

1 BEFORE THE ARIZONA POWER PLANT
2 AND TRANSMISSION LINE SITING COMMITTEE
3 IN THE MATTER OF THE APPLICATION) DOCKET NO.
4 OF SALT RIVER PROJECT) L-00000B-19-0219-00184
5 AGRICULTURAL IMPROVEMENT AND)
6 POWER DISTRICT, IN CONFORMANCE)
7 WITH THE REQUIREMENTS OF ARIZONA) LS CASE NO. 184
8 REVISED STATUTES, SECTIONS)
9 40-360, et seq., FOR A)
10 CERTIFICATE OF ENVIRONMENTAL)
11 COMPATIBILITY AUTHORIZING)
12 PROJECT RED HAWK, A SWITCHYARD)
13 AND MULTIPLE TRANSFORMERS)
14 INTERCONNECTING 230kV STRUCTURES,)
15 LOCATED AT SOSSAMAN AND ELLIOT)
16 ROADS ALL WITHIN THE CITY OF)
17 MESA, ARIZONA IN MARICOPA COUNTY.)
18 _____)

12 At: Mesa, Arizona
13 Date: November 6, 2019
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1 BE IT REMEMBERED that the above-entitled and
2 numbered matter came on regularly to be heard before the
3 Arizona Power Plant and Transmission Line Siting
4 Committee at the Superstition Spring Golf Club, 6542 East
5 Baseline Road, Mesa, Arizona, commencing at 9:16 a.m. on
6 the 6th day of November, 2019.

7

8 BEFORE: THOMAS K. CHENAL, Chairman

9 LAURIE WOODALL, Arizona Corporation Commission
10 LEONARD DRAGO, Department of Environmental Quality
11 JOHN RIGGINS, Arizona Department of Water Resources
12 MARY HAMWAY, Cities and Towns
13 JAMES PALMER, Agriculture
14 PATRICIA NOLAND, Public Member
15 JACK HAENICHEN, Public Member
16 KARL GENTLES, Public Member

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24 and

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1 CHMN. CHENAL: This is the time set for the
2 tour. We're starting a few minutes late to give everyone
3 an opportunity to show up, but we'll start the tour.
4 We'll go to the van, and we'll go to the first
5 observation point.

6 Mr. Sundlof, is there anything you'd like to
7 add?

8 MR. SUNDLOF: No. Have a good time on the
9 tour.

10 (TIME NOTED: 9:16 a.m.)

11 Beginning of route tour.

12 (TIME NOTED: 9:25 a.m.)

13 (Present for the route tour: Chairman Chenal,
14 Member Haenichen, Member Drago, Member Palmer, Member
15 Hamway, Kim Humphrey, Kevin Duncan (APS), Robert McFadden
16 (van driver).)

17

18 STOP 1

19 (TIME NOTED: 9:38 a.m.)

20 CHMN. CHENAL: Let me just advise everyone that
21 you can ask questions; but if you're going to ask
22 questions that are lengthy, we can ask them when we get
23 back because it will be easier for the court reporter.

24 MS. HUMPHREY: To start, we can see some
25 farming going on. So one of the things we talked about

1 in the testimony is that this area has previously been
2 used for agricultural. So we can see some equipment at
3 work over there. This direction that we're facing --

4 CHMN. CHENAL: East.

5 MS. HUMPHREY: -- is east. Thank you very
6 much.

7 And you can see the Paloma Church directly east
8 of us.

9 And to the north is the transmission lines in
10 their 250-foot corridor.

11 And then parallel to the transmission corridor
12 is going to be Peralta Road. And we'll be driving on
13 Peralta next. And then the homes begin on the other side
14 of that.

15 I like this view. I think it is best. If you
16 can see where the church is, we have Sossaman Road
17 running north-south. And then, if we take a little step
18 forward, you can see Elliot. And then the dairy is going
19 to be to our south. So that's the loop that we will
20 take.

21 And the Roosevelt Water Conservation District
22 canal is behind us. We can possibly stop at the canal,
23 and you can see the width of it. It's a fabulous barrier
24 for that edge of the property, and the transmission
25 corridor is a strong barrier to the north. Sossaman is

1 our barrier to the east.

2 MEMBER HAENICHEN: Sossaman is where those cars
3 are moving?

4 MS. HUMPHREY: Yes.

5 So that kind of gives us the lay of the land.

6 Are there questions?

7 MEMBER HAMWAY: How tall are those poles?

8 MS. HUMPHREY: I'm going to say that the 500kV
9 are in the 140, 150. And then the taller, the 230, are
10 in the 160 neighborhood. The 230kV double-circuit with
11 69kV underbuilt are 160. And I'd like to cross-reference
12 that with our testimony to make sure I'm remembering that
13 right.

14 But I think it's interesting, as you look at
15 the structure on the left, that's what we call a
16 double-circuit 230kV pole with 69kV underbuilt. And
17 remember, as you stack the electrical lines, you have to
18 have space between the different circuits.

19 So the poles that we're talking about for the
20 Google property do not include underbuilt. So that's why
21 they can be so much shorter. We're anticipating they
22 will be in the neighborhood of 110, maybe 130. But a lot
23 shorter, almost two-thirds the size of the pole on the
24 left. And that's how we can do that.

25 MEMBER HAMWAY: But the building heights on the

1 property can be as tall as maybe in between one of those
2 poles?

3 MS. HUMPHREY: Yes.

4 And you can see, as you go about two-thirds of
5 the way down this fence line here, and that represents
6 that dark green area on the one slide, so this section
7 right here is where there's the 50-foot height
8 restriction for building. And then the remainder of the
9 property is where there's the 150-foot zoning height
10 restriction for buildings. And that's the area that
11 Google needs to preserve for their buildings.

12 MEMBER DRAGO: Kim, I have a question. This
13 walking area was brought up yesterday. Is that an
14 easement, or is that a roadway?

15 MS. HUMPHREY: You know, I would have to look
16 at the map because I'm not exactly sure what that is, if
17 they're just walking on private property or if that is an
18 easement. I'm not aware of any easements on the property
19 for that purpose.

20 MEMBER DRAGO: Gotcha.

21 MEMBER HAMWAY: But is that the recreation area
22 they're talking about, or is there one over on the berm
23 over there?

24 MS. HUMPHREY: You know, I'm not sure. When we
25 get to where we're going, it's the roundabout, and it

1 will be that greenbelt area we can see on the map. And
2 we can get out and walk and see what the path looks like
3 there because I haven't gotten out and walked on it, so
4 I'm not sure.

5 CHMN. CHENAL: Question: For the proposed
6 switchyard, what is the height of the tallest facility
7 that will be at the switchyard?

8 MS. HUMPHREY: I don't know the answer off the
9 top of my head.

10 CHMN. CHENAL: I'd like to know that before ...

11 MS. HUMPHREY: Yes. We'll get that.

12 And I'm guessing in the 40-foot is my guess.

13 MEMBER HAMWAY: Under 50.

14 MS. HUMPHREY: Yes. Well, I believe that it
15 has to be. Well, I don't think that building
16 restrictions necessarily apply to the switchyard, to
17 electrical facilities. But I'm not sure if we exceed
18 that or not. I'm just trying to think, you know, you
19 have to have your lines coming in and the height of the
20 first structure to take that line. And as you're talking
21 about screening or other things, you've got to make sure
22 that you preserve a safety distance between whatever's
23 going to be on the ground and your line overhead.

24 So there's the trade-off of wanting to keep the
25 lines high enough for safety, but that's what we'll be

1 working with and where that puts us because the highest
2 structures are going to be what we call the A-frames.
3 And the A-frames will be the structures that take that
4 first line down.

5 And remember, in the switchyard -- and you, I
6 think, asked a little bit -- all that the switchyard
7 does, when you think of electricity, and it always kind
8 of confounds me because you open a door, and you walk
9 through it; right? For electricity it's just the
10 opposite. You usually have a wire or a conductor, and
11 that allows the current to flow. So if you want to stop
12 it, you have to break it or open it. So an open switch
13 or an open breaker is how we isolate potential problems
14 or even how we direct electricity. Because if I have a
15 switchyard and I have three, four different connections,
16 say, but I want the power to go from this connection to
17 that one, then I open these other two. And so you have
18 switches that open those lines, and that's how you can
19 direct the flow of electricity. So that's really what
20 the switchyard is. It's a set of breakers. And what
21 breakers do, they allow -- they are strong enough to
22 break that current and even break fault current and break
23 it so you can open it or disassociate it, disconnect it
24 from the grid so we can protect our grid.

25 And I guess I share that with you because it's

1 not noisy. It's very quiet. If you have to know the
2 noisiest pieces, the transformers usually are noisy.
3 Transmission lines, you don't -- if we get close, you'll
4 kind of hear that static with it, but it's a very low hum
5 of noise.

6 So those are the things that are interesting.
7 Did that explain better what we talked about yesterday,
8 the breakers and what's in a switchyard?

9 MEMBER HAMWAY: Yes.

10 So we're about five or six miles from Mesa
11 Gateway Airport. So none of these structures will need
12 lights on them?

13 MS. HUMPHREY: You are exactly correct. And we
14 did work with Williams Aviation Consulting to just
15 double-check all of our heights.

16 MEMBER HAMWAY: So at night, it will look dark.

17 MS. HUMPHREY: Right.

18 And if you think about that, none of these have
19 it. These are 150-foot, so we're outside of that plane
20 or ceiling that we like to talk about.

21 MEMBER HAMWAY: Any idea when this development
22 was put in?

23 MS. HUMPHREY: Yes.

24 It was developed in 2016 to 2018. The 500kV
25 transmission line was put in in 1977.

1 MEMBER HAMWAY: Okay. So it was here.

2 MS. HUMPHREY: Yes.

3 And the 230 was put in in 2003ish.

4 MEMBER HAMWAY: They were here?

5 MS. HUMPHREY: Yes.

6 MEMBER HAENICHEN: So most of the people last
7 night that testified at public live in that subdivision
8 there?

9 MS. HUMPHREY: Yes. I'm not aware of anyone
10 that pointed outside of that.

11 MEMBER HAENICHEN: And what's the name of that
12 subdivision?

13 MEMBER PALMER: I think it's Desert Morrison or
14 Morrison Desert or something like that.

15 MEMBER HAMWAY: They were one of the original
16 owners, Morrison.

17 MEMBER PALMER: It's a big farming family out
18 here, Morrison.

19 MS. HUMPHREY: I think we even got the
20 transmission corridor from Morrison, as I recall.

21 Other questions?

22 MEMBER PALMER: Good explanation.

23 MS. HUMPHREY: All right. Our plan is to go
24 back out Guadalupe -- or Power to Guadalupe and come down
25 Sossaman and then we'll come down Peralta so we'll be

1 able take a view from the homes area, the residential.
2 Then we'll drive back, and we can stop at the church if
3 you like. And if anyone needs to use restrooms, we have
4 made arrangements with there to be able to use restrooms.

5 Then we'll continue around the property and
6 stop at the dairy. And then, if we can, we'll stop at
7 the RWCD canal.

8 CHMN. CHENAL: Very good. All right. Let's go
9 off the record, and we'll go to the next observation
10 point.

11 (TIME NOTED: 9:50 a.m.)

12 (All tour participants proceeded to Stop 2).

13

14 STOP 2

15 (TIME NOTED: 10:09 a.m.)

16 CHMN. CHENAL: So looking south now is where
17 the switchyard is?

18 MS. HUMPHREY: Yes.

19 CHMN. CHENAL: So we're stopped just north of
20 where the switchyard would be. So looking south is where
21 that would be.

22 MEMBER HAMWAY: And, Tom, the question I asked
23 is how wide is this corridor, and she said 150. But then
24 you've got some easements and setbacks, so it's probably
25 300. So we should say that also.

1 CHMN. CHENAL: We just did.

2 MEMBER PALMER: While we're stopped here, if I
3 could interject, it looks to me like the possibility for
4 large trees and vegetation here would go a long way for
5 view improvements.

6 MS. HUMPHREY: We just have to be careful
7 because we're under the transmission corridor because we
8 can't plant trees under the transmission lines.
9 California fires.

10 MEMBER HAENICHEN: Is this land to my right
11 here part of the project land?

12 MS. HUMPHREY: This is the transmission
13 corridor to our right.

14 MEMBER HAMWAY: It's about 300 feet.

15 MS. HUMPHREY: Maybe you could turn the air
16 down just a little while we're talking. Yes. Thank you.

17 We'll be going to the church next, and we can
18 go out and look there if that's easier for you to set up.

19 CHMN. CHENAL: Let's go to the next stop, then.
20 Thanks.

21 (TIME NOTED: 10:11 a.m.)

22 (All tour participants proceeded to Stop 3.)

23

24

25

1 STOP 3

2 (TIME NOTED: 10:18 a.m.)

3 CHMN. CHENAL: Now we're at Stop No. 3.

4 MS. HUMPHREY: This is the Paloma Community
5 Church where we held the open house.

6 CHMN. CHENAL: So we're looking southwest
7 across the property.

8 MS. HUMPHREY: Yes.

9 CHMN. CHENAL: Any questions?

10 MEMBER HAMWAY: What's that fencing in the far
11 distance? Is that baseball fencing?

12 MS. HUMPHREY: Maybe a baseball field? No,
13 that wouldn't make sense because the baseball fields are
14 much further north.

15 MEMBER HAMWAY: I was just thinking how tall
16 that is because it looks like sports lights.

17 MEMBER PALMER: We think it's a Topgolf or a
18 golf driving range of some sort.

19 MS. HUMPHREY: So across the canal.

20 If you look at -- I can't believe it's that far
21 away. We can maybe take a look from the other south
22 angle and see.

23 CHMN. CHENAL: Any other questions?

24 (No response.)

25 CHMN. CHENAL: If not, let's proceed, then, to

1 the next stop.

2 (TIME NOTED: 10:19 a.m.)

3 (All tour participants proceeded to Stop 4.)

4

5 STOP 4

6 (TIME NOTED: 10:21 a.m.)

7 CHMN. CHENAL: This is Stop 4, which is the
8 dairy farm along the south side of Elliot Road. And
9 we're looking north across the project site.

10 Any questions?

11 (No response.)

12 CHMN. CHENAL: Well, if there's no questions --

13 MS. HUMPHREY: I'd like to make one comment.

14 As we will be going west, you'll note the Roosevelt Water
15 Conservation District canal and flood area on your right.
16 We hadn't planned a stop there. We can if you all would
17 like. But I just want you to be aware to look that way
18 and then holler if you would like a stop. Or let me know
19 now, and we can tell Rob.

20 MEMBER HAMWAY: Is that where they use
21 recreation?

22 MS. HUMPHREY: No.

23 CHMN. CHENAL: Just the canal.

24 MS. HUMPHREY: What amazed me is the width of
25 the canal.

1 Rob, could you pull off there, kind of just shy
2 of the canal.

3 CHMN. CHENAL: All right. Let's go off the
4 record.

5 (TIME NOTED: 10:23 a.m.)

6 (All tour participants proceeded to Stop 5.)

7

8 STOP 5

9 (TIME NOTED: 10:24 a.m.)

10 MS. HUMPHREY: I think if you look out to the
11 right, you can see the width of the canal and the flood
12 area, that it's a very nice boundary on that west side of
13 the property.

14 Any questions?

15 CHMN. CHENAL: The canal, is there an actual
16 canal with water in it or is it --

17 MS. HUMPHREY: Yes. As we go west, we'll cross
18 over it, and you'll be able to see it.

19 CHMN. CHENAL: All right. Thanks.

20 MEMBER PALMER: I believe one is a flood
21 control channel and one is an irrigation canal.

22 CHMN. CHENAL: All right. Any further
23 questions?

24 MEMBER HAENICHEN: Are we going to be able to
25 see over that curb there?

1 MEMBER PALMER: I think so.

2 CHMN. CHENAL: Any further questions?

3 (No response.)

4 CHMN. CHENAL: All right. Let's head back.

5 And we'll go off the record.

6 (TIME NOTED: 10:25 a.m.)

7 (The route tour ended, and all participants in

8 the route tour returned to the hearing site at

9 10:32 a.m.)

10 (The hearing resumed at 12:39 p.m.)

11 CHMN. CHENAL: Good afternoon, everybody. This

12 is the time set for the resumption of the Red Hawk

13 Project hearing by the applicant SRP. We are going to

14 resume the hearing.

15 Last evening, we had public comment.

16 We will begin with Mesa and its witness. And I

17 know we have questions, and Mr. Taebel can kind of lead

18 the witness through the direct, addressing the matters

19 that we raised yesterday. And I think SRP intends to

20 bring back three witnesses, maybe as a panel, to allow

21 additional questions of the Committee.

22 A couple procedural matters: I have

23 collectively assembled the public comments and sign-in

24 sheets last night from the public comment session which

25 I've collectively given to the court reporter, and we're

1 marking them as Chairman's Exhibit 2.

2 Mr. Sundlof, do you have any additional
3 exhibits?

4 MR. SUNDLOF: Yesterday, we identified as
5 Exhibit No. 62, the Corporation Commission letter. And
6 we have distributed that to the Committee, and we've
7 already identified it through the testimony.

8 Other than that, nothing else.

9 CHMN. CHENAL: And you'll have the opportunity
10 to have all those exhibits admitted. I don't think we've
11 formally done that yet, but we'll definitely give you
12 that opportunity before we finish.

13 Does the Committee have any procedural
14 questions before we begin?

15 (No response.)

16 CHMN. CHENAL: Mr. Sundlof, are there any
17 procedural matters?

18 Or, Mr. Taebel, any procedural matters we
19 should discuss before we begin?

20 MR. SUNDLOF: No, Your Honor, nothing.

21 CHMN. CHENAL: All right.

22 Then Mr. Taebel, why don't we turn it over to
23 you. And if you could indicate who your witness is, I'll
24 swear the witness in, and we can begin.

25 MR. TAEBEL: Does this work? I'm going to go

1 ahead and stand because if I sit, I won't speak very
2 clearly.

3 I just want to make a brief preliminary remark
4 too. First, I have with me JD Beatty. He's with the
5 Economic Development Department. But for this afternoon,
6 in light of some of the questions from yesterday, I've
7 also brought Charlotte McDermott. She's an attorney with
8 our office that does planning and zoning. And I've also
9 brought Lesley Davis, who is with the planning
10 department.

11 So Ms. Davis learned that she would be
12 attending this hearing about an hour and 15 minutes ago.
13 So I hope you all will be gentle if she's asked to
14 testify. And I hope you will bear with me if my
15 questions are not entirely scripted very well. And I
16 trust that you'll ask questions independently.
17 Certainly, that was the case with the gentleman yesterday
18 afternoon.

19 I'd also just like to make a brief statement
20 about sort of the City's position here this afternoon and
21 in this proceeding. And that is that the City is very
22 much in support of the issuance of a CEC for this
23 project. We think it's going to be a very valuable
24 project for the City of Mesa and its residents.

25 But we also respect the process that's

1 occurring here. We do respect that process. And we're
2 very confident in our own processes, and we'll talk a
3 little bit about that. But we do not view them as a
4 substitute for what's going to happen here today.

5 And so, again, I think we have some
6 information, and we support the CEC, and I hope that will
7 be helpful. But we do think that when you're making your
8 decision and working through the ultimate conditions and
9 terms of the CEC, that you'll take into consideration the
10 position and the evidence that was presented by the
11 applicant, by the City, and also the public comments of
12 the residents of the City of Mesa.

13 Thank you for letting me make that little
14 statement.

15 CHMN. CHENAL: Sure.

16 Mr. Taebel, before we swear in the witness,
17 Mr. Beatty, can you give me the names and positions of
18 the additional people that you brought from Mesa.

19 MR. TAEBEL: So Charlotte is not going to be
20 testifying. She's just going to tell me what I didn't
21 ask the right way.

22 And Lesley is a senior planner.

23 CHMN. CHENAL: And it's Lesley --

24 MR. TAEBEL: Davis.

25 CHMN. CHENAL: And the other person?

1 MR. TAEBEL: JD, your position?

2 MR. BEATTY: Economic development project
3 manager.

4 CHMN. CHENAL: And the other person that may
5 not testify?

6 MR. TAEBEL: Charlotte McDermott.

7 Charlotte, do you want to come up and make an
8 appearance?

9 MS. MCDERMOTT: Good afternoon. My name is
10 Charlotte McDermott. I'm one of the assistant city
11 attorneys for the City of Mesa. And I'm one of the
12 attorneys over the land use that handles planning and
13 zoning for the City.

14 CHMN. CHENAL: Thank you very much.

15 MEMBER HAENICHEN: Mr. Chairman?

16 CHMN. CHENAL: Yes, Member Haenichen.

17 MEMBER HAENICHEN: Mr. Taebel, a moment ago,
18 you made a statement about the City's support for this
19 project and that it was going to be of great value to the
20 City of Mesa. In what way is it going to be of great
21 value?

22 MR. TAEBEL: I'm hoping that Mr. Beatty can
23 provide some testimony about some of the benefits of the
24 project to the City.

25 MEMBER HAENICHEN: So you don't know them

1 yourself? What's your opinion?

2 MR. TAEBEL: I don't want to become a witness,
3 Member Haenichen, but I will say that I put a substantial
4 amount of my own personal work into some of the documents
5 that ultimately reflect what will become this project.
6 And I think it's going to be a very good project for the
7 City of Mesa. I think some of the benefits that will be
8 provided to the City, there's -- the project will
9 potentially encompass a \$1 billion capital investment on
10 this 187-acre parcel, a million square feet of usable
11 space. There will be jobs that come with it. Now, data
12 centers don't have as many jobs as some other types of
13 facilities, but the jobs that will come have an average
14 salary of I think it's \$65,000 a year.

15 And the City of Mesa benefits because on the
16 sale of utilities to the facility. So energy that SRP
17 provides the project will generate sales tax revenue.
18 The project will become a large water customer for the
19 City of Mesa. That generates revenues that are used to
20 fund police and fire services.

21 And, interestingly, on a project like this,
22 because there's a relatively modest employee count, the
23 demand for those types of public safety services from
24 this particular facility is relatively modest. So these
25 are some benefits that accrue to Mesa and its residents.

1 MEMBER HAENICHEN: Thank you.

2 CHMN. CHENAL: All right. So if you would
3 like, I'm prepared to swear the witness in.

4 MR. TAEBEL: Please.

5 CHMN. CHENAL: Okay. Mr. Beatty, do you prefer
6 to an oath or affirmation?

7 MR. BEATTY: Oath.

8

9 JD BEATTY,

10 called as a witness herein, having been first duly sworn
11 by the Chairman to speak the whole truth and nothing but
12 the truth, was examined and testified as follows:

13

14 DIRECT EXAMINATION

15 BY MR. TAEBEL:

16 Q. Can you go ahead and state your name for the
17 record.

18 A. Yeah. JD Beatty.

19 Q. JD, are you currently employed with the City of
20 Mesa?

21 A. I am.

22 Q. Can you tell us your position.

23 A. Sure.

24 I'm an economic development project manager for
25 the City's Office of Economic Development.

1 Q. And how long have you had that position?

2 A. I've been in this role for about seven years.

3 Q. Do you have any degrees?

4 A. I do. I have a bachelor's degree. It's in
5 marketing, tourism, and German from Arizona State
6 University.

7 Q. Prior to the City of Mesa, what did you do?

8 A. Prior to being with the City, I was at CBRE
9 Real Estate Group, a Fortune 500 company. I was
10 specifically with their labor analytics group, which is a
11 national site selection consulting agency performing
12 labor analytics and site selection.

