From:	James Pugh
To:	MPClerk
Cc:	Bryan Marsh; Chris Flynn; Scott Rynders; Berger, Karl H.; Hou, Timothy
Subject:	Request for Continuance - 1977 Saturn Data Center - Item 10.A City Council Agenda
Date:	Friday, November 14, 2025 4:02:53 PM
Attachments:	image001.jpg 1977 Saturn Data Center - Continuance Request.pdf
Importance:	High

[EXTERNAL EMAIL]

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Dear City Clerk,

Please see the attached letter requesting a continuance of Item 10.A (the 1977 Saturn Data Center Project) on the City Council agenda for November 19, 2025.

Please confirm receipt of this email and the attachment.

Thank you,

James E. Pugh | Partner
+1 714-424-2854 | direct
+1 949-877-4891 | mobile
JPugh@sheppardmullin.com | Bio

SheppardMullin
650 Town Center Drive, 10th Floor
Costa Mesa, CA 92626-1993
+1 714-513-5100 | main
www.sheppardmullin.com | LinkedIn | Twitter

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From: Maychelle Yee
To: Alvarez, Inez; Hou, Timothy
Subject: Fw: 1977 Saturn - Rooftop Screening
Date: Wednesday, November 19, 2025 6:14:41 PM
Attachments: Outlook-A black an.png

[EXTERNAL EMAIL]
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For your files

From: Bryan Marsh <bmarsh@stratcap.com>
Sent: Wednesday, November 19, 2025 4:12 PM
To: MaychelleYee@msn.com <MaychelleYee@msn.com>
Subject: 1977 Saturn - Rooftop Screening

Hi Maychelle,

Thanks for your question about the screening for the rooftop equipment proposed for the data center at 1977 Saturn. Here are some key points:

- MND analyzed all rooftop equipment including chillers, rooftop mechanical equipment, and rooftop units (RTUs) per current Gensler design.
- Rooftop equipment was quantitatively modeled using SoundPLAN modeling software. The modeling assumptions were based on verified manufacture specifications for chillers and RTUs.
- The rooftop chillers are surrounded by a 16-foot visual and acoustical screening wall that attenuates noise propagation.
- Analysis was performed pursuant to the City's municipal code noise standards.
- Modeled noise results demonstrate that project noise from rooftop equipment (as well as composite noise, which is all noise sources combined) is below the established noise thresholds per the municipal code.

Bryan Marsh
Managing Director, North America

StratCap Data Centers

30 Rockefeller Plaza, Suite 2050

New York, NY 10112

C: 940.390.7500

www.stratcap.com

StratCap

From: Maychelle Yee
To: Hou, Timothy
Subject: Fw: Diesel Fuel Tank Concerns
Date: Wednesday, December 3, 2025 8:19:28 AM

[EXTERNAL EMAIL]

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For your files

From: Maychelle Yee <maychelleyee@msn.com>
Sent: Wednesday, December 3, 2025 6:26:19 AM
To: bmarsh@stratcap.com <bmarsh@stratcap.com>
Subject: Diesel Fuel Tank Concerns

Morning Bryan,

There are concerns online by the community regarding your diesel fuel tanks. Are you able to use hydrotreated vegetable oil or biodiesel fuel instead?

There are also concerns with the noise from the generators. Because the acoustics in the area are similar to the Hollywood Bowl, noise is funneled up instead of out. Does your sound barrier have a cover or is it only around the perimeter?

Lastly, I saw in the report that trees would be removed. Can you take out the Eucalyptus please? They are highly flammable. Maybe you can replace them with native trees like California redbuds that attract pollinators. Good for the environment and biodiversity in the area.

Thanks,
Maychelle

MEMORANDUM

TO: Beth Chow, AICP, Monterey Park Interim Planning Manager

FROM: Jonathan Chambers, P.E.

DATE: May 22, 2024

RE: Parking Demand Analysis for the
1977 Saturn Street Data Center
Monterey Park, California **Ref:** J2125

Gibson Transportation Consulting, Inc. analyzed the parking demand and supply for the proposed 1977 Saturn Street Data Center (Project) in Monterey Park, California (City). This memorandum summarizes our analysis.

PROJECT SUMMARY

The Project consists of a one-level, 218,400 square foot (sf) data center. The interior of the building, illustrated in Figure 1, contains seven data halls, each approximately 15,710 sf, separated by dedicated mechanical rooms. Nearly 24,000 sf of interior space is dedicated to electrical infrastructure, and only approximately 8,000 sf is dedicated to administrative office space. Adjacent to the building will be a 75,000 sf exterior yard with 12 or more four-megawatt power generators for backup power. A 24,000 sf electrical substation will also be located on the property.

As shown in Figure 2, the Project will provide a total of 68 vehicular parking spaces, including 36 spaces in a parking lot adjacent to the administrative office space and 32 spaces along the fence enclosing the generator yard. There would also be a loading dock with space for three trucks on the northeast corner of the building. Site access would be provided by driveways on Saturn Street on both the east and west ends of the site, similar to the existing configuration of the site, though primary access would be on the east end adjacent to the parking lot.

The Project will replace a vacant 205,628 sf office building with 847 surface parking spaces. The Project is located within the McCaslin Business Park, an Office-Professional (O-P) Zone. According to Section 21.14.040 of the City Municipal Code (Code), a “data processing facility” is a principal use permitted in this zone, though the Code does not include a specific parking ratio for this use.

Project Operations

The computer facilities located within the Project will be in operation 24 hours per day, seven days per week. It will be staffed at all times with security personnel and technicians and, during regular business hours, will also be staffed by administrative employees and building maintenance personnel.

Based on a detailed operations plan provided by the operator, the Project is proposed to have 26 full-time employees, including 18 on day shifts and eight on night shifts. There would not be any part-time employees. The operations plan is provided in the Attachment.

PROJECT PARKING

Section 21.14.110 of the Code specifies that uses within the O-P Zone shall comply with the Citywide off-street parking requirements defined in Section 21.22.120 of the Code. That Section identifies minimum off-street parking requirements for commercial developments. Table 21.22(C), Nonresidential Parking Standards, sets requirements for dozens of commercial land uses; however, it does not have parking requirements specific to data centers. For uses that are permitted, but do not have a stated parking requirement, Section 21.22.120(B) allows a "parking study" to be prepared "to determine the appropriate parking ratio *for any land use which is not assigned a specific parking ratio herein.*" (Emphasis added.)

Here, the vast majority of the floor area would be used as a data center with seven data halls, each approximately 15,710 sf, separated by dedicated mechanical rooms. Approximately 8,000 sf of the Project would be dedicated to administrative office space. As such, for purposes of parking demand analysis, the Project is functionally comparable to a Public Utility Substation (which is the closest use in the Code that has a defined parking ratio) in that it provides physical infrastructure to support an internet-based service, but the total floor area does not correlate to the total number of users at the site. The parking ratio in the Code for a Public Utility Substation is based on the number of employees rather than the total floor area. Specifically, it is "one space per employee plus one space for each vehicle used in connection with the facility." This type of ratio more accurately reflects actual parking demand than a ratio based on building square footage.

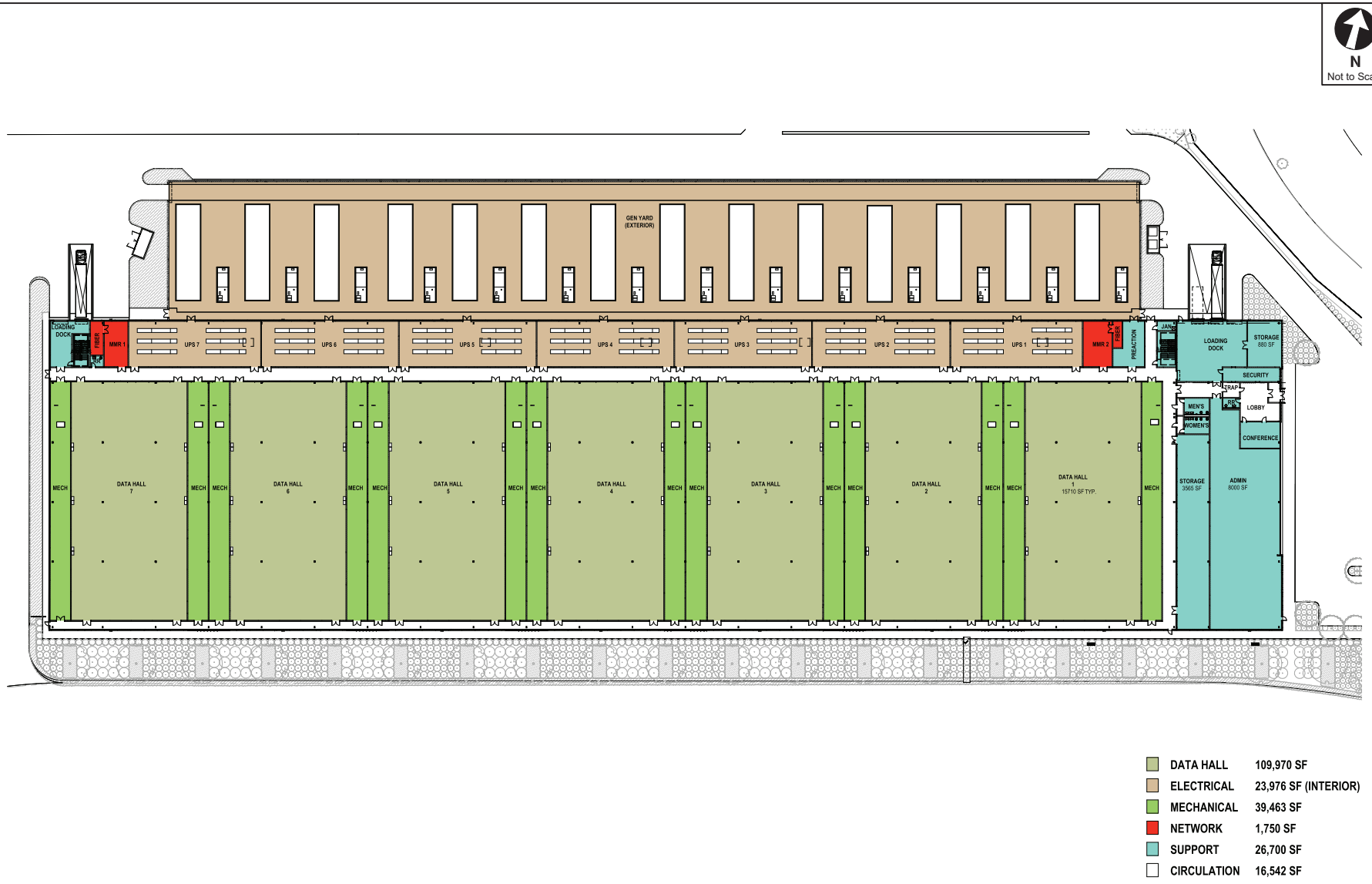
Given the similar uses, this type of ratio should be used as a basis to identify the parking demand for the data center use contemplated by the Project. The Project would have a maximum of 18 employees on-site during the day and eight at night, including administrative, operational, security, and maintenance employees. There would be no facility vehicles at the Project Site. Therefore, with 26 total employees and no facility vehicles, application of the Public Utility Substation parking requirement would require a total of 26 parking spaces, assuming each employee requires a parking space and accounting for shift changes where some employees may be at the site at the same time.

By way of comparison, the City of San Jose has a parking ratio specific to data centers. San Jose Municipal Code Section 20.09.060 requires one space per 5,000 sf of office/meeting/ technician work space, plus one space for each 50,000 sf of floor area, or fraction thereof devoted to equipment space. The parking ratio is categorized as a "utility use" and is based primarily on the office space available in the data center, rather than the equipment space,

which is similar to the City's parking ratio for Public Utility Substations. If this ratio were applied to the Project, only 10 parking spaces would be required.

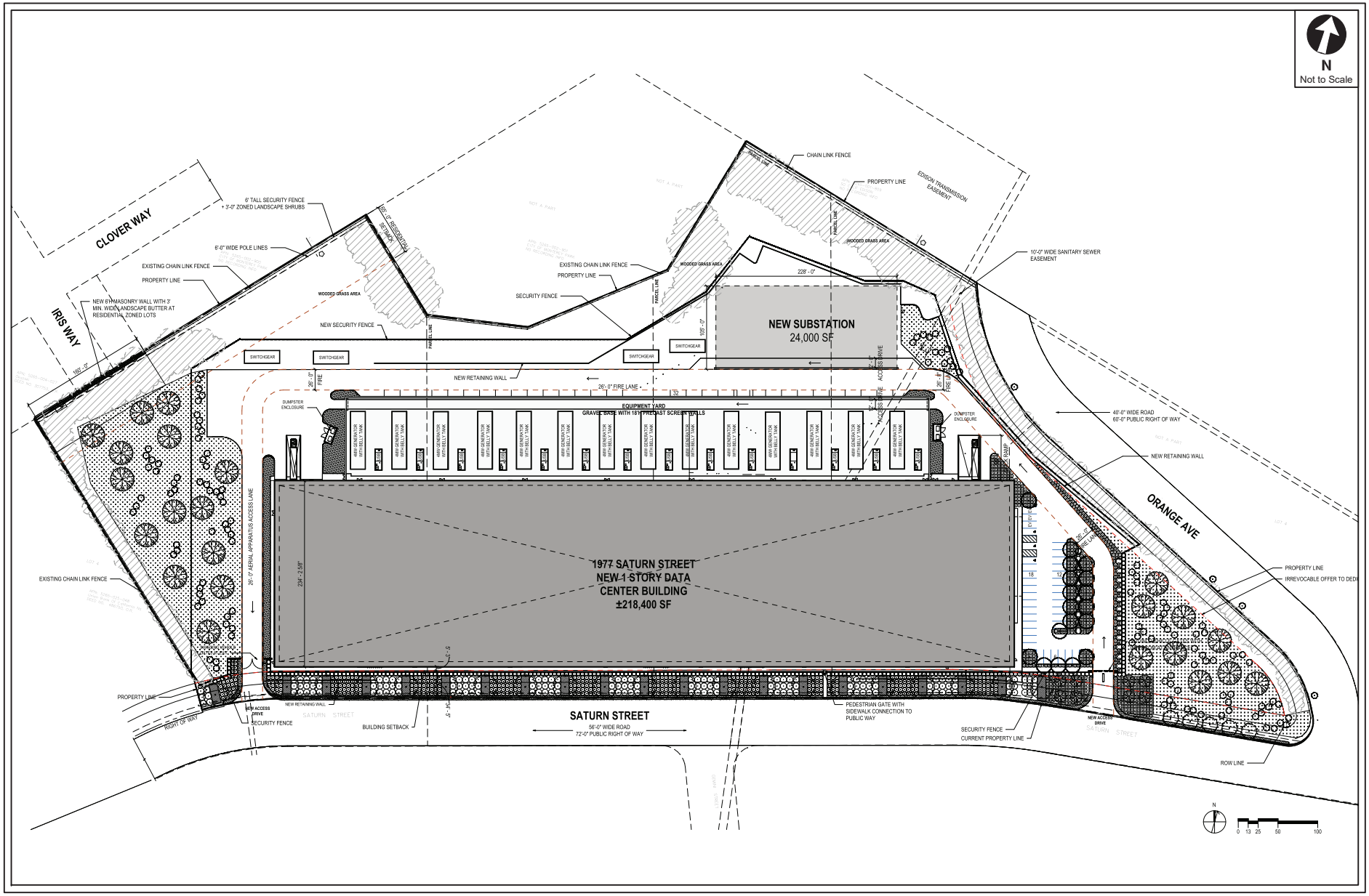
Based on our conservative assessment of the Project, the maximum number of parking spaces needed would be 26 based on the total number of employees, assuming they were all on site at the same time. The Project proposes to provide 68 spaces, which would clearly satisfy parking demand and exceed the number of parking spaces needed to accommodate all parking needs on-site, including the 26 employees and additional visitors and clients.

Gibson
transportation consulting, inc.



PROJECT LAYOUT

FIGURE 1



PROJECT SITE PLAN

FIGURE 2

Attachment

Operations Plan

1977 SATURN STREET DATA CENTER PROJECT STAFFING PLAN

4/3 day work schedule / 12-hour shifts / Non-rotating

LA - Total Technical Positions	
Tech 1 - Night A	6PM/6AM
Tech 2 - Night A	6PM/6AM
Tech 3 - Night B	6PM/6AM
Tech 4 - Night B	6PM/6AM
Tech 5 - Day A	6AM/6PM
Tech 6 - Day A	6AM/6PM
Tech 7 - Day A	6AM/6PM
Tech 8 - Day B	6AM/6PM
Tech 9 - Day B	6AM/6PM
Tech 10 - Day B	6AM/6PM
Float Tech 11	9AM/6PM
Bldg Engineer	8AM/5PM
IT Ops Lead	8A/5P
IT Ops Tech	8A/5P
IT Ops Tech	8A/5P
IT Ops Tech	11A/7P
Facility Manager	9A/5P
Chief Engineer	9A/5P
Asst Chief Engineer	11A/7P
Facilitiy Coordinator	9A/5P
Security Supervisor	7a/3P
Security 1st	7a/3P
Security 2nd	3P/11P
Security 3rd	11P/3A
Janitorial	8A/5P

Work Hours (adjustable)	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Tech 1 - Night A	6P/6A	6P/6A	6P/6A	6P/6A	Off	Off	Off	6P/6A	6P/6A	6P/6A	Off	Off	Off	Off	6P/6A	6P/6A	6P/6A	6P/6A	Off	Off	Off	6P/6A	6P/6A	6P/6A	Off	Off	Off	Off
Tech 2 - Night A	6P/6A	6P/6A	6P/6A	6P/6A	Off	Off	Off	6P/6A	6P/6A	6P/6A	Off	Off	Off	Off	6P/6A	6P/6A	6P/6A	6P/6A	Off	Off	Off	6P/6A	6P/6A	6P/6A	Off	Off	Off	Off
Tech 3 - Night B	Off	Off	Off	Off	6P/6A	6P/6A	6P/6A	Off	Off	Off	6P/6A	6P/6A	6P/6A	6P/6A	Off	Off	Off	Off	6P/6A	6P/6A	6P/6A	Off	Off	Off	6P/6A	6P/6A	6P/6A	6P/6A
Tech 4 - Night B	Off	Off	Off	Off	6P/6A	6P/6A	6P/6A	Off	Off	Off	6P/6A	6P/6A	6P/6A	6P/6A	Off	Off	Off	Off	6P/6A	6P/6A	6P/6A	Off	Off	Off	6P/6A	6P/6A	6P/6A	6P/6A
Tech 5 - Day A	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off
Tech 6 - Day A	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off
Tech 7 - Day A	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off
Tech 8 - Day B	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P
Tech 9 - Day B	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P
Tech 10 - Day B	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P	Off	Off	Off	6A/6P	6A/6P	6A/6P	6A/6P	Off	Off	Off	Off	6A/6P	6A/6P	6A/6P
Float Tech 11	Off	9A-6P	9A-6P	9A-6P	9A-6P	9A-6P	Off	Off	9A-6P	9A-6P	9A-6P	9A-6P	9A-6P	Off	Off	9A-6P	9A-6P	9A-6P	9A-6P	9A-6P	Off	Off	9A-6P	9A-6P	9A-6P	9A-6P	9A-6P	Off
Bldg Engineer	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off
IT Ops Lead	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off
IT Ops Tech	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off
IT Ops Tech	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off	Off	8A/5P	8A/5P	8A/5P	8A/5P	8A/5P	Off
IT Ops Tech	Off	11A/7P	11A/7P	11A/7P	11A/7P	11A/7P	Off	Off	11A/7P	11A/7P	11A/7P	11A/7P	11A/7P	Off	Off	11A/7P	11A/7P	11A/7P	11A/7P	11A/7P	Off	Off	11A/7P	11A/7P	11A/7P	11A/7P	11A/7P	Off
Facility Manager	Off	9A - 5P	9A - 5P	9A - 5P	9A - 5P	9A - 5P	Off	Off	9A - 5P	9A - 5P	9A - 5P	9A - 5P	9A - 5P	Off	Off	9A - 5P	9A - 5P	9A - 5P	9A - 5P	9A - 5P	Off	Off	9A - 5P	9A - 5P	9A - 5P	9A - 5P	9A - 5P	Off
Chief Engineer	Off	9A - 5P	9A - 5P	9A - 5P	9A - 5P	9A - 5P	Off	Off	9A - 5P	9A - 5P	9A - 5P	9A - 5P	9A - 5P	Off	Off	9A - 5P	9A - 5P	9A - 5P	9A - 5P	9A - 5P	Off	Off	9A - 5P	9A - 5P	9A - 5P	9A - 5P	9A - 5P	Off
Asst Chief Engineer	Off	11A-7P	11A-7P	11A-7P	11A-7P	11A-7P	Off	Off	11A-7P	11A-7P	11A-7P	11A-7P	11A-7P	Off	Off	11A-7P	11A-7P	11A-7P	11A-7P	11A-7P	Off	Off	11A-7P	11A-7P	11A-7P	11A-7P	11A-7P	Off
Facilitiy Coordinator	Off	9A/5P	9A/5P	9A/5P	9A/5P	9A/5P	Off	Off	9A/5P	9A/5P	9A/5P	9A/5P	9A/5P	Off	Off	9A/5P	9A/5P	9A/5P	9A/5P	9A/5P	Off	Off	9A/5P	9A/5P	9A/5P	9A/5P	9A/5P	Off

Summary	FTE
Management - Day	3
Technical - Day	8
Technical - Night	5
IT - Day	3
IT - Night	1
Security - Day	2
Security - Night	2
Janitorial - Day	2
Total	**26**

Split by Shift	
Day	18
Night	8
Total	**26**

From: Jeffrey Anderson
To: Scott Rynders
Cc: Munoz, Eliana; Hou, Timothy
Subject: Re: 1977 Saturn - Equipment on Elevated Platform
Date: Wednesday, November 12, 2025 10:13:56 AM

[EXTERNAL EMAIL]
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Scott,

Thank you, that is helpful.

Jeff

From: Scott Rynders <scott@rynderscorp.com>
Sent: Wednesday, November 12, 2025 10:06 AM
To: Jeffrey Anderson <JAnderson@willdan.com>
Cc: Munoz, Eliana <emunoz@montereypark.ca.gov>; Hou, Timothy <thou@montereypark.ca.gov>
Subject: RE: 1977 Saturn - Equipment on Elevated Platform

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Hi Jeff,

You appear to be looking at a section cut through the building on Sheet A3.000.

For reference, Sheet A1.102 is the architectural roof plan, and Sheet M1.201 is the mechanical roof plan.

These plans better illustrate the chillers located on the mechanical platform area near the center of the roof.

To clarify and directly answer your question, no - there is no additional equipment planned on the roof platform besides the chiller equipment.

Regards,

Scott Rynders, President
THE RYNDERS CORPORATION
949-449-5068
scott@rynderscorp.com

From: Jeffrey Anderson <JAnderson@willdan.com>
Sent: Tuesday, November 11, 2025 3:11 PM
To: Scott Rynders <scott@rynderscorp.com>
Cc: Munoz, Eliana <emunoz@montereypark.ca.gov>; Hou, Timothy <thou@montereypark.ca.gov>
Subject: 1977 Saturn - Equipment on Elevated Platform

Scott,

A question came up during document preparation about the type of equipment in the platform above the roof. I note on Sheet A3.000 that it says 'Mechnical Equipment'. The question is whether there is other equipment there aside from HVAC?

Thanks.

Jeff

From: Cindy Trang
To: Berger, Karl H.
Cc: Alvarez, Inez; Garcia, Diana; Hou, Timothy
Subject: RE: 1977 Saturn - Project Summary Letter for 12-3 Hearing
Date: Tuesday, December 2, 2025 8:58:53 AM
Attachments: image001.png

Got it. Thanks.

From: Berger, Karl H. <KBerger@bwslaw.com>
Sent: Tuesday, December 2, 2025 8:56 AM
To: Cindy Trang <CTrang@MontereyPark.ca.gov>
Cc: Alvarez, Inez <ialvarez@MontereyPark.ca.gov>; Garcia, Diana <dgarcia@MontereyPark.ca.gov>; Hou, Timothy <thou@MontereyPark.ca.gov>
Subject: FW: 1977 Saturn - Project Summary Letter for 12-3 Hearing
Importance: High

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This one is part of the admin record too.

Karl H. Berger | Partner

Burke, Williams & Sorensen, LLP
444 South Flower Street - 40th Floor, Los Angeles, CA 90071
D 213.236.2729 | **O** 213.236.0600 | **F** 213.236.2700 | **M** 661.644.5476
kberger@bwslaw.com | vCard | Bio | bwslaw.com



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From: James Pugh <JPugh@sheppardmullin.com>
Date: Tuesday, December 2, 2025 at 08:55
To: "eyang@montereypark.ca.gov" <eyang@montereypark.ca.gov>, Henry Lo

<hlo@montereypark.ca.gov>, Jose Sanchez <josanchez@montereypark.ca.gov>, Thomas Wong <twong@montereypark.ca.gov>, Vinh Ngo <vngo@montereypark.ca.gov>
Cc: MPClerk <MPClerk@MontereyPark.ca.gov>, "ialvarez@montereypark.ca.gov" <ialvarez@montereypark.ca.gov>, "thou@montereypark.ca.gov" <thou@montereypark.ca.gov>, Karl Berger <KBerger@bwslaw.com>, "emunoz@montereypark.ca.gov" <emunoz@montereypark.ca.gov>, Bryan Marsh <bmarsh@stratcap.com>, Chris Flynn <cflynn@stratcap.com>, Scott Rynders <scott@rynderscorp.com>
Subject: 1977 Saturn - Project Summary Letter for 12-3 Hearing

[EXTERNAL]

Dear Honorable Mayor and City Council Members,

Attached is an important letter that summarizes key information about the 1977 Saturn project. We prepared this letter for the City to provide simple answers to recent questions and provide facts about the project. We respectfully ask that you review it before the City Council hearing on December 3, 2025 to facilitate informed decision making.

Thank you,

James E. Pugh | Partner
+1 714-424-2854 | direct
+1 949-877-4891 | mobile
JPugh@sheppardmullin.com | Bio

SheppardMullin
650 Town Center Drive, 10th Floor
Costa Mesa, CA 92626-1993
+1 714-513-5100 | main
www.sheppardmullin.com | LinkedIn | Twitter



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From: Scott Rynders
To: Jeffrey Anderson; Bryan Marsh; Chris Flynn
Cc: Hou, Timothy; Chow, Beth; Munoz, Eliana
Subject: RE: 1977 Saturn Completeness Letter
Date: Wednesday, November 5, 2025 5:52:49 PM

[EXTERNAL EMAIL]

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Hi Jeff,

Confirming receipt, thank you very much for the Complete Letter.

Regards,

Scott Rynders, President
THE RYNDERS CORPORATION
949-449-5068
scott@rynderscorp.com

From: Jeffrey Anderson <JAnderson@willdan.com>
Sent: Wednesday, November 5, 2025 5:16 PM
To: Bryan Marsh <bmarsh@stratcap.com>; Scott Rynders <scott@rynderscorp.com>; Chris Flynn <cflynn@stratcap.com>
Cc: Hou, Timothy <thou@montereypark.ca.gov>; Chow, Beth <bchow@montereypark.ca.gov>; Munoz, Eliana <emunoz@montereypark.ca.gov>
Subject: 1977 Saturn Completeness Letter

Bryan, Scott and Chris,

Please find attached the Complete Letter for the project at 1977 Saturn. Please let us know if you have any questions.

Jeff

From: Scott Rynders
To: Jeffrey Anderson; Chow, Beth
Cc: Paul; Bryan Marsh; Chris Flynn; Jim Pugh; Hou, Timothy; Chris Sanders; planningpermitcounter
Subject: RE: 1977 Saturn Incomplete Letter #4
Date: Monday, October 20, 2025 5:46:15 PM
Attachments: 1977 Saturn - Response to City Letter No. 4 - 2025-10-20.pdf

---

[EXTERNAL EMAIL]

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Hi Beth and Jeff,

Please see the attached Response to Incomplete Letter No. 4 for the 1977 Saturn Project.

A copy of this letter and referenced Appendices can be accessed through the following Dropbox link:

https://www.dropbox.com/scl/fo/kaf34tdm16yinshyoi10y/AOTFfyShdBsS9Qbq9gY5mTA?rlkey=o4b9e6xkof1qtq3p3d0o4jfmc&st=oinu91su&dl=0

Gensler will be transmitting one full-size hard copy of the plan set drawings, 11x17 of the rendering visualization package and a full size ALTA Survey to Beth's attention by Fedex.

I will mail out a hard copy of the letter to Beth's attention for the project file.

Please let us know if you have any questions once you have had an opportunity to review.

Regards,

Scott Rynders, President
THE RYNDERS CORPORATION
949-449-5068
scott@rynderscorp.com

From: Jeffrey Anderson <JAnderson@willdan.com>
Sent: Thursday, September 25, 2025 4:53 PM
To: Bryan Marsh <bmarsh@stratcap.com>; Scott Rynders <scott@rynderscorp.com>; Chris Flynn <cflynn@stratcap.com>
Cc: Fan, Jessie <jessie.fan@kimley-horn.com>; Chow, Beth <bchow@montereypark.ca.gov>; Paul <paultalbot24@gmail.com>
Subject: 1977 Saturn Incomplete Letter #4

Bryan, Scott and Chris,

Please find attached the Incomplete Letter for the 1977 Saturn project. There are only a few items left to be addressed.

Thank you.

Jeff

From:	James Pugh
To:	MPClerk
Cc:	Bryan Marsh; Chris Flynn; Scott Rynders; Berger, Karl H.; Hou, Timothy
Subject:	RE: Request for Continuance - 1977 Saturn Data Center - Item 10.A City Council Agenda
Date:	Monday, November 17, 2025 1:26:43 PM
Attachments:	image001.png

[EXTERNAL EMAIL]

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

Thanks for confirming.

James E. Pugh | Partner
SheppardMullin | Costa Mesa
+1 714-424-2854 | ext. 12854
+1 949-877-4891 | mobile

From: MPClerk <MPClerk@MontereyPark.ca.gov>
Sent: Monday, November 17, 2025 1:19 PM
To: James Pugh <JPugh@sheppardmullin.com>; MPClerk <MPClerk@MontereyPark.ca.gov>
Cc: Bryan Marsh <bmarsh@stratcap.com>; Chris Flynn <cflynn@stratcap.com>; Scott Rynders <scott@rynderscorp.com>; Berger, Karl H. <KBerger@bwslaw.com>; Hou, Timothy <thou@MontereyPark.ca.gov>
Subject: RE: Request for Continuance - 1977 Saturn Data Center - Item 10.A City Council Agenda

Mr. Pugh,

The City Clerk's office is in receipt of your written communication for City Council agenda item no. 10.A.

Thank you,

Helena Cho • Assistant Deputy City Clerk
City of Monterey Park
320 West Newmark Avenue
Monterey Park, CA 91754
hcho@montereypark.ca.gov
Office 626-307-1362
www.MontereyPark.ca.gov • Facebook • Instagram • LinkedIn • X • YouTube
City Hall hours are Monday–Thursday: 7:30 a.m.–6 p.m.; Friday: Closed.
We Value Communication, Teamwork, Respect, Integrity, and Professionalism

This message is a public record and may be disclosed under the Public Records Act or other applicable laws.

From: James Pugh <JPugh@sheppardmullin.com>
Sent: Friday, November 14, 2025 4:01 PM
To: MPClerk <MPClerk@MontereyPark.ca.gov>
Cc: Bryan Marsh <bmarsh@stratcap.com>; Chris Flynn <cflynn@stratcap.com>; Scott Rynders <scott@rynderscorp.com>; Berger, Karl H. <KBerger@bwslaw.com>; Hou, Timothy <thou@MontereyPark.ca.gov>
Subject: Request for Continuance - 1977 Saturn Data Center - Item 10.A City Council Agenda
Importance: High

[EXTERNAL EMAIL]

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

Dear City Clerk,

Please see the attached letter requesting a continuance of Item 10.A (the 1977 Saturn Data Center Project) on the City Council agenda for November 19, 2025.

Please confirm receipt of this email and the attachment.

Thank you,

James E. Pugh | Partner
+1 714-424-2854 | direct
+1 949-877-4891 | mobile
JPugh@sheppardmullin.com | Bio

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Attention: This message is sent by a law firm and may contain information that is privileged or confidential. If you received this transmission in error, please notify the sender by reply e-mail and delete the message and any attachments.

South Coast
Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

SENT VIA E-MAIL: December 3, 2024

bchow@montereypark.ca.gov
Beth Chow, AICP, Planning Manager
City of Monterey Park
320 West Newmark Avenue
Monterey Park, CA 91754

Notice of Availability of a Draft Initial Study/Mitigated Negative Declaration for the 1977 Saturn Data Center Project (Proposed Project) (SCH No. 2024101397)

South Coast Air Quality Management District (South Coast AQMD) staff appreciate the opportunity to review the above-mentioned document. The City of Monterey Park is the California Environmental Quality Act (CEQA) Lead Agency for the Proposed Project. To provide context, South Coast AQMD staff has provided a brief summary of the project information and prepared the following comments which are organized by topic of concern.

Summary of Proposed Project Information in the MND

Based on the Draft Initial Study/Mitigated Negative Declaration (IS/MND), the Proposed Project consists of demolishing an existing site and constructing a new 218,400 square-foot data center with a new ancillary equipment yard, new electrical substation, parking, and landscaping. The ancillary equipment yard would be approximately 75,000 square feet and located adjacent to the data center's north side. The Proposed Project would include 14 new emergency diesel generators/engines to provide backup power in the event of an emergency. The Proposed Project would also include a new 24,000 square-foot electrical substation to provide electricity to the data center.[1] Based on a review of aerial photographs, South Coast AQMD staff found that the nearest sensitive receptor (e.g., residential development) is located 65 feet west of the Proposed Project.[2] Construction is anticipated to occur over one phase, lasting approximately 24 months, beginning as early as September 2025 and ending as early as August 2027.[3] The site of the Proposed Project encompasses 15.8 acres and is located at 1977 Saturn Street.[4]

South Coast AQMD Comments

Recommend Revisions to the CEQA Regional and Localized Operational Air Quality Impacts Analysis

According to the Draft IS/MND, the Proposed Project includes 14 new emergency diesel engines, each with a capacity of four megawatts (MW) which is equivalent to approximately 5,364

[1] IS/MND, Page 11.
[2] *Ibid*, Page 46.
[3] *Ibid*, Page 21.
[4] *Ibid*, Page 11.

horsepower (hp), to be located on the north side of the site. The operational emissions, both regional and localized, have been evaluated and calculated using the California Emissions Estimator Model (CalEEMod), as detailed in Appendix A-1: *Air Quality Analysis Memorandum*. The Lead Agency concludes that the Proposed Project's operational emissions are less than the South Coast AQMD air quality significance thresholds for both regional and localized emissions.

However, the emissions calculations do not include operational emissions from the 14 new 5,364 hp emergency diesel engines, which would require air permits from South Coast AQMD. The omission of these operational emissions from the calculations is a major flaw in the analysis because the conclusion of less than significant air quality impacts is relying on underestimated emissions from all criteria pollutants. This is especially concerning considering the Proposed Project's proximity to residential neighborhoods.

To ensure a comprehensive analysis of the Proposed Project's regional and localized air quality impacts on the surrounding area, it is recommended that the Lead Agency:

- Include the calculated emissions from the 14 new 5,364 hp emergency diesel engines. Permits for emergency engines are typically limited to up to 50 hours per year for maintenance and testing and no more than 200 hours per year of total operation (this includes emergency use). Therefore, the CEQA document should calculate the emissions from the operation of all 14 emergency engines for 200 hours per year or if a lower number of hours of operation is used, South Coast AQMD staff would have to include a condition in the permit limiting the hours of operation to what was assumed in the CEQA document. Please also note that depending on the engine tier, the Proposed Project might trigger Title V requirements, as described later.
- Re-run CalEEMod to incorporate these emissions and reassess the total operational emissions.
- Utilize an appropriate air quality dispersion model, such as AERMOD, to evaluate localized air quality impacts to the 1-hour NOx federal and state ambient air quality standards (AAQS) from the operation of all 14 new 5,364 hp emergency diesel engines. Since the engines are not restricted to when they will be operated for maintenance and testing, the CEQA document should analyze the impacts from all 14 new 5,364 hp emergency diesel engines concurrently operating during a one-hour duration and compare the results to the AAQS.

These updated calculations, along with their associated impact analyses, should be discussed and included in a revised CEQA document to provide a transparent and complete assessment of the Proposed Project’s air quality impacts.

Recommend Revisions to Greenhouse Gas Analysis

According to Section 4.8, *Greenhouse Gas Emissions*, the Draft IS/MND concluded a less than significant impact on greenhouse gases (GHG). However, Table 4.8-3 – *Operational Greenhouse Gas Emissions Opening Year* indicates that the total GHG emissions from the Proposed Project would be 85,309 MTCO2e per year, which significantly exceeds South Coast AQMD’s air quality significance threshold for GHGs emissions of 10,000 MTCO2e per year. As such, the GHG emission impacts of the Proposed Project should be concluded as significant. If the Proposed

Project results in significant environmental impacts that cannot be mitigated to a "less than significant" level through feasible mitigation measures, a more comprehensive environmental review, such as an Environmental Impact Report (EIR), will be required. The EIR must also include an analysis of alternative project options that could potentially reduce the environmental impacts. The Lead Agency is recommended to address this issue and revise the CEQA document accordingly.

Health Risk Assessment (HRA) during Project Operation

Similarly, the Draft IS/MND for the Proposed Project does not include a comprehensive assessment of the health risks associated with operating 14 new 5,364 hp emergency diesel engines. This omission of a health risk analysis from the calculations is another major flaw in the analysis because the majority of toxic air contaminants (TACs) emissions, primarily as diesel particulate matter (DPM) which is an air toxic and a carcinogen, will be emitted by these 5,364 hp engines. Additionally, the site of the Proposed Project is adjacent to multiple residential neighborhoods, with the nearest sensitive receptor located within 65 feet north of the Proposed Project site. As a result, the potential cancer risk associated with these 14 new 5,364 hp emergency diesel engines from the Proposed Project remains unknown and undisclosed.[5]

Based on the project description for the 14 new 5,364 hp emergency diesel engines, South Coast AQMD staff conducted a preliminary evaluation to estimate the potential cancer risk (CR). Using the Health Risk Assessment Tool and AERMOD-Ready Meteorological Data Files for South Coast AQMD permit applications and CEQA analyses[6], the estimated CR from one new 5,364 hp emergency diesel engine could be as high as 134 in one million, which significantly exceeds the South Coast AQMD CR threshold of 10 in one million.[7]

This calculation is based on the following assumptions:

- The diesel generator is equipped with a U.S. EPA-certified Tier 2 non-road diesel engine.[8]
- Particulate matter (PM) emission rate of 0.15 grams per brake horsepower-hour (g/bhp-hr) for diesel engines rated at ≥560 kilowatts (kW).
- Emergency diesel engine capacity: 4-MW (equivalent to 5,364 hp)
- Operation: up to 200 hours per year.
- Distance to the nearest sensitive receptor: 65 feet.

When the CR is estimated for all 14 new 5,364 hp emergency diesel engines, the total CR will be 1,876 in one million, far exceeding South Coast AQMD's air quality significance threshold of 10 in one million for TAC impacts. This substantial cancer risk highlights the potential to create significant adverse impacts from the 14 new 5,364 hp emergency diesel engines to the surrounding community, with the nearest residential receptors bearing the largest burden of that exposure.

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[5] South Coast AQMD's guidance for performing a mobile source health risk assessment is available at: https://www.aqmd.gov/home/rules-compliance/ceqa/air-quality-analysis-handbook/mobile-source-toxics-analysis

[6] South Coast AQMD's Health Risk Assessment Tool and AERMOD-Ready Meteorological Data Files. https://www.aqmd.gov/assets/aermet/AERMET_files_And_HRA_Tool.html

[7] South Coast AQMD Air Quality Significance Thresholds. https://www.aqmd.gov/docs/default-source/ceqa/handbook/south-coast-aqmd-air-quality-significance-thresholds.pdf

[8] EPA Emission Standards for Nonroad Engines and Vehicles. https://www.epa.gov/emission-standards-reference-guide/epa-emission-standards-nonroad-engines-and-vehicles

However, if the Proposed Project utilizes Tier 4 Final engines in lieu of Tier 2 engines, the PM emission rate would decrease by about an order of magnitude to 0.02 g/bhp-hr, reducing the total CR to approximately 17.9 per one million. Even if Tier 4 Final engines are utilized, the total CR would remain significant because it would exceed the South Coast AQMD CR threshold of 10 in one million, but the CR impacts would occur at a lesser extent than if Tier 2 engines are utilized. This demonstrates the importance of adopting advanced, cleaner engine technologies during the design phase to reduce air quality impacts and protect public health, especially those of the residents who are located 65 feet away.

Therefore, the Lead Agency is strongly recommended to conduct an operational phase HRA that evaluates the impact of the 14 new 5,364 hp emergency diesel engines. This assessment is critical for determining the potential cancer risks to offsite sensitive receptors and workers and for comparing these risks to South Coast AQMD's Air Quality Significance Thresholds for TACs. The analysis should also disclose the potential chronic health risks associated with the Proposed Project's operation for residents and workers outside the Proposed Project's boundary in the revised CEQA document.

Title V Permit Requirements

Title V is a federal program designed to standardize air quality permits and the permitting process for major sources of emissions across the country. Title V requirements are implemented by the South Coast AQMD through its Regulation XXX – Title V Permits.[11] Title V only applies to major sources, which the U.S. EPA defines as facilities that emit or have the potential to emit (PTE) any criteria pollutant or hazardous air pollutant (HAP) at levels equal to or greater than the Major Source Thresholds (MST) found in Table 2 of South Coast AQMD's Rule 3001 – *Applicability*. For the South Coast Air Basin, which is where the Proposed Project is located, the MST is 10 tons per year for NOx.[9]

The U.S. EPA nonroad Tier 2 diesel engine emission limit for NOx + (Non-Methane Hydrocarbon) NMHC is 4.8 g/bhp-hr. Typically, NMHC accounts for 5% of this total (0.24 g/bhp-hr), leaving NOx emissions at 4.56 g/bhp-hr. Assuming NOx emissions are 4.56 g/bhp-hr and each 5,364 hp emergency diesel engine would be permitted to operate up to 50 hours per year for maintenance and testing, the 14 new emergency engines would emit 19 tons of NOx per year, which exceeds the MST. Therefore, the Proposed Project/facility would require an initial Title V permit application and be subject to Title V as well as South Coast AQMD Rule 317.1 – Clean Air Act Nonattainment Fees for 8-Hour Ozone Standards .[13] As part of the Title V permitting requirements, the facility will be required to install equipment that meets the Lowest Achievable Emissions Rate (LAER) at the time the permit is issued, which is currently a Tier 4 Final engine.

Therefore, the Lead Agency is recommended to revise the CEQA document to include a discussion of the Title V applicability requirements or apply additional feasible mitigation measures to ensure that the NOx emissions remain less than the MST.

[9] South Coast AQMD. Rule 3001 available at https://www.aqmd.gov/docs/default-source/rule-book/reg-xxx/rule-3001-applicability.pdf

Use of South Coast AQMD's Mass Rate Localized Significance Threshold (LST) Look-Up Table to Analyze the Proposed Project's Localized Air Quality Impact is not Consistent with Guidance for the LST Methodology

Based on the Project Description in MND, the Proposed Project covers approximately 15.8 acres.[10] The Lead Agency uses South Coast AQMD's Mass Rate LST Look-up Table for five acres as a screening tool to determine if the Proposed Project's operational daily emissions of NOx, CO, PM10 and PM2.5 could result in a significant impact to local air quality.[11] However, South Coast AQMD staff developed the LST methodology specifically for proposed projects that are less than or equal to five acres.[12] For projects exceeding five acres in size or projects that fall into specific categories outlined in Table 3-2 of the LST methodology, the Lead Agency is recommended to conduct project-specific dispersion modeling to accurately assess localized air quality impacts. Since the Proposed Project site is larger than five acres in size, includes numerous large combustion sources, and may potentially be subject to Title V requirements, the LST lookup tables are not applicable. Therefore, the Lead Agency is recommended to: 1) perform project-specific air dispersion modeling for the Proposed Project's operational phase emissions to determine localized air quality impacts; and 2) include the results in the revised CEQA document.

South Coast AQMD Air Permits and Role as a Responsible Agency

Since implementation of the Proposed Project would require the use of new stationary sources, including but not limited to emergency generators, air permits from South Coast AQMD will be required. The revised CEQA document should include a discussion about the South Coast AQMD rules that may potentially apply to the Proposed Project. In addition to Regulation XXX and Rule 317.1, those rules may include, for example, Rule 201 – Permit to Construct,[13] Rule 203 – Permit to Operate,[14] Rule 401 – Visible Emissions,[15] Rule 402 – Nuisance,[16] Rule 403 – Fugitive Dust,[17] Rule 1110.2 – Emissions from Gaseous and Liquid Fueled Engines,[18] Rule 1166 – VOC Contaminated Soil Excavation,[19] Regulation XIII – New Source Review,[20] Rule 1401 – Air

[10] IS/MND. Page 54.
[11] *Ibid.* Page 55.
[12] South Coast AQMD. Final Localized Significance Threshold Methodology available at https://www.aqmd.gov/docs/default-source/ceqa/handbook/localized-significance-thresholds/final-lst-methodology-document.pdf
[13] South Coast AQMD. Rule 201 available at https://www.aqmd.gov/docs/default-source/rule-book/reg-ii/rule-201.pdf
[14] South Coast AQMD. Rule 203 available at https://www.aqmd.gov/docs/default-source/rule-book/reg-ii/rule-203.pdf
[15] South Coast AQMD. Rule 401 available at https://www.aqmd.gov/docs/default-source/rule-book/rule-iv/rule-401.pdf
[16] South Coast AQMD. Rule 402 available at https://www.aqmd.gov/docs/default-source/rule-book/rule-iv/rule-402.pdf
[17] South Coast AQMD. Rule 403 available at https://www.aqmd.gov/docs/default-source/rule-book/rule-iv/rule-403
[18] South Coast AQMD. Rule 1110.2 available at https://www.aqmd.gov/docs/default-source/rule-book/reg-xi/r1110_2.pdf
[19] South Coast AQMD. Rule 1166 available at https://www.aqmd.gov/docs/default-source/rule-book/reg-xi/rule-1166.pdf
[20] South Coast AQMD. Regulation XIII available at https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/regulation-xiii

Toxics,[21] Rule 1466 – Control of Particulate Emissions from Soils with Toxic Air Contaminants,[22] Rule 1470 – Requirements for Stationary Diesel Fueled Internal Combustion and Other Compression Ignition Engines,[23] Rule 1472 – Requirements for Facilities with Multiple Stationary Emergency Standby Diesel-Fueled Internal Combustion Engines, and etc.[30] It is important to note that when air permits from South Coast AQMD are required, the role of South Coast AQMD would change from a Commenting Agency to a Responsible Agency under CEQA. In addition, if South Coast AQMD is a Responsible Agency, per CEQA Guidelines Section 15086, the Lead Agency is required to consult with South Coast AQMD.

CEQA Guidelines Section 15096 sets forth specific procedures for a Responsible Agency, including making a decision on the adequacy of the CEQA document for use as part of the process for conducting a review of the Proposed Project and issuing discretionary approvals. Moreover, it is important to note that if a Responsible Agency determines that a CEQA document is not adequate to rely upon for its discretionary approvals, the Responsible Agency must take further actions listed in CEQA Guideline Section 15096(e), which could have the effect of delaying the implementation of the Proposed Project. In its role as CEQA Responsible Agency, the South Coast AQMD is obligated to ensure that the CEQA document prepared for this Proposed Project contains a sufficient project description and analysis to be relied upon in order to issue any discretionary approvals that may be needed for air permits. South Coast AQMD staff is concerned that the project description and analysis in its current form in the MND is inadequate to be relied upon for this purpose.

For these reasons, the Final CEQA document should be revised to include a discussion about any and all new stationary and portable equipment requiring South Coast AQMD air permits, provide the evaluation of their air quality and greenhouse gas impacts, and identify South Coast AQMD as a Responsible Agency for the Proposed Project as this information will be relied upon as the basis for the permit conditions and emission limits for the air permit(s). Please contact South Coast AQMD's Engineering and Permitting staff at (909) 396-3385 for questions regarding what types of equipment would require air permits. For more general information on permits, please visit South Coast AQMD's webpage at https://www.aqmd.gov/home/permits.

Conclusion

Staff recommends that the Lead Agency revise the CEQA analysis to address the aforementioned comments by including emissions from the 14 new emergency engines and estimating the health risks to provide the necessary evidence to support the conclusions reached. If the requested information and analysis are not included in the Revised or Final MND or other type of CEQA document, the Lead Agency should provide reasons for not doing so. Pursuant to California Public Resources Code Section 21092.5(b) and CEQA Guidelines Section 15074, prior to approving the Proposed Project, the Lead Agency shall consider the MND for adoption together with any comments received during the public review process and notify each public agency when any

[21] South Coast AQMD. Rule 1401 available at https://www.aqmd.gov/docs/default-source/rule-book/reg-xiv/rule-1401.pdf
[22] South Coast AQMD. Rule 1466 available https://www.aqmd.gov/docs/default-source/rule-book/reg-xiv/rule-1466.pdf
[23] South Coast AQMD. Rule 1470 available at https://www.aqmd.gov/docs/default-source/rule-book/reg-xiv/rule-1470.pdf

public hearings are scheduled. Please provide South Coast AQMD with written responses to all comments contained herein prior to the adoption of the Final MND. When responding to issues raised in the comments, detailed reasons supported by substantial evidence in the record to explain why specific comments and suggestions are not accepted must be provided. In addition, if the Lead Agency decides to adopt the Final MND, please provide South Coast AQMD with a notice of any scheduled public hearing(s).

Thank you for the opportunity to provide comments. South Coast AQMD staff is available to work with the Lead Agency to address any air quality questions that may arise from this comment letter. Please contact me at swang1@aqmd.gov or Sahar Ghadimi, Air Quality Specialist, at sghadimi@aqmd.gov should you have any questions.

Sincerely,

Sam Wang

Program Supervisor, CEQA IGR
Planning, Rule Development & Implementation

BR: JW: SW:SG
ORC241106-01
Control Number

August 26, 2025

SENT VIA E-MAIL & U.S. MAIL

bchow@montereyparkca.gov
Beth Chow, AICP
Planning Manager
CITY OF MONTEREY PARK
320 West Newmark Avenue
Monterey Park, CA 91754

Re: 1977 Saturn Street
Response to Incomplete Review Letter for 1977 Saturn Street dated October 23, 2024
Conditional Use Permit No. 24-01, Design Review No. 24-040, Parking Study

Dear Beth,

This letter is written on behalf of SDCF Monterey Park, LLC ("Applicant") in response to the above referenced letter for the 1977 Saturn Street Data Center project ("Project"). For ease of reference, the format of this response includes a restatement of the questions taken from the letter (with questions in bold), and Applicant's responses immediately following each question.

Please note that as a result of the changes to the project design to address the City's feedback, Applicant is including updated responses to several of the previously resolved items to ensure that all previous comments have been addressed with the current resubmittal.

Gensler will provide one full-size hard copy of the plan sheets to Beth's attention at the above address, and a Dropbox link is provided below to access the electronic copies of the noted Appendices referenced in this letter:

https://www.dropbox.com/scl/fo/71cg2upgpywdu1bxf6i9f/ABCEmSrsPKLsODsZxIX87GI?rlkey=55c8wvtjqnlqfsniccd754ltg&st=78tmazjy&dl=0

PLANNING COMMENTS

1. ~~**The use is an allowed use. For clarification, can you please provide an explanation for why the substation is needed? Please also explain how SCE will access the site as it is secured. Please add information to Detailed Operations Statement.**~~

   Applicant Response:

   Previously resolved.

Architectural Plans

2. ~~**(A0.002) – Yards (21.14.080-C) – Side/Rear adjacent to R-Zone (northwest portion of lot) – standard is 50 feet plus 5 feet dimension for each 10 feet of building height above 15 feet. Plans indicate 36 feet but don't show height of equipment screen. Plans indicate 65 feet from R-zone.**~~

   Applicant Response:

   Previously resolved.

3. **A3.001 - Building Height (21.14.090) – Height limit is 40 feet, ~~plans show 36 feet on A2.001, but do not include equipment screen. Equipment screen height noted on A3.001 shows 39 feet 6 inches.~~ Equipment screen height should be indicated on ~~A2.001~~ A3.001 indicates equipment screen height as 46 feet 6 inches. As provided on the plans (the parapet height is 27' and the penthouse is = 36'). Since the building is located in an area with topography, please determine the Grade Plan (MPMC 21.04.439) to determine the proposed height of the equipment screen height.**

   Applicant Response:

   See updated design Sheet A2.000 – this sheet has been updated to include the Grade Plane measurement pursuant to MPMC 21.04.439. Building height information from the Grade Plane is included on the left side of the elevations. Overall building height measurements are included on the right side of the elevations.

   In addition, as set forth in our May 24, 2024 and July 12, 2024 letters, from the information we have found we are seeing building height measured to highest building structure including stair/elevator penthouses or rooftop dunnage platforms, and that rooftop-mounted equipment or equipment screening is excluded from the building height determination.

   a. 21.04.165 Building Height Measurement.
      i. "Building height measurement" means a vertical distance as measured from the grade plane to the average height of the highest roof surface as shown in the figure below.

Accordingly, based on the above code section it is our interpretation that the building height as measured from the Grade Plane taken from all four corners of the building footprint, to the top of the highest building structure (T.O. Penthouse) is 39'-10.5", and that the rooftop equipment or screening, shown at 11'-7" above the highest building structure (T.O. Penthouse), is excluded from the building height measurement.

Maximum building height will be permitted by MPMC Section 21.45 Business Recovery Development Agreement Zone as included in the project Development Agreement.

~~**4. A0.002 - Trash Facilities (21.14.130) – trash facilities need to be enclosed by a minimum 5-foot solid wall. Provide dimensions on the plans for the two trash facilities. (See Engineering Comment #18 and handout on trash facilities.)**~~

Applicant Response:

Previously resolved.

~~**5. A0.002 - Limitations on Permitted Uses (21.14.190 D) - Where the O-P zoned lot is adjacent to an 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.**~~

Applicant Response:

Previously resolved.

6. **A0.002 - Parking Layout (21.22) –** ~~**Provide enlarged parking area drawing that provides information on parking space and drive aisle dimensions. It does not appear that compact parking is proposed, but compact parking requires a CUP in Monterey Park. MPMC 21.22.370 Pard 2 Standards Chart – Large Automobile Parking Spaces shows the required dimensions for standard parking spaces. Required parallel parking space dimensions are 9 x 20, 90 Degree parking spaces are 9 x 18, and aisle width is 26 feet. Recommend providing a blow-up of the parking layout, perhaps on the upper portion of Sheet A0.002.**~~ **Per MPMC 21.22.370 Part 2 Standards Chart, for 90 Degree parking, the width of aisle is 26 feet. Plans indicated 20 feet, please revise.**

Applicant Response:

See Sheet A0.002. An updated enlarged parking layout with parking and drive aisle dimensions is located in the top right corner. The drive aisles have been updated to meet the minimum 26-foot dimension.

7. **Parking Study Applications (MPMC 21.22.030 and 21.22.370) - To reduce the parking requirement, a parking study has been submitted for review by the Planning and Public Works. While we agree that this project can likely screen from VMT and does not need the amount of**

surface parking spaces an office or warehouse may need, please address the following comments.

a. Provide a clearer description of what this project will be. In the project description please include in the body of the report the times employees will arrive, explain the types and frequency of truck deliveries, and the potential for guests arriving for meeting?

Applicant Response:

Following receipt of Incomplete Letter No. 3 on October 23, 2024, the IS/MND was circulated for public review on October 31, 2024 and included a comprehensive screening analysis under Section 4.17, and Addendum K - Transportation Analysis and Vehicle Miles Traveled Screening Memorandum.

b. There are 3 loading docks – please provide the size of the trucks and delivery frequency. Internal circulation for trucks with a truck turning template entering the project driveway will be needed.

Applicant Response:

With the updated design, there is 1 loading dock with 4 loading bays. See sheet A0.002.

Internal circulation and turning diagrams for loading and trash vehicles are included – see Appendix B.

c. Will the site be fenced? If so, is there enough stacking room for vehicles to queue on site without waiting on Saturn Street for the gate to open. (provide length from fence to curb).

Applicant Response:

Yes, the site will be fenced.

A dimension of 65’-0” feet is shown on Sheet A0.002 at the westerly entrance driveway measuring the distance from the vehicular gate to the curb along Saturn Street.

A dimension of 27’-6” is shown on Sheet A0.002 at the easterly exit driveway measuring the distance from the vehicular gate to the curb along Saturn Street.

d. Please provide a Trip Generation Table. While it may be reasonable to assume that the number of daily trips will be only the number of employees entering and leaving, you have to consider if anyone is leaving for lunch, meetings, deliveries etc.

Applicant Response:

Following receipt of Incomplete Letter No. 3 on October 23, 2024, the IS/MND was circulated for public review on October 31, 2024 and included a comprehensive screening analysis under Section 4.17, and Addendum K - Transportation Analysis and Vehicle Miles Traveled Screening Memorandum.

e. Review site distances at the driveway on Saturn Street to make sure there is a clear line of sight for vehicles entering and leaving the site.

Applicant Response:

Site distances at the proposed driveways along Saturn have been reviewed for clear line of sight. As shown on Sheet A0.002 and Sheet L1.1, the proposed street trees along Saturn Street located near the westerly entrance driveway are designed starting east of the two-story administrative portion of the building in order to highlight the architectural features of this portion of the design. The proposed landscape design allows for clear visibility for vehicles entering the site from Saturn Street at the westerly driveway.

At the easterly exit driveway, the proposed street trees have been designed to allow for visibility to cross-traffic for approaching vehicles along Saturn Street. A dimension of 63'6" from centerline is depicted on Sheet A0.002 at the exit driveway to indicate the setback of the nearest street trees located on either side of the exit driveway.

f. Provide a Truck Turning Exhibit for trash pick-up (internal circulation).

Applicant Response:

Internal circulation and turning diagrams for loading and trash vehicles are included – see Appendix B.

~~**8. A0.002 - Vehicular Loading Spaces (21.22.310) – loading spaces are required to be 12 feet by 40 feet, please provide dimensions on the plans for both loading spaces.**~~

Applicant Response:

Previously resolved. With the updated design, see Sheet A0.002 – four (4) loading spaces have been provided with overall dimensions of 56' wide x 101'-11" long.

~~**9. Vehicular Loading Spaces (21.22.310) - requires 3 loading spaces for buildings over 50,000 square feet.**~~

Applicant Response:

Previously resolved. With the updated design, see Sheet A0.002 – four (4) loading spaces have been provided.

10. **A0.002 – ~~A note is included on the plans for an Irrevocable Offer to Dedicate, please clarify if this is existing or proposed. Also, at the rear of the lot there are two lines indicating 'Parcel Line,' please clarify. Reduce the amount of information on A0.002 (such as plant materials, topo lines).~~ Clarify the location of the front lot line after dedication and dimension the front setback. ~~Dimension side and rear setbacks at closest point.~~ Sheet C1 indicates that the measurement from the centerline and shows 20' dedication. In order to provide horizontal control on that sheet, please also show the front setback dimension from the new property line to the building face.**

    Applicant Response:

    With the updated design, see Sheet C1.0 and Sheet A0.002. The location of the front lot line after dedication and the dimensions of the front, side and rear setbacks at the closest points have been included.

    No setback requirements were found per Zoning Code 21.14.080 Yards.

11. **A3.001 – For the proposed Rooftop Equipment Platform design, please clarify why a platform is proposed as opposed to construction equipment enclosure on the roof. To be clear, we are not requesting a change to the design. In our experience most buildings place rooftop equipment on the roof, this design places it on a platform above the roof. As the project moves forward a staff report will be prepared to explain the proposal and it would be helpful to be able to explain the proposed type of roof, the proposal for an equipment platform and reasons this type of design is proposed.**

    Applicant Response:

    With the updated design, the rooftop equipment is still designed to be placed on a centrally located platform above the roof.

    This item was addressed in the previous May 24, 2024 response and reiterated in the July 12, 2024 response. See previous responses included below for reference.

    The rooftop platform provides a flat surface for the equipment to sit upon, improved structural support and vibration separation, as well as access for secondary infrastructure and maintenance.

12. **~~A0.002 - Security Fencing. Please provide a separate Wall Plan that provides information on all proposed fences and walls, including height, design, color, (including retaining walls).~~**

Applicant Response:

Previously resolved.

~~**13. A0.002 - Vehicular gates. Provide a detail indicating proposed height and width of the proposed vehicular gates and information on how the gates will operate for the employees.**~~

Applicant Response:

Previously resolved.

14. Front Elevation. Staff has reviewed the proposed design and architecture and recommends modifications to the architecture to provide more interest on the front elevation including revisions such as providing rooftop articulation, front elevation building movement/articulation, adding accent colors, architectural popouts, and/or faux window designs. In general, the goal would be to provide more building movement and a more interesting design that would be more consistent with the existing buildings in the business park. ~~**Provide sample elevations of similar type approved data centers from different jurisdictions to that address concerns related to design for staff consideration. Samples were small and not very helpful.**~~ **Submit a revised architectural design and then arrange a time to review the proposed architectural design based on verbal comments received in the status update call on October 21, 2024.**

Applicant Response:

In response to City and staff feedback, Applicant has updated the project design and site plan. See updated site plan on Sheet A0.002, project rendering on Sheet A9.000 and elevations and proposed building materials on Sheet A2.000.

In addition, included in Appendix C are updated Draft Progress Rendering Visualization Images depicting the updated project design.

In summary, the building façades have been updated to provide movement and articulation. In addition, the vehicular entrance and administration portion of the building has been moved to the west side of the property and is now a two-story space to create a more visually appealing architectural statement, while also better addressing the topography of the site to provide a more cohesive streetscape experience along the frontage of Saturn Street.

~~**15. Ensure that all the colors and materials proposed are included on sheet A2.001. Please provide color and material for the equipment screens (it looks like there may be 2 colors), the color on the top of the parapet/roofline, that all colors of the concrete panels are indicated (it looks like there are 2 colors), and the type of glazing proposed. Please provide callouts to clarify what colors and materials on the building elevations. A1.102 - Membrane roof. Clarify this material and provide a description of the type of roofing material.**~~

Applicant Response:

Previously resolved. With the updated design, Sheet A2.000 includes updated color and material information.

16. **A Development Agreement has been submitted on August 29, 2024 and need to be finalized through legal counsel before proceeding with a public hearing.**

Applicant Response:

Noted. Development standards for the project, per MPMC Section 21.45 Business Recovery Development Agreement Zone, will be included in the Development Agreement.

17. **The Radius Map and mailing labels have been submitted on October 17, 2024.**

Applicant Response:

Noted. Applicant submitted Radius Map and mailing labels to City staff on October 17, 2024 and they were utilized for circulation of the IS/MND on October 31, 2024.

Civil Grading Plans

18. ~~**C1.0 Front Property Line. Clarify the location of the existing and proposed front property line. C1.0 seems to show 20', but there is also a 15' + 15' dimension.**~~

Applicant Response:

Previously resolved.

19. ~~**C1.0 Easement. Please clarify if there is an easement along the front of the property, the plans seem to show an easement. Also, clarify the proposed dedication width.**~~

Applicant Response:

Previously resolved.

20. ~~**C1.0 Retaining Walls. Retaining walls must comply with MPMC Section 21.10.120 B 1. The plans indicate several retaining walls including the following: 4 feet on southeast side/front, 21 feet on northeast side, 12 feet to north, 6 feet on southwest side/front. (See Engineering Comment #8.)**~~

Applicant Response:

Previously resolved.

~~**21. C1.0 Tree Removal. It is noted that an Arborist Report has been submitted and will be reviewed with the other CEQA documents. The Arborist Report should provide information on what trees are proposed to be retained.**~~

Applicant Response:

Previously resolved.

~~**22. C2.0 Sewer Easement. A sewer easement is indicated from Orange to Saturn with a note that says, "to be Quitclaimed." Please provide information on the abandonment of that easement.**~~

Applicant Response:

Previously resolved.

23. Provide cross sections indicated on Sheet C1.0 and will be required at plan check.

Applicant Response:

Cross sections have been included on Sheet C1.1 and Sheet C1.2.

Landscape Plans

~~**24. L1.1 Tree Removal. The Municipal Code requires that existing trees removed due to site development/design must be relocated or replaced elsewhere on site with a similar or substitute specimen tree of the same size, subject to City Planner approval (See MPMC Section 21.10.130 E 1 a).**~~

Applicant Response:

Previously resolved.

~~**25. Trees. The proposed trees are generally small to medium size trees at maturity (with the exception of the Oak which generally have a slow growth rate). Please include trees that are larger at maturity (trees that will exceed 45 feet in height at maturity). For any trees removed on the rear slopes, please include larger trees at maturity. In addition, add some larger box trees for key locations (36 or 48-inch box).**~~

Applicant Response:

Previously resolved.

~~**26. L1.1 Landscape Buffer. A 3 foot landscape buffer is required along entire lot lines of adjacent residential properties to the northwest (21.10.120 A 2 c). On the plans clearly indicate the adjacent residential properties and provide a linear dimension for the landscape buffer.**~~

Applicant Response:

Previously resolved. This information has been retained and is included on the updated Sheet L1.1 with an enlarged view on Sheet L1.2.

27. **Wall on northwest portion of property adjacent to residences. There is some confusion about what type of wall is proposed. C1.0 says existing fence to remain, A0.002 says New 6' masonry wall, and L1.1 includes Section 2 that shows the existing fence to remain on the property line and a new wall built 6' from the property line with a freestanding wall of 3'6" and a retaining wall of 2'6". One way to achieve consistency is by including a reference on all sheets to L1.1.**

Applicant Response:

Noted.

With the updated design, Sheet C1.0 and Sheet A0.002 have been updated with the suggested note referencing Sheet L1.1.

Updated Sheet L1.1 and Sheet L1.2 show the existing fence to remain on the property line with a new wall built at a distance of 6' from the property line with a freestanding wall of 3'-6" and a retaining wall of 2'-6" proposed.

28. **Complete IS/MND Documents. The 2nd Peer Review is complete, with minor comments provided. Staff has received revised documents and they are currently under review. ~~CEQA Comments (Staff has provided a Peer Review letter of the CEQA documents dated May 8, 2024).~~**

    a. **~~Provide a draft Negative Declaration of Environmental Review. The Negative Declaration will be reviewed by staff and a Peer Review will be completed by an outside environmental consultant.~~**

    b. **~~Provide all relevant studies for the project as required by CEQA. Review almost complete.~~**

Applicant Response:

Noted. The IS/MND was circulated for public review from October 31, 2024 through December 2, 2024. Public comment letters were received and response to comments will be delivered to staff by Kimley-Horn under separate cover once complete.

FIRE COMMENTS

3. Direct access to the north side of the building has been eliminated due to the row of generators. Provide two to three protected access paths from the fire lane to the building exterior.

For item #3 from original comments, there is no protected path from the north access road directly into the building. You would have to enter the generator yard area which might work, but it's not exactly clear. It looks to be just gravel, not paved. The other design issues will have to be addressed as we get more details.

Applicant Response:

With the updated design, Sheet A0.002 has been updated to include 3 protected pathways from the north access road directly into the building.

ENGINEERING COMMENTS

Please also note that a markup of plans is also prepared and provided.

1. **Applicant will be required to pave the street to the centerline. Plan didn't revise to the center line on sheet C1.0.**

Applicant Response:

With the updated design, Sheet C1.0 has been updated to reflect paving Saturn Street to the centerline.

2. **Applicant to relocate fire hydrants. Provide 4 feet clear sidewalk to allow for ADA access. One fire hydrant is missing to call out for relocation.**

Applicant Response:

With the updated design, Sheet C2.0 shows three (3) relocated fire hydrants and the minimum 4' dimension for ADA access.

3. **Water main must be directly connecting to the water main on Saturn Street with no backflow device. (See Redline on Sheet. C2.0)**

Applicant Response:

Noted. With the updated design, Sheet C2.0 has been updated to reflect the water main directly connecting to the water main on Saturn Street with no backflow device.

4. **Plan still needs to be revised to remove one of the sewer connections as stated in the 1st submittal response. (See Redline on Sheet. C2.0).**

Applicant Response:

With the updated design, Sheet C2.0 has been updated to reflect one sewer connection.

5. **Applicant will be required to provide construction and demolition recycling plan.**

Applicant Response:

Noted.

6. **Provide solid waste and recycling calculation for sizing of the trash enclosure. All projects are required to have organics recycling in addition to solid waste and recycling. (See attached)**

Applicant Response:

As noted in Applicant's May 24, 2024 response to Incomplete Letter No. 1, the design team has reviewed the Space Guidelines for Recycling, Organics and Refuse Services document and the MPMC regarding trash and recycling requirements. The site is zoned O-P Office-Professional Zone (Voter Enacted). Under MPMC Section 21.14, the trash requirements are 5'H minimum with solid masonry wall, and solid gate.

With regard to expected trash and recycling quantities, as noted in the Space Guidelines for Recycling, Organics and Refuse Services there are no specific trash calculations required by the MPMC to estimate necessary space.

Based on Gensler's experience in designing similar data center projects across the country, the Applicant is proposing to provide two trash enclosures adjacent to the Loading Dock that have been sized to each accommodate two dumpster bins. Trash enclosure details have been provided on Sheet A0.003.

Although there are no commercial kitchens or cafeterias as noted in Applicant's prior response to Engineering Comments, organics recycling can be accommodated as required by providing the minimal size rolling recycling cart(s) within one or both of the proposed trash enclosure areas in addition to the dumpsters.

The following items are the recommended (potential) conditions of approval from the Engineering Division for the subject development:

1. **Under the Los Angeles County Municipal Separate Storm Sewer System (MS4) Permit, issued under the National Pollutant Discharge Elimination System (NPDES) Program, the developer/owner is required to obtain a General Construction Storm Water Permit. This project will require the preparation of a Low Impact Development (LID) Plan and a Storm Water Pollution Prevention Plan (SWPPP). Upon approval of these plans, the developer/owner must**

submit an electronic copy of the approved files, including site drawings, prior to the issuance of a building or grading permit.

Applicant Response:

Noted.

2. **All improvement plans, including grading and public improvement plans must be based upon City approved criteria. Benchmark references to be obtained from the Engineering Division.**

   Applicant Response:

   Noted.

3. **The developer/owner is responsible for ascertaining and paying all City development fees such as, but not limited to, sewer deficiency fees, water meter fees and metered water service impact fees as required by MPMC. Water division requirements are to be determined upon completion and submittal of water meter sizing sheets by the applicant.**

   Applicant Response:

   Noted.

4. **A water plan must be submitted for review and approval by the City Engineer. This plan must substantiate adequate water service for domestic flow, fire flow and identify backflow prevention. If current fire flow and pressure tests are not available to substantiate adequate pressure and flow to serve the development, the developer will be responsible for conducting the appropriate tests and submitting copies of the test results for review and ultimate approval by the City. The substantiation of adequate water services must be verified by the City Engineer prior to setting of Planning Commission hearing date.**

   Applicant Response:

   Noted however, the project is expected to go directly to City Council for public hearings.
   In addition, the IS/MND was circulated for public review on October 31, 2024 and included a comprehensive Water and Sewer Infrastructure Report – Appendix M-1.

5. **A site drainage plan must be prepared for review and approval by the City Engineer. The property drainage must be designed so that the property drains to the public street or in a manner otherwise acceptable to the City Engineer. Drainage from contiguous properties must not be blocked and must be accommodated to the satisfaction of the City Engineer. A hydrology and hydraulic study of the site may be required for submittal to the City Engineer for review and approval.**

Applicant Response:

Noted. A Conceptual LID Plan is included in Civil Sheet C3.0. In addition, the IS/MND was circulated for public review on October 31, 2024 and included a comprehensive Water Resources Technical Report – Appendix I.

6. **All storm drainage facilities serving the development must accommodate a 50-year storm. If existing storm drain facilities are inadequate they must be enlarged as necessary. All storm drain facilities must be designed and constructed to Los Angeles County Department of Public Works standards and specifications and also to the satisfaction of the City Engineer.**

   Applicant Response:

   Noted. In addition, the IS/MND was circulated for public review on October 31, 2024 and included modeling for 10-year, 25-year and 50-year storms – see Appendix I - Water Resources Technical Report. Based on the modeling implementation the project will decrease the peak flow discharge 10-year, 25-year and 50-year storms as compared to existing conditions.

7. **The grading and drainage plan must incorporate all pertinent site development comments from the geological and geotechnical report submitted by the developer's consultant.**

   Applicant Response:

   Noted.

8. **Remove existing curb, gutter, sidewalk, driveway approach, and construct curb and gutter, driveway approaches and full parkway width sidewalk. The removal and reconstruction must be along the entire property frontage of Saturn.**

   Applicant Response:

   Noted.

9. **All public works improvements must comply with the standards and specifications of the City and to the satisfaction of the City Engineer. The point of connections of the sewer and water line must be clearly identified on the plan. The plan must include the connection details of all domestic flow, fire line and irrigation line and sewer clean outs and must be prepared and submitted showing all existing and proposed utilities.**

   Applicant Response:

   Noted.

10. **A sewer connection reconstruction fee will be assessed at the time of issuance of a building permit in accordance with the provisions of Chapter 14.06 of the Municipal Code.**

Applicant Response:

Noted.

GENERAL COMMENTS

1. **Resubmit one (1) full-sized set of revised plans with the changes/additions discussed above. Additional sets of plans may be requested once your item is scheduled for a hearing.**

   Applicant Response:

   One full-sized set of the revised plan set will be delivered to Attn: Beth Chow at 320 West Newmark Avenue, Monterey Park, CA 91754.

2. **Submit an electronic version of all plans to planningpermitcounter@montereypark.ca.gov**

   Applicant Response:

   Electronic copy of this letter, plans and all appendices will be transmitted to Beth Chow and the above planning department email address.

3. **Provide a cover letter discussing how each of the issues discussed above has been addressed for Staff's reference.**

   Applicant Response:

   This letter has been prepared and submitted to address each of the items set forth above.

Please let us know if you have any questions.

Regards,

Scott Rynders, on behalf of
SDCF MONTEREY PARK, LLC

List of Appendices

Appendix A – Updated Drawing Sheets

- Sheet C0.0 – Civil Details
- Sheet C1.0 – Conceptual Grading Plan
- Sheet C1.1 & C1.2 – Conceptual Grading Sections
- Sheet C2.0 – Conceptual Utility Plan
- Sheet C3.0 – Conceptual LID Plan
- Sheet L1.1 – Planting Plan
- Sheet L1.2 – Landscape Buffer Plan & Section
- Sheet L2.1 – Plant Palette Images
- Sheet A0.001 – Demolition Site Plan
- Sheet A0.002 – Architectural Site Plan
- Sheet A0.003 – Site Elements
- Sheet A1.101 – Construction Plan
- Sheet A1.102 – Roof Plan
- Sheet A2.000 – Building Elevations
- Sheet A3.000 & A3.001 – Overall Building Sections
- Sheet A9.000 – Rendering
- Sheet M0.001 – MEP Legend
- Sheet M1.101 – Mechanical Second Floor Plan
- Sheet M1.201 – Mechanical Roof Plan
- Sheet M7.001 – Mechanical Chilled Water Flow Diagram
- Sheet M9.001 – Mechanical Schedules
- Sheet E1.000 – Electrical Site Plan
- Sheet E1.101 – Electrical Second Floor Plan
- Sheet E5.001 – Electrical Enlarged Plan – Typical Power Room
- Sheet E7.001, E7.002 & E7.003 – Electrical Single Line Diagrams

Appendix B - Internal Circulation and Truck Turning Diagrams

Appendix C – Draft Progress Rendering Visualization Images

cc: planningpermitcounter@montereypark.ca.gov
Paul Talbot – paultalbot24@gmail.com
Bryan Marsh, SDCF Monterey Park, LLC
Chris Flynn, SDCF Monterey Park, LLC
Jim Pugh, Sheppard Mullin Richter & Hampton, LLP
Chris Sanders, Gensler

October 20, 2025

SENT VIA E-MAIL & U.S. MAIL

bchow@montereyparkca.gov
Beth Chow, AICP
Planning Manager
CITY OF MONTEREY PARK
320 West Newmark Avenue
Monterey Park, CA 91754

SENT VIA E-MAIL ONLY

janderson@willdan.com
Jeff Anderson
WILLDAN
13191 Crossroads Parkway North, Suite 405
Industry, CA 91746

Re: 1977 Saturn Street
Response to Incomplete Review Letter for 1977 Saturn Street dated September 25, 2025
Conditional Use Permit No. 24-01, Design Review No. 24-040 with Parking Study;
Development Agreement No. 24-02

Dear Beth and Jeff,

This letter is written on behalf of HMC StratCap 1977 Saturn, LLC ("Applicant") in response to the above referenced letter for the 1977 Saturn Street Data Center project ("Project"). For ease of reference, the format of this response includes a restatement of the questions taken from the letter (with questions in bold), and Applicant's responses immediately following each question.

