or energy consumption data for a specific utility customer.

SEC. 2. The Legislature finds and declares that Section 1 of this act, which adds Section 25302.10 of the Public Resources Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

In order to protect the confidential and proprietary information of an entity subject to Section 1 of this act, it is necessary that this act limit the public's right of access to that information.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

ATTACHMENT 2
Bill Text – SB 886

SB-886 California Technology Innovation and Ratepayer Protection Act. (2025-2026)

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Date Published: 01/13/2026 09:00 PM

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

SENATE BILL NO. 886

Introduced by Senator Padilla

January 13, 2026

An act to add Chapter 14 (commencing with Section 8540) to Division 4.1 of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 886, as introduced, Padilla. California Technology Innovation and Ratepayer Protection Act.

Existing law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations, while local publicly owned electric utilities are under the direction of their governing boards. Existing law authorizes the commission to fix the rates and charges for every public utility and requires that those rates and charges be just and reasonable.

This bill, the California Technology Innovation and Ratepayer Protection Act, would require the commission, on or before July 1, 2027, to establish or modify an electrical corporation tariff for the interconnection of the participating customer facilities and the transmission, distribution, and generation services to participating customers, as specified. The bill would require the commission, as part of establishing or modifying the electrical corporation tariff, to, at a minimum, establish eligibility criteria for large load customers, as defined, and facilities, evaluate the risks and benefits of this tariff to nonparticipating ratepayers, and ensure that the tariff prevents the creation of stranded costs for, or cost shifts, to nonparticipating ratepayers. The bill would require the tariff to require a large load customer that submits an application for interconnection of a facility to an electrical corporation to disclose whether an application for the same facility has been submitted in other electrical corporation service territories or other jurisdictions and to disclose each instance in which an application for the same facility has been submitted. The bill would also require the tariff to, among other things, assign cost responsibility for all transmission facility upgrades triggered by a facility interconnection to the applicable participating customer and to require an early termination fee to be assessed against any participating customer under specified circumstances. The bill would also require each participating customer to install onsite zero-carbon energy storage, as provided, and each electrical corporation to publish and update maps showing locations where large load customers can interconnect without the need for significant, costly, and time-consuming transmission upgrades.

This bill would encourage each local publicly owned electric utility to develop a tariff that is similar to the electrical corporation tariff described above and ensures that costs are not shifted from a customer that is subject to the local publicly owned electric utility's tariff to a customer that is not subject to that tariff, and that the costs of investments in infrastructure made by a large load customer that is subject to the tariff are not recoverable from other nonparticipating ratepayers.

Under existing law, a violation of any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because a violation of a commission action implementing this bill's requirements would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.
Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Chapter 14 (commencing with Section 8540) is added to Division 4.1 of the Public Utilities Code, to read:

CHAPTER 14. California Technology Innovation and Ratepayer Protection Act

8540. This chapter shall be known, and may be cited, as the California Technology Innovation and Ratepayer Protection Act.

8541. For purposes of this chapter, all of the following definitions apply:

(a) "Electrical corporation" has the same meaning as defined in Section 218.

(b) "Large load customer" means a customer connecting transmission-level electricity service with an estimated peak demand of at least 75 megawatts. "Large load customer" excludes an existing customer that introduces a new load as a result of switching from fossil fuels to renewable fuels or transportation electrification activities.

(c) "Local publicly owned electric utility" has the same meaning as defined in Section 224.3.

(d) "Nonparticipating customer" means a customer who does not receive electrical service pursuant to the electrical corporation tariff established or modified pursuant to subdivision (a) of Section 8542.

(e) "Participating customer" means a customer who receives electrical service pursuant to the electrical corporation tariff established or modified pursuant to subdivision (a) of Section 8542.

8542. (a) On or before July 1, 2027, the commission shall establish or modify, in a rulemaking or in an electrical corporation specific application, an electrical corporation tariff for the interconnection of participating customer facilities and the provision of transmission, distribution, and generation services to participating customers.

(b) The commission, as part of establishing or modifying the electrical corporation tariff, shall do, at a minimum, all of the following:

(1) Establish eligibility criteria for large load customers and facilities.

(2) Evaluate the risks and benefits of this tariff to nonparticipating ratepayers.

(3) Ensure that the tariff prevents the creation of stranded costs for, or cost shifts to, nonparticipating ratepayers.

(c) The electrical corporation tariff shall incorporate all of the following criteria:

(1) The electrical corporation tariff shall assign participating customers any unique wholesale energy costs, including ancillary and reliability services costs attributable to rapid fluctuations in demand by the participating customer.

(2) The electrical corporation tariff shall include a reasonable share of the costs relating to wildfire mitigation, wildfire liability, electrification and environmental programs, and other societal cost obligations typically collected from distribution-level ratepayers.

(3) The interconnection provisions of the electrical corporation tariff shall do all of the following:

(A) Require a large load customer that submits an application for interconnection of a facility to an electrical corporation to disclose whether an application for the same facility has been submitted in other electrical corporation service territories or other jurisdictions and to disclose each instance in which an application for the same facility has been submitted.

(B) Assign cost responsibility for all transmission facility upgrades triggered by a facility interconnection to the applicable participating customer. To the extent permitted under federal law, these costs should include shared transmission grid network upgrades needed to accommodate the interconnection of the participating customer's facility or increase the flow of electricity across the electrical grid.

(C) Allow a participating customer to receive refunds of a portion of its initial nominal dollar contributions to interconnection costs only to the extent that actual annual net revenues cover the costs of energization, the costs of providing electric service, and other costs allocated by the commission to the participating customer.

(D) Require an early termination fee to be assessed against any participating customer that departs the electrical system within 15 years of the initial interconnection of the facility or fails to achieve full load ramp up. The early termination fee should not be less than the revenue gap associated with the originally projected demand and energy consumption of the facility over the minimum 15-year term.