13 Q. Can you summarize for the members of the
14 Committee your job responsibilities with the City.

15 A. Sure.

16 So there are many in economic development, but
17 certainly one of my main focuses is the Elliot Road
18 Technology Corridor and the Gateway area of southeast
19 Mesa. I have also led the City's data center initiative
20 since I've been at the City and have worked on every data
21 center development project that has come through the City
22 whether it has landed in Mesa or not.

23 I also do a substantial amount of work at
24 Riverview around the Cubs Park and have worked on
25 projects and different initiatives around the city during

1 my tenure at the City of Mesa.

2 Q. So we'll come back to explore some more your
3 data center experience.

4 I want to talk for just a minute about this
5 particular proceeding. We're here to talk about a
6 Certificate of Environmental Compatibility for
7 transmission-related facilities for Project Red Hawk.

8 Are you familiar with Project Red Hawk?

9 A. Yes. I was the project manager for Project Red
10 Hawk for our office.

11 Q. And we'll get into maybe some more details, but
12 can you just explain to the Committee what was Project
13 Red Hawk.

14 A. Sure.

15 So Project Red Hawk was Google and was a
16 lengthy site selection process and due diligence period
17 that my office assisted with. And I directly, along with
18 many City staff, assisted with locating here to Mesa,
19 which was a lot of planning and zoning processes and a
20 lot of substantial coordination between both the City,
21 Google and their subsidiary, their representative, as
22 well as numerous other City departments, SRP, telecom
23 providers, and a host of other entities that go into
24 making a successful site selection process.

25 Q. Now, in the economic development world, is it

1 common to use a pseudonym?

2 A. Yes. It's extremely common. Just about any
3 project that comes through our office usually has a
4 project code name assigned to it due to the confidential
5 nature often of the company and their competitive
6 interests. A lot of times, these projects do come
7 through our regional and state groups, like the Arizona
8 Commerce Authority and Greater Phoenix Economic Council.
9 Those groups usually ascribe the project name.

10 Q. So, in other words, the interested entity gives
11 you a code word to use?

12 A. Yeah. Sometimes they'll provide one or
13 sometimes GPEC or ACA thinks one up. But in this case, I
14 believe the code name Red Hawk was provided by the end
15 user or Google and its affiliate.

16 Q. And, again, it's very common, not specific to
17 Mesa?

18 A. Correct.

19 Q. Today, we know that Red Hawk is a project that
20 involves a Google subsidiary?

21 A. Yes.

22 Q. Now, there's two documents that we might look
23 at that are sort of reflective of the relationship that
24 the City has with the property owner, the Red Hawk
25 Project property owner, that we may talk about today.

1 And we'll get to those in a little bit.

2 But one is Exhibit H-1. That's the development
3 plan.

4 A. Yes.

5 Q. And that's a zoning-related document?

6 A. Yes.

7 Q. And we're going to talk about this a little bit
8 less, but there's also a Development Agreement. And the
9 Development Agreement has more specifics that relate to
10 what people in the industry commonly called entitlements
11 associated with the 187 acres. Is that fair?

12 A. Yeah, I would say that's fair. The Development
13 Agreement also covers a variety of topics that may not
14 necessarily be applicable to zoning or standard
15 development standards but may cover extra agreements
16 between the City and a third party, in this case, Google.

17 Q. So let's talk about this for a minute. This is
18 a data center project?

19 A. Yes.

20 Q. Hyperscale data center project?

21 A. Right.

22 Q. How many similar projects to this are there in
23 Mesa currently?

24 A. Sure.

25 So as part of the Elliot Road Tech Corridor,

1 there have been a substantial number of new development
2 projects that have come forward in the data center space.
3 I know the previous witness yesterday talked that was a
4 data center expert did a good job of covering a lot of
5 the specifics of the data center industry.

6 But locally, the data center world has really
7 taken off in Phoenix. We're actually one of the top five
8 markets for data center leasing and absorption activity
9 in the country, which is an exciting thing as a business
10 and as an industry.

11 But for Mesa, specifically, the first group
12 that came forward was DuPont Fabros Technologies
13 purchased about 57 and a half acres in May of 2017. They
14 were then acquired by Digital Realty in a public merger.
15 They were both publicly traded firms. Digital Realty
16 then owned the site, effectively.

17 After Digital Realty/DuPont Fabros purchase, it
18 was then EdgeConnex acquired 170 acres which is about 2
19 miles to the east of this project site.

20 Then next was CyrusOne, which acquired -- or,
21 no, take that back. EdgeCore acquired 25 acres with an
22 option on an additional 25 in March 2018. And then
23 CyrusOne acquired 68 acres in about May of 2018.

24 Most recently, shortly after Google, then
25 Ragingwire is a new group that acquired about 102 acres

1 in July of 2019.

2 So we've had about five or six very large
3 enterprise hyperscale data center groups that have come
4 forward in Mesa.

5 EdgeCore is the only one that has currently
6 constructed their first building. You will see it or may
7 have seen it on your tour today. I'm not sure. It was
8 along Elliot Road south and is part of Eastmark's master
9 planned development. They have intentions to build seven
10 such buildings of about 200,000 square feet, totaling 225
11 megawatts and totaling close to \$2 billion of investment
12 in that facility.

13 The other groups are at various stages of the
14 preconstruction process and design. But certainly, while
15 Google and Project Red Hawk is a very unique project,
16 it's not a completely new development for Mesa, as I just
17 described some of those previous projects.

18 And then I forgot to mention Apple, who has
19 their 1.3 million-square-foot global command center on
20 Signal Butte and Elliot, which was a former First Solar
21 manufacturing facility that they repurposed into
22 primarily a data center but also do some assembly work
23 there and have about 150 employees and is a huge facility
24 that would probably be fairly similar to what would be
25 developed here.

1 Q. Now, earlier, Member Haenichen asked about some
2 of the benefits of this project.

3 A. Sure.

4 Q. Can you expand a little bit on what I had said.

5 A. Yeah,

6 Well, you did a great job. You should maybe
7 consider switching over to my department there, Bill.

8 But data centers certainly do get knocked in
9 the economic development world sometimes for their lack
10 of job creation compared to perhaps standard
11 manufacturing industries.

12 However, the jobs they do create are highly
13 skilled. These are data center engineers. These are
14 software technicians that are doing consistent
15 maintenance on the facility. And then they do have
16 support personnel. So while the job count may not be as
17 significant as a manufacturer that goes into 200-, 400-,
18 600,000 square feet of space, they are highly skilled
19 jobs. And as Bill has mentioned, Red Hawk has committed
20 that the average salary of those positions here will be
21 \$65,000 a year, which is about -- probably about close to
22 double what the county median wage is for Maricopa
23 County.

24 In addition to just the job count, it's really
25 about the capital investment these companies are making

1 in this facility and in the community. The capital
2 expenditure to simply construct these facilities is
3 several hundred million dollars, typically, and the
4 servers and equipment they are also putting into the
5 facility is several X of that amount.

6 So there are a number of tax advantages,
7 certainly, that the City and the community, also the
8 state and county, benefit from, from data center
9 development.

10 As Bill mentioned, one of the largest ones
11 happens to be from electric utility sales. So in Mesa,
12 we have a 2 percent sales tax on the electric utility
13 which is levied against all electricity users. And for
14 some scale here, a 100-megawatt facility will generate
15 about a million dollars roughly directly to the City, not
16 counting the county or the state, directly to the City in
17 the sales tax.

18 And so when you have these large groups
19 clustering together, you've heard some of the megawatt
20 numbers that could be expected at this facility and you
21 total that with some of the other developments we have,
22 this is effectively a new industry in Mesa and a new type
23 of facility. So these are -- it's a new revenue stream
24 for the City that we can use to build fire stations, to
25 improve parks, to do public infrastructure improvements.

1 And it's really also about diversifying our
2 industry. Prior to about five years ago, this industry
3 didn't exist in Mesa. There were a couple small data
4 centers. AT&T has one on University and Alma School.
5 That's about a 3-megawatt data center. There's another
6 small one along Broadway. You also have some of the
7 telecom groups like CenturyLink and Zayo that have small
8 facilities.

9 But, really, as a community that's been focused
10 on aerospace, manufacturing, defense, and as a state and
11 as a region around construction that was hit very hard in
12 the economic downturn, in economic development, we have
13 to look at how do we diversify our local economy. How do
14 we find new industries to strengthen our resolve as a
15 community when there are economic issues and economic
16 downturns. So bringing the data center community into
17 Mesa we see as an extremely beneficial thing for really
18 diversifying our economic base.

19 We're also very fortunate in Mesa that we do
20 have so much additional land to develop. As you drove
21 out in your tour, there is a lot of vacant land and
22 dairies and things that are -- development is strong in
23 the Gateway area. Just about all of the city of Tempe
24 could fit in Gateway in Mesa, just for some perspective.

25 And so we're fortunate that we have a lot of

1 land left to develop in Mesa, where we need to be
2 strategic about where we place different industries and
3 how different developments, of course, affect the
4 neighboring areas but also help promote strong job
5 growth.

6 So you may be surprised or maybe not surprised
7 to know, for Mesa, for every member of the labor force
8 that lives in Mesa, there's only a third of a job.
9 Compare that to other communities like Tempe or
10 Scottsdale or even the city of Phoenix, most of those
11 communities import more jobs than they export.

12 And for us, as a long-time bedroom community --
13 typically is how we've been viewed -- we want to know how
14 can we bring more jobs, investment, development, and
15 commercial activity to Mesa because it's certainly been
16 proven that when you have a stronger employment base, you
17 have a more diversified workforce, you have a stronger
18 local economy. And so, for Mesa, it's how do we continue
19 to kind of change that -- that perspective or that view
20 of being a bedroom community and creating more jobs for
21 our residents.

22 Sorry, I'm in economic development. I could
23 ramble on about this for a while. But hopefully, that
24 answered the gist of it. But really, for this project,
25 there are a lot of benefits.

1 And you also touched on the other one, which is
2 the significant decreased burden on public services as
3 well. These sort of developments do not really impact
4 your roads or degrade your transportation areas where you
5 have as much traffic. There's not as many calls for
6 service which cost money to the City of Mesa and to
7 residents for police, fire, and everything else. So
8 there is kind of that reduced environmental impact, at
9 least, for -- maybe "environmental" is the wrong word,
10 perhaps -- the built environment and infrastructure, I
11 should say.

12 CHMN. CHENAL: A couple questions.

13 Oh, we have a number of questions. I see hands
14 up all down the line.

15 Let's start with Member Gentles.

16 MEMBER GENTLES: Thank you, Mr. Chair.

17 Thank you, Mr. Beatty for that overview.

18 You're obviously very passionate about your job and
19 clearly know it well.

20 So you talked about the macroeconomic benefit
21 to the City.

22 MR. BEATTY: Uh-huh.

23 MEMBER GENTLES: Can we go a little bit more
24 micro for a minute.

25 MR. BEATTY: Okay.

1 MEMBER GENTLES: So the residents on Peralta,
2 tell us the benefit to them.

3 MR. BEATTY: You know, it's harder to certainly
4 assess the impact down to a specific street.

5 MEMBER GENTLES: Well, let me just rephrase
6 that. The street is just a metaphor for the community.

7 MR. BEATTY: Right.

8 MR. TAEBEL: Can I ask JD a question that might
9 follow up on that?

10 MEMBER GENTLES: Sure.

11 Q. BY MR. TAEBEL: Mr. Beatty, are you familiar
12 with the property tax scheme in the City of Mesa?

13 A. Yes.

14 Q. The City of Mesa does not have a primary
15 property tax; is that true?

16 A. That's correct.

17 Q. So the way the City of Mesa funds public safety
18 is through things like the sales tax and the sale of
19 utilities. Is this true?

20 A. Correct.

21 Q. So we can look at the micro impacts to any
22 particular home. But when we do, we should consider that
23 the way that the streets, fire, police, all the city
24 services, including my presence here, along with JD's
25 today, is funded through projects like this. Is that

1 fair, JD?

2 A. Yeah, I would say that that's fair.

3 And to -- I'm sorry. Do you have something
4 else to add?

5 So it can be difficult to assess the impact
6 directly to -- the economic impact to one particular
7 specific area.

8 However, I do believe in attracting employers
9 and fostering development in an area does have a positive
10 benefit to bring ancillary services, bringing new
11 development that residents will be able to benefit from.
12 I think that you look at retail development, commercial
13 development that most residents like to take advantage
14 of, like shopping centers and entertainment, like to be
15 around employers. And I think when you look at the
16 overarching development of this area, it is still largely
17 undeveloped. I do think it will take a while for that
18 impact to start being developed.

19 And I think as development continues in this
20 area, this is, I think, a large project that would be a
21 very big driver for being able to have groups that want
22 to be close to a Google multi-billion-dollar development.

23 Q. Yesterday, the gentleman -- the expert witness
24 that testified about data centers, he mentioned an area
25 in Virginia. Are you familiar with the area that he was

1 speaking of?

2 A. Yeah. Ashburn, Loudoun County, Virginia, yes.

3 Q. So, again, we don't necessarily think that this
4 reflects the impact on an individual piece of property.
5 Understood.

6 But can you explain a little bit about sort of
7 the impacts of data centers in Virginia as perceived, at
8 least, by the economic development community?

9 A. Sure.

10 So, you know, obviously, excluding kind of the
11 differences in tax structure and, you know, how those
12 things kind of things play out, I think the quoted number
13 is usually about 70 percent of the world's Internet flows
14 through Ashburn and through the data centers that are
15 present there.

16 But one of the things that they have been is
17 really the case study for how data center development can
18 impact the local community. They actually estimated from
19 an Oxford economic study that the data center industry in
20 that county, the impact to the average homeowner also in
21 that county is a savings of about \$1,000 in property
22 taxes per year, which is pretty significant for one
23 industry or development type to have that sort of direct
24 impact on just the average residential homeowner.

25 The economic impact usually for data centers in

1 that area, they have said that the county --
2 specifically, the county realizes about a 9-to-1 ratio in
3 economic impact with data center development. For every
4 dollar that's spent in data center development is
5 returned into the local community ninefold. So I do
6 think there is a local economic benefit and impact that's
7 felt in the community.

8 MEMBER GENTLES: So would it be safe to assume
9 that you outlined these economic impacts to the local
10 community at the open houses?

11 MR. BEATTY: I do not believe those were
12 outlined, as they are typically not part of the standard
13 planning and zoning procedure.

14 MEMBER GENTLES: So at the public hearing,
15 community members didn't ask about the impact on them and
16 their residents and their community directly?

17 Q. BY MR. TAEBEL: JD, did you attend the public
18 hearing?

19 A. No. And that's what I was going to say.

20 MR. TAEBEL: So, Member Gentles, perhaps we can
21 have Ms. Davis testify about what occurred at some of the
22 zoning-based hearings.

23 MEMBER GENTLES: We can do that as the
24 procedure continues, but I just wanted to have that on
25 the record in hearing from you guys.

1 Thank you, Mr. Chair.

2 CHMN. CHENAL: Sure.

3 Member Hamway, did you have a question?

4 MEMBER HAMWAY: I have a couple of questions.

5 I'm assuming that the other data centers that
6 you mentioned are smaller in land. You said they were.
7 So none of them are currently employ -- what is it,
8 employment opportunity district?

9 MR. BEATTY: Correct.

10 MEMBER HAMWAY: Okay. So were they rezoned?

11 MR. BEATTY: So it's a little bit -- it's a
12 similar mechanism called something slightly different.
13 But in the Elliot Road Tech Corridor that was mentioned
14 yesterday, we do have a planned area development, light
15 industrial overlay, which is essentially what we put in
16 place back in November of 2014 and was approved by
17 council, and that overlay district provides certain
18 guidelines that actually are quite similar to the EO
19 district but are called something different, essentially.
20 And that overlay zone does contain a number of these data
21 center groups which actually opted in to that overlay.

22 So the prob- -- sorry. I mean, I can kind of
23 explain a little more. When that overlay was put in
24 place, it was a City-run zoning case that covered an area
25 that I believe you saw on the map previously. And,

1 apologies, I can't remember which exhibit. But really
2 stretched from Hawes Road to Signal Butte, bounded on the
3 south by Elliot and on the north by the SRP power lines.
4 And that overlay then allowed for property owners to opt
5 in their zoning whenever they saw fit to do so by going
6 through a process to basically change their zoning from
7 whatever the existing based zoning district was to light
8 industrial with a PAD.

9 And so that process to opt in basically still
10 requires a council action in going to the council with a
11 development agreement. But it would change your zoning.
12 So if you had AG as your zoning, which some of those
13 property owners did, it would change your zoning by going
14 to council with a development agreement to LI with a PAD.

15 The success of the Elliot Road Tech Corridor
16 that we had from passing it in 2014, it still took
17 several years to catch on. And out of the groups I
18 mentioned, EdgeConnex was one group that opted into the
19 overlay. Actually, the Dignity Health hospital on
20 Ellsworth and Elliot also opted into the overlay, Digital
21 Realty has opted into the overlay, and Ragingwire had
22 opted into the overlay.

23 And, really, what we tried to do after the
24 success of that City-initiated zoning case was how do we
25 replicate that and potentially try to improve it, which

1 is where we thought we should create an actual firm
2 zoning district for this type of area. And so we did
3 that, and that was the creation of the EO zoning
4 district.

5 And, actually, we do -- I think you -- someone
6 had asked a question yesterday: Are there any other EO
7 districts?

8 There is one that is another similarly zoned
9 floating zone that's called the Pecos Road Employment
10 Opportunity Zone that covers about 1,030 acres south of
11 Phoenix-Mesa Gateway Airport. It's similar to the tech
12 corridor overlay in that it is floating and allows for
13 property owners to opt in. So it doesn't affect any of
14 the property owners' existing zoning but gives them
15 flexibility to help attract development and industrial.
16 Specifically, in that area, we're targeting a more
17 heavier industrial use. But certainly, what's unique
18 about Red Hawk is they are the first group to hard zone
19 their site EO, which you have to have a minimum of 160
20 acres to obtain an EO zoning.

21 MEMBER HAMWAY: So is it Mesa's general
22 practice to get Prop 207 waivers when people opt into
23 these floating things? Or on this particular EO, have
24 you -- do you have Prop 207 waivers from the different
25 contiguous properties?

1 MR. BEATTY: I do not know the answer to that
2 personally. I would probably have to defer to either
3 Bill or potentially Lesley Davis, our planner, on that.

4 MEMBER HAMWAY: Okay. Another question. You
5 had said that the Apple site --

6 MR. BEATTY: Uh-huh.

7 MEMBER HAMWAY: -- which was a repurpose for a
8 solar site --

9 MR. BEATTY: Uh-huh.

10 MEMBER HAMWAY: -- was similar to this. But
11 doesn't that have a height limitation and wasn't that a
12 one-story building? Where this is -- now you've allowed
13 buildings up to 150 feet?

14 MR. BEATTY: Sure.

15 MEMBER HAMWAY: So that's not dissimilar.

16 MR. BEATTY: So I can address that in a couple
17 things. So the Apple facility is also part of Eastmark.
18 And south of Elliot, they also have a different sort of
19 zoning. They are a community plan or a planned community
20 that covers 3200 acres. They have a number of land use
21 groups that they are allowed to designate in certain
22 areas that allow for different densities of development.

23 In that area along Elliot, they do have -- is
24 where they are planned for light industrial and
25 commercial employment-related uses. I don't know the

1 exact height maximum offhand, but I do know that it's
2 around 170, 180 feet.

3 So one thing I want to stress is a height
4 maximum from city zoning does not necessitate that the
5 development in that area will be 150 or 180 or whatever
6 feet.

7 But I do understand the concern, obviously,
8 about the height maximum that is in place in the EO zone
9 for Red Hawk.

10 We do have that same 150-foot height maximum in
11 the Elliot Road Tech Corridor, which is really where that
12 came from and why the City was comfortable with that
13 height limitation.

14 I know it sounds a little exorbitant to add 150
15 feet, but I can tell you in 2014, before any of these
16 data centers had really located in Mesa and were
17 interested in Mesa, we viewed the tech corridor and still
18 view it as an opportunity for a diverse amount of
19 development. Of course, the data centers is what the
20 market is kind of driving. But we would love to see
21 high-story office buildings and new employment centers
22 and new supporting retail and a diverse mix of employment
23 in the Elliot Road Tech Corridor. And there is still
24 land to do those sorts of things, and we're starting to
25 see other industrial development fill in to where the

1 data centers took some large pieces of land.

2 The other thing is specific to data centers,
3 also specific to Phoenix and Arizona market, a lot of the
4 pictures that were shown in some of those exhibits showed
5 Singapore and the Netherlands, and I think there was one
6 showing essentially the Bay Area. I can't recall. But I
7 think it was touched on yesterday.

8 But the land value in some of those markets,
9 especially the land availability, is so scarce that they
10 have to go that vertical.

11 So take Santa Ana, which is another large data
12 center market on the West Coast. Land trades there for
13 28 to 32 bucks a foot. Here in Mesa, most of this land
14 is trading for between 4 and 6, and it's starting to go
15 upwards to 7.

16 So really, the incentive for going that
17 vertical is nowhere near as drastic as it is in other
18 markets. Other data centers that have been approved with
19 their site plans in Mesa have much, much lower heights.

20 So, to be more specific, EdgeConnex has a
21 200,000-square-foot building approved in Mesa about 2
22 miles to the east of this site. Their height is 40 feet
23 of what they intend to build.

24 EdgeCore's building that was built is a
25 two-story data center and is 46 feet tall.

1 The Digital Realty campus, which is still in
2 the planning stages, is 60 -- well, let me check because
3 I wrote that one down -- is the tallest of the groups
4 that have been approved, but is 69 feet.

5 Additionally, the Raging Wire facility that is
6 still going forward with planning is 62 feet.

7 So I find it highly improbable that Red Hawk
8 would look to build a bunch of 150-foot tall buildings
9 because the way that the landscape is set up in Mesa with
10 a large amount of land availability doesn't make as much
11 sense. They can still get the scale and the density they
12 need with a one- to two-story data center. I'll preface
13 this by saying I'm not making any claims about what Red
14 Hawk will do or won't do because I have not seen any site
15 plans, and that's one of the difficulties we've had, both
16 on your side and on ours, of not having a lot of concrete
17 information of what they intend to build.

18 But I can just say that similar developments
19 around all of Phoenix, and not just Mesa, CyrusOne,
20 Digital Realty, IO, Aligned in Phoenix -- the new
21 developments that -- Microsoft in Goodyear, I believe, is
22 a two-story facility. I don't know the exact height, but
23 you guys might know more than I do.

24 But the intended height of those developments
25 is certainly very unlikely to be 150 feet. The largest

1 we've seen so far is about 69 foot. And that's the top
2 of mechanical screening. The roof line is about 12 to 15
3 feet lower.

4 MEMBER HAMWAY: That's all.

5 CHMN. CHENAL: Member Haenichen.

6 MEMBER HAENICHEN: I have a couple of things I
7 want to ask you about. One of them that just occurred to
8 me based on the conversation you were just -- have you
9 done any calculation about how much square footage of
10 land, assuming no underground parking structures is
11 required, per square foot of a building for an employer?

12 MR. BEATTY: Can you repeat that? How much
13 square footage ...

14 MEMBER HAENICHEN: The land use doesn't only
15 include the buildings and landscaping. It includes
16 parking. So it's a parking question.

17 MR. BEATTY: I still think I'm maybe having
18 trouble understanding. So how much parking is assigned?

19 MEMBER HAENICHEN: Let's say you have a
20 million-square-foot building going up. Has anybody
21 figured out how much parking that's going to take?