Gensler will provide one full-size hard copy of the final entitlement plan sheets, visual rendering package and ALTA Survey to Beth's attention at the above address, and a Dropbox link is provided below to access the electronic copies of this letter and the noted Appendices:

https://www.dropbox.com/scl/fo/kaf34tdm16yinshyoi10y/AOTFfyShdBsS9Qbq9gY5mTA?rlkey=o4b9e6xkof1qtq3p3d0o4jfmc&st=oinu91su&dl=0

PLANNING COMMENTS

1. ~~**The use is an allowed use. For clarification, can you please provide an explanation for why the substation is needed? Please also explain how SCE will access the site as it is secured. Please add information to Detailed Operations Statement.**~~

   Applicant Response:

   Previously resolved.

Architectural Plans

2. ~~**(A0.002) – Yards (21.14.080-C) – Side/Rear adjacent to R-Zone (northwest portion of lot) – standard is 50 feet plus 5 feet dimension for each 10 feet of building height above 15 feet. Plans indicate 36 feet but don't show height of equipment screen. Plans indicate 65 feet from R-zone.**~~

   Applicant Response:

   Previously resolved.

3. **A3.001 - Building Height (21.14.090) – Height limit is 40 feet,** ~~**plans show 36 feet on A2.001, but do not include equipment screen. Equipment screen height noted on A3.001 shows 39 feet 6 inches.**~~ **Equipment screen height should be indicated on** ~~**A2.001 A3.001 indicates equipment screen height as 46 feet 6 inches. As provided on the plans (the parapet height is 27' and the penthouse is = 36'). Since the building is located in an area with topography, please determine the Grade Plan (MPMC 21.04.439) to determine the proposed height of the equipment screen height.**~~ **A2.000 indicates that the Average Grade Plane has been utilized. Based on the Average Grade Plane, the building height is 32'10 ½". The height of the penthouse is 39'10 ½". The height of the equipment screen is 51'5 ½", which is 11'5 ½" over 40'. The height standard will be addressed by the activation of the Business Recovery Development Agreement Zone ("BRDZ") in the Development Agreement.**

   Applicant Response:

   Noted.

4. ~~**A0.002 - Trash Facilities (21.14.130) – trash facilities need to be enclosed by a minimum 5-foot solid wall. Provide dimensions on the plans for the two trash facilities. (See Engineering Comment #18 and handout on trash facilities.)**~~

   Applicant Response:

   Previously resolved.

~~**5. A0.002 – Limitations on Permitted Uses (21.14.190 D) – Where the O-P zoned lot is adjacent to an 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.**~~

Applicant Response:

Previously resolved.

~~**6. A0.002 – Parking Layout (21.22) – Provide enlarged parking area drawing that provides information on parking space and drive aisle dimensions. It does not appear that compact parking is proposed, but compact parking requires a CUP in Monterey Park. MPMC 21.22.370 Part 2 Standards Chart – Large Automobile Parking Spaces shows the required dimensions for standard parking spaces. Required parallel parking space dimensions are 9 x 20, 90 Degree parking spaces are 9 x 18, and aisle width is 26 feet. Recommend providing a blow-up of the parking layout, perhaps on the upper portion of Sheet A0.002.**~~

Applicant Response:

Previously resolved.

7. Parking Study Applications (MPMC 21.22.030 and 21.22.370) - To reduce the parking requirement, a parking study has been submitted for review by the Planning and Public Works. While we agree that this project can likely screen from VMT and does not need the amount of surface parking spaces an office or warehouse may need, please address the following comments.

a. Provide a clearer description of what this project will be. In the project description please include in the body of the report the times employees will arrive, explain the types and frequency of truck deliveries, and the potential for guests arriving for meeting?

Applicant Response:

This item was previously addressed in Applicant's Response to Incomplete Letter No. 3 on August 26, 2025. See previous response below for reference:

Following receipt of Incomplete Letter No. 3 on October 23, 2024, the IS/MND was circulated for public review on October 31, 2024 and included a comprehensive screening analysis under Section 4.17, and Addendum K - Transportation Analysis and Vehicle Miles Traveled Screening Memorandum.

b. There are 3 loading docks – please provide the size of the trucks and delivery frequency. Internal circulation for trucks with a truck turning template entering the project driveway will be needed.

Applicant Response:

This item was previously addressed in Applicant's Response to Incomplete Letter No. 3 on August 26, 2025. See previous response below for reference:

With the updated design, there is 1 loading dock with 4 loading bays. See sheet A0.002.

Internal circulation and turning diagrams for loading and trash vehicles are included – see Appendix B.

c. Will the site be fenced? If so, is there enough stacking room for vehicles to queue on site without waiting on Saturn Street for the gate to open. (provide length from fence to curb).

Applicant Response:

This item was previously addressed in Applicant's Response to Incomplete Letter No. 3 on August 26, 2025. See previous response below for reference:

Yes, the site will be fenced.

A dimension of 65'-0" feet is shown on Sheet A0.002 at the westerly entrance driveway measuring the distance from the vehicular gate to the curb along Saturn Street.

A dimension of 27'-6" is shown on Sheet A0.002 at the easterly exit driveway measuring the distance from the vehicular gate to the curb along Saturn Street.

d. Please provide a Trip Generation Table. While it may be reasonable to assume that the number of daily trips will be only the number of employees entering and leaving, you have to consider if anyone is leaving for lunch, meetings, deliveries etc.

Applicant Response:

This item was previously addressed in Applicant's Response to Incomplete Letter No. 3 on August 26, 2025. See previous response below for reference:

Following receipt of Incomplete Letter No. 3 on October 23, 2024, the IS/MND was circulated for public review on October 31, 2024 and included a comprehensive screening analysis under Section 4.17, and Addendum K - Transportation Analysis and Vehicle Miles Traveled Screening Memorandum.

e. Review site distances at the driveway on Saturn Street to make sure there is a clear line of sight for vehicles entering and leaving the site.

Applicant Response:

This item was previously addressed in Applicant's Response to Incomplete Letter No. 3 on August 26, 2025. See previous response below for reference:

Site distances at the proposed driveways along Saturn have been reviewed for clear line of sight. As shown on Sheet A0.002 and Sheet L1.1, the proposed street trees along Saturn Street located near the westerly entrance driveway are designed starting east of the two-story administrative portion of the building in order to highlight the architectural features of this portion of the design. The proposed landscape design allows for clear visibility for vehicles entering the site from Saturn Street at the westerly driveway.

At the easterly exit driveway, the proposed street trees have been designed to allow for visibility to cross-traffic for approaching vehicles along Saturn Street. A dimension of 63'6" from centerline is depicted on Sheet A0.002 at the exit driveway to indicate the setback of the nearest street trees located on either side of the exit driveway.

f. Provide a Truck Turning Exhibit for trash pick-up (internal circulation).

Applicant Response:

This item was previously addressed in Applicant's Response to Incomplete Letter No. 3 on August 26, 2025. See previous response below for reference:

Internal circulation and turning diagrams for loading and trash vehicles are included – see Appendix B.

These comments are under review and will be routed separately.

Applicant Response:

The above items were all previously addressed in Applicant's Response to Incomplete Letter No. 3 on August 26, 2025.

~~**8. A0.002 - Vehicular Loading Spaces (21.22.310) – loading spaces are required to be 12 feet by 40 feet, please provide dimensions on the plans for both loading spaces.**~~

Applicant Response:

Previously resolved.

~~**9. Vehicular Loading Spaces (21.22.310) - requires 3 loading spaces for buildings over 50,000 square feet.**~~

Applicant Response:

Previously resolved.

~~10. A0.002 – A note is included on the plans for an Irrevocable Offer to Dedicate, please clarify if this is existing or proposed. Also, at the rear of the lot there are two lines indicating 'Parcel Line,' please clarify. Reduce the amount of information on A0.002 (such as plant materials, topo lines). Clarify the location of the front lot line after dedication and dimension the front setback. Dimension side and rear setbacks at closest point. Sheet C1 indicates that the measurement from the centerline and shows the 20' dedication. In order to provide horizontal control on that sheet, please also show the front setback dimension from the new property line to the building face.~~

Applicant Response:

Previously resolved.

~~11. Equipment Platform Design, please clarify why a platform is proposed as opposed to construction equipment enclosure on the roof. To be clear, we are not requesting a change to the design. In our experience most buildings place rooftop equipment on the roof, this design places it on a platform above the roof. As the project moves forward a staff report will be prepared to explain the proposal and it would be helpful to be able to explain the proposed type of roof, the proposal for an equipment platform and reasons this type of design is proposed.~~

Applicant Response:

Previously resolved.

~~12. A0.002 – Security Fencing. Please provide a separate Wall Plan that provides information on all proposed fences and walls, including height, design, color, (including retaining walls).~~

Applicant Response:

Previously resolved.

~~13. A0.002 – Vehicular gates. Provide a detail indicating proposed height and width of the proposed vehicular gates and information on how the gates will operate for the employees.~~

Applicant Response:

Previously resolved.

~~14. Front Elevation. Staff has reviewed the proposed design and architecture and recommends modifications to the architecture to provide more interest on the front elevation including~~

~~**revisions such as providing rooftop articulation, front elevation building movement/articulation, adding accent colors, architectural popouts, and/or faux window designs. In general, the goal would be to provide more building movement and a more interesting design that would be more consistent with the existing buildings in the business park. Provide sample elevations of similar type approved data centers from different jurisdictions to address concerns related to design for staff consideration. Samples were small and not very helpful. Submit a revised architectural design and then arrange a time to review the proposed architectural design based on verbal comments received in the status update call on October 21, 2024.**~~

Applicant Response:

Previously resolved.

Included in Appendix A is the proposed final entitlement set with an added Cover Sheet. The stamp on each subsequent sheet that previously read "Draft – Work in Progress" has been removed.

For clarity, no changes have been made to the drawing sheets since Applicant's submittal of Response to Incomplete Letter No. 3 dated August 26, 2025.

Included in Appendix C is Applicant's proposed final entitlement Rendering Visualization Package depicting the project design.

~~**15. Ensure that all the colors and materials proposed are included on sheet A2.001. Please provide color and material for the equipment screens (it looks like there may be 2 colors), the color on the top of the parapet/roofline, that all colors of the concrete panels are indicated (it looks like there are 2 colors), and the type of glazing proposed. Please provide callouts to clarify what colors and materials on the building elevations. A1.102 – Membrane roof. Clarify this material and provide a description of the type of roofing material.**~~

Applicant Response:

Previously resolved.

16. A Development Agreement has been submitted on August 29, 2024, and need to be finalized through legal counsel before proceeding with a public hearing.

Applicant Response:

Noted. The Applicant team is currently working with the City Attorney to prepare the Development Agreement.

17. **The Radius Map and mailing labels were submitted on October 17, 2024 for the purpose of providing notice for CEQA. Please provide an updated set of mailing labels for the purpose of public hearing notification.**

    Applicant Response:

    Noted. The updated mailing labels and radius map package was hand delivered to Beth Chow at the above address under separate cover earlier today.

The following items are the recommended (potential) conditions of approval from the Planning Division for the subject development:

1. **A landscape and irrigation plan will be required as a condition of approval (including special landscaping required adjacent to R-1 zoning).**

   Applicant Response:

   Noted.

2. **A wall and fence plan showing existing fencing to be retained and new fencing will be required as a condition of approval.**

   Applicant Response:

   Noted.

3. **Areas where existing landscape will be preserved need to be secured with temporary fencing. Fencing and preservation techniques should be indicated on the grading plans.**

   Applicant Response:

   Noted.

4. **Documentation will need to be provided for the proposed privately-owned open space.**

   Applicant Response:

   Noted.

5. **Final design of fencing will be approved by the City Planner.**

   Applicant Response:

   Noted.

Civil Grading Plans

18. ~~**C1.0 Front Property Line. Clarify the location of the existing and proposed front property line. C1.0 seems to show 20', but there is also a 15' + 15' dimension.**~~

    Applicant Response:

    Previously resolved.

19. ~~**C1.0 Easement. Please clarify if there is an easement along the front of the property, the plans seem to show an easement. Also, clarify the proposed dedication width.**~~

    Applicant Response:

    Previously resolved.

20. ~~**C1.0 Retaining Walls. Retaining walls must comply with MPMC Section 21.10.120 B 1. The plans indicate several retaining walls including the following: 4 feet on southeast side/front, 21 feet on northeast side, 12 feet to north, 6 feet on southwest side/front. (See Engineering Comment #8.)**~~

    Applicant Response:

    Previously resolved.

21. ~~**C1.0 Tree Removal. It is noted that an Arborist Report has been submitted and will be reviewed with the other CEQA documents. The Arborist Report should provide information on what trees are proposed to be retained.**~~

    Applicant Response:

    Previously resolved.

22. ~~**C2.0 Sewer Easement. A sewer easement is indicated from Orange to Saturn with a note that says, "to be Quitclaimed." Please provide information on the abandonment of that easement.**~~

    Applicant Response:

    Previously resolved.

23. ~~**Provide cross sections indicated on Sheet C1.0 and will be required at plan check.**~~

    Applicant Response:

    Previously resolved.

Landscape Plans

~~24. L1.1 Tree Removal. The Municipal Code requires that existing trees removed due to site development/design must be relocated or replaced elsewhere on site with a similar or substitute specimen tree of the same size, subject to City Planner approval (See MPMC Section 21.10.130 E 1 a).~~

Applicant Response:

Previously resolved.

~~25. Trees. The proposed trees are generally small to medium size trees at maturity (with the exception of the Oak which generally have a slow growth rate). Please include trees that are larger at maturity (trees that will exceed 45 feet in height at maturity). For any trees removed on the rear slopes, please include larger trees at maturity. In addition, add some larger box trees for key locations (36 or 48 inch box).~~

Applicant Response:

Previously resolved.

~~26. L1.1 Landscape Buffer. A 3 foot landscape buffer is required along entire lot lines of adjacent residential properties to the northwest (21.10.120 A 2 c). On the plans clearly indicate the adjacent residential properties and provide a linear dimension for the landscape buffer.~~

Applicant Response:

Previously resolved.

~~27. Wall on the northwest portion of property adjacent to residences. There is some confusion about what type of wall is proposed. C1.0 says existing fence to remain, A0.002 says New 6' masonry wall, and L1.1 includes Section 2 that shows the existing fence to remain on the property line and a new wall built 6' from the property line with a freestanding wall of 3'6" and a retaining wall of 2'6". One way to achieve consistency is by including a reference on all sheets to L1.1.~~

Applicant Response:

Previously resolved.

28. Complete IS/MND Documents. ~~The 2nd Peer Review is complete, with minor comments provided. Staff has received revised documents and they are currently under review. CEQA Comments (Staff has provided a Peer Review letter of the CEQA documents dated May 8, 2024).~~

~~**a. Provide a draft Negative Declaration of Environmental Review. The Negative Declaration will be reviewed by staff and a Peer Review will be completed by an outside environmental consultant.**~~

~~**b. Provide all relevant studies for the project as required by CEQA. Review almost complete.**~~

Several responses were submitted by Jessie Fan, Kimley Horn on August 21, 2025, September 15, 2025, and September 22, 2025. Review of these responses are still being completed by CEQA peer reviewers and will be routed under separate cover. Comments are still outstanding related to comments from AQMD and CREED LA.

Applicant Response:

Applicant and Kimley Horn received an email communication from Jeff Anderson (Willdan) on October 7, 2025 indicating that the peer review of the following three response to comment letters has been completed and there are no comments from the peer reviewer:

1) Department of Conservation – submitted by Kimley Horn to Beth Chow on August 21, 2025; Forwarded to Jeff Anderson (Willdan) on September 22, 2025.

2) Los Angeles County Sanitation Districts - submitted by Kimley Horn on August 21, 2025; Forwarded to Jeff Anderson (Willdan) on September 22, 2025.

3) Advocates for the Environment – submitted by Kimley Horn on September 15 2025.

Kimley Horn subsequently submitted the response to the CREED LA comment letter to Beth Chow and Jeff Anderson (Willdan) on September 29, 2025, and the response to the SCAQMD comment letter to Beth Chow and Jeff Anderson (Willdan) on October 7, 2025.

In addition, Kimley Horn submitted Appendix B: Supplemental Technical Analysis to Responses to Comments to Beth Chow and Jeff Anderson (Willdan) on October 14, 2025.

FIRE COMMENTS

Comments related to Fire have been addressed. The following items are recommended (potential) conditions of approval from the Fire Division for the subject development:

1. **All conditions identified by the Fire Department shall be subject to review and approval by the Fire Chief for determination of applicability and extent to which any condition may be required.**

   Applicant Response:

   Noted.

2. **Fire Department Access shall be provided within 150 feet of all exterior portions of any structure. Minimum three points of access are required.**

   Applicant Response:

   Noted.

3. **Fire Department vehicular access roads must be installed and maintained in a serviceable manner prior to and during the time of construction.**

   Applicant Response:

   Noted.

4. **Minimum Required Fire Flow and Fire Hydrants: All structures shall have the minimum fire flow (GPM) in accordance with Appendix B and the quantity and spacing of fire hydrants in accordance with Appendix C 2022 CFC.**

   Applicant Response:

   Noted.

5. **Fire hydrant plan, including existing and new hydrants. Identify public and private hydrants.**

   Applicant Response:

   Noted.

6. **Aerial Fire Apparatus Access Roads: Building exceeding 30 feet in height above the lowest level of Fire Department Vehicle Access shall comply with requirements of CFC Section D105.1 though D105.4. All Fire lanes shall be minimum of 26 Feet.**

   Applicant Response:

   Noted.

7. **Automatic Fire Sprinkler System: An automatic sprinkler system shall be provided. throughout building in accordance with the provisions of the California Building Code and the California Fire Code as amended by the City.**

   Applicant Response:

   Noted.

8. **Automatic Fire Alarm/Detection System: An approved manual, automatic, or manual and automatic fire alarm system installed in accordance with the provisions of CFC and NFPA 72.**

   Applicant Response:

   Noted.

9. **Emergency Responder Radio Coverage: Building shall have approved radio coverage for emergency responders within the building based upon the existing coverage level of the public safety communication system per 2022 California Fire Code Section 510.**

   Applicant Response:

   Noted.

10. **All access gates across roadways or entrances to facilities shall fail unlocked/open in the event of any loss of power. All access gates and main entrance doors shall have a Knox Box or Knox Control Key Switch installed.**

    Applicant Response:

    Noted.

ENGINEERING COMMENTS

The following items are the site plan review comments and corrections from the Engineering Division for the subject development.

1. **Provide solid waste and recycling calculations for sizing of the trash enclosure. All projects are required to have organic recycling in addition to solid waste and recycling.**

   Applicant Response:

   As noted in Applicant's May 24, 2024 response to Incomplete Letter No. 1, the design team has reviewed the Space Guidelines for Recycling, Organics and Refuse Services document and the MPMC regarding trash and recycling requirements. The site is zoned O-P Office-Professional Zone (Voter Enacted). Under MPMC Section 21.14, the trash requirements are 5'H minimum with solid masonry wall, and solid gate.

   With regard to expected trash and recycling quantities, as noted in the Space Guidelines for Recycling, Organics and Refuse Services there are no specific trash calculations required by the MPMC to estimate necessary space.

Based on Gensler's experience in designing similar data center projects across the country, the Applicant is proposing to provide two trash enclosures adjacent to the Loading Dock that have been sized to each accommodate two dumpster bins. Trash enclosure details have been provided on Sheet A0.003.

Although there are no commercial kitchens or cafeterias as noted in Applicant's prior response to Engineering Comments, organics recycling can be accommodated as required by providing the minimal size rolling recycling cart(s) within one or both of the proposed trash enclosure areas in addition to the dumpsters.

2. Submit Conceptual LID Report.

Applicant Response:

A Conceptual LID Plan with supporting calculations is included on Sheet C3.0 of the civil drawings. Additionally, the IS/MND circulated for public review on October 31, 2024, included a comprehensive Water Resources Technical Report (Appendix I), which addresses the project's stormwater management approach in detail.

The Applicant respectfully requests to defer preparation and submittal of the formal LID Report and final calculations to the plan check phase of the project, at which time full design-level details and verification of compliance with all applicable LID requirements will be provided.

3. Provide ALTA Survey Title Report

Applicant Response:

The ALTA Survey for the property is included in Appendix D.

4. Submit the Water demand study report.

Applicant Response:

The IS/MND that was circulated for public review on October 31, 2024 included a comprehensive water demand assessment and report. See IS/MND Section 4.19 - Utilities and Service Systems, Addendum M-1 – Water and Sewer Infrastructure Report, and Addendum M-2 – Water Efficiency Memorandum.

5. Plans are currently showing 10' easement, 15' easement would be recommended.

Applicant Response:

Final easements will be documented and finalized with the plan check phase of the project.

6. **Identify proposed easements & easements to be abandoned.**

   Applicant Response:

   As noted in the IS/MND, the existing 10-foot-sewer easement that bisects the site is proposed to be quitclaimed.

   Final easements will be documented and finalized with the plan check phase of the project.

7. **Provide detail description of the proposed "Public Park,", it's purpose and legal aspect.**

   Applicant Response:

   The Applicant will provide a grant deed to the City of Monterey Park for the proposed public park as part of the Development Agreement.

The following items are the recommended (potential) conditions of approval from the Engineering Division for the subject development:

1. **Under the Los Angeles County Municipal Separate Storm Sewer System (MS4) Permit, issued under the National Pollutant Discharge Elimination System (NPDES) Program, the developer/owner is required to obtain a General Construction Storm Water Permit. This project will require the preparation of a Low Impact Development (LID) Plan and a Storm Water Pollution Prevention Plan (SWPPP). Upon approval of these plans, the developer/owner must submit an electronic copy of the approved files, including site drawings, before the issuance of a grading permit.**

   Applicant Response:

   Noted.

2. **All improvement plans, including grading and public improvement plans, must be based upon City approved criteria. Benchmark references to be obtained from the Engineering Division.**

   Applicant Response:

   Noted.

3. **The developer/owner is responsible for ascertaining and paying all City development fees such as, but not limited to, plan check fees, sewer deficiency fees, water meter fees and metered water service impact fees as required by MPK Municipal Code. Water division requirements are to be determined upon completion and submittal of water meter sizing sheets by the applicant.**

Applicant Response:

Noted.

4. **A site grading and drainage plan must be prepared for review and approval by the City Engineer. The property drainage must be designed to be accepted by the City Engineer. Drainage from adjacent properties must not be blocked and must be accommodated to the satisfaction of the City Engineer. A hydrology and hydraulic study of the site must be submitted to the City Engineer for review and approval.**

   Applicant Response:

   Noted.

5. **All storm drainage facilities serving the development must accommodate a 50-year storm. If existing storm drain facilities are inadequate, they must be upgraded as necessary. All storm drain facilities must be designed and 2 of 2 constructed to Los Angeles County Department of Public Works standards and specifications, and to the satisfaction of the City Engineer.**

   Applicant Response:

   Noted. In addition, the IS/MND was circulated for public review on October 31, 2024 and included modeling for 10-year, 25-year and 50-year storms – see Appendix I - Water Resources Technical Report. Based on the modeling implementation the project will decrease the peak flow discharge 10-year, 25-year and 50-year storms as compared to existing conditions.

6. **The grading and drainage plan must incorporate all pertinent site development comments from the geotechnical report submitted by the engineer.**

   Applicant Response:

   Noted.

7. **All public works improvements must comply with the standards and specifications of the City and to the satisfaction of the City Engineer.**

   Applicant Response:

   Noted.

8. **A water plan must be submitted for review and approval by the City Engineer. This plan must substantiate adequate water service for domestic flow, fire flow, irrigation, and identify backflow prevention.**

Applicant Response:

Noted.

9. **Show the point of connections of the sewer and water line must be clearly identified on the water/sewer plan. The plan must include the connection details of all domestic flow, fire line, irrigation line, sewer clean-outs, and must be prepared and submitted showing all existing and proposed utilities.**

   Applicant Response:

   Noted.

10. **Existing fire hydrants will be relocated per the City Engineer's desire, maintaining city standards of 4 feet clear sidewalk to allow for ADA access.**

    Applicant Response:

    Noted.

11. **A sewer connection reconstruction fee will be assessed at the time of issuance of a building permit in accordance with the provisions of Chapter 14.06 of the Municipal Code.**

    Applicant Response:

    Noted.

12. **Submit a separate street improvement plan showing along the entire frontage of the property, up to the centerline, and to the satisfaction of the City Engineer. Dedication will be required: 20 feet on Saturn Street and 20 feet on Orange Avenue.**

    Applicant Response:

    Noted.

13. **Remove existing curb, gutter, sidewalk, driveway approach, and construct new curb and gutter, driveway approaches, and a full 10' W sidewalk. The removal and reconstruction must be along the entire property frontage of Saturn.**

    Applicant Response:

    Noted.

14. **Existing street lights will be relocated per the City Engineer's.**

Applicant Response:

Noted.

15. **Offsite landscaping plans need to be submitted and reviewed by the Public Works department. The locations and types of off-site street trees shall be determined by the City Engineer.**

    Applicant Response:

    Noted.

16. **Applicant will be required to provide a construction and demolition recycling plan.**

    Applicant Response:

    Noted.

17. **Any work on the public right away will require an encroachment permit.**

    Applicant Response:

    Noted.

GENERAL COMMENTS

1. **Resubmit one (1) full-sized set of revised plans with the changes/additions discussed above. Additional sets of plans may be requested once your item is scheduled for a hearing.**

   Applicant Response:

   One full-sized set of the revised plan set will be delivered to Attn: Beth Chow at 320 West Newmark Avenue, Monterey Park, CA 91754.

2. **Submit an electronic version of all plans to planningpermitcounter@montereypark.ca.gov**

   Applicant Response:

   Electronic copy of this letter, plans and all appendices will be transmitted to Beth Chow, Jeff Anderson (Willdan) and the above planning department email address.

3. **Provide a cover letter discussing how each of the issues discussed above has been addressed for Staff's reference.**

Applicant Response:

This letter has been prepared and submitted to address each of the items set forth above.

Please let us know if you have any questions.

Regards,

Scott Rynders, on behalf of
HMC StratCap 1977 Saturn, LLC

List of Appendices

Appendix A – Drawing Sheets

- Cover Sheet
- Sheet C0.0 – Civil Details
- Sheet C1.0 – Conceptual Grading Plan
- Sheet C1.1 & C1.2 – Conceptual Grading Sections
- Sheet C2.0 – Conceptual Utility Plan
- Sheet C3.0 – Conceptual LID Plan
- Sheet L1.1 – Planting Plan
- Sheet L1.2 – Landscape Buffer Plan & Section
- Sheet L2.1 – Plant Palette Images
- Sheet A0.001 – Demolition Site Plan
- Sheet A0.002 – Architectural Site Plan
- Sheet A0.003 – Site Elements
- Sheet A1.101 – Construction Plan
- Sheet A1.102 – Roof Plan
- Sheet A2.000 – Building Elevations
- Sheet A3.000 & A3.001 – Overall Building Sections
- Sheet A9.000 – Rendering
- Sheet M0.001 – MEP Legend
- Sheet M1.101 – Mechanical Second Floor Plan
- Sheet M1.201 – Mechanical Roof Plan
- Sheet M7.001 – Mechanical Chilled Water Flow Diagram
- Sheet M9.001 – Mechanical Schedules
- Sheet E1.000 – Electrical Site Plan
- Sheet E1.101 – Electrical Second Floor Plan
- Sheet E5.001 – Electrical Enlarged Plan – Typical Power Room
- Sheet E7.001, E7.002 & E7.003 – Electrical Single Line Diagrams

Appendix B - Internal Circulation and Truck Turning Diagrams

Appendix C – Rendering Visualization Package

Appendix D – ALTA Survey

cc: planningpermitcounter@montereypark.ca.gov
Timothy Hou – thou@montereypark.ca.gov
Paul Talbot – paultalbot24@gmail.com
Bryan Marsh, SDCF Monterey Park, LLC
Chris Flynn, SDCF Monterey Park, LLC
Jim Pugh, Sheppard Mullin Richter & Hampton, LLP
Chris Sanders, Gensler

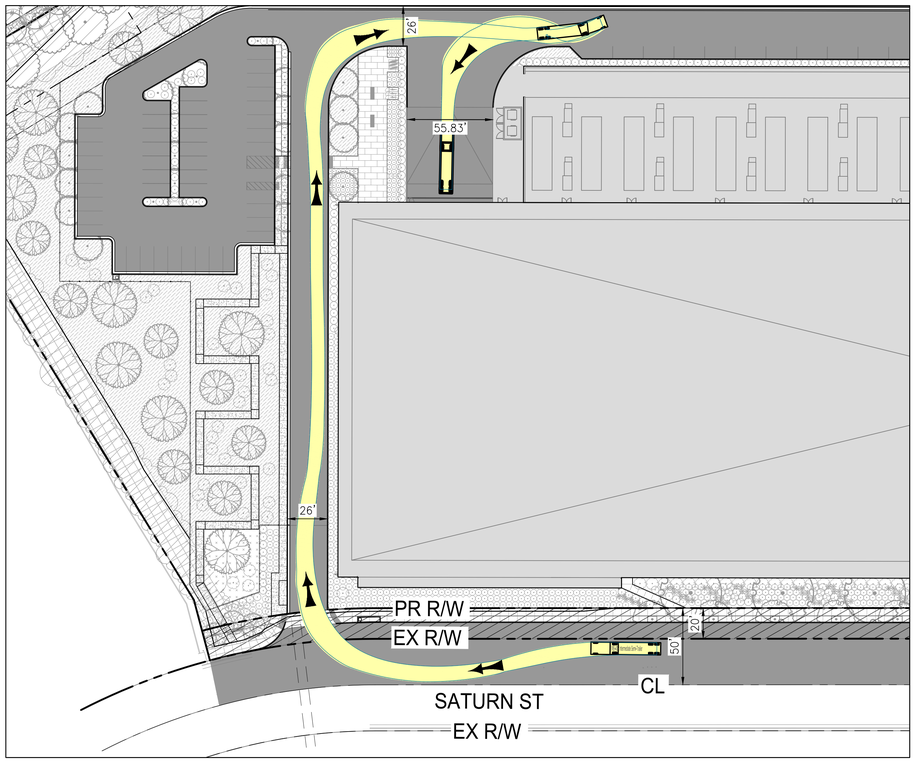
Appendix A

Drawing Sheets

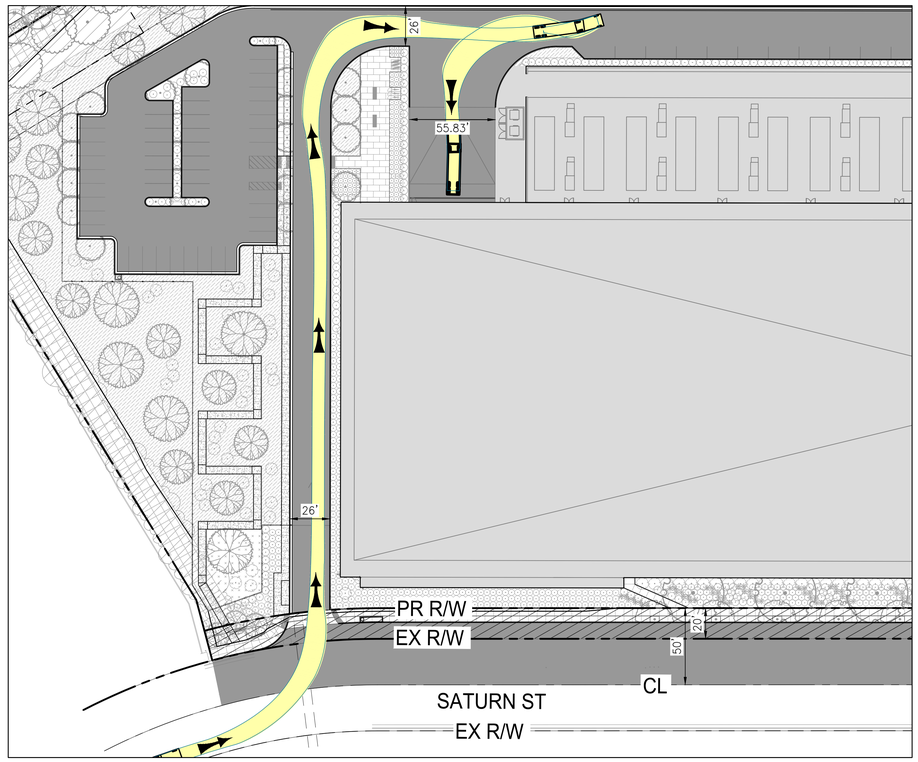
TO BE PROVIDED BY GENSLER UNDER SEPARATE COVER

Appendix B

Internal Circulation and Truck Turning Diagrams



WESTBOUND INCOMING (LOADING DOCK)

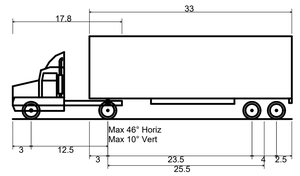


EASTBOUND INCOMING (LOADING DOCK)

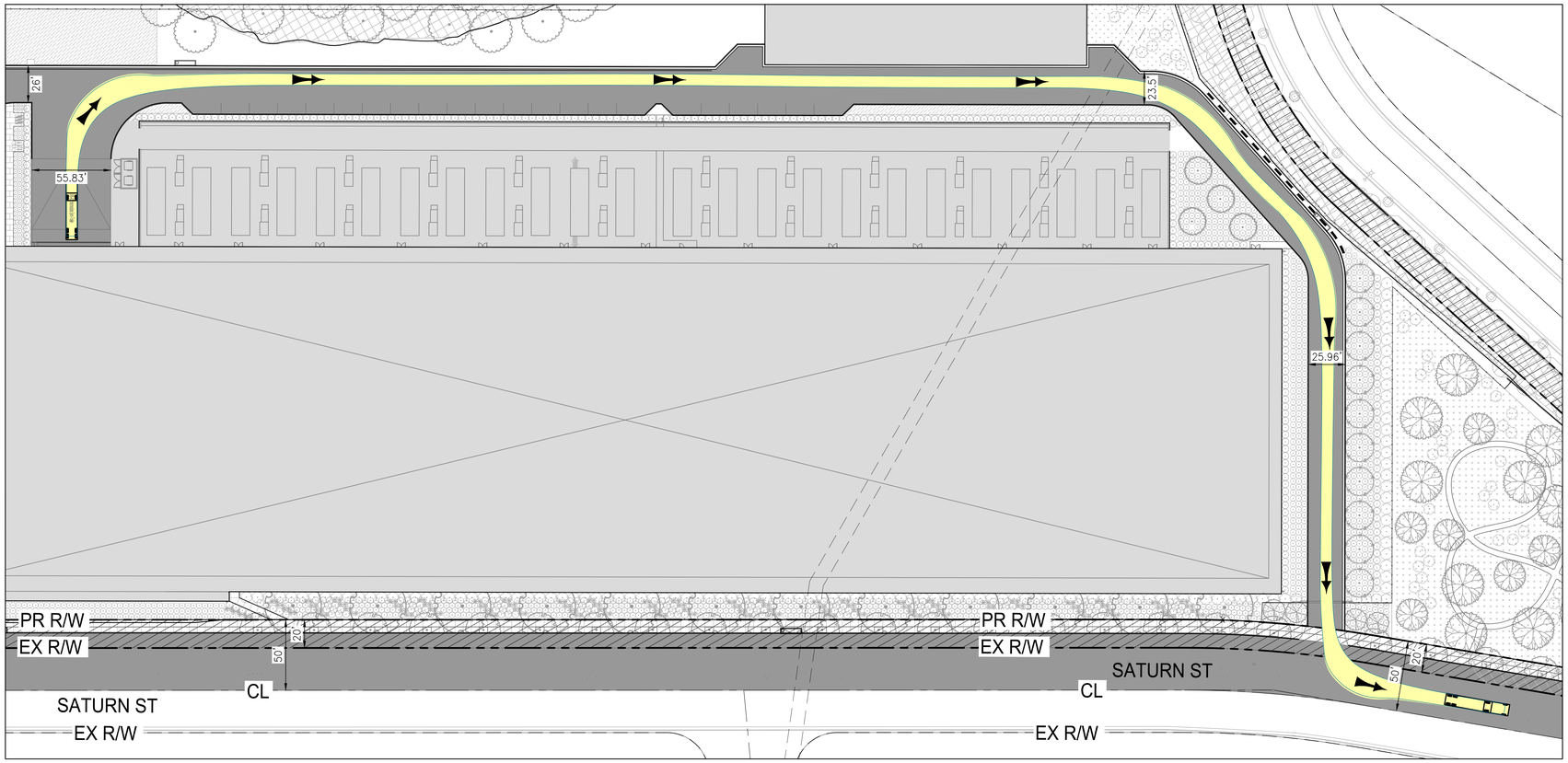
LEGEND

WHEEL LIMIT (EXTERIOR)
VEHICLE BODY LIMIT
VEHICLE DRIVE DIRECTION

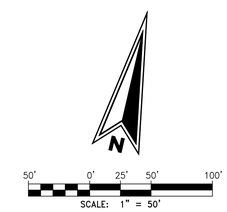
MODEL VEHICLE



WB-40 - Intermediate Semi-Trailer	
Overall Length	45.499ft
Overall Width	8.000ft
Overall Body Height	13.500ft
Min Body Ground Clearance	1.334ft
Track Width	8.000ft
Lock-to-lock time	4.00s
Max Steering Angle (Virtual)	20.30°



SOUTHBOUND OUTGOING (LOADING DOCK)



STRATCAP

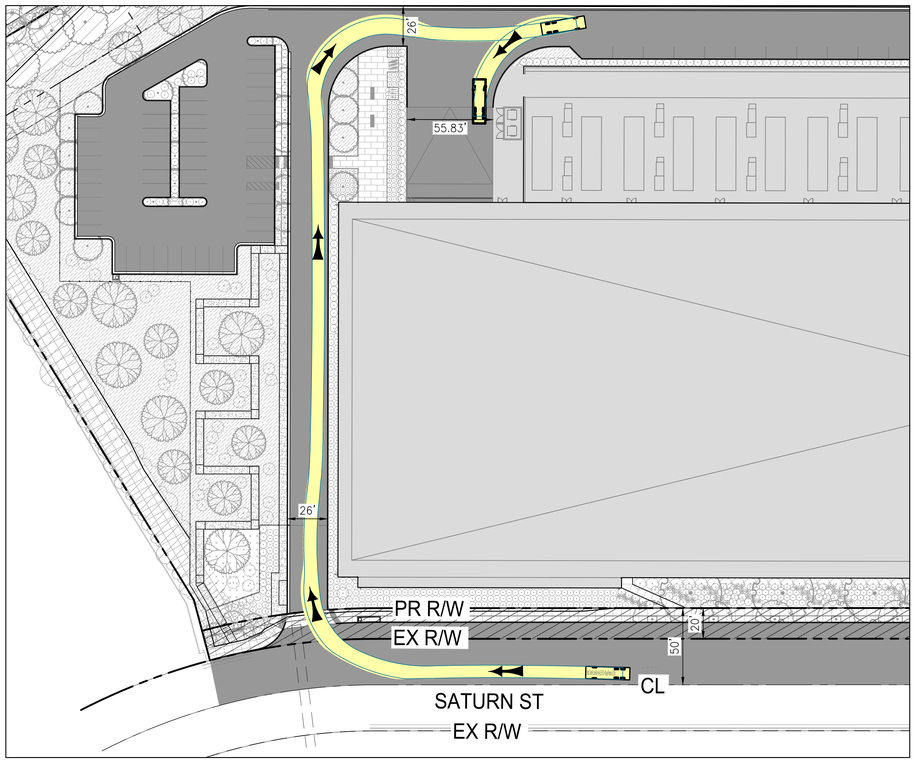
TRUCK TURNING EXHIBIT

REVISIONS					
NO.	INIT.	DATE	DESCRIPTION	APP'D	DATE

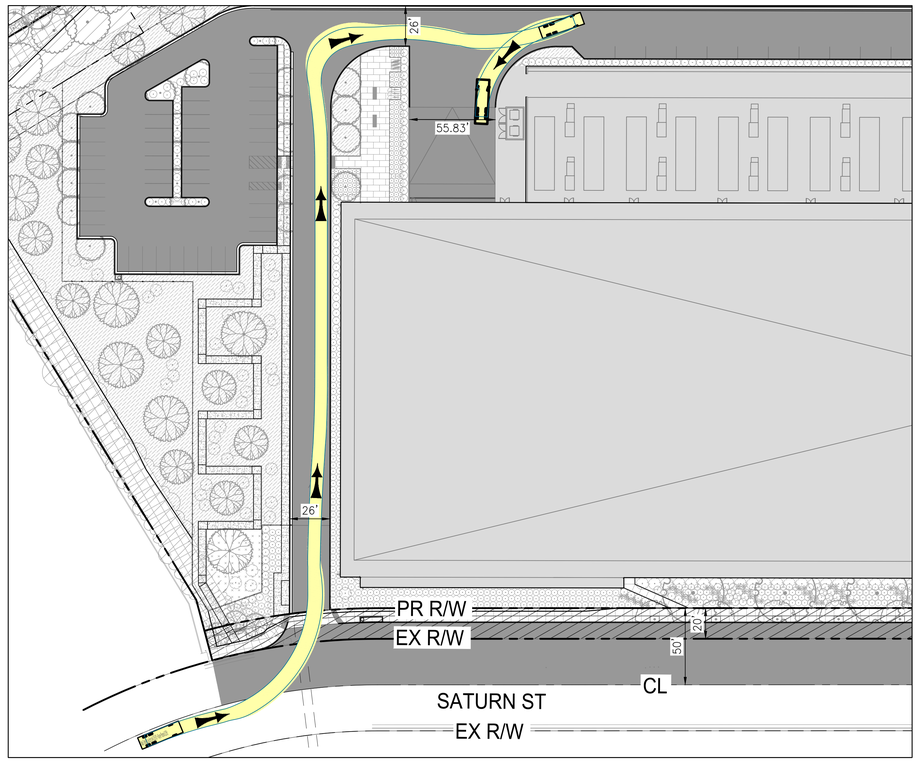
FUSCOE ENGINEERING
600 Wilshire Blvd, Suite 1470
Los Angeles, Ca 90017
213.988.8802
fuscoe.com

JOB NO. 4140-001
DRAWN BY: NY
SHEET 1 of 2

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WESTBOUND INCOMING (TRASH DOCK)

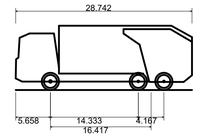


EASTBOUND INCOMING (TRASH DOCK)

LEGEND

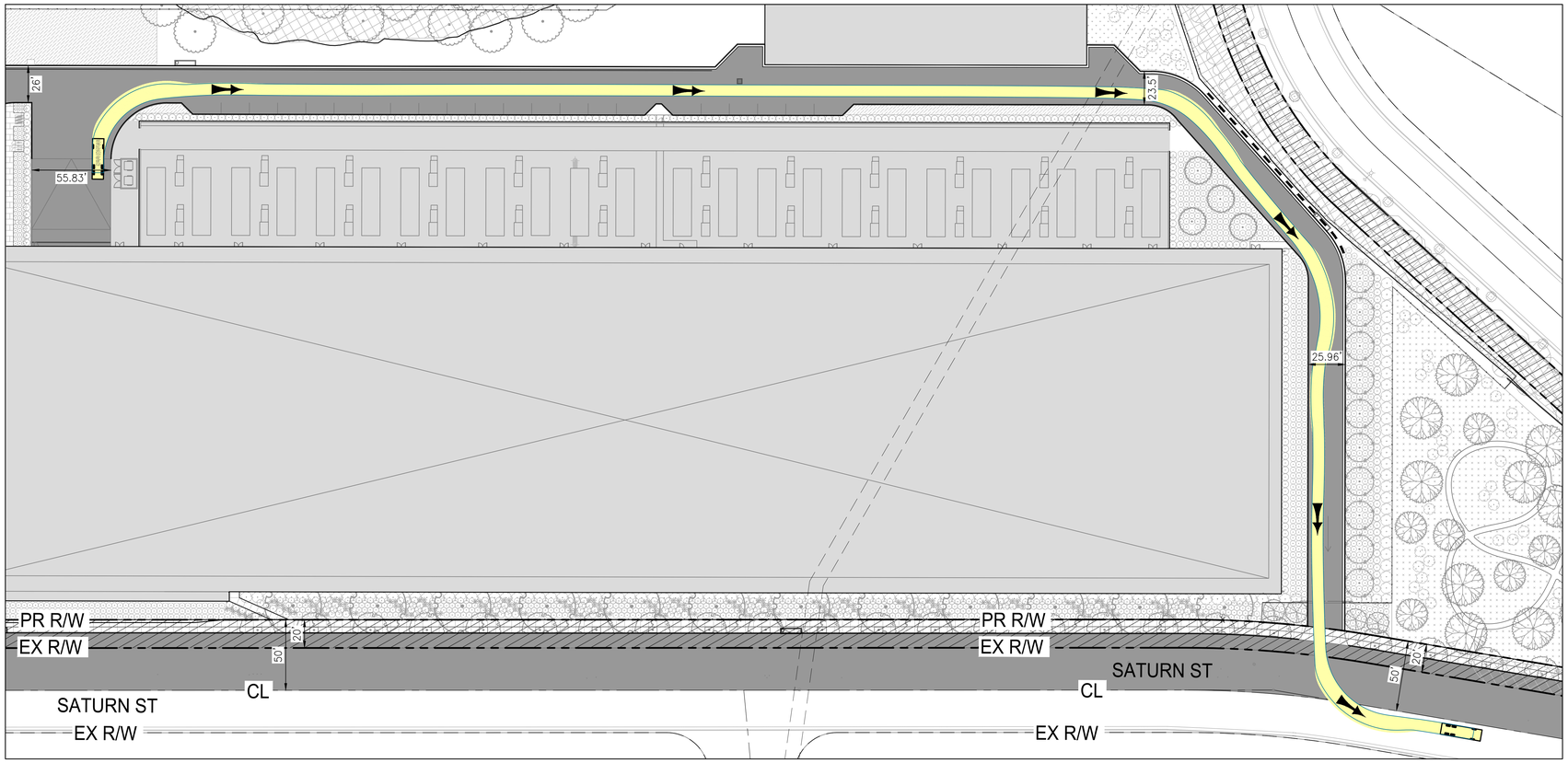
WHEEL LIMIT (EXTERIOR)
VEHICLE BODY LIMIT
VEHICLE DRIVE DIRECTION

MODEL VEHICLE

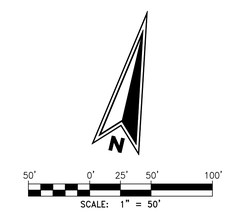


Mack TerraPro Low Entry 6x4 LEU 613 + Wayne Phoenix III 25Yd

Overall Length	28.742ft
Overall Width	8.000ft
Overall Body Height	10.481ft
Min Body Ground Clearance	1.311ft
Track Width	8.000ft
Lock-to-lock time	6.00s
Curb to Curb Turning Radius	34.000ft



SOUTHBOUND OUTGOING (TRASH DOCK)



STRATCAP

TRUCK TURNING EXHIBIT

REVISIONS					
NO.	INIT.	DATE	DESCRIPTION	APP'D	DATE

FUSCOE ENGINEERING
600 Wilshire Blvd, Suite 1470
Los Angeles, Ca 90017
213.988.8802
fuscoe.com

JOB NO. 4140-001
DRAWN BY: NY
SHEET 2 of 2

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Appendix C

Rendering Visualization Package

TO BE PROVIDED BY GENSLER UNDER SEPARATE COVER

Appendix D

ALTA Survey

TO BE PROVIDED BY GENSLER UNDER SEPARATE COVER

CITY OF MONTEREY PARK

320 West Newmark Avenue • Monterey Park • California 91754-2896
www.MontereyPark.ca.gov

City Council
Henry Lo
Vinh T. Ngo
Jose Sanchez
Thomas Wong
Yvonne Yiu

City Clerk
Maychelle Yee

City Treasurer
Amy Lee

June 20, 2024

Bryan Marsh
SDCF Monterey Park, LLC
660 Steamboat Road
Greenwich, CT 06830

Re: Incomplete Review Letter for 1977 Saturn Street
Conditional Use Permit No. 24-01, Design Review No. 24-040, Parking Study

Dear Mr. Marsh:

Thank you for submitting the following applications for the proposal of a data processing facility located at 1977 Saturn Street. The following applications numbers have been issued for this project:

- Conditional Use Permit No. 24-01 (CUP-24-01) (Lot Greater than 1 Acre)
- Design Review No. 24-040 (DRB-24-040) (Review design and architecture, including a Parking Study)

In accordance with Section 65943(a) of the California Government Code, and Section 15101 of the California Environmental Quality Act Guidelines, the City of Monterey Park Community Development Department has determined that the following items must be satisfactorily submitted or addressed for your applications to be deemed complete and ready for processing:

Planning Comments

1. ~~The use is an allowed use. For clarification, can you please provide an explanation for why the substation is needed? Please also explain how SCE will access the site as it is secured. Please add information to Detailed Operations Statement.~~

Architectural Plans

2. ~~(A0.002) - Yards (21.14.080 C) – Side/Rear adjacent to R-Zone (northwest portion of lot) – standard is 50 feet plus 5 feet dimension for each 10 feet of building height above 15 feet. Plans indicate 36 feet but don't show height of equipment screen. Plans indicate 65 feet from R-zone.~~

3. A3.001 - Building Height (21.14.090) – Height limit is 40 feet, ~~plans show 36 feet on A2.001, but do not include equipment screen. Equipment screen height noted on A3.001 shows 39 feet 6 inches.~~ Equipment screen height should be indicated on ~~A2.001~~ **A3.001 indicates 46 feet 6 inches.**

4. ~~A0.002 - Trash Facilities (21.14.130) – trash facilities need to be enclosed by a minimum 5-foot solid wall. Provide dimensions on the plans for the two trash facilities. (See Engineering Comment #18 and handout on trash facilities.)~~

5. ~~A0.002 - Limitations on Permitted Uses (21.14.190 D) - Where the O-P zoned lot is adjacent to an 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.~~

6. A0.002 - Parking Layout (21.22) – Provide enlarged parking area drawing that provides information on parking space and drive aisle dimensions. ~~It does not appear that compact parking is proposed, but compact parking requires a CUP in Monterey Park.~~ **MPMC 21.22.370 Part 2 Standards Chart – Large Automobile Parking Spaces shows the required dimensions for standard parking spaces. Required parallel parking space dimensions are 9 x 20, 90 Degree parking spaces are 9 x 18, and aisle width is 26 feet. Recommend providing a blow-up of the parking layout, perhaps on the upper portion of Sheet A0.002.**

7. Parking Study Applications (MPMC 21.22.030 and 21.22.370) - To reduce the parking requirement, a parking study is necessary for review by Planning and Public Works. The parking study has been submitted and is being reviewed, comments will be forwarded once they are available.

8. ~~A0.002 - Vehicular Loading Spaces (21.22.310) – loading spaces are required to be 12 feet by 40 feet, please provide dimensions on the plans for both loading spaces.~~

9. ~~Vehicular Loading Spaces (21.22.310) - requires 3 loading spaces for buildings over 50,000 square feet.~~

10. A0.002 – ~~A note is included on the plans for an Irrevocable Offer to Dedicate, please clarify if this is existing or proposed. Also, at the rear of the lot there are two lines indicating 'Parcel Line,' please clarify~~. **Reduce the amount of information on A0.002 (such as plant materials, topo lines). Clarify the location of the front lot line after dedication and dimension the front setback. Dimension side and rear setbacks at closest point.**

11. A3.001 – For the proposed Rooftop Equipment Platform design, please clarify why a platform is proposed as opposed to construction equipment enclosure on the roof.

~~12. A0.002 – Security Fencing. Please provide a separate Wall Plan that provides information on all proposed fences and walls, including height, design, color, (including retaining walls).~~

13. A0.002 - Vehicular gates. Provide ~~a detail indicating proposed height and width of the proposed vehicular gates and~~ **information on how the gates will operate for the employees.**

14. Front Elevation. Staff has reviewed the proposed design and architecture and recommends modifications to the architecture to provide more interest on the front elevation including revisions such as providing rooftop articulation, front elevation building movement/articulation, adding accent colors, architectural popouts, and/or faux window designs. In general, the goal would be to provide more building movement and a more interesting design that would be more consistent with the existing buildings in the business park. Provide sample elevations of similar type approved data centers from different jurisdictions to that address concerns related to design for staff consideration.

~~15. Ensure that all the colors and materials proposed are included on sheet A2.001. Please provide color and material for the equipment screens (it looks like there may be 2 colors), the color on the top of the parapet/roofline, that all colors of the concrete panels are indicated (it looks like there are 2 colors), and the type of glazing proposed. Please provide callouts to clarify what colors and materials on the building elevations. A1.102 - Membrane roof. Clarify this material and provide a description of the type of roofing material.~~

Civil Grading Plans

~~16.~~ C1.0 Front Property Line. Clarify the location of the existing and proposed front property line. ~~C1.0 seems to show 20', but there is also a 15' + 15' dimension.~~

17. C1.0 Easement. Please clarify if there is an easement along the front of the property, the plans seem to show an easement. Also, clarify the proposed dedication width.

~~18. C1.0 Retaining Walls. Retaining walls must comply with MPMC Section 21.10.120 B 1. The plans indicate several retaining walls including the following: 4 feet on southeast side/front, 21 feet on northeast side, 12 feet to north, 6 feet on southwest side/front. (See Engineering Comment #8.)~~

~~19. C1.0 Tree Removal. It is noted that an Arborist Report has been submitted and will be reviewed with the other CEQA documents. The Arborist Report should provide information on what trees are proposed to be retained.~~

20. ~~C2.0 Sewer Easement. A sewer easement is indicated from Orange to Saturn with a note that says, "to be Quitclaimed." Please provide information on the abandonment of that easement.~~

Landscape Plans

21. ~~L1-1 Tree Removal. The Municipal Code requires that existing trees removed due to site development/design must be relocated or replaced elsewhere on site with a similar or substitute specimen tree of the same size, subject to City Planner approval (See MPMC Section 21.10.130 E 1 a).~~

22. ~~Trees. The proposed trees are generally small to medium size trees at maturity (with the exception of the Oak which generally have a slow growth rate). Please include trees that are larger at maturity (trees that will exceed 45 feet in height at maturity). For any trees removed on the rear slopes, please include larger trees at maturity. In addition, add some larger box trees for key locations (36 or 48-inch box).~~

23. ~~L1.1 Landscape Buffer. A 3-foot landscape buffer is required along entire lot lines of adjacent residential properties to the northwest (21.10.120 A 2 c). On the plans clearly indicate the adjacent residential properties and provide a linear dimension for the landscape buffer.~~

24. CEQA Comments (Staff has provided a Peer Review letter of the CEQA documents dated May 8, 2024).).
    a. Provide a draft Negative Declaration of Environmental Review. The Negative Declaration will be reviewed by staff and a Peer Review will be completed by an outside environmental consultant.
    b. Provide all relevant studies for the project as required by CEQA.

Fire Comments

Comments to be provided under separate cover.

Engineering Comments

Comments to be provided under separate cover.

Additional Comments

On June 18, 2024, the Monterey Park City Council adopted a moratorium that lasts for 45 days and can subsequently be extended for 10 months and 15 days. This moratorium would be to allow the Saturn Park Advisory Review Committee to study the Saturn Park area regarding allowed future land uses and report to the City Council. Processing this application

will continue during this time. Once a signed copy of the moratorium ordinance is available, it will be routed to you.

General Comments

1. Resubmit one (1) full-sized set of revised plans with the changes/additions discussed above. Additional sets of plans may be requested once your item is scheduled for a hearing.
2. Submit an electronic version of all plans to planningpermitcounter@montereypark.ca.gov
3. Provide a cover letter discussing how each of the issues discussed above has been addressed for Staff's reference.

These comments are based on your current submittal. Please note, additional corrections or comments may be identified upon your resubmission. We cannot proceed with the processing of your application until the above items are addressed. Should you have any questions in the matter, please contact Jeff Anderson, Contract Planner at (626) 827-0874 or by email at janderson@willdan.com and copy Beth Chow, Planning Manager in any future correspondence at bchow@montereyparkca.gov.

Sincerely,

Beth Chow

Beth Chow, AICP
Planning Manager

CC: Scott Rynders, Rynders Corporation (e-mail)
Chris Flynn (e-mail)

Gensler



STRATCAP

1977 SATURN STREET

VISUAL PACKAGE

DRAFT
WORK IN PROGRESS



DRAFT
WORK IN PROGRESS

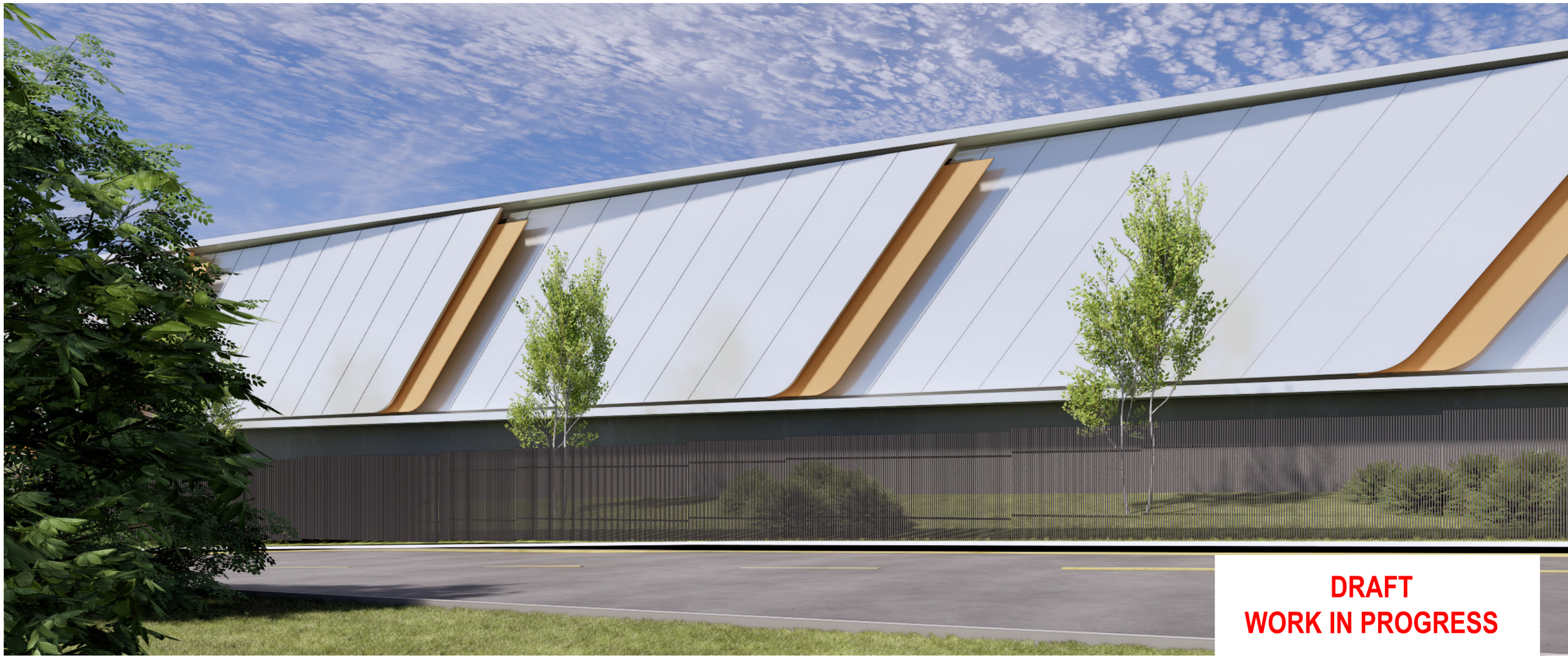
AERIAL - SOUTH WEST VIEW

Gensler



DRAFT
WORK IN PROGRESS

APPROACH VIEW - SW CORNER



DRAFT
WORK IN PROGRESS

FACADE



PUBLIC PARK



DRAFT
WORK IN PROGRESS

ENTRY PLAZA



DRAFT
WORK IN PROGRESS

ENTRY PLAZA



DRAFT
WORK IN PROGRESS

PARKING ADJACENT TO ENTRY

Gensler



DRAFT
WORK IN PROGRESS

ENTRY RAMP

Gensler



DRAFT
WORK IN PROGRESS

SATURN STREET

Subject: MP - Saturn Data Center
Date: Wednesday, September 27, 2023 at 1:41:11 PM Pacific Daylight Time
From: Berger, Karl H.
To: jpugh@sheppardmullin.com
CC: Alvarez, Inez, Garcia, Diana, Serrano, Jessica, Tamayo, Justin A.
Attachments: Saturn Data Center - Grandfathering Letter 9.21.23.pdf

Mr. Pugh –

I serve as City Attorney for the City of Monterey Park. The attached correspondence was forwarded to my attention. Thank you for your letter.

As you were previously informed, the City does not currently require a development agreement for the type of project proposed by your client. There are no assurances, however, that the City could offer your client regarding changes in law at this time. Even if planning staff were to provide such assurance, they would not be legally binding upon the City (notably, a development agreement would protect your client from future changes in the law during the term of that agreement).

The City is certainly available to process your client's application once it is filed.

You may contact me with any questions. Thanks.

Karl H. Berger | Partner
444 South Flower Street, Suite 2400 | Los Angeles, CA 90071-2953
d - 213.236.2729 | t - 213.236.0600 | f - 213.236.2700 | m - 661.644.5476
kberger@bwslaw.com | bwslaw.com
Burke, Williams & Sorensen, LLP

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Planning Commission Staff Report

DATE: April 9, 2024

AGENDA ITEM NO: 5-A

TO: The Planning Commission

FROM: Jessica Serrano, Director of Community Development

SUBJECT: **RECEIVE AND FILE** - Discussion of Land Use Regulations and future uses at McCaslin Business Park

RECOMMENDATION:

It is recommended that the Planning Commission consider:

(1) Receiving and filing this staff report as background information; and
(2) Taking such additional, related, action that may be desirable.

EXECUTIVE SUMMARY:

This staff report provides the historical context regarding land use considerations in McCaslin Business Park to be used in discussing future uses of the area.

BACKGROUND:

McCaslin Business Park is named after Lowry B. McCaslin (a former All-American [1929] who played for USC) who owned the area between 1937 and his death in 1995. It was originally a quarry for mining decomposed granite. Mr. McCaslin eventually developed the sand and gravel pit into a 73-acre business and industrial park. Residential neighborhoods adjacent to the Business Park were developed during the years 1947 to 1954.

In 1956, the Monterey Park City Council adopted an ordinance that effectively zoned the gravel operations out of business after persons in the residential neighborhoods complained of noise and dust. Mr. McCaslin succeeded in invalidating these restrictions as unconstitutional (*McCaslin v. City of Monterey Park* (1958) 163 Cal.App.2d 399). He began building the industrial park in 1970.

In 1996, the City Council adopted a moratorium on the use and storage of certain hazardous materials within the Business Park. This was in response to Alpha Photonics, Inc.'s proposal to include crystal growing operations as part of their electronics component manufacturing business. The moratorium indicated that:

> "an application for a project at 2019 Saturn Street, Monterey Park, located in the McCaslin Industrial Park. The initial building permit application and plans did not disclose the use or storage of hazardous materials on site. The City subsequently became informed that the proposed use will handle and store certain quantities of hazardous materials. The use and storage of hazardous materials can pose a danger to the City and the City began investigating the

> regulation of the use and storage of these materials. Because of their potential danger, current law provides extensive State and County regulations for the handling and storage of hazardous materials."

The moratorium was extended throughout 1997 until the City Council placed a proposition onto the 1998 ballot (on December 17, 1997) that was later identified as "Measure D." Measure D was approved by voters on April 14, 1998 (Ordinance No. 1933, Attachment 1). Measure D added the "Office Professional" or "O-P" zone to the Monterey Park Municipal Code ("MPMC") as Chapter 21.14.

Most recently, the Measure D regulations were publicly discussed in 2018. At that time, the City discovered that the voter approved regulations in MPMC Chapter 21.14 were improperly changed by Ordinance No. 2097 that was adopted in 2013. This apparently occurred based upon a 2009 internal memorandum from the (then) Community Development Director to the (then) City Manager that asserted the City Council could make changes to MPMC Chapter 21.14 based upon its own authority. Measure D, however, did not delegate authority to the City Council to make any changes to MPMC Chapter 21.14.

The voter approved zoning restrictions in the Business Park are challenging to businesses wishing to locate to that area (see Attachment 2, e.g., letter from 2019 regarding 1977 Saturn). Currently, approximately 75% of the available building space is vacant.

Measure JJ was adopted by voters in 2020 (Ordinance No. 2198). Section 3(A) of Measure JJ provides that the City Council may "implement [Measure JJ] including, without limitation, adopting all zoning regulations needed to effectuate [Measure JJ] by ordinance." Measure JJ designates McCaslin Business Park as "Innovation/Technology" (Land Use Element – Figure LU-3: Land Use Policy Map, Attachment 3). Uses for this designation include research and development; light manufacturing; service commercial; professional offices; entertainment; and breweries/ wineries/distilleries; trade and technical schools; public utilities, and similar uses "per zoning regulations." Prohibited uses are warehousing, freight terminals, vehicle storage, and heavy manufacturing.

Respectfully submitted by:

Jessica Serrano
Director of Community Development

Reviewed by:

Justin A. Tamayo
Deputy City Attorney

ATTACHMENTS:

1. Ordinance No. 1933 – Measure D
2. August 14, 2019 Letter - 1977 Saturn
3. Land Use Element - Figure LU-3: Land Use Policy Map

ATTACHMENT 1
Ordinance No. 1933 – Measure D

ORDINANCE NO. 1933

AN ORDINANCE OF THE PEOPLE OF THE CITY OF MONTEREY PARK, CALIFORNIA, ADDING CHAPTER 21.14, ENTITLED OFFICE PROFESSIONAL, TO THE MONTEREY PARK MUNICIPAL CODE, MODIFYING SECTION 21.70.030 OF THE MONTEREY PARK MUNICIPAL CODE BY ADDING CERTAIN CONDITIONALLY PERMITTED USES IN THE OFFICE PROFESSIONAL ZONE, APPROVING A GENERAL PLAN AMENDMENT AND APPROVING A ZONE CHANGE FOR THE AREA COMMONLY KNOWN AS MCCASLIN BUSINESS PARK FROM MANUFACTURING (M) TO OFFICE PROFESSIONAL (O-P)

THE PEOPLE OF THE CITY OF MONTEREY PARK, CALIFORNIA, DO HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The People find and determine that a Zone Change pursuant to Title 21 of the Monterey Park Municipal Code (MPMC), to change the zoning designation from M (Manufacturing) to O-P (Office Professional), and to establish appropriate development regulations for the O-P zone are in the public interest and consistent with the General Plan.

SECTION 2. The People hereby amend the Monterey Park Municipal Code (MPMC) to establish an O-P (Office Professional) Zone, by adding Chapter 21.14 thereto to read as follows:

Chapter 21.14

O-P --- Office Professional Zone

Sections:

21.14.010 Purpose
21.14.020 Permitted uses
21.14.030 Prohibited uses
21.14.040 Principal uses
21.14.050 Conditional uses
21.14.060 Standards of development generally
21.14.070 Lots
21.14.080 Yards
21.14.090 Building height
21.14.100 Floor area ratio (FAR)
21.14.110 Off-street Parking

21.14.120 Required walls
21.14.130 Trash facilities
21.14.140 Buffering and maintenance of landscaping and easements
21.14.150 Compressors, air-conditioning units or similar mechanical equipment
21.14.160 Lighting
21.14.170 Exceptions
21.14.180 Site development plan approval
21.14.190 Limitations on permitted uses

21.14.010 Purpose. In order to provide for the development of integrated professional, office and limited retail areas 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 shall be applicable to all properties classified in the O-P zone.

21.14.020 Permitted uses. No person shall use, nor shall any property owner permit the use of any lot classified in any O-P zone for any use, other than the following as set out in Section 21.14.040 and 21.14.050.

21.14.030 Prohibited uses. All uses not permitted in this chapter shall be prohibited.

21.14.040 Principal uses. The principal uses shall be 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;

Mail box 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 cafe;
Service businesses;
Stationery;
Studio, art, dance, martial arts, photography;
Tax consulting;
Tobacco store;
Travel agency;
Video sales and rentals;

21.14.050 Conditional uses. Conditional uses shall be uses specifically enumerated in Section 21.70.030.

21.14.060 Standards of development generally. All premises in the O-P zone shall comply with the following standards of development as set out in Sections 21.14.070 through 21.14.190.

21.14.070 Lots. (a) Lot area. The minimum lot area of each lot shall be five thousand square feet.

(b) Lot width. The minimum width of each lot shall be fifty feet.

(c) Lot depth. The minimum depth of each lot shall be one hundred feet.

21.14.080 Yards. The following minimum yards shall be required on all lots:

(a) Front yard. No minimum front yard is required.

(b) Side and rear yards. Every lot shall have and maintain minimum side and rear yards as follows:

(1) When the side yard is adjacent to a street, the yard shall be at least fifteen feet in depth.

(2) When adjacent to a R-zone, the yard shall be no less than fifty feet, plus five feet in depth for each story above one story of building or each ten-foot increment above fifteen feet in height of building on the O-P zoned lot. Where there is an opening, including but not limited to windows, pedestrian doors and roll-up doors, in any building on the O-P zone facing a yard adjacent to a R-zone, the yard shall be no less than one hundred feet from any opening to the R zoned lot. The yard may be used for parking, excepting a minimum fifteen foot wide area abutting the R-zone which shall be landscaped and maintained in such a condition so as not to violate Section 9.54.010. The required landscaping shall also conform to the standards set forth in Section 21.14.140. When the O-P zoned lot is separated from a R-zone by an alley, a rear yard setback of forty feet shall be provided, as measured from the centerline of the alley. A minimum three-foot wide landscaped planter shall be installed and maintained along the alley, excepting at any vehicular access driveway.

(3) When adjacent to a commercially-zoned or M zoned lot, no yard is required.

21.14.090 Building height. No building or structure in excess of forty feet or three stories shall be located on any lot. Buildings or structures exceeding the height limits may be permitted upon approval of a conditional use permit.

21.14.100 Floor area ratio (FAR). The floor area ratio shall not exceed 0.5 when the lot is less than ten thousand square feet in area. When the lot is between ten thousand and twenty thousand square feet in area, the floor area ratio shall not exceed 0.65. When the lot is more than twenty thousand square feet in area, the floor area ratio shall 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.

21.14.110 Off-street parking and loading. Each O-P zoned lot shall have and maintain off-street parking and loading facilities as required by Chapter 21.40.

21.14.120 Required walls. Except as otherwise provided in Chapter 21.48, the following standards shall apply: (a) Where any part of the front yard or street side yard of a O-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 shall 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 Section 21.40.180.

(b) When any O-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 shall be constructed and maintained along all such common side or rear lot lines. Where an easement exists, abutting the common property line, the said 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 shall be placed adjacent to the wall, planted with trees, shrubs, ground cover and vines. Where a parking lot on the O-P zoned lot abuts a R-zoned lot, the additional parking lot landscaping requirements of Section 21.40.180 shall apply.

21.14.130 Trash facilities. Each O-P zoned lot shall be provided with facilities for the storage and collection of trash as follows:

(a) Any outdoor trash facility shall be enclosed by a minimum five-foot high solid masonry, brick or concrete wall except for the access way which shall be enclosed with solid decorative gates of the same height.

(b) Location and size shall be subject to approval by the planner. When any O-P zoned lot has a common property line with a R-zoned lot, no trash facility shall be located within the required building setback.

(c) Open vehicular and pedestrian access to and from such trash facility shall be provided. No parking spaces shall block such access to the trash facility.

(d) Trash facilities shall be maintained in a closed manner at all times to prohibit visibility from public rights-of-way or adjacent property.

Notwithstanding any other provision of this title, all existing uses, buildings and structures in the O-P zone which do not conform to this Section shall provide a fully enclosed trash facility within six months of the effective date of this ordinance unless providing such trash facility will eliminate any existing required off-street parking spaces.

21.14.140 Buffering and maintenance of landscaping and easements. For O-P zoned lots with side or rear yards that are adjacent to an R zoned lot, the following buffering provisions shall be provided and maintained:

(a) Landscaping, irrigation and maintenance plans shall be required and the plans shall be subject to approval of the design review board under the provisions of Chapter 21.72. The plans shall incorporate, but not be limited to, fifteen-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 bonafide service agreement with a City licensed landscaping service business. Maintaining an active service agreement on file with the Community Development Department shall be the responsibility of the owner of the subject property or by his authorized agent.

(b) All landscaped areas and easements shall be maintained in good condition, weed and disease free, and in compliance with Chapter 9.54.

Notwithstanding any other provision of this title, all O-P zoned lots that abut a R zone and do not have landscaping, irrigation and maintenance plans that have been approved by the design review board pursuant to requirements of Chapter 21.72 shall submit a landscaping, irrigation and maintenance plan for design review board approval within six months of the effective date of this ordinance.

21.14.150 Compressors, air-conditioning units or similar mechanical equipment. Each O-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, shall comply with the following:

(a) All such equipment shall be installed with permanent sound proofing measures, including but not limited to, enclosures, parapet and sound attenuating walls and screens. All such equipment shall comply with noise standards set forth in Chapter 9.53. The location, type and scope of soundproofing measures for such equipment shall be subject to the approval of the Community Development Department.

(b) All such equipment shall be maintained in a clean and proper condition to prevent collection of litter and filth, emissions of dust or fumes, vibration or electrical disturbances.

21.14.160 Lighting. All outdoor lighting shall be located and shielded so as to prevent the direct spillage of light or glare onto adjacent lots and streets.

21.14.170 Exceptions. Except as otherwise provided in this section, any use, building or structure which is in existence or for which a permit has been issued, as of the effective date hereof, and which conformed to all zoning regulations of the city then in effect at such time, shall not be rendered nonconforming within the meaning of Chapter 21.68, solely by reason of the application of the development standards as set forth in this chapter; provided that any such existing use, building or structure shall comply with the provisions hereof upon a change in use, or upon use, building or structure expansion or reconstruction, in whole or in part.

21.14.180 Site development plan approval. Prior to the issuance of a building permit or business license for any use, building or structure to be located on any lot, as to which the provisions of this chapter apply, the provisions of Chapter 21.72, with regard to site development plans shall be complied with.

21.14.190 Limitations on permitted uses. Every use permitted in the O-P zone shall comply with the following:

(a) All uses shall be conducted totally within a completely enclosed building, except for those uses which are customarily conducted in the open, as determined pursuant to Section 21.06.060 or Section 21.74.030. Those uses conducted in the open shall be no closer than one hundred feet to any R zoned lot, except for parking.

(b) No outdoor storage shall be 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 Department of Community Development, and that such storage shall be limited to the accessory storage of items sold or utilized in the conduct of a permitted use on the premises. Where the O-P zoned lot is adjacent to a R zoned lot, no outdoor storage shall be permitted within one hundred feet of a R zoned lot.

(c) No loading and unloading shall be permitted in any required side or rear yard.

(d) Where the O-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) There shall be no overnight parking of vehicles, except those vehicles used in conjunction with a permitted use.

(f) Driveways may not exceed thirty feet in width or sixty percent of the lot frontage.

(g) No use shall be 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 shall be 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 shall be filed with the Community Development Department prior to the approval of a certificate of occupancy. Notwithstanding any other provision of this title, all O-P zoned businesses that do not have a business materials usage and operations form on file shall submit a form within six months of the effective date of this ordinance.

