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PLANNING AND ZONING DIVISION

FILE NUMBER: ZTA 2026-01
REQUEST FOR: Zoning Text Amendment
CASE MANAGER: Adam B. Bailey, AICP, Director of Planning and Development Services

PUBLIC HEARINGS

Planning and Zoning Commission: Monday, June 22, 2026
City Council: Monday, July 6, 2026

GENERAL INFORMATION

Applicant: City of Mesquite
Requested Action: Amend the Mesquite Zoning Ordinance (MZO), Appendix C to the Mesquite City Code, by making certain additions and deletions to the following sections pertaining to revising and establishing regulations for data centers:

- Section 1.408 — Glare and Lighting Performance Standards (new subsection added to update lighting standards)
- Section 1A.200/1A.201 — Landscape Requirements (amended to reference Section 3.514 residential adjacency screening)
- Section 3.203 — Schedule of Permitted Uses (amended to add data centers and BESS)
- Section 3.300 — Development Standards (amended)
- Section 3.400/3.405 — Off-Street Parking and Loading Regulations (amended; Parking Standard 29 added for data centers)
- Section 3.500 — Supplementary Use Regulations (new Section 3.514, Data Centers; new Section 3.515, Battery Energy Storage Systems)
- Section 6.102 — Definitions (amended to add Data Center, BESS, Cryptocurrency Mining, Generator Yard)

Location: Citywide. As a Zoning Text Amendment, this amendment applies to the text of the Mesquite Zoning Ordinance and does not rezone any specific property. The new data center standards (Section 3-514) apply to all properties within the I (Industrial) zoning district and qualifying Planned Development districts citywide where a data center use may be proposed.

PLANNING AND ZONING ACTION

On June 22, 2026, the Planning and Zoning Commission voted 7-0 to approve the requested Zoning Text Amendment.

CASE SUMMARY

The City of Mesquite proposes Zoning Text Amendment No. 2026-01 to establish a comprehensive regulatory framework for data centers within the Mesquite Zoning Ordinance. Data centers are a rapidly growing industry with significant potential to generate economic investment, create quality employment, and expand the City's tax base. At the same time, data centers present unique land use considerations related to noise, electrical demand, water consumption, generator emissions, and visual impact that existing zoning regulations do not adequately address.

The proposed amendment creates a new Section 3-514 — Data Centers — as a self-contained supplementary use regulation consolidating all applicable development, operational, and long-term management standards. The amendment also creates a companion Section 3-515 — Battery Energy Storage Systems — to regulate standalone BESS installations, which are closely associated with data center operations and emerging as a distinct land use category. A new Section 1-408 establishes citywide glare and exterior lighting performance standards that apply to all nonresidential development, with data center-specific lighting standards further addressed in Section 3-514. Companion amendments to Sections 1A.200/1A.201 (Landscape Requirements), 3.203 (Schedule of Permitted Uses), 3.300, 3.400/3.405, and 6.102 integrate data centers into the existing structure of the MZO. A corresponding amendment to City Code Chapter 10, Article III, Section 10-75 establishes use-specific maximum permissible sound levels for data centers and BESS that supersede the general noise zone table for those facilities.

Data centers as a principal use will be permitted only by Conditional Use Permit (CUP) in the Industrial (I) zoning district and qualifying Planned Development districts, ensuring case-by-case City Council review of each proposed facility's impacts on surrounding properties, public infrastructure, and community character. Cryptocurrency mining is expressly prohibited as a principal or accessory use in all zoning districts and may not be combined with a data center use. See Sections 3.203 and 6.102.

BACKGROUND AND PURPOSE

Industry Context

Data centers — facilities housing computer systems, servers, telecommunications equipment, and related infrastructure — are among the fastest-growing commercial land uses in the United States. Driven by the expansion of cloud computing, artificial intelligence workloads, streaming services, and enterprise IT infrastructure, national demand for data center capacity has accelerated significantly since 2022. The Dallas–Fort Worth Metroplex is one of the top-three data center markets in the country, with Mesquite's industrial land base and regional freeway access making it an attractive location for new investment.

Data centers, however, are operationally unlike other industrial uses. They operate continuously — 24 hours a day, 365 days a year — and their dominant impacts are noise from cooling equipment and generators, electrical demand at scale, significant water consumption for cooling, and the need for robust emergency power systems. These characteristics require targeted land use standards that do not exist in the current MZO.

Regulatory Gap

Prior to this amendment, the Mesquite Zoning Ordinance did not define or specifically regulate data centers as a distinct use. A data center proposed in Mesquite would be reviewed as a general industrial or warehouse use, with no specific standards addressing noise, generator testing schedules, cooling water systems, setbacks from residential areas, decommissioning obligations, or the building design requirements that distinguish data centers from other large industrial buildings. This regulatory gap creates uncertainty for applicants, neighbors, and City staff alike.