22 MR. BEATTY: This might be a question for
23 Lesley, in planning, but there are pre-ascribed -- we
24 have city standards for how much parking is allotted
25 based on the type of development.

1 And typically, for -- I don't know the ratio
2 offhand to be honest, but there is certainly city
3 guidelines, and then there's, of course, the needs of the
4 employer for how much parking they need. And we do take
5 that into account what variances are required. I just
6 don't have a number directly for you, but I hope my
7 counterpart can answer that.

8 MEMBER HAENICHEN: That wasn't my main interest
9 anyway.

10 MR. BEATTY: Okay.

11 MEMBER HAENICHEN: The main thing I wanted to
12 ask you about relates to the question I asked Mr. Taebel
13 earlier about the benefit to the City.

14 MR. BEATTY: Uh-huh.

15 MEMBER HAENICHEN: And in my case very
16 specifically, it's the monetary benefit. But excluding
17 one-off benefits like when the buildings are being built,
18 all kinds of people will be going to restaurants and all
19 that stuff.

20 Do you have any feel or has anybody tried to
21 take a stab at calculating an actual ongoing input
22 monetary benefit to the City from this project at
23 buildout?

24 MR. BEATTY: Sure.

25 MR. TAEBEL: Can I just interrupt for one

1 moment.

2 One thing to consider, Member Haenichen, is
3 that the entity, Google in this case, is extraordinarily
4 concerned about information that deals very directly with
5 things like the numbers you just asked because a
6 competitor can take that information and use it to
7 reverse engineer information about their operation, which
8 would then give them a competitive advantage out there in
9 the world. So this, again, is one of the things that
10 we've tried to deal with when we're luring entities to
11 the city of Mesa.

12 So I wonder if Mr. Beatty could answer your
13 question more in the abstract and not specific to this
14 project.

15 Q. BY MR. TAEBEL: But if we had a data center
16 that had a demand of 250 megawatts and other similar
17 needs, do you have information about the economic effects
18 of that?

19 A. Yeah. Thank you, Bill, for making that
20 distinction, and I can certainly do that.

21 In the general sense, again, the most direct
22 fiscal benefit to the City of Mesa for data center
23 development is around the sales tax on electricity. So
24 if you have a 100-megawatt data center, I can tell you it
25 is roughly a million dollars directly to the City of Mesa

1 in sales tax off electricity.

2 Q. And that's annual?

3 A. And that's annually.

4 And the other positive is certainly these data
5 centers don't turn off. They don't like to, and there
6 are grand repercussions, as Mr. Fairfax described
7 yesterday. And so you don't really have the seasonality
8 you have with other power customers. Of course, there's
9 some. They're going to use more power in the summer than
10 in the winter. But on average, when they're using 100
11 megawatts, that's about a million dollars in direct city
12 sales tax.

13 The other economic benefits that I know you
14 mentioned that are potentially one time, like the
15 construction sales tax is certainly a large, kind of
16 one-time generator when they're building the actual
17 building itself.

18 However, specifically with data centers, the
19 rule of thumb is these things have to be refreshed every
20 three to five years. This equipment is hundreds of
21 millions of dollars in investment that they're making
22 into these individual facilities. And there are personal
23 property tax rates ascribed to that investment.
24 Fortunately or unfortunately, depending on how you look
25 at it, Arizona has a very accelerated depreciation

1 schedule, which depreciates some of those assets quite
2 quickly when compared to other states. However, there is
3 still a substantial -- it's depreciated over five years
4 for computer server equipment. Other manufacturing
5 equipment is often depreciated over 10 or 20, depending
6 on the life cycle of that particular piece of equipment.

7 But when they are purchasing these large
8 amounts of servers and reinvesting them or placing them
9 into their facilities locally, there is a personal
10 property tax that's ascribed to that, again, depending on
11 the scale at which they are replacing those servers,
12 there is a substantial direct benefit to the city,
13 county, and state. There are some state incentives that
14 can mitigate some of the state burden as well as
15 potentially the county, but not as much as -- not at the
16 local level.

17 And I think those are probably the main
18 benefits. And then, as Bill mentioned, certainly on the
19 utilities that they draw from the City of Mesa as we are
20 the water provider as well as natural gas. However, I do
21 not anticipate this project utilizing natural gas.

22 MEMBER HAENICHEN: So what you just described
23 is not quite as bad as a one-off, but it's every few
24 years? Would that be a fair statement?

25 MR. BEATTY: At least as far as the personal

1 property tax from the equipment they're putting in is
2 every couple of years and goes into perpetuity until the
3 life cycle of the data center.

4 MEMBER HAENICHEN: Thank you.

5 MR. BEATTY: Sure.

6 CHMN. CHENAL: Member Riggins.

7 MEMBER RIGGINS: Mr. Beatty, so if this project
8 is granted a CEC and the developer begins construction,
9 so as they finalize their plans, they're going to put
10 building 1 here. Does that go before the city council
11 and before Planning and essentially go before another
12 public process once they finalize that plan and begin
13 construction?

14 MR. BEATTY: So thanks for the question. I
15 will answer that, and Lesley can expand on it if I miss
16 anything.

17 So it does not go back before city council.
18 Rezoning do go before city counsel. So the
19 establishment of this EO zoning district did go to city
20 council. But for the future development of the site,
21 specifically, under the EO zoning district guidelines,
22 there is still very much a public process in keeping the
23 neighbors and the public apprised of that process.

24 So there is an administrative action that is
25 taken for approving the site plan. And before that

1 administrative action is taken, there is still a public
2 notification process where neighbors within 750 feet
3 receive a mailing similar to SRP's process; and also HOAs
4 within a mile, I believe, are also notified.

5 And that is before an administrative action is
6 taken to approve or disapprove the site plan. That
7 administrative action is taken by the planning director,
8 and certainly the mailers do provide contact information
9 for the assigned planner to be reached out to, and the
10 public can certainly still voice their concerns with the
11 site plan and how it is laid out.

12 There is also the Design Review Board, which is
13 a public works session, and there is an opportunity to
14 voice comments to the Design Review Board about their
15 concerns about the aesthetics and looks of the building
16 as Design Review Board's purview is set to.

17 So there are still those opportunities for
18 public comment and input on this project moving forward
19 that would be for whenever they begin construction. And
20 they cannot receive building permits until they have an
21 approved site plan and design review is in concurrence
22 with that.

23 MR. TAEBEL: Member Riggins, if I may, I would
24 like to expand on this just a little bit for the members
25 of the Committee because I think it's important.

1 So I want to talk for just a minute about the
2 Development Agreement that covers this property. And the
3 Development Agreement is 100 pages. And if I had to make
4 25 copies, that would have been 2,500 pages, and I'm
5 really only going to read one sentence from this
6 document. So I hope you'll all bear with me. I think
7 the Committee can take judicial notice of the document.

8 It's recorded. It's 2019 0639625. It was
9 recorded on August 19th of this year at 3:22 p.m. So
10 it's a public document.

11 This is a document between the City of Mesa and
12 the landowner of the 187-acre parcel that's the subject
13 of this hearing. And I want to just read a part of
14 section 3, which I had marked and now I've lost.

15 Q. BY MR. TAEBEL: First, JD, are you familiar
16 with this document?

17 A. Yes.

18 Q. You were integrally involved in the negotiation
19 of the provisions of this document?

20 A. Yes.

21 Q. Section 3.1(a). "Pursuant to the Zoning, site
22 plans, elevations, and landscape plans are subject to
23 approval by the Planning Director prior to issuance of a
24 building permit, pursuant to the procedures outlined in
25 Sections 11-14-7 and 11-14-10 of the Mesa -- of the City

1 of Mesa Zoning Ordinance.

2 So, JD, are you somewhat familiar with that
3 provision?

4 A. Yes.

5 MR. TAEBEL: If I could beg the indulgence of
6 the Committee again, would it be possible to run a web
7 search and pull up the Mesa City zoning code, again, a
8 public document. I'd just like to put this on the screen
9 so the Committee members can see what it says.

10 CHMN. CHENAL: Do you have the technical
11 ability to bring it up on the screen?

12 MR. TAEBEL: I thought they did, but maybe they
13 didn't.

14 CHMN. CHENAL: I don't think it's a problem if
15 you can bring it up.

16 MR. TAEBEL: Can you try to bring it up.

17 CHMN. CHENAL: And, Mr. Taebel, when that's
18 accessed, would you describe for the record what we're
19 looking at before you start explaining anything.

20 MR. TAEBEL: I'll do my best, Mr. Chairman.

21 In the search bar, can you type in Mesa city
22 code. Oh, I have help now. Thanks, Lesley.

23 MS. DAVIS: Which section?

24 MR. TAEBEL: Let's do 10.

25 So, Mr. Chairman, I think what we have done

1 here is we have used Google to run a web search to get to
2 the City of Mesa's website. And once we were at the City
3 of Mesa's website, a City of Mesa employee was able to
4 pull up the Mesa City code and specifically the part of
5 the Mesa City code that is commonly known as the zoning
6 code.

7 And what we're looking at here is Section
8 11-14-10, which was referenced in the sentence that I
9 read and that Mr. JD had confirmed that he was somewhat
10 familiar with.

11 Q. BY MR. TAEBEL: Fair, JD?

12 A. Yes.

13 Q. So this provision outlines the process of the
14 administrative approval that you were discussing. Is
15 that fair, JD?

16 A. Yes.

17 MR. TAEBEL: Now, Lesley may be able to add
18 some additional context to this, but can we scroll down
19 to (b). Scroll down just a little bit.

20 I think I'm going to have to come around.

21 Q. BY MR. TAEBEL: So, JD, what we see on (b) is
22 the notice that's required, the City has held itself
23 through adoption of its own city code, that's provided to
24 both the property owner and neighboring property owners
25 of an administrative action that affects the property; is

1 that fair?

2 A. Yes.

3 Q. And can you just sort of summarize what you see
4 there, what's going on and based on your own experience
5 with this process.

6 A. Sure.

7 So when an application for a site plan is
8 received under the EO district, compared to other
9 districts which would have the planning and zoning
10 hearing, this is a date and time set for an
11 administrative action.

12 And so, similar to the public hearing process,
13 there is still public notification in this EO district.
14 So there will be mailings and notifications sent out
15 within -- it's hard for me to read that -- within 750
16 feet of the property. All property owners will be
17 notified of that date and time of administrative action,
18 at which time they will be able to call that planner or
19 email them or reach out to the City to voice their
20 concerns, which are then being gathered, essentially, to
21 then inform their decision on approval or denial of the
22 site plan review.

23 MR. TAEBEL: And can we scroll down just a
24 little bit more.

25 Q. BY MR. TAEBEL: And so we can see here in 4(b):

1 Provide comments expressing support or concern regarding
2 the request and list the basis for the support or
3 concern.

4 Is that your experience, JD?

5 A. Yes.

6 Q. So now we're in section (c), and the process
7 continues.

8 So the planning director has now taken the
9 comments into consideration and made a decision about the
10 site plan. The next part of the process?

11 A. Would then be to notify those same property
12 owners of that decision.

13 Q. So what's happening is we're giving the
14 property owners within 750 feet -- by the way, do we also
15 give notice -- and this may be a question for Lesley. Do
16 we also give notice to neighboring HOAs?

17 A. Yes, I believe so.

18 Q. But in this case, even if we didn't, since the
19 parcel that is the current transmission corridor is
20 already owned by the HOA for the northern subdivision,
21 the HOA would receive notice?

22 A. Correct. Their property address on file with
23 the county assessor would receive that notice.

24 Q. So we've given the property owners notice
25 before the decision is made, and now we're going to give

1 them notice after the decision is made?

2 A. Correct.

3 Q. So after the decision is made, then these
4 property owners have the opportunity to appeal the
5 decision?

6 A. Correct.

7 Q. And can we scroll down a little bit. That's
8 good. Oh, a little too far.

9 So in subsection (d), we see an action or
10 decision by the planning director on minor amendments,
11 site plan reviews, which is what is at issue here in the
12 future because we don't have the site plan yet -- or site
13 plan modifications may be appealed by the applicant or by
14 an owner of property located within 750 feet of the area
15 affected by the minor -- I can't read the rest of it.

16 So if you live within 750 feet, under this
17 section, you have the opportunity to ask for more review
18 from the City?

19 A. Yes.

20 Q. There are additional procedures after that
21 because when you work for the government, you're all
22 about due process, which is why we're here today.

23 JD, anything else to add on this?

24 A. Not that I can think of. I think you covered
25 it quite well.

1 CHMN. CHENAL: All right. Member Noland.

2 MEMBER NOLAND: Thank you, Mr. Chairman.

3 Mr. Beatty, you said that this property
4 actually was hard zoned for the appropriate zoning;
5 correct?

6 MR. BEATTY: So it was previously zoned light
7 industrial for the majority of the property. However,
8 about the northern fifth of it or so was zoned Planned
9 Employment Park or PEP. And then it was rezoned to
10 Employment Opportunity District or EO.

11 MEMBER NOLAND: By the property owner?

12 MR. BEATTY: Correct.

13 MEMBER NOLAND: Would that be Google?

14 MR. BEATTY: So at the time, and I can go
15 through some of the timing of that, the previous owner
16 was Morrison Ranch. And this property had obtained that
17 zoning of LI and PEP in 2006 and was the -- well, I
18 believe it was the Morrison Ranch Industrial Park
19 Development Master Plan was when they obtained that
20 zoning in 2006, which gave them the light industrial and
21 planned employment park zoning.

22 MEMBER NOLAND: And it was hard zoned, there
23 were hearings and so on and so forth; correct?

24 MR. BEATTY: Yes, in 2006.

25 MEMBER NOLAND: Did they submit a site plan,

1 which is required of most rezoning applications?

2 MR. BEATTY: You actually don't need a site
3 plan to rezone property. And the EO zone, we didn't have
4 a site plan when it was rezoned either. I personally
5 cannot attest to whether or not a site plan was provided
6 in 2006. But I'm sure there are City records, and we
7 could find out or perhaps Lesley knows.

8 MEMBER NOLAND: Well, Mesa may be one of the
9 cities that don't require that or maybe it's this
10 particular kind of zone. Most cities do to stop
11 speculation and get some kind of idea of what's going to
12 be on the property so when people come to a public
13 hearing for a rezoning, they know what to object to or
14 agree to or whatever.

15 So that's big. No plans.

16 Now, we get to this hearing, and the people go
17 to an open house. And all I read in the comments is
18 that's vague. No plans.

19 That's the issue we're dealing with here. It's
20 all kind of smoke and mirrors at this point. We don't
21 know what's going where, what height it's going to be,
22 how many transformers. What we're worried about right
23 now is the site of the switchyard. But I'm even
24 concerned that we're not dealing with the poles and the
25 lines going into this. But, you know, you've all made --

1 not you, City of Mesa, but you, the applicant here, has
2 determined that those are delivery lines, not
3 transmission lines.

4 The comments that are commented on over and
5 over and over again that I read last night are that
6 nobody knows what's going to happen to this property.
7 All they know is that the switchyard is going to be the
8 closest to their -- the current residents, and why can't
9 it be somewhere else or relocated or adjusted a little
10 bit.

11 And I think that's the issue here. I
12 understand the need for secrecy and all of that. I don't
13 know when that ends, but it probably ends after the
14 public has any involvement here. And we're -- no, let me
15 finish, Mr. Taebel.

16 We're the ones that are sent here to decide
17 what should be considered, where it should be considered
18 for the switchyard. And I'm half inclined to ask for an
19 Attorney General opinion on whether we should be looking
20 at those lines and poles that are in the rest of the yard
21 because I'm not sure that we specifically don't oversee
22 that, but I could be wrong, and that's fine.

23 The zoning that comes -- the site plan that
24 comes up next for the development plan and all of that,
25 you don't have a public hearing on that, do you?

1 MR. BEATTY: A public hearing on the site plan
2 that's submitted?

3 MEMBER NOLAND: Yes, that's going to be
4 approved by the planning and zoning director. Does he
5 hold a public hearing?

6 MR. BEATTY: No. There's the notice of
7 administrative action, which is the process that Bill and
8 I just described.

9 MEMBER NOLAND: But there's no public hearing?

10 MR. BEATTY: Correct.

11 MEMBER NOLAND: And the public hearing on this
12 particular site when it was hard zoned was in 2006 before
13 I believe those houses were built; is that correct?

14 MR. TAEBEL: No. I'm sorry, Member Noland, I
15 don't think that's correct. There was a public hearing
16 more recently.

17 MEMBER NOLAND: Oh, there was. What was done
18 in that public hearing?

19 MR. TAEBEL: I believe Ms. Davis can testify
20 about that.

21 MEMBER NOLAND: Well, I'll hold my question for
22 that if she'll write that down, because I thought you
23 said it was rezoned in 2006.

24 MR. BEATTY: Excuse me. It was rezoned in 2006
25 from agriculture to light industrial and PEP. When it

1 was rezoned from light industrial and PEP to EO, there
2 was a public hearing and a neighborhood meeting and a
3 notification process.

4 MEMBER NOLAND: And that was in 2016?

5 MR. BEATTY: No. That was this year in 2019.

6 MEMBER NOLAND: Oh, in 2019.

7 MR. BEATTY: I know Lesley could address this,
8 but I jotted this down as well, and apologies if that was
9 misunderstood previously. So the EO zoning, which
10 requires still the public process to rezone the site from
11 LI and PEP to EO, does still go through a standard public
12 hearing and council approval process.

13 So, specifically, as I'm reading through this,
14 in February 27th -- or on February 27th, 2019, was when
15 the neighborhood public meeting was held for the rezoning
16 from LI and PEP to EO zone. The mailings were sent out
17 to property owners within 1,000 feet of the property as
18 well as HOAs within one mile on February 8th.

19 After that neighborhood meeting, it went to the
20 public Planning & Zoning Board on April 15th, 2019. And
21 then I can't remember when it went to council. I'll
22 defer to Lesley on that.

23 And then we also took the Development Agreement
24 later to council on July 1st.

25 MEMBER NOLAND: Well, Mr. Beatty, did they, at

1 that public hearing, have any kind of plan that was
2 available to show the public that was interested?

3 MR. BEATTY: There was no site plan for that
4 public meeting.

5 MEMBER NOLAND: You just had the 187 acres
6 outlined? That's it?

7 MR. BEATTY: I would have to defer to Lesley as
8 I was not present at the public meeting, although I do
9 believe that the slide show and the slides in the citizen
10 participation plan do accompany and did accompany the
11 full proposal that goes to Planning & Zoning Board. So I
12 think you can see the slides and the information that
13 were presented, and that's all public record and
14 available.

15 MEMBER NOLAND: And was that hearing held in
16 the evening or during the afternoon?

17 MR. BEATTY: I may have that.

18 Sorry, I do not have that time on me offhand.

19 MEMBER NOLAND: Perhaps you can give us that
20 answer later because I think the biggest problem here is
21 the lack of information that's been available, a lack of
22 some of it that's been available to us and that's been
23 available to the public, which causes a frustration in
24 trying to figure out exactly what's what and what's going
25 where.

1 Thank you.

2 MR. BEATTY: Sure.

3 CHMN. CHENAL: Member Woodall and then Member
4 Haenichen.

5 MEMBER WOODALL: Thank you for providing a lot
6 of detail about the public process that relates to site
7 plan approval on what I'm going to call the subject
8 property.

9 Can you tell me if any of those things apply to
10 the switchyard that SRP is planning to build? Because my
11 recollection was that SRP was articulating the view that
12 they didn't need to go through a city process of some
13 sort.

14 So if you can clarify that for me, that would
15 be very helpful.

16 MR. TAEBEL: So that was my recollection as
17 well. And now we're just making what I would consider a
18 legal argument. I'm not sure that I entirely agree with
19 Mr. Sundlof's position. But the City of Mesa has this
20 type of discussion quite frequently with SRP. And
21 sometimes we're -- you know, we agree to disagree. But
22 as a general matter, we still manage to work things out.

23 And I think that's the best response I could
24 give on that.

25 MEMBER WOODALL: It's just I wanted to make it

1 very clear that we have not yet determined specifically
2 that this process that you've outlined would be one that
3 would be used for the siting, if I say, of the
4 switchyard. Is that fair to say?

5 MR. TAEBEL: I think that's fair.

6 MEMBER WOODALL: Because here's my concern, and
7 I think I raised it last time. You have people who are
8 living to the north who have concerns about what it's
9 going to look like. I know SRP is a good corporate
10 citizen, and I know the City of Mesa does not want to
11 construct things that will be offensive to its residents.
12 I just want to know that there is going to be some kind
13 of a process between SRP and the City of Mesa to get
14 public comment and suggestions about what can be done to
15 modify or mitigate the appearance of the switchyard.

16 I don't really -- I'm not that interested as to
17 what's going on in the rest of the property because it
18 seems like the black box thing is what Mesa does. I mean
19 no disrespect by that. But that's what I care about.

20 So to the extent that I can get some comfort
21 that there is going to be public input on potential
22 mitigation measures and if you can describe that in
23 detail, I would like to know about it because we had a
24 lot of people come last night and specifically talk about
25 mitigation measures. And it may not be the case that

1 your administrative action public outreach is going to be
2 applicable as it relates to the switchyard.

3 So that's what I would be looking for in order
4 to feel comfortable that the citizens' needs have been
5 met here. I don't care what's happening with the rest of
6 the zoning. That's the City of Mesa and its citizens.
7 But the switchyard, I care about.

8 So I understand -- I suggested that you and SRP
9 put your heads together, and I understand you have
10 something. But to the extent that somebody can tell me
11 about what kind of public information or opportunities
12 that the public are going to have to provide input
13 regarding the mitigation measures, the fence, the wall,
14 etc., etc., that's really more important to me.

15 So scratch your head about that a while and
16 confer as you need to.

17 CHMN. CHENAL: Thank you.

18 Member Haenichen.

19 MEMBER HAENICHEN: Thank you, Mr. Chairman.

20 I'd like to continue on this switchyard
21 discussion and try to bring it down to a little more
22 personal level.

23 Last night, we saw passionate presentations and
24 very cordial, by the way, by citizens that feel at least
25 that they're going to be adversely hit by this. And,

1 quite frankly, this case is very complicated in a sense
2 that who's going to pay for changes that we might want to
3 impose on this. Because it's not just SRP or the City.
4 Google's involved.

5 But here's my take on it. I would like to
6 know, first of all, from the SRP representatives why they
7 must put that switchyard right where they did. What if
8 they put it behind that school maintenance facility to
9 the south, I guess it is. Is it just that it's going to
10 cost more money? And if so, how much?

11 So we at least have something to chew on here
12 when we're writing conditions on the CEC. So I don't
13 know whom I should address this to, but maybe you can
14 figure it out.

15 CHMN. CHENAL: Let's see. This is interesting.
16 I think we're going to come back to SRP, Member
17 Haenichen, and we'll have opportunity to ask those
18 questions. But if I can suggest that we stick with Mesa
19 for the time being. There's been a number of comments
20 raised, and I think a lot of the comments revolve around
21 additional information about what public input will be
22 available specifically for the switchyard and what
23 processes are available.

24 And maybe you've exhausted that discussion with
25 reference to the zoning ordinance that you've already

1 brought up, but I'm sure there will be some more
2 questions on that, and I think that's at the heart of
3 what Member Woodall is requesting. And I see Member
4 Noland has some more questions and then Member Gentles.

5 Member Noland.

6 MEMBER NOLAND: I agree with the other members
7 that we are concerned about the switchyard. What I was
8 trying to get to is the lack of information so far on the
9 whole site that has people frustrated. I have no doubt
10 Mesa has sent out and done their public outreach. That
11 has never entered my mind.