(I) No person shall, at any location within the O-P zone, create nor allow the creation of noise which causes the noise level to exceed the applicable noise standards set forth in Chapter 9.53. Where the O-P zoned lot is adjacent to a R zoned lot, the noise level at the property line of the R zoned lot shall not exceed the allowable noise level for residential properties.

SECTION 3. The People hereby amend Section 21.70.030 of the Monterey Park Municipal Code (MPMC) by adding the following conditionally permitted uses:

Use	Zone in which allowed subject to Conditional Use Permit
Auditorium, not within 300 feet of a R-zone	O-P
Buildings exceeding height limit	O-P
Business college (office or medical, dental).	O-P
Child care center, not within 300 feet of a R-zone	O-P
Commercial office or service units which are shared by more than one independently owned business enterprise	O-P
Commercial developments of five or more units or with an area of more than one acre, and within 300 feet of a R-zone	O-P
Financial institution (retail banking)	O-P
Floor area ratio not to exceed 1.0	O-P
Government or public facility, except those owned or operated by the City of Monterey Park	O-P
Gymnasium, reducing salon and health center	O-P
Hotel	O-P
Lot size over an acre	O-P
Places of entertainment, except as otherwise provided in this title . .	O-P

SECTION 4. The People APPROVE General Plan Amendment to change the land use designation in the Land Use Element from Industrial to Commercial for the area set forth in the attached map incorporated herein by this reference, based on the following findings:

1. The proposed General Plan Amendment will protect the health, safety and general welfare of the community as the amendment provides for a land use more compatible with surrounding single family residential development.

2. The proposed General Plan Amendment reflects the conditions of the community and are in keeping with the character of the area. The proposed land use designation of commercial is more compatible than the existing manufacturing designation with the surrounding single family residential areas.

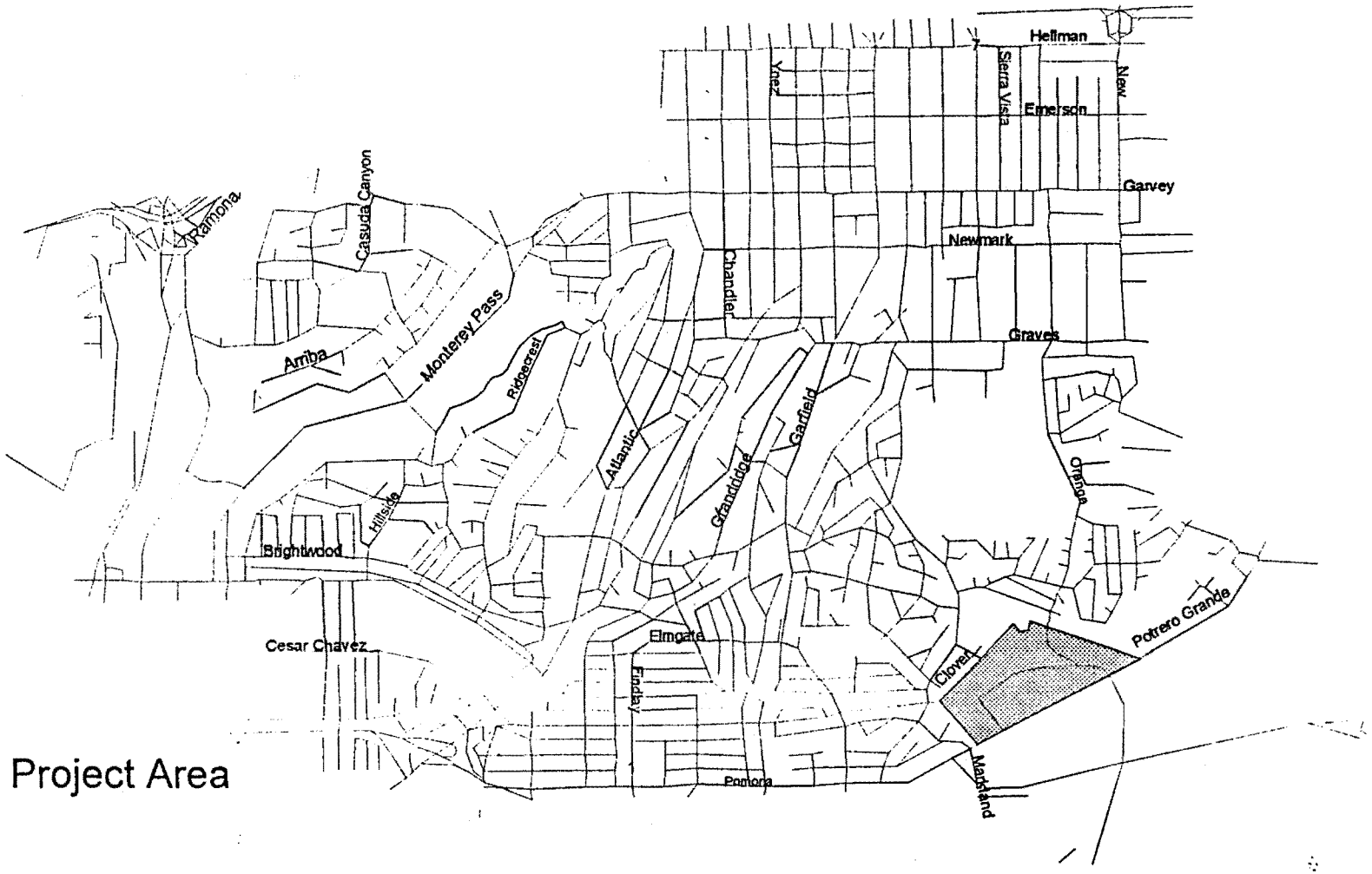
SECTION 5. The People **APPROVE** the Zone Change to change the land use classification from M to O-P for the area set forth in the attached map incorporated herein by this reference.

(1997\OP-.ORD)

REV: 12/30/97
11.45 A.M.

APPROVED AND ADOPTED AT THE APRIL 14, 1998,
SPECIAL MUNICIPAL ELECTION IN THE CITY OF MONTEREY PARK

MCCASLIN BUSINESS PARK GENERAL PLAN AMENDMENT AND ZONE CHANGE



ATTACHMENT 2
August 14, 2019 Letter - 1977 Saturn

CITY OF MONTEREY PARK

320 West Newmark Avenue • Monterey Park • California 91754-2896
www.montereypark.ca.gov

City Council
Peter Chan
Mitchell Ing
Stephen Lam
Hans Liang
Teresa Real Sebastian

City Clerk
Vincent D. Chang

City Treasurer
Joseph Leon

August 14, 2019

Lindsay M. Tabaian
Allen Matkins Leck Gamble Mallory & Natsis LLP
865 South Figueroa Street, Suite 2800
Los Angeles, CA 90017-2543
ltabaian@allenmatkins.com

Re: Letter dated June 25, 2019

Dear Ms. Tabaian:

Thank you for your letter dated June 25, 2019 (the "Letter"). As you know, the Letter contains an analysis regarding the potential zoning regulations affecting real property at 1977 Saturn Street within the City of Monterey Park (the "Property"). Further, the Letter requests that the City respond to that analysis so that your client, Apprentice & Journeymen Training Trust Fund ("A&J"), can determine whether to file a development application.

The City Planner is authorized to make interpretations regarding zoning regulations set forth in the Monterey Park Municipal Code ("MPMC").[1] Accordingly, this response to the Letter (the "Response") provides a general interpretation of the MPMC and how it affects the project proposed in the Letter. Nothing in this Response, however, constitutes an approval of a project or a prediction about whether the City would approve any application – whether filed by A&J or another person – affecting the Property. The Planning Commission and City Council are the only decision-making bodies that are legally authorized to make discretionary decisions. Accordingly, nothing in this Response should be relied upon in any transaction or by any person. This Response does not extend to, and may not be used, quoted, referred to, or relied upon by any person, firm, corporation or entity.

- *Only Measure D regulates the Property*

At the outset, please note that the Letter's analysis incorrectly relies upon certain provisions of the MPMC that were codified as a result of the City Council's adoption of Ordinance No. 2097 in 2013. On August 8, 2019 the City Attorney's office provided you with a copy of a staff report dated May

[1] MPMC § 21.02.090.

31, 2018, portions of which are relevant to these parts of the Letter. Specifically, that staff report states this (emphasis is added):

> "Measure D … was approved by voters in 1998. Measure D adopted Ordinance No. 1933 which added Chapter 21.14 to the … MPMC … and established regulations for the "Office Professional" or "O-P" zone. **Measure D does not delegate authority to the City Council to make any changes to MPMC Chapter 21.14**."
>
> "In 2013, the City Council adopted Ordinance No. 2097. That Ordinance made substantial revisions to the MPMC's land use regulations including renumbering and substantially revising MPMC Chapter 21.14 (as added by Measure D). **In accordance with the well established "equal dignities" rule generally applicable to legislation, however, MPMC Chapter 21.14 cannot be amended, repealed or suspended by an action of the City Council; it can only be changed by a voter approved ballot measure. [The City Attorney's] office has not identified a voter approved ballot measure after 1998 that amended MPMC Chapter 21.14.**"

The Letter (on p.2) purports to quote from Measure O (approved by voters in 2001) to support an assertion that voters delegated authority to the City Council to approve amendments to Measure D upon its own authority, i.e., without further need of voter approval. The quoted language, however, is from the City Attorney's Impartial Analysis for Measure O; it is not part of Measure O and does not constitute the voter's delegation of authority. Consequently, the Letter's reliance upon the current MPMC as to its regulation of the O-P zone is misplaced. The only relevant zoning regulations governing the Property are those set forth in Measure D. Accordingly, this Response only reviews the Letter's analysis as it relates to Measure D.

- *The Project set forth in the Letter*

The Letter describes a proposed project (the "Project") for the Property using the following Project Components ("PC"):

PC 1. This would be a "vocational college for the Southern California Pipe Trades." The Project would "include i) a school building with several types of training areas (classrooms, hands-on training areas, shops, an auditorium, meeting rooms); ii) administrative offices for various unions, agencies and personnel (housed within the same building); and iii) a large outdoor yard for additional training activities and some storage."

PC 2. The "large outdoor yard for additional training activities" would include "a rigging structure, areas for crane operation/site work, welding stations, sheds and an area for large pipe storage."

PC 3. The Project also proposes to include "several materials that are "hazardous" (per the Fire Code). They will be stored and utilized safely in accordance with all City and Fire Code regulations, and appropriate permits will be obtained from the Fire Department. **Two of these materials-propane and acetylene are "Class 4" substances as referenced in Measure D**."[2]

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[2] Emphasis added.

➢ *MPMC and Measure D Regulations*

As noted above, the land uses authorized for the Property are governed by Measure D only. The codified version of the MPMC may only be used to the extent it does not supplant voter's intent as expressed in Measure D. With these principles in mind, the following sections of the MPMC and Measure D are relevant to consideration of the Project[3]:

> MPMC § 21.02.090: "The City Planner has the authority to interpret the use provisions applicable to each zone district identified in this title. In the event that a specific use or type of use is not listed, the City Planner has the authority to determine which listed use is most similar to the proposed use and thereby determine whether the use is permitted, permitted subject to conditional use permit review and approval, permitted as a temporary use, or prohibited. In determining "similarity," the City Planner must make all of the following findings:
>
> (1) The proposed use must meet the intent of, and be consistent with the goals, objectives and policies of the general plan;
>
> (2) The proposed use must meet the stated purpose and general intent of the district in which the use is proposed to be located;
>
> (3) The proposed use cannot adversely impact the public health, safety and general welfare of the City's residents; and
>
> (4) The proposed use must share characteristics common with, and not be of greater intensity, density or generate more environmental impact, than those uses listed in the permitted uses section."
>
> Measure D[4] § 21.14.020: "Permitted uses. No person shall use, nor shall any property owner permit the use of any lot classified in any O-P zone for any use, **other than the following as set out in Section 21.14.040 and 21.14.050**."
>
> § 21.14.030: "Prohibited uses. **All uses not permitted in this chapter shall be prohibited**."
>
> § 21.14.040: "Principal uses. The principal uses shall be permitted as follows … **[a]dministrative and professional offices**…."
>
> § 21.14.050: "**Conditional uses**. Conditional uses shall be uses specifically enumerated in **Section 21.70.030**."
>
> § 21.14.190: "Limitations on permitted uses. Every use permitted in the O-P zone shall comply with the following … All uses shall be conducted totally within a completely enclosed building, **except for those uses which are customarily**

[3] Text may be emphasized for discussion.
[4] References to sections other than those cited to the "MPMC" are to those set forth in Measure D.

conducted in the open, as determined pursuant to Section 21.06.060[5] or Section 21.74.030.[6] Those uses conducted in the open shall be no closer than one hundred feet to any R zoned lot, except for parking.... **No use shall be 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 shall be filed with the Community Development Department prior to the approval of a certificate of occupancy."

§ 21.70.030: "The People amend Section 21.70.030 ... by adding the following **conditionally permitted uses ... [a]uditorium, not within 300 feet of a R-zone ... [b]usiness college (office or medical, dental)**...."

➢ *Project Overview*

Applying the above regulations to the PCs shows the following:

PC 1: It does not appear that the overall Project could be approved as part of a conditional use permit ("CUP") application pursuant to § 21.70.030. While an "auditorium" use is specifically listed as a conditional use, the type of "business college" is restricted to "office or medical, dental." The Project is a vocational college that does not fit into the category of "business college."[7] For reasons explained more fully below (for PC 3), the City declines to utilize a different interpretation since doing so would be contrary to voter direction.

PC 2: The proposed outdoor activities are not those that would be "customarily conducted in the open" were the Project a "business college." Since, as noted in PC 1, the Project is not a "office or medical, dental" type of business college, the proposed vocational activities, e.g., welding, are not associated with the type of "office professional" use required for the O-P zone.

PC 3: Per the Letter, the Project proposes to store and use hazardous materials that are specifically identified in Measure D. Such use would directly violate § 21.14.190 and the voter's intent in enacting that section. The legislative history preceding Measure D's approval demonstrates that the City Council and voters specifically intended to prohibit the storage and use of hazardous materials on the Property and to discontinue the previously allowed manufacturing uses. On December 11, 1996, the City Council adopted Urgency Ordinance No. 1917 which prohibited the storage and use of hazardous materials at the Property. The City Council directed that this moratorium be extended on January 15, 1997; it subsequently adopted Urgency Ordinance No. 1920 on February 5, 1997 to extend the moratorium. The prohibitions contained in Ordinance Nos. 1917 and 1920 were thereafter incorporated into Measure D at § 21.14.190(h).

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[5] This section is for "[c]larification of ambiguity" in the 1998 MPMC.

[6] This section was recodified to MPMC § 21.02.090, authorizing interpretations of the MPMC.

[7] If the Project is proposed only for professional offices, such would be allowed as a matter of right per § 21.14.040.

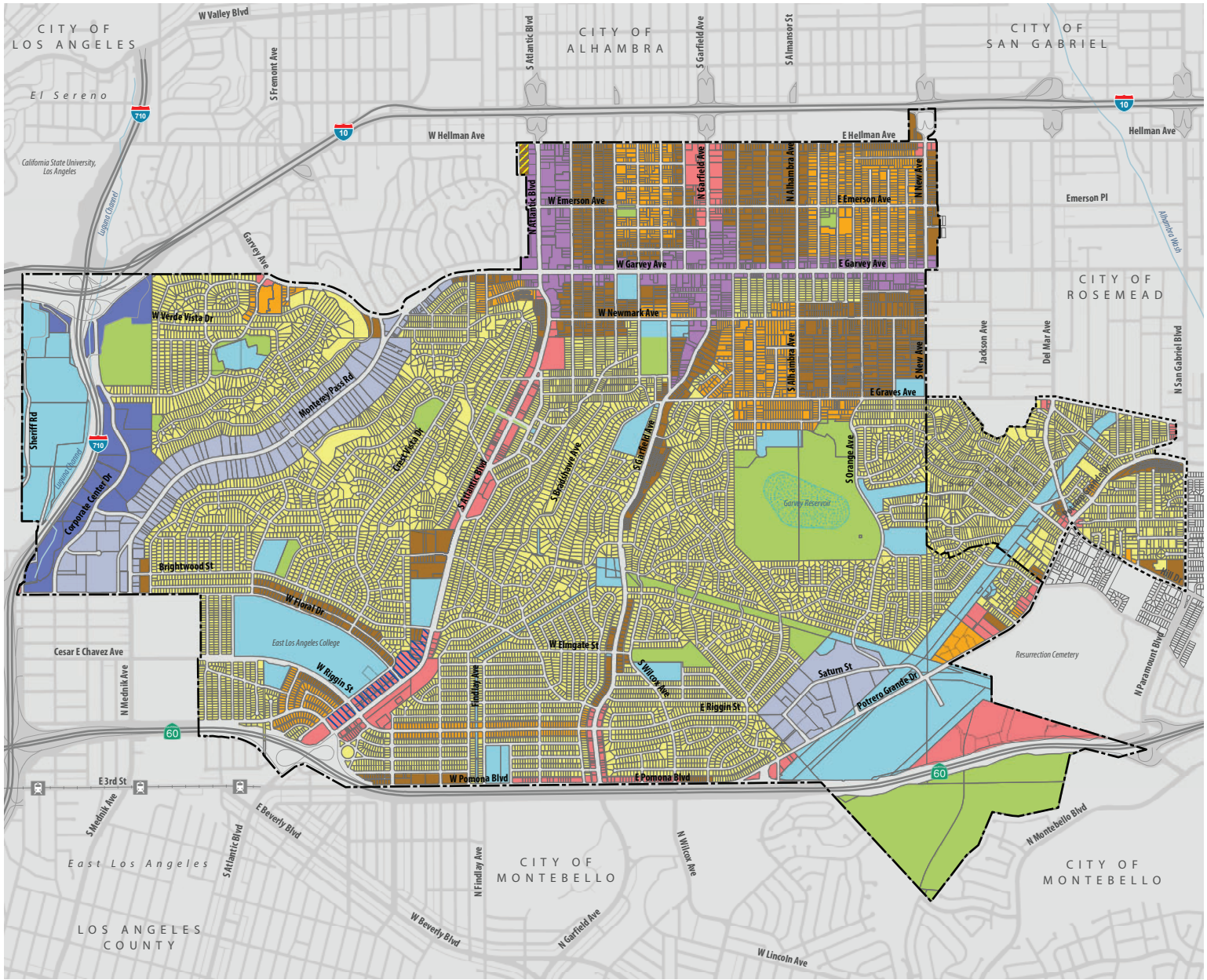
In sum, the Project is not a "business college" as defined by Measure D; the proposed outdoor activities are not those "customarily adopted in the open" for a business college; and storing/using the types of hazardous materials in the Letter would violate Measure D.

Please let us know if you have any questions.

Sincerely,

Mark A. McAvoy, PE
Director of Public Works / City Engineer / City Planner

ATTACHMENT 3
Land Use Element -
Figure LU-3: Land Use Policy Map



Monterey Park 2040

FIGURE LU-3:

LAND USE POLICY MAP

Land Use Designations

- Low Density Residential
- Medium Density Residential
- High Density Residential
- Commercial
- Mixed Use
- Corporate Center
- Innovation/Technology
- Public Facilities
- Open Space
- Housing Overlay I
- Housing Overlay II

Base Map Features

- Monterey Park Boundary
- Sphere of Influence Boundary
- Metro Gold Line and Stations
- Watercourses and Channels
- Garvey Reservoir

Note: Also see Regulating Plan

October 2019

Sources: City of Monterey Park and MIG, 2019.

MIG

0 ¼ ½ 1 Mile

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June 17, 2024

Via First Class U.S. Mail and Electronic Mail

James E. Pugh
Sheppard, Mullin, Richter & Hampton, LLP
333 South Hope Street, 43rd Floor
Los Angeles, CA 90071-1422

Email address: jpugh@sheppardmullin.com

Re: Letters dated June 14 and June 17, 2024

Dear Mr. Pugh:

As you are aware, I serve as City Attorney for the City of Monterey Park. I write in response to your letters dated June 14th and June 17th (the "Letters"). Thank you for your correspondence.

The June 17th letter states that your client is interested in retaining its good working relationship with the City regarding a pending (since January 2024) land use application. Accordingly, your client seeks a 30-day delay in the City Council's consideration of a moratorium.

As you know, the initial moratorium period is for 45 days; any extension of a moratorium requires notice and a public hearing. It seems that this fulfills your client's desire to discuss the matter? Surely it is more productive for your client's representatives to participate in the SPARC process to consider how to implement the voter's directives in Measure JJ (which adopted the Land Use Element in 2020) rather than to try challenging the proposed moratorium based upon various legal arguments.[1]

The City Council is obligated to implement the voters' vision for Saturn Park as expressed in the 2020 Land Use Element. Instead of responding to the legal arguments

[1] Note that Section 3(A) of Measure JJ specifically authorizes the City Council to implement the LUE on its own authority; that would include making changes to voter enacted zoning regulations from the late 1990s.

in the Letters (which the City disagrees with), I encourage your client's representatives to work with the City in shaping and implementing the voters' intent through the SPARC process.

Very truly yours,

BURKE, WILLIAMS & SORENSEN, LLP

Karl H. Berger
City Attorney

c: City Council
City Clerk
Inez Alvarez, City Manager
Jessica Serrano, Community Development Director
Justin Tamayo, Deputy City Attorney

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Our File No.: 08877-0001
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November 5, 2024

Via Electronic Mail Only

James E. Pugh
Sheppard, Mullin, Richter & Hampton, LLP
333 South Hope Street, 43rd Floor
Los Angeles, CA 90071-1422

Email address: jpugh@sheppardmullin.com

Re: Letter dated November 5, 2024

Dear Mr. Pugh:

As you are aware, I serve as City Attorney for the City of Monterey Park. I write in response to your letter dated November 5, 2024 (the "Letter"). Thank you for your correspondence.

A review of the Letter shows that it is premised on a fallacy: that the draft zoning regulations on the November 6th City Council meeting agenda target your client's data center project (the "Project"). As you well know, they do not. Indeed, the City has expended a tremendous amount of effort to ensure that the Project will be objectively considered when it is legally before the City Council for consideration. By any reasonable standard, the Project will stand on its own merits.

The Letter, however, continues its misleading narrative by asserting that the recommended environmental review is deficient. Contrary to the assertions in the Letter, the zoning regulations do not introduce something "new." Rather, they clarify existing regulations and specifically implement the voter's intent set forth in Measure JJ. As you are very aware, Measure JJ received its own, separate, environmental review which was certified as a Final Environmental Impact Report ("FEIR"; State Clearing House No. 2001-01-1074). That FEIR and the environmental findings set forth in the draft ordinances meet the requirements of the California Environmental Quality Act ("CEQA").

Similarly disingenuous is the Letter's statement that "[o]n April 12, 2024, the City confirmed in writing to the Applicant that the Project was an expressly permitted use in the O-P voter enacted zone for Saturn Park." The "writing" was an electronic mail transmission from an Assistant Planner. As a preliminary matter, the City Planner – not an Assistant Planner – interprets the land uses identified in the Monterey Park Municipal Code ("MPMC"; MPMC § 21.02.090). Ultimately, however, any such interpretation lies solely with the City Council.[1]

While you are aware of the law, the tone of the Letter compels me to remind you: there is a vested right to develop property only when a permittee (1) obtained a valid building permit; (2) completed a substantial amount of work; and (3) incurred substantial liability in good faith reliance on the permit. Generally, the vested rights doctrine is applied only in extraordinary instances "where the injustice is great and the precedent set by the estoppel is narrow." Here, the Project has zero land use approvals and must comply with any change to the law.

In support of the Project's contribution to the City's revenue sources, the Letter provides data from the state of Virginia. It is unclear what relevance that has to the City of Monterey Park. Sources of tax revenue for commercial land uses within the City of Monterey Park generally consist of property tax; sales tax; business license tax; and user utility tax ("UUT"). There are no data supporting the notion that the Project will be a significant source of tax revenue for the City. But, the Project is not on the City Council agenda for November 6, 2024. Rather, the City Council is considering zoning regulations for "data centers"; it is not specific as to the Project. The Letter's protestations regarding the Project's contribution to the economic health of the City, therefore, are misplaced.

The balance of the letter further implies that the November 6th City Council meeting will consider the Project. That is incorrect. As you are aware, the Project contemplates activating the Business Recovery Development Agreement Zone ("BRDZ") at 1977 Saturn as authorized by MPMC Chapter 21.45. It seems that your client's best option would be to propose significant public benefits to the City Council through that process.

I look forward to working with you to process the Project so that it will be ready for City Council consideration in the near future.

---

[1] *See, e.g., Yamaha Corp. of Am. v. State Bd. of Equalization* (1998) 19 Cal.4th 1 and *State Farm Mutual Auto Ins. Co. v Quackenbush* (1999) 77 Cal.App.4th 65.

Very truly yours,

BURKE, WILLIAMS & SORENSEN, LLP

Karl H. Berger
City Attorney

c: City Council
City Clerk
Inez Alvarez, City Manager
Jessica Serrano, Community Development Director
Justin Tamayo, Deputy City Attorney

Wednesday, December 18, 2024 at 11:17:08 Pacific Standard Time

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Subject: Written Communications for the November 6, 2024 Council Meeting
Date: Wednesday, November 6, 2024 at 08:53:37 Pacific Standard Time
From: Trang, Cindy
To: MPClerk
CC: Alvarez, Inez, Garcia, Diana, Berger, Karl H., Yee, Maychelle
Attachments: image001.png, image003.png, image004.png, 11-06-2024 Agenda Item No. 4A - Written Communication Adopt Regulations Governing Data Centers within Saturn Park.pdf

[EXTERNAL]

Dear Mayor and City Council Members,

There is one written communication and a response letter for the November 6, 2024 Regular City Council meeting. Please let me know if you have any questions.

Thank you.

CINDY H. TRANG, CMC • **DEPUTY CITY CLERK**
320 W. NEWMARK AVE., MONTEREY PARK, CA 91754
Office (626) 307-1360
Email • ctrang@montereypark.ca.gov

This message is a public record and may be disclosed under the Public Records Act or other applicable law.

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November 5, 2024

Via Electronic Mail Only

James E. Pugh
Sheppard, Mullin, Richter & Hampton, LLP
333 South Hope Street, 43rd Floor
Los Angeles, CA 90071-1422

Email address: jpugh@sheppardmullin.com

Re: Letter dated November 5, 2024

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Very truly yours,

BURKE, WILLIAMS & SORENSEN, LLP

Karl H. Berger
City Attorney

c: City Council
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Justin Tamayo, Deputy City Attorney

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File Number: 89AF-371175

November 5 2024

VIA E-MAIL

City Council
City of Monterey Park
320 W. Newmark Avenue
Monterey Park, CA 91754
Email: c/o City Clerk,
MPClerk@montereypark.ca.gov

Re: Proposed Data Center Regulations – Agenda Item 4-A

Dear Honorable City Council,

We represent SDCF Monterey Park, LLC ("Applicant") regarding its data center project ("Project") located at 1977 Saturn Street ("Site") in the City of Monterey Park ("City"). We understand that the City Council will consider a Zoning Ordinance Text Amendment (ZCA-24-02) on November 6, 2024 for the Saturn Park area. This ordinance is primarily aimed at the Project – as the only data center proposed in the City. Accordingly, we must present this letter to protect the Applicant's rights and preserve certain issues for the record. In addition, it is necessary for us to clarify information in the staff report, and the recitals of the proposed ordinances, that inaccurately portray data centers.

Most importantly, we reaffirm the Applicant's commitment to building the Project and providing the City with an environmentally-conscious development that infuses substantial revenue into the City's budget while also providing community benefits. We must emphasize, however, that the City's trend of waffling on important zoning and legal issues concerns us. We highlight some of those issues in this letter. We trust that the City's actions are not intended to effectuate a regulatory taking by making the Project infeasible. Thus, our points below are in the sprit of collaboration and creating a regulatory structure that is reasonable for the City and allows the Project to become a reality.

I. Clarifying Assertions in the Staff Report

A. There is No Legal or Factual Basis to Adopt an Urgency Ordinance.

The staff report recommends adopting an Urgency Ordinance to amend the voter-enacted provisions in Monterey Park Municipal Code ("MPMC") Chapter 12.14 ("Urgency Ordinance") to govern data centers. Neither the law nor evidence justifies an urgency ordinance. Our June 17, 2024 letter to the City Council, regarding the now-expired data center moratorium, demonstrated that there was no current and immediate threat to the public health, safety or welfare from data center development. That same rationale applies to the Urgency Ordinance.

On October 31, 2024, the City published a Mitigated Negative Declaration ("MND") for the Project pursuant to the California Environmental Quality Act ("CEQA). The MND provides over 150 pages of comprehensive environmental analysis and is supported by over 5,000 pages of evidence in 15 technical reports. The MND analyzed a wide range of environmental topics including aesthetics, air quality, energy, greenhouse gas emissions, water, land use, noise, public services, transportation, utilities, and many more. The MND concluded that the Project would not have a significant impact on the environment or community. In other words, the record proves that there is no current and immediate threat to the public health, safety or welfare from data center development. The recitals for the Urgency Ordinance are not supported by evidence and are not sufficient findings to justify making the Urgency Ordinance effective immediately. **Therefore, we request that the City Council not adopt the Urgency Ordinance at this time**.

B. The City's Legislative Actions are Not Exempt from CEQA.

The staff report erroneously claims that revising the zoning code is exempt from CEQA. The law is clear that CEQA "**shall apply to** discretionary projects proposed to be carried out or approved by public agencies, including but not limited to, the enhancement and **amendment of zoning ordinances**" per CEQA Guidelines 21080(a). Also, CEQA Guidelines 21065 provides that a project means "an activity directly **undertaken by any public agency**" which "may cause either a direct physical change in the environment, or a **reasonably foreseeable indirect physical change** in the environment." Here, ZCA-24-02 modifies long-standing voter-enacted zoning, introduces a new Saturn Park Innovation/Technology Zone, and implements design regulations that will collectively change the types and characteristics of projects in Saturn Park. That equals a zoning amendment action that will result in reasonably foreseeable physical changes in Saturn Park. Also, the exemptions listed in the staff report do not apply and there is no evidence in the record to support the position. Therefore, CEQA applies to the proposed zoning amendments and the City should do more thorough environmental review. We preserve this issue for the record, if needed.

C. The Data Center Project is an Expressly Permitted Use.

On April 12, 2024, the City confirmed in writing to the Applicant that the Project was an expressly permitted use in the O-P voter enacted zone for Saturn Park. The Applicant relied on the City's position to pursue entitlements for the Site. The City stated that "[y]es, data centers would fall under 'data processing facility.' Since data processing facilities are considered a principal use in the Office Professional Zone (Voter-Enacted), data centers would indeed be considered a permitted use in this zoning." See Exhibit A: City Confirmation of Data Center Permitted Use. The staff report now waffles about whether "data center" and "data processing facility" can be considered synonymous for planning purposes, which is exactly the issue we confirmed with the City previously. Therefore, it is disingenuous for the staff report, and ordinance recitals, to reverse the City's prior position and claim that a data center land use is not part of the current zoning regulation.

Nonetheless, we can appreciate the City's desire to update certain MPMC definitions, and are not opposed to a clearer definition of permitted data centers. Therefore, we request that the

City make it abundantly clear that data centers are expressly permitted uses in both the existing O-P zone in Saturn Park (if it is not completely replaced) and the proposed S-P – Saturn Park Innovation/Technology Zone. Precisely, the City should add "data centers" to the list of principal permitted uses in Section 21.14.050 of the updated ordinance. That is in addition to the new data center provisions in Section 21.14.210, and that is important so the resulting regulations are not vague regarding permitted uses (per Section 21.14.050) and prohibited uses (per 21.14.040).

D. Data Centers Can Provide Substantial Tax Revenue and Community Benefits.

With no evidence, the staff report claims that data centers are not a significant source of tax revenue. That statement is false and could mislead the decisionmakers and the community. There is strong empirical evidence that data centers generate substantial tax revenues. See Exhibit B: The Impact of Data Centers on the State and Local Economies of Virginia, March 2022; See also, Data Center Tax Dollars Invest in Local Communities, November 2023. The report, and article, are based on financial information provided by several economic development departments, and found that, "[d]ata centers generate a large amount of property tax revenue for local governments without placing many demands on local government services. Additionally, the industry places downward pressure on overall tax rates, thereby improving the locality's business climate and economic attractiveness." The report also notes that more than 30 states have some type of incentive program to attract data centers to their states. Therefore, it is clear that data centers provide a significant source of tax revenue and can spur economic activity for accepting cities and counties.

Also, please note that the Applicant is preparing a tax report that will estimate the beneficial tax revenues the Project could provide to the City, if approved. Similarly, as you know, the Applicant is negotiating a development agreement with the City that would provide additional community benefits. It is unquestionable that the Project would improve the City budget and stimulate economic activity, while not creating significant environmental impacts. Hence, we urge the City to use a more balanced narrative in its reports and discussions of data centers so the public has an accurate unbiased understanding of the environmental and economic effects of data centers.

II. The Project Should Be Exempt from the Urgency Ordinance and Regular Ordinance.

The City Council previously exempted the Project from Urgency Ordinance 2246, which prohibited all land use entitlements in Saturn Park. As a reminder, Section 4.B of that ordinance stated that the City Council could " . . . accept, process and approve development applications that: (1) were filed with the City before April 15, 2024; (2) include or are amended to include a development agreement per Chapter 21.44 of the Monterey Park Municipal Code; and (3) obtain City Council approval of the development agreement before, or concurrent with, approval of the project entitlements proposed in the timely-filed application." There is no reason to now subject the Project to new data center regulations in the Urgency Ordinance. That is unnecessary for at least two reasons.

First, the Project entitlements include a development agreement. And, as stated in the MND, the City intends to activate the Business Recovery Development Agreement Zone ("BRDZ")

to control the land use and development standards on the Site. It follows, that the provisions of the Urgency Ordinance and Regular Ordinance are superfluous to the land use control the City already has on development of the Project. Furthermore, the City released the proposed data center regulations on the evening of November 1, 2024, which thereby provided only two business days for the Applicant to consider the effects of the regulations on the Project. We believe that type of haste is not necessary because the entitlements already include a development agreement and BRDZ activation. **Therefore, we respectfully request that the City Council provide the same exemption language (as referenced above) in the Urgency and Regular Ordinances if adopting either ordinance occurs on November 6, 2024**.

Second, the Project complies with the existing regulations applicable to Saturn Park and the entitlements permissible in the MPMC. Accordingly, even without the Urgency or Regular Ordinances, the City can find the Project consistent with existing zoning and land use designations to approve the Project. At this stage of administrative review, to us, it appears that imposing further design requirements on the Project is simply counterproductive because the City can accomplish the exact same objectives via the development agreement and BRDZ, which are incorporated into the entitlements.

III. Improving the Regular Ordinance and Design Guidelines for Data Centers

The Urgency Ordinance and the Regular Ordinance are largely the same. As we discussed above, there is no legitimate basis for the City to adopt the Urgency Ordinance. In fact, we believe that rushing to judgment on an important regulation is not in the City's best interest. Here, our comments focus on the proposed Regular Ordinance, which we understand would be the permanent regulations.

We believe that the City could improve the Regular Ordinance given additional time to consider the proposed regulations, especially Section 21.14.240 regarding data centers. The November 6, 2024 City Council meeting is the first time the City, the Applicant, and the public have had an opportunity to consider the proposed data center regulations. Our opinion is that the City should be more conscientious and take a reasonable amount of time to create data center regulations that are mindful of the environment and also feasible for data centers to implement. There is simply not enough time to do that before November 6th. **Therefore, we request that the City Council continue its consideration of the Regular Ordinance for 60 days and direct staff to work with the Applicant to craft improved data center regulations**.

In the alternative, we have slightly revised the Regular Ordinance and Design Guidelines to provide flexibility so the regulations do not (intentionally or unintentionally) preclude smart data center development in Saturn Park. See Exhibit C: Revised Regular Ordinance and Design Guidelines. We have conferred with the Applicant and its architect regarding the Regular Ordinance and the Design Standards. Given more time, we would also confer with the project engineers to vet the ordinances and the Leadership in Energy and Environmental Design ("LEED"), or Green Building Initiative ("GBI"), requirements to determine how those can apply to the Project and data centers generally. That is valuable information for the City. However, a rushed vote on the regulations prevent its implementation. **Therefore, if the City Council decides to adopt either the Urgency Ordinance or the Regular Ordinance, we respectfully**

request that the City incorporate our edits to provide a basic level of regulatory flexibility for compliance.

IV. Providing Balanced Data Center Research and Technical Truths for the Project

Context and perspective matter. The staff report contains several articles regarding data center development in Virginia and Texas, which are two of the largest data center markets in the World with hundreds of data centers. By comparison, the City has zero data centers currently and one proposed. Please keep that fact in mind and resist an alarmist reaction.

The reality for the City is that the Project is a relatively small, efficient, quiet and water-saving data center that does not have significant environmental impacts and provides substantial tax revenue and community benefits. Below are truths about the Project and how it compares to the topics raised in the data center materials provided in the staff report.

A. Energy

In the staff report, the County of Fairfax Virginia Report ("Virginia Report") states that a data center with a Power Utilization Efficiency ("PUE") metric of 1.1 to 1.3 or less is an efficient facility. The City's MND explains that the Project has a 1.2 PUE, which is highly efficient. The Virginia Report also states that, based on meetings with the local power agency, "data center growth does not pose a risk in terms of reliability to residential and other customers." Similarly, here, Southern California Edison ("SCE") prepared a Method of Service ("MOS") study for the Project, which determined that SCE has sufficient power available to service the Project without stressing the City's energy grid.

In the staff report, the Bisnow power article from Texas ("Texas Article"), which was drafted by two reporters from Houston and Boston, focuses on power needs and references the Dallas data center power inventory as "[a]t the end of the second quarter there were 966 megawatts ("MW") of total inventory, with 339 MW under construction, and 3,091 MW planned in DFW." For comparison, the Project in the City would use a maximum of 49.9 MW only. The Texas Article also provides perspective for its reporting saying "[w]e're not talking about 50-MW data centers anymore . . . we're talking about 500 MW or gigawatt-scale data centers." That is the scale of data center and energy demand in Texas, which is wholly inapplicable here. In Monterey Park, we <u>are</u> talking about a 50 MW data center . . . and that context is materially different than the concerns raised in the Texas Article.

Therefore, on balance, we urge the City Council to be accurately informed about the energy efficiency of the Project, and the relatively minimal energy load, compared to the materials contained in the staff report.

B. Water

The water demand for the Project is only marginally more than the existing office building on the Site. The Virginia Report concluded that no zoning amendments related to water demand were needed based on recommendations from the local water district. Similarly, here, Section

4.19 of the MND analyzed water demand quantitatively and concluded that there is sufficient water supply for the Project. Moreover, Appendix M-2: Water Efficiency Memorandum, in the MND, explains how the Project design utilizes air cooled chillers with a free-cooling heat-exchanger technology that requires minimal water. Therefore, we urge the City Council to be fact-based about the water usage of the Project when considering approvals or the proposed regulations.

C. Noise

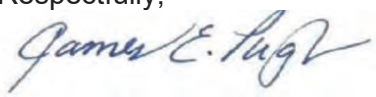
The Project complies with the City's noise ordinance. The Virginia Report opined that noise studies submitted for data centers indicated that measures were needed to reduce potential noise to comply with applicable noise ordinances. That is exactly what the Applicant and City did here. The MND contains detailed noise modeling in Appendix J: Noise and Vibration Analysis Memorandum, and the Project incorporates noise-attenuating project design features that ensure noise levels are within the noise ordinance limits. For example, the Project design includes screening elements for rooftop equipment, and precast screen walls around generators, to minimize noise impacts. Accordingly, the MND concluded that even when all noises sources were analyzed together (i.e., composite noise modeling) the Project would not exceed the applicable noise standards.

Overall, we appreciate the City's desire for informed decision making about data centers and the evolving digital infrastructure market. Nonetheless, please be grounded in truths about the Project while exercising your discretion on the proposed data center ordinances, and ultimately the Project.

V. Conclusion

In closing, we thank the City for the opportunity to comment on, and hopefully improve, the proposed data center regulations. Likewise, the Applicant appreciates the City's willingness to continue advancing the Project. We particularly thank the City staff, and its environmental consultants, for producing a comprehensive MND that demonstrates the Project does not have significant impacts on the environment or community. As you know, the Applicant is committed to improving the Site with a modern data center and thereby helping the City reactivate Saturn Park in a manner that delivers jobs, community benefits, and recurring tax revenues. We hope that any City actions on the proposed data center regulations do not jeopardize the good progress made by all on the Project.

Respectfully,



James E. Pugh
for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

cc:
mpclerk@montereypark.ca.gov
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Chris Flynn, StratCap
Scott Rynders, The Rynders Corporation

SMRH:4890-6474-8275.2

EXHIBIT A

From: Tan, Kevin <KTan@MontereyPark.ca.gov>
Sent: Wednesday, April 12, 2023 5:58 PM
To: James Pugh <JPugh@sheppardmullin.com>
Cc: Serrano, Jessica <jserrano@MontereyPark.ca.gov>; scott@rynderscorp.com
Subject: RE: 1977 Saturn - Permitted Uses in O-P Zone

Good evening James,

Yes, data centers would fall under "data processing facility." Since data processing facilities are considered a principal use in the Office Professional Zone (Voter Enacted), data centers would indeed be considered a permitted use in this zoning.

Let me know if you need anything else. Have a great rest of your night.

Sincerely,

KEVIN TAN • **ASSISTANT PLANNER**
320 W. NEWMARK AVE., MONTEREY PARK, CA 91754
Office (626) 307-1302
Email • ktan@montereypark.ca.gov

From: James Pugh <JPugh@sheppardmullin.com>
Sent: Tuesday, April 11, 2023 3:00 PM
To: Serrano, Jessica <jserrano@MontereyPark.ca.gov>
Cc: Scott Rynders <scott@rynderscorp.com>
Subject: 1977 Saturn - Permitted Uses in O-P Zone

[EXTERNAL EMAIL]

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

Hi Jessica,

Thank you for meeting with the StratCap team yesterday. As a follow up, we need to confirm the zoning issue we discussed. Our initial diligence concluded that data centers are a permitted use in the O-P (voter enacted) zone.

Specifically, Section 21.14.040 of the Monterey Park Municipal Code includes "data processing facility" as a permitted principal use in the O-P zone. As we described yesterday, StratCap intends to develop a data center on the site if they complete property acquisition. We view a data processing facility and data center as synonymous for zoning compliance purposes. At this early stage of diligence, and before buying the land, StratCap needs certainty that the City agrees that data centers are permitted uses within the O-P zone. Thus, please respond to this email indicting whether the City agrees that data centers are in fact a permitted use in the O-P zone.

A phase of our diligence period ends this week, so please respond at your earliest opportunity.

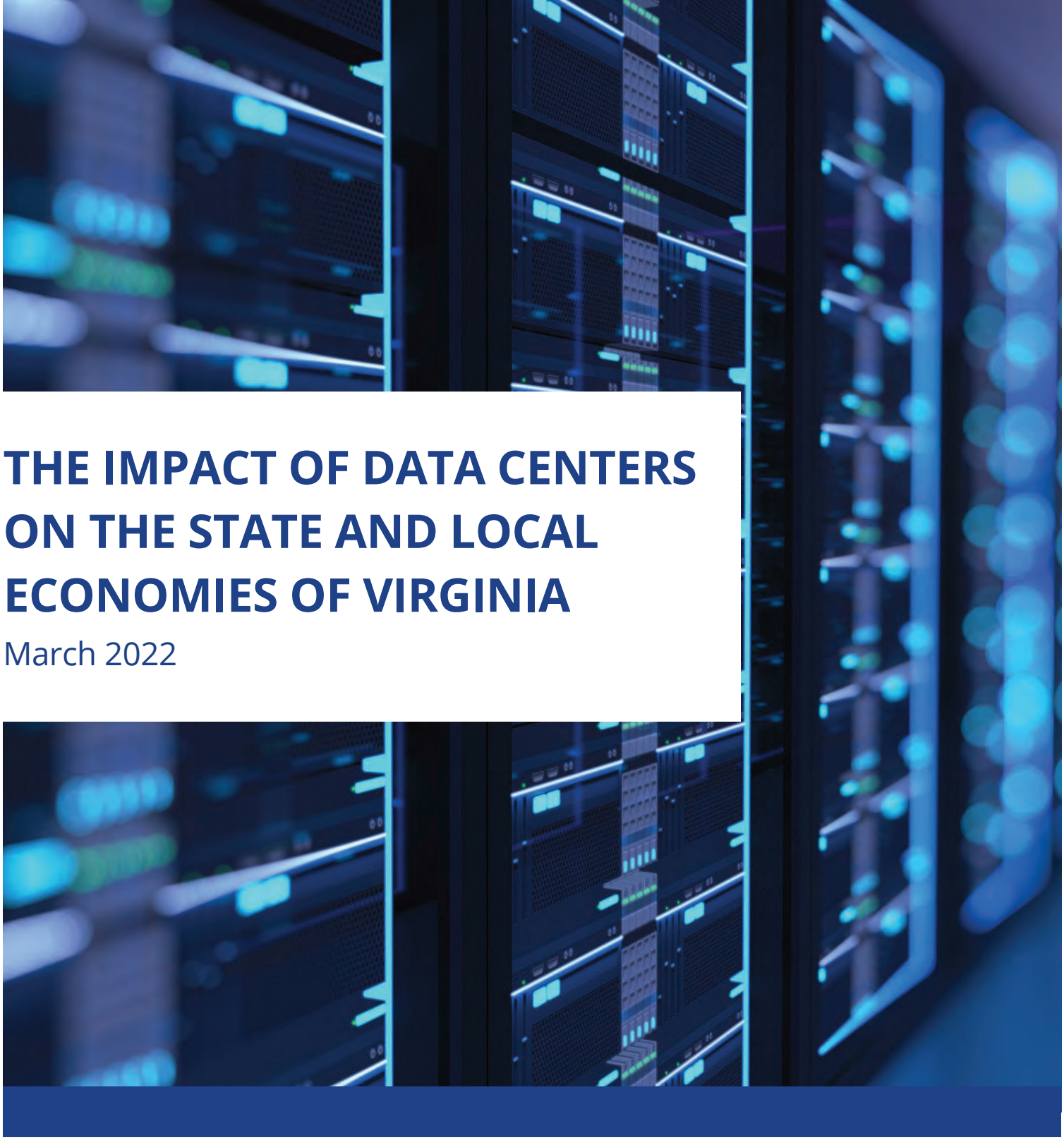
Thanks,

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EXHIBIT B



THE IMPACT OF DATA CENTERS ON THE STATE AND LOCAL ECONOMIES OF VIRGINIA

March 2022

nvtc
NORTHERN VIRGINIA TECHNOLOGY COUNCIL

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Report Prepared by:

MANGUM economics

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About Mangum Economics, LLC

Mangum Economics, LLC is a Glen Allen, Virginia based firm that specializes in producing objective economic, quantitative, and qualitative analysis in support of strategic decision making. Much of our recent work relates to IT and Telecom Infrastructure (data centers, terrestrial and subsea fiber), Renewable Energy, and Economic Development.

Examples of typical studies include:

- ## Policy Analysis

  Identify the intended and, more importantly, unintended consequences of proposed legislation and other policy initiatives.

- ## Economic Impact Assessments and Return on Investment Analyses

  Measure the economic contribution that businesses and other enterprises make to their localities.

- ## Workforce Analysis

  Project the demand for, and supply of, qualified workers.

- ## Cluster Analysis

  Use occupation and industry clusters to illuminate regional workforce and industry strengths and identify connections between the two.

The Project Team

David Zorn, Ph.D.
Director, Technology and Special Projects Research
A. Fletcher Mangum, Ph.D.
Founder and CEO
Martina Arel, M.B.A.
Director, Economic Development and Renewable Energy Research

Acknowledgments

This report was made possible in part by the unique data supplied by the Loudoun County Department of Economic Development (especially, Alex Gonski and Buddy Rizer) and the Prince William County Department of Economic Development (especially Allisha Abraham, Thomas Flynn, and Jim Gahres). Fairfax County Economic Development Authority (especially Catherine Riley and Stephen Tarditi) also provided important information for the report.

About the Northern Virginia Technology Council

The Northern Virginia Technology Council (NVTC) is the trade association representing the National Capital Region's technology community. As one of the nation's largest technology councils, NVTC serves companies from all sectors of the industry, from small business and startups to Fortune 100 technology companies, as well as service providers, academic institutions, and nonprofit organizations. Nearly 500 entities make up the NVTC membership and look to the organization as a resource for networking and educational opportunities, peer-to-peer communities, policy advocacy, industry promotion, fostering of strategic relationships, and branding of the region as a major technology center.

website: nvtc.org
email: nvtc@nvtc.org
phone: 703-904-7878

If you are interested in joining NVTC, please contact Steve Upton, NVTC Chief Growth Officer at supton@nvtc.org.

TABLE OF CONTENTS

Executive Summary 4

Data Centers Drive Investment in Virginia 6

Economic Profile of Data Centers in Virginia 8

The Northern Virginia Data Center Market in 2021 8

Rapidly Raising Wages in Virginia Data Centers 9

The Regional Distribution of Data Center Investment in Virginia 10

The Impact of Data Centers on Virginia State and Local Economies 12

Virginia Statewide 14

Central and Coastal Virginia 15

Investment Highlight - Community Action Grants 15

Northern Virginia 16

Investment Highlight - The Northern Virginia Community College Programs 17

Investment Highlight - New Data Center Expansions in Fairfax County 17

Southern Virginia 18

Investment Highlight - SOVA Innovation Hub 19

Valley and Western Virginia 20

Investment Highlight - Project Oasis and Mineral Gap 21

Data Centers' Contribution to State and Local Government Budgets 22

Statewide and Regional Tax Collections Associated with Data Centers 22

Data Centers Contribute to Local Government Budgets 23

Data Centers' High Local Benefit to Cost Ratio 23

Local Data Centers Reduce the Burden on the State Education Budget 26

Virginia's Data Center Sales and Use Tax Exemption 27

Virginia Treats Data Centers Like Other Capital-Intensive Industries 27

JLARC's Evaluation of the Data Center Incentive 28

The Incentive Helps to Attract Some Data Centers that Do Not Qualify for the Incentive 30

National Context for Virginia Incentives 30

Competition Between States 32

New York - New Jersey - Connecticut 32

Illinois - Indiana 32

Executive Summary

Data centers are the major drivers of investment in Virginia. According to information from the Virginia Economic Development Partnership (VEDP), in 2021, 62% ($6.8 billion) of all the new investment announced by VEDP was from new and expanding data centers.

The investment in data centers in Virginia is also driving investment in businesses in the data center supply chain. Some specific examples of new investment in Virginia associated with data centers include:

- Aggreko establishing its North American data center headquarters in Loudoun County
- Anord Mardix adding a second manufacturing plant in Henrico County
- Hanley Energy establishing its U.S. headquarters and manufacturing plant in Ashburn
- Munters Group investing $36 million in a new manufacturing facility in Botetourt County. [1]

The concentration of data centers in Virginia spurred the construction of the subsea cable landing in Virginia Beach that serves the MAREA, BRUSA and Dunant cables. Confluence Networks also plans the construction of Confluence-1, a festoon cable connecting Virginia Beach to New Jersey, South Carolina and Florida.

Virginia now has data centers located throughout the state, from Wise County and Harrisonburg in the Valley and Western Virginia, to Mecklenburg County in Southern Virginia, to Henrico County and Virginia Beach in Central and Coastal Virginia, to Loudoun County in Northern Virginia, and other localities.

Northern Virginia has the largest data center market in the United States. As of 2021, the data center inventory in Northern Virginia exceeds that of the next 5 largest markets combined. The compound annual rate of growth in data centers in Northern Virginia from 2014 to 2021 was 25%. In comparison, Dallas-Fort Worth, the next fastest growing area, had compound annual growth rate of 10%. From 2018 to 2021, the total data center capacity in Northern Virginia more than doubled.

Between 2001 and 2020, the average private sector employee of a Virginia data center saw their gross income go up 70% faster than the average private sector employee in Virginia. We estimate that in 2021, data center employed 5,550 Virginians, not counting construction workers building data centers in the state. Approximately 88% (4,920) were working in Northern Virginia, while six percent (330) worked in Southern Virginia, five percent (250) worked in Central and Coastal Virginia, and one percent (50) worked in the Valley and Western Virginia. The accumulated capital investment in data centers across the state amounts to $126 billion in 2021 dollars. Virginia data centers spent $5.4 billion in 2021 for operational expenses, the majority of which goes for staffing and power.

[1] https://roanoke.org/2021/03/25/munters-group-ab-to-invest-36-million-in-botetourt-county/

In 2021, the data centers in Virginia directly provided approximately:

- 5,550 operational jobs and 10,230 construction and manufacturing jobs
- $1.6 billion in associated employee pay and benefits
- $7.5 billion in economic output

Taking into account the economic ripple effects generated by that direct impact, the total impact on Virginia from data centers in 2021 was approximately:

- 45,460 supported jobs
- $3.6 billion in associated employee pay and benefits
- $15.3 billion in economic output

For every job inside a Virginia data center, there are 4.1 additional jobs that are supported in the rest of the Virginia economy.

We estimate that in 2021, data centers were directly and indirectly responsible for generating $174 million in state revenue and $1 billion local tax revenue in Virginia.

In 2020, the local benefit to cost ratios associated with the industry were:

- Loudoun County - for every $1.00 in county expenditures that data centers were responsible for generating, it provided approximately $13.20 in tax revenue
- Prince William County - for every $1.00 in county expenditures that data centers were responsible for generating, it provided approximately $13.50 in tax revenue

Because of the way that the state of Virginia subsidizes local education budgets, without data centers in Loudoun and Prince William counties, the State of Virginia would have to reallocate $90.5 million in State education funding away from other Virginia localities to provide $73 million in additional funding to Loudoun County, and $17.5 million in additional funding to Prince William County.

In 2019, The Joint Legislative Audit and Review Commission (JLARC) published an evaluation of Virginia's data center and manufacturing incentive programs. JLARC found:

- 90% of the data center investment made by the companies that received the sales and use tax exemption would not have occurred in the state of Virginia without the incentive
- In 2017, the State took in $1.09 in state tax revenue from data center related activity for every $1 of potential state tax revenue that was exempted from qualifying data centers
- In 2016, the data center incentive was revenue neutral - it generated $1 in additional state tax revenue for every $1 of potential state tax revenue that it exempted
- From 2013 through 2017, on average, the State recovered 75 cents in state tax revenue for every one dollar of potential tax revenue exempted from qualifying data centers

Over 30 states have some type of incentive to attract data centers to their states. In the last couple of years, Arizona, Connecticut, Idaho, Maryland, North Dakota, Pennsylvania, and Utah have all enacted or expanded sales and use tax incentives targeting data centers for economic development.

Data Centers Drive Investment in Virginia

Data centers are the major drivers of investment in Virginia. Investment in the state comes in the form of the construction and operation of the data centers themselves, plus investments in Virginia made by businesses that supply and support data centers in the state.

According to information from the Virginia Economic Development Partnership (VEDP), [2] in 2021, 62% ($6.8 billion) of all of the new investment announced by VEDP was from new and expanding data centers. In 2020, data centers accounted for 81% ($7.9 billion) of all of the new investment that VEDP announced. As explained below, we estimate that the accumulated capital investment of data centers in Virginia amounts to $126 billion in 2021 dollars employing 5,550 operational workers.

The investment in data centers in Virginia is also driving investment in businesses in the data center supply chain. Some specific examples of new investment in Virginia associated with data centers include the $36 million investment by Munters Group in a new manufacturing facility in Botetourt County for 200 employees. [3] Munters is a global manufacturer of air treatment and climate control equipment, including data center cooling systems. A significant portion of the cost of building a data center goes to the equipment needed for cooling. Michael Gantert, the president of Data Centers at Munters, stated that, "A move to the Roanoke region will allow for the expansion that is needed for the Data Centers business in the U.S." [4]

Another example of recent data center supply chain investment in Virginia is Hanley Energy establishing its U.S. headquarters and manufacturing plant in Ashburn. [5] The Irish company provides energy-monitoring products and services for data centers. The new plant and headquarters will employ 170 new workers by the end of 2022. Additionally, Aggreko established its North American data center headquarters in Loudoun County. The British company produces temporary power generation and energy story equipment for data centers. Mike Clemson, the head of Aggreko's North American Data Center Division, stated, "The choice to establish a presence in Loudoun was a natural one, as virtually all of our data center customers are present in the Data Center Alley. The opportunity for us to grow our data center business in Loudoun County is tremendous." [6]

In Henrico County in 2019, Anord Mardix, a global power distribution and management manufacturer, spent almost a million dollars and added 51 new jobs for a second manufacturing plant. The power switchgear produced in the company's two manufacturing facilities is used in data centers and other critical infrastructure businesses. Chairman of the Henrico County Board of Supervisors, Tyrone Nelson, said, "Anord Mardix's success supports Henrico's growing data center cluster as they supply critical power infrastructure to data centers and mission-critical facilities across the globe." [7]

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[2] https://announcements.vedp.org/Announcements/
[3] https://roanoke.org/2021/03/25/munters-group-ab-to-invest-36-million-in-botetourt-county/
[4] https://www.munters.com/en-us/media/news/global-news/2021/munters-relocates-in-the-us-to-expand-data-center-business/
[5] Dan Swinhoe, "Hanley Energy expands in Virginia, will base US headquarters in Loudoun County," May 25, 2021.
[6] LoudounNow, "Aggreko to Establish Data Center Division Headquarters in Loudoun," July 10, 2021.
[7] https://www.governor.virginia.gov/newsroom/all-releases/2019/january/headline-837867-en.html

The concentration of data centers in Virginia spurred the construction of the subsea cable landing in Virginia Beach that serves the MAREA cable going to Spain, the BRUSA cable going to Puerto Rico and Brazil, and Google's Dunant cable going to France. Confluence Networks also plans the construction of Confluence-1, a festoon cable connecting Virginia Beach to New Jersey, South Carolina, and Florida. These subsea cables enable very high-speed connections which businesses will increasingly need for the deployment of "Industry 4.0" technologies. The Globalinx and Telxius data centers in Virginia Beach offer collocated connections to the MAREA and BRUSA cables. The DP Facilities data center in Wise County takes advantage of the MidAtlantic Broadband Communities Corporation fiber connections to the MAREA subsea cable. The data centers in Northern Virginia and the cable landing station in Virginia Beach attracted Facebook to invest in its large data center in Henrico County, midway between the two locations. Additionally, QTS has connected its large data center and network access point in Henrico County to the subsea cables in Virginia Beach, offering very low latency connections to Europe and Brazil.

The technology companies that own and operate data centers have made commitments to use renewable energy for their operations. In general, they prefer to have the renewable energy that they purchase generated close to their facilities. That has created a strong demand for investments in renewable energy in Virginia. Dominion Energy is spending over nine billion dollars to build a wind farm off Virginia Beach which will create thousands of jobs in Hampton Roads. And the Solar Energy Industries Association reports that 3,444 megawatts (MW) of solar generation capacity has been installed in Virginia. [8] Using general industry averages of one million dollars of investment per MW, the data centers in Virginia have helped to create demand for $3.4 billion of investment in solar energy projects in the state.

Virginia's data center tax incentive programs are investments in not only in data centers, but also in the manufacturing, energy, and service businesses that are associated with them. The incentive sends a clear signal to potential investors worldwide that the business climate in Virginia is friendly to the high-tech industry.

This report quantifies the significant contribution that data centers make to the state of Virginia and its localities, and it puts Virginia's data center incentive program into the national context of the competition to attract data centers.

[8] https://www.seia.org/state-solar-policy/virginia-solar

Economic Profile of Data Centers in Virginia

Virginia now has data centers located throughout the state, from Wise County and Harrisonburg in the Valley and Western Virginia, to Mecklenburg County in Southern Virginia, to Henrico County and Virginia Beach in Central and Coastal Virginia, to Loudoun County in Northern Virginia, and other localities. This report shows how data centers in every part of the state make an important economic contribution to employment and taxes in every region and to the state as a whole. We begin with an update on the remarkable data center market in Northern Virginia.

The Northern Virginia Data Center Market in 2021

Northern Virginia has the largest data center market in the United States. As of 2021, by our calculations based on data from CBRE [9] and JLL [10], the data center inventory in Northern Virginia exceeds that of the next 5 largest markets (Chicago, Dallas-Fort Worth, Silicon Valley, New York/Tri-State Area, and Phoenix) combined.

Northern Virginia's place at the top of the data center market is a relatively recent development. In 2016, Northern Virginia had just supplanted the New York market as the largest data center market in the United States. In 2017, the New York/Tri-State area had fallen to become the sixth largest data center market. A 2011 report on the data center market in the United States contains only one mention of Virginia in four pages, "Reston, VA has excess supply and new construction will be minimal for a few years." [11] The locations that were highlighted as important in the industry were Chicago, Silicon Valley, Southern California, Phoenix, New York, St. Louis, Washington State, Boston, Minneapolis, Denver, and Charlotte. Regarding what has become the second largest data center market, the report says, "Dallas has excess capacity and growth remains slow."

This illustrates the fluid nature of the data center market and the speed with which market conditions can change in the industry. Once-hot markets can cool off rapidly. In 2017, the data center market in Phoenix had enormous growth, but between the second half of 2018 and the first half of 2019, Phoenix saw net outflows of 26.5 MW worth of tenants, which is almost the same amount that Northern Virginia added in the same period. [12] The computer equipment in data centers is replaced on average every three to five years. Should circumstances warrant it, data center tenants can move from one location to another and leave significant vacancies in colocation data centers.

[9] CBRE, Digital Infrastructure in 2021: The Search for Land, Space, Power and Connectivity, North America Data Center Trends Report, H1 2021.
[10] JLL, H1 2021 Data Center Outlook.
[11] ESD (Environmental Systems Design, Inc.), 2011 Data Center Technical Market Report. February 2011.
[12] CBRE, Large Supply Pipeline Sets Stage for Market Growth in 2019 North American Data Center Report H1 2019.

Figure 1: Relative Sizes of Largest Data Center Markets (megawatts of power capacity) - 2021 [13]

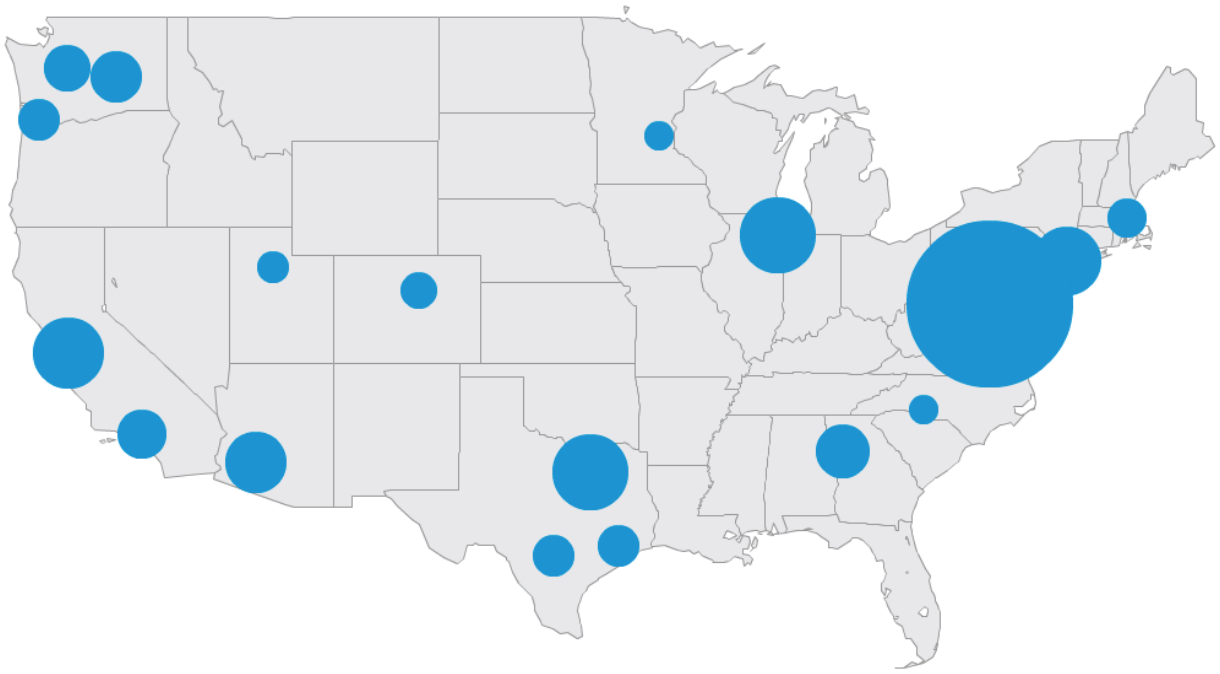


Figure 1 shows the 18 largest data center markets in the United States, as identified by CBRE and JLL. The area of each circle indicates the relative amount of power capacity in each market.

As large as the data center market in Northern Virginia is, the growth of data centers in Northern Virginia is even more impressive. We estimate that the compound annual rate of growth in data centers in Northern Virginia from 2014 to 2021 was 25%. [14] In comparison, Dallas-Fort Worth, a fast growing area, had a compound annual growth rate of 10%. [15] From 2018 to 2021, the total data center capacity in Northern Virginia more than doubled.

Rapidly Rising Wages in Virginia Data Centers

One of the key characteristics of data centers is that they are extremely capital intensive. In other words, data centers employ a relatively small number of highly skilled and highly paid people to operate and maintain a large amount of expensive equipment. Therefore, it is useful to also look at trends in private sector average annual wages in the industry.

Between 2001 and 2020 the average annual private sector wage in the data processing and hosting industry in Virginia grew from $61,117 to $134,308 – a 120% increase. [16]

[13] Mangum Economics estimates based on 2021 data from CBRE and JLL.
[14] Mangum Economics estimates based on data from CBRE and JLL.
[15] Mangum Economics estimates based on data from CBRE and JLL.
[16] Data Source: U.S. Bureau of Labor Statistics.

In comparison, over the same period average private wages across all industries in Virginia went from $36,525 to $62,250 – an increase of 70%. [17] In other words, over the 19-year period, the average private sector employee of a Virginia data center saw their gross income go up 70% faster than the average private sector employee in Virginia.

This combination of growing investment and rapidly rising wages make data centers one of Virginia's highest performing industries and an important (and growing) contributor to a strong and robust state economy. Moreover, in a state such as Virginia where roughly two-thirds of state revenue comes from personal income tax, high growth/high wage industries such as data centers also play a disproportionate role in ensuring the health of the State's budget.

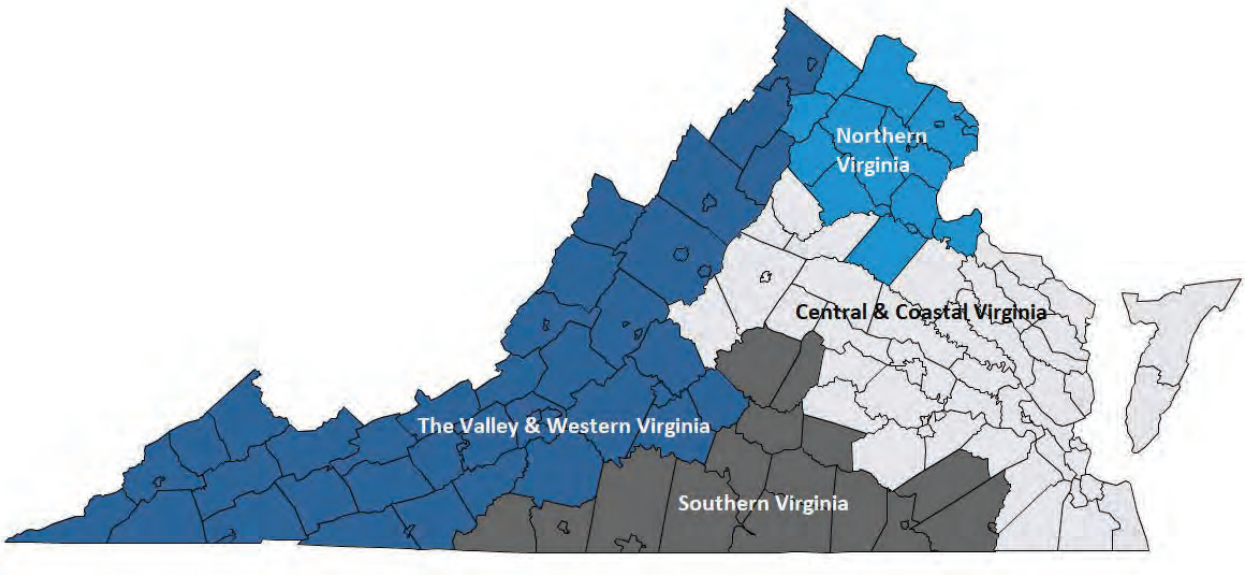
The Regional Distribution of Data Center Investment in Virginia

As impressive as the data center market in Northern Virginia is, in this section, we describe how data center investment is distributed across the state. In this report the method that we use to identify data center investment is different than we have used for previous editions of this report for NVTC. This time we use detailed information on the specific identity, exact location, and size of data centers in Virginia. Using a proprietary data center cost model that we built and validated based on information from various industry sources, we translate data center size information into estimates of employment, local capital investment, and operating costs. We have used this model in projects across the United States.

For the purpose of this report, we have divided the state of Virginia into four regions: Northern Virginia, Central and Coastal Virginia, The Valley and Western Virginia, and Southern Virginia. Figure 2 shows the way we have defined these regions by locality. To identify these four regions, we started with the eight regions identified by the Weldon Cooper Center Demographics Research Group that are based on "communities' shared demographic, social, economic, and geographic characteristics." [18] We then grouped the eight demographic regions into four regions of data center investment that have different catalysts for data center development. Data center development in Northern Virginia is motivated by the existing bulk of data center development in the area, as well as proximity to the federal government and tech companies in the area. Development in Central and Coastal Virginia is significantly due to proximity to the subsea cable landing station in Virginia Beach and to the major terrestrial fiber route running from Northern Virginia south to Raleigh, North Carolina. Data center development in Southern Virginia has the security advantages provided by distance from major population centers while still being centrally located on the East Coast of the United States. For the Valley and Western Virginia, data center development can continue to occur fostered by a robust fiber network and access to geothermally-cooled water. [19]

[17] Data Source: U.S. Bureau of Labor Statistics.
[18] https://demographics.coopercenter.org/virginia-regions
[19] https://www.investswva.org/project-oasis

Figure 2: Four Sub-State Regions



We estimate that in 2021, 5,550 Virginians were employed in data centers, not counting construction workers building data centers in the state. Approximately 88% (4,920) worked in Northern Virginia, while six percent (330) worked in Southern Virginia, five percent (250) worked in Central and Coastal Virginia, and one per (50) worked in the Valley and Western Virginia. A review of job listings posted online by data center operators shows active job openings in all four regions of the state. Data center employment should continue to increase throughout the state into the future.

Additionally, we estimate that the accumulated capital investment in data centers across the state amounts to $126 billion in 2021 dollars. We estimate that Virginia data centers spent $5.4 billion in 2021 for operational expenses, the majority of which was spent for staffing and power.

The Impact of Data Centers on Virginia State and Local Economies

The construction and ongoing operation of data centers in Virginia have large, broad effects across the state economy. In this section, we estimate the statewide economic impact that data centers have on Virginia, as well as in each of the four sub-state regions detailed earlier. To empirically evaluate the statewide and regional economic impact attributable to data centers, we employ a commonly used regional economic impact model called IMPLAN. [20]

Regional economic impact modeling measures the ripple effects that an expenditure generates as it makes its way through the economy. Spending by data centers in Virginia has a direct economic impact on the state and regional economy in terms of people hired as data center employees, employee pay and benefits, and economic activity in the region for utilities, construction, and equipment. That direct spending by the data centers creates the first ripple of economic activity.

As data center employees and businesses (like construction contractors for data centers, power companies that supply data centers, and data center equipment suppliers) spend the money that they were paid by data center companies, they create another indirect ripple of economic activity that is part of the second-round effects of data center activity.

In addition to the economic effects in the Virginia state and local economies of the data center-to-other business transactions, there are also the second-round economic effects associated with data center employee-to-business transactions that ripple through local economies. These effects occur when data center employees buy groceries; pay rent; go out for dinner, entertainment, or other recreation; pay for schooling in Virginia; or make other local purchases. Additionally, there are the second-round economic effects of business-to-business transactions between the direct vendors to data centers and their suppliers.

The total impact is simply the sum of the first round direct and second round impacts. These categories of impact are then further defined in terms of employment (the jobs that are created), labor income (the pay and benefits associated with those jobs), and economic output (the total amount of economic activity that is created in the economy).

[20] IMPLAN is produced by IMPLAN Group, LLC.

There are many Virginia businesses that are part of the data center supply chain. To illustrate some of the types of companies located in Virginia that benefit from data centers in Virginia and that, in turn, generate economic activity in the state, in Table 1 we list a few different types of businesses in the Virginia data center supply chain. The list of businesses in Table 1 is not an endorsement, promotion, or commendation of them, and it is far from a complete list of companies. We only provide it to illustrate some of the types of businesses that are part of the second ripple effect of economic activity related to spending by data centers.

Table 1: Some Businesses Serving Virginia Data Centers

Company	Line of Business	Location
Aggreko North America	temporary power generation and storage products	Loudoun
Anord Mardix	power distribution and management products and services	Henrico
Compu Dynamics	design, construction, optimization, and maintenance	Sterling
Fulcrum Collaborations	facilities management cloud-based platform	Glen Allen
Hanley Energy	energy management services	Ashburn
Interglobix	data center and fiber interconnectivity consulting and marketing	Herndon
Metro Fiber Networks	carrier-neutral fiber connecting Virginia Beach to Henrico data centers	Yorktown
Munters	cooling and air treatment	Buena Vista (expanding to Daleville)
Power Distribution Incorporated	power transformation, distribution, and monitoring	Richmond
Rosendin Electric	design and construction services	Sterling
Submer	IT hardware immersion cooling	Ashburn
Technoguard	materials, cleaning, decontamination, and disaster recovery	Sterling
Timmons Group	site certification and development	Richmond
Windward Consulting	management consulting	Herndon

Virginia Statewide

We estimate that in 2021 data centers in Virginia directly provided approximately:

- 5,550 operational jobs and 10,230 construction and manufacturing jobs
- $1.6 billion in associated employee pay and benefits
- $7.5 billion in economic output

Taking into account the economic ripple effects generated by that direct impact, we estimate that the total impact on Virginia from data centers in 2021 was approximately:

- 45,460 supported jobs
- $3.6 billion in associated employee pay and benefits
- $15.3 billion in economic output.

For every job inside a Virginia data center, there are 4.1 additional jobs that are supported in the rest of the Virginia economy, not counting construction jobs.

Table 2: Economic Impact of Data Centers in Virginia in 2021

Direct Effects	Jobs	Pay & Benefits	Economic Output
Data Center Construction	10,230	$760,500,000	$2,021,100,000
Data Center Operation	5,550	$862,200,000	$5,528,700,000
Supported Effects			
Data Center Construction Supported	6,680	$411,300,000	$1,314,600,000
Data Center Operation Supported	23,000	$1,603,300,000	$6,412,900,000
Total Impact			
Construction Subtotal	16,910	$1,171,800,000	$3,335,700,000
Operation Subtotal	28,550	$2,465,500,000	$11,941,600,000
Total Economic Impact in Virginia	45,460	$3,637,300,000	$15,277,300,000

Because of the large amount of data center development in Virginia over the last several years, parts of the data center construction and operations supply chains (illustrated in Table 1) have developed in the state. This is why data center development in one part of the state creates impacts in other parts of the state. In the following sections covering the four regions of the state, we show the local impacts of direct investment in a region from the construction and operation of data centers. We also show the impacts in each region caused by data center development in other regions.

So, for example, the 9,680 construction jobs building data centers in Northern Virginia supported 5,330 jobs in other industries in Northern Virginia, as well as supporting 380 jobs in Central and Coastal Virginia, 30 jobs in Southern Virginia, and 540 jobs in the Valley and Western Virginia. Likewise, the 4,920 operational jobs in Northern Virginia data centers supported 19,140 jobs in other industries in Northern Virginia, as well as supporting 1,030 in Central and Coastal Virginia, 20 jobs in Southern Virginia, and 60 jobs in the Valley and Western Virginia.