Development of the Proposed Standards

Staff developed the proposed standards through a multi-step process:

- Review of recently adopted data center ordinances from peer Texas cities, including the City of San Angelo (Ordinance No. 2026, adopted May 2026), the City of Denison, as well as standards from jurisdictions across DFW with significant data center activity.
- Review of industry guidance, including noise standards from the Institute of Noise Control Engineers, fire and life safety standards from NFPA 855 (Battery Energy Storage Systems) and NFPA 72, and generator emission standards from the EPA and TCEQ.
- Multiple presentations—May 4, 2026 and June 1, 2026—to City Council outlining the proposed framework, key development standards, and the policy rationale for the CUP requirement, noise thresholds, closed-loop cooling requirement, and decommissioning provisions.

Internal review with the City Engineer, Fire Marshal, and Building Official to ensure coordination with applicable codes and infrastructure requirements.

MESQUITE ZONING ORDINANCE

SEC. 5-308.M. Approval Standards for Zoning Text Amendments. In making their recommendation and decision, the Planning and Zoning Commission and City Council shall consider the following standards. The approval of Zoning Text Amendments should be based on a balancing of these standards.

1. The extent to which the proposed amendment promotes the public health, safety, and welfare.

STAFF COMMENTS: The proposed amendment directly promotes public health, safety, and welfare by establishing minimum standards for the most significant impacts associated with data centers: noise from cooling and generator equipment, light spillover onto adjacent properties, generator emissions, water consumption, fire and life safety for battery energy storage systems, and long-term site stewardship through decommissioning obligations. The amendment ensures that data centers — which operate continuously and generate sustained noise and electrical demand — are sited, designed, and operated in a manner that

protects surrounding residential and nonresidential neighbors. The requirement for a Conditional Use Permit for each proposed facility ensures that City Council can evaluate site-specific conditions and impose tailored conditions of approval. The new Section 1-408 (Glare) establishes full-cutoff lighting standards and zero-footcandle spillover requirements applicable to all nonresidential development, supplemented by the more detailed data-center-specific lighting standards of Section 3.514.K. The companion amendment to City Code Section 10-75 establishes legally enforceable, use-specific sound level limits for data center and BESS operations that supersede the general noise zone table and are coordinated with the noise standards of Sections 3.514.L and 3.515.I.

2. The consistency of the proposed amendment with the Comprehensive Plan.

STAFF COMMENTS: The amendment is consistent with the Mesquite Comprehensive Plan's goals for economic development, industrial land use, and quality of life. The Comprehensive Plan identifies economic development and diversification of the City's employment and tax base as primary goals. Data centers represent a high-value, low-traffic industrial use that is well-suited to Mesquite's industrial corridor. At the same time, the Comprehensive Plan's quality of life goals require that industrial development be sited and regulated to minimize impacts on residential areas. The setback, noise, screening, and landscaping standards of Section 3.514, the glare and lighting standards of Section 1.408, and the enforceable sound level limits of City Code Section 10-75 directly implement this balance.

3. The consistency of the proposed amendment with any adopted land use policies.

STAFF COMMENTS: The amendment is consistent with the City's land use policies directing intensive industrial uses to industrially zoned areas with adequate infrastructure and separation from residential uses. By limiting data centers to the Industrial district and qualifying Planned Development districts, and requiring a minimum five-acre lot, the ordinance implements the intent of the City's industrial land use designations. The prohibition of cryptocurrency mining in all zoning districts — a use with similar infrastructure requirements but distinctly different economic and community benefit profiles — reflects an affirmative policy choice to attract high-quality data center investment while excluding extractive computational uses. This prohibition is expressly established in Sections 3.203 and 6.102 of the amended MZO.

4. The consistency of the proposed amendment with the intent of this Code.

STAFF COMMENTS: The proposed amendment is consistent with the MZO's overarching intent to regulate land use in a manner that promotes quality development, protects adjacent property values, and ensures compatibility between uses. The structure of Section 3.514 mirrors the format of comparable supplementary use regulations in the MZO — including Sections 3-502 (Miniwarehousing), 3-506 (General Service Hotel/Motel), and 3-509 (Public and Private Schools) — in establishing use-specific standards that supplement the general district regulations. The self-contained organization of Section 3.514 simplifies administration and ensures that all applicable requirements are readily

accessible to applicants, property owners, and City staff. The new Section 1-408 (Glare) is appropriately placed in Part 1 as a general performance standard applicable to all nonresidential development, consistent with the structure of existing Part 1 performance standards. The companion amendment to City Code Chapter 10, Article III, Section 10-75 ensures that the noise standards of Section 3.514.L and Section 3.515.I are legally enforceable through the City's noise ordinance framework.