12 My question now, and I don't know if you would
13 know, Mr. Beatty, maybe Mr. Taebel, were you ever
14 involved in any discussions about where the switchyard
15 would be located on this property?

16 MR. TAEBEL: The City of Mesa learned about the
17 switchyard location as part of this proceeding.

18 Q. BY MR. TAEBEL: So, JD, to your knowledge, has
19 the City of Mesa considered the switchyard location?

20 A. No.

21 MR. TAEBEL: So I guess I would respond to
22 Member Woodall's sort of comments in the following
23 manner: City of Mesa is here to participate in this
24 process. We value this process. We value the input of
25 our partner, SRP, and of our citizens.

1 I think I mentioned yesterday, we might be able
2 to address some of your concerns by putting conditions in
3 the CEC that's issued.

4 I think that the City of Mesa can work with the
5 flexibility that SRP and ultimately Google has requested
6 because I think what will happen is we'll sort these
7 things out in terms of screening and landscaping.

8 I think that a way to deal with that might be
9 the conditions in the CEC that's recommended to the ACC.

10 MEMBER NOLAND: Mr. Taebel, I wasn't finished
11 yet.

12 MR. TAEBEL: I apologize, Member Noland.

13 MEMBER NOLAND: I'm sorry. You get off on
14 other tangents, and I didn't get to finish my question.

15 Would Mesa have any objection to the relocation
16 of that switchyard?

17 MR. TAEBEL: Would Mesa have any objection?

18 MEMBER NOLAND: If this Committee decided that
19 it maybe needed to be moved. I don't know if in your
20 Development Agreement or any other prior agreements you
21 have a specific ingress-egress point for this property
22 that might impact -- be impacted if we moved the location
23 of the switchyard. That's kind of where I'm going with
24 that question.

25 MR. TAEBEL: This is not going to make you

1 happy, Member Noland, but I think the best I can tell you
2 is that I don't know. I don't know.

3 We're learning about that here. And I think
4 that's part of this proceeding. I think the City's
5 position is that this can work.

6 MEMBER NOLAND: Okay. Thank you.

7 MEMBER WOODALL: All I was suggesting is I'm
8 sure that SRP and the City of Mesa can come to an
9 agreement about what would be an appropriate mitigation
10 measure.

11 All I'm asking is can't there be some public
12 comment component to that? That's my sole focus here.
13 I'm sure SRP and the City of Mesa can come to terms with
14 something that's going to be appealing. I just want to
15 make sure that the public has an opportunity to put their
16 two cents in. I don't know how you're going to do that.
17 Maybe somebody sends out another postcard. I know you
18 can work it out because you've been working it out for
19 decades.

20 So that's my sole focus here, is getting some
21 public input on those mitigation measures.

22 CHMN. CHENAL: Member Gentles.

23 MEMBER GENTLES: So I read the 35 pages of
24 public input and outreach, about 300 or so different
25 entries.

1 The thing that comes back over and over and
2 over and over again is that switchyard. There's really
3 not, from what I can see, an objection to the project
4 being there. It's that switchyard. And that's
5 significant to me.

6 And I'm a little troubled by yesterday that I
7 thought -- and I may not have remembered this
8 correctly -- that I heard somebody say that there was not
9 very many -- too much public objection to this. Which,
10 when I read this, clearly, there's public objection to
11 that switchyard.

12 So I think part of my challenge as well as the
13 rest of the Committee's challenge is that you're asking
14 us for flexibility on what the design or where those
15 buildings are built on the site but no flexibility on
16 that switchyard.

17 And I don't know if you can explain -- if you
18 can let me know if the applicant came to the City and to
19 SRP with alternative routes or alternative locations, or
20 did they come in and say, that's it, that's the hard and
21 fast spot for that.

22 So can you answer that?

23 MR. TAEBEL: So first time the City of Mesa
24 heard about the switchyard location was as part of these
25 proceedings. That's to the best of my -- and I'm making

1 myself a witness. To the best of my knowledge, that was
2 true.

3 But I don't know everything that happens in the
4 City with 3,400 employees. So I'll just make that
5 caveat. SRP may have more information.

6 MEMBER GENTLES: But --

7 MR. TAEBEL: I understand your concern. And
8 I'd just like to reiterate, Mesa is here to participate
9 in the process. We want to give you information. But
10 Mesa is not the applicant.

11 So we didn't front the hearings that SRP held
12 to talk about this project. So maybe SRP can address
13 some of those concerns. We support the project. We
14 think it's a good project. And we think the benefits
15 outweigh the burdens, and we've very successfully worked
16 with SRP historically on issues like this. But I
17 understand your concern. And the City supports the fact
18 that you're concerned.

19 MEMBER GENTLES: It's really the citizens' and
20 the residents' concern that I'm voicing by hearing and
21 seeing what was written here. So it's really their
22 concern. I mean, they're the ones that are really
23 directly impacted.

24 MR. TAEBEL: For the record, sir, and I want to
25 make this clear, the City supports your consideration of

1 the concerns of its residents. I understand what you're
2 saying, and we agree. We think that you should consider
3 that.

4 MEMBER GENTLES: Thank you.

5 Mr. Chair, is this the time that we can ask
6 questions about some of that citizen concern in addition
7 to that main issue, or should we do that another time?

8 CHMN. CHENAL: I think, Member Gentles, we
9 should stay with Mesa right now. And we'll have the SRP
10 representatives to come back as a panel, and we'll have
11 plenty of opportunity to discuss that further.

12 Member Hamway and then Member Noland.

13 MEMBER HAMWAY: So I'm looking in Section H
14 that was provided, and I do see that the --

15 CHMN. CHENAL: Excuse me, Member Hamway.
16 Section H of the application?

17 MEMBER HAMWAY: Correct. And I don't know how
18 many pages back, but I'm looking at a Planning & Zoning
19 Board report. And I do see that the Proposition 207
20 waiver was signed.

21 So my question is, who signed it? And did the
22 HOA for the residents across -- I know it's not
23 contiguous, but there's a 300-foot corridor for utility
24 lines. So my question is, did those residents sign a
25 waiver?

1 And then the other question I have in the same
2 report, under neighborhood participation, you have: As
3 of this writing, staff has not been contacted by any
4 residents or the property owners in the area to express
5 support or opposition.

6 Now, I know this is the rezoning. This is
7 moving from light industrial to the EO.

8 Is it -- because, to me, that's a big deal, and
9 I find it amazing that you didn't have one comment from
10 any resident in support or opposition of this major
11 rezoning that's going to allow 150-foot buildings on that
12 property.

13 MR. BEATTY: Sure.

14 So I can't comment on who signed the
15 Proposition 207. That would be more for our planner,
16 who's present today.

17 And as for the public comment as well, I
18 believe at the public hearing, there were a couple
19 citizens present. I believe we have a citizen sign-in
20 sheet, of which I want to say there were three or four
21 that attended. And I think the comment there was that I
22 don't believe there were phone calls during that
23 notification process.

24 I don't think I can comment on the likelihood
25 or unlikelihood of people commenting, but we're following

1 the notification procedures, and that's what the
2 applicant did, and we held the hearing.

3 But I certainly agree in general.

4 MEMBER HAMWAY: With what?

5 MR. BEATTY: That there was only a couple
6 people that attended and understand your concern about
7 there not being more people that attended or voiced a
8 concern during that process.

9 MEMBER HAMWAY: Is it common in Mesa to have
10 such small turnout in a rezoning case?

11 MR. BEATTY: I would let Lesley expand upon
12 that, but sometimes, yes. There are often times where
13 neighborhood meetings go completely unattended, but there
14 are other times where lots of people attend. It's really
15 the spectrum.

16 Q. BY MR. TAEBEL: JD, in your experience, do
17 things like that depend sort of on sometimes an
18 interested person will sort of gather the community?

19 A. Yeah. I think -- in my experience, I think
20 sometimes there are one or two attendees that maybe have
21 spoken with their neighbors and attend those meetings
22 with the intent to disseminate information to their
23 neighbors and voice their concerns.

24 MEMBER HAMWAY: One other question: Do you
25 think that those three or four people were aware that

1 there was a possibility of 150-foot buildings on that
2 parcel?

3 MR. BEATTY: Again, I wasn't at the meeting.
4 I'd maybe have to defer that.

5 But I will say that I believe that that height
6 maximum was a part of that process and was disclosed.

7 MEMBER HAMWAY: Do you think they thought that
8 was the utility poles or the physical structures? Or do
9 you think there was a distinction made or does it matter?

10 MR. BEATTY: I can't really comment because I
11 wasn't there. I don't want to say what someone thought
12 or didn't think.

13 CHMN. CHENAL: Member Noland.

14 MEMBER NOLAND: Mr. Chairman, maybe to help us
15 move along and get down to some of the comments we had
16 about screening the switchyard and/or a wall, which I
17 think would help a lot.

18 In your Development Agreement, you do allow for
19 that and, as I read yesterday, there can be a perimeter
20 fence that is either 4 or 10 feet in height. And it can
21 be made of several different types of materials. You
22 list five of them.

23 If -- and I know we did this in another case,
24 and I thought it was in Mesa. I can't remember for sure,
25 but it may have been in Tempe. We required that there be

1 a masonry wall built around -- at that point, I think it
2 was --

3 MEMBER HAMWAY: The Elliot Tech Corridor.

4 MEMBER NOLAND: Anyway, the various neighbors
5 and property owners were very concerned about the
6 unsightliness of either the substation or switchyard.

7 So if we did include a provision that it be
8 screened and that we would hope the City of Mesa would
9 work with the neighbors for -- you know, with the
10 landscaping plans or whatever, do you think Mesa would go
11 along with helping to enforce that particular provision?

12 MR. TAEBEL: I do.

13 MEMBER NOLAND: Okay.

14 MR. TAEBEL: If that's a condition of the
15 certificate in particular, that Mesa would support that.

16 MEMBER NOLAND: Thank you.

17 MR. TAEBEL: And I had some discussions with
18 SRP that -- I don't know that we're 100 percent, and we
19 would defer to the Commission, but yes.

20 MEMBER NOLAND: I think that would go a long
21 way to helping be a good neighbor, this development be a
22 good neighbor and SRP being a good neighbor and Mesa
23 helping them be a good neighbor, by providing at least
24 that screening that would screen the biggest part of the
25 eyesore of that particular switchyard.

1 Thank you.

2 MR. TAEBEL: Member Noland, too, I think -- and
3 we could have Lesley explain if there's still an
4 interest. But that provision actually -- I think it
5 requires a 4-foot fence and a 10-foot fence or a 6-foot
6 fence. So no matter what, there's supposed to be a
7 fence.

8 CHMN. CHENAL: A couple questions, Mr. Taebel.
9 We're coming up on a break, and I want to summarize my
10 thoughts on where we are.

11 But Exhibit H-1 is referred to as a development
12 agreement of some sort. But I think you indicated that
13 there's a more comprehensive development agreement
14 between Mesa and the owner of the property; is that
15 correct?

16 MR. TAEBEL: It's sort of two different things.
17 I think the Exhibit H-1 is technically the development
18 plan. And that document sets forth the zoning and some
19 of the related requirements.

20 The Development Agreement has more to do with
21 sort of particulars related to the -- what they call
22 entitlements to the property, so who's going to put in
23 water lines and wastewater lines and also some
24 expectations of the parties as to how the property will
25 develop.

1 CHMN. CHENAL: Well, let me summarize where I
2 think we are.

3 The applicant has asked for authority to build
4 a switchyard and lines emanating from the switchyard in
5 basically a 187-acre corridor for lack of a better word.
6 Normally, we site power lines in a narrow corridor, and
7 the applicant is to acquire a right-of-way within that
8 corridor. And usually, our corridors are fairly narrow.
9 I don't know, don't quote me on it, but let's say 500
10 feet, and the right-of-ways are 150 feet. But we know
11 where the corridors basically go from point A to point B.

12 So this is a new animal. I think we are
13 basically asked to provide authority for the applicant to
14 place the facilities wherever the applicant and, you
15 know, Google, the property owner, desire to put it.
16 We're being asked to place the switchyard as noted in the
17 application.

18 There's a Development Agreement that probably
19 addresses some of the development restrictions based on
20 that 187-acre property of which we're not aware because
21 we haven't seen it. And I may ask Mesa, since it is
22 public record, to provide a copy to me which I can make
23 as a Chairman's exhibit to avoid you having to make 25
24 copies so that the record is clear when this matter gets
25 to the Corporation -- the ACC.

1 MR. TAEBEL: Member Chenal, just to be clear,
2 too, if you request it, first, we can provide the
3 document. And second, if the request is to bring the
4 2,500 pages, I'll bring the 2,500 pages. I just didn't
5 do it this morning.

6 CHMN. CHENAL: I don't think we need to do
7 that.

8 Now, I think that it is within the authority,
9 certainly, of this Committee to site that switchyard.
10 And I think what I'm hearing Mesa say is that that is our
11 responsibility. And I'm not sure Mesa has the authority
12 to site that switchyard if we don't place it somewhere on
13 that property. I'm not sure of Mesa's zoning ordinance
14 or it's because of our statute or the Development
15 Agreement would actually address where the switchyard
16 goes. So I think that's something in our bailiwick and
17 it's something we should do. I don't know if the
18 Development Agreement addresses these other facilities.
19 Probably it doesn't, but I'd like to see that and have a
20 little more testimony on that.

21 We're being asked to basically allow, like I
22 said, the applicant and Google to work that out. But I
23 think -- I think I'm still going to need to hear a little
24 more testimony about the public process in Mesa and a
25 little more about that Development Agreement to get to

1 Member Woodall's question and Member Noland's question
2 about what public input the citizens of Mesa and,
3 particularly, the citizens to the north of that property
4 will have in the future going forward with respect to the
5 mitigation measures.

6 So I think it's time to about take a break.
7 But I think at some point in the afternoon, it would be
8 good to get that Development Agreement into the record,
9 and I think it would be good to get a little more
10 testimony on what Mesa's process and the Development
11 Agreement will allow the citizens to the north, what
12 additional input they will have with how this project is
13 going to look.

14 MEMBER GENTLES: Mr. Chairman, you can add my
15 name to that concern as well.

16 MEMBER WOODALL: Just for clarity, I'm not so
17 interested in the public input with respect to the site
18 planning on there. I just want to know that Mesa and SRP
19 are going to have some component of public outreach if
20 they talk about screening the switchyard in its current
21 location. That's all I care about.

22 CHMN. CHENAL: Well, I care about more than
23 that, so let's talk about that after the break.

24 Let's take a 15-minute -- 20-minute break, and
25 we'll resume the hearing at that time. Thank you.

1 (A recess was taken from 2:11 p.m. to
2 2:40 p.m.)

3 CHMN. CHENAL: All right. Let's resume the
4 afternoon session.

5 Mr. Taebel, you still have your witness,
6 Mr. Beatty.

7 I thought -- two things: One, I'd like a copy
8 of the Development Agreement and the attachments if you
9 can provide it tomorrow, and I'll make that Chairman's
10 Exhibit 3, I guess, so the record is clear and we have it
11 in the record.

12 And, two, I'm going to ask you to review with
13 this witness -- and if you have to bring Ms. Davis up to
14 add to it, I think we would like to hear, I know I would
15 like to hear, kind of a simple -- take us by the hand.
16 If we're a neighbor on the north side across from that
17 switchyard, what public process is still left to me as a
18 person across the street for input with Mesa going
19 forward and what that input would address. So what
20 opportunities would I have and what would the
21 decision-making by Mesa involve. The size of the walls,
22 the materials, screening, vegetation.

23 Just tell -- walk me by the hand so I know, if
24 I'm a citizen, what opportunities I have going forward in
25 the process based upon zoning ordinance, the overlay, the

1 Development Agreement, what opportunities I have to
2 provide input and what subjects that might address.

3 MR. TAEBEL: Thank you, Mr. Chairman.

4 So perhaps to follow up, let me ask Mr. Beatty
5 a preliminary question, and it also ties in to a comment
6 from Member Woodall.

7 Q. BY MR. TAEBEL: JD, setting aside that you're
8 neither the city manager or an elected official, do you
9 think that the City would be receptive or willing to work
10 with SRP in a public outreach program regarding the
11 aesthetics of the switchyard?

12 A. Yes. Yeah, absolutely.

13 CHMN. CHENAL: All right. Let me get back to
14 what my question is, though. Let's not get afield.

15 I want to know precisely -- and I'll ask
16 Mr. Beatty the question.

17 If I'm a neighbor on the north side, walk me
18 through what processes are available to me to provide
19 input to Mesa and what issues would be addressed. Walls,
20 vegetation, you name it. Just walk me by the hand what
21 those opportunities would be.

22 MR. BEATTY: Sure.

23 We outlined some of those, at least in terms of
24 the process, of how that outreach would be engaged. But,
25 essentially, once that site plan is submitted for Project

1 Red Hawk --

2 CHMN. CHENAL: And when you say "site plan,"
3 let's be clear on what a site plan is.

4 MR. BEATTY: So this would be the site plan on
5 the remaining portion of the development. So this would
6 not necessarily be for the switchyard. This would be for
7 the buildings and the development of the site, which
8 could be phased. It could be all at once. I think we
9 anticipate it to be many, many phases. We don't know.
10 That's part of the thing here.

11 But let's just say they're building a
12 building. And that part goes under site plan review,
13 which is administrative, and that's where the City staff
14 is then reviewing the site plan to make sure it's meeting
15 City codes and ordinances. And that is when that date
16 for administrative action is set.

17 And then the mailings and notifications are
18 sent out to those neighboring properties within 750 feet,
19 and they have the opportunity to call and voice their
20 concerns directly to City planning staff regarding the
21 site plan. And that can be the layout of vegetation,
22 that can be the layout of the buildings, the layout of
23 the entire site plan about how it's being developed.
24 That's where they can still voice those concerns,
25 absolutely. That's the intent of that notification.

1 And then once that planning director makes that
2 determination on whether or not the site plan is approved
3 or denied, that decision is then notified of the -- or,
4 excuse me, the property owners are then notified of that
5 decision.

6 And the other part of the process that goes
7 along with the site plan is the Design Review Board. So
8 Design Review Board is a public meeting. It is a public
9 work session where the Design Review Board Committee is
10 there to address the aesthetics of the building, which
11 can also be landscaping, it can be colors, it can be
12 variation in parapet height or -- of the building, its
13 setbacks.

14 And that is another opportunity where the
15 public can attend that public work session and voice
16 their concerns about the aesthetics of the building.
17 They cannot comment on land use or the type of activity
18 that's happening at that session, nor could they do that
19 in site plan review because that's been established
20 through the zoning and the allowable land uses through
21 the EO district and specifically the Red Hawk Development
22 Plan.

23 But they do have those opportunities for
24 comment at design review session as well as to voice
25 their concerns for administrative action from the notice.

1 CHMN. CHENAL: And a disgruntled resident --
2 based on the administrative action that's taken by the
3 planning director, there's rights of appeal built into
4 the code; is that correct?

5 MR. BEATTY: Yes, correct.

6 CHMN. CHENAL: Now, that process, both the
7 design review and the site plan, would address the layout
8 of the buildings and maybe the aesthetics of the building
9 within the site project itself?

10 MR. BEATTY: Yes.

11 CHMN. CHENAL: All right. What about the
12 perimeter of the project, the walls? I did notice that
13 there was some document that had addressed -- I think
14 Mr. Taebel addressed there's like a 4-foot wall, a
15 10-foot wall. But if you only have one wall, it's got to
16 be 6 feet.

17 MR. BEATTY: Uh-huh.

18 CHMN. CHENAL: Is there a requirement for a
19 wall to be placed around the project, is my first
20 question.

21 MR. BEATTY: Sure.

22 So per their specific development plan, that is
23 the intent of that section, is that we do intend there to
24 be and would require there to be a fence on the northern
25 boundary.

1 I also just want to stress that as the City, we
2 have been continuously concerned about the neighborhoods
3 to the north not just for this project but even going
4 back into the tech corridor when we established that
5 zoning overlay.

6 I know now that it's being used in a different
7 sense, but part of the reason for that height stepdown
8 was making that only 50 feet and then having it go up to
9 150 feet. We also felt like if you had 250 feet of
10 buffer with SRP's power lines -- so we have been
11 continuously concerned about that neighborhood. Even for
12 Red Hawk, and I believe it's under the edge treatment
13 section in H-1, we specifically call out that there needs
14 to be enhanced landscaping on the northern edge of the
15 property.

16 CHMN. CHENAL: Let me just go back to -- you
17 indicated that there's a requirement for some screening
18 along the north edge of the switchyard.

19 MR. BEATTY: And maybe this is where I would
20 defer to Lesley, where we have the site plan which is
21 what -- when we're dealing with the applicant in this
22 case, which would be Google, versus dealing with SRP as
23 kind of a different public entity.

24 CHMN. CHENAL: But if I'm a resident on the
25 north side, does the Development Agreement simply address

1 the screening of the switchyard, or are there other
2 requirements for a wall along the entire northern
3 perimeter of the project?

4 MR. BEATTY: I believe it's contemplated for
5 the northern perimeter of the project.

6 Again, when we -- when this EO district
7 development plan was created, even I think by their
8 zoning attorneys, I don't think the location of a
9 switchyard or the knowledge of a switchyard by us was
10 even contemplated or known at that point, if that answers
11 your question.

12 CHMN. CHENAL: So if I'm on the north side, I
13 may have some input into what the vegetation is going to
14 look like along the north perimeter of the project?
15 That's one area I might have input in; correct?

16 MR. BEATTY: Yes.

17 CHMN. CHENAL: I think we also need some
18 clarification, Mr. Beatty, on whether there's a
19 requirement to place simply a screen on the north side of
20 the switchyard. I think for certain, somewhere in the
21 documents, we saw that. But if there's an additional
22 requirement that there be some sort of a fence or a wall
23 along the entire northern perimeter of the project.

24 MR. BEATTY: Right.

25 CHMN. CHENAL: So that would be another aspect

1 that I would have as a citizen to be able to provide
2 input into what that wall would look like. Is that
3 correct, Mr. Beatty?

4 MR. BEATTY: Yes, I believe so.

5 So that northern boundary where Red Hawk would
6 be submitting their site plan per their EO district has
7 that designation. It does say -- and just to clarify,
8 because I know there's the 4-foot, the 10-foot, the
9 6-foot, I think they wanted the opportunity to have
10 essentially a tiered approach where they would either
11 have a 4-foot wall more towards the edge of their
12 property, and that would be likely solid or masonry or an
13 opaque wall.

14 And then they would potentially have some other
15 material, perhaps further stepped back, that's the
16 10-foot, that's maybe the non-climbable surface wall
17 that's maybe further back into their property. Or they
18 could have a 6-foot wall or greater in lieu of not doing
19 that, which I think was just because they weren't sure
20 how they wanted to proceed there.

21 CHMN. CHENAL: And maybe we'll have Ms. Davis
22 come up and provide more definitive testimony on exactly
23 what requirements exist for development along the
24 northern perimeter of -- the mitigation factors along the
25 northern perimeter --

1 MR. BEATTY: Right.

2 CHMN. CHENAL: -- and then other requirements.

3 And one more question I have, and then we'll
4 open it up to maybe the other Committee members.

5 The switchyard, the location of the switchyard,
6 I just want to be clear that it's Mesa's position, at
7 least in your understanding, that Mesa does not have
8 jurisdiction -- does not feel it has jurisdiction either
9 under the zoning ordinances, design review, or its
10 development agreements with the owner of the property as
11 to where the placement of the switchyard should be
12 located. Is that your understanding?

