DRAFT – PENDING LEGAL AND COUNCIL REVIEW

ORDINANCE NO. ______

AN ORDINANCE TO ESTABLISH A STRATEGIC LARGE-LOAD DEVELOPMENT AND DIGITAL INFRASTRUCTURE DISTRICT PROGRAM; TO REPLACE A BLANKET DATA-CENTER MORATORIUM WITH SOURCE-NEUTRAL, TIERED, AND TIMED REVIEW; TO DEFINE SUBSTANTIAL COMPLIANCE; TO ADOPT A MEMPHIS WATER ASSURANCE STANDARD AND RECURRING FISCAL FLOOR; TO REQUIRE STRATEGIC DEVELOPMENT AGREEMENTS; TO AUTHORIZE MEMPHIS DIGITAL INFRASTRUCTURE DEVELOPMENT DISTRICT NO. 1; AND FOR RELATED PURPOSES

WHEREAS, Memphis seeks to become a preferred location for high-value digital and strategic large-load investment by offering faster certainty, prepared infrastructure, and a durable public bargain rather than either unregulated first-come access or a blanket closure;

WHEREAS, the City already has agencies responsible for land use, utility service, air, water, fire, building, and economic development, but lacks one source-neutral operating system for extraordinary full-campus demand, recurring fiscal return, cumulative resource allocation, and competitive public development packages;

WHEREAS, Public Chapter 961 of the Public Acts of 2026 establishes a statutory cost-responsibility floor for defined electrical infrastructure and permits certain independent-power and behind-the-meter arrangements, making it necessary for local land-use and development rules to measure total site demand rather than utility load alone;

WHEREAS, Tennessee Code Annotated §§ 13-4-310(e) and 13-3-413(e), as applicable, require local governments to specify what constitutes substantial compliance for vested-right purposes, and Tennessee Code Annotated, Title 7, Chapter 51, Part 22, as enacted by Public Chapter 1044 of 2026, imposes development-service deadlines beginning January 1, 2027;

WHEREAS, the Memphis Sand aquifer is a strategic regional asset, and a verifiable low-potable-water development standard can protect that asset while creating a commercially valuable Memphis certification;

WHEREAS, a recurring fiscal floor, competitive site allocation, ground rent, project security, and reinvestment in the next district create greater long-term value than reliance upon announced capital investment or one-time contributions;

WHEREAS, the City intends to launch a prepared digital infrastructure district now through existing City, County, and industrial-development powers, without waiting for later State enabling legislation;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEMPHIS:

SECTION 1. SHORT TITLE.

This ordinance may be cited as the “Memphis Strategic Large-Load Development and Digital Infrastructure District Ordinance.”

SECTION 2. PURPOSE AND CONSTRUCTION.

(a) The purposes of this ordinance are to:

(1) keep qualified development applications moving under enforceable, predictable standards;

(2) protect citizens, neighborhoods, utility reliability, existing customers, public finances, water resources, and future economic options;

(3) create recurring and competitive economic return from extraordinary public development value;

(4) establish one source-neutral review record for the full campus, regardless of the project's energy supplier or ownership structure;

(5) create and market prepared digital infrastructure districts; and

(6) provide a bankable public bargain that is not reopened after approval except for default, material modification, or lawful amendment.

(b) This ordinance supplements and does not replace the jurisdiction of MLGW, TVA, TDEC, the Shelby County Health Department, DPD, the Fire Department, Public Works, or any State or federal agency. No provision shall be construed to authorize the City to set a utility rate, reserve electric capacity, approve a private power sale, or waive another agency's permit.

SECTION 3. DEFINITIONS.

"Affiliated Facility" means a facility, phase, parcel, project entity, tenant, or power-supply arrangement under common ownership or control, developed pursuant to a common plan, sharing material infrastructure, or located on contiguous or proximate parcels.

"Core Computing Personal Property" means servers; processors; graphics, tensor, or other accelerators; storage devices; network and switching equipment; racks; internal uninterruptible power and distribution systems; and replacement, refresh, leased, affiliate-owned, or functionally equivalent equipment primarily used for computation, artificial intelligence, data storage, or data movement.

"Covered Facility" means a new or expanded facility, campus, or integrated group of facilities primarily used for high-density computation, artificial intelligence, cloud services, data storage, cryptocurrency or blockchain computation, or similar digital processing, with a Maximum Site Electrical Demand of ten megawatts or more. A telecommunications switching or network facility is excluded unless its digital-compute load independently meets the threshold.