(4) Each participating customer shall be required to install onsite zero-carbon energy storage with at least four hours of capacity at no less than 50 percent of forecasted peak demand. Storage capacity shall be dispatchable by the electrical corporation or Independent System Operator to address emergency conditions on the electrical grid.

(5) Each participating customer shall participate in demand response programs as determined by the commission.

(d) Each electrical corporation shall be required to publish and update maps showing locations where large load customers can interconnect without the need for significant, costly, and time-consuming transmission upgrades.

8543. A local publicly owned electric utility is encouraged, before connecting a facility to the electrical grid, to develop a tariff that is similar to the electrical corporation tariff established or modified pursuant to subdivision (a) of Section 8542 and ensures both of the following:

(a) The costs are not shifted from a large load customer that is subject to the tariff to a large load customer that is not subject to the tariff.

(b) The costs of investments in infrastructure made by a large load customer that is subject to the tariff are not recoverable from other nonparticipating ratepayers.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

ATTACHMENT 3
Bill Text – SB 887

SB-887 California Environmental Quality Act: environmental leadership development projects: data centers. (2025-2026)

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Date Published: 01/13/2026 09:00 PM

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

SENATE BILL NO. 887

Introduced by Senator Padilla
(Coauthor: Assembly Member Connolly)

January 13, 2026

An act to amend Sections 21080, 21080.69, and 21180 of the Public Resources Code, relating to environmental quality.

LEGISLATIVE COUNSEL'S DIGEST

SB 887, as introduced, Padilla. California Environmental Quality Act: environmental leadership development projects: data centers.

(1) The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA exempts ministerial projects from its requirements. CEQA also exempts from its requirements a project that consists exclusively of a facility for advanced manufacturing, as specified.

This bill would specify that projects proposed to be carried out or approved by a public agency for the development and operation of a data center, as defined, are not ministerial projects exempt from CEQA. Because the bill would require the public agency to comply with CEQA for those data center projects that would otherwise be exempt from CEQA as ministerial projects, the bill would impose a state-mandated local program.

This bill would specify that the CEQA exemption for an advanced manufacturing facility does not apply to a data center, as defined.

(2) The Jobs and Economic Improvement Through Environmental Leadership Act of 2021 authorizes the Governor, until January 1, 2032, to certify environmental leadership development projects that meet specified requirements for certain streamlining benefits related to CEQA. The act, among other things, requires a lead agency to prepare the record of proceedings for an environmental leadership development project concurrent with the administrative process and to provide a specified notice within 10 days of the Governor certifying the project. The act is repealed by its own terms on January 1, 2034.

This bill would extend the application of the act to a data center, as defined, that is certified by the lead agency to meet specified conditions. By increasing the duties of a lead agency, the bill would impose a state-mandated local program.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.
Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares all of the following:

(a) California drives worldwide technological innovation, and that innovation is an important component of the state's economy, which is the fifth largest economy in the world.

(b) California supports technological innovation with a world-class university system that provides a highly skilled workforce, and research and development tax incentives and other tools to facilitate the development and expansion of the state's technology economy.

(c) California is the home of the third largest number of data centers in the country behind Virginia and Texas.

(d) The quickly evolving development of artificial intelligence requires large-format data centers that currently require extremely large loads of electricity and water. While that expanded energy demand can help support the larger electrical grid and ordinary ratepayers, if managed incorrectly, it could pose a serious threat to California's climate goals and, more importantly, can result in significant cost shifts to ordinary ratepayers and risks of costly stranded assets if projects do not meet projected energy estimates.

(e) Ordinary ratepayers in many states are already experiencing significant rate increases for both energy and water as utilities race to build out the necessary infrastructure and meet the energy and water demands of an exploding number of data centers across the country.

(f) According to recent research, data centers have significantly increased electrical and water demand in California between 2019 and 2023 and that explosive growth is expected to increase through the rest of the decade.

(g) On the current trajectory, demand for electricity and water could rise over 350 percent in just five years between 2023 and 2028, creating significant cost pressures on electricity and access to clean water across the state of California.

(h) As the nation's technology, innovation, and environmental leader, it is critical that the Legislature develop standards to encourage continued technology development while protecting California residents from shouldering the cost of data center development and ensuring that development does not come at the cost of Californians' clean air and water.

SEC. 2. Section 21080 of the Public Resources Code is amended to read:

21080. (a) Except as otherwise provided in this division, this division shall apply to discretionary projects proposed to be carried out or approved by public agencies, including, but not limited to, the enactment and amendment of zoning ordinances, the issuance of zoning variances, the issuance of conditional use permits, and the approval of tentative subdivision maps unless the project is exempt from this division.

(b) This division does not apply to any of the following activities:

(1) *(A)* Ministerial projects proposed to be carried out or approved by public agencies.

(B) Subparagraph(A) does not apply to a project proposed to be carried out or approved by a public agency for the development and operation of a data center. For purposes of this paragraph, "data center" means a large-scale energy consumer that requires uninterruptible electricity to serve a facility housing servers and related data center equipment and software for the processing, storage, and distribution of data.

(2) Emergency repairs to public service facilities necessary to maintain service.

(3) Projects undertaken, carried out, or approved by a public agency to maintain, repair, restore, demolish, or replace property or facilities damaged or destroyed as a result of a disaster in a disaster-stricken area in which a state of emergency has been proclaimed by the Governor pursuant to Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code.

(4) Specific actions necessary to prevent or mitigate an emergency.

(5) Projects that a public agency rejects or disapproves.