13 MR. BEATTY: I would say that is correct.

14 CHMN. CHENAL: Any questions from the Committee
15 for Mr. Beatty?

16 (No response.)

17 CHMN. CHENAL: Mr. Sundlof, do you have any
18 questions of Mr. Beatty?

19 MR. SUNDLOF: No.

20 CHMN. CHENAL: Mr. Taebel, do you have any
21 further questions of Mr. Beatty?

22 MR. TAEBEL: No.

23 CHMN. CHENAL: Mr. Beatty, thank you very much.
24 We appreciate your testimony.

25 You're not leaving, are you?

1 MR. BEATTY: I'll be around.

2 MR. SUNDLOF: He lives in Mesa.

3 (The witness was excused.)

4 CHMN. CHENAL: I think we'd like to hear from
5 Ms. Davis.

6 MR. TAEBEL: I think we'll call Ms. Davis.

7 CHMN. CHENAL: Thank you.

8 Lesley Davis. Ms. Davis, do you prefer an oath
9 or an affirmation?

10 MS. DAVIS: Oath is fine.

11

12 LESLEY DAVIS,
13 called as a witness herein, having been first duly sworn
14 by the Chairman to speak the truth and nothing but the
15 truth, was examined and testified as follows:

16

17 DIRECT EXAMINATION

18 BY MR. TAEBEL:

19 Q. Can you state your name for the record, please.

20 A. Sure. It's Lesley Davis.

21 Q. And, Lesley, are you employed by the City of
22 Mesa?

23 A. Yes, I am.

24 Q. What is your position?

25 A. I'm a senior planner.

1 Q. And how long have you held that position?

2 A. Three years.

3 Q. And prior to that?

4 A. I've been a planner for nearly 20 years.

5 Q. Okay.

6 A. And with the City for 30.

7 Q. Go ahead and say what other positions have you
8 held with the City.

9 A. I've held several planning positions: Planning
10 assistant, planner I, and then so on up to senior
11 planner. Prior to that, I worked in public works,
12 engineering permits, several other areas of the City
13 prior to that.

14 Q. So you've been here for the testimony this
15 morning?

16 A. Yes.

17 Q. Are you familiar with Project Red Hawk?

18 A. Yes.

19 Q. Maybe we can do this --

20 MR. TAEBEL: I apologize. This is different
21 than what I talked about with y'all a little bit ago.

22 Can we pull up SRP H-1? I'm not sure which
23 exhibit number that is.

24 The development plan, H-1. I think it was for
25 the application.

1 Yeah, not this. No.

2 (Off the record.)

3 Q. BY MR. TAEBEL: Ms. Davis, do you recognize
4 this document?

5 A. Yes, I do.

6 Q. Ms. Davis, are you familiar with the document
7 that's on the screen right now? The title of it is, I
8 think, Planning & Zoning Board Staff Report.

9 A. Yes, I am.

10 Q. Did you prepare this document?

11 A. Yes, I did.

12 Q. Can you explain to the members of the Committee
13 what's going on here?

14 A. Yes.

15 This is the staff report that took the
16 application for the EO zoning district and prepared a
17 report for the Planning & Zoning Board to be able to make
18 their decision outlining what the request was, a staff
19 analysis outlining the participation process in
20 conformance with the general plan and so on with a
21 recommendation of approval and conditions that were
22 recommended.

23 Q. As part of your regular duties with the City
24 related to zoning, do you routinely prepare documents
25 like this?

1 A. Yes.

2 Q. Can you describe a little bit what the property
3 is that's at issue here.

4 A. The 187 acres, the proposal? Is that what
5 you're asking me, is just to define the project request?

6 Q. Sure.

7 So in this particular document site data, we
8 have a bunch of parcel numbers.

9 A. Uh-huh.

10 Q. You have to say "yes" or "no."

11 A. Yes.

12 Q. And then we have the parcel size, 187 acres.

13 A. Yes.

14 Q. And the existing zoning, can you explain what's
15 going on right there?

16 A. The existing zoning is what was on the property
17 prior to this application. And there's a history listed
18 in the report that identifies what the previous case --
19 what was approved on the case back in 2006.

20 Q. And here, what was that existing zoning?

21 A. The existing zoning was LI. And I believe it
22 had a PAD.

23 Q. So these folks like me, actually, might not
24 entirely be familiar with the acronyms.

25 A. Yes. Light industrial, planned area

1 development.

2 Q. And what sorts of land uses would be associated
3 with light industrial?

4 A. The zoning ordinance establishes the uses for
5 the light industrial. And it's warehousing, it can
6 include manufacturing facilities, and it can have
7 commercial developments in there. But typically, you see
8 the more industrial-type uses that would be in that
9 zoning district.

10 MR. TAEBEL: Can we scroll down a little bit.

11 Q. BY MR. TAEBEL: So here at the bottom, we have
12 staff recommendation. Can you explain a little bit -- I
13 think you had mentioned this, but what's going on here?

14 A. Staff does a full analysis of the project based
15 on conformance with the general plan, conformance with
16 the zoning ordinance, other policy documents, if there
17 are subarea plans, those types of things. We take into
18 consideration and make a recommendation to the Planning &
19 Zoning Board for them to consider.

20 Q. One of the boxes here talks about the
21 Proposition 207 waiver. Do you see that?

22 A. Yes.

23 Q. Who typically signs a waiver?

24 A. That is signed by the property owner.

25 Q. And is it standard practice for Mesa to ask for

1 that waiver in a -- when a zoning is -- a request is
2 asked?

3 A. Yes.

4 MR. TAEBEL: Can we scroll down a little bit
5 more.

6 That's good.

7 Q. BY MR. TAEBEL: So can you explain a little bit
8 what the history here was.

9 A. On the property?

10 Q. Yeah. And this is reflected in your report at
11 the top.

12 A. Right. Right.

13 The previous case back in 2006 established an
14 industrial subdivision where they were going to come in
15 for future site plan review. So the LI zoning that was
16 established back in 2006 was -- they had criteria in the
17 ordinance that required them to come back for future site
18 plan review on each parcel as it came through, but it was
19 for a larger industrial subdivision. And that did not
20 ever happen.

21 And so in 2018, we received the application for
22 the EO district to change the zoning on the property.
23 The property owner wished to change that and allow for
24 the EO zoning district instead of the LI or the light
25 industrial planned area development, which would have

1 been approved, but nothing ever developed for that
2 industrial subdivision.

3 Q. Were you in the -- you had described your job
4 history with the City. Were you in zoning back in 2006?

5 A. I was.

6 Q. So did the pace of rezoning slow down or speed
7 up in 2006?

8 A. It started to -- well, it was still fairly busy
9 around 2006. It was 2007, '8 where things really slowed
10 down. But a zoning case that would have gone through in
11 2006 had to go through other processes such as
12 subdivision and other entitlement processes to follow.
13 And by the time things started turning around, that
14 project hadn't moved.

15 Q. Would that have been unusual for -- given the
16 time?

17 A. It is not unusual.

18 Q. So the project description, can you explain a
19 little bit what's going on there.

20 A. Sure.

21 The applicant was requesting an employment
22 opportunity zoning district. So my summary is just an
23 explanation to the board where the property is located,
24 how many acres it involved, what the request was for. It
25 mostly cited the board as to where this property was and

1 what the specific request was so that they could
2 understand what they were asking.

3 Q. Neighborhood participation. Can you explain
4 what happened here.

5 A. I certainly can.

6 The applicant has to go through -- in Mesa, we
7 have the citizen participation process separate than the
8 legal notification for a public hearing, so they have
9 both of those processes.

10 As early as presubmittal, we encourage them to
11 start there, which is a preliminary process we have
12 before they make formal application, asking them to start
13 their outreach with the community so that citizens can be
14 notified and participate in the process and understand
15 what's happening.

16 In this location, they were encouraged to have
17 a neighborhood meeting, which they did. Some areas,
18 where it's just -- it's not always necessary to have a
19 neighborhood meeting as long as you notify people and
20 offer to meet with them. But in this location, we did
21 let them know they needed to have a meeting.

22 They did have that meeting, and I attended it,
23 expecting there to be a lot of people based on what this
24 request was. And it was a fairly small meeting. I did
25 attend, and I did listen to what the applicant --

1 listened to them explain what the request was to the
2 neighbors that were in attendance.

3 And there were questions and interaction and a
4 description of the possible heights on the property and
5 the possible uses that were being proposed on the site.

6 And then the applicant is required to submit
7 its citizen participation report after that neighborhood
8 meeting. My report gets written before that comes in, so
9 that's why it says that in the report, in my report.

10 But then prior to the public hearing, they
11 provide a citizen participation report updating the board
12 on how that meeting went. I provide the board at that
13 study session with any updates of any calls or letters or
14 emails that I've received from anybody. In this
15 particular case, I did not receive any additional contact
16 or emails from neighbors, which did surprise me, but it
17 does happen.

18 Q. So at the meeting --

19 CHMN. CHENAL: Excuse me. Member Hamway has a
20 question.

21 MEMBER HAMWAY: Yeah, just a quick question.
22 So is zoning from light industrial to an EO, would you
23 call that an upzoning or a downzoning?

24 MS. DAVIS: They're very similar. The EO
25 district establishes the ability to modify some of the

1 standards. But, essentially, the EO district takes the
2 LI zoning and applies very similar standards. They can
3 modify them slightly.

4 The land uses they establish are very similar.
5 But the EO zoning can restrict land uses. They actually
6 did restrict several land uses out of the zoning. So
7 it's more restrictive than the LI in some ways. But the
8 height difference was one of the things that they were
9 able to deviate through the EO versus the LI where
10 there's a lower height requirement. But as far as the
11 uses go, the EO in this case is more restrictive.

12 MEMBER HAMWAY: Thank you.

13 Q. BY MR. TAEBEL: Do you know, what is the height
14 difference?

15 A. I believe -- without looking at the ordinance,
16 I believe 40 feet is the max height in the LI district.

17 Q. At the neighborhood meeting, the presentation
18 is given by the applicant?

19 A. Correct.

20 Q. You were there?

21 A. I did attend the meeting. I didn't state my
22 purpose for being there, that I was a City employee. I
23 sat at the back of the room and listened.

24 Q. How many people did attend?

25 A. I don't know the exact number, but I'm going to

1 guess somewhere in the range of six to eight.

2 Q. What was the discussion, to the extent you
3 recall, that was given by the applicant?

4 A. The applicant gave a fairly detailed
5 description of what the case was. They discussed the
6 possible uses. They discussed the height that was being
7 requested. There were questions about whether or not
8 there could be hotels and other retail-type uses there,
9 which was indicated by one of the people in attendance
10 that they weren't open to the idea of having a hotel so
11 close to their home.

12 The applicant indicated that that wasn't the
13 intent, is to have large commercial retail development on
14 that property just to the south of that residential, that
15 it was going to be more of an industrial-type
16 development. But there was the potential for some
17 supporting uses, but they would typically be along the
18 street, is what he had indicated, along the larger
19 arterial frontages, if we were going to have anything
20 like that, but it wasn't anticipated.

21 Q. Was there any discussion about a data center
22 specifically?

23 A. Yes. That was presented as the most likely use
24 of the property.

25 Q. Can you expand at all?

1 A. I don't remember the specifics, but I do
2 remember that data center -- the EO district -- Mesa
3 zoning ordinance for the LI district is not -- back when
4 that was written in 2011, data centers weren't something
5 that was contemplated. So the specific -- the zoning
6 ordinance doesn't specifically identify data centers.
7 The EO district that was presented does add that as a use
8 that's allowed in the EO zoning.

9 So that was presented to the neighborhood as
10 something that was being presented as a land use, and
11 that was the most likely land use for the property.

12 Q. Was there any specific discussion about a
13 switchyard?

14 A. No.

15 MR. TAEBEL: Can we scroll up a little bit.

16 Further.

17 Actually, just go all the way to the beginning
18 of this.

19 Q. BY MR. TAEBEL: So on the screen now, we have
20 part of SRP's H-1, and the document says: Project Red
21 Hawk Employment Opportunity District Development Plan.

22 Lesley, are you familiar with this document?

23 A. Yes.

24 Q. Can you describe it?

25 A. The EO district establishes that there's

1 certain criteria to comply with the ordinance in order --
2 the documents that need to be submitted to qualify for
3 the EO district. And I don't have them all off the top
4 of my head, but a development plan is one of those
5 documents that's required where they lay out what their
6 development plan is going to be. So ...

7 Q. This document -- actually, what happens to this
8 document at the City?

9 A. This document gets adopted as a development
10 plan, and it is what the future site plans will be
11 reviewed against to make sure that they're complying with
12 the criteria that was established in this document.

13 Q. So it becomes -- from one perspective, it's
14 operative in terms of the zoning? This is the zoning?

15 A. Correct.

16 MR. TAEBEL: Let's scroll down a bit.

17 Q. BY MR. TAEBEL: One thing I noticed, that
18 document said Revised in March of 2019.

19 Do you know, was that revised based on comments
20 from your office or the City?

21 A. It is revised based on comments by the City
22 prior to it going to the Planning & Zoning Board.

23 Q. So, in other words, you'll get to see the
24 document and make comments to the applicant or their
25 attorney, and they'll incorporate your comments before

1 the document goes to the board that serves on behalf of
2 the public to make the determination?

3 A. Correct.

4 MR. TAEBEL: Okay. Keep going.

5 Okay. Hold on.

6 Q. BY MR. TAEBEL: So we skipped over a map
7 because we've seen a lot of pictures of the map. I think
8 we know what we're talking about.

9 But here's a section of this, though, that says
10 Land Use Regulations. Can you explain to the Committee
11 what's going on here?

12 A. Let me take a look. That's identifying -- I
13 can't see it all that well, but it should be identifying
14 the land uses that are allowed on this site. So it
15 takes -- what they did is they took our LI zoning
16 district category, and they provided a table of uses that
17 they would like to take from that land use table that we
18 have in our zoning ordinance, and they modified it to
19 list what they would like to have on this site.

20 Q. So this list doesn't necessarily include all
21 the ones that aren't available?

22 A. Correct.

23 Q. In other words, it's inclusive. It doesn't
24 reflect --

25 A. Right.

1 Q. -- the exclusive uses; correct?

2 A. Yes.

3 MR. TAEBEL: All right. Keep going.

4 There we go. So scroll back up just a little
5 bit.

6 Q. BY MR. TAEBEL: All right. So here we have a
7 section fencing, materials, and location. And JD talked
8 about this some. There were some questions. But can you
9 go ahead and explain what's going on here?

10 A. Sure.

11 The zoning ordinance typically requires when
12 you have residential adjacent to an industrial site,
13 there would be a minimum of a 6-foot wall that's required
14 between developments.

15 The applicant wanted to propose the 4-foot wall
16 with an interior wall that's the 10 feet as an option to
17 provide -- to meet that intent of having that screening
18 if they wanted to have, say, a wall that had the iron
19 where it's more typical of an industrial wall so that the
20 4-foot wall could provide that more aesthetic buffer with
21 some landscaping and then an additional wall instead of a
22 6-foot wall out at the property line so that they could
23 tier it and help soften the appearance of that
24 development to the neighborhood. So they proposed that.

25 CHMN. CHENAL: Question, Ms. Davis: Is this

1 mandatory or is this permissive, this perimeter property
2 line fence?

3 MS. DAVIS: The applicant could do a 6-foot
4 wall, or they could do this 4-foot with the 10-foot. The
5 applicant proposed this because it was their intent to do
6 the 4-foot and the 10-foot.

7 CHMN. CHENAL: My question wasn't clear. Can
8 they elect to put no fencing up?

9 MS. DAVIS: No.

10 CHMN. CHENAL: And what language makes it
11 mandatory? It says: A property line fence will be
12 allowed. A secure -- you know, 10-foot height will be
13 allowed. Shall be allowed. If only one fence, the fence
14 must be at least 6 feet. But is that the language?

15 MS. DAVIS: The applicant cannot specifically
16 request not to have a wall across that property line, so
17 they need to provide either the 4-foot and the 10-foot or
18 the 6-foot. They did not deviate from that standard.

19 CHMN. CHENAL: Is there any other language that
20 the City would point to that addresses this issue in
21 terms of a requirement that Google would have to build a
22 perimeter fence around the 187 acres?

23 MS. DAVIS: I would have to take a look at it,
24 but, as we were reviewing it, it was always the intent we
25 would either have the 6-foot or the 4-foot with the

1 10-foot wall set in.

2 The alternative they proposed was the 4-foot
3 with the 10-foot. The 6-foot is what the code requires.

4 CHMN. CHENAL: Okay. So there's a code, a City
5 code provision --

6 MS. DAVIS: Yes.

7 CHMN. CHENAL: -- that requires at least a
8 6-foot --

9 MS. DAVIS: Between industrial and residential.

10 CHMN. CHENAL: So, again, to be clear, that
11 would then only require -- this development plan would
12 only require a fence along the northern portion of the
13 property; is that correct?

14 MS. DAVIS: Correct.

15 CHMN. CHENAL: So there would be no requirement
16 for the applicant to build a fence along the eastern,
17 along the Sossaman, or on the south along Elliot; is that
18 correct?

19 MS. DAVIS: The development plan identifies --
20 I'd have to read the specific language to see they
21 identified that it would be required on those properties
22 or that it would be provided on those properties.
23 Depending on what they come in with would determine that.

24 CHMN. CHENAL: And you mean along the east and
25 south sides of the property?

1 MS. DAVIS: Correct.

2 CHMN. CHENAL: Because you're comfortable that
3 there is a requirement that they have to build along the
4 north side of the property?

5 MS. DAVIS: Yes. Very, yes.

6 CHMN. CHENAL: Now, what if the property to the
7 east or the south is developed residential? Would there
8 be a -- and there's no fence along the east side, for
9 example, along Sossaman because it's not -- there's no
10 residential development to the east.

11 MS. DAVIS: It may be easiest if I describe it.
12 Say an industrial building comes in and has a front
13 entrance along Signal Butte. They could have their
14 parking area in the front. They could have -- you know,
15 and not have a wall on that frontage. They could face
16 their building to that frontage and not be required to
17 have a wall on that frontage. And there may be any
18 number of uses that would come in and do that.

19 So there's not a requirement for them to have
20 that wall on those properties even if there was
21 residential across the street.

22 CHMN. CHENAL: Thank you.

23 Q. BY MR. TAEBEL: Ms. Davis, following up on
24 those questions, I'm going to read to you a section of
25 the City code. It's 11-14-4. It says: Zoning ordinance

1 standards as default standards. Any general development
2 standards not specified within the adopted EO development
3 plan shall conform with the standards set forth in the
4 zoning ordinance.

5 So what you just explained to Chairman, is that
6 sort of the basis?

7 A. Yes.

8 Q. Fence materials. Can you walk through a little
9 bit what these different things mean? You touched on
10 this a little bit.

11 So we've got opaque wall, and then it says in
12 parentheses, masonry unit. So what are we talking about?

13 A. A typical block wall. It would be a block wall
14 is typically what they mean by a masonry wall.

15 Q. Next, steel anti-climb security fencing. What
16 is this?

17 A. That's steel fencing that would have a curve at
18 the top to the -- I believe they face it to the exterior,
19 so it's difficult to climb over that wall.

20 Q. Can you see through it?

21 A. Yes.

22 Q. Iron or wrought iron?

23 A. That's fairly straightforward. It wouldn't
24 have that anti-climb effect at the top, but it would
25 still just be an iron fence that you would be able to see

1 through.

2 Q. And then wire mesh.

3 A. It's another fence that would be visible
4 through that, not typically something that we want to see
5 adjacent to residential, because -- all three of those,
6 because they don't provide that screening. That's what
7 that 4-foot wall is for with the landscaping, to provide
8 that additional buffer.

9 Q. And then pipe-rail or post-and-rail fencing.

10 A. That's more similar to what you would see in an
11 agricultural area with horses and so on, that type of
12 fencing,

13 MR. TAEBEL: Okay. Can you scroll down a
14 little bit.

15 Q. BY MR. TAEBEL: All right. Next section here,
16 F, Landscaping Design Standards. Can you explain what's
17 going on here.

18 A. So the applicant provided information in there.
19 They didn't deviate from any of the standards for what
20 would be required for the landscaping.

21 In that statement, it looks like they're
22 establishing that they will be providing that landscaping
23 on the edges and at the entryways where the public will
24 be facing the site to provide landscaping.

25 Q. So what type of landscaping would you

1 anticipate, then?

2 A. Trees, shrubs, groundcover.

3 MR. TAEBEL: All right. Scroll down. Go back
4 up a little bit. Right there.

5 Q. BY MR. TAEBEL: Okay. So here at the bottom,
6 we have, I guess, letter I, Definitions. And there's a
7 definition for data center. Can you explain why this
8 definition was included here and what's going on?

9 A. Yes.

10 As I stated earlier, in 2011, when the zoning
11 ordinance was updated, data centers were not contemplated
12 as a land use in our code. There was an interpretation
13 to have it fall under business services.

14 However, the applicant wanted to specifically
15 define what a data center is for the development plan
16 that went forward so that people could understand that
17 that was a use that was specifically approved for this
18 site.

19 Q. So what happened to this document in terms of
20 the P&Z process? Can you explain that?

21 A. Sure. The Planning & Zoning Board recommended
22 approval with conditions that were outlined in the staff
23 report.

24 Q. And broader than that, I mean, is this a
25 document that's submitted to P&Z?

1 A. Yes, as one of the exhibits.

2 Q. And those exhibits are available to the public?

3 A. Yes.

4 Q. Can you explain that process a little bit. How
5 does it work?

6 A. Sure. Well, as part of the notification
7 process, the citizens are notified that they can contact
8 our office with information if they're wanting additional
9 information, or they can contact the applicant to get
10 that information.

11 Also, we have public record -- we have public
12 postings that are required for the property so that
13 citizens can contact our office. They can access --
14 through our website, they can access all the documents
15 related to a case, including the staff report and so on.

16 Q. Are you familiar with the site planning
17 process?

18 A. Yes.

19 Q. Can you explain that process a little bit to
20 the members of the Committee?

21 A. The site planning process for this particular
22 development?

23 Q. Well, that hasn't occurred yet; is that true?

24 A. Yes.

25 Q. So let's talk about the site planning process

1 generally.

2 A. Typically, there's some criteria in the
3 ordinance for what requires site plan review or depending
4 on what the previous ordinances on the property require.

5 So an applicant would go through a public
6 hearing process, typically, for a site plan which goes to
7 the Planning & Zoning Board. They don't typically go on
8 to city council for approval typically.

9 So they don't typically going on to city
10 council for just a site plan review. In this case -- and
11 then it goes through that same process as far as
12 neighborhood notification. They go through all of the
13 same citizen participation process as they go through for
14 a site plan review as they would for going all the way
15 through city council to rezone the property. And that's
16 an evaluation based on criteria in our code for what is
17 required for a site plan, parking and landscaping, and so
18 on.

19 Q. You were here earlier when there was some
20 discussion about the process in terms of notifying the
21 public?

22 A. Correct. The EO process in the zoning
23 ordinance establishes a different neighborhood
24 notification process for site plan. And what that does
25 is establishes a modified boundary with the citizen

1 participation. On a normal site plan, it would be 1,000
2 feet notification in registered neighborhoods and HOAs
3 within a mile and a half mile.