Central and Coastal Virginia

We estimate that in 2021, data centers in Central and Coastal Virginia directly provided approximately:

- 250 operational jobs and 290 construction jobs
- $41 million in associated employee pay and benefits
- $289 million in economic output

Taking into account the economic ripple effects generated by that direct impact, we estimate that the total impact on Central and Coastal Virginia from data centers in 2021 was approximately:

- 3,640 supported jobs (including 1,650 supported data centers in other parts of the state)
- $244 million in associated employee pay and benefits
- $1.1 billion in economic output.

Table 3: Economic Impact of Data Centers on Central and Coastal Virginia in 2021

Direct Effects in Central & Coastal Virginia	Jobs	Pay & Benefits	Economic Output
Data Center Construction	290	$18,100,000	$53,400,000
Data Center Operation	250	$23,000,000	$236,000,000
Construction-Supported Effects from Data Centers in...			
Central & Coastal Virginia	210	$11,500,000	$38,700,000
Northern Virginia	380	$24,900,000	$87,600,000
Valley & Western Virginia	20	$1,400,000	$4,600,000
Operation-Supported Effects from Data Centers in...			
Central & Coastal Virginia	1,240	$76,700,000	$339,200,000
Northern Virginia	1,030	$75,800,000	$291,000,000
Southern Virginia	200	$11,600,000	$44,000,000
Valley & Western Virginia	20	$1,000,000	$4,000,000
Central & Coastal Virginia Impact			
Construction Subtotal	**900**	**$55,900,000**	**$184,300,000**
Operation Subtotal	**2,740**	**$188,100,000**	**$914,200,000**
Total Impact of Data Centers in Central & Coastal Virginia	**3,640**	**$244,000,000**	**$1,098,500,000**

Investment Highlight - Community Action Grants

Meta (formerly dba Facebook) has a Community Action Grants program to fund non-profit projects that meet community needs by deploying technology to benefit the community, build stronger online and offline connections among people, and improve local science, technology, engineering, and mathematics education. In 2021, the program provided funding for eight projects including buying laptop computers for local 10th graders, funding Henrico County Public Library's WiFi lending program, buying video equipment for children with illnesses, and supporting a telehealth program for underserved students and families.

Northern Virginia

We estimate that in 2021, data centers in Northern Virginia directly provided approximately:

- 4,920 operational jobs and 9,680 construction jobs
- $1.5 billion in associated employee pay and benefits
- $7 billion in economic output

Taking into account the economic ripple effects generated by that direct impact, we estimate that the total impact on Northern Virginia from data centers in 2021 was approximately:

- 39,230 supported jobs (including 160 supported data centers in other parts of the state)
- $3.3 billion in associated employee pay and benefits
- $13.5 billion in economic output

Table 4: Economic Impact of Data Centers on Northern Virginia in 2021

Direct Effects in Northern Virginia	Jobs	Pay & Benefits	Economic Output
Data Center Construction	9,680	$733,800,000	$1,931,700,000
Data Center Operation	4,920	$802,000,000	$5,066,700,000
Construction-Supported Effects from Data Centers in...			
Northern Virginia	5,330	$340,800,000	$1,063,100,000
Central & Coastal Virginia	10	$500,000	$1,600,000
Southern Virginia	10	$600,000	$1,400,000
Operation-Supported Effects from Data Centers in...			
Northern Virginia	19,140	$1,373,200,000	$5,429,900,000
Central & Coastal Virginia	40	$3,300,000	$8,500,000
Southern Virginia	80	$5,400,000	$16,900,000
Valley & Western Virginia	20	$1,500,000	$4,200,000
Northern Virginia Impact			
Construction Subtotal	**15,030**	**$1,075,700,000**	**$2,997,800,000**
Operation Subtotal	**24,200**	**$2,185,400,000**	**$10,526,200,000**
Total Impact of Data Centers in Northern Virginia	**39,230**	**$3,261,100,000**	**$13,524,000,000**

Investment Highlight - The Northern Virginia Community College Programs

Northern Virginia Community College (NOVA) has developed programs to help address the challenges that data centers in the Northern Virginia area have meeting their staffing needs. Amazon Web Services (AWS) has a paid apprenticeship program at the NOVA. [21] In December 2018, the program graduated its first students into full-time Associate Cloud Consultant jobs with AWS.

NOVA also has a 2-year Associate of Applied Science program to train Datacenter Operations Technicians. [22] The program includes lab training at a training data center that the State of Virginia built on the NOVA Loudoun Campus. The program started with 19 students in its very first year, and enrollment has increased significantly since then. Graduates quickly find jobs in Northern Virginia data centers and the companies that work for them.

Investment Highlight - New Data Center Expansions in Fairfax County

Data center investment in Fairfax County has increased significantly in the past two years. Data centers in Fairfax County currently occupy 2.4 million square feet in 28 facilities. As of February 2022, the pipeline of new data center development includes 1.9 million square feet, with 375,000 square feet already under construction. Fairfax County has development opportunities available in both greenfield areas near Dulles International Airport and infill locations in Tysons Corner.



[21] NOVA, "Amazon and Northern Virginia Community College Announce Graduation of the First Veteran Technical Apprenticeship Cohort on the East Coast," December 12, 2018.
[22] NOVA 2019-2020 Catalog, Engineering Technology: Data Center Operations Specialization, A.A.

Southern Virginia

We estimate that in 2021, data centers in Southern Virginia directly provided approximately:

- 330 operational jobs and 260 construction jobs
- $39 million in associated employee pay and benefits
- $215 million in economic output

Taking into account the economic ripple effects generated by that direct impact, we estimate that the total impact on Southern Virginia from data centers in 2021 was approximately:

- 1,400 supported jobs (including 60 supported by data centers in other parts of the state)
- $73 million in associated employee pay and benefits
- $402 million in economic output

Table 5: Economic Impact of Data Centers on Southern Virginia in 2021

Direct Effects in Southern Virginia	Jobs	Pay & Benefits	Economic Output
Data Center Construction	260	$8,600,000	$36,000,000
Data Center Operation	330	$30,400,000	$178,900,000
Construction-Supported Effects from Data Centers in...			
Southern Virginia	110	$4,400,000	$17,000,000
Central & Coastal Virginia	-	$100,000	$800,000
Northern Virginia	30	$1,600,000	$7,200,000
Operation-Supported Effects from Data Centers in...			
Southern Virginia	640	$26,600,000	$155,700,000
Central & Coastal Virginia	10	$300,000	$1,800,000
Northern Virginia	20	$800,000	$4,200,000
Valley & Western Virginia	-	$100,000	$500,000
Southern Virginia Impact			
Construction Subtotal	**400**	**$14,700,000**	**$61,000,000**
Operation Subtotal	**1,000**	**$58,200,000**	**$341,100,000**
Total Impact of Data Centers in Southern Virginia	**1,400**	**$72,900,000**	**$402,100,000**

Investment Highlight - SOVA Innovation Hub

Mid-Atlantic Broadband Communities Corporation and Microsoft TechSpark are investing in Southern Virginia, in part, by jointly creating the SOVA Innovation Hub in South Boston to offer programs to inspire entrepreneurship and the pursuit of digital careers. The new building houses coworking, meeting, and training space. Training programs are offered for job seekers, educators, families, and businesses. The Hub has assisted a broad range of businesses, from the arts, to driver training, marketing, and organic horticulture.

Microsoft's Southern Virginia TechSpark is a civic program created to foster job creation and economic development in the area. In addition to the innovation hub, TechSpark has helped to create technology education and literacy programs in every high school in the region, "Girls Who Code" clubs in Halifax and Mecklenburg Counties, and the deployment of free public WiFi networks Boydton and Clarksville. [23]



[23] Miranda Baines, "Microsoft TechSpark Celebrates Third Anniversary," Gazette-Virginian, December 1, 2020.

Valley and Western Virginia

We estimate that in 2021, data centers in the Valley and Western Virginia directly provided approximately:

- 50 operational jobs
- $7 million in associated employee pay and benefits
- $47 million in economic output

Taking into account the economic ripple effects generated by that direct impact, we estimate that the total impact on the Valley and Western Virginia from data centers in 2021 was approximately:

- 1,190 supported jobs (including 950 supported by data centers in other parts of the state)
- $59 million in associated employee pay and benefits
- $253 million in economic output

Table 6: Economic Impact of Data Centers on the Valley and Western Virginia in 2021

Direct Effects in the Valley & Western Virginia	Jobs	Pay & Benefits	Economic Output
Data Center Operation	50	$6,800,000	$47,100,000
Construction-Supported Effects from Data Centers in...			
Central Virginia	20	$600,000	$1,900,000
Northern Virginia	540	$23,900,000	$87,100,000
Southern Virginia	20	$1,000,000	$3,600,000
Operation-Supported Effects from Data Centers in...			
Valley & Western Virginia	190	$8,700,000	$40,000,000
Central Virginia	10	$500,000	$2,000,000
Northern Virginia	300	$14,300,000	$58,200,000
Southern Virginia	60	$3,500,000	$12,800,000
Valley & Western Virginia Impact			
Construction Subtotal	**580**	**$25,500,000**	**$92,600,000**
Operation Subtotal	**610**	**$33,800,000**	**$160,100,000**
Total Impact of Data Centers in the Valley & Western Virginia	**1,190**	**$59,300,000**	**$252,700,000**

Investment Highlight - Project Oasis and Mineral Gap

Part of the InvestSWVA public-private partnership is Project Oasis – a program to attract data centers to Southwest Virginia. The program emphasizes the ability of the area to assist data centers locating in the area to achieve their sustainability goals by taking advantage of the region's solar farms and availability for geothermal cooling.

The DP Facilities data center in Mineral Gap (Wise County) offers a high-security, 65,000 square foot facility in a reclaimed mine site with N+2 redundancy, 45 MW of power capacity, and an estimated power usage effectiveness of 1.2. The 22-acre site has room to expand by an additional 200,000 square feet. An on-site solar facility provides 3.5 MW of power for the data center. The $4.6 million solar project is the first solar project in the state to be built on reclaimed mine land.



Data Centers' Contribution to State and Local Government Budgets

Data centers pay millions of dollars in state and local taxes in Virginia, even though Virginia has a sales and use tax exemption on some equipment for data centers that are large enough to qualify for the exemption. All data centers (large and small) pay state employer withholding taxes. At the local level, both large and small data centers pay real estate taxes, tangible personal property taxes, business license taxes, and industrial utilities taxes. Additionally, many data centers still must pay state sales and use taxes on their purchases of data center equipment because they are not large enough to qualify for the Virginia data center incentive.

In addition to the taxes that data centers pay directly, the economic activity that they generate also results in additional tax collections. Data centers pay taxes directly to state and local governments. The employees and business suppliers that are paid directly by the data centers also pay taxes. All of these sources of tax revenue are included in the tax revenue estimates described in this report

Statewide and Regional Tax Collections Associated with Data Centers

In addition to the taxes paid directly by data centers, local governments and the Commonwealth of Virginia collect tax revenue from the secondary indirect and induced economic activity that data centers generate. Table 7 shows our estimates of the taxes directly and indirectly generated by data centers statewide in Virginia and in each of the four sub-state regions in 2021 through that first round and second round economic activity.

We estimate that in 2021, data centers were directly and indirectly responsible for generating $174 million in state revenue and $1 billion local tax revenue in Virginia.

Table 7: Tax Revenue Directly and Indirectly Generated by Data Centers in Virginia in 2021

Region	Local Taxes Collected	State Taxes Collected
Central & Coastal Virginia	$18,200,000	$10,900,000
Northern Virginia	$974,100,000	$153,700,000
Southern Virginia	$8,900,000	$7,600,000
Valley & Western Virginia	$2,200,000	$2,000,000
Virginia Statewide	**$1,003,400,000**	**$174,200,000**

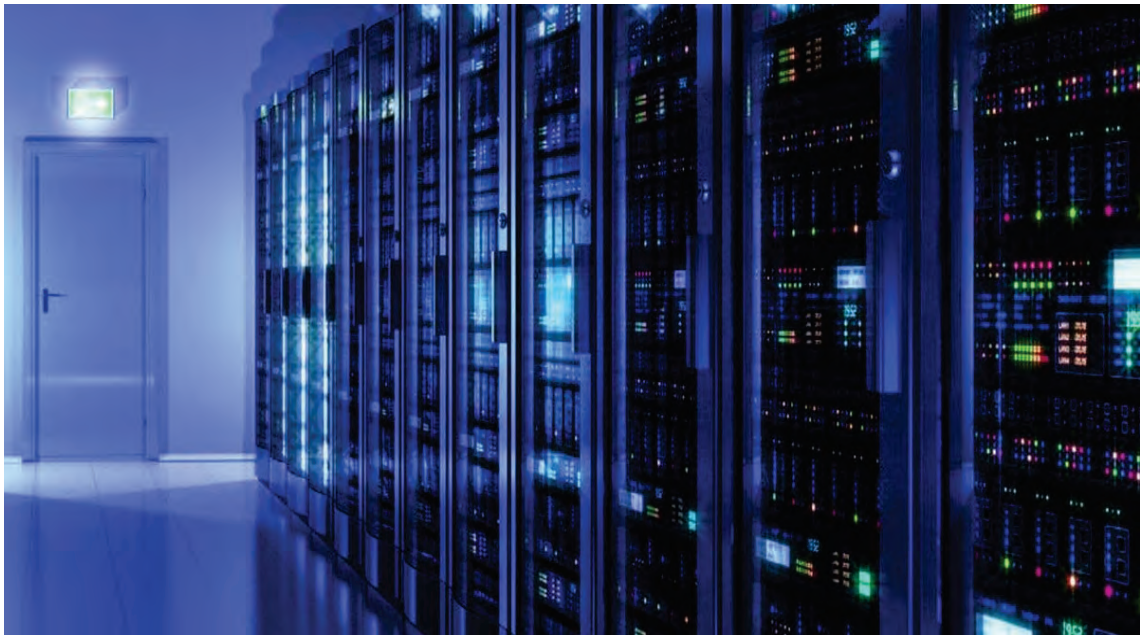
Data Centers Contribute to Local Government Budgets

Data centers generate a large amount of property tax revenue for local governments without placing many demands on local government services. Additionally, the industry also places downward pressure on overall tax rates, thereby improving the locality's business climate and economic attractiveness.

Data Centers' High Local Benefit to Cost Ratio

Data centers provide a high benefit to cost ratio in terms of the tax revenue they generate relative to the government services that they and their employees require. Loudoun and Prince William Counties are home to the most significant concentrations of data centers in Virginia. County staff in those localities were able to provide us with detailed data on the tax revenue generated by this industry in each locality from real and business personal property taxes. [24] As a result, we are able to use those data in combination with data from other sources to compute the benefit to cost ratio associated with data centers in each locality. If local fiscal data were available, similar stories could be told for Mecklenburg and Henrico Counties where there are larger data centers, and to a lesser degree in places like the Cities of Harrisonburg and Virginia Beach, and Albemarle, Culpeper, Fairfax, and Wise Counties which also have data centers.

To quantify the budgetary cost that data centers and their employees imposed on these localities in 2020, [25] we use data from the Virginia Department of Education on local elementary and secondary education expenditures per student, and data from the Virginia Auditor of Public Accounts on local non-education expenditures per county resident. This approach focuses on the largest costs that any business imposes on a local government – the costs associated with providing primary and secondary education, and other county services, to the employees of that business.



[24] It should be noted that, of necessity, these estimates exclude BPOL and other local taxes that also apply to data centers. As a result, the revenue estimates provided almost certainly under-estimate the actual local tax revenues from data centers.
[25] 2020 was the most recent year that data was available for these calculations.

Table 8 details the calculations used to estimate the budgetary cost that data centers and their employees imposed on each of these two counties in 2020. As shown, we estimate those costs to be approximately $37 million in Loudoun County, and $5 million in Prince William County.

Table 8: Estimate of Total Budgetary Costs Imposed by Data Centers and Employees in 2020

	Loudoun County	Prince William County
County Private Sector Data Center Employment[26]	3,500	500
Students per Employee[27]	0.51	0.73
Per Student County Education Expenditures[28]	$11,161	$5,502
Total Education Costs[29]	**$19,922,385**	**$2,008,230**
County Residents per All Employees[30]	2.55	3.85
Per Resident Non-Education County Expenditures[31]	$1,382	$1,427
Total Non-Education Costs[32]	**$12,334,350**	**$2,746,975**
TOTAL COSTS[33]	**$32,256,735**	**$4,755,205**

[26] Data Source: Loudoun County Economic Development Authority and Prince William County Department of Economic Development.
[27] Data Source: Virginia Department of Education and U.S. Bureau of Labor Statistics. Derived by dividing total county elementary and secondary school enrollment in 2020 by total county employment in 2020.
[28] Data Source: Virginia Department of Education.
[29] Calculated as county private sector employment in data centers in 2020, times students per employee, times per student education expenditures.
[30] Data Source: 2020 Census and U.S. Bureau of Labor Statistics. Calculated by dividing total county population in 2020 by total county employment in 2020.
[31] Data Source: Virginia Auditor of Public Accounts and U.S. Census Bureau. Derived by dividing total county non-educational expenditures in 2020 by total county population in 2020.
[32] Derived as county private sector employment in data centers in 2020, times county residents per employee, times per resident non-education expenditures.
[33] Derived as the sum of total education costs and total non-education costs.

As shown in Table 9, combining the estimates of budgetary cost from Table 8 with data from each of the localities on the local revenue generated by data centers shows that in 2020 the benefit to cost ratio associated with the industry was:

- **13.2 in Loudoun County** — which means that for every $1.00 in county expenditures that data centers were responsible for generating in 2020, it provided approximately $13.20 in tax revenue.
- **13.5 in Prince William County** — which means that for every $1.00 in county expenditures that data centers were responsible for generating in 2020, it provided approximately $13.50 in tax revenue.

Table 9: Estimated Benefit/Cost Ratio Associated with Data Centers and Employees in 2020

Locality	Estimated Tax Revenue (Benefit)	Estimated Budgetary Cost	Benefit/Cost Ratio
Loudoun County	$424,700,000	$32,256,735	13.2
Prince William County	$64,200,000	$4,755,205	13.5



Local Data Centers Reduce the Burden on the State Education Budget

Because of the way that the State of Virginia partially funds local education from State coffers, the tax revenue generated by data centers in some localities reduces the burden on the State education budget.

On average, the state of Virginia funds 55% of primary and secondary education expenditures, and localities are required to locally fund the remaining 45%. [34] But, that local funding percentage is adjusted up or down based on each locality's "ability to pay" as measured by Virginia's composite index formula that takes into account the locality's property tax base, adjusted gross income, and taxable retail sales. Of these three factors, property tax base receives the highest weight (50%) and, therefore, has the largest influence on the final calculation. [35]

The 2020 composite index for Loudoun County is 0.5450 and for Prince William County it is 0.3739. [36] When we recalculate those indices to take into account the loss of tax base implied by the loss in tax revenue that would have occurred if data centers had not existed in these localities, those indices fall to 0.5026 and 0.3609, respectively.

As shown in Table 10, according to our estimates, this means that in the absence of data centers in Loudoun and Prince William Counties, the State of Virginia would have to reallocate $90.5 million in state education funding away from other Virginia localities to provide $73 million in additional funding to Loudoun County, and $17.5 million in additional funding to Prince William County.

Table 10: Estimated Additional Revenue Required to Compensate for Loss of the Data Centers in 2020

Locality	Revenue Loss	State Education Funding Off-Set	Additional Local Tax Revenue Required from Other Sources
Loudoun County	($424,700,000)	$72,968,000	$351,732,000
Prince William County	($64,200,000)	$17,548,000	$46,652,000
Total		$90,516,000	

[34] In actuality, however, baseline local funding percentages are typically higher than 45% because of local initiatives.
[35] Virginia Department of Education. The actual formula weights each locality's property tax base by 0.5, adjusted gross income by 0.4, and taxable retail sales by 0.1. Each metric is then divided by school population and total population and those per capita figures are divided by the average across all localities to determine ability to pay. The per capita figures are then themselves weighted with each per capita school population metric receiving a weight of 0.66 and each per capita population metric receiving a weight of 0.33.
[36] Virginia Department of Education.

Virginia's Data Center Sales and Use Tax Exemption

Virginia's data center incentive program is primarily a sales and use tax exemption on qualifying equipment. [37] Generally, the sales and use tax exemption is available to data centers that make a minimum new capital investment of $150 million and that create a minimum of 50 new jobs in a Virginia locality. If the data center is located in an enterprise zone, the minimum new job requirement is reduced to 25. Each new job must pay at least 150% of the annual average wage in the locality where the data center is located. Tenants of colocation data centers that qualify for the incentive may also receive the sales and use tax exemption. The incentive program is set to sunset in 2035.

In March of 2021, Virginia revised its sales and use tax exemption to require only 10 new employees and $70 million of capital investment for data centers that locate where the unemployment and poverty rates are higher than statewide averages. [38]

According to the JLARC, as of fiscal year 2017 (the most recent year that data is available), 24 data centers had qualified for the incentive, plus 135 colocation data center tenants. [39] According to JLARC's 2021 report on Virginia's economic development incentives, in fiscal year 2020, $138.3 million of sales and use tax was exempted under the incentive. [40]

Virginia Treats Data Centers Like Other Capital-Intensive Industries

The Virginia data center incentive program offers qualifying data centers the same tax treatment that it applies to all manufacturers. Like most states, Virginia exempts all manufacturing firms (regardless of size) from paying sales and use tax on their production equipment. Part of the rationale for exempting manufacturing equipment from sales and use tax is that the manufacturing industry requires large amounts of expensive equipment in order to make products. If the state charged sales and use tax on manufacturing equipment, manufacturers would locate in other states in order to reduce their costs of production. Virginia's sales and use tax exemption for qualifying data centers is a limited way to attract large data centers to the state.

[37] Virginia also offers a single sales factor apportionment method for calculating corporate tax liability. According to JLARC's 2021 report, that incentive was first used by data centers in 2020 and amounted to a change in taxes of only $100,000. Because this incentive has such a limited impact, we do not discuss it in this report.
[38] Dan Swinhoe, "Virginia lowers threshold for data center tax exemption," Data Center Dynamics, March 31, 2021.
[39] Joint Legislative Audit and Review Commission, Data Center and Manufacturing Incentives, Economic Development Incentives Evaluation Series. June 17, 2019.
[40] http://jlarc.virginia.gov/pdfs/reports/Rpt557.pdf

JLARC's Evaluation of the Data Center Incentive

In June of 2019, Virginia's Joint Legislative Audit and Review Commission published an evaluation of the state's data center incentive using confidential tax information that is not publicly available. [41]

JLARC found that 90% of the data center investment made by the companies that received the sales and use tax exemption would not have occurred in the state of Virginia without the incentive. Instead, that 90% of data center investment would have occurred in states other than Virginia. So, the "cost" of the State data center incentive is only 10% of the amount of State sales tax revenue exempted. Using the confidential tax information, JLARC estimated the economic and government budgetary impact, not of the total data center industry in Virginia (as we have done in this report), but specifically of Virginia's data center sales and use tax exemption. [42]

Table 11 shows the text of Appendix N from the JLARC report with JLARC's calculations of the amount of State tax revenue exempted by the Virginia incentive; the amount of additional State tax revenue that was generated by the investment of the data centers that received the tax incentive; the net impact of the incentive on the State budget (additional tax received minus tax revenue exempted); net new jobs added, net additional state gross domestic product (GDP) generated, and net new worker pay generated throughout the statewide economy as a result of the investment by data centers that received the incentive. Table 11 shows data for the fiscal years 2013 through 2017. This is the most recent data available that covers the years when the current version of Virginia's data center incentive has been implemented. The General Assembly made significant revisions to the data center incentive in 2012.



[41] Joint Legislative Audit and Review Commission, Data Center and Manufacturing Incentives, Economic Development Incentives Evaluation Series. June 17, 2019.
[42] Appendix N: Results of economic and revenue impact analyses.

Table 11: Economic and Tax Impacts of Virginia's Sales and Use Tax Exemption for Data Centers [43]

With Data Center Incentive	FY2013	FY2014	FY2015	FY2016	FY2017
State Tax Revenue Exempted	($81,298,000)	($80,131,000)	($93,249,000)	($54,757,000)	($54,516,000)
Additional State Tax Revenue	$44,548,000	$49,705,000	$64,494,000	$54,742,000	$59,171,000
Net State Budgetary Impact	($36,751,000)	($30,426,000)	($28,755,000)	($15,000)	$4,655,000*
State Revenue Recovered per $1 of State Revenue Exempted	$0.55	$0.62	$0.69	$1.00	$1.09
Net Additional Jobs	11,631	12,168	14,138	9,968	10,324
Net Additional State GDP	$1,594,238,000	$1,838,394,000	$2,268,541,000	$1,862,303,000	$2,028,606,000
Net Additional Worker Pay	$852,123,000	$987,672,000	$1,238,666,000	$1,022,226,000	$1,126,545,000

* In 2017, the data center tax incentive generated more State tax revenue than it exempted.

The appendix to the JLARC report shows that:

- **In 2017, the State took in $1.09 in state tax revenue from data center related activity for every $1 of potential state tax revenue that was exempted from qualifying data centers.**
- In 2016, the data center incentive was revenue neutral – it generated one dollar in additional state tax revenue for every dollar of potential state tax revenue that it exempted.
- In every year since the data center incentive was modified in 2012, the State recovered the majority of the state tax revenue that was exempted from qualifying data centers.
- From 2013 through 2017, on average the State recovered 75 cents in state tax revenue for every dollar of potential tax revenue exempted from qualifying data centers. [44]

[43] Data Source: Appendix N: Results of Economic and Revenue Impact Analyses.

[44] The JLARC report states that the data center incentive recovered 72 cents in state tax revenue for every dollar of potential tax revenue exempted from qualifying data centers. That conclusion is based on including the years 2010 through 2012, prior to the significant change made to the incentive in 2012. The 75-cent estimate more accurately reflects

Incentive Helps to Attract Some Data Centers that Do Not Qualify for Incentive

Data centers tend to cluster, with smaller data centers often locating adjacent to larger data centers. Therefore, one data center that is attracted by the incentive can attract other data centers to take advantage of the existing local fiber and power infrastructure. [45] Some of these follow-on data centers will be smaller than the larger data center projects that qualified for the tax incentive and may, themselves, not initially achieve the investment and job creation thresholds required to receive tax benefit from the state.

Because large data centers that qualify for Virginia's incentive help provide the infrastructure and technology supply chain to attract smaller data centers that do not initially qualify for the incentive, the incentive yields more data center investment than is measured by just counting the data centers that qualify for the incentive. Virginia's data center tax incentive plays an important role in attracting new data centers to the state and in keeping them from moving to other states.

National Context for Virginia Incentives

Over 30 states offer some sort of incentive program to attract data centers. Twenty-six states have sales and use tax incentives that last for 10 years or more, with 11 of them having incentives that are valid indefinitely. Examples in the Southeast include:

- Alabama offers up to a 30-year sales and use tax exemption. (AL 40-9B-3) [46]
- Mississippi's 10-year sales and use tax exemption has no program sunset. (MS 57-113-25) [47]
- North Carolina's sales and use tax exemption has no program sunset. (NC 105-164.13) [48]
- South Carolina's sales and use tax exemption sunsets for new applicants in 2031 with benefits ending in 2041. (SC 12-36-2120) [49]
- Tennessee's sales and use tax exemption and reduced tax on electricity has no program sunset. (TN 67-6-206) [50]

In the last few years several states have added or expanded sales and use tax exemptions for data centers. The following list does not include states like Ohio and Texas which have robust incentives in place.

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[45] Loudon Blair, "Finding Strength in Numbers: The Data Center Clustering Effect," Data Center Knowledge,
[46] http://alisondb.legislature.state.al.us/alison/CodeOfAlabama/1975/135558.htm and Alabama Department of Revenue, General Summary of State Taxes.
[47] Mississippi Tax Incentives, Exemptions and Credits.
[48] North Carolina Data Center Sales and Use Tax Exemptions.
[49] South Carolina Department of Revenue Ruling #13-5.
[50] Changes in Requirements for a Qualified Data Center, Tennessee Department of Revenue.
[51] Pennsylvania Brings in Data Center Tax Breaks.
[52] Matt Pilon, "In a crowded pond, CT goes fishing for data centers with new incentives," Hartford Business Journal, April 19, 2021.
[53] Maryland Department of Commerce, Data Center Tax Incentive Program.
[54] Rich Miller, "Quantum Loophole Plans 2,100 Acre Data Center Campus in Maryland," Data Center Frontier, June 28, 2021.

East

- Pennsylvania's original incentive was ineffective at attracting data center investment to the state while billions of dollars of investments were being made in nearby states. The legislature enacted a new sales and use tax exemption that is open indefinitely with benefits available for at least 15 years. (72 PS 9931-D) [51]
- Connecticut became the latest state to add a completely new data center incentive. Depending on the size and location of the facility, data centers could be exempted from state sales and use taxes for 20 to 30 years. (CT Public Act 21-1, HB 6514) [52]
- Maryland enacted a new sales and use tax incentive with a benefit period of 10 to 20 years depending on the level of investment. The incentive has no sunset date. [53] Following the enactment of Maryland's data center incentive, a data center developer announced plans for a new 2,100-acre data center campus in the state. (MD 11-239) [54]

Midwest

- North Dakota enacted a data center incentive to replace an incentive that expired in 2020. The new incentive has no sunset date or limitation on the benefit period. (NDCC 57-39.2-04.17) [55]

West

- Arizona revised and extended its data center sales and use tax exemption by 10 years to run through 2033. The benefit period ranges from 10 to 20 years, with the 20-year benefit reserved for data centers with that are considered a sustainable redevelopment project. (AZ 41-1519) [56]
- Idaho enacted a new sales and use tax exemption for data center equipment used in new data centers. The new incentive has no program sunset or limitation on the benefit period. (63-3622V) [57]
- Utah expanded its sales and use tax exemption for data centers with no minimum investment or employment criteria and no program sunset. (UT 59-12-104) [58]

[55] North Dakota Century Code § 57-39.2-04.17.
[56] Dan Swinhoe, "Arizona extends data center tax breaks for another 10 years," Data Center Dynamics, April 27, 2021.
[57] HB 521.
[58] Utah Sales and Use Tax General Information, Revised 6/21 and SB 114.

Competition Between States

With so many states offering incentives to attract data centers to their states, the competition for data centers is keen.

New York - New Jersey - Connecticut

New Jersey is debating adding an incentive. There is a growing realization that the New York-New Jersey region lost its lead in the data center market to Northern Virginia, at least in part because New Jersey is not competitive with other markets on taxes. [59]

An even more dramatic illustration of the sensitivity of data centers to tax changes is the way in which data centers showed their mobility in response to a potential increase in taxes in New Jersey. In the summer of 2020, some elected state officials proposed imposing a 25/100th of one percent or a 1/100th of one percent tax on financial transactions processed in data centers located in New Jersey. [60] In the fall of 2020, the New York Stock Exchange ran its financial transactions out of its data center in Chicago for five days to practice for any possible relocation of the market to data centers outside of New Jersey. The Governor of Texas was involved in attempting to attract Nasdaq to migrate its data center operations to Dallas, the second-largest data center market in the United States. In the spring of 2021, the state of Connecticut enacted a data center incentive to make that state a viable alternative, in the event that New Jersey proceeded with the financial transaction tax. [61]

Illinois - Indiana

In June of 2019, Illinois added a new data center incentive. [62] Although the Chicago area is one of the largest data center markets in the United States, it was not keeping pace with the growth of data centers in the markets of Northern Virginia, Dallas, and Phoenix – all located in states that provide sales and use tax exemptions to attract data center investment. Since the enactment of the Illinois incentive, several new large data center projects have been announced in the state, and over $5 billion in additional data center investment has been committed, making it one of the fastest-growing states in terms of data center activity. [63] The neighboring state of Indiana also enacted a 50-year sales and use tax exemption for data centers to attract data centers to the Indiana suburbs of Chicago.

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[59] "Twenty years ago, New Jersey probably led the country and data center space, but we haven't moved the needle at all in 20 years." – Gil Santaliz, NJFX "New Jersey was once a hotbed of data center activity, with thriving markets for colocation and financial data centers. The state maintains a substantial and strategically important data center community, but the hottest leasing action has shifted elsewhere, primarily to Northern Virginia." – Data Center Frontier, 1/28/20 "There is a bill being looked at, and it looks very similar to the broad strokes of what you see in Virginia." – Santaliz

[60] Alex Alley, "NYSE and Nasdaq threaten to leave New Jersey if transaction tax goes ahead," Data Center Dynamics, October 20, 2020.

[61] Matt Pilon, "In a crowded pond, CT goes fishing for data centers with new incentives," Hartford Business Journal, April 19, 2021.

[62] Ally Marotti. "Data center boosters hope new tax incentives 'stop the bleeding,' keep tech sites in Illinois," Chicago Tribune, June 2019.

[63] Companies announcing large data center projects in Illinois since the enactment of the incentive include: Aligned Energy, Meta, Prime Data Centers, NTT, and Stream.

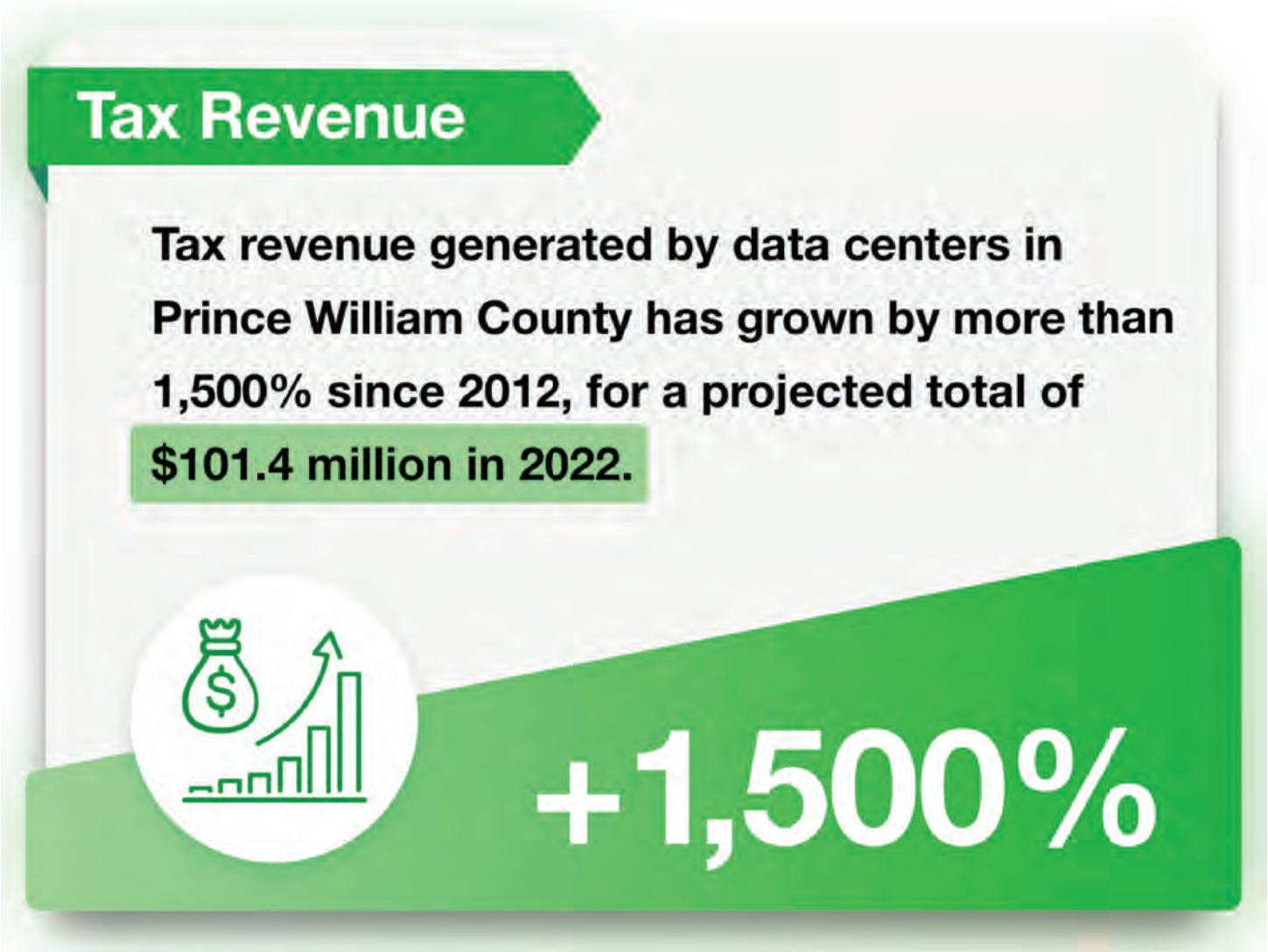
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https://www.insidenova.com/news/business/data-centers-tax-dollars-invest-in-local-communities/article_342caf78-7995-11ee-b6dc-83198a14d424.html

SPONSORED

Data centers' tax dollars invest in local communities

Nov 2, 2023



Across Virginia, the data center industry is making significant economic contributions to local communities. The taxes the industry contributes to localities like Prince William County help support schools and community infrastructure, mitigate economic fluctuations and sustain critical public services -- without requiring an increased tax burden on residents.

Data centers generate millions of dollars in tax revenue for Virginia, sparking an economic ripple effect felt in communities across the state.

Data centers provide the vital infrastructure necessary to support our digital lives. Due to the unprecedented and exponential demand for digital services, the data center industry is rapidly growing. As the industry grows, data centers contribute substantially to government revenues at the federal, state and local levels.

In 2021 alone, the data center industry's total fiscal support to federal, state and local governments across the United States equaled nearly $100 billion, which is more than the GDP of countries like Guatemala, Bulgaria or Ghana. This tax revenue helps state and local governments fund critical services and expenditures in the communities where data centers are located.

As a thriving data center hub, Northern Virginia demonstrates the economic power spurred by the industry, which directly and indirectly generated $3.5 billion in state and local tax revenues between 2017 and 2021. According to the 2023 National Impact Study, independently conducted by global consulting firm PwC, in 2020 the data center industry's total tax impact in the state was enough to fund Virginia's state and local expenditures on all cash assistance program payments -- in addition to almost one-third of housing and community development program expenditures.

Prince William has seen evidence of this economic return. Just over 10 years ago, Prince William collected only $6.2 million from taxes on data centers. Since then, the tax revenue generated by data centers in Prince William has grown by more than 1,500%, to a total of $101.4 million in 2022.

Tax dollars from data centers now constitute approximately 8% of the county's total tax revenue, enough to fund the county's libraries, departments of parks and recreation, transportation, public health, elections and planning, and the agency on aging, and public safety communications.

These tax revenues from data centers more than offset any services they require from localities. In fact, a 2022 report published by the Northern Virginia Technology Council showed that data centers returned more than $13 in local tax revenue to Prince William for every $1 they or their employees require in county services.

Data centers create economic ecosystems that diversify state and local economies through new jobs, revenue for other local businesses and other indirect and induced economic activity. Local companies and service providers that work with the data center industry, such as construction, electrical and mechanical services, equipment rental, security, and catering, expand in hubs of data center development, providing further economic growth, taxes, and job opportunities.

Virginia-based research firm Mangum Economics found that every operational job inside a Northern Virginia data center supports 6.9 additional jobs in Northern Virginia, including construction. In addition, employees of data centers and the companies in the industry's ecosystem in turn spend money at local businesses, pay local taxes and drive further growth.

As the 21st century economy expands and our lives become increasingly digital, the data center industry is building out to support our collective demand for digital services. State and local governments that welcome the data center industry benefit not only from the substantial taxes paid by the industry, but also from the diversification of their tax base, which lessens exposure to a reduction in economic activity and can alleviate residential tax burdens.

Combined with other economic benefits like diverse, stable and well-paying jobs, capital investment, and growth in the wider business ecosystem, the taxes paid by data centers have an enormous positive impact in local communities.

Learn more at centerofyourdigitalworld.org



Data centers support a diverse business ecosystem
BY MARK TONER



The Multiplier Effect: Data centers provide sustainable job growth
BY MARK TONER

Serving the Community: How data centers give back in Northern Virginia



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EXHIBIT C

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~~ indicates that the "data center" land use per se is not ~~considered as part of~~ defined in the current zoning regulations. ~~While a~~ A "data processing facility" is listed as an allowed land use within Saturn Park, yet that term is also not defined. The City Council desires to clarify these uses and definitions. ~~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~~ intensive land uses and part of a rapidly expanding digital infrastructure industry. ~~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, to the extent feasible, 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~~ in Saturn Park and will not affect a change in the use or the intensity of use of property in any other 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 LEED ~~LLED~~, Green Buildings Initiative ("GBI"), or other ~~a~~ reputable organizations 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)

"Green Building Initiative" of "GBI is an international nonprofit organization and American National Standards Institute (ANSI) Accredited Standards Developer dedicated to improving the built environment's impact on climate and society. Founded in 2004, the organization is the global provider of the Green Globes® and federal Guiding Principles Compliance building certification and assessment programs.

"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 Centers

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 cafe;

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, to the extent feasible:

1. Primary and secondary facades. Buildings must have identifiable primary and secondary facades. Public-facing facades must have ~~dimensions~~ perceived articulation, 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, or as determined adequate by the Director based on site and project characteristics.

5. Noise Study. A noise study must be conducted by a third-party acoustic engineer to document baseline sound levels and include expected ~~maximum~~ composite 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 or Green Globes certification, if feasible. ~~"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, if feasible, 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, if feasible 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, or an equivalent Green Building Rating System requirement.

4. Monitoring. Applicants must submit documentation verifying that a project will meet the criteria necessary to achieve, if feasible, California Building Code and Option 1 of LEED EA credit (Enhanced Commissioning), in addition to LEED EA Prerequisite (Fundamental Commissioning) and Verification, or an equivalent Green Building Rating System requirement.

5. Light pollution reduction. Meet LEED SS Credit Light Pollution Reduction, if feasible, or an equivalent Green Building Rating System requirement.~~.~~

6. Prohibitions. CFCs and halons are not allowed in HVAC, refrigeration and fire suppression equipment. Meet LEED EA Credit Enhanced Refrigerant Management, if feasible, and additionally document that all HVAC refrigeration, and fire suppression systems do not contain CFCs or halons, or an equivalent Green Building Rating System requirement.

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 for private onsite use.

~~8. Such additional design standards that may be adopted by city council resolution."~~

21.14.220. Exemptions.

D. Exempted Activities. During the effectiveness this Ordinance, or any

extension, the City may issue any permit or land use entitlement to any person or entity for constructing, placing, or operating within the McCaslin Business Park, i.e., Saturn Park, only if the criteria in this Section 21.14.220 are satisfied. The City Manager, or designee, must review any application for a permit or land use entitlement to determine compliance with the provisions of this Ordinance. City employees, City boards and commissions, and the City Council are permitted to accept, process and approve certain applications for land use entitlements, including, without limitation, use permits, variances, building permits, licenses and certificates of occupancy, necessary for constructing, placing, or operating within the Saturn Park area, only for development applications that: (1) were filed with the City before April 15, 2024; (2) include or are amended to include a development agreement per Chapter 21.44 of the Monterey Park Municipal Code; and (3) obtain City Council approval of the development agreement before, or concurrent with, approval of the project entitlements proposed in the timely-filed application. The City shall consider such applications in accordance with the rules in effect before adoption of this Ordinance, thereby exempting qualified applications from this Ordinance.

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

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.

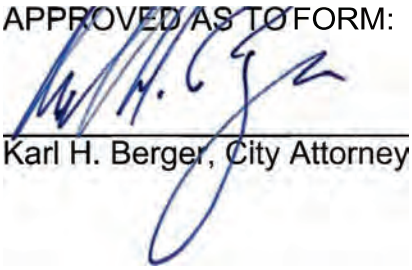
_____
Thomas Wong, Mayor

Attest:

_____

Mayechelle 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, if feasible, 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, except where necessary to comply with building codes.

3. Parking and Loading: Locate to the rear and/or side, 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, if feasible while maintaining site security.

9. Signage: Keep unobtrusive but functional

10. Hierarchy: Identify primary, secondary, and ancillary structures.

11. Architecture: Balance proportions, ~~avoid monolithic scale~~ create articulation and scale diversity, promote human-scale elements.

12. Facades: Compose identifiable segments, design corner lots with two public-facing facades.

13. Roofs: Use identifiable, proportionate roof forms, compatible with flat roof design elements, when appropriate.

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.



CITY OF MONTEREY PARK

320 West Newmark Avenue • Monterey Park • California 91754-2896
www.MontereyPark.ca.gov

City Council
Henry Lo
Vinh T. Ngo
Jose Sanchez
Thomas Wong
Yvonne Yiu

City Clerk
Maychelle Yee

City Treasurer
Amy Lee

October 23, 2024

Bryan Marsh
SDCF Monterey Park, LLC
660 Steamboat Road
Greenwich, CT 06830

Re: Incomplete Review Letter for 1977 Saturn Street
Conditional Use Permit No. 24-01, Design Review No. 24-040, Parking Study

Dear Mr. Marsh:

Thank you for submitting the following applications for the proposal of a data processing facility located at 1977 Saturn Street. The following applications numbers have been issued for this project:

- ~~Conditional Use Permit No. 24-01 (CUP-24-01) (Lot Greater than 1 Acre)~~
- ~~Design Review No. 24-040 (DRB-24-040) (Review design and architecture, including a Parking Study)~~
- **Development Agreement 24-02 (DA-24-02)**

In accordance with Section 65943(a) of the California Government Code, and Section 15101 of the California Environmental Quality Act Guidelines, the City of Monterey Park Community Development Department has determined that the following items must be satisfactorily submitted or addressed for your applications to be deemed complete and ready for processing:

Planning Comments

1. ~~The use is an allowed use. For clarification, can you please provide an explanation for why the substation is needed? Please also explain how SCE will access the site as it is secured. Please add information to Detailed Operations Statement.~~

Architectural Plans

2. ~~(A0.002) - Yards (21.14.080 C) – Side/Rear adjacent to R-Zone (northwest portion of lot) – standard is 50 feet plus 5 feet dimension for each 10 feet of building height above 15 feet. Plans indicate 36 feet but don't show height of equipment screen. Plans indicate 65 feet from R-zone.~~

3. A3.001 - Building Height (21.14.090) – Height limit is 40 feet, ~~plans show 36 feet on A2.001, but do not include equipment screen. Equipment screen height noted on A3.001 shows 39 feet 6 inches.~~ Equipment screen height should be indicated on ~~A2.001~~ **A3.001 indicates equipment screen height as 46 feet 6 inches. As provided on the plans (the parapet height is 27' and the penthouse is = 36'). Since the building is located in an area with topography, please determine the Grade Plan (MPMC 21.04.439) to determine the proposed height of the equipment screen height.**

4. ~~A0.002 - Trash Facilities (21.14.130) – trash facilities need to be enclosed by a minimum 5-foot solid wall. Provide dimensions on the plans for the two trash facilities. (See Engineering Comment #18 and handout on trash facilities.)~~

5. ~~A0.002 - Limitations on Permitted Uses (21.14.190 D) - Where the O-P zoned lot is adjacent to an 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.~~

6. A0.002 - Parking Layout (21.22) – ~~Provide enlarged parking area drawing that provides information on parking space and drive aisle dimensions. It does not appear that compact parking is proposed, but compact parking requires a CUP in Monterey Park. MPMC 21.22.370 Part 2 Standards Chart – Large Automobile Parking Spaces shows the required dimensions for standard parking spaces. Required parallel parking space dimensions are 9 x 20, 90 Degree parking spaces are 9 x 18, and aisle width is 26 feet. Recommend providing a blow-up of the parking layout, perhaps on the upper portion of Sheet A0.002.~~ **Per MPMC 21.22.370 Part 2 Standards Chart, for 90 Degree parking, the width of aisle is 26 feet. Plans indicate 20 feet, please revise.**

7. Parking Study Applications (MPMC 21.22.030 and 21.22.370) - To reduce the parking requirement, a parking study has been submitted for review by the Planning and Public Works. **While we agree that this project can likely screen from VMT and does not need the amount of surface parking spaces an office or warehouse may need, please address the following comments.**

   a. **Provide a clearer description of what this project will be. In the project description please include in the body of the report the times employees will arrive, explain the types and frequency of truck deliveries, and the potential for guests arriving for meeting?**

   b. **There are 3 loading docks – please provide the size of the trucks and delivery frequency. Internal circulation for trucks with a truck turning template entering the project driveway will be needed.**

   c. **Will the site be fenced? If so, is there enough stacking room for vehicles to queue on site without waiting on Saturn Street for the gate to open. (provide length from fence to curb).**

d. Please provide a Trip Generation Table. While it may be reasonable to assume that the number of daily trips will be only the number of employees entering and leaving, you have to consider if anyone is leaving for lunch, meetings, deliveries etc.

e. Review site distance at the driveway on Saturn Street to make sure there is a clear line of sight for vehicles entering and leaving the site.

f. Provide a Truck Turning Exhibit for trash pick-up (internal circulation)

~~8. A0.002 - Vehicular Loading Spaces (21.22.310) – loading spaces are required to be 12 feet by 40 feet, please provide dimensions on the plans for both loading spaces.~~

~~9. Vehicular Loading Spaces (21.22.310) - requires 3 loading spaces for buildings over 50,000 square feet.~~

10. A0.002 – ~~A note is included on the plans for an Irrevocable Offer to Dedicate, please clarify if this is existing or proposed.~~ ~~Also, at the rear of the lot there are two lines indicating 'Parcel Line,' please clarify~~. ~~Reduce the amount of information on A0.002 (such as plant materials, topo lines).~~ Clarify the location of the front lot line after dedication and dimension the front setback. ~~Dimension side and rear setbacks at closest point.~~ **Sheet C1 indicates that the measurement from the centerline and shows the 20' dedication. In order to provide horizontal control on that sheet, please also show the front setback dimension from the new property line to the building face.**

11. A3.001 – For the proposed Rooftop Equipment Platform design, please clarify why a platform is proposed as opposed to construction equipment enclosure on the roof. **To be clear, we are not requesting a change to the design. In our experience most buildings place rooftop equipment on the roof, this design places it on a platform above the roof. As the project moves forward a staff report will be prepared to explain the proposal and it would be helpful to be able to explain the proposed type of roof, the proposal for an equipment platform and reasons this type of design is proposed.**

~~12. A0.002 - Security Fencing. Please provide a separate Wall Plan that provides information on all proposed fences and walls, including height, design, color, (including retaining walls).~~

~~13. A0.002 - Vehicular gates. Provide a detail indicating proposed height and width of the proposed vehicular gates and information on how the gates will operate for the employees,~~

14. Front Elevation. Staff has reviewed the proposed design and architecture and recommends modifications to the architecture to provide more interest on the front

elevation including revisions such as providing rooftop articulation, front elevation building movement/articulation, adding accent colors, architectural popouts, and/or faux window designs. In general, the goal would be to provide more building movement and a more interesting design that would be more consistent with the existing buildings in the business park. ~~Provide sample elevations of similar type approved data centers from different jurisdictions to address concerns related to design for staff consideration. Samples were small and not very helpful.~~ **Submit a revised architectural design and then arrange a time to review the proposed architectural design based on verbal comments received in the status update call on October 21, 2024**

15. ~~Ensure that all the colors and materials proposed are included on sheet A2.001. Please provide color and material for the equipment screens (it looks like there may be 2 colors), the color on the top of the parapet/roofline, that all colors of the concrete panels are indicated (it looks like there are 2 colors), and the type of glazing proposed. Please provide callouts to clarify what colors and materials on the building elevations. A1.102 - Membrane roof. Clarify this material and provide a description of the type of roofing material.~~

16. **A Development Agreement has been submitted on August 29, 2024 and need to be finalized through legal counsel before proceeding with a public hearing.**

17. **The Radius Map and mailing labels have been submitted on October 17, 2024.**

Civil Grading Plans

18. ~~C1.0 Front Property Line. Clarify the location of the existing and proposed front property line. C1.0 seems to show 20', but there is also a 15' + 15' dimension.~~

19. ~~C1.0 Easement. Please clarify if there is an easement along the front of the property, the plans seem to show an easement. Also, clarify the proposed dedication width.~~

20. ~~C1.0 Retaining Walls. Retaining walls must comply with MPMC Section 21.10.120 B 1. The plans indicate several retaining walls including the following: 4 feet on southeast side/front, 21 feet on northeast side, 12 feet to north, 6 feet on southwest side/front. (See Engineering Comment #8.)~~

21. ~~C1.0 Tree Removal. It is noted that an Arborist Report has been submitted and will be reviewed with the other CEQA documents. The Arborist Report should provide information on what trees are proposed to be retained.~~

22. ~~C2.0 Sewer Easement. A sewer easement is indicated from Orange to Saturn with a note that says, "to be Quitclaimed." Please provide information on the abandonment of that easement.~~

23. **Provide cross sections indicated on Sheet C1.0 and will be required at plan check.**

Landscape Plans

24. ~~L1-1 Tree Removal. The Municipal Code requires that existing trees removed due to site development/design must be relocated or replaced elsewhere on site with a similar or substitute specimen tree of the same size, subject to City Planner approval (See MPMC Section 21.10.130 E 1 a).~~

25. ~~Trees. The proposed trees are generally small to medium size trees at maturity (with the exception of the Oak which generally have a slow growth rate). Please include trees that are larger at maturity (trees that will exceed 45 feet in height at maturity). For any trees removed on the rear slopes, please include larger trees at maturity. In addition, add some larger box trees for key locations (36 or 48-inch box).~~

26. ~~L1.1 Landscape Buffer. A 3-foot landscape buffer is required along entire lot lines of adjacent residential properties to the northwest (21.10.120 A 2 c). On the plans clearly indicate the adjacent residential properties and provide a linear dimension for the landscape buffer.~~

27. **Wall on the northwest portion of property adjacent to residences. There is some confusion about what type of wall is proposed. C1.0 says existing fence to remain, A0.002 says New 6' masonry wall, and L1.1 includes Section 2 that shows the existing fence to remain on the property line and a new wall built 6' from the property line with a freestanding wall of 3' 6" and a retaining wall of 2' 6". One way to achieve consistency is by including a reference on all sheets to L1.1.**

28. **Complete IS/MND Documents.** The 2nd Peer Review is complete, with minor comments provided. Staff has received revised documents and they are currently under review. ~~CEQA Comments (Staff has provided a Peer Review letter of the CEQA documents dated May 8, 2024).~~
    a. ~~Provide a draft Negative Declaration of Environmental Review. The Negative Declaration will be reviewed by staff and a Peer Review will be completed by an outside environmental consultant.~~
    b. ~~Provide all relevant studies for the project as required by CEQA. Review almost complete.~~

Fire Comments

3. Direct access to the north side of the building has been eliminated due to the row of generators. Provide two to three protected access paths from the fire lane to the building exterior.

For item #3 from original comments, there is no protected path from the north access road directly into the building. You would have to enter the generator yard area which might work, but it's not exactly clear. It looks to be just gravel, not paved. The other design issues will have to be addressed as we get more details.

Engineering Comments

Please also note that a markup of plans is also prepared and provided.

1. Applicant will be required to pave the street to the centerline. Plan didn't revise to the center line on sheet C1.0.

2. Applicant to relocate fire hydrants. Provide 4 feet clear sidewalk to allow for ADA access. One fire hydrant is missing to call out for relocation.

3. Water main must be directly connecting to the water main on Saturn Street with no backflow device. (See Redline on Sheet. C2.0)

4. Plan still needs to be revised to remove one of the sewer connections as stated in the 1st submittal response. (See Redline on Sheet. C2.0)

5. Applicant will be required to provide construction and demolition recycling plan.

6. Provide solid waste and recycling calculation for sizing of the trash enclosure. All projects are required to have organics recycling in addition to solid waste and recycling. (See attached)

   The following items are the recommended (potential) conditions of approval from the Engineering Division for the subject development:

1. Under the Los Angeles County Municipal Separate Storm Sewer System (MS4) Permit, issued under the National Pollutant Discharge Elimination System (NPDES) Program, the developer/owner is required to obtain a General Construction Storm Water Permit. This project will require the preparation of a Low Impact Development (LID) Plan and a Storm Water Pollution Prevention Plan (SWPPP). Upon approval of these plans, the developer/owner must submit an electronic copy of the approved files, including site drawings, prior to the issuance of a building or grading permit.

2. All improvement plans, including grading and public improvement plans must be based upon City approved criteria. Benchmark references to be obtained from the Engineering Division.

3. The developer/owner is responsible for ascertaining and paying all City development fees such as, but not limited to, sewer deficiency fees, water meter fees and metered water

service impact fees as required by MPMC. Water division requirements are to be determined upon completion and submittal of water meter sizing sheets by the applicant.

4. A water plan must be submitted for review and approval by the City Engineer. This plan must substantiate adequate water service for domestic flow, fire flow and identify backflow prevention. If current fire flow and pressure tests are not available to substantiate adequate pressure and flow to serve the development, the developer will be responsible for conducting the appropriate tests and submitting copies of the test results for review and ultimate approval by the City. The substantiation of adequate water services must be verified by the City Engineer prior to setting of Planning Commission hearing date.

5. A site drainage plan must be prepared for review and approval by the City Engineer. The property drainage must be designed so that the property drains to the public street or in a manner otherwise acceptable to the City Engineer. Drainage from contiguous properties must not be blocked and must be accommodated to the satisfaction of the City Engineer. A hydrology and hydraulic study of the site may be required for submittal to the City Engineer for review and approval.

6. All storm drainage facilities serving the development must accommodate a 50-year storm. If existing storm drain facilities are inadequate they must be enlarged as necessary. All storm drain facilities must be designed and constructed to Los Angeles County Department of Public Works standards and specifications and also to the satisfaction of the City Engineer.

7. The grading and drainage plan must incorporate all pertinent site development comments from the geological and geotechnical report submitted by the developer's consultant.

8. Remove existing curb, gutter, sidewalk, driveway approach, and construct curb and gutter, driveway approaches and full parkway width sidewalk. The removal and reconstruction must be along entire property frontage of Saturn.

9. All public works improvements must comply with the standards and specifications of the City and to the satisfaction of the City Engineer. The point of connections of the sewer and water line must be clearly identified on the plan. The plan must include the connection details of all domestic flow, fire line and irrigation line and sewer clean outs and must be prepared and submitted showing all existing and proposed utilities.

10. A sewer connection reconstruction fee will be assessed at the time of issuance of a building permit in accordance with the provisions of Chapter 14.06 of the Municipal Code.

General Comments

1. Resubmit one (1) full-sized set of revised plans with the changes/additions discussed above. Additional sets of plans may be requested once your item is scheduled for a hearing.
2. Submit an electronic version of all plans to planningpermitcounter@montereypark.ca.gov
3. Provide a cover letter discussing how each of the issues discussed above has been addressed for Staff's reference.

These comments are based on your current submittal. Please note, additional corrections or comments may be identified upon your resubmission. We cannot proceed with the processing of your application until the above items are addressed. Should you have any questions in the matter, please contact Jeff Anderson, Contract Planner at (626) 827-0874 or by email at janderson@willdan.com and copy Beth Chow, Planning Manager in any future correspondence at bchow@montereyparkca.gov.

Sincerely,

Beth Chow

Beth Chow, AICP
Planning Manager

CC: Scott Rynders, Rynders Corporation (e-mail)
Chris Flynn (e-mail)

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Direct No.: 213.236.2729
kberger@bwslaw.com

October 31, 2025

VIA ELECTRONIC MAIL
Fair Political Practices Commission
advice@fppc.ca.gov

Re: Request for Advice – City of Monterey Park Garvey Capacity Project

Dear Fair Political Practices Commission ("FPPC"):

I am the City Attorney for the City of Monterey Park ("City"). I request a written opinion on behalf of the City based upon the facts set forth below regarding the conflict of interest provisions of the Political Reform Act (the "Act").[1]

Background

Monterey Park is a general law city with five council members elected by district. Councilmember Thomas Wong represents District 1. Councilmember Wong is employed by Southern California Edison ("SCE") and earns more than $2,000. According to publicly available reports,[2] SCE's earnings for the Second Quarter of 2025 reached nearly $440 million.[3] This letter requests opinions regarding both a development within the "Saturn Park" area in the City and a separate City capital improvement plan ("CIP"), Project No. 96052, known as the Garvey Avenue Improvement Project (the "Garvey Project").

Saturn Park Data Center Project

The City's 2020 Land Use Element ("LUE") renamed a business park as "Saturn Park" with an "innovation/technology" land use designation. Under the LUE, the City

[1] The Political Reform Act is contained in Government Code §§ 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in §§ 18104 through 18998 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.
[2] *See*, https://tinyurl.com/2s2unp4j; accessed October 22, 2025.
[3] For context, reference is made to the FPPC advice letter (FPPC File No. A-23-087), dated June 6, 2023, which addressed Mr. Wong and his employment with SCE related to a specific land use project not at issue in this letter.

Council is directed to revitalize Saturn Park into a destination for research and development, light industrial, professional offices, and other uses.

As the 19 parcels within Saturn Park are developed in accordance with the LUE, one or more developers will seek entitlements, permits, or other approvals from the City Council. I have no information evidencing that SCE owns any of the affected 19 parcels or would otherwise be an applicant or proponent of any anticipated Saturn Park project.

SCE does, however, serve as the electricity provider for Saturn Park. Therefore, development of a parcel within Saturn Park may affect SCE's gross revenue or expenses.

The City circulated a draft initial study/mitigated negative declaration ("IS/MND") for a proposed data center within Saturn Park (the "Data Center Project").[4] Based on Appendix E (Energy Calculations) to the IS/MND, the Data Center Project will demand 49,999 kilowatts ("kW") at peak and consume about 438 million kW-hours ("kWh") per year. The 49,999 kW peak figure represents the facility's instantaneous peak electricity demand. SCE and the California Public Utilities Commission use this metric to determine tariff eligibility based on the highest 15-minute demand recorded in a billing month as set forth in its time of use ("TOU") schedules.

SCE's large-commercial tariff schedule TOU-8[5] applies to business customers with maximum demands exceeding 500 kW; it would therefore apply to the Data Center Project's load. Its 49,999 kW peak is approximately 100 times the 500 kW threshold. TOU-8 lists (sheet 2) energy charges of approximately $0.041–$0.043 per kWh, plus separate demand and facilities-related charges.

Applying only the published rate of approximately $0.041–$0.043 per kWh charge and excluding all demand and facility charges, the Data Center Project's forecasted 438 million kWh of annual use[6] would generate approximately $17.96-$18.83 million in gross annual revenue to SCE, about 18 times the FPPC's $1 million materiality threshold. Any applicable demand or facilities charges would further increase SCE's gross revenues.

Under Regulation 18702.3(a), "a reasonably foreseeable financial effect on a source of income to a public official is material if it meets the criteria set forth in

[4] *See,* https://www.montereypark.ca.gov/1535/Public-Notices.
[5] *See,* https://tinyurl.com/2rh9y75w.
[6] Based on 49,999 kW x 8,760 hours per year x 0.5 (average load factor).

[Regulation] 18702.1, subdivisions (a)(2) through (a)(4).” Regulation 18702.1(a)(2) provides that a decision has a material financial effect if it is reasonably foreseeable to increase or decrease the entity’s gross revenues by $1 million or more within 12 months. City Ordinance No. 2253, which zoned the Saturn Park area to permit high tech and data center uses under certain conditions, identifies data centers as “energy hungry land uses,” reinforcing the foreseeability component.

Under Regulation 18703(a), the “public generally” exception applies only if a significant segment of the public is affected and the official’s financial effect is not unique compared to that segment. Here, SCE is the sole provider of electricity for Saturn Park.

Garvey Avenue Improvement Project

The Garvey Avenue Improvement Project (“Garvey Project”)[7] is a City Capital Improvement (“CIP”) project that will improve capacity and operations along Garvey Avenue, a vital east-west corridor. It will also include improvements on the parallel streets to the north (Emerson Avenue) and south (Newmark Avenue) for new bike routes.

Based on City records, Councilmember Wong’s private residence is within 500 feet of the Garvey Project. For real property ownership, proximity to property that is the subject of a governmental decision is presumed to be material depending on the distance between the project and the official’s property. If the distance is 500 feet or less, there is a presumption of materiality.[8]

This presumption may be overcome by the so-called “public generally” exception to the conflict rules. Under that exception, the City Council’s decision must affect at least 15% of residential real property within an official’s jurisdiction.[9] When the “public generally” exception applies to a conflict of interest under the Act, the official is allowed to participate in the governmental decision despite a potential financial effect on their own interest.

Here, the definition of “jurisdiction” is relevant. The FPPC regulations provide that “jurisdiction” is either a public official’s voting district (here, Councilmember Wong

[7] Additional information regarding the project is available here: https://tinyurl.com/35ahuzke.
[8] Regulation 18702.2(a)(7).
[9] Regulation 18703(b)(2).

represents District 1) or that of the entire City.[10] The Garvey Project extends through three voting Districts: 1, 4, and 5.[11] Consequently, it appears the definition of "jurisdiction" is that of the entire City (since the Project affects more than District 1). Based upon public data, the Garvey Project will affect 3.5% (524 of 14,876) residential properties within the City.

Based upon the above facts, the FPPC is asked to provide an opinion as to the following:

Questions

1. *Data Center Project*: Does Councilmember Wong have a conflict of interest under the applicable FPPC regulations? Does the public generally exception allow him to participate?

2. *Garvey Project:* Does Councilmember Wong have a conflict of interest under the applicable FPPC regulations? Does the public generally exception allow him to participate?

Should the FPPC need additional information to be able to fully respond to the above questions, please contact the undersigned and the information will be provided.

Sincerely,

BURKE, WILLIAMS & SORENSEN, LLP

Karl H. Berger
City Attorney

Enclosure

cc: City Councilmember Thomas Wong

[10] "Jurisdiction" means the City's boundaries, or the designated geographical area the official was elected to represent. Regulation 18703(d).

[11] *See,* https://tinyurl.com/7xcr54v4 (District map).

From: Jeffrey Anderson
To: Bryan Marsh
Cc: Scott Rynders; Chris Flynn; Chow, Beth; Jim Pugh
Subject: 3rd Incomplete Letter for 1977 Saturn
Date: Wednesday, October 23, 2024 11:58:06 AM
Attachments: 1977 Saturn St 3rd Incomplete Letter.Final (1).pdf

---

Bryan,

Please find attached the 3rd Incomplete for the Data Center project at 1977 Saturn. Please let us know if you have any questions.

Jeff

From: Jeffrey Anderson
To: Scott Rynders; Bryan Marsh
Cc: Chris Flynn; Chow, Beth; Jim Pugh
Subject: Re: 3rd Incomplete Letter for 1977 Saturn
Date: Wednesday, October 23, 2024 5:46:16 PM
Attachments: PW Plans.Markup.pdf

Scott,

You are correct, thank you for the reminder. The markup plans from Public Works are attached.

Jeff

From: Scott Rynders <scott@rynderscorp.com>
Sent: Wednesday, October 23, 2024 5:30 PM
To: Jeffrey Anderson <JAnderson@willdan.com>; Bryan Marsh <bmarsh@stratcap.com>
Cc: Chris Flynn <cflynn@stratcap.com>; Chow, Beth <bchow@MontereyPark.ca.gov>; Jim Pugh <JPugh@sheppardmullin.com>
Subject: RE: 3rd Incomplete Letter for 1977 Saturn

CAUTION: This email originated from outside of Willdan. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Jeff,

Confirming receipt, thank you.

We will review in more detail however in my cursory review I noted that the Engineering Comments section on page 6 references an attachment with a markup of the plan sheets.

Can you please forward a copy of the referenced plan markups as these were not included with the transmittal of the letter.

Thank you in advance.

Regards,

Scott Rynders, President
THE RYNDERS CORPORATION
949-449-5068
scott@rynderscorp.com

From: Jeffrey Anderson <JAnderson@willdan.com>

Sent: Wednesday, October 23, 2024 11:58 AM
To: Bryan Marsh <bmarsh@stratcap.com>
Cc: Scott Rynders <scott@rynderscorp.com>; Chris Flynn <cflynn@stratcap.com>; Chow, Beth <bchow@MontereyPark.ca.gov>; Jim Pugh <JPugh@sheppardmullin.com>
Subject: 3rd Incomplete Letter for 1977 Saturn

Bryan,

Please find attached the 3rd Incomplete for the Data Center project at 1977 Saturn. Please let us know if you have any questions.

Jeff

From: Chow, Beth
To: Bryan Marsh; Scott Rynders; Chris Flynn
Cc: Jeffrey Anderson
Subject: 1977 Saturn Incomplete Letter 6-20-24
Date: Thursday, June 20, 2024 5:57:18 PM
Attachments: 1977 Saturn St 2nd Incomplete Letter 6-20-24.pdf

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All,

Please find attached a copy of the 2nd incomplete letter related to your project on 1977 Saturn.

As you know a moratorium was enacted for the area known as Saturn Park, however processing of your application will continue. Once a signed copy of the revised moratorium is available. I will send a copy to you.

BETH CHOW, AICP • PLANNING MANAGER
320 W. NEWMARK AVENUE, MONTEREY PARK, CA 91754-2896
(626) 307-1315 | Office
Email • bchow@montereypark.ca.gov

From:	Jeffrey Anderson
To:	Scott Rynders
Cc:	Chris Flynn; Chow, Beth
Subject:	Review of Submittal for 1977 Saturn St Project
Date:	Thursday, April 25, 2024 11:53:24 AM
Attachments:	1977 Saturn St Incomplete Letter FINAL.pdf MP_Will Serve Packet.pdf MP_Space Guidelines for Recycling, Organics and Refuse.pdf AAMDC (Revised 2019).pdf

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Scott,

We have completed the review of the plans for 1977 Saturn. Please find attached the Incomplete Letter with attachments. We are continuing to work on the CEQA documents separately and will report to Kimley Horn on their review.

Please let us know if there are any questions.

Thanks.

Jeff

Subject: Fair Political Practices Commission- Advice Request-25-147
Date: Wednesday, November 5, 2025 at 14:04:13 Pacific Standard Time
From: Amanda Apostol
To: Berger, Karl H.

[EXTERNAL]

Dear Mr. Berger:

Re: Your Request for Advice
Our File No. 25-147

Your letter requesting advice under the Political Reform Act ("Act") was received by the Fair Political Practices Commission ("Commission") on October 31, 2025.

Please be aware that, in some cases, it may not be appropriate to issue a written response, and therefore your request may be denied. This may occur, for example, if your request pertains to past conduct or if you are not authorized by the advisee to make the request. (2 Cal. Code Regs., §§ 18329, 18329.5, and 1097.1(c)(2)).

If your request seeks formal written advice under Government Code Section 83114(b), you can expect a response within 21 working days. However, due to resource constraints, the Commission may not be able to respond within this timeframe.

Should we require additional information to respond to your request, we will contact you, and our response will be provided within 21 working days from the date we receive the requested information.

Please note that both your request and our response are public records and may be disclosed to the public upon receipt of a proper request for disclosure.

The attorney assigned to your questions is Zachary W. Norton. For questions about the status of your request or to contact the assigned attorney, you may email me at aapostol@fppc.ca.gov or reach the attorney directly at znorton@fppc.ca.gov.

Thank you,

Amanda Apostol
Fair Political Practices Commission
1102 Q Street, Suite 3050| Sacramento, CA 95811
www.fppc.ca.gov | Phone: 916.322.5660 | Email: aapostol@fppc.ca.gov

Subject: FW: STATEMENT REQ: Monterey Park Data Center
Date: Wednesday, December 3, 2025 at 3:33:05 PM Pacific Standard Time
From: Berger, Karl H.
To: James Pugh
Attachments: image001.png, 20251031MP - Letter to FPPC (Wong).pdf, Fair Political Practices Commission- Advice Request-25-147.pdf, Pages from 10-02-2024 Agenda Item No. 2A - Saturn Park Advisory Review Committee SPARC Outreach and Recommendation.pdf

Per our phone conversation, see below and attached.

Karl H. Berger | Partner

Burke, Williams & Sorensen, LLP
444 South Flower Street - 40th Floor, Los Angeles, CA 90071
D 213.236.2729 | **O** 213.236.0600 | **F** 213.236.2700 | **M** 661.644.5476
kberger@bwslaw.com | vCard | Bio | bwslaw.com



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From: Alvarez, Inez
Sent: Monday, December 1, 2025 3:24 PM
To: 'sjllasilla@gmail.com' <sjllasilla@gmail.com>
Subject: RE: STATEMENT REQ: Monterey Park Data Center

Dear Joshua,

Thank you for your correspondence. The City is aware that social media posts misconstrued the circumstances regarding a proposed data center at Saturn Park.

First, consideration of a data center is scheduled for the December 3, 2025 City Council meeting. This data center is proposed by a developer that filed its application in 2024. It is a *private development*; it is not a public project proposed by – or endorsed – by the City. The City Council's decision regarding the project

is entirely discretionary. The staff report and accompanying environmental document may be accessed online here: https://montereyparkca.portal.civicclerk.com/event/269/files/report/640.

Second, the SPARC is an acronym for the Saturn Park Advisory Review Committee which was formed in 2024 to implement the City's Land Use Element that was approved by voters in 2020. The SPARC has nothing to do with the data center being considered on December 3rd. Its only function was to advise the City Council regarding what zoning regulations to enact within the Saturn Park area. A copy of the October 2, 2024 staff report describing its functions – without the 500+ page attachment – is included with this email. The full 500 + page packet regarding the matter may be accessed at https://montereyparkca.portal.civicclerk.com/event/1375/files/agenda/1484. In short, SPARC was a land use planning tool that the City Council utilized to receive community input on how to craft zoning within the Saturn Park area.

The assertions that Council Member Wong had a conflict by serving on the SPARC are false. Council Member Wong has a potential conflict *only* as to the pending data center application. The City is waiting for guidance from the Fair Political Practices Commission (the FPPC), which is California's enforcement agency as to conflicts of interest, regarding whether Council Member Wong has an actual conflict in the data center matter. The FPPC logged this request as Advice Request No. 25-147. Attached is a copy of the request from October and the FPPC's assignment notification. Absent the FPPC advising that Council Member Wong does *not* have a conflict, he is required by California law to recuse himself from any decision regarding the data center.

If you need additional information regarding any of the above, please don't hesitate to ask.

Thank you,
Inez

Begin forwarded message:

> **From:** Joshua Silla <sjllasilla@gmail.com>
> **Date:** December 1, 2025 at 2:04:33 PM PST
> **To:** "Yang, Elizabeth" <eyang@montereypark.ca.gov>, "Lo, Henry" <hlo@montereypark.ca.gov>, "Wong, Thomas" <twong@montereypark.ca.gov>, "Ngo, Vinh T." <vngo@montereypark.ca.gov>
> **Subject: Re: STATEMENT REQ: Monterey Park Data Center**
>
> [EXTERNAL EMAIL]

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

Hi all! Just wanting to follow up on this!

On Mon, Dec 1, 2025 at 10:50 AM Joshua Silla <sjllasilla@gmail.com> wrote:

> Hi! My name is Joshua Silla, I'm a journalist from the San Gabriel Valley Tribune assigned to cover the data center proposed in Monterey Park.
>
> I am reaching out to you today for a statement request for the reason(s) why the city is proposing a data center.
>
> Other information I would also like to request also has to do with community concerns. From what I understand, Councilmember Wong served as SPARC chair, sparking concern about the potential conflict of interest. Another community concerns is the high utility bills residents will have to pay post-construction — what do you have to say to that? What pushbacks have you received for the decision to erect a data center, and what pushbacks do you anticipate ahead of the Wednesday meeting?
>
> My deadline for this story is 4 p.m. today. If you are able to send me a response by 3 p.m., it would be greatly appreciated!
>
> All the best,
> Joshua Silla

City Council Staff Report

DATE: October 2, 2024
AGENDA ITEM NO: Old Business - 2A

TO: The Honorable Mayor and City Council

FROM: Jessica Serrano, Director of Community Development

SUBJECT: Saturn Park Advisory Review Committee ("SPARC") Outreach and Recommendation

RECOMMENDATION:

It is recommended that the City Council consider:

1. Receiving and filing the SPARC Community Visioning Workshop Series – Outreach Report (Attachment 1);
2. Approving the minutes for the SPARC's regular meeting of August 29, 2024 (Attachment 2);
3. Receiving the Saturn Park Advisory Review Committee's ("SPARC's") recommendation to expand allowed uses within Saturn Park and directing staff regarding the land uses for Saturn Park as deemed appropriate; and
4. Taking such additional, related, action that may be desirable.