(6) Actions undertaken by a public agency relating to any thermal powerplant site or facility, including the expenditure, obligation, or encumbrance of funds by a public agency for planning, engineering, or design purposes, or for the conditional sale or purchase of equipment, fuel, water (except groundwater), steam, or power for a thermal powerplant, if the powerplant site and related facility will be the subject of an environmental impact report, negative declaration, or other document, prepared pursuant to a regulatory program certified pursuant to Section 21080.5, which will be prepared by the State Energy Resources Conservation and Development Commission, by the Public Utilities Commission, or by the city or county in which the powerplant and related facility would be located if the environmental impact report, negative declaration, or document includes the environmental impact, if any, of the action described in this paragraph.

(7) (A) Activities or approvals for the bidding, hosting or staging of, and funding of, an Olympic Games and a Paralympic Games under the authority of the International Olympic Committee or the International Paralympic Committee, except for the construction of facilities necessary for the Olympic Games or Paralympic Games.

(B) Notwithstanding subparagraph (A), the division does not apply to the construction of temporary facilities for the 2028 Olympic Games and Paralympic Games. For purposes of this subparagraph, "temporary facility" means a facility that will be completely removed and the area restored to a clean and safe condition within six months after the end of the 2028 Olympic Games and Paralympic Games.

(C) Any confirmed changes to the locations of the competition venues of the 2028 Olympic Games and Paralympic Games venue plan, pursuant to the host city contract and games agreement with the City of Los Angeles, shall be noticed publicly on the organizing committee's official internet website and shall be noticed in a newspaper or other medium of general circulation in the local jurisdiction notifying the public of the change in location of the venue.

(D) This paragraph does not limit any other applicable statute or regulation governing impacts from temporary facilities to, among others, sensitive wildlife habitats, including, but not limited to, riparian lands, wetlands, bays, estuaries, marshes, and habitats for endangered, rare, and threatened species.

(8) The establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies that the public agency finds are for the purpose of: (A) meeting operating expenses, including employee wage rates and fringe benefits; (B) purchasing or leasing supplies, equipment, or materials; (C) meeting financial reserve needs and requirements; (D) obtaining funds for capital projects necessary to maintain service within existing service areas; or (E) obtaining funds necessary to maintain those intracity transfers as are authorized by city charter. The public agency shall incorporate written findings in the record of any proceeding in which an exemption under this paragraph is claimed setting forth with specificity the basis for the claim of exemption.

(9) All classes of projects designated pursuant to Section 21084.

(10) A project for the institution or increase of passenger or commuter services on rail or highway rights-of-way already in use, including modernization of existing stations and parking facilities. For purposes of this paragraph, "highway" has the same meaning as defined in Section 360 of the Vehicle Code.

(11) A project for the institution or increase of passenger or commuter service on high-occupancy vehicle lanes already in use, including the modernization of existing stations and parking facilities.

(12) Facility extensions not to exceed four miles in length that are required for the transfer of passengers from or to exclusive public mass transit guideway or busway public transit services.

(13) A project for the development of a regional transportation improvement program, the state transportation improvement program, or a congestion management program prepared pursuant to Section 65089 of the Government Code.

(14) A project or portion of a project located in another state that will be subject to environmental impact review pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. Sec. 4321 et seq.) or similar state laws of that state. Any emissions or discharges that would have a significant effect on the environment in this state are subject to this division.

(15) Projects undertaken by a local agency to implement a rule or regulation imposed by a state agency, board, or commission under a certified regulatory program pursuant to Section 21080.5. Any site-specific effect of the project that was not analyzed as a significant effect on the environment in the plan or other written documentation required by Section 21080.5 is subject to this division.

(16) Approval by the Department of Pesticide Regulation of a pesticide emergency exemption pursuant to Section 136p of Title 7 of the United States Code.

(c) If a lead agency determines that a proposed project, not otherwise exempt from this division, would not have a significant effect on the environment, the lead agency shall adopt a negative declaration to that effect. The negative declaration shall be prepared for the proposed project in either of the following circumstances:

(1) There is no substantial evidence, in light of the whole record before the lead agency, that the project may have a significant effect on the environment.

(2) An initial study identifies potentially significant effects on the environment, but: (A) revisions in the project plans or proposals made by, or agreed to by, the applicant before the proposed negative declaration and initial study are released for public review would avoid the effects or mitigate the effects to a point where clearly no significant effect on the environment would occur; and (B) there is no substantial evidence, in light of the whole record before the lead agency, that the project, as revised, may have a significant effect on the environment.

(d) If there is substantial evidence, in light of the whole record before the lead agency, that the project may have a significant effect on the environment, an environmental impact report shall be prepared.

(e) (1) For purposes of this section and this division, substantial evidence includes fact, a reasonable assumption predicated upon fact, or expert opinion supported by fact.

(2) Substantial evidence is not argument, speculation, unsubstantiated opinion or narrative, evidence that is clearly inaccurate or erroneous, or evidence of social or economic impacts that do not contribute to, or are not caused by, physical impacts on the environment.

(f) As a result of the public review process for a mitigated negative declaration, including administrative decisions and public hearings, the lead agency may conclude that certain mitigation measures identified pursuant to paragraph (2) of subdivision (c) are infeasible or otherwise undesirable. In those circumstances, the lead agency, before approving the project, may delete those mitigation measures and substitute for them other mitigation measures that the lead agency finds, after holding a public hearing on the matter, are equivalent or more effective in mitigating significant effects on the environment to a less than significant level and that do not cause any potentially significant effect on the environment. If those new mitigation measures are made conditions of project approval or are otherwise made part of the project approval, the deletion of the former measures and the substitution of the new mitigation measures shall not constitute an action or circumstance requiring recirculation of the mitigated negative declaration.