4 In the EO district, it's established at 750
5 feet. A letter needs to go out within five days of
6 receipt of the application for administrative site plan
7 request. And then it would go out to the neighborhood to
8 be able to make that comment back to the planning
9 director before a recommendation is made or before a
10 decision is made. And then once a decision is made, then
11 there would be another mailing that would go out that
12 would notify the citizens of that decision so that then
13 they could choose if they wanted to appeal that decision.

14 CHMN. CHENAL: So if I may ask a question. So
15 it's an administrative procedure under the EO -- well,
16 for this project. Let's make it simple. For this
17 project, it's an administrative site plan review process?

18 MS. DAVIS: Yes.

19 CHMN. CHENAL: But that's different than the
20 normal site plan process.

21 MS. DAVIS: Correct.

22 CHMN. CHENAL: And the normal site plan
23 process, can you just, again, tell us how that works.

24 MS. DAVIS: It's similar to a rezoning. It
25 goes through a public hearing process. And this is an

1 administrative process with public notification.

2 CHMN. CHENAL: Thank you.

3 MEMBER HAMWAY: But the notification went from
4 1,000 to 750, or was it a half mile? What did you just
5 say?

6 MS. DAVIS: I said a lot of numbers. I
7 apologize for that.

8 The rezoning of the property establishes the EO
9 district with the modified notification when it's a site
10 plan. So the rezoning met all of the requirements of the
11 further notification.

12 The EO district establishes a 750-foot
13 notification instead of the 1,000-foot, which would be
14 standard on a typical site plan.

15 Q. BY MR. TAEBEL: Okay. As part of the site plan
16 process, can the planning director impose conditions on
17 the site plan?

18 A. Yes.

19 Q. So what is an example of a condition that might
20 be imposed?

21 A. There could be a condition for a specific type
22 of tree. There could be a condition for an additional --
23 you know, say, a larger box tree. There could be
24 something to do with the wall height. There could be
25 something to do with where a parking lot is located.

1 There could be any number of conditions that could be
2 placed on a site.

3 Q. Is compatibility with adjacent properties and
4 neighboring structures one of the factors?

5 A. Yes.

6 Q. When you've participated in this process, do
7 you ever take comments from area property owners that are
8 affected?

9 A. Absolutely.

10 Q. And what do you do when you get a comment?

11 A. I answer whatever questions that the person
12 that contacts me has. I give them whatever information
13 they need. I explain the process. We provide a copy of
14 that letter to the board member or that we provide them
15 with an update of what that conversation was at a study
16 session so that they're aware of what those
17 communications were and what the concerns were.

18 Q. The planning and zoning meetings are open to
19 the public?

20 A. Yes.

21 Q. Publicly noticed?

22 A. Yes.

23 MR. TAEBEL: I don't think I have any more
24 questions for Ms. Davis.

25 CHMN. CHENAL: Ms. Davis, are you familiar at

1 all with the Development Agreement, the -- not the
2 development plan, but the Development Agreement for this
3 project?

4 MS. DAVIS: I am not. I was not involved with
5 that part of the process.

6 CHMN. CHENAL: We'll get a copy of that and put
7 it into the record tomorrow.

8 What was the reason why, for this project, it
9 was decided to use an administrative site plan process
10 versus the normal public -- more public hearing process
11 for site plan review?

12 MS. DAVIS: The site plan review process is
13 specified in the EO zoning district. So when we adopted
14 the EO zoning district into the zoning ordinance, which
15 was a few years back -- I don't have the specific date --
16 that establishes the process for site plan review.

17 The goal is to provide a process through the
18 City so that -- as JD had explained, so that we can react
19 quickly to be able to provide entitlements on a property
20 for somebody coming in. And this provides that through
21 an administrative process, which is a faster process than
22 the full public hearing process.

23 So the code was set up to anticipate still
24 providing that neighborhood notification that needs to
25 happen, but it establishes the land use and some

1 guidelines so that it can give the neighborhood a comfort
2 level as to what could be developed there.

3 CHMN. CHENAL: So, for this project, the
4 public, including the homeowners to the north of the
5 property, will still have the input through this
6 administrative process addressing such issues as the
7 fencing and vegetation and matters of that sort; is that
8 correct?

9 MS. DAVIS: Yes. On the site plan. They're
10 still subject to the standard design review process,
11 which is a 500-foot notification distance to discuss
12 aesthetics of the buildings and walls and landscaping.
13 And the planning director could also direct those issues
14 to the Design Review Board for feedback.

15 CHMN. CHENAL: Thank you very much.

16 Any questions?

17 Member Noland.

18 Thank you, by the way, for your testimony,
19 Mr. Beatty; for your testimony and for Mesa's putting up
20 with me asking for this additional testimony. It's very
21 helpful to our purposes.

22 Member Noland.

23 MEMBER NOLAND: Thank you. You've been very
24 clear in your explanations.

25 On page 3 of H-1, and I -- it's towards the

1 back. It has a table. And the table lists the standards
2 that are required and the proposed. And in that, it
3 talks about fences and walls. And this is where it's
4 saying that the 4- and 10-foot around the site, as you
5 described.

6 One of the things it does say is that the
7 anti-climb steel or iron "may include wire mesh where not
8 visible to the public." Is that correct?

9 MS. DAVIS: Yes.

10 MEMBER NOLAND: So wouldn't the normal cyclone
11 fencing around a switchyard not be in conformity with
12 these requirements?

13 MS. DAVIS: That is not a fence type that would
14 be allowed for Project Red Hawk for their site.

15 MEMBER NOLAND: Okay. So in keeping with
16 Mesa's standards and what's been agreed upon in this
17 Development Agreement really, if we did say -- if the
18 switchyard was located where it's been proposed on the
19 north part of this property, really, we wouldn't want to
20 have them do a cyclone fence because that wouldn't comply
21 with Mesa's standards, would it?

22 MS. DAVIS: It wouldn't match what we would be
23 requiring for the rest of the site.

24 MEMBER NOLAND: Thank you.

25 CHMN. CHENAL: And one follow-up question.

1 What's the maximum height of a fence along the
2 north that could be put in place on the northern
3 perimeter? The 10-foot?

4 MS. DAVIS: At the property line, they could go
5 to 8 feet for an industrial property.

6 CHMN. CHENAL: But then the zoning district
7 allows the switchyard and the facilities to go to 50
8 feet? Is that --

9 MS. DAVIS: It's not something -- it's my
10 understanding that's not something that we regulate.

11 CHMN. CHENAL: Okay. And then a building,
12 though, that you would regulate could go to 50 feet in
13 the --

14 MS. DAVIS: In this location on the north,
15 there is a height maximum of 50 feet.

16 CHMN. CHENAL: Okay. Thanks.

17 Member Haenichen.

18 MEMBER HAENICHEN: Unless I missed something,
19 we don't know what the height of the structure of the
20 switchyard is, do we?

21 CHMN. CHENAL: I'm waiting for the SRP folks to
22 get back up, and that was going to be one of the first
23 questions I intended to ask.

24 Any further questions from the Committee?

25 (No response.)

1 CHMN. CHENAL: Mr. Sundlof, do you have any
2 questions of Ms. Davis?

3 MR. SUNDLOF: I do not. Thank you.

4 CHMN. CHENAL: Thank you, Ms. Davis. We
5 appreciate it very much.

6 (The witness was excused.)

7 CHMN. CHENAL: Mr. Taebel, anything else that
8 you would like to offer based on the questions that were
9 asked by the Committee?

10 MR. TAEBEL: Can I have one moment?

11 CHMN. CHENAL: Certainly.

12 MR. TAEBEL: Mr. Chairman, I don't think we
13 have anything else from Mesa.

14 CHMN. CHENAL: Now, the next phase would be to
15 get SRP's witnesses up. I wonder if this would be an
16 appropriate place to take a break. Let's take a
17 15-minute break as our afternoon break.

18 (A recess was taken from 3:37 p.m. to
19 4:00 p.m.)

20 CHMN. CHENAL: All right. Let's get back on
21 the record, and we'll resume the afternoon portion of the
22 hearing.

23 Mr. Sundlof.

24 MR. SUNDLOF: Thank you.

25 What I'd like to do is bring back three

1 witnesses, and that is Kim Humphrey, Kenda Pollio, and
2 Samantha Horgen as a panel. And the reason I want to do
3 that is because I think we're best able to answer the
4 Committee's questions that way.

5 And before I start, I'll make a few comments
6 that I'll then support by questioning.

7 Mr. Chairman, you said this is a different
8 animal, and that's well put. This is the first
9 distribution project that I think has ever come before
10 the Committee.

11 This is a customer build-to-suit project. SRP
12 does thousands of them. But they don't come before the
13 Committee because they're lower voltages, so that's the
14 only difference here. A customer build-to-suit project,
15 we ask what the customer wants, and we build it.

16 In this case, the customer has been quite
17 specific with us as to what it wants. And it wants to be
18 able to keep the south part of the property open for
19 development. It does not want trucks driving into the
20 secure areas of the data center. And so we have applied
21 for and we are requesting a data center on the north end
22 of the property next to the corridor.

23 And I can give you reasons, but the real reason
24 is because that's what the customer has asked us to do.

25 CHMN. CHENAL: Mr. Sundlof, you said "data

1 center" on the north side of the property. Did you mean
2 data center or switchyard?

3 MR. SUNDLOF: I meant switchyard. Excuse me.

4 We have worked with the City of Mesa on many
5 distribution projects. And I'll mention a few. And some
6 are built and some are not built. We have Apple, we have
7 CyrusOne, Ragingwire, Intel -- not a data center -- and a
8 number of other ones that the witnesses can talk about.
9 All of these have dedicated switchyards.

10 And on all of these, we have worked with the
11 City and we've worked with the community for appropriate
12 mitigation under the circumstances, and so we're good at
13 that. SRP is a good corporate citizen, and Mesa is a
14 good city. And the only reason that we're arguing about
15 this one is because of the voltages involved. And if it
16 were not for 230 voltages, we would not be here. We
17 thought about not coming here. We debated whether or not
18 this Committee had jurisdiction.

19 And is there a switchyard and a series of
20 structures? That's debatable. And I mentioned this to
21 the Chairman when we first got together, that we decided
22 to err on the side of caution and bring this to the
23 Committee. But I do want to point out that it's no
24 different than any other of the many data center and
25 other large industrial projects that we do that don't

1 come before the Committee, and we're good at it. And you
2 can count on SRP to work with the community and with Mesa
3 to do the right thing.

4 I want to bring up the Price Road Corridor
5 project from a couple years ago, and you may remember
6 that one. A lot more involvement on that project.

7 We had a switchyard, and it was along Price
8 Road. And what we ended up doing was agreeing at the
9 Committee level to put a condition in there that said
10 that SRP will work in good faith with the City in order
11 to mitigate the visual impact of that site, and there
12 were setbacks and other things. And there was not
13 residential next to that switchyard, but it was a very
14 important issue for the businesses along Price Road,
15 being an entrance corridor into the city of Chandler.
16 And I'll ask the witnesses about this, but we did work
17 with the City. We worked in good faith, and we ended up
18 with something that seemed to be acceptable to everybody
19 else.

20 In this case, we're going to do the same thing.
21 We don't know exactly where the buildings are going to
22 go. We don't know where the parking lots are going to
23 go. This is the nature of a build-to-suit distribution
24 project. It's a different animal, but it's not. It's
25 just the first time you guys have seen one. There are

1 hundreds of them.

2 And it's hard, but it will be our
3 recommendation to accept the condition of the City of
4 Mesa that says we'll work together with the City and the
5 community to come up with appropriate mitigation. And I
6 think that's the best way to go rather than trying to
7 design it here in this hearing room in somewhat of a
8 vacuum. And so that's where we're going to go.

9 And I have a few questions for the Committee
10 and for the witnesses, and then I'll let you guys have at
11 them.

12 (Off the record.)

13

14 KIM HUMPHREY, KENDA POLLIO, AND SAMANTHA HORGEN,
15 called as witnesses herein, having been previously duly
16 sworn by the Chairman to speak the whole truth and
17 nothing but the truth, were examined and testified as
18 follows:

19

20 DIRECT EXAMINATION

21 BY MR. SUNDLOF:

22 Q. Let me start with Kim Humphrey.

23 There was a question asked about the height of
24 the switchyard components. And I pulled up Exhibit 11
25 because it seems to be the best overview where you can

1 actually point out the components rather than the other
2 ones that are at ground level.

3 So can you go through and use your laser
4 pointer on Exhibit 11 and point to the switchyard
5 components and talk about their approximate height.

6 A. (BY MS. HUMPHREY) All right. So on the tour,
7 we took a stop by the switchyard. We could see the
8 transmission line.

9 So here, you can see the existing transmission
10 lines, and we know that they're at a height of 120 to 160
11 feet, in that area.

12 We talked about the A-frames, which are the
13 metal structures that will receive the lines coming in
14 and that they're going to be the highest structures in
15 the switchyard. They'll be approximately 45 feet tall.

16 And then on top of them will be an antenna-like
17 structure that supports what we call the static wire.
18 And the static wire runs through the switchyard, and that
19 protects the equipment in the event of lightening so that
20 the lightening will strike the static wire first and
21 protect the equipment underneath.

22 CHMN. CHENAL: And, Ms. Humphrey, what will be
23 the height of that static wire?

24 MS. HUMPHREY: It will be 55 feet. So 45 feet
25 for the A-frame, 9 feet for the static wire pole, and

1 that's approximately 55 feet. And we have other static
2 wire poles throughout the switchyard to support that.

3 Q. BY MR. SUNDLOF: Please proceed and discuss the
4 other components.

5 A. (BY MS. HUMPHREY) Well, as you come in, you're
6 going to have disconnect switches, breakers, additional
7 disconnect switches, and the lines that come out. And so
8 the other poles that you see throughout are the poles
9 that will support the lines exiting the switchyard and
10 going to other locations on the property.

11 Q. And the disconnect switches and that mechanism,
12 how high is that?

13 A. (BY MS. HUMPHREY) Well, the bus is
14 approximately 25 feet high, so the breakers will be a
15 little lower than that. The disconnect switches may be
16 in the neighborhood of 5 to 10 feet higher. So 35 feet.

17 Q. And what's that white building in the picture?

18 A. (BY MS. HUMPHREY) That's the control house.
19 So the control house houses all the computers that work
20 with the measuring equipment that measures the voltage
21 and the current out in the switchyard.

22 Remember we talked about earlier, when we see
23 variations, that's what indicates a problem. So those
24 variations send a message to the equipment in the control
25 house to possibly open up a breaker or disconnect switch

1 and isolate the area where the problem might be
2 occurring. It also has the communications equipment.

3 MR. SUNDLOF: Okay. Any questions about the
4 switchyard before I move on?

5 CHMN. CHENAL: One question: So the switchyard
6 proper surrounded by the -- on Exhibit 11, SRP-11, that's
7 surrounded by the green line, how big is that area?

8 MS. HUMPHREY: It's approximately 500 by 800
9 feet. And I think something else to note is there's an
10 additional setback from where the transmission corridor
11 is. So we are getting a considerable distance away from
12 the housing development as we add all those things
13 together.

14 CHMN. CHENAL: Can you put that in acres?

15 MS. HUMPHREY: I can do better in feet. We
16 know the corridor is approximately 250 feet. We were out
17 there, and there's a little bit -- you have the homes,
18 then you have the street, then you have a little buffer,
19 then you have the corridor, then you've got some
20 additional buffer. And then you would have the easement
21 for these transmission lines here, approximately 100
22 feet. So we're probably talking this would be in the
23 neighborhood of 450 feet away.

24 CHMN. CHENAL: I was asking, what is the total
25 acreage of the switchyard site?

1 MS. HUMPHREY: The conversion would be 500
2 times 800 for a total square footage, and I don't know
3 how to equate that to acreage without a calculator in
4 front of me.

5 MR. SUNDLOF: Mr. Chairman, about 9 acres.

6 MEMBER HAENICHEN: There's about 43,000 square
7 feet in an acre. So 10 acres is 400-some-thousand, and
8 that's about what you're talking about here.

9 CHMN. CHENAL: Yes. Member Noland.

10 MEMBER NOLAND: Ms. Humphrey, do you know how
11 big the -- in acreage the proposed site in green on SRP-2
12 is?

13 MS. HUMPHREY: Over here?

14 MEMBER NOLAND: Yes.

15 MS. HUMPHREY: That includes our project site,
16 so that would be 187 acres.

17 MEMBER NOLAND: I'm asking for the part -- I'm
18 sorry, the switchyard. The proposed switchyard. Sorry,
19 that one is the total site.

20 I'm talking about the proposed site next to the
21 school district. How many acres?

22 MS. HUMPHREY: I believe 9 or 10 is what we
23 just calculated.

24 MEMBER NOLAND: No. That's what you said the
25 switchyard was. I want to know how big that area in

1 green is that we're looking to approve. How big is that
2 that's depicted on our table placemat?

3 MS. HUMPHREY: I think that that is the
4 approximate size of the switchyard. So I would say
5 that's a little bit bigger because that would include the
6 boundaries. But I don't have an exact measurement. We
7 haven't yet designed the switchyard to know the exact
8 dimensions of that and the exact setbacks. So a little
9 bit more, it would be my best answer right now.

10 MEMBER NOLAND: I understand that. But in past
11 cases -- and we know, basically, the area that we're
12 agreeing to that the switchyard should be placed into.
13 If you can come up with -- we know the whole site is 187
14 acres. The area where you're planning to approximately
15 locate the switchyard, I'd like to know how many acres
16 that is that we're going to approve.

17 MS. HUMPHREY: Okay. And I think we could
18 approximately look at that and say we know this is 800 by
19 500. And then we'd want two double-circuit easements.
20 So add 100 there. It looks like we only have a single
21 one there. So then 800 and 300. So 1,100 times -- 500,
22 700. 1,100 times 800 would be a good estimate.

23 MEMBER NOLAND: Well, why don't you talk it
24 over. And by tomorrow, when we're working on the CEC, I
25 would like to put the total acreage --

1 MS. HUMPHREY: Okay.

2 MEMBER NOLAND: -- that we are going to approve
3 for the switchyard.

4 MS. HUMPHREY: Okay. And just to clarify, you
5 want the acreage of the switchyard and include the
6 easements surrounding it as well?

7 MEMBER NOLAND: No. I want to have an exhibit
8 that is attached to the CEC that gives the total that
9 might ever be used in this switchyard in acres and
10 designating the site, whatever site it is, we decide on.

11 MS. HUMPHREY: Okay. And do you want to know
12 the exact placement of that? No. Just the size?

13 MEMBER NOLAND: Just the size. And you can
14 place it within whatever. But we've done this --
15 Mr. Sundlof knows what I'm talking about. You have a
16 general area, and you're going to place it somewhere in
17 there, but you're limited to within that area.

18 MS. HUMPHREY: Okay. Thank you.

19 CHMN. CHENAL: Member Haenichen.

20 MEMBER HAENICHEN: Thank you, Mr. Chairman.

21 I can't speak for all the other members of this
22 Committee, but I personally feel that we were misled as
23 to the public, particularly homeowners, feeling about
24 aspects of this project. And that was confirmed at the
25 session we had in the evening.

1 The opening remarks by Mr. Sundlof seemed to be
2 aimed at preempting any conversation about whether the
3 switchyard can be moved at all. And if that's the way it
4 is, I think we should get a definitive statement from the
5 applicant that when you ponder this tomorrow, the
6 switchyard has to be exactly where we told you.

7 And I maintain that I think there is some
8 flexibility there, particularly just directly south of
9 the school property we saw on the tour. I don't think
10 that would really stymie the applicant's customer too
11 much on where to put their buildings.

12 So that's my position and my statement.

13 CHMN. CHENAL: Member Gentles.

14 MEMBER GENTLES: Mr. Sundlof, did you say that
15 the reason why that switchyard location is there is
16 because the applicant doesn't want trucks driving into
17 the property to a different location?

18 MR. SUNDLOF: Member Gentles, let me expand on
19 that. We talked that over with our customer, and the
20 customer is very sensitive about how it's going to lay
21 out its campus. And it was very clear to us -- made very
22 clear to us that it did not want the switchyard
23 infringing upon the areas that were zoned for 150 feet.
24 It was very clear to us that the applicant wanted -- or
25 the customer wanted the switchyard to be along the

1 northern boundary adjacent to the transmission corridor.
2 They were very adamant about that. And that's our
3 request to the Committee because that's the specification
4 of the customer.

5 I can -- there's probably a little bit of -- a
6 little bit of extrapolation maybe here. But we thought
7 about this, and this is going to be a secure data center
8 site. It's a huge thing. It's a big deal. It's high
9 security. And if you have a switchyard within it, you
10 have to drive in.

11 That doesn't mean you couldn't put it, for
12 example, south of the school district property because
13 you could probably get to that. But even then, then
14 you'd have to have more easements coming in. You would
15 be taking up more land. And it's contrary to what the
16 customer has asked us for, and that's not our
17 application. Our application is to put it along the
18 north boundary because that's what we're being asked to
19 do.

20 That's why it's a different animal. We don't
21 have the discretion to move it around like we do in other
22 projects. We are responding to the customer's needs like
23 we do in every other build-to-suit distribution project
24 except this is the first one to ever come before the
25 Committee. And so that's our application. That's what

1 the customer has asked us for, and that's what we're
2 applying for.

3 MEMBER GENTLES: I appreciate that. Thank you.
4 I have a couple other questions.

5 So to the west side of the property line going
6 along the flood control district side. Do you see that?

7 Can you put that up for me?

8 MS. HUMPHREY: Exhibit 3 on the left side would
9 be good.

10 MR. SUNDLOF: Put up Exhibit 3, please.

11 MEMBER GENTLES: So on the left side there, is
12 there a road that runs north and south down that flood
13 control district?

14 MS. HUMPHREY: No.

15 MEMBER GENTLES: So there's no access to the
16 south portion of the property on that side of the
17 property?

18 MS. HUMPHREY: Correct.

19 MEMBER GENTLES: Okay. So I've got -- you've
20 said that this is a different animal, and I appreciate
21 that. And you're asking for flexibility, and I
22 appreciate that. But then you're asking us not to be
23 flexible with that switchyard, and I've got a problem
24 with that. I shouldn't say a problem. I've got a
25 challenge with it.

1 I appreciate the business case for it, and I
2 understand that your client is advocating for that piece
3 of -- that land on the north side of the property on that
4 road to be the definitive location of the switchyard.
5 But you're asking us for flexibility, but I'm not hearing
6 any flexibility from you.

7 So -- and especially because I do feel like
8 Member Haenichen, that I just don't feel like we got the
9 full story on the sentiment of the public when it comes
10 to their comments, which then became very evident in the
11 36 pages of information that we read.

12 So I think I'll be taking that into
13 consideration as we go into deliberation of the CEC.

14 Thank you, Mr. Chair.

15 MR. SUNDLOF: I do want to defend my comments.
16 My comments were that we didn't have anybody opposing the
17 project, and that's true. We have people opposing the
18 switchyard location. But nobody is opposing -- I mean,
19 people said they're opposing the project, but they're not
20 really opposing the whole Google project, and so I don't
21 think that was said.

22 MEMBER GENTLES: I agree with that. That was
23 clear. It's a good project. I understand that. But
24 there absolutely was opposition multiple times over the
25 location of that switchyard.

1 MR. SUNDLOF: And I think I said in my opening
2 that the comments were regarding the visual impact of the
3 switchyard. I don't think I said the location of it, but
4 I said the visual impact of the switchyard. And I meant
5 that to include the visual impact of the switchyard,
6 which is what the comments are.

7 And so I don't think that I -- I certainly did
8 not intend to mislead the Committee in any way in my
9 opening statement.