5. Whether the proposed amendment corrects an error or omission, updates administrative processes and procedures, adds clarification to existing requirements, or reflects a change in policy.

STAFF COMMENTS: The proposed amendment corrects a significant regulatory omission. The current MZO does not define or specifically regulate data centers as a distinct use, creating a gap that would require data center proposals to be evaluated against general industrial standards not designed for the unique operational characteristics of this use. The amendment fills this gap comprehensively and reflects a deliberate policy choice — endorsed by City Council through the framework presentation process — to actively regulate data centers in a way that enables economic investment while protecting community interests. The creation of Section 3-515 (Battery Energy Storage Systems) additionally addresses an emerging land use category not currently addressed in the MZO. The new Section 1-408 (Glare) addresses an additional gap in the current MZO by establishing baseline exterior lighting performance standards for all nonresidential development. The amendment to City Code Section 10-75 closes a corresponding gap in the noise ordinance by adding use-specific, legally enforceable sound level standards for data center and BESS operations.

6. The extent to which the proposed amendment creates nonconformities.

STAFF COMMENTS: The proposed amendment does not create nonconformities for any existing use. No data centers currently exist in Mesquite that would be rendered nonconforming by the new standards. Any data center that may be lawfully established prior to the effective date of the ordinance would be classified as a legal nonconforming use subject to Section 1-300 et seq. (Nonconforming Situations). The amendment is prospective in nature and imposes no retroactive requirements on existing uses.

7. Any other legally sufficient standard under Texas law.

STAFF COMMENTS: Staff is aware of no other legally sufficient standard applicable to this amendment that would affect the Commission's recommendation. The proposed amendment has been reviewed by the City Attorney's office for consistency with Texas Local Government Code requirements for zoning text amendments, notice, and public hearing procedures.

CONCLUSIONS

The proposed Zoning Text Amendment represents a comprehensive and carefully developed regulatory framework for data center development in Mesquite. The amendment was developed through a deliberate process that included City Council direction, peer ordinance review, and internal technical coordination across planning, engineering, fire, and building functions.

The core policy decisions reflected in the amendment — CUP requirement in Industrial districts only; strict noise thresholds with residential adjacency provisions and corresponding City Code Section 10-75 sound level limits; closed-loop cooling requirement; generator testing limitations; masonry screening and landscape buffering; full-cutoff exterior lighting with zero spillover at property lines (Section 1-408 and Section 3.514.K); and decommissioning obligations — are each grounded in the unique operational characteristics of data centers and are consistent with the standards being adopted by peer Texas communities. The San Angelo ordinance adopted in May 2026 served as a significant reference point and was adapted to reflect Mesquite's specific zoning structure, community character, and industrial land base.

The self-contained structure of Section 3.514 — consolidating all applicable standards in one place rather than scattering them across multiple sections — reflects best practice for supplementary use regulations and is consistent with how the MZO handles other complex use categories. The companion Section 3.515 for Battery Energy Storage Systems proactively addresses a closely related and rapidly growing land use that warrants its own regulatory framework, including small-scale, large-scale, and portable BESS classifications with tiered permitting requirements, fire and life safety standards, noise assessment, and decommissioning obligations. The amendments to Sections 1A.200/1A.201 coordinate landscape and residential adjacency screening requirements with Section 3.514, and the amendment to Section 3.203 integrates data centers and BESS into the Schedule of Permitted Uses with clear cross-references. The new Section 1-408 (Glare) and the City Code Section 10-75 amendment complete a comprehensive regulatory package that addresses all major operational impacts of data center development within the existing structure of the MZO and City Code.

RECOMMENDATIONS

Based on the information contained in the application and analysis of the facts of record, Planning Staff concludes that approval of the zoning text amendment request is warranted, as it satisfies all applicable approval standards in Section 5-308.M of the Mesquite Zoning Ordinance.

ATTACHMENTS

1. Exhibit A – Proposed Ordinance Text (MZO §3.514, Data Center Development Standards).
2. Exhibit B – Proposed Ordinance Text (MZO Companion Amendments: §§1.408, 1A.201, 3.203, 3.300, 3.405, 3.515, and 6.102).
3. Exhibit C – Proposed Ordinance Text (City Code Companion Amendment: Chapter 10, Article III, §10-75, Maximum Permissible Sound Levels) [Informational Only — P&Z Commission; City Council Action Only].