(g) This section does not preclude a project applicant or any other person from challenging, in an administrative or judicial proceeding, the legality of a condition of project approval imposed by the lead agency. If, however, any condition of project approval set aside by either an administrative body or court was necessary to avoid or lessen the likelihood of the occurrence of a significant effect on the environment, the lead agency's approval of the negative declaration and project shall be invalid and a new environmental review process shall be conducted before the project can be reapproved, unless the lead agency substitutes a new condition that the lead agency finds, after holding a public hearing on the matter, is equivalent to, or more effective in, lessening or avoiding

significant effects on the environment and that does not cause any potentially significant effect on the environment.

SEC. 3. Section 21080.69 of the Public Resources Code is amended to read:

21080.69. (a) Except as provided in subdivision (b), this division does not apply to any of the following projects:

(1) A project that consists exclusively of a day care center, as defined in Section 1596.76 of the Health and Safety Code, that is not located in a residential area.

(2) A project that consists exclusively of a rural health clinic, as defined by Section 1396(d)(l)(1) of Title 42 of the United States Code, or a federally qualified health center, as defined by Section 1396(d)(l)(2) of Title 42 of the United States Code, if the facility is less than 50,000 square feet in total space.

(3) A project that consists exclusively of a nonprofit food bank or food pantry, defined as a nonprofit organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (26 U.S.C. Sec. 501(c)(3)), that solicits, stores, and distributes sufficient food to their defined service area, if the project is located on a site that is zoned exclusively for industrial uses.

(4) *(A)* A project that consists exclusively of a facility for advanced ~~manufacturing, as defined in Section 26003,~~ *manufacturing,* if the project is located on a site zoned exclusively for industrial uses.

(B) For purposes of subparagraph (A), "advanced manufacturing" has the same meaning as defined in Section 26003, except it does not include a data center, as defined in subparagraph (B) of paragraph (1) of subdivision (b) of Section 21080.

(b) This section does not apply to a project located on natural and protected lands, as defined pursuant to Section 21067.5.

SEC. 4. Section 21180 of the Public Resources Code is amended to read:

21180. For purposes of this chapter, the following definitions apply:

(a) "Applicant" means a public or private entity or its affiliates, or a person or entity that undertakes a public works project, that proposes a project and its successors, heirs, and assignees.

(b) "Environmental leadership development project," "leadership project," or "project" means a project as described in Section 21065 that is one of the following:

(1) A residential, retail, commercial, sports, cultural, entertainment, or recreational use project that is certified as Leadership in Energy and Environmental Design (LEED) gold or better by the United States Green Building Council and, where applicable, that achieves a 15-percent greater standard for transportation efficiency than for comparable projects. These projects must be located on an infill site. For a project that is within a metropolitan planning organization for which a sustainable communities strategy or alternative planning strategy is in effect, the infill project shall be consistent with the general use designation, density, building intensity, and applicable policies specified for the project area in either a sustainable communities strategy or an alternative planning strategy, for which the State Air Resources Board has accepted a metropolitan planning organization's determination, under subparagraph (H) of paragraph (2) of subdivision (b) of Section 65080 of the Government Code, that the sustainable communities strategy or the alternative planning strategy would, if implemented, achieve the greenhouse gas emission reduction targets.

(2) A clean renewable energy project that generates electricity exclusively through wind or solar, but not including waste incineration or conversion.

(3) A clean energy manufacturing project that manufactures products, equipment, or components used for renewable energy generation, energy efficiency, or for the production of clean alternative fuel vehicles.

(4) (A) A housing development project that meets all of the following conditions:

(i) The housing development project is located on an infill site.

(ii) For a housing development project that is located within a metropolitan planning organization for which a sustainable communities strategy or alternative planning strategy is in effect, the project is consistent with the general use designation, density, building intensity, and applicable policies specified for the project area in either a sustainable communities strategy or an alternative planning strategy, for

which the State Air Resources Board has accepted a metropolitan planning organization's determination, under subparagraph (H) of paragraph (2) of subdivision (b) of Section 65080 of the Government Code, that the sustainable communities strategy or the alternative planning strategy would, if implemented, achieve the greenhouse gas emission reduction targets.

(iii) Notwithstanding paragraph (1) of subdivision (a) of Section 21183, the housing development project will result in a minimum investment of fifteen million dollars ($15,000,000) in California upon completion of construction.

(iv) (I) Except as provided in subclause (II), at least 15 percent of the housing development project is dedicated as housing that is affordable to lower income households, as defined in Section 50079.5 of the Health and Safety Code. Upon completion of a housing development project that is qualified under this paragraph and is certified by the Governor, the lead agency or applicant of the project shall notify the Office of Planning and Research of the number of housing units and affordable housing units established by the project.

(II) Notwithstanding subclause (I), if a local agency has adopted an inclusionary zoning ordinance that establishes a minimum percentage for affordable housing within the jurisdiction in which the housing development project is located that is higher than 15 percent, the percentage specified in the inclusionary zoning ordinance shall be the threshold for affordable housing.

(v) (I) Except for use as a residential hotel, as defined in Section 50519 of the Health and Safety Code, no part of the housing development project shall be used for a rental unit for a term shorter than 30 days, or designated for hotel, motel, bed and breakfast inn, or other transient lodging use.

(II) No part of the housing development project shall be used for manufacturing or industrial uses.

(B) For purposes of this paragraph, "housing development project" means a project for any of the following:

(i) Residential units only.

(ii) Mixed-use developments consisting of residential and nonresidential uses with at least two-thirds of the square footage designated for residential use.

(iii) Transitional housing or supportive housing.

(5) (A) A data center project certified by the lead agency to meet all of the following conditions:

(i) Pays the full cost of interconnection to prevent cost shifts to other ratepayers.

(ii) Does not increase fossil fuel consumption within the state.

(iii) Includes zero-carbon energy storage with at least four hours of capacity at 100 percent of forecasted peak demand for the facility.

(iv) Uses onsite zero-carbon energy storage to provide demand response services to the electrical grid.