10 MEMBER GENTLES: Okay. Would you equate the
11 visual impact of the switchyard to include the location
12 of the switchyard?

13 MR. SUNDLOF: Oh, sure. Sure. Sure. But
14 that's not our application. Our application is to locate
15 it where we're saying.

16 I would -- I meant to include that in my
17 general comment.

18 MEMBER NOLAND: Mr. Chairman.

19 CHMN. CHENAL: Member Noland.

20 MEMBER NOLAND: Mr. Chairman, I understand the
21 need and the security that they are intending to have
22 around this site, and I appreciate that. I also kind of
23 came to the conclusion that they wanted the switchyard
24 here because it was within the 50-foot height limit.

25 But they can also put parking and other

1 structures in the 50-foot height limit for the whole
2 project. It hasn't been designed yet. They could put a
3 separate little road that went down the side of the
4 school district site. And if this were located right
5 below on the -- is it west side? Below the school yard
6 site, it could have its own its road that went in to get
7 to the switchyard for repairs and so on and so forth.
8 And they could probably work their site around it.

9 I'm just saying I know what you're requesting,
10 but you have to sometimes understand that it may not be
11 what we feel is the best site.

12 MR. SUNDLOF: Well, Member Noland, we have
13 avoided scrupulously trying to design Google's project
14 for it. And I would suggest that we not try to design
15 Google's project for it, and that's why this is so
16 different. I've got to take our customer at its word.
17 And it's an important customer for Mesa, and we don't
18 want to unnecessarily do something to jeopardize this
19 project. And that's why we're trying to do what the
20 customer asked us to do. If you don't like it, you don't
21 like it. But it's what we're bringing to you. And
22 that's not our choice. It's the customer's request.

23 CHMN. CHENAL: Member Woodall.

24 MEMBER WOODALL: I guess my concern is rather
25 than move blocks around on this 187-acre property, I

1 don't know if Gilbert School District is going to have
2 vehement objections to that because it hasn't been
3 discussed to them that we're -- or notified that we're
4 thinking about moving it down there. And this has been
5 in the record. So my concern is independently deciding
6 it needs to go here or there when I haven't heard from
7 other people. It hasn't really been disclosed that
8 there's any other location other than this one.

9 I personally feel that with the mitigation
10 measures that I anticipate the City and SRP will come up
11 with that that's going to alleviate a lot of the
12 neighborhood concerns.

13 I mean, they're going to have 150-foot
14 buildings out in the background there. So I'm not
15 inclined to move the block around in this 187 acres when
16 I don't know the potential impacts to the development
17 plan nor do I know whether anybody else in this
18 neighborhood is going to say, Wait a minute, why are you
19 moving it over here? So that's where I'm coming from
20 with all of this.

21 CHMN. CHENAL: Member Hamway.

22 MEMBER HAMWAY: This question is for Mesa.
23 Have you guys ever had that flood control channel
24 overflow?

25 MR. TAEBEL: I think that is the East Maricopa

1 Floodway.

2 MEMBER HAMWAY: It is.

3 MR. TAEBEL: I've never heard about the East
4 Maricopa Floodway overflowing. That is the floodway, so
5 I certainly hope it never did.

6 MEMBER HAMWAY: Well, it could.

7 CHMN. CHENAL: Well, let me suggest that we --
8 there's been a question raised about moving the
9 switchyard.

10 We've heard comments from counsel, but I think
11 we should hear evidence from the witnesses on that issue.

12 And, Mr. Sundlof, if it's okay with you, you
13 were asking questions, I think.

14 MR. SUNDLOF: I'll go ahead and ask those
15 questions.

16 CHMN. CHENAL: And then we can follow up with
17 that. I think we have asked a question in the middle of
18 your questioning.

19 MR. SUNDLOF: I might as well do this one while
20 we're thinking about it.

21 CHMN. CHENAL: Probably a good idea.

22 Q. BY MR. SUNDLOF: Let me start with Kim.

23 Kim, have you talked with Google about where it
24 would like the switchyard to be located?

25 A. (BY MS. HUMPHREY) Yes, we have. And we

1 proposed the exact location that you suggested, and they
2 rejected that idea.

3 Q. And why did they tell you they rejected it?

4 A. (BY MS. HUMPHREY) It was not what they wanted.
5 They wanted it located on the northern boundary.

6 Q. And when you say "the exact location," you mean
7 south of the school district maintenance yard?

8 A. (BY MS. HUMPHREY) Yes.

9 Q. And why did they tell you they did not want it
10 south of the maintenance yard?

11 A. (BY MS. HUMPHREY) The primary reason was the
12 50-foot height restriction, that they wanted it placed in
13 there. And that was the driver as well as logistically
14 being close to the transmission corridor.

15 Q. And you complied with the customer's request in
16 this application by asking it to be located where you
17 show it on Exhibit SRP-3?

18 A. (BY MS. HUMPHREY) Correct.

19 MR. SUNDLOF: Okay. Should I go on with other
20 questions?

21 CHMN. CHENAL: One question. I mean, I've
22 heard it said repeatedly, even by Mesa, that the zoning
23 ordinance really doesn't regulate the facilities.

24 MR. SUNDLOF: Right.

25 CHMN. CHENAL: The transmission facilities, the

1 switchyard, or anything else. So the applicant really
2 doesn't -- from a zoning perspective, it makes no
3 difference if it's in the 50-foot zoning area or the
4 150-foot zoning area.

5 So is it simply that if you put it in the 50,
6 that's going to leave more area to develop in the 150 for
7 their buildings? Is that it? I'm trying to understand
8 why. It doesn't make a difference if it's not regulated
9 by the zoning ordinance.

10 MS. HUMPHREY: I've shared with you the details
11 that they shared with me. I've shared with you that we
12 presented the concept to locate the switchyard south of
13 the school district and that they rejected that idea and
14 said, No, we won't accept it there. We need it to be
15 along the northern border.

16 Q. BY MR. SUNDLOF: But the question is, is that
17 because they wanted to reserve as much of the 150-foot
18 zoning as possible?

19 A. (BY MS. HUMPHREY) That is an assumption I
20 would make.

21 CHMN. CHENAL: And we've heard from Mesa today
22 that most data projects of this type are developed -- I
23 guess there are some that are 69, 65, some in the 40s,
24 that would be within the 55-foot zoning.

25 Member Hamway.

1 MEMBER HAMWAY: How much would it cost to -- I
2 know right now it's adjacent to the 230kV lines. If you
3 moved it south and east, underneath the -- where we're
4 talking about, what additional cost and equipment would
5 be required? I know access is an issue. I know all
6 those things. I know they don't want it. I'm just kind
7 of curious about what would it take to do that?

8 MS. HUMPHREY: I think one of the biggest costs
9 would be in the additional land required and primarily
10 the additional land for transmission easements to bring
11 the lines from the transmission corridor down to the
12 switchyard.

13 MEMBER HAMWAY: But it's their land. They
14 already have it; right?

15 MS. HUMPHREY: So my point is that we're eating
16 up additional land that they can no longer use for their
17 data center facility.

18 MEMBER HAMWAY: Okay.

19 CHMN. CHENAL: Member Haenichen.

20 MEMBER HAENICHEN: One of the things you have
21 to consider if it stays where it is, you're not going to
22 be shielding it with a 10-foot-high wall like we talked
23 about. It's got to be a 40-foot-high wall. So that
24 would mean the City of Mesa would have to make some
25 concession there.

1 CHMN. CHENAL: And I'm not sure, Member
2 Haenichen, under their development plan that we've
3 reviewed, that that's an option because the development
4 plan is very specific. It talks about a 4-foot and a
5 10-foot or a 6-foot wall. And I'm not sure that -- I
6 don't know that Mesa has the ability to require a 40-foot
7 wall based on the agreements they've already entered
8 into. So I just throw that out to you.

9 MEMBER WOODALL: May I ask a question.

10 Mr. Taebel, did the City say that these were
11 applicable to substations? There was some ambiguity in
12 one of your witnesses' statements, and I wasn't quite
13 sure.

14 MR. TAEBEL: So the struggle I'm having here is
15 that this is an ongoing issue that I have with my
16 partners at Salt River Project. Are they or are they not
17 subject to the jurisdiction of the City of Mesa. I
18 really hate to make the concession here or anywhere that
19 they're not, if you understand.

20 So with that sort of preface, I think that at
21 least as part of this proceeding, the City is prepared to
22 acknowledge that its ability to influence exactly what
23 happens on the switchyard is probably limited.

24 But it occurs to me that -- and I'm not
25 advocating for a 40-foot wall because that becomes its

1 own monster, not to be too pejorative. But maybe, as
2 part of this proceeding, there is some wall concession.

3 May I ask one question of the witness or two?

4 CHMN. CHENAL: Mr. Sundlof isn't finished, and
5 I know we still have a lot of questions. But if you want
6 to jump in and ask a pertinent question, please.

7 MR. TAEBEL: That green box, will that be owned
8 by SRP, or will you have an easement for the switchyard
9 itself?

10 MS. HUMPHREY: The general practice is to
11 secure an easement with the customer that owns the
12 property, and that easement is in existence as long as
13 the electrical equipment is in operation.

14 MR. TAEBEL: Is there a non-general practice?

15 MS. HUMPHREY: With the customer-dedicated
16 substations, that's been our process, so that's what I
17 would expect with this as well.

18 MR. TAEBEL: You had mentioned -- I just want
19 to make sure I understood.

20 So on SRP-3, it looks like the green box, at
21 least on the west side, comes pretty close to touching
22 the property line, which I would assume is depicted in
23 yellow.

24 Was there going to be a buffer?

25 MS. HUMPHREY: Yes.

1 MR. TAEBEL: So 150 feet off the actual yellow
2 line?

3 MS. HUMPHREY: At this moment, I can't recall
4 the exact buffer distance between the northern boundary
5 of the switchyard and the southern boundary of the
6 transmission corridor. I believe that's what you're
7 asking; correct?

8 MR. TAEBEL: I think so.

9 MS. HUMPHREY: So I can get that data for you,
10 but I can't recall at this moment.

11 MR. TAEBEL: Would that area -- well, I think
12 the City's position, at least -- I want to think about
13 this some more.

14 But if there's an area of buffer between where
15 the switching yard is and the property line, then I would
16 take the position that the property owner is still
17 subject to the requirements of the zoning plan, which
18 says that you have to have a perimeter fence.

19 CHMN. CHENAL: Let me ask a clarifying question
20 of Kim, and then we'll go to Member Haenichen.

21 Mesa, in its development plan zoning ordinance,
22 based on the testimony of the witness today, Ms. Lewis,
23 has been required to building some kind of fencing or
24 wall along the northern perimeter of the property. I
25 think that's been established. You would agree with me?

1 MS. HUMPHREY: Yes.

2 CHMN. CHENAL: But are we not talking about an
3 additional wall, which is a wall around the substation,
4 which would be separate and apart from the -- I'll call
5 it the perimeter wall of the property?

6 MS. HUMPHREY: I would expect, based on the
7 buffer distance, that what you are suggesting is
8 accurate.

9 CHMN. CHENAL: So the perimeter wall that
10 we've -- that is addressed in the development plan that
11 has the 4-, the 6-, and the 10-foot height restrictions
12 or limitations or requirements would be separate from the
13 wall that this Committee could address in the siting of
14 the switchyard. Is that also correct?

15 MS. HUMPHREY: I believe it could be understood
16 to be that way, yes.

17 CHMN. CHENAL: Okay.

18 Member Haenichen.

19 MEMBER HAENICHEN: There's another way to look
20 at this. The switchyard dimensions, as you can see from
21 Exhibit SRP-11, are not equal to the size of the property
22 that we're talking about, that green rectangle over
23 there.

24 Would it not be possible to push the switchyard
25 as far south as possible without intruding on the

1 150-foot rule?

2 MR. SUNDLOF: You're going to have to ask the
3 witness that. I suppose it's possible to put it as far
4 south as you can without infringing on the -- there would
5 be no reason not to.

6 MS. HUMPHREY: I think the 150-foot -- the
7 boundary between the 50-foot height restriction and the
8 150-foot height restriction is approximately two-thirds
9 of the way down that yellow line. So the switchyard does
10 reside partially in the 150-foot area. But we are
11 maximizing its footprint in the 50-foot height
12 restriction area.

13 CHMN. CHENAL: So approximately one-third of
14 the proposed site of the switchyard subject to a 50-foot
15 zoning restriction and two-thirds is -- two-thirds is
16 subject to the 50-foot, and one-third is encroaching on
17 the 150-foot height limitation?

18 MS. HUMPHREY: I think, approximately. And,
19 honestly, we don't -- I haven't been that precise with
20 where we have set it. We're in the early stage of what
21 we call a conceptual design, so the definitive design
22 stage is when we would determine the exact measurements,
23 do the survey, place it on the site, and we have not
24 performed those functions to date.

25 CHMN. CHENAL: Member Haenichen.

1 Thank you.

2 MEMBER HAENICHEN: Then it would be helpful for
3 the Committee if, by tomorrow, we could have a revised
4 drawing of SRP-3 showing the exact line, the positioning
5 of that 50-to-150 transition.

6 MS. HUMPHREY: With the switchyard placed on
7 it?

8 MEMBER HAENICHEN: Yes.

9 CHMN. CHENAL: And it might be helpful to note
10 where the applicant has proposed to placed the
11 switchyard -- I'm looking at SRP-3, which is a green
12 square next to the school property. Based upon the
13 square footage of the site required for the switchyard,
14 how far back could we push it? Would it occupy the
15 entire green square on Exhibit 3 or only part of that
16 property?

17 MS. HUMPHREY: I think we can create a more
18 precise diagram that shows the exact location -- or shows
19 an approximate but a better approximation of the location
20 and the size of the switchyard and separates the
21 easements outside of that. I think the green box we're
22 looking at on SRP-3 is a rough approximation, and it is
23 larger than 500 by 800.

24 So we can clean that up to give you a better
25 picture.

1 CHMN. CHENAL: I think that would be good to
2 know how much of a buffer one could create by pushing the
3 switchyard as far south as possible within the area that
4 you proposed.

5 Now, I have additional questions on the cost
6 and the engineering involved with moving the switchyard
7 to south of the school yard property. I want to get into
8 that a little more so that we have a record of it. But I
9 don't need to do that right now. I can wait to see if
10 there's other questions from the Committee or
11 Mr. Sundlof.

12 MR. SUNDLOF: Thank you.

13 Q. BY MR. SUNDLOF: Member Haenichen mentioned,
14 and you testified, that there are structures that are
15 well beyond the -- well above the normal wall height. I
16 don't think anybody wants a 40 -- because you have to
17 have a 55-foot wall. I don't think anybody wants that.

18 And so the question is, I drive around, and I
19 see a lot of neighborhood substations, and they have
20 walls. And then if I look up, there are structures above
21 them. But the point is that the line of sight is to the
22 wall; correct?

23 A. (BY MS. HUMPHREY) Yes.

24 Q. And in this case, you've got a whole
25 transmission corridor between the homes. And so if you

1 look up, you're not only going to see these A-frames,
2 you're going to see all the towers and the transmission
3 lines that are already there.

4 So I guess my question is, in your industry and
5 in your professional engineer opinion, is appropriate
6 mitigation to try to mitigate the line of sight rather
7 than go up and try to mitigate the entire transmission
8 structures and conductors and the rest of it?

9 A. (BY MS. HUMPHREY) I think if what you're
10 suggesting is that a wall height of 40 is too high and it
11 wouldn't be --

12 Q. No, I'm not asking that.

13 I'm asking, is line-of-sight mitigation an
14 appropriate type of mitigation?

15 A. (BY MS. HUMPHREY) Okay. I think that it would
16 be worthy just to see what we could do to mitigate the
17 line of sight.

18 Q. Kenda, why don't you talk about it. You've got
19 a lot of experience in this.

20 A. (BY MS. POLLIO) from an aesthetics
21 perspective, when you are trying to mitigate any type of
22 visual -- anything visually that someone wants mitigation
23 to try to either screen, buffer, or incorporate into like
24 more of the natural environment, you definitely look at
25 it from eyesight or line of sight. You do not try to

1 maximize height or try to necessarily mask the entire --
2 and this is very true of transmission structures. When
3 we talk about visual aesthetics for transmission
4 corridors, in many cases, we do think, there again, line
5 of sight.

6 So if you look at it from your backyard, you're
7 not going to try to mitigate something up high. You're
8 going to mitigate it where you are sitting on your porch
9 and looking straight out. Again, that is just because
10 also these are structures that you can somewhat see
11 through because there's open space between them. So a
12 wall at, again, a height that would be sitting on your
13 front porch, that's kind of what we talked about.
14 Sitting on your front porch or sitting on your back porch
15 or if you're in your car driving by, that's typically how
16 you mitigate.

17 Q. Thank you.

18 Kim, let me ask you this: There are a number
19 of other customers that SRP has that have dedicated
20 substations; is that correct?

21 A. (BY MS. HUMPHREY) Yes.

22 Q. And most of them come in at the 69 level, and
23 then they can go out at different voltages?

24 A. (BY MS. HUMPHREY) Yes.

25 Q. Examples might be Apple, which is not a data --

1 I mean Intel, which is not a data center but a large
2 user; Apple; CyrusOne; Ragingwire, all of which have not
3 all been built, but those are examples of customers with
4 dedicated substations?

5 A. (BY MS. HUMPHREY) Yes.

6 Q. And, Samantha, let me ask you, do you engage in
7 a process when you build these dedicated substations to
8 work with the city and perhaps the neighbors on
9 mitigating the line-of-sight impact of these?

10 A. (BY MS. HORGEN): Yes. It's not uncommon for
11 us to have neighborhood meetings about the color or the
12 design of the wall. That's been pretty common for
13 substations, distribution substations, as well as
14 wellsite projects.

15 Q. But you don't try to mitigate the high parts of
16 the --

17 A. (BY MS. HORGEN) We don't, no. We typically
18 have a standard wall, and then it's just a line-of-sight
19 view.

20 Q. But the point is that you work with the cities
21 and you work with the communities to make sure that what
22 you do to mitigate that visual impact is acceptable to
23 the city and the community?

24 A. (BY MS. HORGEN) That's correct, yes.

25 Q. And this would be no different?

1 A. (BY MS. HORGEN) Correct.

2 Q. If we could just talk a second about the --

3 MR. SUNDLOF: Can you go back to Exhibit 2.

4 Q. BY MR. SUNDLOF: Now, Exhibit 2 shows, on the
5 right of the 202 freeway, the Elliot corridor area. Are
6 there other data centers in there, Samantha?

7 A. (BY MS. HORGEN) Other data centers -- can you
8 repeat that question? Sorry.

9 Q. Either built or to be built, planned.

10 A. (BY MS. HORGEN) In the Elliot Road Technology
11 Corridor?

12 Q. Yeah.

13 A. (BY MS. HORGEN) I'm not familiar with any
14 other data centers personally.

15 Q. Okay. Somebody is.

16 Kim, are you?

17 A. (BY MS. HUMPHREY) Yes.

18 The Elliot Road Tech Corridor is a very popular
19 area for data centers, and our Mesa folks mentioned I
20 believe five to six data centers that we're looking to
21 locate in there. They work with us. They will connect
22 in. They, too, about the transmission corridor, which you
23 can see. And each one of them will put their own
24 substations. And the ones that we've been working with
25 the design abuts that substation to the corridor.

1 Q. So they'll be adjacent to the corridor as this
2 proposal is?

3 A. (BY MS. HUMPHREY) Exactly.

4 MR. SUNDLOF: I don't have any further
5 questions. Thank you.

6 CHMN. CHENAL: Kim -- can we go back to SRP
7 Exhibit 3, please.

8 I think you indicated that you proposed that
9 the switchyard be placed south of the school. Why did
10 you suggest that initially with the customer?

11 MS. HUMPHREY: I think that those are two
12 logical spots where it is and then to tuck it back
13 underneath. And so as we were evaluating that, that's
14 one of the options that we discussed with the customer.

15 CHMN. CHENAL: And then what -- from an
16 engineering perspective, what would -- first of all, it
17 is possible to place it south of the school facility;
18 correct?

19 MS. HUMPHREY: You could place it anywhere on
20 the property, yes.

21 CHMN. CHENAL: And cost really isn't so much an
22 issue for SRP since the customer is paying for it;
23 correct?

24 MS. HUMPHREY: Correct.

25 CHMN. CHENAL: And what were the reasons why

1 the customer just was adamantly opposed to placing it
2 south of the school?

3 MS. HUMPHREY: I think the two that I mentioned
4 earlier. First, proximity to the transmission corridor.
5 And so that allows them to bring in those lines. And
6 those are the first lines that they're going to bring in.

7 And then the second, that they were trying to
8 maximize the use of the 150 area for their buildings.

9 CHMN. CHENAL: The first reason you gave leaves
10 me just -- that's a throwaway to me.

11 The second, there are -- the proposed site is
12 already infringing on that 150-foot. So without a site
13 plan to know how they plan to develop property in that
14 area -- you know, I hear what you're saying, but I'm not
15 as impressed, I guess, by that reason either. I guess
16 I'll just allow that. I may take that into consideration
17 tomorrow in the vote.

18 But from an engineering perspective, it can be
19 placed anywhere?

20 MS. HUMPHREY: Correct.

21 CHMN. CHENAL: Now, let me ask -- I think we've
22 been using first names, Kenda, Kim, and Samantha.

23 I've held out as long as I can to use last
24 names. I'm giving it up right now. First names, except
25 for Mr. Sundlof.

1 MR. SUNDLOF: Because I've got a suit on.

2 MEMBER HAENICHEN: No tie.

3 MR. SUNDLOF: No tie.

4 CHMN. CHENAL: Let's talk for a moment about --
5 the best mitigation in terms of the visual impact for the
6 residents in the north would be placement south of the
7 school facilities. That's probably why SRP suggested it
8 be put there in the first place.

9 But if we're going to keep it where it is in
10 the proposed area, we're going to look tomorrow at maybe
11 some depictions of putting the switchyard as far south as
12 possible and creating as much of a buffer.

13 Can you talk to us about additional mitigation
14 factors that we have jurisdiction over, such as a wall
15 around the switchyard, the height of the wall, given your
16 expertise. Vegetation, trees. You know, anything that
17 you might suggest from your professional experience that
18 might add mitigation to the visual impacts of the
19 neighbors to the north.

20 MS. POLLIO: So based on the discussions with
21 the neighbors, I think they -- we had very long
22 discussions with the neighbors at the open house. And I
23 think it was pretty much unanimous from what they said
24 here, what we talked about was a wall and I think on --
25 the thought was on that northern boundary of the

1 substation.

2 I do think that SRP uses walls in many
3 communities on substation properties to mask, again, kind
4 of that viewshed, also the density of facilities. So
5 when you think about it and you're at eye level or --
6 again, you always use the thing of if I'm sitting on my
7 front porch, most of the density of what you're going to
8 view is closer to ground level.

9 As you get higher, you almost see through it
10 because the structures -- you've got, honestly, blue
11 background, you've got the sky in the background. So the
12 closer to the ground, really, is why walls are really an
13 obvious choice for mitigation.

14 Typically, I think that a wall of 8 to 10 feet
15 makes the most sense because, again, you're going to that
16 I'm driving in my car or, in this case, sitting on my
17 front porch. That really is eye level, is that 8 to 10
18 feet.

19 The other thing that I think most people did
20 recognize when we talked to them at the open house was
21 this whole campus-like setting. Again, we don't know
22 what it's going to look like. But based on my read of
23 the development setbacks and overall for the property,
24 there's some aesthetics, obviously, color schemes, those
25 type of things. I think Mesa's intent based on obvious

1 testimony and what was in Exhibit H-1 is this would be
2 the feel of a campus-like set. So the wall in the north
3 part of that switchyard would somewhat blend in with
4 buildings.