BOARD/COMMISSION REVIEW:

On April 9, 2024, the Planning Commission discussed future land uses at Saturn Park as contemplated by the Land Use and Urban Design Element ("LUE") to the General Plan approved by voters through Measure JJ in 2020 (Ordinance No. 2198; Attachment 3). Additional background regarding the adoption of the LUE is contained in the City Council Staff Report, dated June 17, 2020 (Attachment 4). During a subsequent Planning Commission meeting on April 15, 2024, the majority of the Planning Commission expressed support for expanded land uses within Saturn Park to implement the vision expressed in the LUE.

EXECUTIVE SUMMARY:

The SPARC was formed on May 22, 2024 by the City Council to solicit public input and develop a recommendation regarding potential future land uses as part of the implementation of the LUE. A four-part series of community workshops was held by the SPARC beginning on July 29, 2024 and ending on August 29, 2024. At the final meeting, the SPARC voted 8-1 to recommend that City Council expand allowed uses at Saturn Park and create two different zones for properties to the north vs. properties to the south of Saturn Street. The recommended action includes that City Council consider providing direction regarding any desirable "next steps" for implementing the LUE based upon the SPARC Community Visioning Workshop Series – Outreach Report (dated October 2024).

BACKGROUND:

The area referred to as Saturn Park in the LUE is approximately 65 acres and is bordered by adjacent residential uses, La Loma Park, and La Loma Reservoir to the north, Potrero Grande Drive to the south, Orange Avenue to the east, and residential uses to the west. The area is comprised of 19 lots with 12 different property owners. This area was historically a decomposed granite quarry, but in later years became a business park called McCaslin Business Park.

Saturn Park currently has voter enacted zoning regulations, Office Professional ("O-P") zone, that were enacted through Measure D (Ordinance No. 1933) on April 14, 1998. The voter approved O-P zone in Saturn Park poses challenges to businesses wishing to locate in that area due to the limited allowed uses. Additionally, Saturn Park has office buildings that are obsolete and remain unoccupied due to changes to the mode in which businesses operate in the post-Pandemic era. Currently, approximately 73% of the available building square footage is unoccupied.

On November 3, 2020, voters enacted Measure JJ which adopted the LUE. A full discussion regarding the LUE was provided to the City Council in 2019 and 2020. Copies of those staff reports (without attachments) are included with this Staff Report for context (Attachment 4).

Measure JJ constitutes the 20-year voter approved vision for development in the City. Measure JJ designates Saturn Park as "Innovation/Technology" (LUE – Figure LU-3: Land Use Policy Map, Attachment 5). Uses for this designation include research and development; light manufacturing; service commercial; professional offices; entertainment; and breweries/wineries/distilleries; trade and technical schools; public utilities, and similar uses "per zoning regulations." Prohibited uses include warehousing, freight terminals, vehicle storage, and heavy manufacturing. Section 3(A) of Measure JJ specifically authorizes the City Council to "implement [Measure JJ] including, without limitation, adopting all zoning regulations needed to effectuate [Measure JJ] by ordinance."

The SPARC was formed by the City Council on May 22, 2024 to solicit public input and develop a recommendation regarding potential future land uses at Saturn Park as part of the implementation of the LUE. On July 17, 2024, the City Council authorized the City Manager to execute a task order and budget appropriation to retain Willdan Engineering to assist the City with conducting outreach activities and potentially amending the zoning code to govern Saturn Park land uses in accordance with Measure JJ.

On June 18, 2024, the City Council adopted Urgency Ordinance No. 2245 instituting a moratorium governing the acceptance, approval and issuance of new permits for development within Saturn Park for at least 45 days, which ended on August 2, 2024. The moratorium was extended by adopting Ordinance No. 2246 on July 17, 2024 for an additional 90 days until October 31, 2024.

The Urgency Ordinance allowed time for the SPARC to receive public input regarding recommended land uses for Saturn Park and implementation of the LUE. Additional extensions of the Urgency Ordinance may be desirable if the City were to pursue changes to the existing zoning regulations.

As part of the SPARC's outreach, a four-part workshop series was held with sessions on July 29, August 12, August 19 and August 29, 2024. The workshop series was led by Willdan Engineering representatives who were responsible for leading discussions, breakout groups, and voting exercises aimed at gathering community feedback. The outreach process and community input are summarized in the SPARC Community Visioning Workshop Series – Outreach Report contained in Attachment 1. Part of the recommended action is that City Council receive and file this report.

At the final meeting on August 29, 2024, the SPARC members received a recap of the community input received at the prior workshops and voted on a recommendation to City Council regarding potential future land uses at Saturn Park. With an 8-1 vote, the SPARC voted to:

> *Recommend that the Monterey Park City Council expand land uses for the Saturn Park area with consideration for areas and parcels above and west of Saturn Street versus the south of Saturn Street without eliminating any existing permitted land uses.*

Since the SPARC is not scheduled to reconvene, the meeting minutes from August 29, 2024 are being presented to the City Council for consideration. The recommended action includes that City Council direct staff as deemed appropriate in regard to the land uses for Saturn Park.

2024-25 STRATEGIC PLAN GOAL:
Potential direction to staff to implement the SPARC's recommendation to expand allowed uses at Saturn Park will advance the City Council's Strategic Plan Goal to "Strengthen our local economy and enhance housing opportunities" by increasing options for potential future businesses at Saturn Park.

FISCAL IMPACT:
No fiscal impacts are anticipated.

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. SPARC Community Visioning Workshop Series – Outreach Report, dated October 2024
2. SPARC Meeting Minutes, dated August 29, 2024
3. Ordinance No. 2198, Enactment of LUE
4. City Council Staff Report, dated June 17, 2020
5. LUE – Figure LU-3: Land Use Policy Map

From: Tan, Kevin <KTan@MontereyPark.ca.gov>
Sent: Wednesday, April 12, 2023 5:58 PM
To: James Pugh <JPugh@sheppardmullin.com>
Cc: Serrano, Jessica <jserrano@MontereyPark.ca.gov>; scott@rynderscorp.com
Subject: RE: 1977 Saturn - Permitted Uses in O-P Zone

Good evening James,

Yes, data centers would fall under "data processing facility." Since data processing facilities are considered a principal use in the Office Professional Zone (Voter Enacted), data centers would indeed be considered a permitted use in this zoning.

Let me know if you need anything else. Have a great rest of your night.

Sincerely,

KEVIN TAN • **ASSISTANT PLANNER**
320 W. NEWMARK AVE., MONTEREY PARK, CA 91754
Office (626) 307-1302
Email • ktan@montereypark.ca.gov

From: James Pugh <JPugh@sheppardmullin.com>
Sent: Tuesday, April 11, 2023 3:00 PM
To: Serrano, Jessica <jserrano@MontereyPark.ca.gov>
Cc: Scott Rynders <scott@rynderscorp.com>
Subject: 1977 Saturn - Permitted Uses in O-P Zone

[EXTERNAL EMAIL]

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

Hi Jessica,

Thank you for meeting with the StratCap team yesterday. As a follow up, we need to confirm the zoning issue we discussed. Our initial diligence concluded that data centers are a permitted use in the O-P (voter enacted) zone.

Specifically, Section 21.14.040 of the Monterey Park Municipal Code includes "data processing facility" as a permitted principal use in the O-P zone. As we described yesterday, StratCap intends to develop a data center on the site if they complete property acquisition. We view a data processing facility and data center as synonymous for zoning compliance purposes. At this early stage of diligence, and before buying the land, StratCap needs certainty that the City agrees that data centers are permitted uses within the O-P zone. Thus, please respond to this email indicting whether the City agrees that data centers are in fact a permitted use in the O-P zone.

SheppardMullin

Sheppard, Mullin, Richter & Hampton LLP
333 South Hope Street, 43rd Floor
Los Angeles, California 90071-1422
213.620.1780 main
213.620.1398 fax
www.sheppardmullin.com

213.617.4284 direct
jpugh@sheppardmullin.com

File Number: 89AF-371175

September 21, 2023

Mr. Joseph Torres, MPA,
Economic Development Manager
Ms. Jessica Serrano,
Director of Community Development
Ms. Beth Chow, Senior Planner
City of Monterey Park
320 W. Newmark Avenue
Monterey Park, CA 91754

Re: 1977 Saturn Street
Monterey Park, CA 91755

Dear Messrs. Torres, Serrano and Chow,

We have appreciated the assistance provided by you and City planning staff throughout our due diligence process over the past several months. We look forward to continuing our good working relationship. As you know, an affiliate of StratCap Wireless Group ("StratCap") is under contract to acquire the 1977 Saturn Street property from the current owner with plans to redevelop the site into a new state-of-the-art data center facility. StratCap intends to develop the project, but needs assurances that the entitlement pathway will not change materially during the administrative process. The primary issue of concern is whether the City would require a development agreement for the project.

On April 13, 2023, we corresponded with the City sharing our analysis of Chapter 21.44 of the City's municipal code, regarding the applicability of a development agreement. We concluded that StratCap's data center project would not require a development agreement per the municipal code. Working in its cooperative spirit, the City conferred with the City Attorney regarding this issue. Thereafter, the City informed StratCap that the data center project does not require a development agreement per the current municipal code. StratCap relied on this assurance to continue pursuing land acquisition.

Based on our most recent conference call held on August 31, 2023, and our team's subsequent follow up discussions, we understand that the City is in the process of updating its zoning code, which may affect the entitlement process for the subject property. It is our understanding that the City will be moving forward with code updates in stages, with the first code update planned for properties located in the downtown zone. We further understand that future citywide code updates, which could affect the 1977 Saturn property, are anticipated to occur on or about March or April, 2024.

In the event that StratCap elects to move forward with the land transaction beyond due diligence, it will incur substantial costs to prepare architectural plans, commission a method of service study with Southern California Edison, file land use applications and pay requisite fees to the City for the requested project entitlements. As such, StratCap is legitimately concerned that future zoning code updates may materially change the entitlement process. Specifically, we are concerned that the forthcoming municipal code changes could require a development agreement for the data center project, absent a grandfathering provision or vesting mechanism for certain projects.

Based on our conversations, we understand that the City intends to include grandfathering language within the new zoning code ordinances, which would provide appropriate protections for projects that have submitted a complete entitlement application before the effective date of the new ordinances. StratCap needs certainty that the City will in fact include such grandfathering provisions. Pursuing the data center project absent these protections is questionable.

Therefore, we respectfully request that the City confirm that any forthcoming ordinance, or adjustments to municipal code, that apply to the 1977 Saturn Street property, will contain mutually agreeable grandfathering provisions that ensure StratCap can proceed with the data center project – without a development agreement – so long as it submits a completed application before the effective date of any applicable ordinance or municipal code changes.

To memorialize the City's position, please provide a written response to this letter for our files at your earliest convenience.

Thank you,



James E. Pugh
for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

SMRH:4881-0296-1793.1

cc:

Bryan Marsh, StratCap
Chris Flynn, StratCap
Scott Rynders, The Rynders Corporation

SheppardMullin

Sheppard, Mullin, Richter & Hampton LLP
333 South Hope Street, 43rd Floor
Los Angeles, California 90071-1422
213.620.1780 main
213.620.1398 fax
www.sheppardmullin.com

213.617.4284 direct
jpugh@sheppardmullin.com

File Number: 89AF-371175

November 5 2024

VIA E-MAIL

City Council
City of Monterey Park
320 W. Newmark Avenue
Monterey Park, CA 91754
Email: c/o City Clerk,
MPClerk@montereypark.ca.gov

Re: Proposed Data Center Regulations – Agenda Item 4-A

Dear Honorable City Council,

We represent SDCF Monterey Park, LLC ("Applicant") regarding its data center project ("Project") located at 1977 Saturn Street ("Site") in the City of Monterey Park ("City"). We understand that the City Council will consider a Zoning Ordinance Text Amendment (ZCA-24-02) on November 6, 2024 for the Saturn Park area. This ordinance is primarily aimed at the Project – as the only data center proposed in the City. Accordingly, we must present this letter to protect the Applicant's rights and preserve certain issues for the record. In addition, it is necessary for us to clarify information in the staff report, and the recitals of the proposed ordinances, that inaccurately portray data centers.

Most importantly, we reaffirm the Applicant's commitment to building the Project and providing the City with an environmentally-conscious development that infuses substantial revenue into the City's budget while also providing community benefits. We must emphasize, however, that the City's trend of waffling on important zoning and legal issues concerns us. We highlight some of those issues in this letter. We trust that the City's actions are not intended to effectuate a regulatory taking by making the Project infeasible. Thus, our points below are in the sprit of collaboration and creating a regulatory structure that is reasonable for the City and allows the Project to become a reality.

I. Clarifying Assertions in the Staff Report

A. There is No Legal or Factual Basis to Adopt an Urgency Ordinance.

The staff report recommends adopting an Urgency Ordinance to amend the voter-enacted provisions in Monterey Park Municipal Code ("MPMC") Chapter 12.14 ("Urgency Ordinance") to govern data centers. Neither the law nor evidence justifies an urgency ordinance. Our June 17, 2024 letter to the City Council, regarding the now-expired data center moratorium, demonstrated that there was no current and immediate threat to the public health, safety or welfare from data center development. That same rationale applies to the Urgency Ordinance.

On October 31, 2024, the City published a Mitigated Negative Declaration ("MND") for the Project pursuant to the California Environmental Quality Act ("CEQA). The MND provides over 150 pages of comprehensive environmental analysis and is supported by over 5,000 pages of evidence in 15 technical reports. The MND analyzed a wide range of environmental topics including aesthetics, air quality, energy, greenhouse gas emissions, water, land use, noise, public services, transportation, utilities, and many more. The MND concluded that the Project would not have a significant impact on the environment or community. In other words, the record proves that there is no current and immediate threat to the public health, safety or welfare from data center development. The recitals for the Urgency Ordinance are not supported by evidence and are not sufficient findings to justify making the Urgency Ordinance effective immediately. **Therefore, we request that the City Council not adopt the Urgency Ordinance at this time**.

B. The City's Legislative Actions are Not Exempt from CEQA.

The staff report erroneously claims that revising the zoning code is exempt from CEQA. The law is clear that CEQA "**shall apply to** discretionary projects proposed to be carried out or approved by public agencies, including but not limited to, the enhancement and **amendment of zoning ordinances**" per CEQA Guidelines 21080(a). Also, CEQA Guidelines 21065 provides that a project means "an activity directly **undertaken by any public agency**" which "may cause either a direct physical change in the environment, or a **reasonably foreseeable indirect physical change** in the environment." Here, ZCA-24-02 modifies long-standing voter-enacted zoning, introduces a new Saturn Park Innovation/Technology Zone, and implements design regulations that will collectively change the types and characteristics of projects in Saturn Park. That equals a zoning amendment action that will result in reasonably foreseeable physical changes in Saturn Park. Also, the exemptions listed in the staff report do not apply and there is no evidence in the record to support the position. Therefore, CEQA applies to the proposed zoning amendments and the City should do more thorough environmental review. We preserve this issue for the record, if needed.

C. The Data Center Project is an Expressly Permitted Use.

On April 12, 2024, the City confirmed in writing to the Applicant that the Project was an expressly permitted use in the O-P voter enacted zone for Saturn Park. The Applicant relied on the City's position to pursue entitlements for the Site. The City stated that "[y]es, data centers would fall under 'data processing facility.' Since data processing facilities are considered a principal use in the Office Professional Zone (Voter-Enacted), data centers would indeed be considered a permitted use in this zoning." See Exhibit A: City Confirmation of Data Center Permitted Use. The staff report now waffles about whether "data center" and "data processing facility" can be considered synonymous for planning purposes, which is exactly the issue we confirmed with the City previously. Therefore, it is disingenuous for the staff report, and ordinance recitals, to reverse the City's prior position and claim that a data center land use is not part of the current zoning regulation.

Nonetheless, we can appreciate the City's desire to update certain MPMC definitions, and are not opposed to a clearer definition of permitted data centers. Therefore, we request that the

City make it abundantly clear that data centers are expressly permitted uses in both the existing O-P zone in Saturn Park (if it is not completely replaced) and the proposed S-P – Saturn Park Innovation/Technology Zone. Precisely, the City should add "data centers" to the list of principal permitted uses in Section 21.14.050 of the updated ordinance. That is in addition to the new data center provisions in Section 21.14.210, and that is important so the resulting regulations are not vague regarding permitted uses (per Section 21.14.050) and prohibited uses (per 21.14.040).

D. Data Centers Can Provide Substantial Tax Revenue and Community Benefits.

With no evidence, the staff report claims that data centers are not a significant source of tax revenue. That statement is false and could mislead the decisionmakers and the community. There is strong empirical evidence that data centers generate substantial tax revenues. See Exhibit B: The Impact of Data Centers on the State and Local Economies of Virginia, March 2022; See also, Data Center Tax Dollars Invest in Local Communities, November 2023. The report, and article, are based on financial information provided by several economic development departments, and found that, "[d]ata centers generate a large amount of property tax revenue for local governments without placing many demands on local government services. Additionally, the industry places downward pressure on overall tax rates, thereby improving the locality's business climate and economic attractiveness." The report also notes that more than 30 states have some type of incentive program to attract data centers to their states. Therefore, it is clear that data centers provide a significant source of tax revenue and can spur economic activity for accepting cities and counties.

Also, please note that the Applicant is preparing a tax report that will estimate the beneficial tax revenues the Project could provide to the City, if approved. Similarly, as you know, the Applicant is negotiating a development agreement with the City that would provide additional community benefits. It is unquestionable that the Project would improve the City budget and stimulate economic activity, while not creating significant environmental impacts. Hence, we urge the City to use a more balanced narrative in its reports and discussions of data centers so the public has an accurate unbiased understanding of the environmental and economic effects of data centers.

II. The Project Should Be Exempt from the Urgency Ordinance and Regular Ordinance.

The City Council previously exempted the Project from Urgency Ordinance 2246, which prohibited all land use entitlements in Saturn Park. As a reminder, Section 4.B of that ordinance stated that the City Council could " . . . accept, process and approve development applications that: (1) were filed with the City before April 15, 2024; (2) include or are amended to include a development agreement per Chapter 21.44 of the Monterey Park Municipal Code; and (3) obtain City Council approval of the development agreement before, or concurrent with, approval of the project entitlements proposed in the timely-filed application." There is no reason to now subject the Project to new data center regulations in the Urgency Ordinance. That is unnecessary for at least two reasons.

First, the Project entitlements include a development agreement. And, as stated in the MND, the City intends to activate the Business Recovery Development Agreement Zone ("BRDZ")

to control the land use and development standards on the Site. It follows, that the provisions of the Urgency Ordinance and Regular Ordinance are superfluous to the land use control the City already has on development of the Project. Furthermore, the City released the proposed data center regulations on the evening of November 1, 2024, which thereby provided only two business days for the Applicant to consider the effects of the regulations on the Project. We believe that type of haste is not necessary because the entitlements already include a development agreement and BRDZ activation. **Therefore, we respectfully request that the City Council provide the same exemption language (as referenced above) in the Urgency and Regular Ordinances if adopting either ordinance occurs on November 6, 2024**.

Second, the Project complies with the existing regulations applicable to Saturn Park and the entitlements permissible in the MPMC. Accordingly, even without the Urgency or Regular Ordinances, the City can find the Project consistent with existing zoning and land use designations to approve the Project. At this stage of administrative review, to us, it appears that imposing further design requirements on the Project is simply counterproductive because the City can accomplish the exact same objectives via the development agreement and BRDZ, which are incorporated into the entitlements.

III. Improving the Regular Ordinance and Design Guidelines for Data Centers

The Urgency Ordinance and the Regular Ordinance are largely the same. As we discussed above, there is no legitimate basis for the City to adopt the Urgency Ordinance. In fact, we believe that rushing to judgment on an important regulation is not in the City's best interest. Here, our comments focus on the proposed Regular Ordinance, which we understand would be the permanent regulations.

We believe that the City could improve the Regular Ordinance given additional time to consider the proposed regulations, especially Section 21.14.240 regarding data centers. The November 6, 2024 City Council meeting is the first time the City, the Applicant, and the public have had an opportunity to consider the proposed data center regulations. Our opinion is that the City should be more conscientious and take a reasonable amount of time to create data center regulations that are mindful of the environment and also feasible for data centers to implement. There is simply not enough time to do that before November 6th. **Therefore, we request that the City Council continue its consideration of the Regular Ordinance for 60 days and direct staff to work with the Applicant to craft improved data center regulations**.

In the alternative, we have slightly revised the Regular Ordinance and Design Guidelines to provide flexibility so the regulations do not (intentionally or unintentionally) preclude smart data center development in Saturn Park. See Exhibit C: Revised Regular Ordinance and Design Guidelines. We have conferred with the Applicant and its architect regarding the Regular Ordinance and the Design Standards. Given more time, we would also confer with the project engineers to vet the ordinances and the Leadership in Energy and Environmental Design ("LEED"), or Green Building Initiative ("GBI"), requirements to determine how those can apply to the Project and data centers generally. That is valuable information for the City. However, a rushed vote on the regulations prevent its implementation. **Therefore, if the City Council decides to adopt either the Urgency Ordinance or the Regular Ordinance, we respectfully**

request that the City incorporate our edits to provide a basic level of regulatory flexibility for compliance.

IV. Providing Balanced Data Center Research and Technical Truths for the Project

Context and perspective matter. The staff report contains several articles regarding data center development in Virginia and Texas, which are two of the largest data center markets in the World with hundreds of data centers. By comparison, the City has zero data centers currently and one proposed. Please keep that fact in mind and resist an alarmist reaction.

The reality for the City is that the Project is a relatively small, efficient, quiet and water-saving data center that does not have significant environmental impacts and provides substantial tax revenue and community benefits. Below are truths about the Project and how it compares to the topics raised in the data center materials provided in the staff report.

A. Energy

In the staff report, the County of Fairfax Virginia Report ("Virginia Report") states that a data center with a Power Utilization Efficiency ("PUE") metric of 1.1 to 1.3 or less is an efficient facility. The City's MND explains that the Project has a 1.2 PUE, which is highly efficient. The Virginia Report also states that, based on meetings with the local power agency, "data center growth does not pose a risk in terms of reliability to residential and other customers." Similarly, here, Southern California Edison ("SCE") prepared a Method of Service ("MOS") study for the Project, which determined that SCE has sufficient power available to service the Project without stressing the City's energy grid.

In the staff report, the Bisnow power article from Texas ("Texas Article"), which was drafted by two reporters from Houston and Boston, focuses on power needs and references the Dallas data center power inventory as "[a]t the end of the second quarter there were 966 megawatts ("MW") of total inventory, with 339 MW under construction, and 3,091 MW planned in DFW." For comparison, the Project in the City would use a maximum of 49.9 MW only. The Texas Article also provides perspective for its reporting saying "[w]e're not talking about 50-MW data centers anymore . . . we're talking about 500 MW or gigawatt-scale data centers." That is the scale of data center and energy demand in Texas, which is wholly inapplicable here. In Monterey Park, we <u>are</u> talking about a 50 MW data center . . . and that context is materially different than the concerns raised in the Texas Article.

Therefore, on balance, we urge the City Council to be accurately informed about the energy efficiency of the Project, and the relatively minimal energy load, compared to the materials contained in the staff report.

B. Water

The water demand for the Project is only marginally more than the existing office building on the Site. The Virginia Report concluded that no zoning amendments related to water demand were needed based on recommendations from the local water district. Similarly, here, Section

4.19 of the MND analyzed water demand quantitatively and concluded that there is sufficient water supply for the Project. Moreover, Appendix M-2: Water Efficiency Memorandum, in the MND, explains how the Project design utilizes air cooled chillers with a free-cooling heat-exchanger technology that requires minimal water. Therefore, we urge the City Council to be fact-based about the water usage of the Project when considering approvals or the proposed regulations.

C. Noise

The Project complies with the City's noise ordinance. The Virginia Report opined that noise studies submitted for data centers indicated that measures were needed to reduce potential noise to comply with applicable noise ordinances. That is exactly what the Applicant and City did here. The MND contains detailed noise modeling in Appendix J: Noise and Vibration Analysis Memorandum, and the Project incorporates noise-attenuating project design features that ensure noise levels are within the noise ordinance limits. For example, the Project design includes screening elements for rooftop equipment, and precast screen walls around generators, to minimize noise impacts. Accordingly, the MND concluded that even when all noises sources were analyzed together (i.e., composite noise modeling) the Project would not exceed the applicable noise standards.

Overall, we appreciate the City's desire for informed decision making about data centers and the evolving digital infrastructure market. Nonetheless, please be grounded in truths about the Project while exercising your discretion on the proposed data center ordinances, and ultimately the Project.

V. Conclusion

In closing, we thank the City for the opportunity to comment on, and hopefully improve, the proposed data center regulations. Likewise, the Applicant appreciates the City's willingness to continue advancing the Project. We particularly thank the City staff, and its environmental consultants, for producing a comprehensive MND that demonstrates the Project does not have significant impacts on the environment or community. As you know, the Applicant is committed to improving the Site with a modern data center and thereby helping the City reactivate Saturn Park in a manner that delivers jobs, community benefits, and recurring tax revenues. We hope that any City actions on the proposed data center regulations do not jeopardize the good progress made by all on the Project.

Respectfully,

James E. Pugh

James E. Pugh
for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

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SMRH:4890-6474-8275.2

EXHIBIT A

From: Tan, Kevin <KTan@MontereyPark.ca.gov>
Sent: Wednesday, April 12, 2023 5:58 PM
To: James Pugh <JPugh@sheppardmullin.com>
Cc: Serrano, Jessica <jserrano@MontereyPark.ca.gov>; scott@rynderscorp.com
Subject: RE: 1977 Saturn - Permitted Uses in O-P Zone

Good evening James,

Yes, data centers would fall under "data processing facility." Since data processing facilities are considered a principal use in the Office Professional Zone (Voter Enacted), data centers would indeed be considered a permitted use in this zoning.

Let me know if you need anything else. Have a great rest of your night.

Sincerely,

KEVIN TAN • **ASSISTANT PLANNER**
320 W. NEWMARK AVE., MONTEREY PARK, CA 91754
Office (626) 307-1302
Email • ktan@montereypark.ca.gov

From: James Pugh <JPugh@sheppardmullin.com>
Sent: Tuesday, April 11, 2023 3:00 PM
To: Serrano, Jessica <jserrano@MontereyPark.ca.gov>
Cc: Scott Rynders <scott@rynderscorp.com>
Subject: 1977 Saturn - Permitted Uses in O-P Zone

[EXTERNAL EMAIL]

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Hi Jessica,

Thank you for meeting with the StratCap team yesterday. As a follow up, we need to confirm the zoning issue we discussed. Our initial diligence concluded that data centers are a permitted use in the O-P (voter enacted) zone.

Specifically, Section 21.14.040 of the Monterey Park Municipal Code includes "data processing facility" as a permitted principal use in the O-P zone. As we described yesterday, StratCap intends to develop a data center on the site if they complete property acquisition. We view a data processing facility and data center as synonymous for zoning compliance purposes. At this early stage of diligence, and before buying the land, StratCap needs certainty that the City agrees that data centers are permitted uses within the O-P zone. Thus, please respond to this email indicting whether the City agrees that data centers are in fact a permitted use in the O-P zone.

A phase of our diligence period ends this week, so please respond at your earliest opportunity.

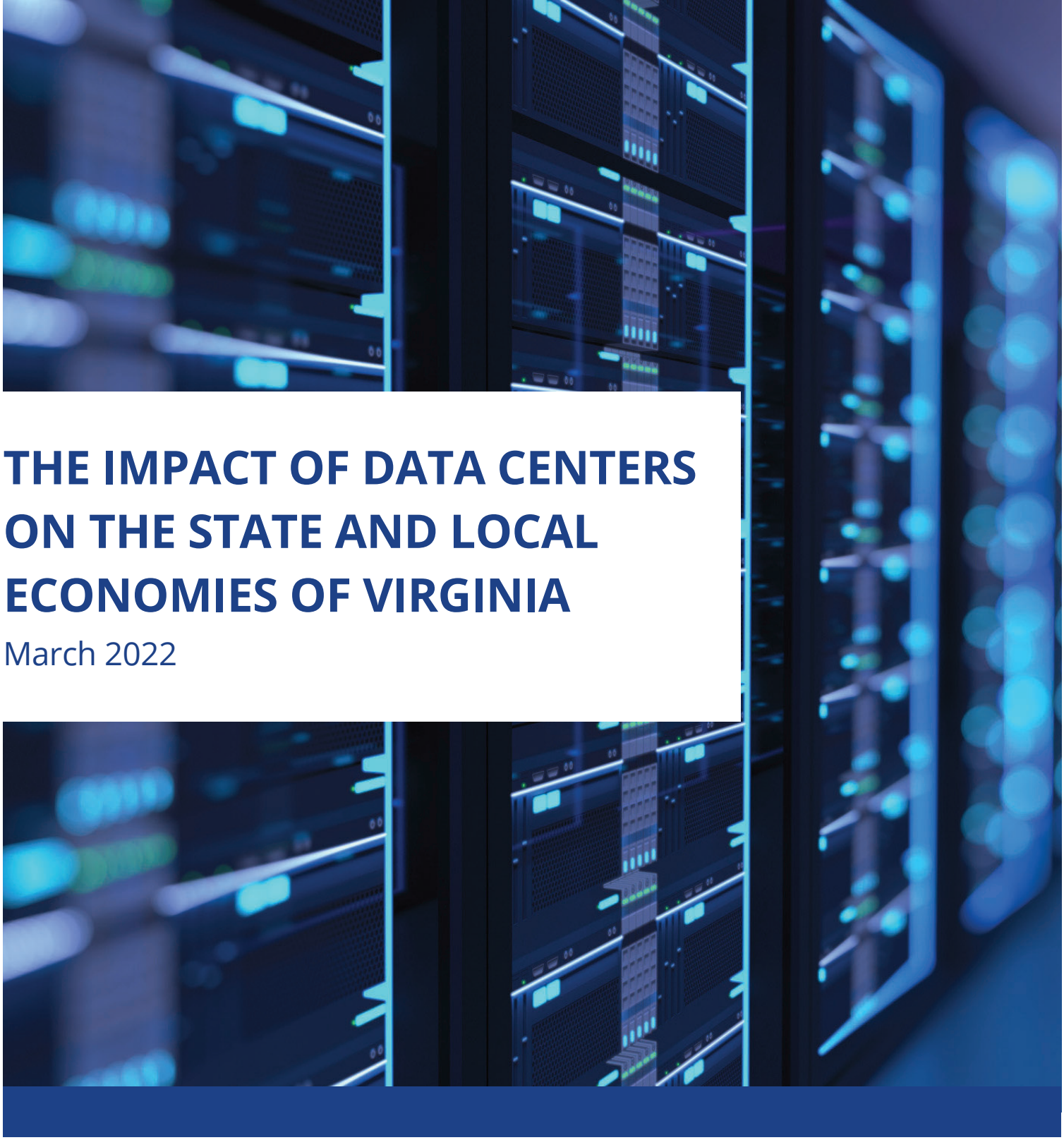
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EXHIBIT B



THE IMPACT OF DATA CENTERS ON THE STATE AND LOCAL ECONOMIES OF VIRGINIA

March 2022

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NORTHERN VIRGINIA
TECHNOLOGY COUNCIL

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Report Prepared by:

MANGUM economics

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About Mangum Economics, LLC

Mangum Economics, LLC is a Glen Allen, Virginia based firm that specializes in producing objective economic, quantitative, and qualitative analysis in support of strategic decision making. Much of our recent work relates to IT and Telecom Infrastructure (data centers, terrestrial and subsea fiber), Renewable Energy, and Economic Development.

Examples of typical studies include:

- ## Policy Analysis

  Identify the intended and, more importantly, unintended consequences of proposed legislation and other policy initiatives.

- ## Economic Impact Assessments and Return on Investment Analyses

  Measure the economic contribution that businesses and other enterprises make to their localities.

- ## Workforce Analysis

  Project the demand for, and supply of, qualified workers.

- ## Cluster Analysis

  Use occupation and industry clusters to illuminate regional workforce and industry strengths and identify connections between the two.

The Project Team

David Zorn, Ph.D.
Director, Technology and Special Projects Research
A. Fletcher Mangum, Ph.D.
Founder and CEO
Martina Arel, M.B.A.
Director, Economic Development and Renewable Energy Research

Acknowledgments

This report was made possible in part by the unique data supplied by the Loudoun County Department of Economic Development (especially, Alex Gonski and Buddy Rizer) and the Prince William County Department of Economic Development (especially Allisha Abraham, Thomas Flynn, and Jim Gahres). Fairfax County Economic Development Authority (especially Catherine Riley and Stephen Tarditi) also provided important information for the report.

About the Northern Virginia Technology Council

The Northern Virginia Technology Council (NVTC) is the trade association representing the National Capital Region's technology community. As one of the nation's largest technology councils, NVTC serves companies from all sectors of the industry, from small business and startups to Fortune 100 technology companies, as well as service providers, academic institutions, and nonprofit organizations. Nearly 500 entities make up the NVTC membership and look to the organization as a resource for networking and educational opportunities, peer-to-peer communities, policy advocacy, industry promotion, fostering of strategic relationships, and branding of the region as a major technology center.

website: nvtc.org
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If you are interested in joining NVTC, please contact Steve Upton, NVTC Chief Growth Officer at supton@nvtc.org.

TABLE OF CONTENTS

Executive Summary 4

Data Centers Drive Investment in Virginia 6

Economic Profile of Data Centers in Virginia 8

The Northern Virginia Data Center Market in 2021 8

Rapidly Raising Wages in Virginia Data Centers 9

The Regional Distribution of Data Center Investment in Virginia 10

The Impact of Data Centers on Virginia State and Local Economies 12

Virginia Statewide 14

Central and Coastal Virginia 15

Investment Highlight - Community Action Grants 15

Northern Virginia 16

Investment Highlight - The Northern Virginia Community College Programs 17

Investment Highlight - New Data Center Expansions in Fairfax County 17

Southern Virginia 18

Investment Highlight - SOVA Innovation Hub 19

Valley and Western Virginia 20

Investment Highlight - Project Oasis and Mineral Gap 21

Data Centers' Contribution to State and Local Government Budgets 22

Statewide and Regional Tax Collections Associated with Data Centers 22

Data Centers Contribute to Local Government Budgets 23

Data Centers' High Local Benefit to Cost Ratio 23

Local Data Centers Reduce the Burden on the State Education Budget 26

Virginia's Data Center Sales and Use Tax Exemption 27

Virginia Treats Data Centers Like Other Capital-Intensive Industries 27

JLARC's Evaluation of the Data Center Incentive 28

The Incentive Helps to Attract Some Data Centers that Do Not Qualify for the Incentive 30

National Context for Virginia Incentives 30

Competition Between States 32

New York - New Jersey - Connecticut 32

Illinois - Indiana 32

Executive Summary

Data centers are the major drivers of investment in Virginia. According to information from the Virginia Economic Development Partnership (VEDP), in 2021, 62% ($6.8 billion) of all the new investment announced by VEDP was from new and expanding data centers.

The investment in data centers in Virginia is also driving investment in businesses in the data center supply chain. Some specific examples of new investment in Virginia associated with data centers include:

- Aggreko establishing its North American data center headquarters in Loudoun County
- Anord Mardix adding a second manufacturing plant in Henrico County
- Hanley Energy establishing its U.S. headquarters and manufacturing plant in Ashburn
- Munters Group investing $36 million in a new manufacturing facility in Botetourt County. [1]

The concentration of data centers in Virginia spurred the construction of the subsea cable landing in Virginia Beach that serves the MAREA, BRUSA and Dunant cables. Confluence Networks also plans the construction of Confluence-1, a festoon cable connecting Virginia Beach to New Jersey, South Carolina and Florida.

Virginia now has data centers located throughout the state, from Wise County and Harrisonburg in the Valley and Western Virginia, to Mecklenburg County in Southern Virginia, to Henrico County and Virginia Beach in Central and Coastal Virginia, to Loudoun County in Northern Virginia, and other localities.

Northern Virginia has the largest data center market in the United States. As of 2021, the data center inventory in Northern Virginia exceeds that of the next 5 largest markets combined. The compound annual rate of growth in data centers in Northern Virginia from 2014 to 2021 was 25%. In comparison, Dallas-Fort Worth, the next fastest growing area, had compound annual growth rate of 10%. From 2018 to 2021, the total data center capacity in Northern Virginia more than doubled.

Between 2001 and 2020, the average private sector employee of a Virginia data center saw their gross income go up 70% faster than the average private sector employee in Virginia. We estimate that in 2021, data center employed 5,550 Virginians, not counting construction workers building data centers in the state. Approximately 88% (4,920) were working in Northern Virginia, while six percent (330) worked in Southern Virginia, five percent (250) worked in Central and Coastal Virginia, and one percent (50) worked in the Valley and Western Virginia. The accumulated capital investment in data centers across the state amounts to $126 billion in 2021 dollars. Virginia data centers spent $5.4 billion in 2021 for operational expenses, the majority of which goes for staffing and power.

[1] https://roanoke.org/2021/03/25/munters-group-ab-to-invest-36-million-in-botetourt-county/

In 2021, the data centers in Virginia directly provided approximately:

- 5,550 operational jobs and 10,230 construction and manufacturing jobs
- $1.6 billion in associated employee pay and benefits
- $7.5 billion in economic output

Taking into account the economic ripple effects generated by that direct impact, the total impact on Virginia from data centers in 2021 was approximately:

- 45,460 supported jobs
- $3.6 billion in associated employee pay and benefits
- $15.3 billion in economic output

For every job inside a Virginia data center, there are 4.1 additional jobs that are supported in the rest of the Virginia economy.

We estimate that in 2021, data centers were directly and indirectly responsible for generating $174 million in state revenue and $1 billion local tax revenue in Virginia.

In 2020, the local benefit to cost ratios associated with the industry were:

- Loudoun County - for every $1.00 in county expenditures that data centers were responsible for generating, it provided approximately $13.20 in tax revenue
- Prince William County - for every $1.00 in county expenditures that data centers were responsible for generating, it provided approximately $13.50 in tax revenue

Because of the way that the state of Virginia subsidizes local education budgets, without data centers in Loudoun and Prince William counties, the State of Virginia would have to reallocate $90.5 million in State education funding away from other Virginia localities to provide $73 million in additional funding to Loudoun County, and $17.5 million in additional funding to Prince William County.

In 2019, The Joint Legislative Audit and Review Commission (JLARC) published an evaluation of Virginia's data center and manufacturing incentive programs. JLARC found:

- 90% of the data center investment made by the companies that received the sales and use tax exemption would not have occurred in the state of Virginia without the incentive
- In 2017, the State took in $1.09 in state tax revenue from data center related activity for every $1 of potential state tax revenue that was exempted from qualifying data centers
- In 2016, the data center incentive was revenue neutral - it generated $1 in additional state tax revenue for every $1 of potential state tax revenue that it exempted
- From 2013 through 2017, on average, the State recovered 75 cents in state tax revenue for every one dollar of potential tax revenue exempted from qualifying data centers

Over 30 states have some type of incentive to attract data centers to their states. In the last couple of years, Arizona, Connecticut, Idaho, Maryland, North Dakota, Pennsylvania, and Utah have all enacted or expanded sales and use tax incentives targeting data centers for economic development.

Data Centers Drive Investment in Virginia

Data centers are the major drivers of investment in Virginia. Investment in the state comes in the form of the construction and operation of the data centers themselves, plus investments in Virginia made by businesses that supply and support data centers in the state.

According to information from the Virginia Economic Development Partnership (VEDP), [2] in 2021, 62% ($6.8 billion) of all of the new investment announced by VEDP was from new and expanding data centers. In 2020, data centers accounted for 81% ($7.9 billion) of all of the new investment that VEDP announced. As explained below, we estimate that the accumulated capital investment of data centers in Virginia amounts to $126 billion in 2021 dollars employing 5,550 operational workers.

The investment in data centers in Virginia is also driving investment in businesses in the data center supply chain. Some specific examples of new investment in Virginia associated with data centers include the $36 million investment by Munters Group in a new manufacturing facility in Botetourt County for 200 employees. [3] Munters is a global manufacturer of air treatment and climate control equipment, including data center cooling systems. A significant portion of the cost of building a data center goes to the equipment needed for cooling. Michael Gantert, the president of Data Centers at Munters, stated that, "A move to the Roanoke region will allow for the expansion that is needed for the Data Centers business in the U.S." [4]

Another example of recent data center supply chain investment in Virginia is Hanley Energy establishing its U.S. headquarters and manufacturing plant in Ashburn. [5] The Irish company provides energy-monitoring products and services for data centers. The new plant and headquarters will employ 170 new workers by the end of 2022. Additionally, Aggreko established its North American data center headquarters in Loudoun County. The British company produces temporary power generation and energy story equipment for data centers. Mike Clemson, the head of Aggreko's North American Data Center Division, stated, "The choice to establish a presence in Loudoun was a natural one, as virtually all of our data center customers are present in the Data Center Alley. The opportunity for us to grow our data center business in Loudoun County is tremendous." [6]

In Henrico County in 2019, Anord Mardix, a global power distribution and management manufacturer, spent almost a million dollars and added 51 new jobs for a second manufacturing plant. The power switchgear produced in the company's two manufacturing facilities is used in data centers and other critical infrastructure businesses. Chairman of the Henrico County Board of Supervisors, Tyrone Nelson, said, "Anord Mardix's success supports Henrico's growing data center cluster as they supply critical power infrastructure to data centers and mission-critical facilities across the globe." [7]

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[2] https://announcements.vedp.org/Announcements/
[3] https://roanoke.org/2021/03/25/munters-group-ab-to-invest-36-million-in-botetourt-county/
[4] https://www.munters.com/en-us/media/news/global-news/2021/munters-relocates-in-the-us-to-expand-data-center-business/
[5] Dan Swinhoe, "Hanley Energy expands in Virginia, will base US headquarters in Loudoun County," May 25, 2021.
[6] LoudounNow, "Aggreko to Establish Data Center Division Headquarters in Loudoun," July 10, 2021.
[7] https://www.governor.virginia.gov/newsroom/all-releases/2019/january/headline-837867-en.html

The concentration of data centers in Virginia spurred the construction of the subsea cable landing in Virginia Beach that serves the MAREA cable going to Spain, the BRUSA cable going to Puerto Rico and Brazil, and Google's Dunant cable going to France. Confluence Networks also plans the construction of Confluence-1, a festoon cable connecting Virginia Beach to New Jersey, South Carolina, and Florida. These subsea cables enable very high-speed connections which businesses will increasingly need for the deployment of "Industry 4.0" technologies. The Globalinx and Telxius data centers in Virginia Beach offer collocated connections to the MAREA and BRUSA cables. The DP Facilities data center in Wise County takes advantage of the MidAtlantic Broadband Communities Corporation fiber connections to the MAREA subsea cable. The data centers in Northern Virginia and the cable landing station in Virginia Beach attracted Facebook to invest in its large data center in Henrico County, midway between the two locations. Additionally, QTS has connected its large data center and network access point in Henrico County to the subsea cables in Virginia Beach, offering very low latency connections to Europe and Brazil.

The technology companies that own and operate data centers have made commitments to use renewable energy for their operations. In general, they prefer to have the renewable energy that they purchase generated close to their facilities. That has created a strong demand for investments in renewable energy in Virginia. Dominion Energy is spending over nine billion dollars to build a wind farm off Virginia Beach which will create thousands of jobs in Hampton Roads. And the Solar Energy Industries Association reports that 3,444 megawatts (MW) of solar generation capacity has been installed in Virginia. [8] Using general industry averages of one million dollars of investment per MW, the data centers in Virginia have helped to create demand for $3.4 billion of investment in solar energy projects in the state.

Virginia's data center tax incentive programs are investments in not only in data centers, but also in the manufacturing, energy, and service businesses that are associated with them. The incentive sends a clear signal to potential investors worldwide that the business climate in Virginia is friendly to the high-tech industry.

This report quantifies the significant contribution that data centers make to the state of Virginia and its localities, and it puts Virginia's data center incentive program into the national context of the competition to attract data centers.

[8] https://www.seia.org/state-solar-policy/virginia-solar

Economic Profile of Data Centers in Virginia

Virginia now has data centers located throughout the state, from Wise County and Harrisonburg in the Valley and Western Virginia, to Mecklenburg County in Southern Virginia, to Henrico County and Virginia Beach in Central and Coastal Virginia, to Loudoun County in Northern Virginia, and other localities. This report shows how data centers in every part of the state make an important economic contribution to employment and taxes in every region and to the state as a whole. We begin with an update on the remarkable data center market in Northern Virginia.

The Northern Virginia Data Center Market in 2021

Northern Virginia has the largest data center market in the United States. As of 2021, by our calculations based on data from CBRE [9] and JLL [10], the data center inventory in Northern Virginia exceeds that of the next 5 largest markets (Chicago, Dallas-Fort Worth, Silicon Valley, New York/Tri-State Area, and Phoenix) combined.

Northern Virginia's place at the top of the data center market is a relatively recent development. In 2016, Northern Virginia had just supplanted the New York market as the largest data center market in the United States. In 2017, the New York/Tri-State area had fallen to become the sixth largest data center market. A 2011 report on the data center market in the United States contains only one mention of Virginia in four pages, "Reston, VA has excess supply and new construction will be minimal for a few years." [11] The locations that were highlighted as important in the industry were Chicago, Silicon Valley, Southern California, Phoenix, New York, St. Louis, Washington State, Boston, Minneapolis, Denver, and Charlotte. Regarding what has become the second largest data center market, the report says, "Dallas has excess capacity and growth remains slow."

This illustrates the fluid nature of the data center market and the speed with which market conditions can change in the industry. Once-hot markets can cool off rapidly. In 2017, the data center market in Phoenix had enormous growth, but between the second half of 2018 and the first half of 2019, Phoenix saw net outflows of 26.5 MW worth of tenants, which is almost the same amount that Northern Virginia added in the same period. [12] The computer equipment in data centers is replaced on average every three to five years. Should circumstances warrant it, data center tenants can move from one location to another and leave significant vacancies in colocation data centers.

[9] CBRE, Digital Infrastructure in 2021: The Search for Land, Space, Power and Connectivity, North America Data Center Trends Report, H1 2021.
[10] JLL, H1 2021 Data Center Outlook.
[11] ESD (Environmental Systems Design, Inc.), 2011 Data Center Technical Market Report. February 2011.
[12] CBRE, Large Supply Pipeline Sets Stage for Market Growth in 2019 North American Data Center Report H1 2019.

Figure 1: Relative Sizes of Largest Data Center Markets (megawatts of power capacity) - 2021 [13]

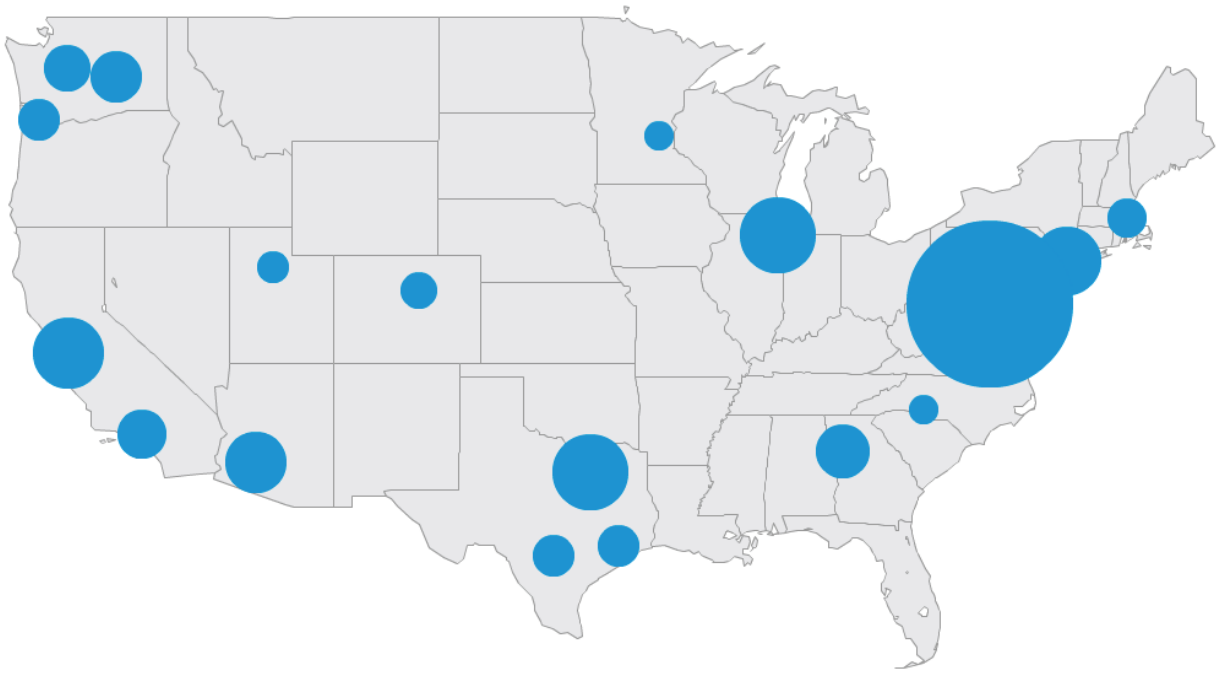


Figure 1 shows the 18 largest data center markets in the United States, as identified by CBRE and JLL. The area of each circle indicates the relative amount of power capacity in each market.

As large as the data center market in Northern Virginia is, the growth of data centers in Northern Virginia is even more impressive. We estimate that the compound annual rate of growth in data centers in Northern Virginia from 2014 to 2021 was 25%. [14] In comparison, Dallas-Fort Worth, a fast growing area, had a compound annual growth rate of 10%. [15] From 2018 to 2021, the total data center capacity in Northern Virginia more than doubled.

Rapidly Rising Wages in Virginia Data Centers

One of the key characteristics of data centers is that they are extremely capital intensive. In other words, data centers employ a relatively small number of highly skilled and highly paid people to operate and maintain a large amount of expensive equipment. Therefore, it is useful to also look at trends in private sector average annual wages in the industry.

Between 2001 and 2020 the average annual private sector wage in the data processing and hosting industry in Virginia grew from $61,117 to $134,308 – a 120% increase. [16]

[13] Mangum Economics estimates based on 2021 data from CBRE and JLL.
[14] Mangum Economics estimates based on data from CBRE and JLL.
[15] Mangum Economics estimates based on data from CBRE and JLL.
[16] Data Source: U.S. Bureau of Labor Statistics.

In comparison, over the same period average private wages across all industries in Virginia went from $36,525 to $62,250 – an increase of 70%. [17] In other words, over the 19-year period, the average private sector employee of a Virginia data center saw their gross income go up 70% faster than the average private sector employee in Virginia.

This combination of growing investment and rapidly rising wages make data centers one of Virginia's highest performing industries and an important (and growing) contributor to a strong and robust state economy. Moreover, in a state such as Virginia where roughly two-thirds of state revenue comes from personal income tax, high growth/high wage industries such as data centers also play a disproportionate role in ensuring the health of the State's budget.

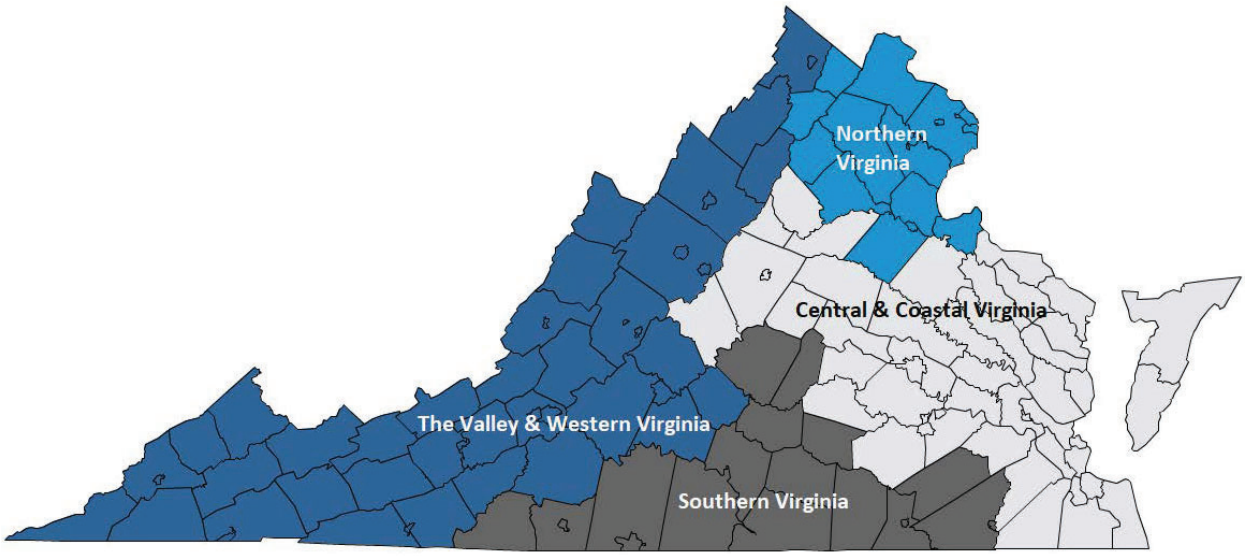
The Regional Distribution of Data Center Investment in Virginia

As impressive as the data center market in Northern Virginia is, in this section, we describe how data center investment is distributed across the state. In this report the method that we use to identify data center investment is different than we have used for previous editions of this report for NVTC. This time we use detailed information on the specific identity, exact location, and size of data centers in Virginia. Using a proprietary data center cost model that we built and validated based on information from various industry sources, we translate data center size information into estimates of employment, local capital investment, and operating costs. We have used this model in projects across the United States.

For the purpose of this report, we have divided the state of Virginia into four regions: Northern Virginia, Central and Coastal Virginia, The Valley and Western Virginia, and Southern Virginia. Figure 2 shows the way we have defined these regions by locality. To identify these four regions, we started with the eight regions identified by the Weldon Cooper Center Demographics Research Group that are based on "communities' shared demographic, social, economic, and geographic characteristics." [18] We then grouped the eight demographic regions into four regions of data center investment that have different catalysts for data center development. Data center development in Northern Virginia is motivated by the existing bulk of data center development in the area, as well as proximity to the federal government and tech companies in the area. Development in Central and Coastal Virginia is significantly due to proximity to the subsea cable landing station in Virginia Beach and to the major terrestrial fiber route running from Northern Virginia south to Raleigh, North Carolina. Data center development in Southern Virginia has the security advantages provided by distance from major population centers while still being centrally located on the East Coast of the United States. For the Valley and Western Virginia, data center development can continue to occur fostered by a robust fiber network and access to geothermally-cooled water. [19]

[17] Data Source: U.S. Bureau of Labor Statistics.
[18] https://demographics.coopercenter.org/virginia-regions
[19] https://www.investswva.org/project-oasis

Figure 2: Four Sub-State Regions



We estimate that in 2021, 5,550 Virginians were employed in data centers, not counting construction workers building data centers in the state. Approximately 88% (4,920) worked in Northern Virginia, while six percent (330) worked in Southern Virginia, five percent (250) worked in Central and Coastal Virginia, and one per (50) worked in the Valley and Western Virginia. A review of job listings posted online by data center operators shows active job openings in all four regions of the state. Data center employment should continue to increase throughout the state into the future.

Additionally, we estimate that the accumulated capital investment in data centers across the state amounts to $126 billion in 2021 dollars. We estimate that Virginia data centers spent $5.4 billion in 2021 for operational expenses, the majority of which was spent for staffing and power.

The Impact of Data Centers on Virginia State and Local Economies

The construction and ongoing operation of data centers in Virginia have large, broad effects across the state economy. In this section, we estimate the statewide economic impact that data centers have on Virginia, as well as in each of the four sub-state regions detailed earlier. To empirically evaluate the statewide and regional economic impact attributable to data centers, we employ a commonly used regional economic impact model called IMPLAN. [20]

Regional economic impact modeling measures the ripple effects that an expenditure generates as it makes its way through the economy. Spending by data centers in Virginia has a direct economic impact on the state and regional economy in terms of people hired as data center employees, employee pay and benefits, and economic activity in the region for utilities, construction, and equipment. That direct spending by the data centers creates the first ripple of economic activity.

As data center employees and businesses (like construction contractors for data centers, power companies that supply data centers, and data center equipment suppliers) spend the money that they were paid by data center companies, they create another indirect ripple of economic activity that is part of the second-round effects of data center activity.

In addition to the economic effects in the Virginia state and local economies of the data center-to-other business transactions, there are also the second-round economic effects associated with data center employee-to-business transactions that ripple through local economies. These effects occur when data center employees buy groceries; pay rent; go out for dinner, entertainment, or other recreation; pay for schooling in Virginia; or make other local purchases. Additionally, there are the second-round economic effects of business-to-business transactions between the direct vendors to data centers and their suppliers.

The total impact is simply the sum of the first round direct and second round impacts. These categories of impact are then further defined in terms of employment (the jobs that are created), labor income (the pay and benefits associated with those jobs), and economic output (the total amount of economic activity that is created in the economy).

[20] IMPLAN is produced by IMPLAN Group, LLC.

There are many Virginia businesses that are part of the data center supply chain. To illustrate some of the types of companies located in Virginia that benefit from data centers in Virginia and that, in turn, generate economic activity in the state, in Table 1 we list a few different types of businesses in the Virginia data center supply chain. The list of businesses in Table 1 is not an endorsement, promotion, or commendation of them, and it is far from a complete list of companies. We only provide it to illustrate some of the types of businesses that are part of the second ripple effect of economic activity related to spending by data centers.

Table 1: Some Businesses Serving Virginia Data Centers

Company	Line of Business	Location
Aggreko North America	temporary power generation and storage products	Loudoun
Anord Mardix	power distribution and management products and services	Henrico
Compu Dynamics	design, construction, optimization, and maintenance	Sterling
Fulcrum Collaborations	facilities management cloud-based platform	Glen Allen
Hanley Energy	energy management services	Ashburn
Interglobix	data center and fiber interconnectivity consulting and marketing	Herndon
Metro Fiber Networks	carrier-neutral fiber connecting Virginia Beach to Henrico data centers	Yorktown
Munters	cooling and air treatment	Buena Vista (expanding to Daleville)
Power Distribution Incorporated	power transformation, distribution, and monitoring	Richmond
Rosendin Electric	design and construction services	Sterling
Submer	IT hardware immersion cooling	Ashburn
Technoguard	materials, cleaning, decontamination, and disaster recovery	Sterling
Timmons Group	site certification and development	Richmond
Windward Consulting	management consulting	Herndon

Virginia Statewide

We estimate that in 2021 data centers in Virginia directly provided approximately:

- 5,550 operational jobs and 10,230 construction and manufacturing jobs
- $1.6 billion in associated employee pay and benefits
- $7.5 billion in economic output

Taking into account the economic ripple effects generated by that direct impact, we estimate that the total impact on Virginia from data centers in 2021 was approximately:

- 45,460 supported jobs
- $3.6 billion in associated employee pay and benefits
- $15.3 billion in economic output.

For every job inside a Virginia data center, there are 4.1 additional jobs that are supported in the rest of the Virginia economy, not counting construction jobs.

Table 2: Economic Impact of Data Centers in Virginia in 2021

Direct Effects	Jobs	Pay & Benefits	Economic Output
Data Center Construction	10,230	$760,500,000	$2,021,100,000
Data Center Operation	5,550	$862,200,000	$5,528,700,000
Supported Effects			
Data Center Construction Supported	6,680	$411,300,000	$1,314,600,000
Data Center Operation Supported	23,000	$1,603,300,000	$6,412,900,000
Total Impact			
Construction Subtotal	**16,910**	**$1,171,800,000**	**$3,335,700,000**
Operation Subtotal	**28,550**	**$2,465,500,000**	**$11,941,600,000**
Total Economic Impact in Virginia	**45,460**	**$3,637,300,000**	**$15,277,300,000**

Because of the large amount of data center development in Virginia over the last several years, parts of the data center construction and operations supply chains (illustrated in Table 1) have developed in the state. This is why data center development in one part of the state creates impacts in other parts of the state. In the following sections covering the four regions of the state, we show the local impacts of direct investment in a region from the construction and operation of data centers. We also show the impacts in each region caused by data center development in other regions.

So, for example, the 9,680 construction jobs building data centers in Northern Virginia supported 5,330 jobs in other industries in Northern Virginia, as well as supporting 380 jobs in Central and Coastal Virginia, 30 jobs in Southern Virginia, and 540 jobs in the Valley and Western Virginia. Likewise, the 4,920 operational jobs in Northern Virginia data centers supported 19,140 jobs in other industries in Northern Virginia, as well as supporting 1,030 in Central and Coastal Virginia, 20 jobs in Southern Virginia, and 60 jobs in the Valley and Western Virginia.

Central and Coastal Virginia

We estimate that in 2021, data centers in Central and Coastal Virginia directly provided approximately:

- 250 operational jobs and 290 construction jobs
- $41 million in associated employee pay and benefits
- $289 million in economic output

Taking into account the economic ripple effects generated by that direct impact, we estimate that the total impact on Central and Coastal Virginia from data centers in 2021 was approximately:

- 3,640 supported jobs (including 1,650 supported data centers in other parts of the state)
- $244 million in associated employee pay and benefits
- $1.1 billion in economic output.

Table 3: Economic Impact of Data Centers on Central and Coastal Virginia in 2021

Direct Effects in Central & Coastal Virginia	Jobs	Pay & Benefits	Economic Output
Data Center Construction	290	$18,100,000	$53,400,000
Data Center Operation	250	$23,000,000	$236,000,000
Construction-Supported Effects from Data Centers in...			
Central & Coastal Virginia	210	$11,500,000	$38,700,000
Northern Virginia	380	$24,900,000	$87,600,000
Valley & Western Virginia	20	$1,400,000	$4,600,000
Operation-Supported Effects from Data Centers in...			
Central & Coastal Virginia	1,240	$76,700,000	$339,200,000
Northern Virginia	1,030	$75,800,000	$291,000,000
Southern Virginia	200	$11,600,000	$44,000,000
Valley & Western Virginia	20	$1,000,000	$4,000,000
Central & Coastal Virginia Impact			
Construction Subtotal	**900**	**$55,900,000**	**$184,300,000**
Operation Subtotal	**2,740**	**$188,100,000**	**$914,200,000**
Total Impact of Data Centers in Central & Coastal Virginia	**3,640**	**$244,000,000**	**$1,098,500,000**

Investment Highlight - Community Action Grants

Meta (formerly dba Facebook) has a Community Action Grants program to fund non-profit projects that meet community needs by deploying technology to benefit the community, build stronger online and offline connections among people, and improve local science, technology, engineering, and mathematics education. In 2021, the program provided funding for eight projects including buying laptop computers for local 10th graders, funding Henrico County Public Library's WiFi lending program, buying video equipment for children with illnesses, and supporting a telehealth program for underserved students and families.

Northern Virginia

We estimate that in 2021, data centers in Northern Virginia directly provided approximately:

- 4,920 operational jobs and 9,680 construction jobs
- $1.5 billion in associated employee pay and benefits
- $7 billion in economic output

Taking into account the economic ripple effects generated by that direct impact, we estimate that the total impact on Northern Virginia from data centers in 2021 was approximately:

- 39,230 supported jobs (including 160 supported data centers in other parts of the state)
- $3.3 billion in associated employee pay and benefits
- $13.5 billion in economic output

Table 4: Economic Impact of Data Centers on Northern Virginia in 2021

Direct Effects in Northern Virginia	Jobs	Pay & Benefits	Economic Output
Data Center Construction	9,680	$733,800,000	$1,931,700,000
Data Center Operation	4,920	$802,000,000	$5,066,700,000
Construction-Supported Effects from Data Centers in...			
Northern Virginia	5,330	$340,800,000	$1,063,100,000
Central & Coastal Virginia	10	$500,000	$1,600,000
Southern Virginia	10	$600,000	$1,400,000
Operation-Supported Effects from Data Centers in...			
Northern Virginia	19,140	$1,373,200,000	$5,429,900,000
Central & Coastal Virginia	40	$3,300,000	$8,500,000
Southern Virginia	80	$5,400,000	$16,900,000
Valley & Western Virginia	20	$1,500,000	$4,200,000
Northern Virginia Impact			
Construction Subtotal	**15,030**	**$1,075,700,000**	**$2,997,800,000**
Operation Subtotal	**24,200**	**$2,185,400,000**	**$10,526,200,000**
Total Impact of Data Centers in Northern Virginia	**39,230**	**$3,261,100,000**	**$13,524,000,000**

Investment Highlight - The Northern Virginia Community College Programs

Northern Virginia Community College (NOVA) has developed programs to help address the challenges that data centers in the Northern Virginia area have meeting their staffing needs. Amazon Web Services (AWS) has a paid apprenticeship program at the NOVA. [21] In December 2018, the program graduated its first students into full-time Associate Cloud Consultant jobs with AWS.

NOVA also has a 2-year Associate of Applied Science program to train Datacenter Operations Technicians. [22] The program includes lab training at a training data center that the State of Virginia built on the NOVA Loudoun Campus. The program started with 19 students in its very first year, and enrollment has increased significantly since then. Graduates quickly find jobs in Northern Virginia data centers and the companies that work for them.

Investment Highlight - New Data Center Expansions in Fairfax County

Data center investment in Fairfax County has increased significantly in the past two years. Data centers in Fairfax County currently occupy 2.4 million square feet in 28 facilities. As of February 2022, the pipeline of new data center development includes 1.9 million square feet, with 375,000 square feet already under construction. Fairfax County has development opportunities available in both greenfield areas near Dulles International Airport and infill locations in Tysons Corner.



[21] NOVA, "Amazon and Northern Virginia Community College Announce Graduation of the First Veteran Technical Apprenticeship Cohort on the East Coast," December 12, 2018.
[22] NOVA 2019-2020 Catalog, Engineering Technology: Data Center Operations Specialization, A.A.

Southern Virginia

We estimate that in 2021, data centers in Southern Virginia directly provided approximately:

- 330 operational jobs and 260 construction jobs
- $39 million in associated employee pay and benefits
- $215 million in economic output

Taking into account the economic ripple effects generated by that direct impact, we estimate that the total impact on Southern Virginia from data centers in 2021 was approximately:

- 1,400 supported jobs (including 60 supported by data centers in other parts of the state)
- $73 million in associated employee pay and benefits
- $402 million in economic output

Table 5: Economic Impact of Data Centers on Southern Virginia in 2021

Direct Effects in Southern Virginia	Jobs	Pay & Benefits	Economic Output
Data Center Construction	260	$8,600,000	$36,000,000
Data Center Operation	330	$30,400,000	$178,900,000
Construction-Supported Effects from Data Centers in...			
Southern Virginia	110	$4,400,000	$17,000,000
Central & Coastal Virginia	-	$100,000	$800,000
Northern Virginia	30	$1,600,000	$7,200,000
Operation-Supported Effects from Data Centers in...			
Southern Virginia	640	$26,600,000	$155,700,000
Central & Coastal Virginia	10	$300,000	$1,800,000
Northern Virginia	20	$800,000	$4,200,000
Valley & Western Virginia	-	$100,000	$500,000
Southern Virginia Impact			
Construction Subtotal	**400**	**$14,700,000**	**$61,000,000**
Operation Subtotal	**1,000**	**$58,200,000**	**$341,100,000**
Total Impact of Data Centers in Southern Virginia	**1,400**	**$72,900,000**	**$402,100,000**

Investment Highlight - SOVA Innovation Hub

Mid-Atlantic Broadband Communities Corporation and Microsoft TechSpark are investing in Southern Virginia, in part, by jointly creating the SOVA Innovation Hub in South Boston to offer programs to inspire entrepreneurship and the pursuit of digital careers. The new building houses coworking, meeting, and training space. Training programs are offered for job seekers, educators, families, and businesses. The Hub has assisted a broad range of businesses, from the arts, to driver training, marketing, and organic horticulture.

Microsoft's Southern Virginia TechSpark is a civic program created to foster job creation and economic development in the area. In addition to the innovation hub, TechSpark has helped to create technology education and literacy programs in every high school in the region, "Girls Who Code" clubs in Halifax and Mecklenburg Counties, and the deployment of free public WiFi networks Boydton and Clarksville. [23]



[23] Miranda Baines, "Microsoft TechSpark Celebrates Third Anniversary," Gazette-Virginian, December 1, 2020.

Valley and Western Virginia

We estimate that in 2021, data centers in the Valley and Western Virginia directly provided approximately:

- 50 operational jobs
- $7 million in associated employee pay and benefits
- $47 million in economic output

Taking into account the economic ripple effects generated by that direct impact, we estimate that the total impact on the Valley and Western Virginia from data centers in 2021 was approximately:

- 1,190 supported jobs (including 950 supported by data centers in other parts of the state)
- $59 million in associated employee pay and benefits
- $253 million in economic output

Table 6: Economic Impact of Data Centers on the Valley and Western Virginia in 2021

Direct Effects in the Valley & Western Virginia	Jobs	Pay & Benefits	Economic Output
Data Center Operation	50	$6,800,000	$47,100,000
Construction-Supported Effects from Data Centers in...			
Central Virginia	20	$600,000	$1,900,000
Northern Virginia	540	$23,900,000	$87,100,000
Southern Virginia	20	$1,000,000	$3,600,000
Operation-Supported Effects from Data Centers in...			
Valley & Western Virginia	190	$8,700,000	$40,000,000
Central Virginia	10	$500,000	$2,000,000
Northern Virginia	300	$14,300,000	$58,200,000
Southern Virginia	60	$3,500,000	$12,800,000
Valley & Western Virginia Impact			
Construction Subtotal	**580**	**$25,500,000**	**$92,600,000**
Operation Subtotal	**610**	**$33,800,000**	**$160,100,000**
Total Impact of Data Centers in the Valley & Western Virginia	**1,190**	**$59,300,000**	**$252,700,000**

Investment Highlight - Project Oasis and Mineral Gap

Part of the InvestSWVA public-private partnership is Project Oasis – a program to attract data centers to Southwest Virginia. The program emphasizes the ability of the area to assist data centers locating in the area to achieve their sustainability goals by taking advantage of the region's solar farms and availability for geothermal cooling.

The DP Facilities data center in Mineral Gap (Wise County) offers a high-security, 65,000 square foot facility in a reclaimed mine site with N+2 redundancy, 45 MW of power capacity, and an estimated power usage effectiveness of 1.2. The 22-acre site has room to expand by an additional 200,000 square feet. An on-site solar facility provides 3.5 MW of power for the data center. The $4.6 million solar project is the first solar project in the state to be built on reclaimed mine land.



Data Centers' Contribution to State and Local Government Budgets

Data centers pay millions of dollars in state and local taxes in Virginia, even though Virginia has a sales and use tax exemption on some equipment for data centers that are large enough to qualify for the exemption. All data centers (large and small) pay state employer withholding taxes. At the local level, both large and small data centers pay real estate taxes, tangible personal property taxes, business license taxes, and industrial utilities taxes. Additionally, many data centers still must pay state sales and use taxes on their purchases of data center equipment because they are not large enough to qualify for the Virginia data center incentive.

In addition to the taxes that data centers pay directly, the economic activity that they generate also results in additional tax collections. Data centers pay taxes directly to state and local governments. The employees and business suppliers that are paid directly by the data centers also pay taxes. All of these sources of tax revenue are included in the tax revenue estimates described in this report

Statewide and Regional Tax Collections Associated with Data Centers

In addition to the taxes paid directly by data centers, local governments and the Commonwealth of Virginia collect tax revenue from the secondary indirect and induced economic activity that data centers generate. Table 7 shows our estimates of the taxes directly and indirectly generated by data centers statewide in Virginia and in each of the four sub-state regions in 2021 through that first round and second round economic activity.

We estimate that in 2021, data centers were directly and indirectly responsible for generating $174 million in state revenue and $1 billion local tax revenue in Virginia.

Table 7: Tax Revenue Directly and Indirectly Generated by Data Centers in Virginia in 2021

Region	Local Taxes Collected	State Taxes Collected
Central & Coastal Virginia	$18,200,000	$10,900,000
Northern Virginia	$974,100,000	$153,700,000
Southern Virginia	$8,900,000	$7,600,000
Valley & Western Virginia	$2,200,000	$2,000,000
Virginia Statewide	**$1,003,400,000**	**$174,200,000**

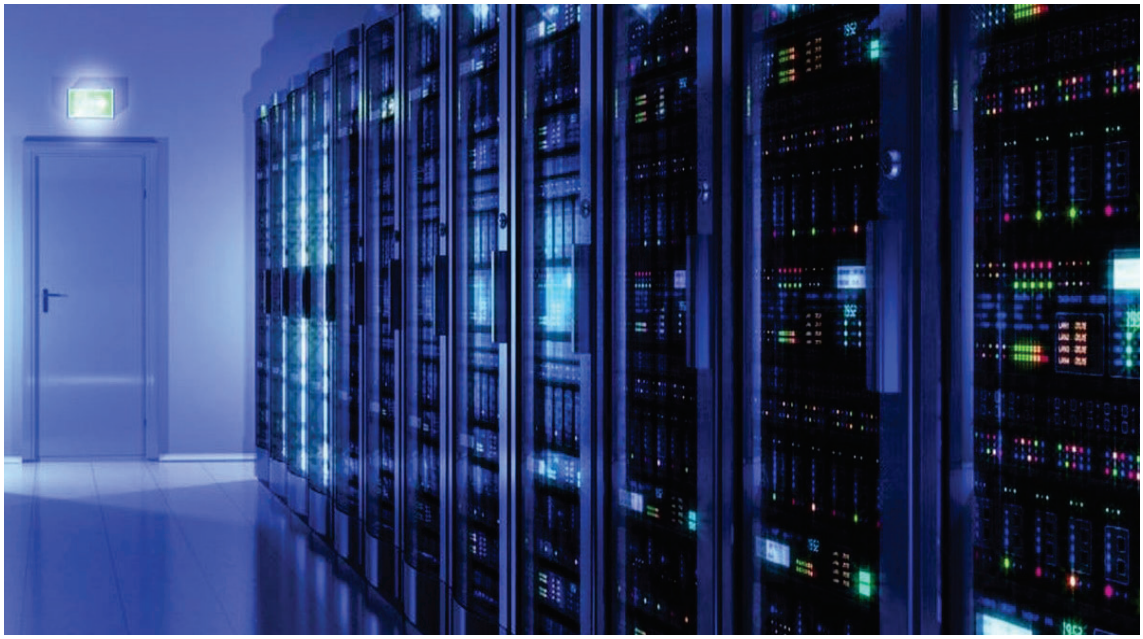
Data Centers Contribute to Local Government Budgets

Data centers generate a large amount of property tax revenue for local governments without placing many demands on local government services. Additionally, the industry also places downward pressure on overall tax rates, thereby improving the locality's business climate and economic attractiveness.

Data Centers' High Local Benefit to Cost Ratio

Data centers provide a high benefit to cost ratio in terms of the tax revenue they generate relative to the government services that they and their employees require. Loudoun and Prince William Counties are home to the most significant concentrations of data centers in Virginia. County staff in those localities were able to provide us with detailed data on the tax revenue generated by this industry in each locality from real and business personal property taxes. [24] As a result, we are able to use those data in combination with data from other sources to compute the benefit to cost ratio associated with data centers in each locality. If local fiscal data were available, similar stories could be told for Mecklenburg and Henrico Counties where there are larger data centers, and to a lesser degree in places like the Cities of Harrisonburg and Virginia Beach, and Albemarle, Culpeper, Fairfax, and Wise Counties which also have data centers.

To quantify the budgetary cost that data centers and their employees imposed on these localities in 2020, [25] we use data from the Virginia Department of Education on local elementary and secondary education expenditures per student, and data from the Virginia Auditor of Public Accounts on local non-education expenditures per county resident. This approach focuses on the largest costs that any business imposes on a local government – the costs associated with providing primary and secondary education, and other county services, to the employees of that business.



[24] It should be noted that, of necessity, these estimates exclude BPOL and other local taxes that also apply to data centers. As a result, the revenue estimates provided almost certainly under-estimate the actual local tax revenues from data centers.
[25] 2020 was the most recent year that data was available for these calculations.

Table 8 details the calculations used to estimate the budgetary cost that data centers and their employees imposed on each of these two counties in 2020. As shown, we estimate those costs to be approximately $37 million in Loudoun County, and $5 million in Prince William County.