(v) Relies on zero-carbon generation located behind the meter to the maximum extent feasible.

(vi) Recovers fully from the data center operator all electrical grid investments, including costs of new generating capacity, to serve the data center in the event the data center ceases operations.

(vii) Uses recycled water and water-efficient technology or waterless cooling systems.

(viii) Will rely on 100 percent zero-carbon electricity resources to serve hourly energy needs within five years of initial operations, of which 75 percent shall be newly developed.

(ix) Contains a community benefits program.

(x) Contains a project labor agreement and prevailing wage requirement, consistent with Section 21183.5.

(B) For purposes of this paragraph, "data center" means a commercial facility primarily used to house computer servers and associated equipment for processing, storing, or transmitting data that require at least 50 megawatts of peak demand and consume 1,000,000 gallons of water per day.

(c) "Infill site" has the same meaning as set forth in Section 21061.3.

(d) "Transportation efficiency" means the number of vehicle trips by employees, visitors, or customers of the residential, retail, commercial, sports, cultural, entertainment, or recreational use project divided by the total number of employees, visitors, and customers.

SEC. 5. The amendment of Section 21080.69 of the Public Resources Code made by this act does not constitute a change in, but is declaratory of, existing law.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

ATTACHMENT 4
Bill Text – SB 978

SB-978 Large-scale energy facilities: labor: electricity rates. (2025-2026)

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Date Published: 02/04/2026 09:00 PM

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

SENATE BILL NO. 978

Introduced by Senator Pérez
(Coauthors: Senators Arreguín and Hurtado)
(Coauthors: Assembly Members Connolly and Harabedian)

February 04, 2026

An act amend Section 913.11 of, and to add Section 740.22 to, the Public Utilities Code, relating to large-scale energy facilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 978, as introduced, Pérez. Large-scale energy facilities: labor: electricity rates.

Existing law vests the Public Utilities Commission (PUC) with regulatory authority over public utilities, including electrical corporations. Existing law authorizes the PUC to fix the rates and charges for every public utility and requires that those rates and charges be just and reasonable.

This bill would require the PUC to establish a special rate structure for large-scale energy users, who would be defined as customers of electrical corporations operating facilities with operational requirements of at least 75 megawatts of electricity, to protect other customers of electrical corporations, prevent cost shifts to those other customers, and require large-scale energy users to pay for the electrical corporations' upfront costs of transmission or distribution infrastructure upgrades necessary for the provision of electrical service to those users. The bill would require the construction of those facilities to comply with certain labor requirements.

Existing law establishes the policy of the state that eligible renewable energy resources and zero-carbon resources supply 90% of all retail sales of electricity to California end-use customers by December 31, 2035, 95% by December 31, 2040, and 100% by December 31, 2045. Existing law requires the PUC, the State Energy Resources Conservation and Development Commission, and the State Air Resources Board, in consultation with all California balancing authorities, to annually issue a joint report related to meeting that state policy.

This bill would require that the joint report also include the impacts of large-scale energy users on the state's ability to achieve the above-described state policy.

Under existing law, a violation of an order, decision, rule, direction, demand, or requirement of the PUC is a crime.

Because a violation of a PUC action implementing the bill's requirements would be a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.
Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 740.22 is added to the Public Utilities Code, to read:

740.22. (a) For purposes of this section, all of the following definitions apply:

(1) "Facility" means a facility with an operational requirement of at least 75 megawatts of electricity.

(2) "Large-scale energy user" means a customer of an electrical corporation operating a facility.

(3) "Skilled and trained workforce" has the same meaning as set forth in Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.

(b) The commission shall establish a special rate structure for large-scale energy users that does both of the following:

(1) Protects other customers of an electrical corporation and prevents cost shifts to those other customers.

(2) (A) Requires the large-scale energy user pay for the electrical corporation's upfront costs for transmission or distribution infrastructure upgrades necessary to provide electrical service to the large-scale energy user.

(B) The upfront costs described in subparagraph (A) shall not be recovered by the electrical corporation from other customers of the electrical corporation.

(c) (1) A large-scale energy user shall only use onsite solar or wind generation and a battery electric storage system as backup power generation for the facility.

(2) A large-scale energy user that uses battery electric storage systems shall enter into a binding agreement with the local fire department to ensure adequate fire protection services are available, including fire protection for the battery electric storage system and dire response times for communities in proximity to the facility.

(d) (1) Notwithstanding paragraph (1) of subdivision (a) of Section 1720 of the Labor Code, construction of a facility constitutes a public works project for purposes of Article 2 (commencing with Section 1770) of Chapter 1 of Part 7 of Division 2 of the Labor Code.

(2) A contractor who enters into a contract to perform work on a facility shall do all of the following:

(A) The contractor shall pay each construction worker employed in the execution of the work, at minimum, the general prevailing rate of per diem wages, except that an apprentice registered in a program approved by the Chief of the Division of Apprenticeship Standards shall be paid, at minimum, the applicable apprentice prevailing rate.

(B) The contractor shall maintain and verify payroll records pursuant to Section 1776 of the Labor Code and make those records available for inspection and copying as provided in that section. Notwithstanding Section 1776 of the Labor Code, the contractor shall not be required to provide copies of certified payroll records to any entity other than the Department of Industrial Relations and the commission.

(C) The contractor shall biannually, on July 1 and December 31 of each year, submit to the commission digital copies of its certified payroll records, in a format consistent with systems used for compliance with Section 1776 of the Labor Code, for projects subject to this section. The commission shall retain these records as public records for five years.

(3) The requirement imposed in subparagraph (A) of paragraph (2) may be enforced through any of the following mechanisms:

(A) Within 18 months after completing the facility, by the Labor Commissioner through the issuance of a civil wage and penalty assessment pursuant to Section 1741 of the Labor Code, which may be reviewed pursuant to Section 1742 of the Labor Code.