5 Again, if there weren't buildings there, you
6 may come up with other mitigation. But I think because
7 we're talking about solid buildings, you would want
8 something to mitigate it that's solid. So I think the
9 wall is the appropriate visual mitigation for a
10 substation. Again, if you think of that campus-like wall
11 solid, that the wall in front of a switchyard would blend
12 in with that campus-like setting.

13 CHMN. CHENAL: To me, there have been two walls
14 discussed today. One runs along the northern perimeter
15 of the property line, and the other is a switchyard wall
16 around the switchyard or part of surrounding the
17 switchyard.

18 Your testimony you just gave talks about the
19 switchyard wall; is that correct?

20 MS. POLLIO: Yes. And I talked about that
21 based on specifically your question.

22 However, I'll expand and say that if there is a
23 perimeter wall around the entire property, I think that
24 would serve as a wall that would mask the substation. I
25 don't think the wall has to be on the -- I'm sorry,

1 switchyard. The switchyard boundary, the overall
2 property wall would mask that.

3 I will say that I think we talked about that
4 with the property owners. I think their thought was,
5 from a visual perspective, as you -- as things are
6 developed, the wall -- again, a wall on that northern
7 boundary may buffer the visuals as the campus is
8 developed.

9 CHMN. CHENAL: Okay. So let me think ahead to
10 tomorrow as we're looking at conditions. I mean, we
11 still need to talk about placement of the switchyard
12 south of the school.

13 But for purposes of my question, let's assume
14 it's to the east of the school property. I don't think
15 the CEC can necessarily address the perimeter wall of the
16 property. That's really not our jurisdiction, I don't
17 think. But I think we do have jurisdiction to place
18 conditions over the siting of the switchyard.

19 So your testimony was if a perimeter wall is
20 built, then that may obviate the need for a wall around
21 the switchyard. So a condition that says something like:
22 A wall must be placed around the perimeter of the
23 switchyard unless a perimeter wall of not less than a
24 certain number of feet around the northern perimeter of
25 the property is constructed by the applicant -- or by the

1 customer.

2 MS. POLLIO: I think that gets to what most of
3 the property owners were concerned about when they asked
4 for the wall specifically on the switchyard site.

5 CHMN. CHENAL: Now, I think your testimony as
6 well, if I heard it, I think you're very careful about
7 talking about the -- you've talked about a switchyard
8 wall about -- talking about the north face of the
9 property. And I don't know that your comments included a
10 switchyard wall around the east or southern or west sides
11 of the switchyard itself. I just want to make sure
12 that's your testimony.

13 MS. POLLIO: Yes. The northern -- the wall on
14 that northern side was what -- specifically what we
15 talked about with the property owners, and that seemed to
16 address the concerns and would seem to mitigate the
17 visual impact from that -- really, the first and second
18 row of homes on Peralta.

19 CHMN. CHENAL: Now, Member Haenichen, just a
20 moment.

21 But, of course, in the absence of a perimeter
22 wall on the north, if we don't have at least an eastern
23 wall around the switchyard, there still would be visual
24 impact. So, to my mind, you put a wall around the
25 switchyard. But that's, I guess, something the Committee

1 can talk about.

2 Member Haenichen.

3 MEMBER HAENICHEN: Well, that was going to be
4 exactly my point. The homeowners to the far eastern part
5 of that big subdivision there would still be able to see
6 into there if it's only on the north.

7 CHMN. CHENAL: Member Noland.

8 MEMBER NOLAND: Thank you, Mr. Chairman.

9 I'm not comfortable with just leaving it up to
10 a perimeter wall that's only 4 feet high, and that's what
11 it says in H-1. Then another security wall that's 10
12 feet, but you'll be able to see through it. So it says
13 public view, and I think public view can go over a 4-foot
14 wall sitting on your porch or driving by. So it would
15 have to have its own wall on the north, east, and
16 probably west because it could be viewed from the public
17 from any one of those areas.

18 CHMN. CHENAL: Yes. Member Hamway.

19 MEMBER HAMWAY: So some municipalities play a
20 little wall game in that they have restrictions, 4-foot,
21 10-foot, but they build up a berm. So technically, your
22 wall might be 12 feet, but your regulations allow for 10
23 feet. But with the berm, you measure it from the top of
24 the berm, so you're getting an extra 2 feet. Do you guys
25 play that game?

1 CHMN. CHENAL: I object to the form of the
2 question.

3 MR. TAEBEL: I'd like to second the objection.
4 (Laughter.)

5 MEMBER HAMWAY: Well, I'm from a community that
6 has mastered that game.

7 MR. TAEBEL: One never underestimates the
8 creativity of people.

9 Charlotte here is helping me out. Can we get
10 one minute?

11 CHMN. CHENAL: Sure.

12 MEMBER HAMWAY: And you can answer it tomorrow.

13 MR. TAEBEL: Maybe that would be helpful.

14 CHMN. CHENAL: Why don't you get back to that,
15 Mr. Taebel, tomorrow with us.

16 Member Woodall.

17 MEMBER WOODALL: Mr. Sundlof, Mr. Taebel, I
18 think you've heard some of the concerns by some of the
19 Committee members. I mean, you both have ears, and so
20 you both can be pondering using -- to what extent the
21 City and SRP would be willing to address some of the
22 members' concerns here and perhaps could present us with
23 something.

24 I'm loath for us to decide what the wall needs
25 to look like and how many petunias go out front. I'm

1 much more comfortable having the City and SRP make those
2 determinations providing the concerns of the majority of
3 the Committee members with respect to the visibility of
4 the substation -- excuse me -- switchyard are met. So I
5 personally would be very grateful if I could get
6 something a little more comprehensive betwixt the two of
7 you other than a gentlemen's agreement.

8 And then I know that the City will be
9 exercising the appropriate role with respect to the
10 development of this very important project, and I will
11 know that members of the public have had an opportunity
12 to put their two cents in. So that would be my personal
13 preference regarding this.

14 CHMN. CHENAL: Another question for Ms. -- for
15 Kenda. Give up on the last names.

16 Vegetation. What type of vegetation would have
17 the most mitigative effect for a switchyard like this?

18 MS. POLLIO: That is, in my opinion, in the
19 work that we've done, somewhat complicated just given,
20 again, that the vegetation and lack thereof of vegetation
21 on the site and in the area. I think that here, again,
22 with a perimeter wall, 4 feet, and then another 10-foot
23 fence, whatever it is, and if there was a wall on the
24 substation even if it was the north and the east or
25 whatever is determined of -- I'm going to throw out 8

1 feet. That's what it was.

2 I think that vegetation in this campus-like
3 setting would not really provide any additional visual
4 screening at all. I think it would be more ornamental
5 and be more of an ornamental for the entire campus. And
6 I don't -- I really think in this type of instance that
7 the wall is the appropriate screening mechanism.

8 CHMN. CHENAL: Yes. Member Palmer.

9 MEMBER PALMER: An observation on the tour this
10 morning: There has been some vegetation placed along the
11 edge of the northern portion of the transmission corridor
12 currently that, in my opinion, had a very desirable
13 effect on the viewshed of that subdivision.

14 So my question would be, in addition to a wall
15 that screens the switchyard, is it possible to enhance or
16 add on to the current vegetation in the transmission
17 corridor? To me, it was very aesthetically pleasing as
18 we were looking at that this morning. I wonder if that
19 could be enhanced or, along the linear area that would be
20 the campus, expand it a little bit.

21 A. (BY MS. HUMPHREY) Yes. I think as we think
22 about the vegetation, we want to make sure recognize that
23 we're under transmission wires. As I recall, the area
24 that you're talking about that we looked at was just
25 north of the roundabout. And it is at that point that

1 the transmission lines seem to bend a little bit to the
2 south, and so it created an area where trees could be
3 planted and they were not directly underneath the
4 transmission corridor. That's my recollection. I'd like
5 to go back out there and double-check because I would
6 agree with you that they were an attractive screening.

7 CHMN. CHENAL: Member Noland.

8 MEMBER NOLAND: Thank you, Mr. Chairman.

9 I believe that in the Development Agreement,
10 they do have standards for the edge treatment around the
11 property and the type of desert shrubs or groundcovers
12 that will be used or trees, drought-tolerant shade trees,
13 so on and so forth.

14 So I think Mesa has the oversight of that based
15 on the development code. So I don't know that the
16 landscaping makes any big difference to me around the
17 switchyard. The wall, yes. Switchyard landscaping, no.
18 They're going to do it around the edge of the property.

19 CHMN. CHENAL: So back to Kenda.

20 So I'm standing on the street. Was it Peralta
21 there?

22 MS. POLLIO: Peralta.

23 CHMN. CHENAL: Which is the street that runs
24 along the north side of the property, north side of the
25 transmission corridor. If there's a perimeter wall that

1 is 4 feet and then it's 10 feet and then we push the
2 switchyard as far south as we can and we put -- you had
3 mentioned an 8-foot wall or someone had just mentioned an
4 8-foot wall.

5 The facilities within the switchyard, which we
6 had testimony on today, will go up to I believe it was
7 like 45 feet. Then the lightning arrestor lines would
8 top roughly 54 feet, but then we rounded it up to 55
9 feet. I was paying attention. I was doing the math.

10 So you've got an 8-foot wall. You've got
11 55-foot facilities in there. How much mitigation does a
12 wall provide when you're looking at it? That's the
13 concern I have.

14 MS. POLLIO: So I will go back to say that
15 with -- again, if I'm on Peralta and there is that
16 buffer, so you have a transmission line buffer of 250
17 feet, you have the road, which is whatever the road
18 right-of-way is plus the 250, plus another potentially
19 250 before you hit the substation. And if we're pushing
20 it down even further, we're looking at about 700,
21 potentially, give or take, feet in distance. And with
22 the two walls we talked about plus a wall on the inside,
23 again, if you're sitting back, that's a lot from a
24 viewshed perspective that you're looking through.

25 So, yes, obviously, you look up, you see

1 transmission lines. You look up, you're going to see the
2 switchyard facility. But at the viewshed point, through
3 that, and, again, thinking of a campus-like setting with
4 what we see -- and I will identify the point that you
5 just made of setbacks -- the vegetation that's required
6 overall for the project site plus the perimeter site
7 walls plus the site wall on the switchyard, I do think
8 that there's a lot of visual space and buffer that would,
9 again, not hide it but would absolutely be able to mask
10 or mitigate that direct visual impact. And I do think
11 that is what the public was specifically concerned about.
12 And that distance in pushing it back and putting up a
13 wall specifically, again, in that interim phase, is
14 really what they're looking for and would mitigate.

15 CHMN. CHENAL: And if at full buildout, if you
16 had built the walls along the perimeter as well as a
17 switchyard wall, would you actually see the switchyard
18 wall if you had the wall around the perimeter of the
19 project of the north side?

20 MS. POLLIO: Well, that's a good point. That's
21 why my original -- I think if we went back to the
22 questions probably two minutes ago, that's why I did want
23 to point out that with the perimeter wall, not knowing
24 what that is, that may mitigate the visual concern
25 without a wall at the switchyard site.

1 CHMN. CHENAL: And then back to the condition
2 that I had that you build -- in the absence of a
3 perimeter wall, you have to build it.

4 MS. POLLIO: Yes.

5 CHMN. CHENAL: Member Riggins has a question.

6 MEMBER RIGGINS: So I was looking over my notes
7 from public comment last night, and there were a few
8 people who expressed that if the switchyard couldn't be
9 pushed back, that some sort of barrier between the
10 running trail, the walking trail, and the switchyard is
11 what they would like to see. So I think we've covered
12 that.

13 I think we also still, considering viewshed,
14 have to also realize that there are potentially 150-foot
15 buildings that are going to be behind this for the
16 viewshed. So just keeping that in mind.

17 And that's it.

18 MEMBER NOLAND: Mr. Chairman.

19 CHMN. CHENAL: Member Noland.

20 MEMBER NOLAND: Well, Chairman, I'm almost six
21 feet tall, so I can look over a 4-foot wall walking along
22 Peralta. Now, a 6-foot wall, that would be -- I would
23 say a minimum 6 feet if we're going to screen this from
24 public view. And that's the key here and with Mesa's
25 ordinance and the development plan from where there is

1 public view.

2 So, you know, not everybody's 4-foot-1.

3 CHMN. CHENAL: And as a follow-up, that's an
4 excellent point. I've seen walls around substations
5 throughout the Phoenix area.

6 Can you talk about what sizes -- if there's a
7 typical or standard size of walls around substations and
8 switchyards or what range exists.

9 MS. HUMPHREY: I would say typical is 8 to 10.
10 I would say that 12-foot is not -- we also have 12-foot
11 in the valley. So that would be a reasonable height, and
12 that allows you to still safely drop the lines into the
13 switchyard without imposing on that buffer between the
14 lines and the top of the wall.

15 CHMN. CHENAL: Thanks. Thank you very much for
16 that.

17 Member Woodall.

18 MEMBER WOODALL: I recall, it seems many, many
19 days ago, when you initially spoke, you indicated that
20 SRP would be willing to construct a wall around a
21 substation. Was my recollection correct?

22 MS. HUMPHREY: We have substations that we have
23 walls constructed around. In this one, I would think
24 that for visual, the northern, or like we did something
25 at the Price Road Corridor, where you maybe wrap the

1 edges. But to keep the cost down, that you only encircle
2 a portion of the switchyard where you want to have the
3 viewshed.

4 MEMBER WOODALL: But you did commit at the
5 outset that you would be willing to put a wall around the
6 switchyard?

7 MS. HUMPHREY: On the north side.

8 MEMBER WOODALL: When you talked about a wall,
9 what size wall were you thinking of?

10 MS. HUMPHREY: 12-foot.

11 MEMBER WOODALL: So you would be willing to put
12 a 12-foot wall on the north side of the switchyard site;
13 correct?

14 MS. HUMPHREY: Yes.

15 MEMBER WOODALL: And so, then, Mesa and SRP can
16 talk about whether or not they would be willing to put a
17 12-foot wall around other segments of the switchyard
18 site? I mean, obviously, that's possible. They could
19 talk about that. Correct, Mr. Taebel? Mr. Sundlof?

20 MR. SUNDLOF: We could talk about that, and we
21 will.

22 MEMBER WOODALL: Okay. Grand. That will save
23 us a lot of time.

24 MR. TAEBEL: I'm sorry, Member Woodall, I do
25 have to say I can't commit the City to spending --

1 MEMBER WOODALL: No, but you can commit
2 yourself to talk to Mr. Sundlof about it; correct?

3 MR. TAEBEL: Yes, I can.

4 MEMBER WOODALL: That's all I'm asking for
5 because, in all candor, I think these decisions that
6 impact local communities are best made on a local level.
7 That's just my predilection for these things. And that's
8 why I think it would be a good idea if could you talk
9 about it. I'd much rather that the City is engaged in
10 this than me telling you what kind of block wall needs to
11 go in there and how many plants. You're willing to put a
12 12-foot block wall or a solid wall.

13 Now I want to know what would be the position
14 about other areas surrounding the switchyard site. And I
15 know you cannot commit, but I would appreciate it if you
16 all could talk about it and report on the results of your
17 discussions tomorrow.

18 MEMBER NOLAND: Mr. Chairman, with all due
19 respect, I don't agree with Member Woodall. I look at
20 where the public view is. I know that -- I believe in
21 SRP. And I believe Mesa, they'll deal in good faith.
22 But Mesa does not have control over SRP nor their
23 development. I've seen it before. I've seen it many
24 times. It just depends on how thing go. And if it goes
25 too far, then SRP will say, I'm a governmental entity,

1 and you do not have the authority over me.

2 So I think we need to say what the wall is
3 going to be, where it's going to be, and how high it's
4 going to be.

5 MEMBER WOODALL: My suggestion to have SRP and
6 Mesa talk to each other is maybe we can get something
7 that we're happy with. If not, we can always bring out
8 the big howitzers. We always have that option. But I
9 think it's a good idea to get the concerned parties to
10 talk about it. If we're not happy with what they can
11 come up with, I agree with you, Member Noland, we can
12 certainly say no, it needs to look like this. But I
13 would prefer the parties to have the opportunity to work
14 out something that's mutually agreeable.

15 CHMN. CHENAL: Member Haenichen.

16 MEMBER HAENICHEN: And we're talking about a
17 trivial cost in a multi-hundred-million-dollar project.
18 So it's almost a joke to even be arguing about it.

19 CHMN. CHENAL: Right.

20 I can see a condition right now that says
21 there's a 12-foot wall around the switchyard. I can just
22 see it in writing in my mind's eye without any problem
23 whatsoever.

24 Okay. Anything further from the Committee of
25 the panel?

1 (No response.)

2 CHMN. CHENAL: Mr. Sundlof, I know we've
3 interrupted you repeatedly on your questioning, but do
4 you have any further questions of the panel?

5 MR. SUNDLOF: I have no further questions of
6 the panel, and I have no further witnesses.

7 And I move the admittance of Exhibits 1 through
8 62.

9 CHMN. CHENAL: 62. Okay.

10 Is there any objection to Exhibits SRP-1
11 through 62?

12 (No response.)

13 CHMN. CHENAL: There being none, SRP Exhibits 1
14 through 62 are admitted.

15 MR. SUNDLOF: And that concludes our case,
16 Mr. Chairman.

17 CHMN. CHENAL: Thank you very much.

18 Mr. Taebel, do you have anything to add?

19 MR. TAEBEL: No, Mr. Chairman.

20 CHMN. CHENAL: Okay. Thank you, Samantha, Kim,
21 and Kenda.

22 All right. I think tomorrow we still would
23 like to receive the depictions that I think Kim had
24 mentioned in her testimony, the switchyard pushed as far
25 south as possible.

1 And, Kim, I think you had mentioned that -- per
2 testimony, you said that you would do a depiction of
3 placing the switchyard within the proposed site as far
4 south as possible and what that would look like, what
5 kind of a buffer that would be.

6 So there may be a question or two about that,
7 but I just think that's something we should get in the
8 record.

9 Mr. Taebel, you're going to provide me with
10 exhibits of the Development Agreement between Mesa and
11 the customer; correct?

12 MR. TAEBEL: Yes.

13 CHMN. CHENAL: Okay. Thank you.

14 When we begin deliberations, Mr. Sundlof, your
15 team has a copy of the CEC that you submitted with
16 your -- that you submitted with some edits that I had for
17 discussion purposes only that will become Exhibit 63.

18 MR. SUNDLOF: And we'll show that on the right
19 screen, I believe.

20 CHMN. CHENAL: Or the left screen. Usually, we
21 have it on the left screen. And then the right screen
22 will be Exhibit 64, which will be the work in process, at
23 the end of which, when we vote, will become the final --
24 the language will be accepted, and that will become the
25 final wording of the CEC.

1 MR. SUNDLOF: And we're working on conditions
2 with the City of Mesa and will also have those available
3 for you.

4 CHMN. CHENAL: Perfect.

5 Is there anything else we should discuss before
6 we adjourn for this evening?

7 (No response.)

8 CHMN. CHENAL: I want to commend the witnesses
9 today for Mesa and for SRP. And I think, especially,
10 when Ms. Lewis woke up today and had no idea she was
11 going to have so much fun.

12 I think they all did an excellent job, and I
13 think all the expert witnesses were excellent for Mesa
14 and for SRP. So kudos to them.

15 So there may be a few more questions tomorrow
16 based on that exhibit. We'll have, I'm sure, some good
17 discussion on possible conditions.

18 Now, one last thing, and this is something that
19 always comes up. What's Exhibit A going to look like?

20 Member Noland, I'd like to hear what you have
21 to say because this is really one of your bailiwicks, is
22 what would you like to see as the Exhibit A.

23 MEMBER NOLAND: Well, I think I've said it,
24 Mr. Chairman. I want to know exactly how big the
25 proposed area is going to be within which they are to

1 site the switchyard.

2 I mean, it's, you know, south of the northern
3 boundary and, you know, for the 10 acres or whatever else
4 that they need or if it's 15 so that they can, you know,
5 switch it around. But we need to have some kind of
6 depiction on that because the CEC right now says they can
7 put it anywhere.

8 CHMN. CHENAL: And before we get to you, Member
9 Haenichen.

10 And do we treat basically the entire project
11 as, if you will, a corridor with the -- to place the
12 poles and the facilities other than the switchyard, which
13 we will specifically locate? How do you want to address
14 that?

15 MEMBER NOLAND: Well, I felt that way in the
16 beginning, but no, not really. I think the switchyard is
17 the main thing. And I'm convinced, at least temporarily,
18 that these aren't distribution lines. They're, you know,
19 transmission lines the way this is set out.

20 But we have to have something that is more
21 specific than what the CEC says, and it should be
22 reflected in the CEC and the exhibit.

23 CHMN. CHENAL: I think we still have to define
24 the area within which the poles and the wires can go. So
25 do we -- how do we define that 187-acre parcel? I think

1 that's part of it.

2 MEMBER NOLAND: I don't know that I think we
3 need to do that. I think they just need to take -- we
4 don't usually tell them where the wires come into a
5 switchyard or a substation. And based on not having any
6 other legal opinion, I don't think we can dictate where
7 the other poles are going to go because nobody knows.

8 There's no site plan. There's no development
9 plan. We don't know where anything is going to go.

10 CHMN. CHENAL: I think I wasn't clear. Don't
11 we have to say that the project is defined as the 187
12 acres bounded by, you know -- and then somehow define the
13 project location, and then the CEC can indicate that the
14 switchyard will be located here, but the poles -- up to
15 22 poles and other facilities can be located anywhere
16 within the project? I'm thinking out loud, but I think
17 we have to define what the boundaries of the 187 acres
18 are. Otherwise, they could put them in East Mesa.

19 MEMBER NOLAND: Well, I think they have that in
20 the CEC, from what I read. I think it says there will be
21 up to 22 poles within the 187 acres.

22 MR. SUNDLOF: We meant to, anyway. I mean,
23 that's the idea. We're not locating them anywhere other
24 than the 187 acres.

25 MEMBER WOODALL: And you've got a legal

1 description somewhere of the subject property because
2 that part of the zoning. So you can describe it either
3 by metes and bounds or you've got parcel numbers.

4 CHMN. CHENAL: Is there anything else?

5 Member Haenichen.

6 MEMBER HAENICHEN: This is just a little nuance
7 on the discussion about pushing the switchyard south, and
8 it depends on how you define the switchyard. Does it
9 include all those structures we see there, or are they
10 just kind of arbitrary?

11 But here's my point. I'm going to make the
12 assumption that that bottom green line on SRP-3, the
13 bottom of the space for the switchyard, is acceptable to
14 Apple.

15 MEMBER NOLAND: Google.

16 MEMBER HAENICHEN: Google. Maybe even Apple
17 would approve of it.

18 I'm assuming that that's acceptable. That's
19 why it was put there. So that being the case, then I
20 guess the actual enclosed part of the switchyard can't go
21 all the way down to that because you do have some
22 structures there to get the energy out. But that's how
23 far we would like to see them push it.

24 CHMN. CHENAL: Anything further?

25 MR. SUNDLOF: No, Your Honor.

1 CHMN. CHENAL: Okay. Then we'll see everyone
2 tomorrow at 9:00. Thank you very much.

3 (The hearing recessed at 5:23 p.m.)
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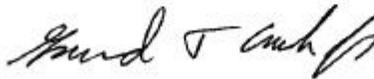
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