Table 8: Estimate of Total Budgetary Costs Imposed by Data Centers and Employees in 2020

	Loudoun County	Prince William County
County Private Sector Data Center Employment[26]	3,500	500
Students per Employee[27]	0.51	0.73
Per Student County Education Expenditures[28]	$11,161	$5,502
Total Education Costs[29]	**$19,922,385**	**$2,008,230**
County Residents per All Employees[30]	2.55	3.85
Per Resident Non-Education County Expenditures[31]	$1,382	$1,427
Total Non-Education Costs[32]	**$12,334,350**	**$2,746,975**
TOTAL COSTS[33]	**$32,256,735**	**$4,755,205**

[26] Data Source: Loudoun County Economic Development Authority and Prince William County Department of Economic Development.
[27] Data Source: Virginia Department of Education and U.S. Bureau of Labor Statistics. Derived by dividing total county elementary and secondary school enrollment in 2020 by total county employment in 2020.
[28] Data Source: Virginia Department of Education.
[29] Calculated as county private sector employment in data centers in 2020, times students per employee, times per student education expenditures.
[30] Data Source: 2020 Census and U.S. Bureau of Labor Statistics. Calculated by dividing total county population in 2020 by total county employment in 2020.
[31] Data Source: Virginia Auditor of Public Accounts and U.S. Census Bureau. Derived by dividing total county non-educational expenditures in 2020 by total county population in 2020.
[32] Derived as county private sector employment in data centers in 2020, times county residents per employee, times per resident non-education expenditures.
[33] Derived as the sum of total education costs and total non-education costs.

As shown in Table 9, combining the estimates of budgetary cost from Table 8 with data from each of the localities on the local revenue generated by data centers shows that in 2020 the benefit to cost ratio associated with the industry was:

- **13.2 in Loudoun County** — which means that for every $1.00 in county expenditures that data centers were responsible for generating in 2020, it provided approximately $13.20 in tax revenue.
- **13.5 in Prince William County** — which means that for every $1.00 in county expenditures that data centers were responsible for generating in 2020, it provided approximately $13.50 in tax revenue.

Table 9: Estimated Benefit/Cost Ratio Associated with Data Centers and Employees in 2020

Locality	Estimated Tax Revenue (Benefit)	Estimated Budgetary Cost	Benefit/Cost Ratio
Loudoun County	$424,700,000	$32,256,735	13.2
Prince William County	$64,200,000	$4,755,205	13.5



Local Data Centers Reduce the Burden on the State Education Budget

Because of the way that the State of Virginia partially funds local education from State coffers, the tax revenue generated by data centers in some localities reduces the burden on the State education budget.

On average, the state of Virginia funds 55% of primary and secondary education expenditures, and localities are required to locally fund the remaining 45%. [34] But, that local funding percentage is adjusted up or down based on each locality's "ability to pay" as measured by Virginia's composite index formula that takes into account the locality's property tax base, adjusted gross income, and taxable retail sales. Of these three factors, property tax base receives the highest weight (50%) and, therefore, has the largest influence on the final calculation. [35]

The 2020 composite index for Loudoun County is 0.5450 and for Prince William County it is 0.3739. [36] When we recalculate those indices to take into account the loss of tax base implied by the loss in tax revenue that would have occurred if data centers had not existed in these localities, those indices fall to 0.5026 and 0.3609, respectively.

As shown in Table 10, according to our estimates, this means that in the absence of data centers in Loudoun and Prince William Counties, the State of Virginia would have to reallocate $90.5 million in state education funding away from other Virginia localities to provide $73 million in additional funding to Loudoun County, and $17.5 million in additional funding to Prince William County.

Table 10: Estimated Additional Revenue Required to Compensate for Loss of the Data Centers in 2020

Locality	Revenue Loss	State Education Funding Off-Set	Additional Local Tax Revenue Required from Other Sources
Loudoun County	($424,700,000)	$72,968,000	$351,732,000
Prince William County	($64,200,000)	$17,548,000	$46,652,000
Total		$90,516,000	

[34] In actuality, however, baseline local funding percentages are typically higher than 45% because of local initiatives.
[35] Virginia Department of Education. The actual formula weights each locality's property tax base by 0.5, adjusted gross income by 0.4, and taxable retail sales by 0.1. Each metric is then divided by school population and total population and those per capita figures are divided by the average across all localities to determine ability to pay. The per capita figures are then themselves weighted with each per capita school population metric receiving a weight of 0.66 and each per capita population metric receiving a weight of 0.33.
[36] Virginia Department of Education.

Virginia's Data Center Sales and Use Tax Exemption

Virginia's data center incentive program is primarily a sales and use tax exemption on qualifying equipment. [37] Generally, the sales and use tax exemption is available to data centers that make a minimum new capital investment of $150 million and that create a minimum of 50 new jobs in a Virginia locality. If the data center is located in an enterprise zone, the minimum new job requirement is reduced to 25. Each new job must pay at least 150% of the annual average wage in the locality where the data center is located. Tenants of colocation data centers that qualify for the incentive may also receive the sales and use tax exemption. The incentive program is set to sunset in 2035.

In March of 2021, Virginia revised its sales and use tax exemption to require only 10 new employees and $70 million of capital investment for data centers that locate where the unemployment and poverty rates are higher than statewide averages. [38]

According to the JLARC, as of fiscal year 2017 (the most recent year that data is available), 24 data centers had qualified for the incentive, plus 135 colocation data center tenants. [39] According to JLARC's 2021 report on Virginia's economic development incentives, in fiscal year 2020, $138.3 million of sales and use tax was exempted under the incentive. [40]

Virginia Treats Data Centers Like Other Capital-Intensive Industries

The Virginia data center incentive program offers qualifying data centers the same tax treatment that it applies to all manufacturers. Like most states, Virginia exempts all manufacturing firms (regardless of size) from paying sales and use tax on their production equipment. Part of the rationale for exempting manufacturing equipment from sales and use tax is that the manufacturing industry requires large amounts of expensive equipment in order to make products. If the state charged sales and use tax on manufacturing equipment, manufacturers would locate in other states in order to reduce their costs of production. Virginia's sales and use tax exemption for qualifying data centers is a limited way to attract large data centers to the state.

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[37] Virginia also offers a single sales factor apportionment method for calculating corporate tax liability. According to JLARC's 2021 report, that incentive was first used by data centers in 2020 and amounted to a change in taxes of only $100,000. Because this incentive has such a limited impact, we do not discuss it in this report.

[38] Dan Swinhoe, "Virginia lowers threshold for data center tax exemption," Data Center Dynamics, March 31, 2021.

[39] Joint Legislative Audit and Review Commission, Data Center and Manufacturing Incentives, Economic Development Incentives Evaluation Series. June 17, 2019.

[40] http://jlarc.virginia.gov/pdfs/reports/Rpt557.pdf

JLARC's Evaluation of the Data Center Incentive

In June of 2019, Virginia's Joint Legislative Audit and Review Commission published an evaluation of the state's data center incentive using confidential tax information that is not publicly available. [41]

JLARC found that 90% of the data center investment made by the companies that received the sales and use tax exemption would not have occurred in the state of Virginia without the incentive. Instead, that 90% of data center investment would have occurred in states other than Virginia. So, the "cost" of the State data center incentive is only 10% of the amount of State sales tax revenue exempted. Using the confidential tax information, JLARC estimated the economic and government budgetary impact, not of the total data center industry in Virginia (as we have done in this report), but specifically of Virginia's data center sales and use tax exemption. [42]

Table 11 shows the text of Appendix N from the JLARC report with JLARC's calculations of the amount of State tax revenue exempted by the Virginia incentive; the amount of additional State tax revenue that was generated by the investment of the data centers that received the tax incentive; the net impact of the incentive on the State budget (additional tax received minus tax revenue exempted); net new jobs added, net additional state gross domestic product (GDP) generated, and net new worker pay generated throughout the statewide economy as a result of the investment by data centers that received the incentive. Table 11 shows data for the fiscal years 2013 through 2017. This is the most recent data available that covers the years when the current version of Virginia's data center incentive has been implemented. The General Assembly made significant revisions to the data center incentive in 2012.



[41] Joint Legislative Audit and Review Commission, Data Center and Manufacturing Incentives, Economic Development Incentives Evaluation Series. June 17, 2019.
[42] Appendix N: Results of economic and revenue impact analyses.

Table 11: Economic and Tax Impacts of Virginia's Sales and Use Tax Exemption for Data Centers [43]

With Data Center Incentive	FY2013	FY2014	FY2015	FY2016	FY2017
State Tax Revenue Exempted	($81,298,000)	($80,131,000)	($93,249,000)	($54,757,000)	($54,516,000)
Additional State Tax Revenue	$44,548,000	$49,705,000	$64,494,000	$54,742,000	$59,171,000
Net State Budgetary Impact	($36,751,000)	($30,426,000)	($28,755,000)	($15,000)	$4,655,000*
State Revenue Recovered per $1 of State Revenue Exempted	$0.55	$0.62	$0.69	$1.00	$1.09
Net Additional Jobs	11,631	12,168	14,138	9,968	10,324
Net Additional State GDP	$1,594,238,000	$1,838,394,000	$2,268,541,000	$1,862,303,000	$2,028,606,000
Net Additional Worker Pay	$852,123,000	$987,672,000	$1,238,666,000	$1,022,226,000	$1,126,545,000

* In 2017, the data center tax incentive generated more State tax revenue than it exempted.

The appendix to the JLARC report shows that:

- **In 2017, the State took in $1.09 in state tax revenue from data center related activity for every $1 of potential state tax revenue that was exempted from qualifying data centers.**
- In 2016, the data center incentive was revenue neutral – it generated one dollar in additional state tax revenue for every dollar of potential state tax revenue that it exempted.
- In every year since the data center incentive was modified in 2012, the State recovered the majority of the state tax revenue that was exempted from qualifying data centers.
- From 2013 through 2017, on average the State recovered 75 cents in state tax revenue for every dollar of potential tax revenue exempted from qualifying data centers. [44]

[43] Data Source: Appendix N: Results of Economic and Revenue Impact Analyses.

[44] The JLARC report states that the data center incentive recovered 72 cents in state tax revenue for every dollar of potential tax revenue exempted from qualifying data centers. That conclusion is based on including the years 2010 through 2012, prior to the significant change made to the incentive in 2012. The 75-cent estimate more accurately reflects

Incentive Helps to Attract Some Data Centers that Do Not Qualify for Incentive

Data centers tend to cluster, with smaller data centers often locating adjacent to larger data centers. Therefore, one data center that is attracted by the incentive can attract other data centers to take advantage of the existing local fiber and power infrastructure. [45] Some of these follow-on data centers will be smaller than the larger data center projects that qualified for the tax incentive and may, themselves, not initially achieve the investment and job creation thresholds required to receive tax benefit from the state.

Because large data centers that qualify for Virginia's incentive help provide the infrastructure and technology supply chain to attract smaller data centers that do not initially qualify for the incentive, the incentive yields more data center investment than is measured by just counting the data centers that qualify for the incentive. Virginia's data center tax incentive plays an important role in attracting new data centers to the state and in keeping them from moving to other states.

National Context for Virginia Incentives

Over 30 states offer some sort of incentive program to attract data centers. Twenty-six states have sales and use tax incentives that last for 10 years or more, with 11 of them having incentives that are valid indefinitely. Examples in the Southeast include:

- Alabama offers up to a 30-year sales and use tax exemption. (AL 40-9B-3) [46]
- Mississippi's 10-year sales and use tax exemption has no program sunset. (MS 57-113-25) [47]
- North Carolina's sales and use tax exemption has no program sunset. (NC 105-164.13) [48]
- South Carolina's sales and use tax exemption sunsets for new applicants in 2031 with benefits ending in 2041. (SC 12-36-2120) [49]
- Tennessee's sales and use tax exemption and reduced tax on electricity has no program sunset. (TN 67-6-206) [50]

In the last few years several states have added or expanded sales and use tax exemptions for data centers. The following list does not include states like Ohio and Texas which have robust incentives in place.

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[45] Loudon Blair, "Finding Strength in Numbers: The Data Center Clustering Effect," Data Center Knowledge,
[46] http://alisondb.legislature.state.al.us/alison/CodeOfAlabama/1975/135558.htm and Alabama Department of Revenue, General Summary of State Taxes.
[47] Mississippi Tax Incentives, Exemptions and Credits.
[48] North Carolina Data Center Sales and Use Tax Exemptions.
[49] South Carolina Department of Revenue Ruling #13-5.
[50] Changes in Requirements for a Qualified Data Center, Tennessee Department of Revenue.
[51] Pennsylvania Brings in Data Center Tax Breaks.
[52] Matt Pilon, "In a crowded pond, CT goes fishing for data centers with new incentives," Hartford Business Journal, April 19, 2021.
[53] Maryland Department of Commerce, Data Center Tax Incentive Program.
[54] Rich Miller, "Quantum Loophole Plans 2,100 Acre Data Center Campus in Maryland," Data Center Frontier, June 28, 2021.

East

- Pennsylvania's original incentive was ineffective at attracting data center investment to the state while billions of dollars of investments were being made in nearby states. The legislature enacted a new sales and use tax exemption that is open indefinitely with benefits available for at least 15 years. (72 PS 9931-D) [51]
- Connecticut became the latest state to add a completely new data center incentive. Depending on the size and location of the facility, data centers could be exempted from state sales and use taxes for 20 to 30 years. (CT Public Act 21-1, HB 6514) [52]
- Maryland enacted a new sales and use tax incentive with a benefit period of 10 to 20 years depending on the level of investment. The incentive has no sunset date. [53] Following the enactment of Maryland's data center incentive, a data center developer announced plans for a new 2,100-acre data center campus in the state. (MD 11-239) [54]

Midwest

- North Dakota enacted a data center incentive to replace an incentive that expired in 2020. The new incentive has no sunset date or limitation on the benefit period. (NDCC 57-39.2-04.17) [55]

West

- Arizona revised and extended its data center sales and use tax exemption by 10 years to run through 2033. The benefit period ranges from 10 to 20 years, with the 20-year benefit reserved for data centers with that are considered a sustainable redevelopment project. (AZ 41-1519) [56]
- Idaho enacted a new sales and use tax exemption for data center equipment used in new data centers. The new incentive has no program sunset or limitation on the benefit period. (63-3622V) [57]
- Utah expanded its sales and use tax exemption for data centers with no minimum investment or employment criteria and no program sunset. (UT 59-12-104) [58]

[55] North Dakota Century Code § 57-39.2-04.17.
[56] Dan Swinhoe, "Arizona extends data center tax breaks for another 10 years," Data Center Dynamics, April 27, 2021.
[57] HB 521.
[58] Utah Sales and Use Tax General Information, Revised 6/21 and SB 114.

Competition Between States

With so many states offering incentives to attract data centers to their states, the competition for data centers is keen.

New York - New Jersey - Connecticut

New Jersey is debating adding an incentive. There is a growing realization that the New York-New Jersey region lost its lead in the data center market to Northern Virginia, at least in part because New Jersey is not competitive with other markets on taxes. [59]

An even more dramatic illustration of the sensitivity of data centers to tax changes is the way in which data centers showed their mobility in response to a potential increase in taxes in New Jersey. In the summer of 2020, some elected state officials proposed imposing a 25/100th of one percent or a 1/100th of one percent tax on financial transactions processed in data centers located in New Jersey. [60] In the fall of 2020, the New York Stock Exchange ran its financial transactions out of its data center in Chicago for five days to practice for any possible relocation of the market to data centers outside of New Jersey. The Governor of Texas was involved in attempting to attract Nasdaq to migrate its data center operations to Dallas, the second-largest data center market in the United States. In the spring of 2021, the state of Connecticut enacted a data center incentive to make that state a viable alternative, in the event that New Jersey proceeded with the financial transaction tax. [61]

Illinois - Indiana

In June of 2019, Illinois added a new data center incentive. [62] Although the Chicago area is one of the largest data center markets in the United States, it was not keeping pace with the growth of data centers in the markets of Northern Virginia, Dallas, and Phoenix – all located in states that provide sales and use tax exemptions to attract data center investment. Since the enactment of the Illinois incentive, several new large data center projects have been announced in the state, and over $5 billion in additional data center investment has been committed, making it one of the fastest-growing states in terms of data center activity. [63] The neighboring state of Indiana also enacted a 50-year sales and use tax exemption for data centers to attract data centers to the Indiana suburbs of Chicago.

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[59] "Twenty years ago, New Jersey probably led the country and data center space, but we haven't moved the needle at all in 20 years." – Gil Santaliz, NJFX "New Jersey was once a hotbed of data center activity, with thriving markets for colocation and financial data centers. The state maintains a substantial and strategically important data center community, but the hottest leasing action has shifted elsewhere, primarily to Northern Virginia." – Data Center Frontier, 1/28/20 "There is a bill being looked at, and it looks very similar to the broad strokes of what you see in Virginia." – Santaliz

[60] Alex Alley, "NYSE and Nasdaq threaten to leave New Jersey if transaction tax goes ahead," Data Center Dynamics, October 20, 2020.

[61] Matt Pilon, "In a crowded pond, CT goes fishing for data centers with new incentives," Hartford Business Journal, April 19, 2021.

[62] Ally Marotti. "Data center boosters hope new tax incentives 'stop the bleeding,' keep tech sites in Illinois," Chicago Tribune, June 2019.

[63] Companies announcing large data center projects in Illinois since the enactment of the incentive include: Aligned Energy, Meta, Prime Data Centers, NTT, and Stream.

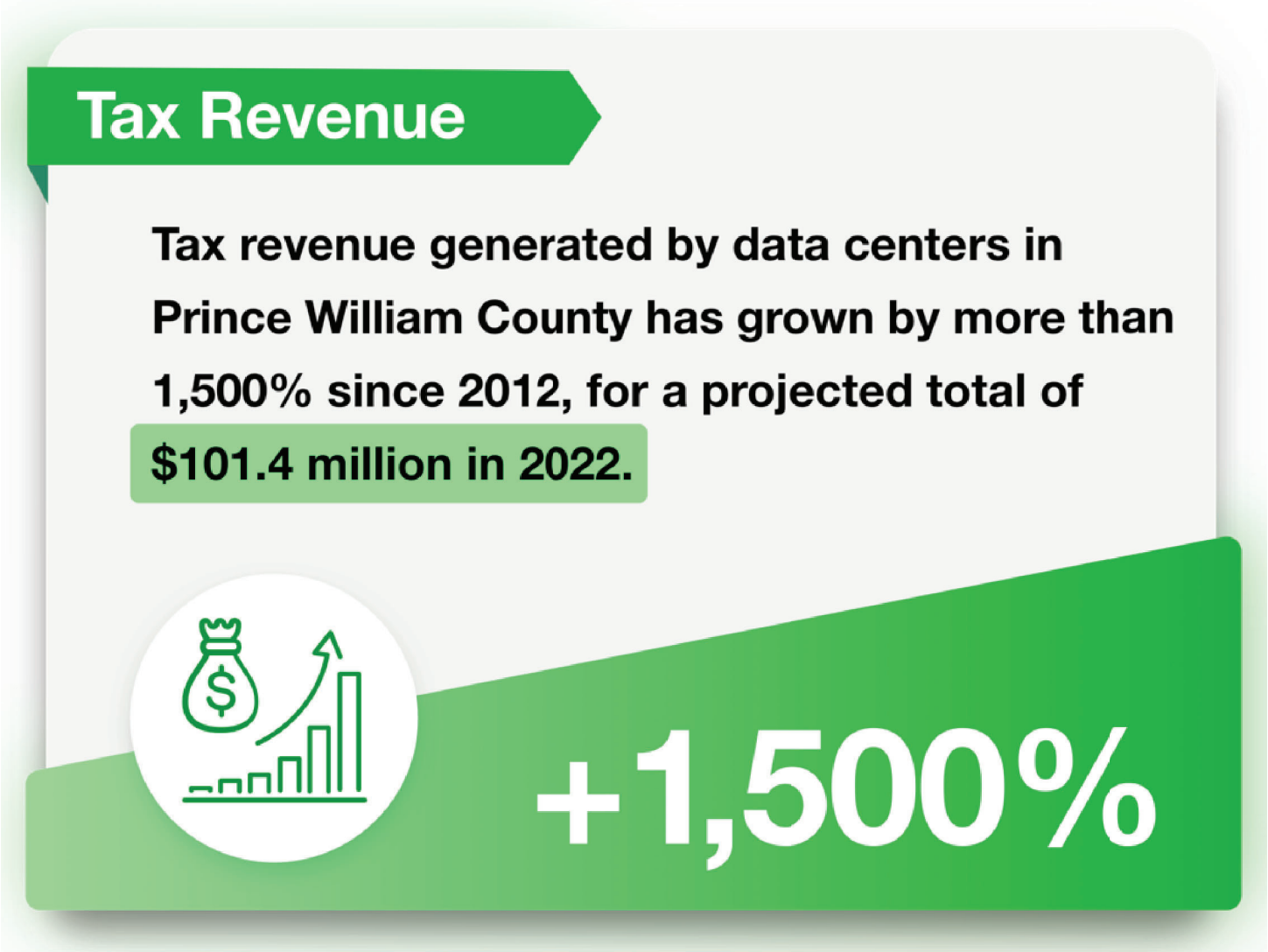
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https://www.insidenova.com/news/business/data-centers-tax-dollars-invest-in-local-communities/article_342caf78-7995-11ee-b6dc-83198a14d424.html

SPONSORED

Data centers' tax dollars invest in local communities

Nov 2, 2023



Across Virginia, the data center industry is making significant economic contributions to local communities. The taxes the industry contributes to localities like Prince William County help support schools and community infrastructure, mitigate economic fluctuations and sustain critical public services -- without requiring an increased tax burden on residents.

Data centers generate millions of dollars in tax revenue for Virginia, sparking an economic ripple effect felt in communities across the state.

Data centers provide the vital infrastructure necessary to support our digital lives. Due to the unprecedented and exponential demand for digital services, the data center industry is rapidly growing. As the industry grows, data centers contribute substantially to government revenues at the federal, state and local levels.

In 2021 alone, the data center industry's total fiscal support to federal, state and local governments across the United States equaled nearly $100 billion, which is more than the GDP of countries like Guatemala, Bulgaria or Ghana. This tax revenue helps state and local governments fund critical services and expenditures in the communities where data centers are located.

As a thriving data center hub, Northern Virginia demonstrates the economic power spurred by the industry, which directly and indirectly generated $3.5 billion in state and local tax revenues between 2017 and 2021. According to the 2023 National Impact Study, independently conducted by global consulting firm PwC, in 2020 the data center industry's total tax impact in the state was enough to fund Virginia's state and local expenditures on all cash assistance program payments -- in addition to almost one-third of housing and community development program expenditures.

Prince William has seen evidence of this economic return. Just over 10 years ago, Prince William collected only $6.2 million from taxes on data centers. Since then, the tax revenue generated by data centers in Prince William has grown by more than 1,500%, to a total of $101.4 million in 2022.

Tax dollars from data centers now constitute approximately 8% of the county's total tax revenue, enough to fund the county's libraries, departments of parks and recreation, transportation, public health, elections and planning, and the agency on aging, and public safety communications.

These tax revenues from data centers more than offset any services they require from localities. In fact, a 2022 report published by the Northern Virginia Technology Council showed that data centers returned more than $13 in local tax revenue to Prince William for every $1 they or their employees require in county services.

Data centers create economic ecosystems that diversify state and local economies through new jobs, revenue for other local businesses and other indirect and induced economic activity. Local companies and service providers that work with the data center industry, such as construction, electrical and mechanical services, equipment rental, security, and catering, expand in hubs of data center development, providing further economic growth, taxes, and job opportunities.

Virginia-based research firm Mangum Economics found that every operational job inside a Northern Virginia data center supports 6.9 additional jobs in Northern Virginia, including construction. In addition, employees of data centers and the companies in the industry's ecosystem in turn spend money at local businesses, pay local taxes and drive further growth.

As the 21st century economy expands and our lives become increasingly digital, the data center industry is building out to support our collective demand for digital services. State and local governments that welcome the data center industry benefit not only from the substantial taxes paid by the industry, but also from the diversification of their tax base, which lessens exposure to a reduction in economic activity and can alleviate residential tax burdens.

Combined with other economic benefits like diverse, stable and well-paying jobs, capital investment, and growth in the wider business ecosystem, the taxes paid by data centers have an enormous positive impact in local communities.

Learn more at centerofyourdigitalworld.org



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The Multiplier Effect: Data centers provide sustainable job growth
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Serving the Community: How data centers give back in Northern Virginia



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EXHIBIT C

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~~ indicates that the "data center" land use per se is not ~~considered as part of~~ defined in the current zoning regulations. ~~While a~~ A "data processing facility" is listed as an allowed land use within Saturn Park, yet that term is also not defined. The City Council desires to clarify these uses and definitions. ~~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~~ intensive land uses and part of a rapidly expanding digital infrastructure industry. ~~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, to the extent feasible, 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~~ in Saturn Park and will not affect a change in the use or the intensity of use of property in any other 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 LEED ~~LLED~~, Green Buildings Initiative ("GBI"), or other ~~a~~ reputable organizations 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)

"Green Building Initiative" of "GBI is an international nonprofit organization and American National Standards Institute (ANSI) Accredited Standards Developer dedicated to improving the built environment's impact on climate and society. Founded in 2004, the organization is the global provider of the Green Globes® and federal Guiding Principles Compliance building certification and assessment programs.

"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 Centers

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 cafe;

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, to the extent feasible:

1. Primary and secondary facades. Buildings must have identifiable primary and secondary facades. Public-facing facades must have ~~dimensions~~ perceived articulation, 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, or as determined adequate by the Director based on site and project characteristics.

5. Noise Study. A noise study must be conducted by a third-party acoustic engineer to document baseline sound levels and include expected ~~maximum~~ composite 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 or Green Globes certification, if feasible. ~~"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, if feasible, 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, if feasible 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, or an equivalent Green Building Rating System requirement.

4. Monitoring. Applicants must submit documentation verifying that a project will meet the criteria necessary to achieve, if feasible, California Building Code and Option 1 of LEED EA credit (Enhanced Commissioning), in addition to LEED EA Prerequisite (Fundamental Commissioning) and Verification, or an equivalent Green Building Rating System requirement.

5. Light pollution reduction. Meet LEED SS Credit Light Pollution Reduction, if feasible, or an equivalent Green Building Rating System requirement.~~.~~

6. Prohibitions. CFCs and halons are not allowed in HVAC, refrigeration and fire suppression equipment. Meet LEED EA Credit Enhanced Refrigerant Management, if feasible, and additionally document that all HVAC refrigeration, and fire suppression systems do not contain CFCs or halons, or an equivalent Green Building Rating System requirement.

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 for private onsite use.

~~8. Such additional design standards that may be adopted by city council resolution."~~

21.14.220. Exemptions.

D. Exempted Activities. During the effectiveness this Ordinance, or any

extension, the City may issue any permit or land use entitlement to any person or entity for constructing, placing, or operating within the McCaslin Business Park, i.e., Saturn Park, only if the criteria in this Section 21.14.220 are satisfied. The City Manager, or designee, must review any application for a permit or land use entitlement to determine compliance with the provisions of this Ordinance. City employees, City boards and commissions, and the City Council are permitted to accept, process and approve certain applications for land use entitlements, including, without limitation, use permits, variances, building permits, licenses and certificates of occupancy, necessary for constructing, placing, or operating within the Saturn Park area, only for development applications that: (1) were filed with the City before April 15, 2024; (2) include or are amended to include a development agreement per Chapter 21.44 of the Monterey Park Municipal Code; and (3) obtain City Council approval of the development agreement before, or concurrent with, approval of the project entitlements proposed in the timely-filed application. The City shall consider such applications in accordance with the rules in effect before adoption of this Ordinance, thereby exempting qualified applications from this Ordinance.

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

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.

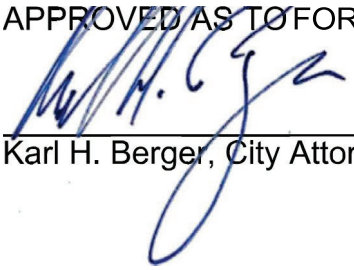
PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MONTEREY PARK ON THIS DAY OF NOVEMBER 2024.

_____
Thomas Wong, Mayor

Attest:

_____
Mayechelle 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, if feasible, 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, except where necessary to comply with building codes.

3. Parking and Loading: Locate to the rear and/or side, 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, if feasible while maintaining site security.

9. Signage: Keep unobtrusive but functional

10. Hierarchy: Identify primary, secondary, and ancillary structures.

11. Architecture: Balance proportions, ~~avoid monolithic scale~~ create articulation and scale diversity, promote human-scale elements.

12. Facades: Compose identifiable segments, design corner lots with two public-facing facades.

13. Roofs: Use identifiable, proportionate roof forms, compatible with flat roof design elements, when appropriate.

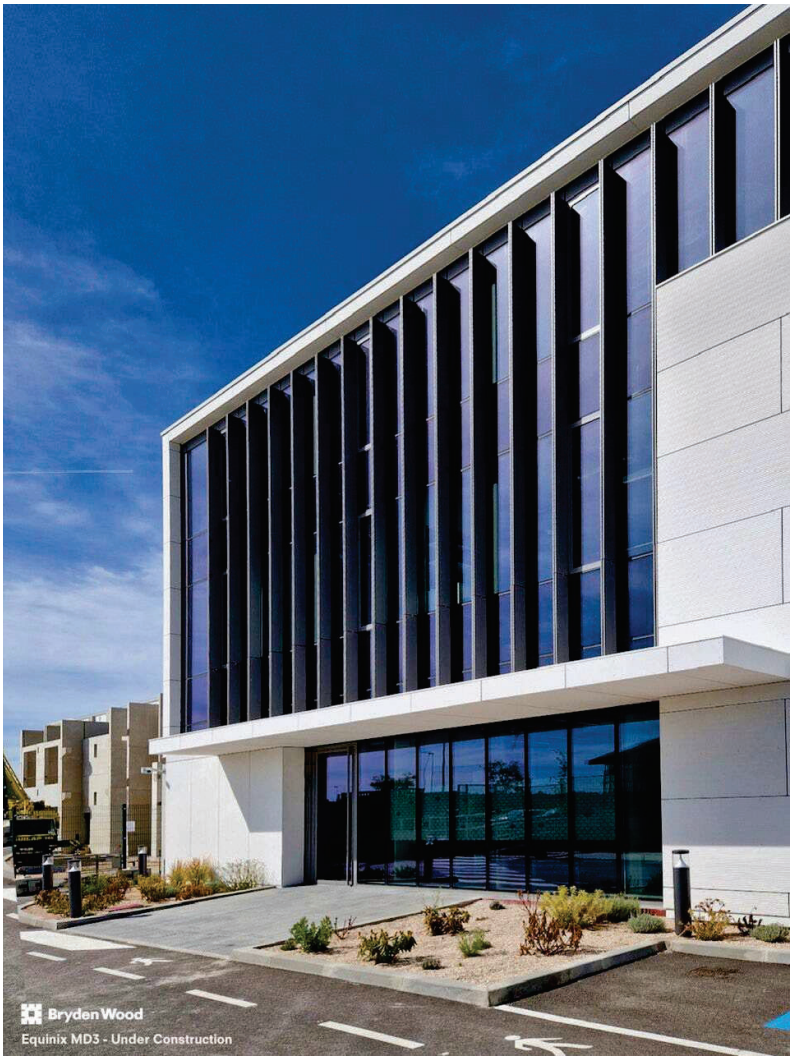
14. Materials: Incorporate at least 2-3 materials, select colors for depth and dimension.

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.



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File Number: 89AF-371175

July 16, 2024

VIA E-MAIL

City Council
City of Monterey Park
320 W. Newmark Avenue
Monterey Park, CA 91754
Email: c/o City Clerk,
MPClerk@montereypark.ca.gov

Re: Potential Extension of Urgency Ordinance No. 2245 – Saturn Park -- Agenda Item 4.B

Dear Honorable City Council,

This firm represents SDCF Monterey Park, LLC ("Applicant") regarding its data center project ("Project") located at 1977 Saturn Street ("Site") in the City of Monterey Park ("City"). On June 17, 2024, the City adopted Urgency Ordinance No. 2245 ("Urgency Ordinance"), which limits the issuance of land use entitlements within Saturn Park at this time. On July 17, 2024, the City is considering whether to extend the Urgency Ordinance. Our position remains that the Urgency Ordinance is unlawful. However, we believe there is a workable solution whereby the City can pursue its specific planning efforts for Saturn Park while concurrently allowing the Applicant to pursue and complete its Project on the Site. Therefore, we respectfully request that the City Council consider, and implement, our proposed text modifications below to the Urgency Ordinance before taking any further action.

We have reviewed the adopted Urgency Ordinance, the public hearing notice published on July 4, 2024, the Urgency Ordinance 10-day report, the staff report for the upcoming City Council meeting, and the draft ordinance to extend the moratorium ("Draft Ordinance"). We have also reviewed applicable land use and regulatory documents. We still have serious concerns about the City's actions. But, we also have hope that the City Council will exercise its legislative power in a reasonable manner that does not stifle economic investment in the City. We explain both positions below.

First, extending the Urgency Ordinance for 10 months and 15 days (as proposed) is not necessary and is virtually certain to kill the Project and thereby stop a substantial economic investment in the City. By law, the City has the discretion to extend the Urgency Ordinance for a lesser duration. The Saturn Park Advisory Review Committee ("SPARC") meetings start and finish between July 29 and August 29, 2024, which is less than two months from now. That provides a window of opportunity to determine how the Project, and other potential land uses in Saturn Park, can coexist in a manner that benefits the City and the community. In addition, the California Environmental Quality Act ("CEQA") process, and the City's administrative review of the Project, could conclude within approximately three months. Together, the initial work of

SPARC and the administrative review of the Project would be complete around October 2024. At that time, the City Council and the community will have a better grasp of the Project and the feasibility of the other uses being considered for Saturn Park. Accordingly, a more reasonable extension of the Urgency Ordinance would be 90 days. That would allow flexible timing for the City to continue its planning efforts while not precluding a tangible economic investment provided by the Project. Therefore, we request that the City only extend the Urgency Ordinance for 90 days with a new expiration date of October 31, 2024.

Note that, pursuant to Government Code Section 65858, the City still has the authority to extend the Urgency Ordinance for another one year regardless of the duration of the extension term the City decides upon at its July 17, 2024 City Council hearing. And, ultimately, the City holds discretionary approval authority over the Project – so even if there was no moratorium – the City may exercise its discretion at a later date to either approve or deny the Project. The Project literally poses no risk to the City or community because of that fact alone. Accordingly, to act in a manner (by approving an unduly long first extension) that precludes economic investment would harm the City and the community for no legitimate purpose.

Second, and more importantly, the Project can deliver substantial community benefits to the City and its residents. Section 21.44 of the Monterey Park Municipal Code ("MPMC") allows the City and the Applicant to enter into a development agreement. Here, that would be a voluntary act of the Applicant because the Project itself does not trigger a mandatory development agreement. Nonetheless, the Applicant wants to provide the community with the direct benefits of the Project (i.e., construction and operational jobs, increased tax revenues, redevelopment of a vacant parcel, etc.) and additional community benefits that improve the general welfare of the City and address its pressing social needs. The Applicant would enter a binding development agreement with the City if the moratorium does not preclude the feasibility of the Project outright.

To implement this mutually-beneficial solution, the City would need to revise the Draft Ordinance to provide the Applicant and the City the opportunity to file and enter into the development agreement. The City can accomplish that by modifying certain sections of the Draft Ordinance before the City Council approves it.

For the City's consideration, we provide the following language as an insert for Section 4 of the Draft Ordinance:

"Section 4.B: Exempted Activities. During the effectiveness this Ordinance, or any extension, the City may issue any permit or land use entitlement to any person or entity for constructing, placing, or operating within the McCaslin Business Park, i.e., Saturn Park, only if the criteria in this Section 4 are satisfied. The City Manager, or designee, must review any application for a permit or land use entitlement to determine compliance with the provisions of this Ordinance. City employees, City boards and commissions, and the City Council are permitted to accept, process and approve certain applications for land use entitlements, including, without limitation, use permits, variances, building permits, licenses and certificates of occupancy, necessary for constructing, placing, or operating within the Saturn Park area, only for development applications that: (1) were filed with the City before April 15, 2024; (2) include or are amended to include a development agreement

per Chapter 21.44 of the Monterey Park Municipal Code; and (3) obtain City Council approval of the development agreement before, or concurrent with, approval of the project entitlements proposed in the timely-filed application. This exemption will remain effective for the term of this Ordinance, and any extensions."

Modifying the Draft Ordinance in this manner allows the City to protect the health, safety and welfare of the community during the moratorium; pursue long-range planning efforts for Saturn Park; and secure economic investment and community benefits for the residents of the City. This is a win-win-win scenario in our opinion. Therefore, we request that the City Council integrate new Section 4.B (as drafted above) to the Draft Ordinance before adoption.

Likewise, if the City Council agrees to that modification, the Draft Ordinance requires minor technical revisions to be internally consistent. We have provided an updated Draft Ordinance with those revisions incorporated in redline for your consideration and use. See Exhibit 1: Revised Ordinance. We believe the Revised Ordinance is a well-fashioned solution that allows the City Council to secure community benefits for the residents of the City while creating additional land use visions for the area.

On the other hand, if the City passes the more draconian extension, then that damages the Applicant and the Site. The Urgency Ordinance and the Draft Ordinance could become a regulatory taking and present issues of estoppel. Our clear desire is to work with the City to keep the Project alive and deliver community benefits. Yet, we must raise concerns for the record to preserve our legal rights for court challenges, as noted in the City's public notice for this matter. Hence, please take note of the issues herein, and below, regarding the Draft Ordinance.

To start with, the foundational premise of the Urgency Ordinance is flawed. Per Section K of the Urgency Ordinance, the premise is that the City must replace the zoning regulations in Chapter 21.14 of the MPMC (Office-Professional zone Voter Enacted) because those regulations are inconsistent with the 2020 Land Use Element ("LUE") and the Housing Element. That is transparently false.

The LUE designates Saturn Park as Innovation/Technology Uses. Goal 25 of the LUE states "*Saturn Park as destination business park* for high-quality service industry, research, and emerging industry jobs." And, Policy 25.2 is for Saturn Park to be the "*premier location for emerging technology business*." Similarly, the zoning regulations in existing Chapter 21.14 of the MPMC permit professional offices, data processing facilities, research facilities and service businesses, to name a few. The LUE goes even further and states that "*Saturn Park will continue to function as a business park*, focused on office-type and research and development uses, with supportive commercial business." LUE, page 71, *emphasis added*. See Exhibit 2: LUE Business Park Excerpt. It is abundantly clear that the will of the voters, via Measure JJ, the LUE, and the Voter Enacted O-P zone, is for Saturn Park to remain a business park. The moratorium ignores this evident truth and unlawfully posits that the SPARC can supplant the will of the voters by creating a specific plan for Saturn Park that emphasizes residential uses to the detriment of (or potentially the elimination of) the expressly permitted business uses.

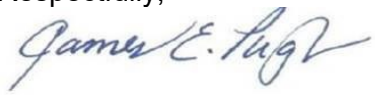
Similarly off base is the argument that the Housing Element is relevant to the Urgency Ordinance. Section G of the Urgency Ordinance states that "[t]he City's Housing Element reflects the City's desire to encourage construction of housing that is attainable for households of all income levels. Among other things, the City Council determined that the City should take proactive actions to increase the availability of dwelling units on underutilized properties." That is a fine statement, but it has nothing to do with Saturn Park. The State Department of Housing and Community Development ("HCD") certified the Housing Element in 2023 reflecting the City's housing strategy from 2021 to 2029. From our review, that certified Housing Element does not identify a single parcel of land (let alone the Site) in Saturn Park as a candidate site for residential development to satisfy the City's Regional Housing Needs Assessment ("RHNA") requirements. See Exhibit 3: RHNA Candidate Sites.

Therefore, there is no inconsistency between the voter-enacted zoning of MPMC 21.14, the voter-enacted LUE and the state-certified Housing Element. An attempt to use these general plan elements as a legal basis of the Urgency Ordinance, and to replace the valid zoning in Saturn Park thereon, would fail if legally challenged. We hope there is no need for such a challenge.

Next, as we mentioned during the June 17, 2024 City Council hearing, the Applicant wants to participate in SPARC. Good urban planning will show that the Project, other business park uses, and the mixed-use components envisioned by the City can be symbiotic in Saturn Park. But, passing an unnecessary 10 month moratorium extension, without our proposed Exempted Activities provision, will snuff out the economic investment and community benefits of the Project before SPARC even holds its first meeting. That seems like irresponsible governance that harms the residents of the City. Instead, we urge the City Council to see the Project as a seed of investment that can help the Saturn Park area grow into a vibrant and more diversified area of the City.

In closing, we reiterate the Applicant's primary desire to continue its good working relationship with the City. Please revise the Draft Ordinance as stated in this letter, which will facilitate a mutually-beneficial way to redevelop Saturn Park for the good of the City.

Respectfully,



James E. Pugh
for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

cc:
mpclerk@montereypark.ca.gov
kberger@bwslaw.com
jtamayo@bwslaw.com
Bryan Marsh, StratCap
Chris Flynn, StratCap
Scott Rynders, The Rynders Corporation

EXHIBIT “1”

ORDINANCE NO. xxxx

AN INTERIM ORDINANCE EXTENDING URGENCY ORDINANCE NO. 2245 - PROHIBITING PERMITS FOR LAND USE ENTITLEMENTS WITHIN THE MCCASLIN BUSINESS PARK TO CONSIDER ADOPTING A SATURN PARK SPECIFIC PLAN IN ACCORDANCE WITH THE MONTEREY PARK LAND USE ELEMENT OF THE GENERAL PLAN

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 June 17, 2020, the City Council approved the Land Use and Urban Design Element to the Monterey Park General Plan (the "2020 LUE"). Thereafter, the 2020 LUE was placed onto the November 3, 2020 ballot as Measure JJ. Following voter approval on November 3, 2020, the 2020 LUE (via Ordinance No. 2198) became effective on December 2, 2020.

C. Section 3(A) of Ordinance No. 2198 authorizes the City Council to implement the 2020 LUE by, among other things, adopting zoning regulations. Section 4 of Ordinance No. 2198 provides that Measure JJ must be interpreted to be consistent with all applicable law; Section 6 of Ordinance No. 2198 provides that Measure JJ must be broadly construed to achieve the voter's intent in approving Measure JJ.

D. Monterey Park Municipal Code ("MPMC") Chapter 21.14 was added by Measure D on April 14, 1998 (via Ordinance No. 1933). Measure D provided zoning regulations for the area identified as Mccaslin Business Park.

E. The Regulating Plan of the General Plan Land Use Element (Figure LU-4 to the 2020 LUE) renamed this area as "Saturn Park" with a designated land use of "Innovation/Technology." Goal 25 of the 2020 LUE directs the City Council to revitalize Saturn Park as a destination business park for high-quality service industry, research and development, and emerging industry jobs. This directive is further

refined via Policy Nos. 25.1 to 25.3.

F. The 2020 LUE also provides that the City Council should ensure flexible zoning regulations; support local businesses; maintain a proactive economic development program; and invest in commercial corridors (Policy Nos. 1.1 to 1.4).

G. The City's Housing Element reflects the City's desire to encourage construction of housing that is attainable for households of all income levels. Among other things, the City Council determined that the City should take proactive actions to increase the availability of dwelling units on underutilized properties (see, e.g., Section 5(C) of Resolution No. 2022-R90, adopted November 16, 2022).

H. It is anticipated that the Saturn Park Advisory Review Committee ("SPARC") will consider incorporating a residential component into the SPSP to help enhance the Innovation/Technology land use designation identified in the 2020 LUE. Among other things, this would:

1. Allow employees to live near their workplace, reducing vehicle trips.

2. Allow companies to offer subsidized housing as an employee benefit and amenity to attract talent.

3. Facilitate a live-work-play environment where residential, office, and recreational spaces coexist.

4. Foster closer social connections and a sense of community among employees who can interact more freely outside of work.

5. Align with the post-pandemic shift towards more flexible and hybrid workplace models.

I. Such efforts are reflected in "real world" developments such as the West Edge in Los Angeles (https://westedgela.com).

J. Additionally, the California Legislature is seeking various methods for promoting housing such as AB 1532 (Haney, 2023) which, were it approved, would allow office conversion projects by right within all zones. While this "Office to Housing Conversion Act" failed to advance within the Legislature, it represents the latest legislative path taken by the Legislature to encourage more housing within local jurisdictions.

K. A review of the 2020 LUE, the Certified Housing Element (March 30, 2023), and MPMC Chapter 21.14 shows that the existing zoning regulations are inconsistent with the voters' vision for Saturn Park; the zoning regulations must be reconciled with the most recent voter directives in Measure JJ, the California Legislature's directives (as reflected in the City's Certified Housing Element), and California law.

L. In April 2024, the Planning Commission considered conceptual renderings and land uses for Saturn Park during two meetings. Thereafter, on May 22, 2024, the City Council created the SPARC to receive and implement community input for drafting a Saturn Park Specific Plan ("SPSP").

M. On May 23, 2024, representatives from 1980 Saturn met with the Mayor, City Manager, City Attorney, Assistant City Manager, and Community Development Director to plan for a data center at that location - which is a permissible use pursuant to MPMC Chapter 21.14 but inconsistent with the 2020 LUE land use designation for Saturn Park. Additionally, on January 11, 2024, the City's Community Development Department received applications for a conditional use permit and design review for a data center proposed at 1977 Saturn Street.

N. As set forth in the City Council staff report dated June 5, 2024, it is anticipated that the SPARC would conclude its meetings in August or September of 2024 and provide the City Council with its recommendations regarding the SPSP at that time. The SPSP would implement the 2020 LUE as to Goal 25 and the Innovation/Technology land use designation.

0. Without the enactment of this Ordinance, the voter's vIsIon for revitalizing Saturn Park via Measure JJ and the 2020 LUE would be thwarted: pending 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.

P. The City Council determines that the MPMC requires updating to protect the public against health, safety, and welfare dangers caused by multiple applicants relying upon outdated land use regulations. The City needs additional time to prepare, evaluate and adopt reasonable regulations to implement the voter's direction in Measure JJ and to ensure such regulations are applied in a nondiscriminatory manner.

Q. 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 these uses, unless considered Exempted Activities, within the City during the period of the moratorium may conflict with or frustrate the contemplated updates and revisions of the MPMC.

R. 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 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.

S. 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.

T. On June 18, 2024, the City Council adopted Urgency Ordinance No. 2245, prohibiting permits for land use entitlements within the Mccaslin Business Park to consider adopting a Saturn Park Specific Plan in accordance with the Land Use Element of the General Plan. That ordinance will expire on August 2, 2024 (45 days after adoption).

U. The City Council further finds that additional time is necessary to allow for public outreach efforts to conclude before providing additional direction to staff related to Saturn Park, including, without limitation, the creation of the SPSP.

SECTION 3: *Environmental* Assessment. Adoption of this 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 rules and procedures for operation of existing facilities; minor temporary use of land; minor alterations in land use; new construction of small structures; and minor structures accessory to existing commercial facilities. This Ordinance, therefore, is categorically exempt from further CEQA review under CEQA Guidelines §§ 15301; 15303, 15304(e); 15305; and 15311. Further, the adoption of this 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, but simply establishes policies and procedures for allowing the previously approved project to be constructed. Any proposed project that will utilize the changes set forth in this Ordinance will be subject to CEQA 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 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 10 months and 15 days after adoption of this Ordinance, the City will not issue any permit or land use entitlement to any person or entity for constructing, placing, or operating within the Mccaslin Business Park, i.e., Saturn Park utilizing MPMC Chapter 21.14. The City Manager, or designee, must review any application for a permit or 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 approving 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 within the Saturn Park area, and to refrain from issuing approvals for any land use entitlement for any pending applications already received. These restrictions do not apply to construction projects with active building permits and any emergency repairs or replacement of an element of a building, structure, utility system, or equipment that is essential to protect the public health, safety and welfare. These prohibitions will remain effective for 10 months and 15 days following adoption of this Ordinance.

~~A.~~B. Exempted Activities. During the effectiveness of this Ordinance, or any extension, the City may issue any permit or land use entitlement to any person or entity for constructing, placing, or operating within the McCaslin Business Park, i.e., Saturn Park, only if the criteria in this Section 4 are satisfied. The City Manager, or designee, must review any application for a permit or land use entitlement to determine compliance with the provisions of this Ordinance. City employees, City boards and commissions, and the City Council are permitted to accept, process and approve certain applications for land use entitlement, including, without limitation, use permits, variances, building permits, licenses and certificates of occupancy, necessary for constructing, placing, or operating within the Saturn Park area, only for development applications that: (1) were filed with the City before April 15, 2024; (2) include or are amended to include a development agreement per Chapter 21.44 of the Monterey Park Municipal Code; and (3) obtain City Council approval of the development agreement before, or concurrent with, approval of the project entitlements proposed in the timely-filed application. This exemption will remain effective for the

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term of this Ordinance, and any extensions.

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. The report was made available to the City Council and public on July 3, 2024, posted at the City's posting places and at the City's website.

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.

SECTION 12: *Expiration Date.* Urgency Ordinance No. 2245 is hereby extended pursuant to Government Code Section 65858 for ~~10 months and 15~~ 90 ~~-~~days past the initial expiration date of Urgency Ordinance No. 2245 so as to extend the moratorium until ~~June 17, 2025~~ October 31,2024, unless a subsequent ordinance is adopted by the City Council that extends this date.

PASSED AND ADOPTED this 17th day of July, 2024.

_____
Thomas Wong, 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

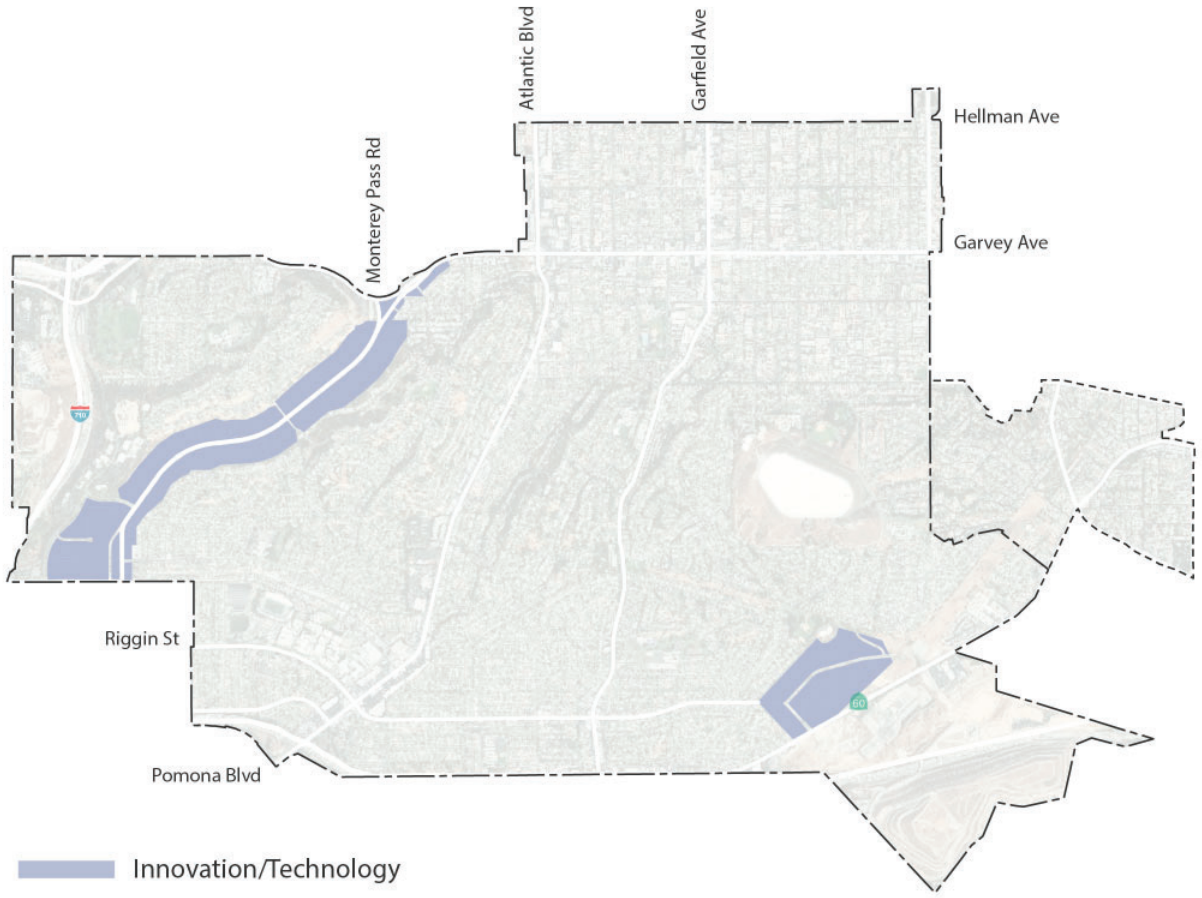
I, Maychelle Yee, City Clerk of the City of Monterey Park, California, do hereby certify that the foregoing Ordinance No. xxxx was duly passed, approved and adopted at its regular meeting held on 17th day of July, 2024 by the following vote:

Ayes:	Council Members:
Noes:	Council Members:
Absent:	Council Members:
Abstain:	Council Members:
Recusal:	Council Members:

Dated this 17th day of July, 2024.

_____
Maychelle Yee, City Clerk
City of Monterey Park, California

EXHIBIT “2”



Technology will continue to evolve rapidly, changing how people work and do business. The City aims to accommodate and encourage new businesses that promote innovation and advances in technology, creating places for high-skilled and knowledge workers. The Monterey Pass Road corridor and Saturn Park district (on Saturn Street) provide prime properties, easy access to arterial roadways and freeways, and locations near housing perfect for new, clean technology, and creative industries.

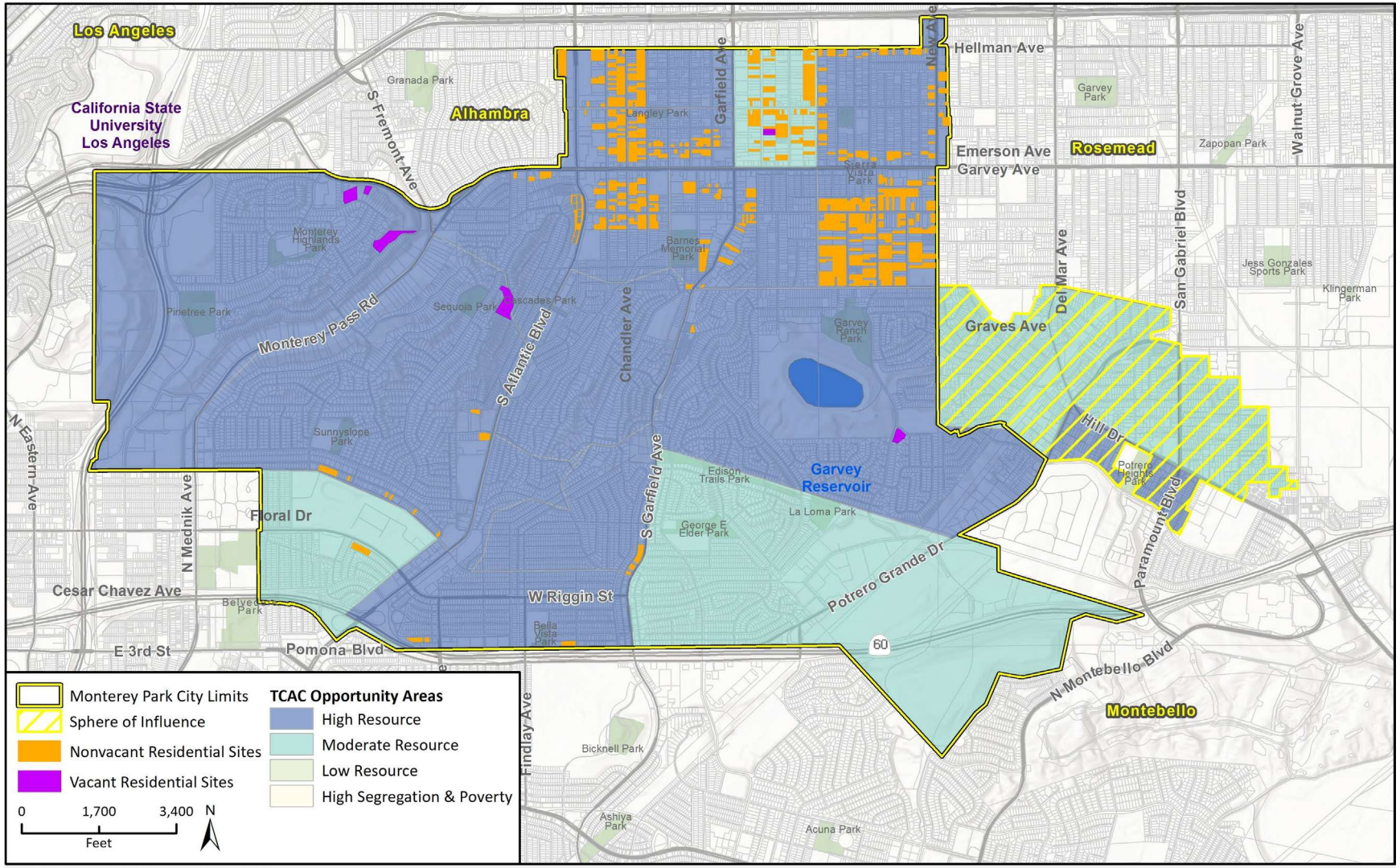
The Monterey Pass Road corridor and Saturn Park district historically have been areas where a range of industrial businesses—including intensive manufacturing operations—have thrived. However, in Saturn Park, uses transitioned in the latter 1990s to lighter industrial and office enterprises in response to public concerns about the proximity of heavy industrial uses to residential neighborhoods. Along Monterey Pass Road, warehousing, trucking, and auto repair uses increased because of the distance from neighborhoods and relatively easy freeway access. While these uses have provided service-oriented jobs, the City is interested in attracting industries that offer higher-paying jobs and attract people of diverse interests, incomes, and talents who wish to both live and work in Monterey Park.

Properties along Monterey Pass Road and south of Davidson Drive between Monterey Pass Road and Corporate Center Drive have interesting and unique industrial buildings that can be retrofitted for creative office, research and development, and even commercial space such as breweries. The City's goal is to phase out trucking-intensive uses in favor of more environmentally sensitive businesses. Also, the City aims to improve the physical appearance of the corridor with increased landscaping, improved signage, identity lighting, and other public realm interventions. Finally, to provide for better interaction among land uses along the corridor, the City will provide better accommodations for pedestrians and cyclists and control cut-through traffic, as described in the Mobility Element.

Saturn Park will continue to function as a business park, focused on office-type and research and development uses, with supportive commercial businesses. Private reinvestment in properties will be encouraged through higher development intensity allowances. In turn, the City will require greater attention to landscaping, creative site design, and building quality.

EXHIBIT “3”

Figure C-30 Location of Sites Inventory in Relation to TCAC/HCD Opportunity Areas (Monterey Park)



Source: AFFH Data Viewer, 2021

SheppardMullin

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File Number: 89AF-371175

June 17, 2024

VIA E-MAIL

City Council
City of Monterey Park
320 W. Newmark Avenue
Monterey Park, CA 91754
Email: c/o City Clerk,
MPClerk@montereypark.ca.gov

Re: Draft Interim Ordinance for Saturn Park – June 18, 2024 City Council Agenda Item 5.A

Dear Honorable City Council,

This firm represents SDCF Monterey Park, LLC ("Applicant") regarding its data center project ("Project") located at 1977 Saturn Street ("Site") in the City of Monterey Park ("City"). On June 14, 2024, we submitted a letter requesting that certain projects be exempt from the City's proposed moratorium applicable to Saturn Park. That request still stands. The purpose of this supplemental letter is to: (1) request that the City continue this matter for at least 30 days; (2) preserve legal rights of the Applicant; and (3) provide comments on the draft interim ordinance applicable within Saturn Park.

On June 14, 2024, the City released its staff report and the draft moratorium that prohibits the issuance of permits and entitlements, and appears to halt the processing of applications for entitlements ("Moratorium"). The Moratorium may be unlawful for several reasons. We understand that the City Council may consider the Moratorium on June 18, 2024. We attempted to discuss the Moratorium with City staff before the hearing, but were directed to attend the hearing instead. Thus, we must provide the comments below for the administrative record.

First, and importantly, the Applicant wants to retain its good working relationship with the City. The parties have worked well together over the last year. The City then sprung the Moratorium upon the Applicant three business days before the upcoming City Council hearing. Instead of rushing to adopt the Moratorium, we hope the parties can discuss the Project in relation to the intent of the Moratorium and find a mutually agreeable solution. We need time to do that. Therefore, we request that the City Council continue this matter for at least 30 days and direct the City staff to work with the Applicant in furthering the Project while concurrently addressing any related land use and zoning concerns.

Second, under California law, the City may not lawfully adopt or extend any urgency ordinance "unless the ordinance contains legislative findings that there is a current and immediate threat to the public health, safety, or welfare . . . ." necessitating the ordinance (Gov't. Code § 65858(c).) Such findings, of course, must be supported by substantial evidence. Here, the City

claims in its findings that the Moratorium is "necessary in order to protect the City from the potential effects and impacts of outdated land uses and 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 value and the quality of life in the City's neighborhoods." (See Moratorium, Section 2.R) The City has provided no evidence of any such effects. In fact, at least as related to the Project, the technical studies (which the City has reviewed) demonstrate that the Project would not have a significant effect on the environment or community. Similarly, there cannot be credible threats to public health and safety by merely allowing the existing land use designations and zoning in Saturn Park to remain as is. Thus, there is no actual threat to public health, safety or welfare. Therefore, we request that the City Council deny the proposed Moratorium outright.

In addition, the law requires the threat to be imminent. The legislative history of Gov't. Code § 65858, and supporting case law, confirms that although the Legislature could have tied adoption of an interim ordinance to the submission or processing of a development application, it chose to set the bar higher, restricting its application to situations where an approval of an entitlement of use was imminent. To our knowledge, there is no entitlement approval imminent, or other development activity in Saturn Park, that can justify the Moratorium. The Moratorium staff report claims that "[t]he need for a moratorium is underscored by interest from private property owners within Saturn Park who already filed applications with the City seeking approvals via Chapter 21.14 of the Monterey Park Municipal Code ('MPMC')." Also, the findings in the Moratorium state that certain representatives met with the City to plan for a data center; and the City received an application for a conditional use permit for a data center. Neither of those facts equate to an imminent threat. Mere meetings regarding a project obviously cannot be an imminent threat. Likewise, filing for and processing a discretionary entitlement with the City just starts the wheels rolling in the administrative process and is not an imminent threat that can justify a moratorium. Thus, there are no facts or evidence that support the City's position that the Moratorium is needed to prevent an imminent threat.

Third, the Moratorium appears to stop the City from processing applications in Saturn Park. The law clearly holds that processing a development application does not constitute a current and immediate threat under Gov't. Code § 65858(c). Here, Section 4.A of the Moratorium states that "[c]ity employees, and City boards and commissions are directed to refrain from accepting, processing, or approving any application for any land use entitlement . . . and to refrain from processing and issuing approvals for any land use entitlement for any pending applications already received." This ban on processing entitlements in unlawful. The Applicant has invested substantial time and resources to submit its application for the Project. The City was processing that application in apparent good faith until notice of the Moratorium. Therefore, we request that the City revise the Moratorium to allow the City to process applications . . . that is, if the City Council even decides to adopt the Moratorium.

Fourth, it appears that the Moratorium is inconsistent with Chapter 21.14 of the MPMC (which was voter enacted) and provisions of the general plan. As we noted in our prior letter, the Applicant designed the Project to comply with the MPMC and the City has concluded that the Project is a permitted use within the O-P (Voter-enacted) zone. The Project is also consistent with the applicable general plan policies and designations. The staff report and draft Moratorium

make amorphous claims that data centers are inconsistent with the land use element, but provides no analysis or evidence to support that claim. Moreover, this is not the first time the City has used a moratorium, or interpretations of applicable code/land use designation to thwart potential development of the Site. The Moratorium is interfering with disposition contracts and subjecting the Applicant to potential damages. We hope the City can work with the Applicant to find a better way to proceed and avoid liabilities for all.

Fifth, the City claims that adopting the Moratorium is exempt from the California Environmental Quality Act ("CEQA"). The City has not, however, provided any evidence that the Moratorium would not directly or indirectly cause environmental impacts. The City's rationale ignores the potential indirect environmental impacts resulting from displaced development. Case law has held that CEQA requires consideration of displaced development impacts that logically flow from a ban on development. The California Supreme Court explained that, depending on the circumstances, a government agency may reasonably anticipate that its placing a ban on development in one area of a jurisdiction may have the consequence, notwithstanding existing zoning or land use planning, of displacing development to other areas of the jurisdiction. The court explained further that CEQA's concern is not limited to projects that "will" have a significant effect, but those that "may" have such effect. Thus, it would be prudent for the City to first analyze potential impacts of the Moratorium if the City decides to proceed with its consideration.

In closing, we reiterate the Applicant's primary desire to continue its good working relationship with the City. We trust that the City can find a way to accomplish its objectives of smart development in Saturn Park while concurrently processing the Project without delay.

Thank you,

James E. Pugh

James E. Pugh
for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

SMRH:4881-0296-1793.1

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File Number: 89AF-371175

June 14, 2024

Mr. Joseph Torres, MPA,
Economic Development Manager
Ms. Jessica Serrano,
Director of Community Development
Ms. Beth Chow, Senior Planner
City of Monterey Park
320 W. Newmark Avenue
Monterey Park, CA 91754

Re: Potential Moratorium for Saturn Park

Dear Messrs. Torres, Serrano and Chow; and Clerk for the City Council,

On the evening of June 12, 2024, we received a letter from the City of Monterey Park ("City") informing us that the City Council has established the Saturn Park Advisory Review Committee ("SPARC") to consider future land uses in the McCaslin Business Park (also referred to as "Saturn Park") area of the City. As you know, we represent SDCF Monterey Park, LLC ("Applicant") regarding its data center development project ("Project") located at 1977 Saturn Street in the City. Most concerning to us is the fact that the City Council is considering a potential moratorium on development in Saturn Park. The news of a potential moratorium was quite unexpected to the Applicant and could jeopardize the Project.

We understand that there is a City Council meeting on June 18, 2024 to consider the moratorium. We have reviewed the May 22nd and June 5th, 2024 staff reports about the formation of SPARC and directions to the City Manager and City Attorney to prepare documents for a potential moratorium. We have not seen a draft moratorium. Thus, we are unable to definitively determine whether it would impact the Project, if adopted. In that context, and the interest of time before the forthcoming City Council hearing, we express our concerns below. In addition, we have provided grandfathering language for pending projects that we believe should be exempt from the moratorium, if adopted.

First and foremost, the moratorium should not apply to projects that have already submitted development applications and are undergoing active environmental review. The Applicant started working with the City on the Project more than a year ago. Also, the Applicant formally filed the application for the Project on January 11, 2024. Furthermore, the Applicant has submitted environmental documents for California Environmental Quality Act ("CEQA") compliance and the City has reviewed and commented on those documents. In short, the Project is well into the administrative process and undergoing active environmental review. Accordingly, the Project should be exempt from a proposed moratorium.

To that end, we respectfully request that the City Council include the following language in the moratorium, if adopted:

"This moratorium does not apply to project applications, and proposed development projects, that were filed before the City created the SPARC to consider land uses in the Saturn Park area. Any project that submitted a project application to the City prior to May 22, 2024, and is undergoing active administrative processing, is expressly exempt from the provisions of this moratorium. The City shall continue processing such exempt projects in a timely manner, including but not limited to, administrative and environmental review, publication of CEQA documents, municipal hearings, and issuance of entitlements and building permits, as warranted, for exempt projects."

This type of provision would allow the City to pursue the goals of SPARC while not jeopardizing existing projects that have invested substantial resources to pursue redevelopment in the City.

Second, it is unclear to us at this time how the City would modify the regulations that apply to Saturn Park. We know that Chapter 21.14 of the Monterey Park Municipal Code ("MPMC") was voter enacted and cannot be changed by an action of the City Council. Instead, only voters have that ability, which the City has confirmed in several instances. The Applicant designed the Project to comply with the MPMC and the City has concluded that the Project is a permitted use within the O-P (Voter-enacted) zone. Hence, the Project should not be subjected to procedural or construction delays that are likely an inevitable by-product of being swept into the potential moratorium.

Third, the City has acknowledged the unfavorable business conditions that exist in Saturn Park, with certain staff reports indicating that approximately 75% of the available building space is vacant. That fact, coupled with the City's intent to use SPARC to create a specific plan for Saturn Park that "attracts investment and business to enhance Saturn Park's economic vitality" appear at odds with applying a moratorium to existing projects that would redevelop vacant buildings and materially enhance Saturn Park's economics. The Project would deliver a modern data center that does not significantly impact the community and improves local economics. But, the Applicant has strict timelines to deliver the Project. Therefore, delays caused by a potential moratorium are a real threat to the feasibility of the Project.

In closing, we reiterate the importance of exempting the Project from the proposed moratorium. The Applicant enjoys and appreciates its good working relationship with the City. We hope the City can find a way to accomplish its objectives with SPARC while not sinking the exciting and economically-beneficial project proposed by the Applicant. We intend to appear at the City Council hearing on June 18, 2024 and look forward to further discussing this matter with the City staff and elected officials.

Thank you,

James E. Pugh

James E. Pugh
for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

SMRH:4881-0296-1793.1

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mpclerk@montereypark.ca.gov.
Chris Flynn, StratCap
Scott Rynders, The Rynders Corporation

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City Council
Henry Lo
Vinh T. Ngo
Jose Sanchez
Thomas Wong
Yvonne Yiu

City Clerk
Maychelle Yee

City Treasurer
Amy Lee

April 25, 2024

Bryan Marsh
SDCF Monterey Park, LLC
660 Steamboat Road
Greenwich, CT 06830

Re: Incomplete Review Letter for 1977 Saturn Street
Conditional Use Permit No. 24-01, Design Review No. 24-040, Parking Study

Dear Mr. Marsh:

Thank you for submitting the following applications for the proposal of a data processing facility located at 1977 Saturn Street. The following applications numbers have been issued for this project:

- Conditional Use Permit No. 24-01 (CUP-24-01)
- Design Review No. 24-040 (DRB-24-040) (Review design and architecture, including a Parking Study)

In accordance with Section 65943(a) of the California Government Code, and Section 15101 of the California Environmental Quality Act Guidelines, the City of Monterey Park Community Development Department has determined that the following items must be satisfactorily submitted or addressed for your applications to be deemed complete and ready for processing:

Planning Comments

1. The use is an allowed use. For clarification, can you please provide an explanation for why the substation is needed? Please also explain how SCE will access the site as it is secured. Please add information to Detailed Operations Statement.

Architectural Plans

2. (A0.002) - Yards (21.14.080 C) – Side/Rear adjacent to R-Zone (northwest portion of lot) – standard is 50 feet plus 5 feet dimension for each 10 feet of building height above 15 feet. Plans indicate 36 feet but don't show height of equipment screen. Plans indicate 65 feet from R-zone.

3. A3.001 - Building Height (21.14.090) – Height limit is 40 feet, plans show 36 feet on A2.001, but do not include equipment screen. Equipment screen height noted on A3.001 shows 39 feet 6 inches. Equipment screen height should be indicated on A2.001.

4. A0.002 - Trash Facilities (21.14.130) – trash facilities need to be enclosed by a minimum 5-foot solid wall. Provide dimensions on the plans for the two trash facilities. (See Engineering Comment #18 and handout on trash facilities.)

5. A0.002 - Limitations on Permitted Uses (21.14.190 D) - Where the O-P zoned lot is adjacent to an 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.

6. A0.002 - Parking Layout (21.22) – Provide enlarged parking area drawing that provides information on parking space and drive aisle dimensions. It does not appear that compact parking is proposed, but compact parking requires a CUP in Monterey Park.,

7. Parking Study Applications (21.22.370) - To reduce the parking requirement, submit a parking study for review by Planning and Public Works.

8. A0.002 - Vehicular Loading Spaces (21.22.310) – loading spaces are required to be 12 feet by 40 feet, please provide dimensions on the plans for both loading spaces.

9. Vehicular Loading Spaces (21.22.310) - requires 3 loading spaces for buildings over 50,000 square feet.

10. A0.002 – A note is included on the plans for an Irrevocable Offer to Dedicate, please clarify if this is existing or proposed. Also, at the rear of the lot there are two lines indicating 'Parcel Line,' please clarify.

11. A3.001 – For the proposed Rooftop Equipment Platform design, please clarify why a platform is proposed as opposed to construction equipment enclosure on the roof (this is an unusual request)

12. A0.002 - Security Fencing. Please provide a separate Wall Plan that provides information on all proposed fences and walls, including height, design, color, (including retaining walls).

13. A0.002 - Vehicular gates. Provide a detail indicating proposed height and width of the proposed vehicular gates and how the gates will operate for the employees,

14. Front Elevation. Staff has reviewed the proposed design and architecture and recommends modifications to the architecture to provide more interest on the front elevation including revisions such as providing rooftop articulation, front elevation building movement/articulation, adding accent colors, architectural popouts, and/or

faux window designs. In general, the goal would be to provide more building movement and a more interesting design that would be more consistent with the existing buildings in the business park.

15. Ensure that all the colors and materials proposed are included on sheet A2.001. Please provide color and material for the equipment screens (it looks like there may be 2 colors), the color on the top of the parapet/roofline, that all colors of the concrete panels are indicated (it looks like there are 2 colors), and the type of glazing proposed. Please provide callouts to clarify what colors and materials on the building elevations. A1.102 - Membrane roof. Clarify this material and provide a description of the type of roofing material.

Civil Grading Plans

16. C1.0 Front Property Line. Clarify the location of the existing and proposed front property line. C1.0 seems to show 20', but there is also a 15' + 15' dimension.

17. C1.0 Easement. Please clarify if there is an easement along the front of the property, the plans seem to show an easement.

18. C1.0 Retaining Walls. Retaining walls must comply with MPMC Section 21.10.120 B 1. The plans indicate several retaining walls including the following: 4 feet on southeast side/front, 21 feet on northeast side, 12 feet to north, 6 feet on southwest side/front. (See Engineering Comment #8.)

19. C1.0 Tree Removal. It is noted that an Arborist Report has been submitted and will be reviewed with the other CEQA documents. The Arborist Report should provide information on what trees are proposed to be retained.

20. C2.0 Sewer Easement. A sewer easement is indicated from Orange to Saturn with a note that says, "to be Quitclaimed." Please provide information on the abandonment of that easement.

Landscape Plans

21. L1-1 Tree Removal. The Municipal Code requires that existing trees removed due to site development/design must be relocated or replaced elsewhere on site with a similar or substitute specimen tree of the same size, subject to City Planner approval (See MPMC Section 21.10.130 E 1 a).

22. Trees. The proposed trees are generally small to medium size trees at maturity (with the exception of the Oak which generally have a slow growth rate). Please include trees that are larger at maturity (trees that will exceed 45 feet in height at maturity). For any trees removed on the rear slopes, please include larger trees at maturity. In addition, add some larger box trees for key locations (36 or 48-inch box).

23. L1.1 Landscape Buffer. A 3-foot landscape buffer is required along entire lot lines of adjacent residential properties to the northwest (21.10.120 A 2 c). On the plans clearly indicate the adjacent residential properties and provide a linear dimension for the landscape buffer.

24. CEQA Comments (Staff has received some of MND sections and appendices and they are currently under review).
    a. Provide a draft Negative Declaration of Environmental Review. The Negative Declaration will be reviewed by staff and a Peer Review will be completed by an outside environmental consultant.
    b. Provide all relevant studies for the project as required by CEQA.

Fire Comments

1. All conditions identified by the Fire Department shall be subject to review and approval by the Fire Chief for determination of applicability and extent to which any condition may be required.

2. Substation fires are extremely hazardous due to the high voltages. Typically, foam will be the main extinguishing agent used. We will need an emergency incident plan from the applicant that will be reviewed. Access needs to be provided around the entire perimeter of the station. An acceptable staging area needs to be decided on.

3. Direct access to the north side of the building has been eliminated due to the row of generators. Provide two to three protected access paths from the fire lane to the building exterior.

4. An exit path is shown from the building on the north. More information will need to be provided. Is this a protected path?
5. The UPS/Battery rooms will require more detailed information which may lead to building separations and smoke detection. As we receive more details such as battery type and quantities, more specifications will be required.