(B) By an underpaid construction worker or apprentice through an administrative complaint or civil action.

(C) By a joint labor-management committee through a civil action pursuant to Section 1771.2 of the Labor Code.

(4) If a willful violation of this subdivision has been enforced against a contractor for the construction of a facility pursuant to paragraph (3), that facility shall remain eligible to receive service pursuant to the rate structure established pursuant to subdivision (b) if restitution has been made to the affected workers and all associated penalties and fines have been paid.

(5) The commission shall require each large electrical corporation to include the requirements of this subdivision in each interconnection agreement with a large-scale energy user.

(6) This subdivision does not apply to a construction of a facility that is a public work, as defined in Section 1720 of the Labor Code, and that is subject to Article 2 (commencing with Section 1770) of Chapter 1 of Part 7 of Division 2 of the Labor Code.

(7) (A) The entity that engaged the contractor to perform work on a facility is not an awarding body, as defined in Section 1722 of the Labor Code. Public works project requirements not codified in this section do not apply to the entity. This section does not affect the entity's liability for nonpayment of wages or materials under Section 3 of Article XIV of the California Constitution.

(B) The contractor who enters into a contract with the entity described in subparagraph (A) to perform work on a facility is the awarding body only for the limited purposes of Section 1773.3 of the Labor Code.

(8) (A) All contracts for the construction of a facility shall require every contractor and subcontractor at every tier to use a skilled and trained workforce for the construction of the facility.

(B) Every contractor and subcontractor at every tier shall use a skilled and trained workforce for the construction of the facility.

SEC. 2. Section 913.11 of the Public Utilities Code is amended to read:

913.11. (a) Notwithstanding Section 10231.5 of the Government Code, the commission, Energy Commission, and State Air Resources Board shall, in consultation with all California balancing authorities, as defined in subdivision (d) of Section 399.12, as part of a public process, issue a joint report to the Legislature by January 1, 2021, and at least every four years thereafter.

(b) The joint report shall include all of the following:

(1) A review of the policy described in subdivision (a) of Section 454.53, focused on technologies, forecasts, then-existing transmission, and maintaining safety, environmental and public safety protection, affordability, and system and local reliability.

(2) An evaluation identifying the potential benefits and impacts on system and local reliability associated with achieving the policy described in subdivision (a) of Section 454.53.

(3) An evaluation identifying the nature of any anticipated financial costs and benefits to electrical, gas, and water utilities, including customer rate impacts and benefits.

(4) The barriers to, and benefits of, achieving the policy described in subdivision (a) of Section 454.53.

(5) Alternative scenarios in which the policy described in subdivision (a) of Section 454.53 can be achieved and the estimated costs and benefits of each scenario.

(6) An evaluation of the impacts of large-scale energy users, as defined in Section 740.22, on the state's ability to achieve the policy described in subdivision (a) of Section 454.53.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

ATTACHMENT 5
SB 978 Fact Sheet

Sasha Renée Pérez

REPRESENTING SENATE DISTRICT 25

Senate Bill 978 (Pérez)
The Data Center Community Accountability Act

Summary

SB 978 ensures that new data centers are built and operated responsibly by protecting energy ratepayers from higher costs, requiring data centers to pay their fair share, supporting good paying jobs for workers and establishing rules for backup generators to protect surrounding communities.

Background

In recent years, there has been a spike in the roll out of hyperscale data centers across the country. A hyperscale data center is a facility that houses and runs large-scale computer systems for data storage, as well as both AI development and deployment.[1] Some projections indicate that data center electricity demand could double or triple by 2028, accounting for as much as 12% of total U.S. electricity use.[2]

When hyperscale data centers are added to a utility service territory, they require additional infrastructure to support their operations, often resulting in the construction of new transmission facilities.[3] The California Energy Commission (CEC) estimates data center demand on the electrical grid will increase by 3.3 gigawatts by 2035. On average, an AI hyperscale data center uses as much electricity as 100,000 households.[4] Without regulation, the costs and impacts of this increased energy demand could be shifted onto ratepayers and the broader electrical grid.

This issue is particularly significant for California. Already, roughly one-third of U.S. data centers are in the state, creating the risk of additional costs being layered on already skyrocketing residential electricity bills[5]. As experts have noted, "the era of flat data center energy use is over"[6]. While changes in load that require additional energy are common, data centers are unique in their extraordinary energy intensity, consuming 10 to 50 times more energy per square foot than a typical commercial office building.[7]

Further contributing to the impacts of data centers on the electrical grid, and by extension onto ratepayers, is the lack of flexibility in their energy use. Even during periods of high grid demand, data centers require uninterrupted service and often rely on diesel-powered backup generators to maintain operations. According to the CAISO's 2022 Summer Market Performance Report, these generators are typically used during afternoon peak load hours.[8] Liang Min, who leads Stanford's Bits and Watts Initiative, argues that "the state should improve its forecasts for energy demand to support clean energy goals".[9]

Problem

The operational pressures presented by data centers also intersects with broader economic and public health issues.

[1] "Data Centers and Their Energy Consumption: Frequently Asked Questions." Congress.gov, 26 August 2025, Data Centers and Their Energy Consumption: Frequently Asked Questions | Congress.gov | Library of Congress

[2] Ibid.

[3] "How Will Data Center Growth Impact California Ratepayers?". The Public Advocates Office, 28 October 2025, How Will Data Center Growth Impact California Ratepayers?

[4] "What we know about energy use at U.S. data centers amid the AI boom." Pew Research Center, 24 October 2025, US data centers' energy use amid the artificial intelligence boom | Pew Research Center

[5] Ibid.

[6] "Powering the US Data Center Boom: Why Forecasting Can Be So Tricky". World Resources Institute, 17 September 2025, Powering the US Data Center Boom: The Challenge of Forecasting Electricity Needs| World Resources Institute

[7] "How Will Data Center Growth Impact California Ratepayers?". The Public Advocates Office, 28 October 2025, How Will Data Center Growth Impact California Ratepayers?

[8] "An Assessment of California Data Centers' Environmental and Public Health Impacts". Next10, UC Riverside, 12 November 2025, ai-environmental-public-health-costs.pdf

[9] "Data centers are putting new strain on California's grid. A new report estimates the impacts". CalMatters, 14, California data centers rapidly increasing energy use, report finds

Data centers pose a great risk to ratepayers if left unchecked. Their projected electricity demand will require the construction of new transmission infrastructure, and without clear statutory guidance, those costs may be passed to ratepayers and other commercial energy consumers.[10] Energy costs have already been rising since 2015, compounding those concerns.[11] Additionally, establishing strong labor standards for their construction is also essential to ensure these projects are completed with a skilled workforce.

Another risk arises when transmission infrastructure is planned or built to serve the high energy demands of a data center, only for a data center to relocate or abandon the project leaving those costs to ratepayers.[12] Once the utility begins to build transmission lines to support the new load, there is currently no requirement that a data center remain in place or reimburse costs if it moves operations, secures a better rate elsewhere, or experiences project delays.

Beyond cost impacts, data centers also create public health concerns due to air pollution from backup diesel generator use. Statewide public health costs associated with emissions from data center backup generators are estimated to reach up to $266.57 million by 2028.[13] Even modest emissions from these generators can push local air quality beyond health-based limits, resulting in respiratory and other health impacts for nearby communities.[14]

Although governors across the country are beginning to recognize these challenges in a bipartisan way,[15] California must act proactively by adopting laws that include explicit and enforceable ratepayer protections, clear labor standards for new construction, and measures that address the disproportionate public health impacts of data center growth.

Solution

SB 978 addresses these challenges by establishing clear, targeted requirements to protect ratepayers, safeguard public health, and ensure alignment with California's climate and workforce goals. It specifically:

1. Creates a separate rate class for data centers operating over 75MW; recognizing that their load characteristic differs significantly from other large energy consumers.
2. Requires qualifying data centers, defined as those operating at more than 75MW and requiring additional transmission capacity, to pay upfront for the associated costs to prevent stranded assets and cost shifts to ratepayers.
3. Requires data centers to use clean back-up generation rather than diesel or other polluting sources.
4. Directs the CEC to estimate impacts of data centers on the state's ability to meet its climate goals.
5. Ensures that all data centers built in California employ a workforce that is paid a living wage.

Sponsors:

Author

Support

Contact

Alison.Kostusak@sen.ca.gov
916-651-4025

[10] "How Will Data Center Growth Impact California Ratepayers?". The Public Advocates Office, 28 October 2025, How Will Data Center Growth Impact California Ratepayers?

[11] "A Closer Look at California's Surging Electricity Rates". Public Policy Institute of California, 1 April 2025, A Closer Look at California's Surging Electricity Rates - Public Policy Institute of California

[12] "How Will Data Center Growth Impact California Ratepayers?". The Public Advocates Office, 28 October 2025, How Will Data Center Growth Impact California Ratepayers?

[13] "An Assessment of California Data Centers' Environmental and Public Health Impacts". Next10, UC Riverside, 12 November 2025, ai-environmental-public-health-costs.pdf

[14] Ibid.

[15] "Governors Collaborate to Ensure Regional Energy Affordability". National Governors Association, 21 January 2026, Governors Collaborate to Ensure Regional Energy Affordability - National Governors Association

ATTACHMENT 6
Letters of Support

CITY CLERK
MAYCHELLE YEE
CITY TREASURER
AMY LEE

CITY COUNCIL
HENRY LO
VINH NGO
JOSE SANCHEZ
THOMAS WONG
ELIZABETH YANG

March 4, 2026

The Honorable Rebecca Bauer-Kahan
California State Assembly
State Capitol
Sacramento, CA 95814

RE: AB 1577 (Bauer-Kahan) – Data Center Energy and Water Transparency
NOTICE OF SUPPORT – City of Monterey Park

Dear Assemblymember Bauer-Kahan,

On behalf of the City of Monterey Park, I am writing to express our support for AB 1577, which establishes a structured and transparent framework for reporting data center energy and water use while safeguarding consumer privacy.

As California continues to experience rapid growth in data-intensive industries, local governments must better understand the cumulative impacts of large-scale data centers on energy demand, water resources, and local infrastructure. AB 1577 provides an important tool to support informed planning and responsible development by requiring standardized reporting on power usage effectiveness, water usage effectiveness, and total energy consumption.

The bill appropriately balances transparency with privacy by requiring that reported data be anonymized and aggregated for public access. This approach ensures policymakers, utilities, and communities have access to meaningful information without compromising sensitive or proprietary data. Additionally, the requirement for data center developers to disclose relevant energy and water consumption information during the permitting process will help local jurisdictions evaluate potential impacts early and coordinate effectively with utilities and regional partners.

For cities like Monterey Park, which are working to advance sustainability goals while maintaining reliable public services, AB 1577 supports better decision-making and long-term resource planning. The bill promotes accountability, encourages efficient design, and aligns with California's broader climate, energy, and water conservation objectives.

For these reasons, the City of Monterey Park supports AB 1577 and thanks you for your leadership on this important issue.