6. Provide an approved automatic fire sprinkler system and fire alarm as set forth by Fire Code 903 and 907 for the new structure under deferred submittals.

7. Fire Department vehicular access roads must be installed and maintained in a serviceable manner prior to and during the time of construction. CFC 501.4

8. The minimum required fire flow per CFC App B

9. A minimum required hydrants per CFC App C. An on-site hydrant will be required on the north side of the building for water supply.

10. A detailed egress plan for the building showing maximum travel distances will be required.

11. An Emergency Responder Radio Coverage System may be required to be installed per the California Fire Code 510.

12. A Knox box shall be provided at the front entry. CFC 506.1

13. If "As-built" plans are required, additional fees will be due for the review of the Drawings.

Engineering Comments

1. Provide number of employees and expected vehicles on project.

2. Will there be cafeteria or commercial kitchen? If a commercial kitchen is included, then applicant must apply for fog permit and install grease interceptor.

3. Provide the detail description of all easement dedication.

4. Provide Right-of-Way map, showing existing and proposed.

5. Developer will be required to construct new curb and gutter (as needed), sidewalk, and ADA ramps, etc. on frontage of the development.

6. Provide proposed import/export route.

7. Applicant will be required to pave the street to the centerline.

8. Comments related to landscaping within the public right of way will be forthcoming under separate cover.

9. No retaining wall be allowed within public right of way.

10. Applicant to relocate fire hydrants. Provide 4 feet clear sidewalk to allow for ADA access.

11. Provide Conceptual LID Plan for review and approval.

12. Abandon and provide new water line shown in red on sheet C2.0.

13. Provide dedicated irrigation line with RP and provide irrigation system.

14. Provide location of backflow devices for fire, domestic and irrigation waterlines. For backflow device system, 2 DCDAs for fire protection lines (1 for each) 1 RP for domestic line, 1 RP for irrigation line.

15. Provide explanation of why development needs two sewer point of connections.

16. Identify and provide fire, water, and sewer flow demands.

17. (Provide calcs and backup in LID plan)

18. Applicant will be required to provide construction and demolition recycling plan.

19. Provide solid waste and recycling calculation for sizing of the trash enclosure. All projects are required to have organics recycling in addition to solid waste and recycling. (See attached)

20. Provide all proposed utilities plan in AutoCAD format and pdf format.

The following items are the recommended (potential) conditions of approval from the Engineering Division for the subject development:

1. Under the Los Angeles County Municipal Separate Storm Sewer System (MS4) Permit, issued under the National Pollutant Discharge Elimination System (NPDES) Program, the developer/owner is required to obtain a General Construction Storm Water Permit. This project will require the preparation of a Low Impact Development (LID) Plan and a Storm Water Pollution Prevention Plan (SWPPP). Upon approval of these plans, the developer/owner must submit an electronic copy of the approved files, including site drawings, prior to the issuance of a building or grading permit.

2. All improvement plans, including grading and public improvement plans must be based upon City approved criteria. Benchmark references to be obtained from the Engineering Division.

3. The developer/owner is responsible for ascertaining and paying all City development fees such as, but not limited to, sewer deficiency fees, water meter fees and metered water service impact fees as required by MPMC. Water division requirements are to be determined upon completion and submittal of water meter sizing sheets by the applicant.

4. A water plan must be submitted for review and approval by the City Engineer. This plan must substantiate adequate water service for domestic flow, fire flow and identify backflow prevention. If current fire flow and pressure tests are not available to substantiate adequate pressure and flow to serve the development, the developer will be responsible for conducting the appropriate tests and submitting copies of the test

results for review and ultimate approval by the City. The substantiation of adequate water services must be verified by the City Engineer prior to setting of Planning Commission hearing date.

5. A site drainage plan must be prepared for review and approval by the City Engineer. The property drainage must be designed so that the property drains to the public street or in a manner otherwise acceptable to the City Engineer. Drainage from contiguous properties must not be blocked and must be accommodated to the satisfaction of the City Engineer. A hydrology and hydraulic study of the site may be required for submittal to the City Engineer for review and approval.

6. All storm drainage facilities serving the development must accommodate a 50-year storm. If existing storm drain facilities are inadequate, they must be enlarged, as necessary. All storm drain facilities must be designed and constructed to Los Angeles County Department of Public Works standards and specifications and also to the satisfaction of the City Engineer.

7. The grading and drainage plan must incorporate all pertinent site development comments from the geological and geotechnical report submitted by the developer's consultant.

8. Remove existing curb, gutter, sidewalk, driveway approach, and construct curb and gutter, driveway approaches and full parkway width sidewalk. The removal and reconstruction must be along entire property frontage of Saturn.

9. All public works improvements must comply with the standards and specifications of the City and to the satisfaction of the City Engineer. The point of connections of the sewer and water line must be clearly identified on the plan. The plan must include the connection details of all domestic flow, fire line and irrigation line and sewer clean outs and must be prepared and submitted showing all existing and proposed utilities.

10. A sewer connection reconstruction fee will be assessed at the time of issuance of a building permit in accordance with the provisions of Chapter 14.06 of the Municipal Code.

General Comments

1. Resubmit one (1) full-sized set of revised plans with the changes/additions discussed above. Additional sets of plans may be requested once your item is scheduled for a hearing.
2. Submit an electronic version of all plans to planningpermitcounter@montereypark.ca.gov

3. Provide a cover letter discussing how each of the issues discussed above has been addressed for Staff's reference.

These comments are based on your current submittal. Please note, additional corrections or comments may be identified upon your resubmission. We cannot proceed with the processing of your application until the above items are addressed. Should you have any questions in the matter, please contact Jeff Anderson, Contract Planner at (626) 827-0874 or by email at janderson@willdan.com and copy Beth Chow, Planning Manager in any future correspondence at bchow@montereyparkca.gov.

Sincerely,

Beth Chow

Beth Chow, AICP
Planning Manager

Attachments: Will Serve Information Packet
Recycling Guidelines
Application for Alternate Materials, Design, and Methods of Construction

CC: Scott Rynders, Rynders Corporation (e-mail)
Chris Flynn, StratCap (e-mail)

SheppardMullin

Sheppard, Mullin, Richter & Hampton LLP
650 Town Center Drive, 10th Floor
Costa Mesa, California 92626-1993
714.513.5100 main
714.513.5130 fax
www.sheppardmullin.com

James E. Pugh
714.424.2854 direct
jpugh@sheppardmullin.com

File Number: 89AF-371175

December 2, 2025

VIA E-MAIL

City Council
City of Monterey Park
320 W. Newmark Avenue
Monterey Park, CA 91754
Email: c/o City Clerk,
MPClerk@montereypark.ca.gov

Re: 1977 Saturn Data Center Project – Summary of Procedural and Environmental Facts

Dear Honorable Mayor and City Councilmembers,

We represent HMC StratCap 1977 Saturn, LLC ("Applicant") regarding its data center project ("Project") located at 1977 Saturn Street in the City of Monterey Park ("City"). The City Council is scheduled to consider the Project at its December 3, 2025 public hearing. To facilitate informed decision making, we are providing this project summary letter for your convenience. This letter summarizes key environmental, economic, and procedural points from the administrative record, and importantly, provides simple answers for the City Council regarding the characteristics of the Project. We know that there is misinformation about the Project swirling online. Much of the online rhetoric is flatly false and does not apply to the Project. In contrast, this letter is based on facts and technical evidence. On behalf of the Applicant, we respectfully request that the City Council approve the Project based on the strong evidence in the record.

I. The City Performed Extensive Environmental and Community Review for the Project.

On January 11, 2024, the Applicant filed applications with the City to permit the Project. For approximately two years, the City, State agencies, interested stakeholders, and the community have reviewed the Project specifically and data center land uses in Saturn Park generally. That extensive review determined that the data center uses in Saturn Park were preferred and that the Project would not have significant impacts on the environment or surrounding residents. In many ways, the vetting of the Project has exceeded legal requirements.

As you know, the City created the Saturn Park Advisory Review Committee ("SPARC") to gather public input on the future land uses in Saturn Park. There was solid support for data centers as an acceptable land use. This multi-month community process went beyond the traditional public scoping process that projects undergo for California Environmental Quality Act ("CEQA") compliance. Ultimately, the City updated the Monterey Park Municipal Code ("MPMC")

to expressly permit data centers in Saturn Park with a development agreement. The Applicant and the City have negotiated a development agreement for the Project accordingly.

The City also exceeded legal requirements with respect to CEQA. On October 31, 2024, the City published a comprehensive Initial Study-Mitigated Negative Declaration ("MND") that analyzed all applicable environmental topics. The City circulated the MND to the community and the State, including direct notification to residents within 500-feet of the Project. During the public review period, there were zero comment letters received from the community and only three from local or State agencies, which indicates the Project is not contentious for genuine stakeholders and surrounding residents.

Moreover, the City elected to prepare detailed written responses to the comments received on the MND. That process is typically reserved for Environmental Impact Report ("EIRs"). In other words, the City went beyond its legal requirement to formally respond to comments and supported those responses with deep technical analysis of the issues raised. It should also be noted that the MND analyzed the same environmental topics (such as water, energy, air quality, noise, etc.) that would otherwise be analyzed in an EIR. As a result, the City has a voluminous administrative record that demonstrates the Project does not have significant environmental impacts.

In addition, City staff performed four rounds of intensive internal review to vet the project design and site engineering. The Applicant updated its project plans, added design features, and improved the Project several times as requested by the City. The City concluded its 18-month internal review on November 5, 2025 and deemed the Project complete and ready for City Council consideration. The Applicant commends staff for its attention to detail and thoroughness.

Regardless of the comprehensive internal and external review, we understand that the public and City Council may appreciate simple answers to some of the issues of concern, and recent questions raised, about the Project. Also, we know that an opposition group popped up in the last few days and is spreading misinformation about the Project. We ask the City Council to be clear-eyed during its decision making and prioritize facts over fictions. Accordingly, below are facts about the Project that demonstrate plainly how the Applicant has designed a data center for the City that is cutting-edge and environmentally sensitive.

II. The World's Number-One Ranked Architect Designed the Project.

Early in the review process, the City asked the Applicant to design a data center that the City could be proud of and provided thoughts about the type of data center appropriate for the City. In response, the Applicant hired Gensler to design an aesthetically striking facility that fit into the project site, enhanced the public right-of-way, and provided community benefits. Gensler rose to that task and delivered a design appreciated by City staff. Gensler coordinated with the Applicant's engineering team to ensure the design was also environmentally efficient. The result is a Project with visually appealing facades, unique architectural features, state-of-the-art mechanics and efficiency, and an adjacent public park that substantially improves the pedestrian realm and walkability of the area. See Exhibit A: Project Renderings.

III. The Project Does Not Create Significant Environmental Impacts.

We recognize that the potential impacts from data centers are a hot topic recently and garner press coverage. However, it is critically important to distinguish hyperbole from factual evidence to discern the true impacts of a data center. Not all data centers are created equal. Much of the press and recent online posts (regarding environmental impacts) does not apply to the Project. As demonstrated below, the Applicant has gone to great lengths to design the Project in an environmentally sensitive manner, and particularly to not create impacts on the community or the City's resources.

A. The Water Usage of the Project is More Efficient Than a Typical Office Building.

There is a lot of industry chatter and misinformation about "water-hungry" data centers. That concept is entirely inapplicable to the Project. The mechanical engineer for the Project designed it as a closed-loop system that is particularly water efficient for arid climates. See Exhibit B: Water Efficiency Memo, which explains that the Project rarely requires additional water once the pipes are filled initially.

For comparison, the Project requires approximately the same amount of water as the existing office building on the site. The MND quantitatively analyzed water demand. Table 4.19-2: Estimated Water Demand, demonstrates that water demand for the Project (30,079 gallons per day ("gpd")) is approximately the same as the water demand of the existing office building (29,069 gpd) based on industry standard, and quantitatively modeled, water demand factors from Los Angeles County. And even that analysis is very conservative when compared to the precise water demand of the Project based on its water saving technology.

For example, the same table in the MND notes that actual water demand of the data hall center is far less than a typical office building. The mechanical engineer's precise design shows that the data hall center water use is approximately 207 gpd based on the closed-loop water system and data hall operations. For comparison, the City's water use statistics show an average water demand of 100-110 gpd per person, which means a two-person household would demand approximately 220 gpd. Those more precise factual comparisons demonstrate that the data hall center consumes about as much water as a few houses in the City. Therefore, the reality is that the Project is extremely efficient and consumes minimal water.

B. The Emergency Generators Include the Best Air Emission Control Technology Available.

The South Coast Air Quality Management District ("SCAQMD") maintains a list of certified emergency generators. The generators are ranked in emissions efficiency levels knows as "tiers." The higher the tier, the better the generator for controlling emissions. Tier 4 generators are the best generators commercially available and are designed with state-of-the-art emission control technology to meet the most stringent air quality standards.

In a comment on the MND, the SCAQMD recommended that the Project include Tier 4 generators. The Applicant committed to Tier 4 generators and the City prepared detailed air quality technical analysis based on such generators. The MND contains extensive air quality modeling of the potential emissions associated with the generators. In every modeled scenario, the emissions from the generators are below the applicable air quality thresholds of significance. Therefore, the generators will not present a significant health risk to the community.

Importantly, the generators are not the primary source of power for the Project. The Project runs on electricity from the Southern California Edison ("SCE") utility grid. The generators are only for emergency situations, which means the generators will not operate frequently. This Project would not, and cannot, use the back-up generators as the primary source of power. Instead, generator operations are limited by the permitting controls established by the SCAQMD. Therefore, the MND anticipated permit conditions and foreseeable maintenance schedules to analyze potential emissions. That analysis demonstrates quantitatively that the generators would not exceed applicable air emission levels.

Moreover, the SCAQMD maintains permitting jurisdiction over the generators. That means that the Applicant cannot operate the generators until the SCAQMD issues a permit to operate. During that permitting process, the SCAQMD will further vet the generators selected for the Project and impose operating parameters, which is commonplace for all emergency generator permits. Hence, the Project includes the most environmentally conscious generators that are commercially available and will be subject to multiple levels of regulatory review to ensure air emission control compliance.

C. Southern California Edison Confirmed Capacity for the Project.

It is clear that data center operations require substantial electricity. However, it is important to consider the energy demands of the Project compared to the energy supply available from the local utility infrastructure. When taken in context, the Project requires less than one percent of SCE's forecasted 2026 demand. Below are key facts that demonstrate there is adequate capacity to serve the Project without interrupting the City's power resources.

On July 1, 2024, SCE completed a Method of Service ("MOS") study for the Project. The MOS studied the specific characteristics of the Project and analyzed how SCE would deliver power to the Project. As you know, the project site is located close (approximately 800 feet) to the existing SCE Mesa Substation, which is the main facility that would deliver power to the Project. As a result, the Project requires minimal offsite infrastructure to connect to SCE's substation.

More importantly, regarding power capacity, the MOS determined that the Project would not create energy overloads based on the SCE 2027-2033 Plan Year Peak Load normal operating conditions. Moreover, the MND analyzed annual energy consumption of the Project compared to available power. The results demonstrate that the data center building's electricity use is approximately 0.64% of SCE's forecasted demand in 2026. Thus, even though the Project requires a substantial amount of electricity, that load is minimal in relation to SCE's overall supply and demand.

In addition, it should be noted that the power mix from SCE is environmentally conscious. SCE is subject to the State Renewable Portfolio Standard ("RPS") that requires the utility to include renewable energy sources in its power supply mix. Accordingly, the power provided to the Project is supplied in part from renewable energy sources. Some of the press about data centers and dirty energy is related to projects supplied with energy from coal-fired plants, mostly in the East Coast. In contrast, the facts are that California's clean power grid results in some of the lowest health impacts in the country and delivers some of the greenest energy in the nation. Furthermore, the Project is designed to integrate roof-top solar panels to supplement grid power. Therefore, overall, this data center exemplifies smart power usage from a relatively green grid and power supplier.

Finally, it is important to understand that SCE will deliver energy to the facility via new dedicated lines. These new facilities will enhance power reliability and not unduly intertwine with the City's delivery system. The Applicant pays for the cost to develop the new power infrastructure for the Project. Those costs are not passed onto the City or its residents. Thus, with all facts considered, even though the Project requires substantial electricity, there is adequate capacity to serve the Project in an environmentally conscious manner that does not otherwise adversely effect the City.

D. Noise Generated by the Project is Minimal Compared to Ambient Conditions.

We recognize that noise is another hot button issue that garners press and community comments. Here, the City prepared detailed noise reports that analyzed all of the potential noise sources associated with the Project. The bottom line conclusion was that noise levels from the Project would not exceed the existing measured ambient noise levels. Below are facts about the Project design and operational characteristics that inform the noise analysis.

Noise analysis was performed according to the MPMC. In 2024, a noise consultant visited the site and installed noise monitoring equipment at the nearest residential receptors. The noise monitors recorded existing daytime (56-61 dBA) and existing nighttime (54-56 dBA) noise levels in the area. Per the MPMC, those measured ambient noise levels are the noise standard. Next, the MND modeled noise created by the Project using SoundPLAN software. The modeling assumed that the following equipment was operating at load: rooftop mechanical equipment, emergency generators, and the substation transformers. Those are the main noise sources of the Project. The SoundPLAN results indicate the highest modeled noise levels at the nearest sensitive receptors are 48.6-52.0 dBA. In other words, the Project noise levels (maximum of 52.0 dBA) are less than the measured ambient noise levels (lowest of 54 dBA) in the vicinity. Accordingly, the MND demonstrated that the Project would not create significant noise impacts.

Now to be less technical. The Applicant designed the project to minimize noise impacts. For example, all of the rooftop equipment is surrounded with acoustical screening that reduces mechanical noise. Similarly, the emergency generators are fully enclosed in metal structures that dampen noise. See Exhibit C: Generator Enclosures. The generator yard is also screened by a wall that provides further noise attenuation. It is also important to note that the generators remain off the vast majority of the time, which means there is typically no noise coming from the

generators. Also, note that the MPMC exempts emergency generator noise in any case. Nonetheless, to be conservative, the MND analyzed the generators operating, combined with the other mechanical noise sources, and concluded that the noise levels of the Project were still below the MPMC standard. In summary, based on common sound levels used in the acoustics industry, the Project noise is similar to a typical commercial area. It is not equivalent to a "freight train" or other high-noise sources identified in recent opposition comments, which is misinformation.

IV. The Project Provides Substantial Economic and Community Benefits.

The Project provides meaningful community benefits and major ongoing revenue to the City. In August 2025, Century Urban prepared a fiscal revenue analysis that demonstrates the Project provides the City over $6 million during construction and provides reoccurring revenue to the City's general fund of approximately $5-8 million annually. See Exhibit D: Fiscal Revenue Report. In contrast, the site is currently vacant and provides virtually no benefit to the City or its residents.

In addition, the Applicant designed a new community park adjacent to the Project. The Applicant would provide the park and underlying land to the City for free. The park would be open to all residents and visitors of the City and provides a thoughtful linkage between the existing residential areas and other uses in Saturn Park. Also, the Applicant has funded improvement of the existing pedestrian right-of-way between La Loma Park and the new community park. That further improves the walkability of the neighborhood and connectivity between green spaces. See Exhibit E: Park Renderings.

Finally, it is important to note that the revenue from the Project contributes to the City's general fund. Accordingly, the City and its residents will have more discretionary revenue to dedicate to a variety of community priorities. Furthermore, the data center requires minimal City services and inherently does not stress public services and infrastructure. The Project generates minimal traffic and thus does not impact roadways or create congestion. The Project is a high-security facility that does not require substantial police or fire department attention. Thus, overall, the Project contributes major economic and community benefits to the City and its residents while not consuming City resources. Therefore, the Project is an ideal land use for the site that is consistent with zoning and the future visioning for Saturn Park.

V. Conclusion

In closing, the Applicant appreciates the City's responsiveness and good efforts to prepare the Project for public hearing. We respectfully request that the City Council approve the Project at the December 3, 2025 hearing. As explained in this letter, and demonstrated conclusively in the administrative record, the City has thoroughly vetted the Project even beyond its legal obligations. Saturn Park has sat vacant for years. The City expressed a vision for its redevelopment. The Applicant has proposed a project that is key to accomplishing that vision and is consistent with the land uses established by the voters for Saturn Park. We believe the time is now to take action that finally rectifies the underutilization of Saturn Park and delivers a state-of-the art innovation use that the City can be proud of. Therefore, we ask the City Council to act on fact and approve the Project.

Thank you,



James E. Pugh
for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

cc:
mpclerk@montereypark.ca.gov
Inez Alvarez, City Manager, ialvarez@montereypark.ca.gov
Timothy Hou, Director of Community Development, thou@montereypark.ca.gov
Karl Berger, City Attorney, kberger@bwslaw.com
Bryan Marsh, StratCap
Chris Flynn, StratCap
Scott Rynders, The Rynders Corporation

SMRH:4890-6474-8275.2

Exhibit A:
Project Renderings



APPROACH - SW CORNER



ENTRY PLAZA

Exhibit B:
Water Efficiency Memo

DFWCGI

September 4, 2024

Data Center Water Use
Air-Cooled Chiller Systems

To whom it may concern,

This memorandum summarizes the water consumption associated with the proposed cooling system that would likely be used for the data center on Saturn Drive in the City of Monterey Park. While many datacenters have leveraged mechanical heat rejection systems that operate with evaporative technologies to cool the datacenter processes, that is not the approach being utilized at this site. Instead, to reduce water demand, we have proposed a system that consumes negligible water, as our focus has been a blend of energy efficiency and environmental sustainably.

We have proposed to utilize air cooled chillers with a free-cooling heat-exchanger. This approach will allow the facility to simply circulate water in a closed piping loop. The design and technology requires minimal water and is summarized as follows: Water would be required to initially fill the system before operational start up. Once filled, the only time additional water would be required for the systems would be if there was ever a pipe leak (unlikely as the piping system will be fully welded). As the system operates, the air-cooled chillers will run their compressors to cool the water when the outside air temperatures are warmer, and would use a fee cooling heat exchanger to allow them to operate without a compressor when temperatures are cooler. Overall, this type of system is well-tested and water-efficient for datacenter cooling especially in drier, more arid climates.

We have attached a manufacturer summary of the of the proposed air-cooled chillers with integrated water-side economizer for further reference, if needed.

Respectfully,

Curtis C. Spraggins
California Mechanical PE 41851



Exhibit C:
Generator Enclosures

Example Generator Enclosures

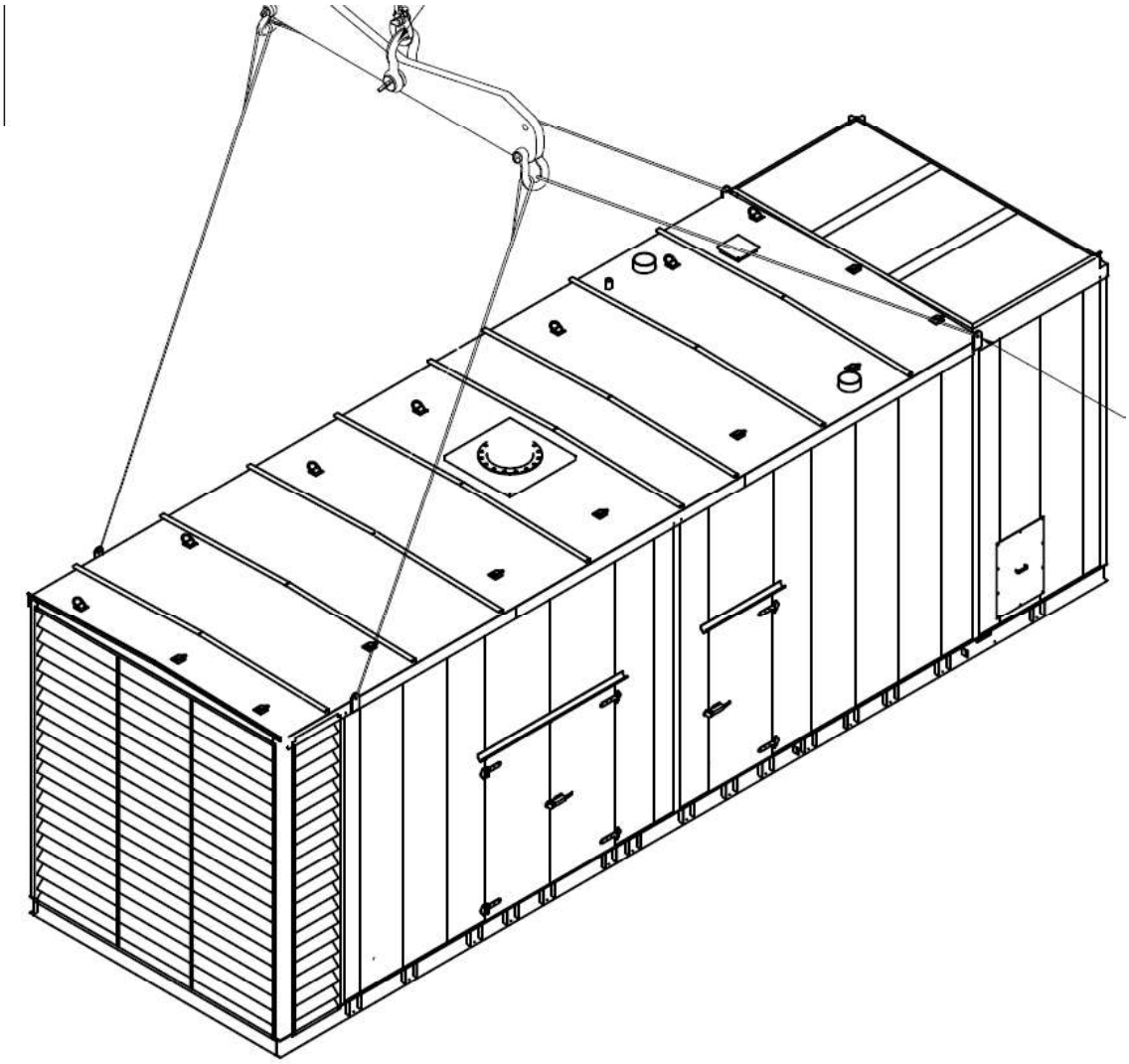




Exhibit D:
Fiscal Revenue Report



Century | Urban

Strategic Real Estate Advisory Services

1977 Saturn Data Center
Fiscal Revenue Analysis

Presented to:

SDCF Monterey Park LLC

August 12, 2025

235 Montgomery Street, Suite 629 | San Francisco, CA 94104 | 415.786.2675 | www.centuryurban.com

FISCAL REVENUE ANALYSIS

TO: SDCF Monterey Park LLC

FROM: Century Urban, LLC

SUBJECT: Fiscal Revenue Analysis

DATE: August 12, 2025

INTRODUCTION

Century Urban, LLC ("Century | Urban") was retained by SDCF Monterey Park LLC ("SDCF") to prepare an estimate of the potential fiscal revenue to the City of Monterey Park (the "City") generated from the development and operation of the 1977 Saturn Data Center project (the "Project"). The Project would demolish the existing vacant buildings and construct a new 218,400-square-foot data center with an ancillary equipment yard and substation. Project construction is anticipated to begin in 2026 with a completion in 2029.

This study estimates the fiscal revenue the Project is anticipated to generate, providing direct tax revenue and benefits to the City. Fiscal revenue includes property taxes, sales taxes, and other use taxes, which would flow directly to the City's General Fund. The fiscal revenues are presented at Project stabilization and also estimated over 30 years beginning with construction start. The analysis only reflects the revenue generated by the Project to the City's General Fund. The Project would generate additional fiscal revenue such as special parcel taxes and special sales taxes, but those revenues are restricted by law or administrative regulation for designated purposes. Accordingly, this analysis conservatively focuses on revenues allocated to the City's General Fund, its main operating fund for general City services, because the City has wide discretion regarding how to utilize beneficial revenues produced by the Project. Additionally, the analysis conservatively does not account for revenues generated by the Project for the County or State. As shown below, the Project would generate approximately $6.5 million during construction and between $5.0 million and $8.1 million in recurring annual General Fund revenue upon Project stabilization. Over a 30-year period, the Project is estimated to generate approximately $208 million in fiscal revenue for the City.

Provided below is a summary of the projected fiscal revenue generated by the Project as well as a description of the assumptions and methodology used to estimate each fiscal revenue stream.

SITE AND PROJECT DESCRIPTION

The Project site is comprised of a 15.8-acre property located at 1977 Saturn Street in the City of Monterey Park. The site is currently developed with a vacant two-story commercial office building, an associated one-story utility building with a diesel-powered emergency backup generator, and surface parking lot. The Project will construct a new approximately 218,400-square-foot data center with an approximately 75,000-square-foot ancillary equipment yard, and a 24,000-square-foot electrical substation to support data center operations.

METHODOLOGY AND APPROACH

As noted above, the fiscal revenue analysis in this report measures the revenue generated by the Project to the City's General Fund.

Century | Urban relied on information provided by the SDCF, sourced from available public data, financial reports, and calls to City staff regarding the one-time and ongoing City-imposed fees and taxes on new development. The information reviewed includes a program summary, master fee schedule, project descriptions and information regarding the City's General Fund share of taxes and fees.

In addition, Century | Urban performed research to evaluate how these fees and taxes are levied on new development by reviewing City municipal code and public ordinances related to specific fiscal revenue categories and listed henceforth. The sources of revenue estimated in this analysis include impact fees, property taxes, retail and material sales tax, real estate transfer tax, business license fee, property tax in-lieu of vehicle license fees, and other City-imposed fees and charges. Century | Urban developed a financial model to estimate fiscal revenue for each General Fund revenue category based on the best available information at the time of this report.

This report does not analyze the potential increased demand for City services that are typically generated by new businesses, which can include public safety, library services, and recreation programs and the need for additional capital investments. We note, however, that data center businesses result in relatively low demand for City services compared to other types of land uses. Accordingly, on balance, development of data centers results in a higher net fiscal benefit for the City than other developments that require proportionally more City services compared to fiscal revenue generated.

FISCAL REVENUE ESTIMATE RESULTS

As shown in Table 1 below, the Project is expected to generate approximately $6.5 million in one-time General Fund revenue to the City through fees and taxes during the construction period. The largest revenue source during this phase would be sales and use taxes, as outlined in Sections 3.28.070 and 3.28.080 of the city's municipal code, driven by sales taxes on construction materials and use taxes on data center equipment, which represents a substantial capital investment. According to California Department of Tax and Fee Administration (CDTFA) and section 3.28.020 of the City's municipal code, the total sales and use tax levied is equal to 1.0% of the sales price of the property.

Upon completion, the Project is expected to generate between $5.0 million and $8.1 million in recurring annual General Fund revenue for the City. The $8.1 million estimate includes sales tax revenue from the periodic replacement of data center equipment, which has an estimated four-year lifecycle. The $5.0 million estimate reflects years in which equipment replacement does not occur, resulting in no associated sales tax revenue.

In addition to sales taxes, the primary sources of this ongoing revenue are property taxes (approximately $1.8 annually) and utility taxes (approximately $2.5 million annually) from the increased property value with the Project and its energy consumption during operation, respectively. The property currently produces approximately $107,000 in property tax and nominal utility tax because the property is vacant. Therefore, development of the Project would produce nearly fifteen times more property tax revenue, and exponentially more utility tax revenue, for the City. The City would receive transfer taxes from the sale of real property if SDCF sold the property. SDCF has indicated, at this time, that it intends to own and operate the property for the foreseeable future Therefore this analysis conservatively does not assume, or take credit for, a future potential sale of the property.

Provided below is a summary of the Project's fiscal revenue followed by a brief explanation of each fiscal revenue and the method of calculation.

Table 1: Fiscal Revenue Summary

Projected City Revenues		
Construction Period One-Time Fees / Revenue	**With Data Center Equipment Replacement**	**Without Data Center Equipment Replacement**
1.) Total City Impact Fees	$ 121,000	$ 121,000
2.) Property Taxes During Construction	1,524,000	1,524,000
3.) Sales and Use Tax	4,844,000	4,844,000
4.) Upfront Land Sale - City Transfer Tax	43,000	43,000
5.) **Total One-Time Fees / Revenue**	**$ 6,532,000**	**$ 6,532,000**
Recurring Fees / Revenue		
6.) Property Taxes - City Share	$ 1,778,000	$ 1,778,000
7.) Business License Tax	45,000	45,000
8.) Sales and Use Tax	3,061,000	1,000
9.) Utility Tax	2,512,000	2,512,000
10.) Increase to Vehicle In-Lieu Fee	677,000	677,000
11.) **Total Recurring Fees / Revenue**	**$ 8,073,000**	**$ 5,013,000**

REVENUE OVERVIEW

The City receives revenue from new development projects in the form of one-time revenue and ongoing recurring revenue. Below is a description of each revenue source, along with the assumptions and methodology used for the estimates provided in this report.

One Time Revenue

One-time revenue reflects fees or revenues that are paid once or are due to construction activity, which has a limited duration. These revenues are temporary and distinguished from the ongoing revenues associated with the operations of commercial buildings or tenants inhabiting those businesses. The one-time estimated fiscal revenues are summarized in the fiscal revenue table above and described in greater detail in the following section.

City Impact Fees

The City levies impact fees on new developments to fund local services and programs. Per the Master Schedule of Fees and Charges, dated July 1, 2024 the following fees apply to the projected building gross square footage of 218,400:

Table 2. Impact Fees

Impact Fee Type	Fee per Gross Square Foot	Total Fee
Police Fee	$0.05	$10,900
Fire Fee	$0.019	$4,100
Sewer Capacity	$0.069	$15,100
Water Capacity	$0.386	$84,300
Park Fee	$0.032	$7,000
Total		**$121,400**

Source: City of Monterey Park, California: Master Schedule of Fees and Charges, dated, July 1, 2024.

Property Taxes During Construction

Property taxes during construction are estimated based on construction costs incurred during development. The City currently receives approximately 24.576% of the 1.0% ad valorem rate or 0.24576% of assessed value on all taxable property per the City's Comprehensive Annual Financial Report Year Ended June 30, 2024. The tax rate includes the City's Share of the 1.0% levy per Prop 13 and the General Obligation Debt Rate. According to the Los Angeles County Assessor's Office website[1], the Assessor will "estimate the fair market value in its current state of completion, until the project is 100% complete and the final assessment is determined" for new construction projects. Thus, property taxes are assumed to be assessed and payable during the construction period based on the projected construction budget and schedule as provided by SDCF. The taxable basis consists of the assessed land value and the incremental assessed value of the data center building. According to the Los Angeles County Assessor's Office[2], new construction will be assessed based on an appraised value. Appraisers may employ one of three valuation methods: the cost approach, income approach, or sales comparison approach. While the specific approach an appraiser may choose for the Project is uncertain, this analysis assumes an assessed value equal to 90% of total development costs, based on the assumption that the appraiser would use the cost approach and that certain soft costs, such as financing and impact fees would be excluded from the cost basis. Table 3 below provides a summary of the total projected assessed value at construction completion.

[1] https://assessor.lacounty.gov/real-estate-toolkit/when-do-i-get-reassessed
[2] https://assessor.lacounty.gov/homeowners/realproperty

Table 3. Assessed Value Through Construction Completion

Taxable Component	Total Cost	Factor	Assessed Value
Land Cost	$39,000,000	100%	$39,000,000
Development Cost	$352,172,000	90%	$316,954,000
Total	**$391,172,000**		**$355,954,000**

Source: Land cost and development cost provided by SDCF Monterey Park LLC

Sales and Use Tax

According to the California Department of Tax and Fee Administration (CDTFA) and section 3.28.020 of the municipal code, the City receives a 1.0% share that makes up the total 10.25% sales and use tax collected on the sale or procurement of tangible property used within the City to its General Fund. Construction materials and equipment sales tax is the City's projected share of the development's sale tax on construction materials and data center equipment. Based on Century | Urban's market expertise and discussions with cost estimators and general contractors, we have assumed that approximately 45% of the projected hard cost budget consists of building materials, of which 50% will have been procured within the City or subject to the City's sales tax jurisdiction and 100% of the data center equipment budget would be subject to a sales or use tax. Of these amounts, the General Fund is projected to receive the base 1.0% City-wide sales and use tax.

Table 4. Sales Taxes During Construction/Lease-Up

Taxable Component	Total Cost	Factor	Taxable Value
Total Hard Costs	$339,506,000	22.5%	$76,389,000
Data Center Equipment	$408,000,000	100%	$408,000,000
Total	**$747,506,000**		**$484,388,850**

Source: Hard costs and data center equipment cost provided by SDCF Monterey Park LLC.

The analysis also accounts for the Sales and Use Tax revenue the City will collect from on-site construction employee retail spending. Sales tax estimates are based on the projected taxable spending per new construction employee, assuming employees will make 50% of their workday taxable purchases within the City. According to discussions with general contractors, the Project is expected to create approximately 610 full-time equivalent jobs during construction based on a factor of 2.8 employees per 1,000 gross square feet. Each employee is estimated to spend approximately $10,000 annually on taxable goods during the workday. Assuming 50% of this spending occurs within the City, the Project is projected to generate approximately $132,000 in new sales tax revenue during the construction period.

Upfront Transfer Tax

The City imposes a real estate transfer tax of $0.55 per $1,000 of gross sales price, equivalent to 0.055% of the total transaction value per City municipal code 3.32.020. Per the Grant Deed dated December 3, 2024, SDCF paid $42,900 of documentary transfer taxes.

Recurring Revenue

Recurring fiscal revenues are revenues that are collected on an annual or ongoing basis. These revenues are collected as transactional taxes such as sales taxes and transfer taxes or as property taxes and property tax in-lieu of Vehicle License Fee based on assessed values. As such, recurring revenues vary year-to-year based on projected assessed building values and economic activity such as retail sales. Century | Urban performed research to determine appropriate assumptions for estimating each recurring revenue source as described in greater detail below.

Property Taxes

Property taxes are estimated based on the projected assessed value at Project completion. As noted above, the City currently receives approximately 24.576% of the 1.0% ad valorem rate or 0.24576% of assessed value on all taxable property as per the City's Annual Comprehensive Financial Report Year Ended, dated June 30, 2024. The Project assessed value was determined based on the cost approach using the Project's total development budget. As described above, the Project's assessed value is assumed to be equal to 90% of its development cost. The projected City's share of ad valorem rate is applied to the estimated assessed values at completion. The 'tax calculation is provided in Table 5 below.

Table 5. Assessed Value at Stabilization

Taxable Component	Total Cost	Factor	Assessed Value
Land Cost	$39,000,000	100%	$39,000,000
Development Cost	$352,172,000	90%	$316,955,000
Data Center Equipment	$408,000,000	90%	$367,200,000
Total	**$830,670,000**		**$723,155,000**

Source: Land cost derived from LA County Assessor's portal per recorded sale on 12/4/24, development cost and data center equipment cost provided by SDCF Monterey Park LLC.

Business License Tax

The business license fee is required for any person or entity that engages in business within the City including the operation of real estate. Per Ballot Measure BE that passed on November 5, 2024, the City charges an annual business license fee depending on the level of gross receipts. The Project developer estimates that annual gross receipts will range between $60,000,000 and $65,000,000. Therefore, a business license fee of $44,700 was estimated per the City fee schedule.

Sales and Use Tax

Sales tax and use tax is collected by the City on sales that occur within the City. In addition, the City municipal code states that "an excise tax is hereby imposed on the storage, use or other consumption in the city of tangible personal property purchased from any retailer on and after the operative date for storage, use or other consumption in the city at the rate stated in municipal code Section 3.28.020 (1%) of the sales price of the property." Based on discussions with SDCF, data center equipment typically has a lifespan of approximately four years, necessitating a significant replacement at the end of each cycle. This analysis assumes that each equipment replacement will be subject to sales and/or use tax, with the City's General Fund receiving 1.0% of the taxable value. At project completion, the data center equipment is estimated to cost approximately $408 million. Approximately 75% of equipment is projected to be replaced every four years, resulting in significant recuring sales tax revenue. The summary table above presents sales tax revenue projections for both data center equipment replacement and non-replacement scenarios. However, the annual projection provided as an exhibit to this report details the sales tax estimates based on their anticipated occurrence every four years.

The analysis also reflects the Sales and Use Tax revenue the City will collect from on-site employee retail spending. Sales tax estimates are based on the projected taxable spending per new employee, with the assumption that the City will capture 50% of all taxable spending associated with the Project. Based on an estimated $10,000 in annual taxable spending per employee, and a projected workforce of 26 full-time employees, the City is expected to generate additional sales tax revenue from this activity.

Utility Tax

According to the City of Monterey Park Adopted Budget 2024-2025, the City imposes a utility tax of 5.5% on electricity consumption within its jurisdiction. The Project is expected to utilize approximately 37.5MW of power at stabilization. The electricity rate is estimated at $0.14 per kWh as validated by a nationally recognized energy procurement company. The electricity rate is projected to increase by 3% per year, reflecting the average annual rate increase over the past 18 years, as reported by the California Public Utilities Commission[3]. Based on this escalation, the

[3] https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/historical-electric-cost-data

Project is expected to incur approximately $46.0 million in annual electricity costs at stabilization. As a result, the City is projected to collect approximately $2.5 million in electric utility taxes.

Table 6: Utility Taxes

MWH Power Usage	37.5MW
kWh per day	900,000
Cost Per kWh	$0.14
Total Annual Utility Cost	**45,990,000**

Source: Power usage information provided by SDCF Monterey Park LLC.

Increase to Property Tax In-Lieu of Vehicle License Fees

In 2004, the State of California adjusted the method for sharing vehicle license fees ("VLF") with local jurisdictions, which replaced the VLF with property tax, which grows proportionate to increases in the assessed value of cities and towns. Property tax in-lieu of VLF is the portion of ad valorem taxes that are reimbursed to the City by the State. This is estimated by applying the proportional increase in the city-wide assessed value and reimbursing the same proportional increase in VLF to the City.

Per The Annual Comprehensive Financial Report Year Ended, dated June 30, 2024, the City-wide assessed value for the 2023-2024 Fiscal Year is estimated as $9.7 billion. The City's property tax in-lieu of VLF was approximately $8.9 million for the same period per State Controller's Office, Vehicle License Fee Adjustment Amount Form, September 4, 2024. As the City's 2024-2025 city-wide assessed values and VLF have not been reported, we have escalated these items by 2.0% to the start of this analysis to be consistent with the Prop 13 annual property tax increase maximum.

At full buildout, the Project is anticipated to increase the City-wide assessed value by approximately 7.3%. This is estimated by taking the projected assessed value of approximately $724 million divided by the city-wide assessed value of approximately $9.7 billion. Therefore, the property tax in-lieu of VLF would increase by an equivalent percentage as illustrated below.

Table 7. Property Tax In-Lieu of VLF

Total City-wide Assessed Value (FY 2023-2024)	$9.7 billion
City-wide Increase to Assessed Value from Project (a)	7.3%
Total Property Tax In Lieu of VLF Revenue (FY 2023-2024)	$8.9 million
Increase to Property Tax In Lieu of VLF Revenue at Stabilization	$0.7 million

Source: The Annual Comprehensive Financial Report Year Ended, dated June 30, 2024 and State Controller's Office, Vehicle License Fee Adjustment Amount Form, September 4, 2024.

Recurring Disposition - City Transfer Tax

As noted above, the City charges a real estate transfer tax of $0.55 for each $1,000.00 of gross sales price or 0.055% of gross sales price. The City would receive recurring transfer tax revenue as a result of future sales of the completed development. This analysis assumes that SDCF will continue to own and operate the Project for the foreseeable future. Therefore, transfer taxes are not included in the estimated fiscal revenues. However, if a sale were to occur, the City would receive transfer taxes from a future sale.

SUMMARY

The Project is expected to generate approximately $6.5 million in one-time revenue for the City during construction and between $5.0 million and $8.1 million in recurring annual General Fund revenue upon stabilization. This represents a significant increase from the site's current revenue, as the property, formerly an office building, has remained vacant for several years. According to the site's FY 2024-2025 tax bill, the current improvements have an assessed value of approximately $43.5 million and are estimated to generate approximately $107,000 in property tax revenue to the City's General Fund. Alternatively, over a 30-year period, the proposed Project is estimated to generate approximately $208 million in fiscal revenue for the City.

Exhibit A 30-year Fiscal Revenue Projection

Century | Urban
30-year Fiscal Revenue Projection

Calendar Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
One-Time Revenue												
Impact Fees	$ -	$ -	$ 121,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Property Taxes During Construction	95,800	95,800	191,300	457,200	683,600	-	-	-	-	-	-	-
Construction Material and Equipment Sales Tax	-	-	82,000	266,000	1,559,000	2,937,000	-	-	-	-	-	-
Upfront Land Sale - City Transfer Tax	42,900	-	-	-	-	-	-	-	-	-	-	-
Total One-Time Revenue	**$ 138,700**	**$ 95,800**	**$ 394,300**	**$ 723,200**	**$ 2,242,600**	**$ 2,937,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Recurring Revenue												
Property Taxes - City Share	$ -	$ -	$ -	$ -	$ -	$ 1,778,000	$ 1,615,000	$ 1,489,000	$ 1,392,000	$ 1,833,000	$ 1,675,000	$ 1,553,000
Business License Tax	-	-	-	-	-	45,000	46,400	47,800	49,200	50,700	52,200	53,800
Sales Tax	-	-	-	-	-	1,300	1,300	1,400	1,400	3,479,300	1,500	1,600
Utility Tax	-	-	-	-	-	2,512,000	2,587,360	2,664,981	2,744,930	2,827,278	2,912,096	2,999,459
Increase to Vehicle In-Lieu Fee	-	-	-	-	-	677,000	690,540	704,351	718,438	732,807	747,463	762,412
Recurring Disposition - City Transfer Tax	-	-	-	-	-	-	-	-	-	-	-	-
Total Recurring Revenue	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 5,013,300**	**$ 4,940,600**	**$ 4,907,532**	**$ 4,905,968**	**$ 8,923,085**	**$ 5,388,259**	**$ 5,370,271**
Total Discretionary Revenue to General Fund	**$ 138,700**	**$ 95,800**	**$ 394,300**	**$ 723,200**	**$ 2,242,600**	**$ 7,950,300**	**$ 4,940,600**	**$ 4,907,532**	**$ 4,905,968**	**$ 8,923,085**	**$ 5,388,259**	**$ 5,370,271**

Century | Urban
30-year Fiscal Revenue Projection

Calendar Year	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
One-Time Revenue												
Impact Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Property Taxes During Construction	-	-	-	-	-	-	-	-	-	-	-	-
Construction Material and Equipment Sales Tax	-	-	-	-	-	-	-	-	-	-	-	-
Upfront Land Sale - City Transfer Tax	-	-	-	-	-	-	-	-	-	-	-	-
Total One-Time Revenue	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Recurring Revenue												
Property Taxes - City Share	$ 1,459,000	$ 2,005,000	$ 1,830,000	$ 1,694,000	$ 1,590,000	$ 2,211,000	$ 2,013,000	$ 1,860,000	$ 1,742,000	$ 2,440,000	$ 2,216,000	$ 2,043,000
Business License Tax	55,400	57,100	58,800	60,600	62,400	64,300	66,200	68,200	70,200	72,300	74,500	76,700
Sales Tax	1,600	3,916,000	1,700	1,700	1,800	4,407,500	1,900	2,000	2,000	4,960,600	2,100	2,200
Utility Tax	3,089,443	3,182,126	3,277,590	3,375,918	3,477,195	3,581,511	3,688,957	3,799,625	3,913,614	4,031,023	4,151,953	4,276,512
Increase to Vehicle In-Lieu Fee	777,660	793,213	809,078	825,259	841,764	858,600	875,772	893,287	911,153	929,376	947,963	966,923
Recurring Disposition - City Transfer Tax	-	-	-	-	-	-	-	-	-	-	-	-
Total Recurring Revenue	**$ 5,383,103**	**$ 9,953,440**	**$ 5,977,168**	**$ 5,957,477**	**$ 5,973,160**	**$ 11,122,911**	**$ 6,645,828**	**$ 6,623,113**	**$ 6,638,967**	**$ 12,433,298**	**$ 7,392,517**	**$ 7,365,335**
Total Discretionary Revenue to General Fund	**$ 5,383,103**	**$ 9,953,440**	**$ 5,977,168**	**$ 5,957,477**	**$ 5,973,160**	**$ 11,122,911**	**$ 6,645,828**	**$ 6,623,113**	**$ 6,638,967**	**$ 12,433,298**	**$ 7,392,517**	**$ 7,365,335**

Century | Urban
30-year Fiscal Revenue Projection

Calendar Year	2048	2049	2050	2051	2052	2053	2054	TOTAL
One-Time Revenue								
Impact Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 121,000
Property Taxes During Construction	-	-	-	-	-	-	-	1,523,700
Construction Material and Equipment Sales Tax	-	-	-	-	-	-	-	4,844,000
Upfront Land Sale - City Transfer Tax	-	-	-	-	-	-	-	42,900
Total One-Time Revenue	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 6,531,600**
Recurring Revenue								
Property Taxes - City Share	$ 1,910,000	$ 2,694,000	$ 2,442,000	$ 2,246,000	$ 2,094,000	$ 2,976,000	$ 2,691,000	$ 51,491,000
Business License Tax	79,000	81,400	83,800	86,300	88,900	91,600	94,300	1,737,100
Sales Tax	2,300	5,583,200	2,400	2,500	2,600	6,284,000	2,700	28,668,600
Utility Tax	4,404,807	4,536,951	4,673,060	4,813,252	4,957,649	5,106,379	5,259,570	96,845,242
Increase to Vehicle In-Lieu Fee	986,261	1,005,986	1,026,106	1,046,628	1,067,561	1,088,912	1,110,690	22,795,203
Recurring Disposition - City Transfer Tax	-	-	-	-	-	-	-	-
Total Recurring Revenue	**$ 7,382,368**	**$ 13,901,538**	**$ 8,227,366**	**$ 8,194,680**	**$ 8,210,710**	**$ 15,546,891**	**$ 9,158,260**	**$ 201,537,145**
Total Discretionary Revenue to General Fund	**$ 7,382,368**	**$ 13,901,538**	**$ 8,227,366**	**$ 8,194,680**	**$ 8,210,710**	**$ 15,546,891**	**$ 9,158,260**	**$ 208,068,745**

Exhibit E:
Park Renderings



PROPOSED POCKET PARK



POCKET PARK EXPERIENCE

August 26, 2025

SENT VIA E-MAIL & U.S. MAIL

bchow@montereyparkca.gov
Beth Chow, AICP
Planning Manager
CITY OF MONTEREY PARK
320 West Newmark Avenue
Monterey Park, CA 91754

Re: 1977 Saturn Street
Response to Incomplete Review Letter for 1977 Saturn Street dated October 23, 2024
Conditional Use Permit No. 24-01, Design Review No. 24-040, Parking Study

Dear Beth,

This letter is written on behalf of SDCF Monterey Park, LLC ("Applicant") in response to the above referenced letter for the 1977 Saturn Street Data Center project ("Project"). For ease of reference, the format of this response includes a restatement of the questions taken from the letter (with questions in bold), and Applicant's responses immediately following each question.

Please note that as a result of the changes to the project design to address the City's feedback, Applicant is including updated responses to several of the previously resolved items to ensure that all previous comments have been addressed with the current resubmittal.

Gensler will provide one full-size hard copy of the plan sheets to Beth's attention at the above address, and a Dropbox link is provided below to access the electronic copies of the noted Appendices referenced in this letter:

https://www.dropbox.com/scl/fo/71cg2upgpywdu1bxf6i9f/ABCEmSrsPKLsODsZxIX87GI?rlkey=55c8wvtjqnlqfsniccd754ltg&st=78tmazjy&dl=0

PLANNING COMMENTS

1. ~~**The use is an allowed use. For clarification, can you please provide an explanation for why the substation is needed? Please also explain how SCE will access the site as it is secured. Please add information to Detailed Operations Statement.**~~

   Applicant Response:

   Previously resolved.

Architectural Plans

2. ~~**(A0.002) – Yards (21.14.080-C) – Side/Rear adjacent to R-Zone (northwest portion of lot) – standard is 50 feet plus 5 feet dimension for each 10 feet of building height above 15 feet. Plans indicate 36 feet but don't show height of equipment screen. Plans indicate 65 feet from R-zone.**~~

   Applicant Response:

   Previously resolved.

3. **A3.001 - Building Height (21.14.090) – Height limit is 40 feet, ~~plans show 36 feet on A2.001, but do not include equipment screen. Equipment screen height noted on A3.001 shows 39 feet 6 inches.~~ Equipment screen height should be indicated on ~~A2.001~~ A3.001 indicates equipment screen height as 46 feet 6 inches. As provided on the plans (the parapet height is 27' and the penthouse is = 36'). Since the building is located in an area with topography, please determine the Grade Plan (MPMC 21.04.439) to determine the proposed height of the equipment screen height.**

   Applicant Response:

   See updated design Sheet A2.000 – this sheet has been updated to include the Grade Plane measurement pursuant to MPMC 21.04.439. Building height information from the Grade Plane is included on the left side of the elevations. Overall building height measurements are included on the right side of the elevations.

   In addition, as set forth in our May 24, 2024 and July 12, 2024 letters, from the information we have found we are seeing building height measured to highest building structure including stair/elevator penthouses or rooftop dunnage platforms, and that rooftop-mounted equipment or equipment screening is excluded from the building height determination.

   a. 21.04.165 Building Height Measurement.
      i. "Building height measurement" means a vertical distance as measured from the grade plane to the average height of the highest roof surface as shown in the figure below.

Accordingly, based on the above code section it is our interpretation that the building height as measured from the Grade Plane taken from all four corners of the building footprint, to the top of the highest building structure (T.O. Penthouse) is 39'-10.5", and that the rooftop equipment or screening, shown at 11'-7" above the highest building structure (T.O. Penthouse), is excluded from the building height measurement.

Maximum building height will be permitted by MPMC Section 21.45 Business Recovery Development Agreement Zone as included in the project Development Agreement.

~~**4. A0.002 - Trash Facilities (21.14.130) – trash facilities need to be enclosed by a minimum 5-foot solid wall. Provide dimensions on the plans for the two trash facilities. (See Engineering Comment #18 and handout on trash facilities.)**~~

Applicant Response:

Previously resolved.

~~**5. A0.002 - Limitations on Permitted Uses (21.14.190 D) - Where the O-P zoned lot is adjacent to an 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.**~~

Applicant Response:

Previously resolved.

6. **A0.002 - Parking Layout (21.22) –** ~~**Provide enlarged parking area drawing that provides information on parking space and drive aisle dimensions. It does not appear that compact parking is proposed, but compact parking requires a CUP in Monterey Park. MPMC 21.22.370 Pard 2 Standards Chart – Large Automobile Parking Spaces shows the required dimensions for standard parking spaces. Required parallel parking space dimensions are 9 x 20, 90 Degree parking spaces are 9 x 18, and aisle width is 26 feet. Recommend providing a blow-up of the parking layout, perhaps on the upper portion of Sheet A0.002.**~~ **Per MPMC 21.22.370 Part 2 Standards Chart, for 90 Degree parking, the width of aisle is 26 feet. Plans indicated 20 feet, please revise.**

Applicant Response:

See Sheet A0.002. An updated enlarged parking layout with parking and drive aisle dimensions is located in the top right corner. The drive aisles have been updated to meet the minimum 26-foot dimension.

7. **Parking Study Applications (MPMC 21.22.030 and 21.22.370) - To reduce the parking requirement, a parking study has been submitted for review by the Planning and Public Works. While we agree that this project can likely screen from VMT and does not need the amount of**

surface parking spaces an office or warehouse may need, please address the following comments.

a. Provide a clearer description of what this project will be. In the project description please include in the body of the report the times employees will arrive, explain the types and frequency of truck deliveries, and the potential for guests arriving for meeting?

Applicant Response:

Following receipt of Incomplete Letter No. 3 on October 23, 2024, the IS/MND was circulated for public review on October 31, 2024 and included a comprehensive screening analysis under Section 4.17, and Addendum K - Transportation Analysis and Vehicle Miles Traveled Screening Memorandum.

b. There are 3 loading docks – please provide the size of the trucks and delivery frequency. Internal circulation for trucks with a truck turning template entering the project driveway will be needed.

Applicant Response:

With the updated design, there is 1 loading dock with 4 loading bays. See sheet A0.002.

Internal circulation and turning diagrams for loading and trash vehicles are included – see Appendix B.

c. Will the site be fenced? If so, is there enough stacking room for vehicles to queue on site without waiting on Saturn Street for the gate to open. (provide length from fence to curb).

Applicant Response:

Yes, the site will be fenced.

A dimension of 65’-0” feet is shown on Sheet A0.002 at the westerly entrance driveway measuring the distance from the vehicular gate to the curb along Saturn Street.

A dimension of 27’-6” is shown on Sheet A0.002 at the easterly exit driveway measuring the distance from the vehicular gate to the curb along Saturn Street.

d. Please provide a Trip Generation Table. While it may be reasonable to assume that the number of daily trips will be only the number of employees entering and leaving, you have to consider if anyone is leaving for lunch, meetings, deliveries etc.

Applicant Response:

Following receipt of Incomplete Letter No. 3 on October 23, 2024, the IS/MND was circulated for public review on October 31, 2024 and included a comprehensive screening analysis under Section 4.17, and Addendum K - Transportation Analysis and Vehicle Miles Traveled Screening Memorandum.

e. Review site distances at the driveway on Saturn Street to make sure there is a clear line of sight for vehicles entering and leaving the site.

Applicant Response:

Site distances at the proposed driveways along Saturn have been reviewed for clear line of sight. As shown on Sheet A0.002 and Sheet L1.1, the proposed street trees along Saturn Street located near the westerly entrance driveway are designed starting east of the two-story administrative portion of the building in order to highlight the architectural features of this portion of the design. The proposed landscape design allows for clear visibility for vehicles entering the site from Saturn Street at the westerly driveway.

At the easterly exit driveway, the proposed street trees have been designed to allow for visibility to cross-traffic for approaching vehicles along Saturn Street. A dimension of 63'6" from centerline is depicted on Sheet A0.002 at the exit driveway to indicate the setback of the nearest street trees located on either side of the exit driveway.

f. Provide a Truck Turning Exhibit for trash pick-up (internal circulation).

Applicant Response:

Internal circulation and turning diagrams for loading and trash vehicles are included – see Appendix B.

~~**8. A0.002 - Vehicular Loading Spaces (21.22.310) – loading spaces are required to be 12 feet by 40 feet, please provide dimensions on the plans for both loading spaces.**~~

Applicant Response:

Previously resolved. With the updated design, see Sheet A0.002 – four (4) loading spaces have been provided with overall dimensions of 56' wide x 101'-11" long.

~~**9. Vehicular Loading Spaces (21.22.310) - requires 3 loading spaces for buildings over 50,000 square feet.**~~

Applicant Response:

Previously resolved. With the updated design, see Sheet A0.002 – four (4) loading spaces have been provided.

10. **A0.002 – ~~A note is included on the plans for an Irrevocable Offer to Dedicate, please clarify if this is existing or proposed. Also, at the rear of the lot there are two lines indicating 'Parcel Line,' please clarify. Reduce the amount of information on A0.002 (such as plant materials, topo lines).~~ Clarify the location of the front lot line after dedication and dimension the front setback. ~~Dimension side and rear setbacks at closest point.~~ Sheet C1 indicates that the measurement from the centerline and shows 20' dedication. In order to provide horizontal control on that sheet, please also show the front setback dimension from the new property line to the building face.**

    Applicant Response:

    With the updated design, see Sheet C1.0 and Sheet A0.002. The location of the front lot line after dedication and the dimensions of the front, side and rear setbacks at the closest points have been included.

    No setback requirements were found per Zoning Code 21.14.080 Yards.

11. **A3.001 – For the proposed Rooftop Equipment Platform design, please clarify why a platform is proposed as opposed to construction equipment enclosure on the roof. To be clear, we are not requesting a change to the design. In our experience most buildings place rooftop equipment on the roof, this design places it on a platform above the roof. As the project moves forward a staff report will be prepared to explain the proposal and it would be helpful to be able to explain the proposed type of roof, the proposal for an equipment platform and reasons this type of design is proposed.**

    Applicant Response:

    With the updated design, the rooftop equipment is still designed to be placed on a centrally located platform above the roof.

    This item was addressed in the previous May 24, 2024 response and reiterated in the July 12, 2024 response. See previous responses included below for reference.

    The rooftop platform provides a flat surface for the equipment to sit upon, improved structural support and vibration separation, as well as access for secondary infrastructure and maintenance.

12. **~~A0.002 - Security Fencing. Please provide a separate Wall Plan that provides information on all proposed fences and walls, including height, design, color, (including retaining walls).~~**

Applicant Response:

Previously resolved.

~~**13. A0.002 - Vehicular gates. Provide a detail indicating proposed height and width of the proposed vehicular gates and information on how the gates will operate for the employees.**~~

Applicant Response:

Previously resolved.

14. Front Elevation. Staff has reviewed the proposed design and architecture and recommends modifications to the architecture to provide more interest on the front elevation including revisions such as providing rooftop articulation, front elevation building movement/articulation, adding accent colors, architectural popouts, and/or faux window designs. In general, the goal would be to provide more building movement and a more interesting design that would be more consistent with the existing buildings in the business park. ~~**Provide sample elevations of similar type approved data centers from different jurisdictions to that address concerns related to design for staff consideration. Samples were small and not very helpful.**~~ **Submit a revised architectural design and then arrange a time to review the proposed architectural design based on verbal comments received in the status update call on October 21, 2024.**

Applicant Response:

In response to City and staff feedback, Applicant has updated the project design and site plan. See updated site plan on Sheet A0.002, project rendering on Sheet A9.000 and elevations and proposed building materials on Sheet A2.000.

In addition, included in Appendix C are updated Draft Progress Rendering Visualization Images depicting the updated project design.

In summary, the building façades have been updated to provide movement and articulation. In addition, the vehicular entrance and administration portion of the building has been moved to the west side of the property and is now a two-story space to create a more visually appealing architectural statement, while also better addressing the topography of the site to provide a more cohesive streetscape experience along the frontage of Saturn Street.

~~**15. Ensure that all the colors and materials proposed are included on sheet A2.001. Please provide color and material for the equipment screens (it looks like there may be 2 colors), the color on the top of the parapet/roofline, that all colors of the concrete panels are indicated (it looks like there are 2 colors), and the type of glazing proposed. Please provide callouts to clarify what colors and materials on the building elevations. A1.102 - Membrane roof. Clarify this material and provide a description of the type of roofing material.**~~

Applicant Response:

Previously resolved. With the updated design, Sheet A2.000 includes updated color and material information.

16. **A Development Agreement has been submitted on August 29, 2024 and need to be finalized through legal counsel before proceeding with a public hearing.**

Applicant Response:

Noted. Development standards for the project, per MPMC Section 21.45 Business Recovery Development Agreement Zone, will be included in the Development Agreement.

17. **The Radius Map and mailing labels have been submitted on October 17, 2024.**

Applicant Response:

Noted. Applicant submitted Radius Map and mailing labels to City staff on October 17, 2024 and they were utilized for circulation of the IS/MND on October 31, 2024.

Civil Grading Plans

18. ~~**C1.0 Front Property Line. Clarify the location of the existing and proposed front property line. C1.0 seems to show 20', but there is also a 15' + 15' dimension.**~~

Applicant Response:

Previously resolved.

19. ~~**C1.0 Easement. Please clarify if there is an easement along the front of the property, the plans seem to show an easement. Also, clarify the proposed dedication width.**~~

Applicant Response:

Previously resolved.

20. ~~**C1.0 Retaining Walls. Retaining walls must comply with MPMC Section 21.10.120 B 1. The plans indicate several retaining walls including the following: 4 feet on southeast side/front, 21 feet on northeast side, 12 feet to north, 6 feet on southwest side/front. (See Engineering Comment #8.)**~~

Applicant Response:

Previously resolved.

~~**21. C1.0 Tree Removal. It is noted that an Arborist Report has been submitted and will be reviewed with the other CEQA documents. The Arborist Report should provide information on what trees are proposed to be retained.**~~

Applicant Response:

Previously resolved.

~~**22. C2.0 Sewer Easement. A sewer easement is indicated from Orange to Saturn with a note that says, "to be Quitclaimed." Please provide information on the abandonment of that easement.**~~

Applicant Response:

Previously resolved.

23. Provide cross sections indicated on Sheet C1.0 and will be required at plan check.

Applicant Response:

Cross sections have been included on Sheet C1.1 and Sheet C1.2.

Landscape Plans

~~**24. L1.1 Tree Removal. The Municipal Code requires that existing trees removed due to site development/design must be relocated or replaced elsewhere on site with a similar or substitute specimen tree of the same size, subject to City Planner approval (See MPMC Section 21.10.130 E 1 a).**~~

Applicant Response:

Previously resolved.

~~**25. Trees. The proposed trees are generally small to medium size trees at maturity (with the exception of the Oak which generally have a slow growth rate). Please include trees that are larger at maturity (trees that will exceed 45 feet in height at maturity). For any trees removed on the rear slopes, please include larger trees at maturity. In addition, add some larger box trees for key locations (36 or 48-inch box).**~~

Applicant Response:

Previously resolved.

~~**26. L1.1 Landscape Buffer. A 3 foot landscape buffer is required along entire lot lines of adjacent residential properties to the northwest (21.10.120 A 2 c). On the plans clearly indicate the adjacent residential properties and provide a linear dimension for the landscape buffer.**~~

Applicant Response:

Previously resolved. This information has been retained and is included on the updated Sheet L1.1 with an enlarged view on Sheet L1.2.

27. **Wall on northwest portion of property adjacent to residences. There is some confusion about what type of wall is proposed. C1.0 says existing fence to remain, A0.002 says New 6' masonry wall, and L1.1 includes Section 2 that shows the existing fence to remain on the property line and a new wall built 6' from the property line with a freestanding wall of 3'6" and a retaining wall of 2'6". One way to achieve consistency is by including a reference on all sheets to L1.1.**

Applicant Response:

Noted.

With the updated design, Sheet C1.0 and Sheet A0.002 have been updated with the suggested note referencing Sheet L1.1.

Updated Sheet L1.1 and Sheet L1.2 show the existing fence to remain on the property line with a new wall built at a distance of 6' from the property line with a freestanding wall of 3'-6" and a retaining wall of 2'-6" proposed.

28. **Complete IS/MND Documents. The 2nd Peer Review is complete, with minor comments provided. Staff has received revised documents and they are currently under review. ~~CEQA Comments (Staff has provided a Peer Review letter of the CEQA documents dated May 8, 2024).~~**

    a. **~~Provide a draft Negative Declaration of Environmental Review. The Negative Declaration will be reviewed by staff and a Peer Review will be completed by an outside environmental consultant.~~**

    b. **~~Provide all relevant studies for the project as required by CEQA. Review almost complete.~~**

Applicant Response:

Noted. The IS/MND was circulated for public review from October 31, 2024 through December 2, 2024. Public comment letters were received and response to comments will be delivered to staff by Kimley-Horn under separate cover once complete.

FIRE COMMENTS

3. Direct access to the north side of the building has been eliminated due to the row of generators. Provide two to three protected access paths from the fire lane to the building exterior.

For item #3 from original comments, there is no protected path from the north access road directly into the building. You would have to enter the generator yard area which might work, but it's not exactly clear. It looks to be just gravel, not paved. The other design issues will have to be addressed as we get more details.

Applicant Response:

With the updated design, Sheet A0.002 has been updated to include 3 protected pathways from the north access road directly into the building.

ENGINEERING COMMENTS

Please also note that a markup of plans is also prepared and provided.

1. **Applicant will be required to pave the street to the centerline. Plan didn't revise to the center line on sheet C1.0.**

Applicant Response:

With the updated design, Sheet C1.0 has been updated to reflect paving Saturn Street to the centerline.

2. **Applicant to relocate fire hydrants. Provide 4 feet clear sidewalk to allow for ADA access. One fire hydrant is missing to call out for relocation.**

Applicant Response:

With the updated design, Sheet C2.0 shows three (3) relocated fire hydrants and the minimum 4' dimension for ADA access.

3. **Water main must be directly connecting to the water main on Saturn Street with no backflow device. (See Redline on Sheet. C2.0)**

Applicant Response:

Noted. With the updated design, Sheet C2.0 has been updated to reflect the water main directly connecting to the water main on Saturn Street with no backflow device.

4. **Plan still needs to be revised to remove one of the sewer connections as stated in the 1st submittal response. (See Redline on Sheet. C2.0).**

Applicant Response:

With the updated design, Sheet C2.0 has been updated to reflect one sewer connection.

5. **Applicant will be required to provide construction and demolition recycling plan.**

Applicant Response:

Noted.

6. **Provide solid waste and recycling calculation for sizing of the trash enclosure. All projects are required to have organics recycling in addition to solid waste and recycling. (See attached)**

Applicant Response:

As noted in Applicant's May 24, 2024 response to Incomplete Letter No. 1, the design team has reviewed the Space Guidelines for Recycling, Organics and Refuse Services document and the MPMC regarding trash and recycling requirements. The site is zoned O-P Office-Professional Zone (Voter Enacted). Under MPMC Section 21.14, the trash requirements are 5'H minimum with solid masonry wall, and solid gate.

With regard to expected trash and recycling quantities, as noted in the Space Guidelines for Recycling, Organics and Refuse Services there are no specific trash calculations required by the MPMC to estimate necessary space.

Based on Gensler's experience in designing similar data center projects across the country, the Applicant is proposing to provide two trash enclosures adjacent to the Loading Dock that have been sized to each accommodate two dumpster bins. Trash enclosure details have been provided on Sheet A0.003.

Although there are no commercial kitchens or cafeterias as noted in Applicant's prior response to Engineering Comments, organics recycling can be accommodated as required by providing the minimal size rolling recycling cart(s) within one or both of the proposed trash enclosure areas in addition to the dumpsters.

The following items are the recommended (potential) conditions of approval from the Engineering Division for the subject development:

1. **Under the Los Angeles County Municipal Separate Storm Sewer System (MS4) Permit, issued under the National Pollutant Discharge Elimination System (NPDES) Program, the developer/owner is required to obtain a General Construction Storm Water Permit. This project will require the preparation of a Low Impact Development (LID) Plan and a Storm Water Pollution Prevention Plan (SWPPP). Upon approval of these plans, the developer/owner must**

submit an electronic copy of the approved files, including site drawings, prior to the issuance of a building or grading permit.

Applicant Response:

Noted.

2. **All improvement plans, including grading and public improvement plans must be based upon City approved criteria. Benchmark references to be obtained from the Engineering Division.**

   Applicant Response:

   Noted.

3. **The developer/owner is responsible for ascertaining and paying all City development fees such as, but not limited to, sewer deficiency fees, water meter fees and metered water service impact fees as required by MPMC. Water division requirements are to be determined upon completion and submittal of water meter sizing sheets by the applicant.**

   Applicant Response:

   Noted.

4. **A water plan must be submitted for review and approval by the City Engineer. This plan must substantiate adequate water service for domestic flow, fire flow and identify backflow prevention. If current fire flow and pressure tests are not available to substantiate adequate pressure and flow to serve the development, the developer will be responsible for conducting the appropriate tests and submitting copies of the test results for review and ultimate approval by the City. The substantiation of adequate water services must be verified by the City Engineer prior to setting of Planning Commission hearing date.**

   Applicant Response:

   Noted however, the project is expected to go directly to City Council for public hearings.
   In addition, the IS/MND was circulated for public review on October 31, 2024 and included a comprehensive Water and Sewer Infrastructure Report – Appendix M-1.

5. **A site drainage plan must be prepared for review and approval by the City Engineer. The property drainage must be designed so that the property drains to the public street or in a manner otherwise acceptable to the City Engineer. Drainage from contiguous properties must not be blocked and must be accommodated to the satisfaction of the City Engineer. A hydrology and hydraulic study of the site may be required for submittal to the City Engineer for review and approval.**

Applicant Response:

Noted. A Conceptual LID Plan is included in Civil Sheet C3.0. In addition, the IS/MND was circulated for public review on October 31, 2024 and included a comprehensive Water Resources Technical Report – Appendix I.

6. **All storm drainage facilities serving the development must accommodate a 50-year storm. If existing storm drain facilities are inadequate they must be enlarged as necessary. All storm drain facilities must be designed and constructed to Los Angeles County Department of Public Works standards and specifications and also to the satisfaction of the City Engineer.**

   Applicant Response:

   Noted. In addition, the IS/MND was circulated for public review on October 31, 2024 and included modeling for 10-year, 25-year and 50-year storms – see Appendix I - Water Resources Technical Report. Based on the modeling implementation the project will decrease the peak flow discharge 10-year, 25-year and 50-year storms as compared to existing conditions.

7. **The grading and drainage plan must incorporate all pertinent site development comments from the geological and geotechnical report submitted by the developer's consultant.**

   Applicant Response:

   Noted.

8. **Remove existing curb, gutter, sidewalk, driveway approach, and construct curb and gutter, driveway approaches and full parkway width sidewalk. The removal and reconstruction must be along the entire property frontage of Saturn.**

   Applicant Response:

   Noted.

9. **All public works improvements must comply with the standards and specifications of the City and to the satisfaction of the City Engineer. The point of connections of the sewer and water line must be clearly identified on the plan. The plan must include the connection details of all domestic flow, fire line and irrigation line and sewer clean outs and must be prepared and submitted showing all existing and proposed utilities.**

   Applicant Response:

   Noted.

10. **A sewer connection reconstruction fee will be assessed at the time of issuance of a building permit in accordance with the provisions of Chapter 14.06 of the Municipal Code.**

Applicant Response:

Noted.

GENERAL COMMENTS

1. **Resubmit one (1) full-sized set of revised plans with the changes/additions discussed above. Additional sets of plans may be requested once your item is scheduled for a hearing.**

   Applicant Response:

   One full-sized set of the revised plan set will be delivered to Attn: Beth Chow at 320 West Newmark Avenue, Monterey Park, CA 91754.

2. **Submit an electronic version of all plans to planningpermitcounter@montereypark.ca.gov**

   Applicant Response:

   Electronic copy of this letter, plans and all appendices will be transmitted to Beth Chow and the above planning department email address.

3. **Provide a cover letter discussing how each of the issues discussed above has been addressed for Staff's reference.**

   Applicant Response:

   This letter has been prepared and submitted to address each of the items set forth above.

Please let us know if you have any questions.

Regards,

Scott Rynders, on behalf of
SDCF MONTEREY PARK, LLC

List of Appendices

Appendix A – Updated Drawing Sheets

- Sheet C0.0 – Civil Details
- Sheet C1.0 – Conceptual Grading Plan
- Sheet C1.1 & C1.2 – Conceptual Grading Sections
- Sheet C2.0 – Conceptual Utility Plan
- Sheet C3.0 – Conceptual LID Plan
- Sheet L1.1 – Planting Plan
- Sheet L1.2 – Landscape Buffer Plan & Section
- Sheet L2.1 – Plant Palette Images
- Sheet A0.001 – Demolition Site Plan
- Sheet A0.002 – Architectural Site Plan
- Sheet A0.003 – Site Elements
- Sheet A1.101 – Construction Plan
- Sheet A1.102 – Roof Plan
- Sheet A2.000 – Building Elevations
- Sheet A3.000 & A3.001 – Overall Building Sections
- Sheet A9.000 – Rendering
- Sheet M0.001 – MEP Legend
- Sheet M1.101 – Mechanical Second Floor Plan
- Sheet M1.201 – Mechanical Roof Plan
- Sheet M7.001 – Mechanical Chilled Water Flow Diagram
- Sheet M9.001 – Mechanical Schedules
- Sheet E1.000 – Electrical Site Plan
- Sheet E1.101 – Electrical Second Floor Plan
- Sheet E5.001 – Electrical Enlarged Plan – Typical Power Room
- Sheet E7.001, E7.002 & E7.003 – Electrical Single Line Diagrams

Appendix B - Internal Circulation and Truck Turning Diagrams

Appendix C – Draft Progress Rendering Visualization Images

cc: planningpermitcounter@montereypark.ca.gov
Paul Talbot – paultalbot24@gmail.com
Bryan Marsh, SDCF Monterey Park, LLC
Chris Flynn, SDCF Monterey Park, LLC
Jim Pugh, Sheppard Mullin Richter & Hampton, LLP
Chris Sanders, Gensler

October 20, 2025

SENT VIA E-MAIL & U.S. MAIL

bchow@montereyparkca.gov
Beth Chow, AICP
Planning Manager
CITY OF MONTEREY PARK
320 West Newmark Avenue
Monterey Park, CA 91754

SENT VIA E-MAIL ONLY

janderson@willdan.com
Jeff Anderson
WILLDAN
13191 Crossroads Parkway North, Suite 405
Industry, CA 91746

Re: 1977 Saturn Street
Response to Incomplete Review Letter for 1977 Saturn Street dated September 25, 2025
Conditional Use Permit No. 24-01, Design Review No. 24-040 with Parking Study;
Development Agreement No. 24-02

Dear Beth and Jeff,

This letter is written on behalf of HMC StratCap 1977 Saturn, LLC ("Applicant") in response to the above referenced letter for the 1977 Saturn Street Data Center project ("Project"). For ease of reference, the format of this response includes a restatement of the questions taken from the letter (with questions in bold), and Applicant's responses immediately following each question.

Gensler will provide one full-size hard copy of the final entitlement plan sheets, visual rendering package and ALTA Survey to Beth's attention at the above address, and a Dropbox link is provided below to access the electronic copies of this letter and the noted Appendices:

https://www.dropbox.com/scl/fo/kaf34tdm16yinshyoi10y/AOTFfyShdBsS9Qbq9gY5mTA?rlkey=o4b9e6xkof1qtq3p3d0o4jfmc&st=oinu91su&dl=0

PLANNING COMMENTS

1. ~~**The use is an allowed use. For clarification, can you please provide an explanation for why the substation is needed? Please also explain how SCE will access the site as it is secured. Please add information to Detailed Operations Statement.**~~

   Applicant Response:

   Previously resolved.

Architectural Plans

2. ~~**(A0.002) – Yards (21.14.080-C) – Side/Rear adjacent to R-Zone (northwest portion of lot) – standard is 50 feet plus 5 feet dimension for each 10 feet of building height above 15 feet. Plans indicate 36 feet but don't show height of equipment screen. Plans indicate 65 feet from R-zone.**~~

   Applicant Response:

   Previously resolved.

3. **A3.001 - Building Height (21.14.090) – Height limit is 40 feet,** ~~**plans show 36 feet on A2.001, but do not include equipment screen. Equipment screen height noted on A3.001 shows 39 feet 6 inches.**~~ **Equipment screen height should be indicated on** ~~**A2.001 A3.001 indicates equipment screen height as 46 feet 6 inches. As provided on the plans (the parapet height is 27' and the penthouse is = 36'). Since the building is located in an area with topography, please determine the Grade Plan (MPMC 21.04.439) to determine the proposed height of the equipment screen height.**~~ **A2.000 indicates that the Average Grade Plane has been utilized. Based on the Average Grade Plane, the building height is 32'10 ½". The height of the penthouse is 39'10 ½". The height of the equipment screen is 51'5 ½", which is 11'5 ½" over 40'. The height standard will be addressed by the activation of the Business Recovery Development Agreement Zone ("BRDZ") in the Development Agreement.**

   Applicant Response:

   Noted.

4. ~~**A0.002 - Trash Facilities (21.14.130) – trash facilities need to be enclosed by a minimum 5-foot solid wall. Provide dimensions on the plans for the two trash facilities. (See Engineering Comment #18 and handout on trash facilities.)**~~

   Applicant Response:

   Previously resolved.

~~**5. A0.002 – Limitations on Permitted Uses (21.14.190 D) – Where the O-P zoned lot is adjacent to an 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.**~~

Applicant Response:

Previously resolved.

~~**6. A0.002 – Parking Layout (21.22) – Provide enlarged parking area drawing that provides information on parking space and drive aisle dimensions. It does not appear that compact parking is proposed, but compact parking requires a CUP in Monterey Park. MPMC 21.22.370 Part 2 Standards Chart – Large Automobile Parking Spaces shows the required dimensions for standard parking spaces. Required parallel parking space dimensions are 9 x 20, 90 Degree parking spaces are 9 x 18, and aisle width is 26 feet. Recommend providing a blow-up of the parking layout, perhaps on the upper portion of Sheet A0.002.**~~

Applicant Response:

Previously resolved.

7. Parking Study Applications (MPMC 21.22.030 and 21.22.370) - To reduce the parking requirement, a parking study has been submitted for review by the Planning and Public Works. While we agree that this project can likely screen from VMT and does not need the amount of surface parking spaces an office or warehouse may need, please address the following comments.

a. Provide a clearer description of what this project will be. In the project description please include in the body of the report the times employees will arrive, explain the types and frequency of truck deliveries, and the potential for guests arriving for meeting?

Applicant Response:

This item was previously addressed in Applicant's Response to Incomplete Letter No. 3 on August 26, 2025. See previous response below for reference:

Following receipt of Incomplete Letter No. 3 on October 23, 2024, the IS/MND was circulated for public review on October 31, 2024 and included a comprehensive screening analysis under Section 4.17, and Addendum K - Transportation Analysis and Vehicle Miles Traveled Screening Memorandum.

b. There are 3 loading docks – please provide the size of the trucks and delivery frequency. Internal circulation for trucks with a truck turning template entering the project driveway will be needed.

Applicant Response:

This item was previously addressed in Applicant's Response to Incomplete Letter No. 3 on August 26, 2025. See previous response below for reference:

With the updated design, there is 1 loading dock with 4 loading bays. See sheet A0.002.

Internal circulation and turning diagrams for loading and trash vehicles are included – see Appendix B.

c. Will the site be fenced? If so, is there enough stacking room for vehicles to queue on site without waiting on Saturn Street for the gate to open. (provide length from fence to curb).

Applicant Response:

This item was previously addressed in Applicant's Response to Incomplete Letter No. 3 on August 26, 2025. See previous response below for reference:

Yes, the site will be fenced.

A dimension of 65'-0" feet is shown on Sheet A0.002 at the westerly entrance driveway measuring the distance from the vehicular gate to the curb along Saturn Street.

A dimension of 27'-6" is shown on Sheet A0.002 at the easterly exit driveway measuring the distance from the vehicular gate to the curb along Saturn Street.

d. Please provide a Trip Generation Table. While it may be reasonable to assume that the number of daily trips will be only the number of employees entering and leaving, you have to consider if anyone is leaving for lunch, meetings, deliveries etc.

Applicant Response:

This item was previously addressed in Applicant's Response to Incomplete Letter No. 3 on August 26, 2025. See previous response below for reference:

Following receipt of Incomplete Letter No. 3 on October 23, 2024, the IS/MND was circulated for public review on October 31, 2024 and included a comprehensive screening analysis under Section 4.17, and Addendum K - Transportation Analysis and Vehicle Miles Traveled Screening Memorandum.

e. Review site distances at the driveway on Saturn Street to make sure there is a clear line of sight for vehicles entering and leaving the site.

Applicant Response:

This item was previously addressed in Applicant's Response to Incomplete Letter No. 3 on August 26, 2025. See previous response below for reference:

Site distances at the proposed driveways along Saturn have been reviewed for clear line of sight. As shown on Sheet A0.002 and Sheet L1.1, the proposed street trees along Saturn Street located near the westerly entrance driveway are designed starting east of the two-story administrative portion of the building in order to highlight the architectural features of this portion of the design. The proposed landscape design allows for clear visibility for vehicles entering the site from Saturn Street at the westerly driveway.

At the easterly exit driveway, the proposed street trees have been designed to allow for visibility to cross-traffic for approaching vehicles along Saturn Street. A dimension of 63'6" from centerline is depicted on Sheet A0.002 at the exit driveway to indicate the setback of the nearest street trees located on either side of the exit driveway.

f. Provide a Truck Turning Exhibit for trash pick-up (internal circulation).

Applicant Response:

This item was previously addressed in Applicant's Response to Incomplete Letter No. 3 on August 26, 2025. See previous response below for reference:

Internal circulation and turning diagrams for loading and trash vehicles are included – see Appendix B.

These comments are under review and will be routed separately.

Applicant Response:

The above items were all previously addressed in Applicant's Response to Incomplete Letter No. 3 on August 26, 2025.

~~**8. A0.002 - Vehicular Loading Spaces (21.22.310) – loading spaces are required to be 12 feet by 40 feet, please provide dimensions on the plans for both loading spaces.**~~

Applicant Response:

Previously resolved.

~~**9. Vehicular Loading Spaces (21.22.310) - requires 3 loading spaces for buildings over 50,000 square feet.**~~

Applicant Response:

Previously resolved.

~~10. A0.002 – A note is included on the plans for an Irrevocable Offer to Dedicate, please clarify if this is existing or proposed. Also, at the rear of the lot there are two lines indicating 'Parcel Line,' please clarify. Reduce the amount of information on A0.002 (such as plant materials, topo lines). Clarify the location of the front lot line after dedication and dimension the front setback. Dimension side and rear setbacks at closest point. Sheet C1 indicates that the measurement from the centerline and shows the 20' dedication. In order to provide horizontal control on that sheet, please also show the front setback dimension from the new property line to the building face.~~

Applicant Response:

Previously resolved.

~~11. Equipment Platform Design, please clarify why a platform is proposed as opposed to construction equipment enclosure on the roof. To be clear, we are not requesting a change to the design. In our experience most buildings place rooftop equipment on the roof, this design places it on a platform above the roof. As the project moves forward a staff report will be prepared to explain the proposal and it would be helpful to be able to explain the proposed type of roof, the proposal for an equipment platform and reasons this type of design is proposed.~~

Applicant Response:

Previously resolved.

~~12. A0.002 – Security Fencing. Please provide a separate Wall Plan that provides information on all proposed fences and walls, including height, design, color, (including retaining walls).~~

Applicant Response:

Previously resolved.

~~13. A0.002 – Vehicular gates. Provide a detail indicating proposed height and width of the proposed vehicular gates and information on how the gates will operate for the employees.~~

Applicant Response:

Previously resolved.

~~14. Front Elevation. Staff has reviewed the proposed design and architecture and recommends modifications to the architecture to provide more interest on the front elevation including~~

~~**revisions such as providing rooftop articulation, front elevation building movement/articulation, adding accent colors, architectural popouts, and/or faux window designs. In general, the goal would be to provide more building movement and a more interesting design that would be more consistent with the existing buildings in the business park. Provide sample elevations of similar type approved data centers from different jurisdictions to address concerns related to design for staff consideration. Samples were small and not very helpful. Submit a revised architectural design and then arrange a time to review the proposed architectural design based on verbal comments received in the status update call on October 21, 2024.**~~

Applicant Response:

Previously resolved.

Included in Appendix A is the proposed final entitlement set with an added Cover Sheet. The stamp on each subsequent sheet that previously read "Draft – Work in Progress" has been removed.

For clarity, no changes have been made to the drawing sheets since Applicant's submittal of Response to Incomplete Letter No. 3 dated August 26, 2025.

Included in Appendix C is Applicant's proposed final entitlement Rendering Visualization Package depicting the project design.

~~**15. Ensure that all the colors and materials proposed are included on sheet A2.001. Please provide color and material for the equipment screens (it looks like there may be 2 colors), the color on the top of the parapet/roofline, that all colors of the concrete panels are indicated (it looks like there are 2 colors), and the type of glazing proposed. Please provide callouts to clarify what colors and materials on the building elevations. A1.102 – Membrane roof. Clarify this material and provide a description of the type of roofing material.**~~

Applicant Response:

Previously resolved.

16. A Development Agreement has been submitted on August 29, 2024, and need to be finalized through legal counsel before proceeding with a public hearing.

Applicant Response:

Noted. The Applicant team is currently working with the City Attorney to prepare the Development Agreement.

17. **The Radius Map and mailing labels were submitted on October 17, 2024 for the purpose of providing notice for CEQA. Please provide an updated set of mailing labels for the purpose of public hearing notification.**

    Applicant Response:

    Noted. The updated mailing labels and radius map package was hand delivered to Beth Chow at the above address under separate cover earlier today.

The following items are the recommended (potential) conditions of approval from the Planning Division for the subject development:

1. **A landscape and irrigation plan will be required as a condition of approval (including special landscaping required adjacent to R-1 zoning).**

   Applicant Response:

   Noted.

2. **A wall and fence plan showing existing fencing to be retained and new fencing will be required as a condition of approval.**

   Applicant Response:

   Noted.

3. **Areas where existing landscape will be preserved need to be secured with temporary fencing. Fencing and preservation techniques should be indicated on the grading plans.**

   Applicant Response:

   Noted.

4. **Documentation will need to be provided for the proposed privately-owned open space.**

   Applicant Response:

   Noted.

5. **Final design of fencing will be approved by the City Planner.**

   Applicant Response:

   Noted.

Civil Grading Plans

18. ~~**C1.0 Front Property Line. Clarify the location of the existing and proposed front property line. C1.0 seems to show 20', but there is also a 15' + 15' dimension.**~~

    Applicant Response:

    Previously resolved.

19. ~~**C1.0 Easement. Please clarify if there is an easement along the front of the property, the plans seem to show an easement. Also, clarify the proposed dedication width.**~~

    Applicant Response:

    Previously resolved.

20. ~~**C1.0 Retaining Walls. Retaining walls must comply with MPMC Section 21.10.120 B 1. The plans indicate several retaining walls including the following: 4 feet on southeast side/front, 21 feet on northeast side, 12 feet to north, 6 feet on southwest side/front. (See Engineering Comment #8.)**~~

    Applicant Response:

    Previously resolved.

21. ~~**C1.0 Tree Removal. It is noted that an Arborist Report has been submitted and will be reviewed with the other CEQA documents. The Arborist Report should provide information on what trees are proposed to be retained.**~~

    Applicant Response:

    Previously resolved.

22. ~~**C2.0 Sewer Easement. A sewer easement is indicated from Orange to Saturn with a note that says, "to be Quitclaimed." Please provide information on the abandonment of that easement.**~~

    Applicant Response:

    Previously resolved.

23. ~~**Provide cross sections indicated on Sheet C1.0 and will be required at plan check.**~~

    Applicant Response:

    Previously resolved.

Landscape Plans

~~24. L1.1 Tree Removal. The Municipal Code requires that existing trees removed due to site development/design must be relocated or replaced elsewhere on site with a similar or substitute specimen tree of the same size, subject to City Planner approval (See MPMC Section 21.10.130 E 1 a).~~

Applicant Response:

Previously resolved.

~~25. Trees. The proposed trees are generally small to medium size trees at maturity (with the exception of the Oak which generally have a slow growth rate). Please include trees that are larger at maturity (trees that will exceed 45 feet in height at maturity). For any trees removed on the rear slopes, please include larger trees at maturity. In addition, add some larger box trees for key locations (36 or 48 inch box).~~

Applicant Response:

Previously resolved.

~~26. L1.1 Landscape Buffer. A 3 foot landscape buffer is required along entire lot lines of adjacent residential properties to the northwest (21.10.120 A 2 c). On the plans clearly indicate the adjacent residential properties and provide a linear dimension for the landscape buffer.~~

Applicant Response:

Previously resolved.

~~27. Wall on the northwest portion of property adjacent to residences. There is some confusion about what type of wall is proposed. C1.0 says existing fence to remain, A0.002 says New 6' masonry wall, and L1.1 includes Section 2 that shows the existing fence to remain on the property line and a new wall built 6' from the property line with a freestanding wall of 3'6" and a retaining wall of 2'6". One way to achieve consistency is by including a reference on all sheets to L1.1.~~

Applicant Response:

Previously resolved.

28. Complete IS/MND Documents. ~~The 2nd Peer Review is complete, with minor comments provided. Staff has received revised documents and they are currently under review. CEQA Comments (Staff has provided a Peer Review letter of the CEQA documents dated May 8, 2024).~~

~~**a. Provide a draft Negative Declaration of Environmental Review. The Negative Declaration will be reviewed by staff and a Peer Review will be completed by an outside environmental consultant.**~~

~~**b. Provide all relevant studies for the project as required by CEQA. Review almost complete.**~~

Several responses were submitted by Jessie Fan, Kimley Horn on August 21, 2025, September 15, 2025, and September 22, 2025. Review of these responses are still being completed by CEQA peer reviewers and will be routed under separate cover. Comments are still outstanding related to comments from AQMD and CREED LA.

Applicant Response:

Applicant and Kimley Horn received an email communication from Jeff Anderson (Willdan) on October 7, 2025 indicating that the peer review of the following three response to comment letters has been completed and there are no comments from the peer reviewer:

1) Department of Conservation – submitted by Kimley Horn to Beth Chow on August 21, 2025; Forwarded to Jeff Anderson (Willdan) on September 22, 2025.

2) Los Angeles County Sanitation Districts - submitted by Kimley Horn on August 21, 2025; Forwarded to Jeff Anderson (Willdan) on September 22, 2025.

3) Advocates for the Environment – submitted by Kimley Horn on September 15 2025.

Kimley Horn subsequently submitted the response to the CREED LA comment letter to Beth Chow and Jeff Anderson (Willdan) on September 29, 2025, and the response to the SCAQMD comment letter to Beth Chow and Jeff Anderson (Willdan) on October 7, 2025.

In addition, Kimley Horn submitted Appendix B: Supplemental Technical Analysis to Responses to Comments to Beth Chow and Jeff Anderson (Willdan) on October 14, 2025.

FIRE COMMENTS

Comments related to Fire have been addressed. The following items are recommended (potential) conditions of approval from the Fire Division for the subject development:

1. **All conditions identified by the Fire Department shall be subject to review and approval by the Fire Chief for determination of applicability and extent to which any condition may be required.**

   Applicant Response:

   Noted.

2. **Fire Department Access shall be provided within 150 feet of all exterior portions of any structure. Minimum three points of access are required.**

   Applicant Response:

   Noted.

3. **Fire Department vehicular access roads must be installed and maintained in a serviceable manner prior to and during the time of construction.**

   Applicant Response:

   Noted.

4. **Minimum Required Fire Flow and Fire Hydrants: All structures shall have the minimum fire flow (GPM) in accordance with Appendix B and the quantity and spacing of fire hydrants in accordance with Appendix C 2022 CFC.**

   Applicant Response:

   Noted.

5. **Fire hydrant plan, including existing and new hydrants. Identify public and private hydrants.**

   Applicant Response:

   Noted.

6. **Aerial Fire Apparatus Access Roads: Building exceeding 30 feet in height above the lowest level of Fire Department Vehicle Access shall comply with requirements of CFC Section D105.1 though D105.4. All Fire lanes shall be minimum of 26 Feet.**

   Applicant Response:

   Noted.

7. **Automatic Fire Sprinkler System: An automatic sprinkler system shall be provided. throughout building in accordance with the provisions of the California Building Code and the California Fire Code as amended by the City.**

   Applicant Response:

   Noted.

8. **Automatic Fire Alarm/Detection System: An approved manual, automatic, or manual and automatic fire alarm system installed in accordance with the provisions of CFC and NFPA 72.**

   Applicant Response:

   Noted.

9. **Emergency Responder Radio Coverage: Building shall have approved radio coverage for emergency responders within the building based upon the existing coverage level of the public safety communication system per 2022 California Fire Code Section 510.**

   Applicant Response:

   Noted.

10. **All access gates across roadways or entrances to facilities shall fail unlocked/open in the event of any loss of power. All access gates and main entrance doors shall have a Knox Box or Knox Control Key Switch installed.**

    Applicant Response:

    Noted.

ENGINEERING COMMENTS

The following items are the site plan review comments and corrections from the Engineering Division for the subject development.

1. **Provide solid waste and recycling calculations for sizing of the trash enclosure. All projects are required to have organic recycling in addition to solid waste and recycling.**

   Applicant Response:

   As noted in Applicant's May 24, 2024 response to Incomplete Letter No. 1, the design team has reviewed the Space Guidelines for Recycling, Organics and Refuse Services document and the MPMC regarding trash and recycling requirements. The site is zoned O-P Office-Professional Zone (Voter Enacted). Under MPMC Section 21.14, the trash requirements are 5'H minimum with solid masonry wall, and solid gate.

   With regard to expected trash and recycling quantities, as noted in the Space Guidelines for Recycling, Organics and Refuse Services there are no specific trash calculations required by the MPMC to estimate necessary space.

Based on Gensler's experience in designing similar data center projects across the country, the Applicant is proposing to provide two trash enclosures adjacent to the Loading Dock that have been sized to each accommodate two dumpster bins. Trash enclosure details have been provided on Sheet A0.003.

Although there are no commercial kitchens or cafeterias as noted in Applicant's prior response to Engineering Comments, organics recycling can be accommodated as required by providing the minimal size rolling recycling cart(s) within one or both of the proposed trash enclosure areas in addition to the dumpsters.

2. Submit Conceptual LID Report.

Applicant Response:

A Conceptual LID Plan with supporting calculations is included on Sheet C3.0 of the civil drawings. Additionally, the IS/MND circulated for public review on October 31, 2024, included a comprehensive Water Resources Technical Report (Appendix I), which addresses the project's stormwater management approach in detail.

The Applicant respectfully requests to defer preparation and submittal of the formal LID Report and final calculations to the plan check phase of the project, at which time full design-level details and verification of compliance with all applicable LID requirements will be provided.

3. Provide ALTA Survey Title Report

Applicant Response:

The ALTA Survey for the property is included in Appendix D.

4. Submit the Water demand study report.

Applicant Response:

The IS/MND that was circulated for public review on October 31, 2024 included a comprehensive water demand assessment and report. See IS/MND Section 4.19 - Utilities and Service Systems, Addendum M-1 – Water and Sewer Infrastructure Report, and Addendum M-2 – Water Efficiency Memorandum.

5. Plans are currently showing 10' easement, 15' easement would be recommended.

Applicant Response:

Final easements will be documented and finalized with the plan check phase of the project.

6. **Identify proposed easements & easements to be abandoned.**

   Applicant Response:

   As noted in the IS/MND, the existing 10-foot-sewer easement that bisects the site is proposed to be quitclaimed.

   Final easements will be documented and finalized with the plan check phase of the project.

7. **Provide detail description of the proposed "Public Park,", it's purpose and legal aspect.**

   Applicant Response:

   The Applicant will provide a grant deed to the City of Monterey Park for the proposed public park as part of the Development Agreement.

The following items are the recommended (potential) conditions of approval from the Engineering Division for the subject development:

1. **Under the Los Angeles County Municipal Separate Storm Sewer System (MS4) Permit, issued under the National Pollutant Discharge Elimination System (NPDES) Program, the developer/owner is required to obtain a General Construction Storm Water Permit. This project will require the preparation of a Low Impact Development (LID) Plan and a Storm Water Pollution Prevention Plan (SWPPP). Upon approval of these plans, the developer/owner must submit an electronic copy of the approved files, including site drawings, before the issuance of a grading permit.**

   Applicant Response:

   Noted.

2. **All improvement plans, including grading and public improvement plans, must be based upon City approved criteria. Benchmark references to be obtained from the Engineering Division.**

   Applicant Response:

   Noted.

3. **The developer/owner is responsible for ascertaining and paying all City development fees such as, but not limited to, plan check fees, sewer deficiency fees, water meter fees and metered water service impact fees as required by MPK Municipal Code. Water division requirements are to be determined upon completion and submittal of water meter sizing sheets by the applicant.**

Applicant Response:

Noted.

4. **A site grading and drainage plan must be prepared for review and approval by the City Engineer. The property drainage must be designed to be accepted by the City Engineer. Drainage from adjacent properties must not be blocked and must be accommodated to the satisfaction of the City Engineer. A hydrology and hydraulic study of the site must be submitted to the City Engineer for review and approval.**

   Applicant Response:

   Noted.

5. **All storm drainage facilities serving the development must accommodate a 50-year storm. If existing storm drain facilities are inadequate, they must be upgraded as necessary. All storm drain facilities must be designed and 2 of 2 constructed to Los Angeles County Department of Public Works standards and specifications, and to the satisfaction of the City Engineer.**

   Applicant Response:

   Noted. In addition, the IS/MND was circulated for public review on October 31, 2024 and included modeling for 10-year, 25-year and 50-year storms – see Appendix I - Water Resources Technical Report. Based on the modeling implementation the project will decrease the peak flow discharge 10-year, 25-year and 50-year storms as compared to existing conditions.

6. **The grading and drainage plan must incorporate all pertinent site development comments from the geotechnical report submitted by the engineer.**

   Applicant Response:

   Noted.

7. **All public works improvements must comply with the standards and specifications of the City and to the satisfaction of the City Engineer.**

   Applicant Response:

   Noted.

8. **A water plan must be submitted for review and approval by the City Engineer. This plan must substantiate adequate water service for domestic flow, fire flow, irrigation, and identify backflow prevention.**

Applicant Response:

Noted.

9. **Show the point of connections of the sewer and water line must be clearly identified on the water/sewer plan. The plan must include the connection details of all domestic flow, fire line, irrigation line, sewer clean-outs, and must be prepared and submitted showing all existing and proposed utilities.**

   Applicant Response:

   Noted.

10. **Existing fire hydrants will be relocated per the City Engineer's desire, maintaining city standards of 4 feet clear sidewalk to allow for ADA access.**

    Applicant Response:

    Noted.

11. **A sewer connection reconstruction fee will be assessed at the time of issuance of a building permit in accordance with the provisions of Chapter 14.06 of the Municipal Code.**

    Applicant Response:

    Noted.

12. **Submit a separate street improvement plan showing along the entire frontage of the property, up to the centerline, and to the satisfaction of the City Engineer. Dedication will be required: 20 feet on Saturn Street and 20 feet on Orange Avenue.**

    Applicant Response:

    Noted.

13. **Remove existing curb, gutter, sidewalk, driveway approach, and construct new curb and gutter, driveway approaches, and a full 10' W sidewalk. The removal and reconstruction must be along the entire property frontage of Saturn.**

    Applicant Response:

    Noted.

14. **Existing street lights will be relocated per the City Engineer's.**

Applicant Response:

Noted.

15. **Offsite landscaping plans need to be submitted and reviewed by the Public Works department. The locations and types of off-site street trees shall be determined by the City Engineer.**

    Applicant Response:

    Noted.

16. **Applicant will be required to provide a construction and demolition recycling plan.**

    Applicant Response:

    Noted.

17. **Any work on the public right away will require an encroachment permit.**

    Applicant Response:

    Noted.

GENERAL COMMENTS

1. **Resubmit one (1) full-sized set of revised plans with the changes/additions discussed above. Additional sets of plans may be requested once your item is scheduled for a hearing.**

   Applicant Response:

   One full-sized set of the revised plan set will be delivered to Attn: Beth Chow at 320 West Newmark Avenue, Monterey Park, CA 91754.

2. **Submit an electronic version of all plans to planningpermitcounter@montereypark.ca.gov**

   Applicant Response:

   Electronic copy of this letter, plans and all appendices will be transmitted to Beth Chow, Jeff Anderson (Willdan) and the above planning department email address.

3. **Provide a cover letter discussing how each of the issues discussed above has been addressed for Staff's reference.**

Applicant Response:

This letter has been prepared and submitted to address each of the items set forth above.

Please let us know if you have any questions.

Regards,

Scott Rynders, on behalf of
HMC StratCap 1977 Saturn, LLC

List of Appendices

Appendix A – Drawing Sheets

- Cover Sheet
- Sheet C0.0 – Civil Details
- Sheet C1.0 – Conceptual Grading Plan
- Sheet C1.1 & C1.2 – Conceptual Grading Sections
- Sheet C2.0 – Conceptual Utility Plan
- Sheet C3.0 – Conceptual LID Plan
- Sheet L1.1 – Planting Plan
- Sheet L1.2 – Landscape Buffer Plan & Section
- Sheet L2.1 – Plant Palette Images
- Sheet A0.001 – Demolition Site Plan
- Sheet A0.002 – Architectural Site Plan
- Sheet A0.003 – Site Elements
- Sheet A1.101 – Construction Plan
- Sheet A1.102 – Roof Plan
- Sheet A2.000 – Building Elevations
- Sheet A3.000 & A3.001 – Overall Building Sections
- Sheet A9.000 – Rendering
- Sheet M0.001 – MEP Legend
- Sheet M1.101 – Mechanical Second Floor Plan
- Sheet M1.201 – Mechanical Roof Plan
- Sheet M7.001 – Mechanical Chilled Water Flow Diagram
- Sheet M9.001 – Mechanical Schedules
- Sheet E1.000 – Electrical Site Plan
- Sheet E1.101 – Electrical Second Floor Plan
- Sheet E5.001 – Electrical Enlarged Plan – Typical Power Room
- Sheet E7.001, E7.002 & E7.003 – Electrical Single Line Diagrams

Appendix B - Internal Circulation and Truck Turning Diagrams

Appendix C – Rendering Visualization Package

Appendix D – ALTA Survey

cc: planningpermitcounter@montereypark.ca.gov
Timothy Hou – thou@montereypark.ca.gov
Paul Talbot – paultalbot24@gmail.com
Bryan Marsh, SDCF Monterey Park, LLC
Chris Flynn, SDCF Monterey Park, LLC
Jim Pugh, Sheppard Mullin Richter & Hampton, LLP
Chris Sanders, Gensler

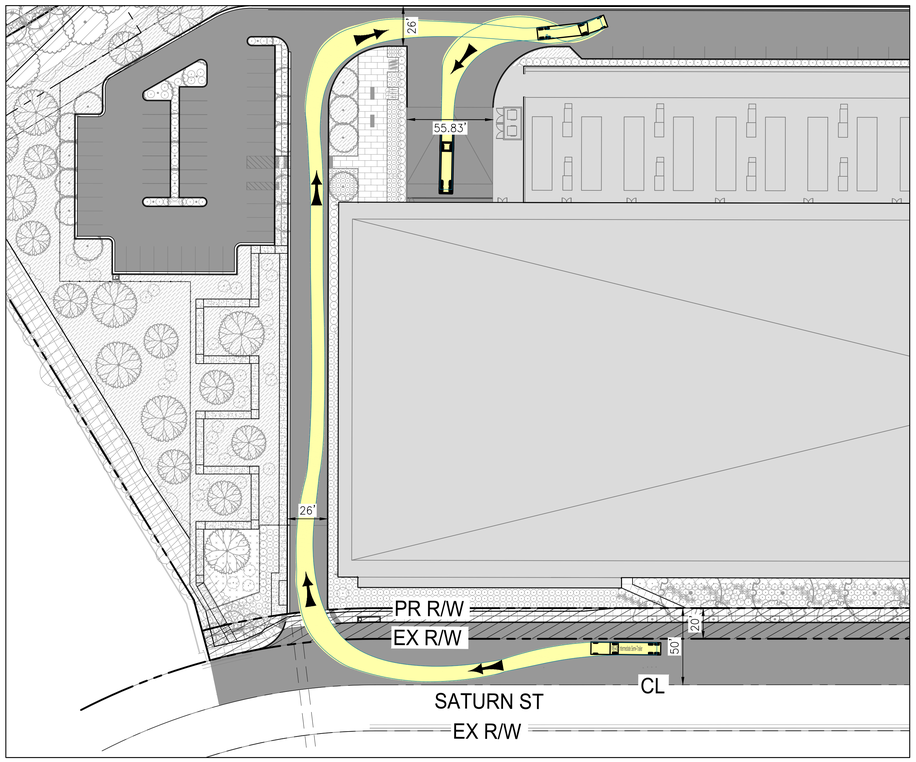
Appendix A

Drawing Sheets

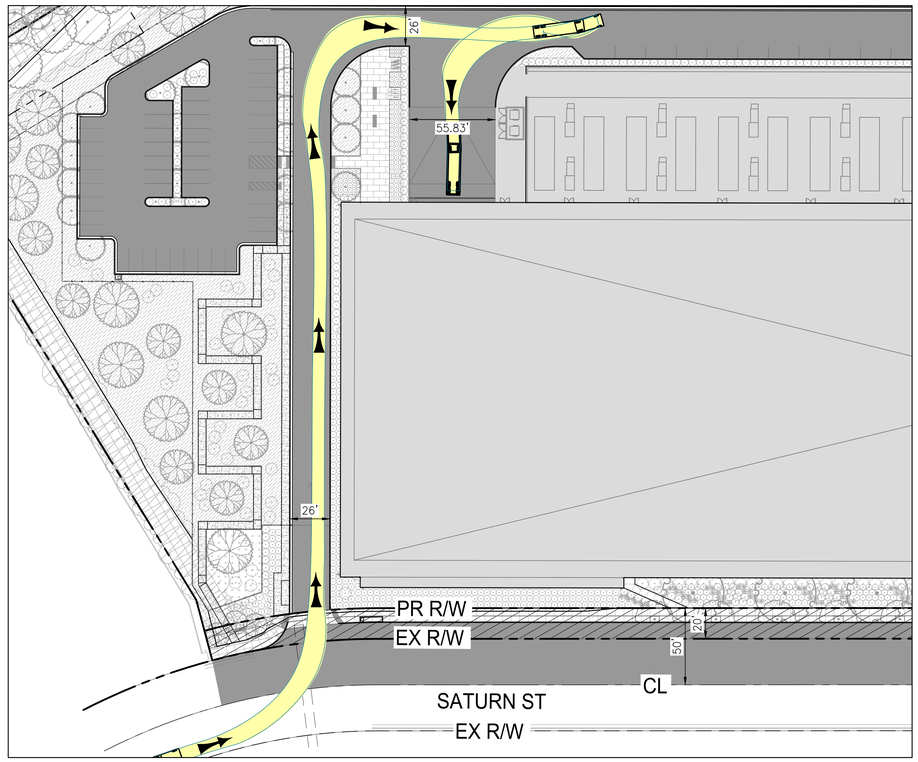
TO BE PROVIDED BY GENSLER UNDER SEPARATE COVER

Appendix B

Internal Circulation and Truck Turning Diagrams



WESTBOUND INCOMING (LOADING DOCK)

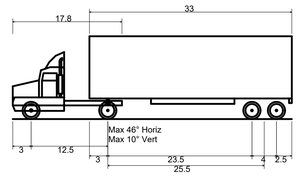


EASTBOUND INCOMING (LOADING DOCK)

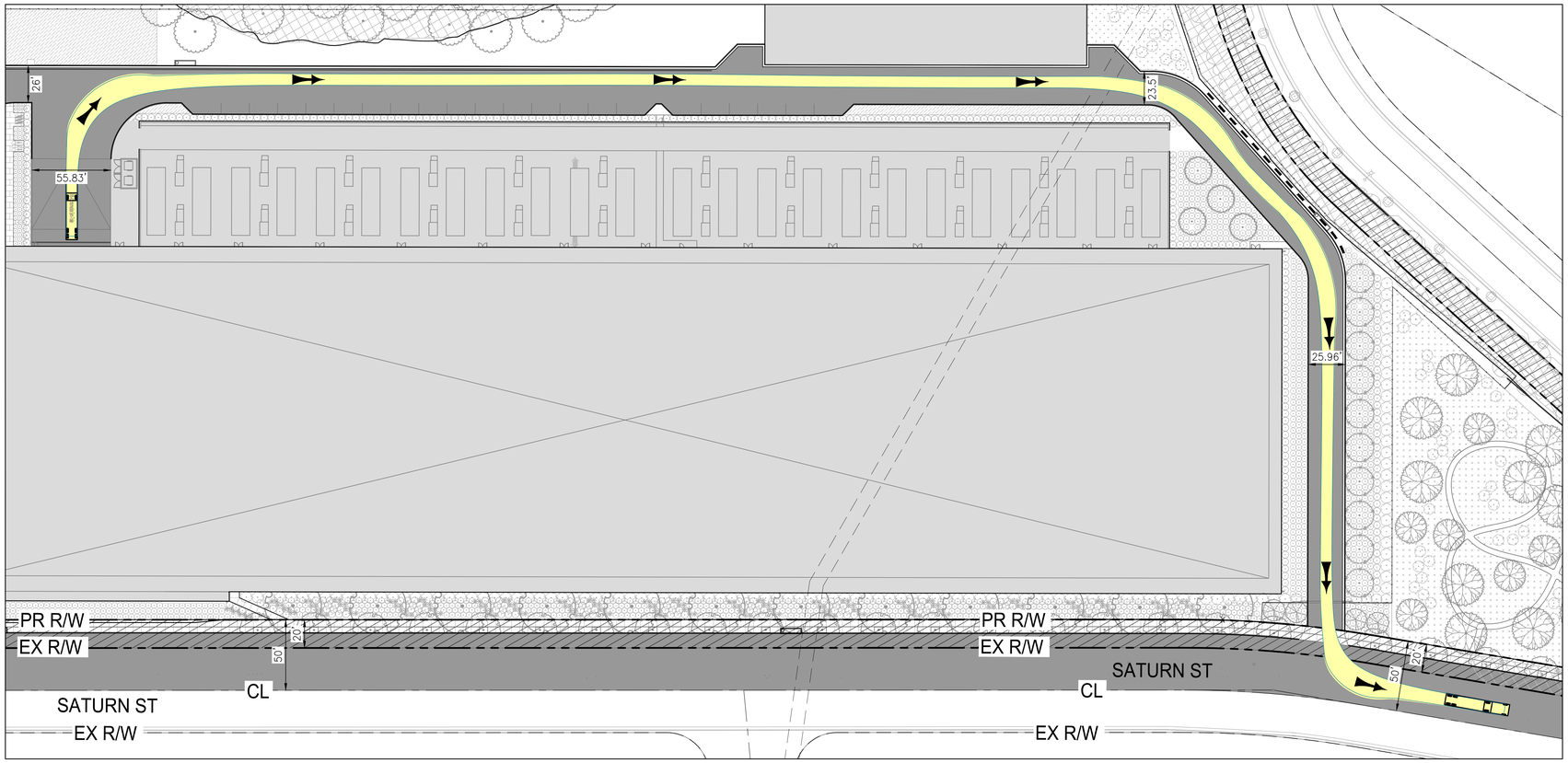
LEGEND

WHEEL LIMIT (EXTERIOR)
VEHICLE BODY LIMIT
VEHICLE DRIVE DIRECTION

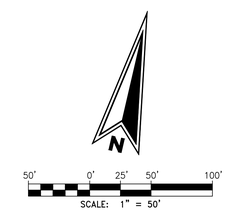
MODEL VEHICLE



WB-40 - Intermediate Semi-Trailer	
Overall Length	45.499ft
Overall Width	8.000ft
Overall Body Height	13.500ft
Min Body Ground Clearance	1.334ft
Track Width	8.000ft
Lock-to-lock time	4.00s
Max Steering Angle (Virtual)	20.30°



SOUTHBOUND OUTGOING (LOADING DOCK)



STRATCAP

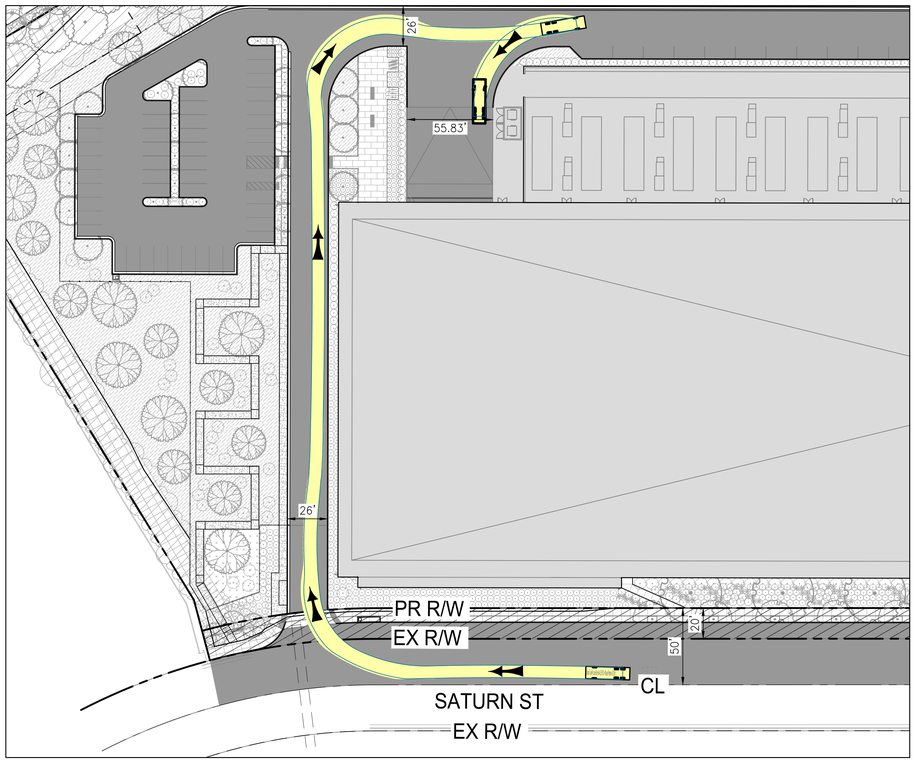
TRUCK TURNING EXHIBIT

REVISIONS					
NO.	INIT.	DATE	DESCRIPTION	APP'D	DATE

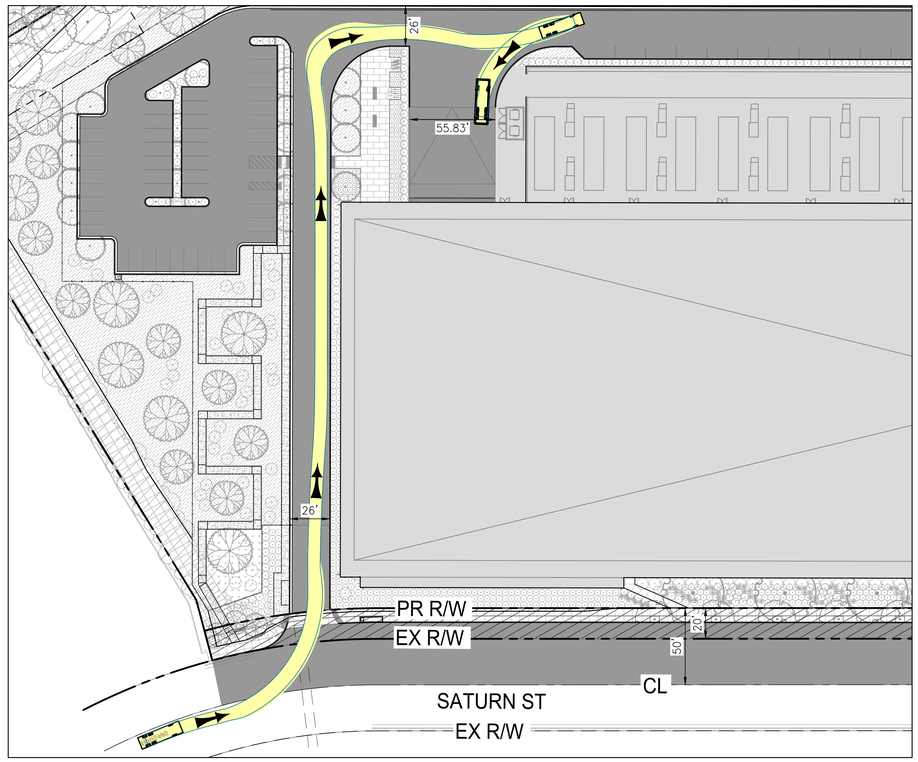
FUSCOE ENGINEERING
600 Wilshire Blvd, Suite 1470
Los Angeles, Ca 90017
213.988.8802
fuscoe.com

JOB NO. 4140-001
DRAWN BY: NY
SHEET 1 of 2

F:\PROJECTS\4140\001\EXHIBITS\4140-001EH-TURNING ANALYSIS.DWG (08-18-25 9:08:38AM) Plotted by: hyalo



WESTBOUND INCOMING (TRASH DOCK)

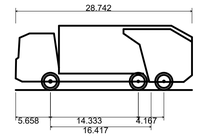


EASTBOUND INCOMING (TRASH DOCK)

LEGEND

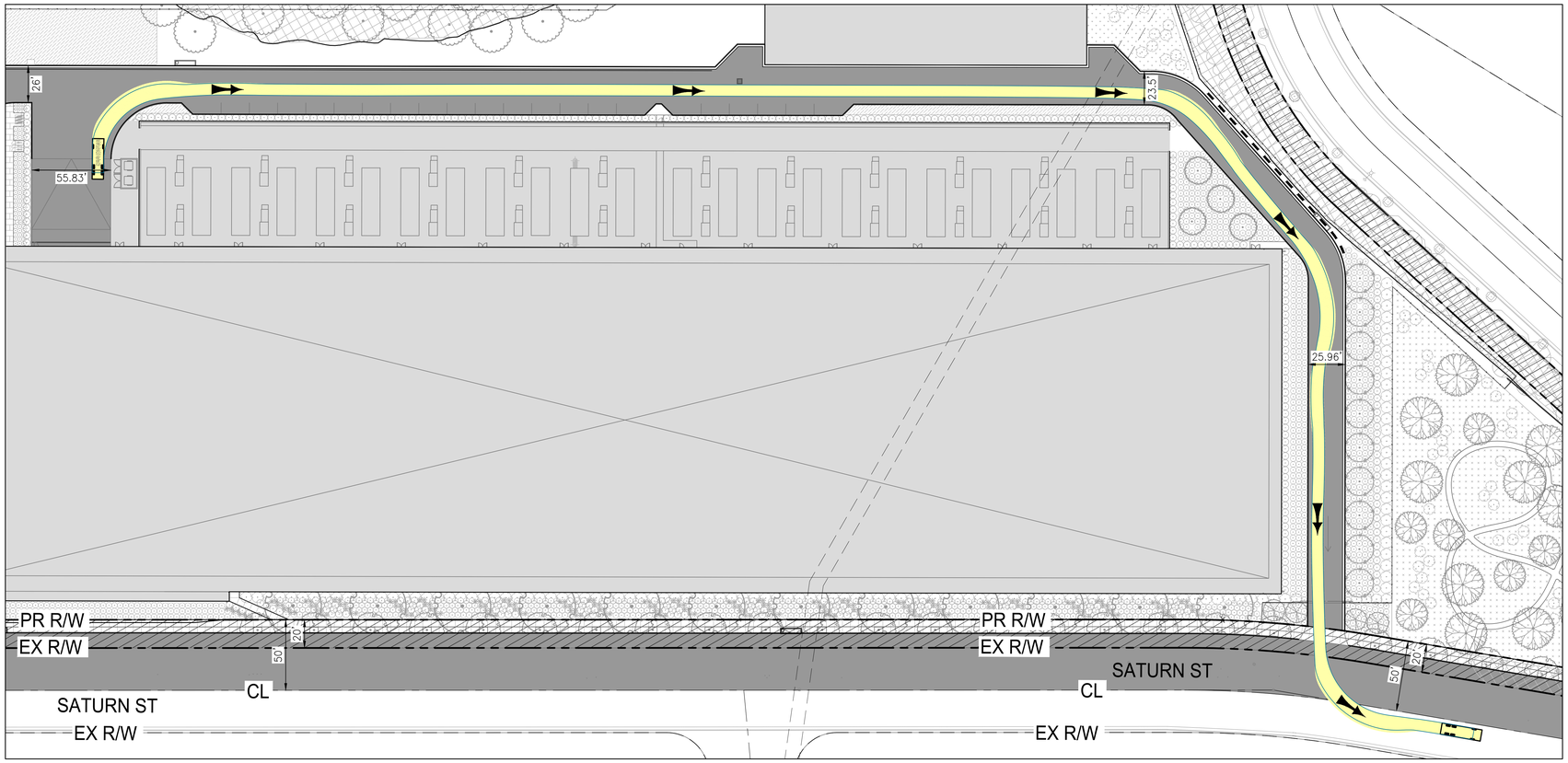
WHEEL LIMIT (EXTERIOR)
VEHICLE BODY LIMIT
VEHICLE DRIVE DIRECTION

MODEL VEHICLE

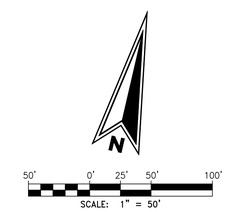


Mack TerraPro Low Entry 6x4 LEU 613 + Wayne Phoenix III 25Yd

Overall Length	28.742ft
Overall Width	8.000ft
Overall Body Height	10.481ft
Min Body Ground Clearance	1.311ft
Track Width	8.000ft
Lock-to-lock time	6.00s
Curb to Curb Turning Radius	34.000ft



SOUTHBOUND OUTGOING (TRASH DOCK)



STRATCAP

TRUCK TURNING EXHIBIT

REVISIONS					
NO.	INIT.	DATE	DESCRIPTION	APP'D	DATE

FUSCOE ENGINEERING
600 Wilshire Blvd, Suite 1470
Los Angeles, Ca 90017
213.988.8802
fuscoe.com

JOB NO. 4140-001
DRAWN BY: NY
SHEET 2 of 2

F:\PROJECTS\4140\001\EXHIBITS\4140-001EH-TURNING ANALYSIS.DWG (08-18-25 9:08:48AM) Plotted by: hyoko

Appendix C

Rendering Visualization Package

TO BE PROVIDED BY GENSLER UNDER SEPARATE COVER

Appendix D

ALTA Survey

TO BE PROVIDED BY GENSLER UNDER SEPARATE COVER

SheppardMullin

Sheppard, Mullin, Richter & Hampton LLP
650 Town Center Drive, 10th Floor
Costa Mesa, California 92626-1993
714.513.5100 main
714.513.5130 fax
www.sheppardmullin.com

James E. Pugh
714.424.2854 direct
jpugh@sheppardmullin.com

File Number: 89AF-371175

November 14, 2025

VIA E-MAIL

City Council
City of Monterey Park
320 W. Newmark Avenue
Monterey Park, CA 91754
Email: c/o City Clerk,
MPClerk@montereypark.ca.gov

Re: 1977 Saturn Data Center Project – Hearing Continuance Request for Agenda Item 10.A

Dear Honorable City Council,

We represent HMC StratCap 1977 Saturn, LLC ("Applicant") regarding its data center project ("Project") located at 1977 Saturn Street in the City of Monterey Park ("City"). The City Council is scheduled to consider the Project at its November 19, 2025 hearing as Item 10.A on the agenda. On behalf of the Applicant, we respectfully **request a continuance of Item 10.A to the next regularly-scheduled City Council meeting on December 3, 2025**, for the following reasons.

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.

In closing, the Applicant appreciates the City's responsiveness and good efforts to prepare the Project for public hearing. We will appear at the November 19, 2025 hearing to reiterate our request for a continuance. Nonetheless, please provide this letter to City staff and the councilmembers at your earliest opportunity so they are timely informed of the Applicant's request for a continuance.

Thank you,



James E. Pugh
for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

cc:
mpclerk@montereypark.ca.gov
Timothy Hou, Director of Community Development, thou@montereypark.ca.gov
Karl Berger, City Attorney, kberger@bwslaw.com
Bryan Marsh, StratCap
Chris Flynn, StratCap
Scott Rynders, The Rynders Corporation

SMRH:4890-6474-8275.2

MITIGATION MONITORING AND REPORTING PROGRAM

This Mitigation Monitoring and Reporting Program (MMRP), which is provided in **Table 1: Mitigation Monitoring and Reporting Program**, below, has been prepared pursuant to Public Resources Code (PRC) Section 21081.6 and CEQA Guidelines Section 15097, which require adoption of an MMRP for projects where the Lead Agency has adopted mitigation to avoid significant environmental effects. The City of Monterey Park (City) is the Lead Agency for the 1977 Saturn Data Center Project (Project), and therefore is responsible for administering and implementing the MMRP. The decision-makers must define specific reporting and/or monitoring requirements to be enforced during Project implementation prior to final approval of the proposed Project. The primary purpose of the MMRP is to ensure that the mitigation measures identified in the Initial study/Mitigated Negative Declaration (IS/MND) are implemented, thereby minimizing identified environmental effects.

Final clearance shall require all applicable verification as indicated in Table 1. The City will have primary responsibility for monitoring and reporting the implementation of the mitigation measures unless otherwise indicated. The mitigation measures are identified by the impact category and number that correspond with the IS/MND.

Table 1: Mitigation Monitoring and Reporting Program

Mitigation Measure	Responsible for Monitoring	Timing of Verification	Method of Verification	Verified Date/Initials	Sanctions for Non-Compliance
Cultural Resources					
Mitigation Measure CUL-1: In the event that archaeological resources are unexpectedly encountered during ground-disturbing activities, work within 50 feet of the find must halt and an archaeologist meeting the Secretary of the Interior's Professional Qualifications Standards for archaeology (National Park Service 1983) ("qualified archaeologist") must be contacted immediately to evaluate the resource. If the resource is determined by the qualified archaeologist to be prehistoric, a Native American representative must also be contacted to participate in the evaluation of the resource. If the qualified archaeologist and/or Native American representative determines it to be appropriate, archaeological testing for CRHR eligibility must be completed. If the resource proves to be eligible for the CRHR and significant impacts to the resource cannot be avoided via Project redesign, a qualified archaeologist will prepare a data recovery plan tailored to the physical nature and characteristics of the resource, per the requirements of the California Code of Regulations (CCR) Guidelines Section 15126.4(b)(3)(C). The data recovery plan will identify data recovery excavation methods, measurable objectives, and data thresholds to reduce any significant impacts to cultural resources related to the resource. Pursuant to the data recovery plan, the qualified archaeologist and Native American representative, as appropriate, must recover and document the scientifically consequential information that justifies the resource's significance. The City will review and approve the treatment plan and archaeological testing as appropriate, and the resulting documentation must be submitted to the regional repository of the California Historical Resources Information System, per CEQA Guidelines Section 15126.4(b)(3)(C).	City Planning Division City Building and Safety Division Project Applicant Qualified Archaeologist (if needed) Native American Representative (if needed)	During grading if any artifacts or other cultural materials are encountered	City verifies that the Applicant retained a qualified archaeologist In the event that archaeological resources are unexpectedly encountered during ground-disturbing activities, City and Native American Representative to be notified if any historic or prehistoric resources are found during construction City coordinates with qualified archaeologist, who will prepare a data recovery plan tailored to the physical nature and characteristics of the resource City reviews and approves the treatment plan and archaeological testing Resulting documentation to be submitted to the regional repository of the California Historical Resources Information System		
Geology and Soils					
Mitigation Measure GEO-1: If construction personnel encounter paleontological resources during ground-disturbing activities, they must inform the site construction superintendent who will notify the City and Project Applicant. The Project Applicant must then contact a qualified paleontologist as defined by the Standard	City Planning Division City Building and Safety Division	During grading if any artifacts or other cultural materials are	City verifies that the Applicant has retained a Qualified Paleontologist If construction personnel		

Mitigation Measure	Responsible for Monitoring	Timing of Verification	Method of Verification	Verified Date/Initials	Sanctions for Non-Compliance
Procedures for the Assessment and Mitigation of Adverse Impacts to Paleontological Resources by the SVP (SVP, 2010) and all ground-disturbing activity must cease in the immediate area of the find (within a 50-foot buffer) until the paleontologist can evaluate the find. If the discoveries are determined to be significant, full-time paleontological monitoring will be recommended for the remainder of ground disturbance for the project. Paleontological monitoring must entail the visual inspection of excavated or graded areas and trench sidewalls. If a paleontological resource is discovered, the monitor will have the authority to temporarily divert the construction equipment around the find until it is assessed for scientific significance and collected. Monitoring efforts can be reduced or eliminated at the discretion of the project paleontologist. Upon completion of fieldwork, all significant fossils collected will be prepared in a properly equipped paleontology laboratory to a point ready for curation. Preparation will include the careful removal of excess matrix from fossil materials and stabilizing and repairing specimens, as necessary. Following laboratory work, all fossil specimens must be identified to the most specific taxonomic level possible, cataloged, analyzed, and delivered the Natural History Museum of Los Angeles County for permanent curation and storage. The cost of curation is assessed by the repository and is the responsibility of the Project Applicant. At the conclusion of laboratory work and museum curation, a final Paleontological Monitoring Report will be prepared describing the results of the paleontological mitigation monitoring efforts associated with the Project. The report must include a summary of the field and laboratory methods, an overview of the Project area geology and paleontology, a list of taxa recovered, an analysis of fossils recovered and their scientific significance, and recommendations. A copy of the report must be submitted to the Natural History Museum of Los Angeles County.	Project Applicant Qualified Paleontologist (if needed) Paleontological Monitor (if needed)	encountered	encounter paleontological resources during ground-disturbing activities and if a discovery is determined to be significant, City verifies that Paleontological Monitor is present during grading activities City verifies preparation of Final Paleontological Monitoring Report submitted by Applicant to the Natural History Museum of Los Angeles County		
Hazards and Hazardous Materials					
Mitigation Measure HAZ-1: Before the Building Official issues grading permits, a site-specific Soil Management Plan (“SMP”)	City Planning Division	Prior to the issuance of	City verifies the preparation of a Soil Management Plan		

Mitigation Measure	Responsible for Monitoring	Timing of Verification	Method of Verification	Verified Date/Initials	Sanctions for Non-Compliance
must be prepared by a qualified environmental professional approved by the City and submitted to the City of Monterey Park Building and Safety Division. The SMP must include the following elements, as applicable: • Provisions for personal protection and monitoring exposure to construction workers, • Requirements for construction workers to be Hazardous Waste Operations and Emergency Response ("HAZWOPER") trained, • Procedures to be undertaken in the event that contamination is identified above action levels or previously unknown contamination is discovered, • Procedures for the safe storage, stockpiling, and disposal of any impacted soils, • Emergency procedures and responsible personnel. In the instance that previously unknown soil constituents are discovered during site excavation, the contractor shall ensure that any soil contaminated beyond acceptable regulatory levels, shall be contained, remediated if necessary, and disposed of pursuant to the performance standard levels established by federal OSHA, Cal/OSHA, SCAQMD, RWQCB, and any other regulatory agency with jurisdiction over CRECs or RECs on the Project Site.	City Building and Safety Division Qualified Environmental Professional	grading permits	by a qualified environmental professional City verifies that the Applicant and Contractors properly dispose of any soil contaminated pursuant to applicable performance standards		
Tribal Cultural Resources					
Mitigation Measure TCR-1: The Project Applicant must retain a professional Native American monitor from or approved by a consulting Tribe. The monitor will be present during construction excavations such as clearing/grubbing, grading, trenching, or any other construction excavation activity associated with the Project. If cultural resources are encountered, the Native American monitor will have the authority to request ground disturbing activities cease within 50-feet of discovery to assess and document potential finds in real time. Monitoring activities will cease when potential for significant buried resources have been exhausted (e.g., at the completion of construction excavation activity), as determined by the Qualified Archaeologist and in consultation with the Native American monitor. The Native American monitor and archaeological monitor will be present during construction excavation activity. Personnel needs would be determined during a pre-construction meeting.	Native American Monitor Qualified Archaeologist City Planning Division City Building and Safety Division	Prior to the commencement of any ground-disturbing activity, or the issuance of any permit necessary to commence a ground-disturbing activity During construction at the time that	City verifies Native American Monitor that is from or approved by a consulting Tribe Native American monitor and archaeological monitor to be present during construction excavation activity		

Mitigation Measure	Responsible for Monitoring	Timing of Verification	Method of Verification	Verified Date/Initials	Sanctions for Non-Compliance
		cultural resources are encountered			
Mitigation Measure TCR-2: If significant Pre-Contact (predating Native American contact with Europeans) and/or Post-Contact (postdating Native American contact with Europeans) cultural resources are discovered and avoidance cannot be ensured, the qualified archaeologist must develop a treatment plan, the drafts of which will be provided to the City for review and approval, as detailed within MM CUL-1.	Qualified Archaeologist (if needed) City Planning Division City Building and Safety Division	During construction if significant Pre-Contact and/or Post-Contact cultural resources are discovered and avoidance cannot be ensured	If significant Pre-Contact and/or Post-Contact cultural resources are discovered and avoidance cannot be ensured, Qualified Archaeologist prepares a treatment plan for City review and approval		
Mitigation Measure TCR-3: The Applicant must, in good faith, consult with the Tribe or Tribal Government that requested consultation under AB 52 retained Native American monitor on the disposition and treatment of any artifacts or other cultural materials if encountered during the Project grading.	City Planning Division Native American Representative	During construction grading if any artifacts or other cultural materials are encountered	Applicant to consult with the Tribe or Tribal Government that requested consultation		

CITY OF MONTEREY PARK

320 West Newmark Avenue • Monterey Park • California 91754-2896
www.MontereyPark.ca.gov

City Council
Henry Lo
Vinh T. Ngo
Jose Sanchez
Thomas Wong
Elizabeth Yang

City Clerk
Maychelle Yee

City Treasurer
Amy Lee

SENT VIA EMAIL
bmarsh@stratcap.com

November 5, 2025

Bryan Marsh
HMC StratCap 1977 Saturn LLC
251 Little Falls Drive
Wilmington, DE 19778

Re: Complete Review Letter for 1977 Saturn Street
Design Review No. 24-040, Zone Amendment No. 25-03,
& Development Agreement No. 24-02

Dear Mr. Marsh:

Thank you for submitting the following applications for the proposal of a data center located at 1977 Saturn Street.

- Design Review No. 24-040 (DRB-24-040)
- Zone Amendment No. 25-03 (ZA-25-03)
- Development Agreement No. 24-02 (DA-24-02)

The proposed data center is 247,480-square feet and located on a 15.8-acre property on the east side of the intersection of Saturn Street and Orange Avenue. Based on the review of the most recent resubmittal of the plans and completion of the California Environmental Quality Act (CEQA) documents, the project is complete and ready to be scheduled for a public hearing before the City Council. The public hearing has been scheduled for November 19, 2025.

Should you have any questions in the matter, please contact Jeff Anderson, Contract Planner at (626) 827-0874 or by email at janderson@willdan.com and copy Eliana Muñoz, Senior Planner in any future correspondence at emunoz@montereypark.ca.gov.

Sincerely,

Beth Chow

Beth Chow, AICP
Planning Manager

CC: Scott Rynders, Rynders Corporation (e-mail)
Chris Flynn (e-mail)

CITY OF MONTEREY PARK

320 West Newmark Avenue • Monterey Park • California 91754-2896
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City Council
Henry Lo
Vinh T. Ngo
Jose Sanchez
Thomas Wong
Yvonne Yiu

City Clerk
Maychelle Yee

City Treasurer
Amy Lee

October 23, 2024

Bryan Marsh
SDCF Monterey Park, LLC
660 Steamboat Road
Greenwich, CT 06830

Re: Incomplete Review Letter for 1977 Saturn Street
Conditional Use Permit No. 24-01, Design Review No. 24-040, Parking Study

Dear Mr. Marsh:

Thank you for submitting the following applications for the proposal of a data processing facility located at 1977 Saturn Street. The following applications numbers have been issued for this project:

- ~~Conditional Use Permit No. 24-01 (CUP-24-01) (Lot Greater than 1 Acre)~~
- ~~Design Review No. 24-040 (DRB-24-040) (Review design and architecture, including a Parking Study)~~
- **Development Agreement 24-02 (DA-24-02)**

In accordance with Section 65943(a) of the California Government Code, and Section 15101 of the California Environmental Quality Act Guidelines, the City of Monterey Park Community Development Department has determined that the following items must be satisfactorily submitted or addressed for your applications to be deemed complete and ready for processing:

Planning Comments

1. ~~The use is an allowed use. For clarification, can you please provide an explanation for why the substation is needed? Please also explain how SCE will access the site as it is secured. Please add information to Detailed Operations Statement.~~

Architectural Plans

2. ~~(A0.002) - Yards (21.14.080 C) – Side/Rear adjacent to R-Zone (northwest portion of lot) – standard is 50 feet plus 5 feet dimension for each 10 feet of building height above 15 feet. Plans indicate 36 feet but don't show height of equipment screen. Plans indicate 65 feet from R-zone.~~

3. A3.001 - Building Height (21.14.090) – Height limit is 40 feet, ~~plans show 36 feet on A2.001, but do not include equipment screen. Equipment screen height noted on A3.001 shows 39 feet 6 inches.~~ Equipment screen height should be indicated on ~~A2.001~~ **A3.001 indicates equipment screen height as 46 feet 6 inches. As provided on the plans (the parapet height is 27' and the penthouse is = 36'). Since the building is located in an area with topography, please determine the Grade Plan (MPMC 21.04.439) to determine the proposed height of the equipment screen height.**

4. ~~A0.002 - Trash Facilities (21.14.130) – trash facilities need to be enclosed by a minimum 5-foot solid wall. Provide dimensions on the plans for the two trash facilities. (See Engineering Comment #18 and handout on trash facilities.)~~

5. ~~A0.002 - Limitations on Permitted Uses (21.14.190 D) - Where the O-P zoned lot is adjacent to an 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.~~

6. A0.002 - Parking Layout (21.22) – ~~Provide enlarged parking area drawing that provides information on parking space and drive aisle dimensions. It does not appear that compact parking is proposed, but compact parking requires a CUP in Monterey Park. MPMC 21.22.370 Part 2 Standards Chart – Large Automobile Parking Spaces shows the required dimensions for standard parking spaces. Required parallel parking space dimensions are 9 x 20, 90 Degree parking spaces are 9 x 18, and aisle width is 26 feet. Recommend providing a blow-up of the parking layout, perhaps on the upper portion of Sheet A0.002.~~ **Per MPMC 21.22.370 Part 2 Standards Chart, for 90 Degree parking, the width of aisle is 26 feet. Plans indicate 20 feet, please revise.**

7. Parking Study Applications (MPMC 21.22.030 and 21.22.370) - To reduce the parking requirement, a parking study has been submitted for review by the Planning and Public Works. **While we agree that this project can likely screen from VMT and does not need the amount of surface parking spaces an office or warehouse may need, please address the following comments.**

   a. **Provide a clearer description of what this project will be. In the project description please include in the body of the report the times employees will arrive, explain the types and frequency of truck deliveries, and the potential for guests arriving for meeting?**

   b. **There are 3 loading docks – please provide the size of the trucks and delivery frequency. Internal circulation for trucks with a truck turning template entering the project driveway will be needed.**

   c. **Will the site be fenced? If so, is there enough stacking room for vehicles to queue on site without waiting on Saturn Street for the gate to open. (provide length from fence to curb).**

d. Please provide a Trip Generation Table. While it may be reasonable to assume that the number of daily trips will be only the number of employees entering and leaving, you have to consider if anyone is leaving for lunch, meetings, deliveries etc.

e. Review site distance at the driveway on Saturn Street to make sure there is a clear line of sight for vehicles entering and leaving the site.

f. Provide a Truck Turning Exhibit for trash pick-up (internal circulation)

~~8. A0.002 - Vehicular Loading Spaces (21.22.310) – loading spaces are required to be 12 feet by 40 feet, please provide dimensions on the plans for both loading spaces.~~

~~9. Vehicular Loading Spaces (21.22.310) - requires 3 loading spaces for buildings over 50,000 square feet.~~

10. A0.002 – ~~A note is included on the plans for an Irrevocable Offer to Dedicate, please clarify if this is existing or proposed.~~ ~~Also, at the rear of the lot there are two lines indicating 'Parcel Line,' please clarify~~. ~~Reduce the amount of information on A0.002 (such as plant materials, topo lines).~~ Clarify the location of the front lot line after dedication and dimension the front setback. ~~Dimension side and rear setbacks at closest point.~~ **Sheet C1 indicates that the measurement from the centerline and shows the 20' dedication. In order to provide horizontal control on that sheet, please also show the front setback dimension from the new property line to the building face.**

11. A3.001 – For the proposed Rooftop Equipment Platform design, please clarify why a platform is proposed as opposed to construction equipment enclosure on the roof. **To be clear, we are not requesting a change to the design. In our experience most buildings place rooftop equipment on the roof, this design places it on a platform above the roof. As the project moves forward a staff report will be prepared to explain the proposal and it would be helpful to be able to explain the proposed type of roof, the proposal for an equipment platform and reasons this type of design is proposed.**

~~12. A0.002 - Security Fencing. Please provide a separate Wall Plan that provides information on all proposed fences and walls, including height, design, color, (including retaining walls).~~

~~13. A0.002 - Vehicular gates. Provide a detail indicating proposed height and width of the proposed vehicular gates and information on how the gates will operate for the employees,~~

14. Front Elevation. Staff has reviewed the proposed design and architecture and recommends modifications to the architecture to provide more interest on the front

elevation including revisions such as providing rooftop articulation, front elevation building movement/articulation, adding accent colors, architectural popouts, and/or faux window designs. In general, the goal would be to provide more building movement and a more interesting design that would be more consistent with the existing buildings in the business park. ~~Provide sample elevations of similar type approved data centers from different jurisdictions to address concerns related to design for staff consideration. Samples were small and not very helpful.~~ **Submit a revised architectural design and then arrange a time to review the proposed architectural design based on verbal comments received in the status update call on October 21, 2024**

15. ~~Ensure that all the colors and materials proposed are included on sheet A2.001. Please provide color and material for the equipment screens (it looks like there may be 2 colors), the color on the top of the parapet/roofline, that all colors of the concrete panels are indicated (it looks like there are 2 colors), and the type of glazing proposed. Please provide callouts to clarify what colors and materials on the building elevations. A1.102 - Membrane roof. Clarify this material and provide a description of the type of roofing material.~~

16. **A Development Agreement has been submitted on August 29, 2024 and need to be finalized through legal counsel before proceeding with a public hearing.**

17. **The Radius Map and mailing labels have been submitted on October 17, 2024.**

Civil Grading Plans

18. ~~C1.0 Front Property Line. Clarify the location of the existing and proposed front property line. C1.0 seems to show 20', but there is also a 15' + 15' dimension.~~

19. ~~C1.0 Easement. Please clarify if there is an easement along the front of the property, the plans seem to show an easement. Also, clarify the proposed dedication width.~~

20. ~~C1.0 Retaining Walls. Retaining walls must comply with MPMC Section 21.10.120 B 1. The plans indicate several retaining walls including the following: 4 feet on southeast side/front, 21 feet on northeast side, 12 feet to north, 6 feet on southwest side/front. (See Engineering Comment #8.)~~

21. ~~C1.0 Tree Removal. It is noted that an Arborist Report has been submitted and will be reviewed with the other CEQA documents. The Arborist Report should provide information on what trees are proposed to be retained.~~

22. ~~C2.0 Sewer Easement. A sewer easement is indicated from Orange to Saturn with a note that says, "to be Quitclaimed." Please provide information on the abandonment of that easement.~~

23. **Provide cross sections indicated on Sheet C1.0 and will be required at plan check.**

Landscape Plans

24. ~~L1-1 Tree Removal. The Municipal Code requires that existing trees removed due to site development/design must be relocated or replaced elsewhere on site with a similar or substitute specimen tree of the same size, subject to City Planner approval (See MPMC Section 21.10.130 E 1 a).~~

25. ~~Trees. The proposed trees are generally small to medium size trees at maturity (with the exception of the Oak which generally have a slow growth rate). Please include trees that are larger at maturity (trees that will exceed 45 feet in height at maturity). For any trees removed on the rear slopes, please include larger trees at maturity. In addition, add some larger box trees for key locations (36 or 48-inch box).~~

26. ~~L1.1 Landscape Buffer. A 3-foot landscape buffer is required along entire lot lines of adjacent residential properties to the northwest (21.10.120 A 2 c). On the plans clearly indicate the adjacent residential properties and provide a linear dimension for the landscape buffer.~~

27. **Wall on the northwest portion of property adjacent to residences. There is some confusion about what type of wall is proposed. C1.0 says existing fence to remain, A0.002 says New 6' masonry wall, and L1.1 includes Section 2 that shows the existing fence to remain on the property line and a new wall built 6' from the property line with a freestanding wall of 3' 6" and a retaining wall of 2' 6". One way to achieve consistency is by including a reference on all sheets to L1.1.**

28. **Complete IS/MND Documents.** The 2nd Peer Review is complete, with minor comments provided. Staff has received revised documents and they are currently under review. ~~CEQA Comments (Staff has provided a Peer Review letter of the CEQA documents dated May 8, 2024).~~
    a. ~~Provide a draft Negative Declaration of Environmental Review. The Negative Declaration will be reviewed by staff and a Peer Review will be completed by an outside environmental consultant.~~
    b. ~~Provide all relevant studies for the project as required by CEQA. Review almost complete.~~

Fire Comments

3. Direct access to the north side of the building has been eliminated due to the row of generators. Provide two to three protected access paths from the fire lane to the building exterior.

For item #3 from original comments, there is no protected path from the north access road directly into the building. You would have to enter the generator yard area which might work, but it's not exactly clear. It looks to be just gravel, not paved. The other design issues will have to be addressed as we get more details.

Engineering Comments

Please also note that a markup of plans is also prepared and provided.

1. Applicant will be required to pave the street to the centerline. Plan didn't revise to the center line on sheet C1.0.

2. Applicant to relocate fire hydrants. Provide 4 feet clear sidewalk to allow for ADA access. One fire hydrant is missing to call out for relocation.

3. Water main must be directly connecting to the water main on Saturn Street with no backflow device. (See Redline on Sheet. C2.0)

4. Plan still needs to be revised to remove one of the sewer connections as stated in the 1st submittal response. (See Redline on Sheet. C2.0)

5. Applicant will be required to provide construction and demolition recycling plan.

6. Provide solid waste and recycling calculation for sizing of the trash enclosure. All projects are required to have organics recycling in addition to solid waste and recycling. (See attached)

   The following items are the recommended (potential) conditions of approval from the Engineering Division for the subject development:

1. Under the Los Angeles County Municipal Separate Storm Sewer System (MS4) Permit, issued under the National Pollutant Discharge Elimination System (NPDES) Program, the developer/owner is required to obtain a General Construction Storm Water Permit. This project will require the preparation of a Low Impact Development (LID) Plan and a Storm Water Pollution Prevention Plan (SWPPP). Upon approval of these plans, the developer/owner must submit an electronic copy of the approved files, including site drawings, prior to the issuance of a building or grading permit.

2. All improvement plans, including grading and public improvement plans must be based upon City approved criteria. Benchmark references to be obtained from the Engineering Division.

3. The developer/owner is responsible for ascertaining and paying all City development fees such as, but not limited to, sewer deficiency fees, water meter fees and metered water

service impact fees as required by MPMC. Water division requirements are to be determined upon completion and submittal of water meter sizing sheets by the applicant.

4. A water plan must be submitted for review and approval by the City Engineer. This plan must substantiate adequate water service for domestic flow, fire flow and identify backflow prevention. If current fire flow and pressure tests are not available to substantiate adequate pressure and flow to serve the development, the developer will be responsible for conducting the appropriate tests and submitting copies of the test results for review and ultimate approval by the City. The substantiation of adequate water services must be verified by the City Engineer prior to setting of Planning Commission hearing date.

5. A site drainage plan must be prepared for review and approval by the City Engineer. The property drainage must be designed so that the property drains to the public street or in a manner otherwise acceptable to the City Engineer. Drainage from contiguous properties must not be blocked and must be accommodated to the satisfaction of the City Engineer. A hydrology and hydraulic study of the site may be required for submittal to the City Engineer for review and approval.

6. All storm drainage facilities serving the development must accommodate a 50-year storm. If existing storm drain facilities are inadequate they must be enlarged as necessary. All storm drain facilities must be designed and constructed to Los Angeles County Department of Public Works standards and specifications and also to the satisfaction of the City Engineer.

7. The grading and drainage plan must incorporate all pertinent site development comments from the geological and geotechnical report submitted by the developer's consultant.

8. Remove existing curb, gutter, sidewalk, driveway approach, and construct curb and gutter, driveway approaches and full parkway width sidewalk. The removal and reconstruction must be along entire property frontage of Saturn.

9. All public works improvements must comply with the standards and specifications of the City and to the satisfaction of the City Engineer. The point of connections of the sewer and water line must be clearly identified on the plan. The plan must include the connection details of all domestic flow, fire line and irrigation line and sewer clean outs and must be prepared and submitted showing all existing and proposed utilities.

10. A sewer connection reconstruction fee will be assessed at the time of issuance of a building permit in accordance with the provisions of Chapter 14.06 of the Municipal Code.

General Comments

1. Resubmit one (1) full-sized set of revised plans with the changes/additions discussed above. Additional sets of plans may be requested once your item is scheduled for a hearing.
2. Submit an electronic version of all plans to planningpermitcounter@montereypark.ca.gov
3. Provide a cover letter discussing how each of the issues discussed above has been addressed for Staff's reference.

These comments are based on your current submittal. Please note, additional corrections or comments may be identified upon your resubmission. We cannot proceed with the processing of your application until the above items are addressed. Should you have any questions in the matter, please contact Jeff Anderson, Contract Planner at (626) 827-0874 or by email at janderson@willdan.com and copy Beth Chow, Planning Manager in any future correspondence at bchow@montereyparkca.gov.

Sincerely,

Beth Chow

Beth Chow, AICP
Planning Manager

CC: Scott Rynders, Rynders Corporation (e-mail)
Chris Flynn (e-mail)