Sincerely,

Elizabeth Yang
Mayor

Henry Lo
Mayor Pro Tem

Jose Sanchez
Councilmember

Thomas Wong
Councilmember

Vinh T. Ngo
Councilmember

CITY CLERK
MAYCHELLE YEE
CITY TREASURER
AMY LEE

CITY COUNCIL
HENRY LO
VINH NGO
JOSE SANCHEZ
THOMAS WONG
ELIZABETH YANG

March 4, 2026

The Honorable Steve Padilla
California State Senate
State Capitol
Sacramento, CA 95814

RE: SB 886 California Technology Innovation and Ratepayer Protection Act
NOTICE OF SUPPORT – City of Monterey Park

Dear Senator Padilla,

On behalf of the City of Monterey Park, I am writing to express our support for SB 886, the California Technology Innovation and Ratepayer Protection Act. This bill will provide essential clarity and fairness in how large-scale energy users such as data centers interconnect with our electrical grid and how the costs of those interconnections are allocated.

SB 886 requires the Public Utilities Commission to establish or modify an electrical corporation tariff that governs how large load customers connect to the grid and receive transmission and distribution services. The bill ensures that eligibility criteria are established for large load customers and facilities and that the tariff prevents cost shifts to other ratepayers while evaluating risks and benefits to nonparticipating customers. This provision is particularly important for cities like Monterey Park, where residents and local businesses are already facing high utility costs and cannot absorb increased costs caused by large energy intensive facilities.

The bill further supports responsible planning by encouraging local publicly owned electric utilities to adopt similar tariffs that keep costs from being shifted to residents who do not participate in special rate programs. This approach aligns with our city's interest in protecting ratepayers and ensuring that growth in energy

demand does not unfairly burden communities that are not directly benefiting from these facilities.

For these reasons the City of Monterey Park supports SB 886 and appreciates your leadership in advancing policy that protects residents from undue cost burdens while promoting fair participation in the electrical grid.

Sincerely,

Elizabeth Yang
Mayor

Henry Lo
Mayor Pro Tem

Jose Sanchez
Councilmember

Thomas Wong
Councilmember

Vinh T. Ngo
Councilmember

CITY CLERK
MAYCHELLE YEE
CITY TREASURER
AMY LEE

CITY COUNCIL
HENRY LO
VINH NGO
JOSE SANCHEZ
THOMAS WONG
ELIZABETH YANG

March 4, 2026

The Honorable Steve Padilla
California State Senate
State Capitol
Sacramento, CA 95814

RE: SB 887 (Padilla) – Data Centers and CEQA Clarity
NOTICE OF SUPPORT- City of Monterey Park

Dear Senator Padilla,

On behalf of the City of Monterey Park, I am writing to express our support for SB 887, which provides important clarification regarding the application of the California Environmental Quality Act (CEQA) to data center projects while establishing a responsible and balanced pathway for streamlined review when stringent environmental standards are met.

As data center development continues to expand across California, it is critical that state law clearly reflects the significant energy, water, and infrastructure impacts associated with these facilities. SB 887 appropriately clarifies that data centers are not ministerial projects and should not be categorically exempt from CEQA review. This clarification supports transparency, informed decision-making, and meaningful environmental analysis at both the state and local levels.

At the same time, the bill thoughtfully allows large data center projects to qualify for streamlined CEQA review under the state's environmental leadership development program when they meet rigorous requirements related to zero-carbon energy use, water efficiency, grid cost recovery, and community benefits. This balanced approach encourages innovation and economic development while ensuring projects advance California's environmental, climate, and equity goals.

For local jurisdictions like Monterey Park, SB 887 provides greater certainty in the development review process and ensures that communities are not burdened with unmitigated infrastructure or environmental impacts. The bill strengthens CEQA's role as a planning and disclosure tool while rewarding projects that demonstrate measurable public and environmental benefits.

For these reasons, the City of Monterey Park supports SB 887 and appreciates your leadership on this important issue.

Sincerely,

Elizabeth Yang
Mayor

Henry Lo
Mayor Pro Tem

Jose Sanchez
Councilmember

Thomas Wong
Councilmember

Vinh T. Ngo
Councilmember

CITY CLERK
MAYCHELLE YEE
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CITY COUNCIL
HENRY LO
VINH NGO
JOSE SANCHEZ
THOMAS WONG
ELIZABETH YANG

March 4, 2026

The Honorable Sasha Perez
California State Senate
1021 O Street, Suite 6720
Sacramento, CA 95814

RE: SB 978 Large-Scale Energy Facilities and Electricity Rates
NOTICE OF SUPPORT – City of Monterey Park

Dear Senator Perez,

On behalf of the City of Monterey Park, I am writing to express our support for SB 978, which establishes a fair and responsible framework for addressing the impacts of large-scale energy users on California's electrical system while protecting local communities and ratepayers.

Cities like Monterey Park are increasingly concerned about the infrastructure and cost pressures created by highly energy-intensive facilities. SB 978 appropriately directs the California Public Utilities Commission to establish a special rate structure for large-scale energy users, defined as facilities with operational requirements of at least 75 megawatts, to ensure that the costs of necessary transmission and distribution upgrades are borne by those users rather than shifted to residential customers, small businesses, or local governments. This approach helps protect local ratepayers and supports long-term system reliability.

From a municipal perspective, the bill also promotes transparency and fairness by clearly assigning responsibility for infrastructure costs associated with new, energy-intensive development. This clarity is critical for cities as we plan for growth, coordinate with utilities, and work to maintain affordable utility rates for our residents.

In addition, SB 978 includes labor standards that require construction of these facilities to comply with prevailing wage and related workforce requirements. These provisions help ensure that major energy infrastructure projects support quality jobs and safe, high-quality construction outcomes.

For these reasons, the City of Monterey Park supports SB 978 and appreciates your leadership in advancing policies that protect ratepayers, promote accountability, and support responsible energy development.

Sincerely,

Elizabeth Yang
Mayor

Henry Lo
Mayor Pro Tem

Jose Sanchez
Councilmember

Thomas Wong
Councilmember

Vinh T. Ngo
Councilmember