"Digital Infrastructure Development District" means a defined development program or area in which public or authority-controlled land, infrastructure planning, utility studies, water solutions, rights-of-way, standard agreements, and coordinated review are assembled and competitively offered. The term does not by itself create a tax district or alter zoning.

"Discretionary Public Development Value" means a PILOT, public land sale or lease, option, grant, public financing, public infrastructure commitment not available as of right, expedited district position, or other discretionary City-controlled economic value. Ordinary permits and utility service available under generally applicable law and rates are not Discretionary Public Development Value.

"Eligible Digital Infrastructure Expenditures" means the purchase or lease price of Core Computing Personal Property, qualified software, cooling equipment, backup or onsite generation equipment, and other capital equipment installed for the Facility, plus facility energy purchases, but excluding payroll, employee benefits, debt service, taxes, land purchase price, and amounts already remitted as the State Digital Infrastructure Growth Surcharge.

"Maximum Site Electrical Demand" or "MSED" means the greatest projected coincident electrical demand of the complete Facility or campus during its first five years after initial operation, whether supplied by MLGW, TVA-connected service, an independent power producer, behind-the-meter generation, onsite generation, storage, or any combination. MSED is measured before subtracting onsite generation or storage.

"Onsite Generation" means electric generation, cogeneration, fuel cells, turbines, engines, solar, storage-discharge systems, or other production located on or directly serving the site. Emergency backup generation remains Onsite Generation for disclosure and safety purposes even if excluded from ordinary energy-supply calculations.

"Program Administrator" means the DPD official designated to maintain the single application record, coordinate agency review, issue the official completeness and deficiency notices, and publish the Resource and Return Ledger.

"Regional Growth Dividend" means the contractual payment required by Section 16 when a Covered Facility receives Discretionary Public Development Value. It is distinct from the State Digital Infrastructure Growth Surcharge proposed in the Tennessee Enabling Act.

"Strategic Development Agreement" or "SDA" means the integrated, enforceable agreement among the project entity and applicable public parties governing land, infrastructure, fiscal return, development value, performance, security, reporting, transfer, expansion, default, and remedies.

"Utility Requested Load" means the maximum firm or interruptible electric demand the applicant requests from MLGW, excluding generation not supplied by MLGW.

"Gate Viability Finding" means the written determination required by the Master Delivery Compact that a proposed public development package presents a material, evidence-based advantage over lawful private or self-supplied alternatives.

"Interim Program Executive" means the accountable implementation executive designated under the Master Delivery Compact. The Executive controls the integrated critical path and readiness certifications but does not exercise another body's final statutory or contractual authority.

"Competitive Boundary Model" means the independent twenty-year comparison of a representative 100-MW campus in Memphis, Southaven/DeSoto County, and at least one other relevant market using current taxes, incentives, utility pathways, land, water, infrastructure, schedule, and financing risk.

"Water Usage Effectiveness" or "WUE" means annual site water consumption for data-center operation divided by annual information-technology energy use, expressed in liters per kilowatt-hour or a successor metric approved by DPD and MLGW.

"Water-Assured Facility" means a Facility certified under Section 12 and Appendix B as satisfying the Memphis Water Assurance Standard.

SECTION 4. SOURCE-NEUTRAL TIERS AND AGGREGATION.

(a) A Covered Facility is classified by MSED:

(1) Tier I: at least 10 MW but less than 25 MW;

(2) Tier II: at least 25 MW but less than 50 MW; and

(3) Tier III: 50 MW or more.

(b) Affiliated Facilities shall be aggregated if developed during a five-year period, under common ownership or control, pursuant to a common plan, on contiguous or proximate parcels, or with shared electric, water, generation, fiber, road, or other material infrastructure. The Program Administrator shall look to substance over entity form.

(c) An applicant shall disclose the full planned campus and all phases. Deliberate segmentation or material omission is grounds for rejection, revocation, forfeiture, and referral for enforcement.

SECTION 5. APPLICABILITY, EXISTING RIGHTS, AND MATERIAL EXPANSIONS.

(a) This ordinance applies prospectively to new Covered Facilities and to the unvested portion of an expansion, new phase, increase in MSED or Utility Requested Load, material change in energy source, new nonemergency Onsite Generation, or material increase in potable-water demand.

(b) A lawfully vested right is respected only to the extent and scope established by Tennessee law and the approved or substantially compliant submission creating the right. A vested site does not create a vested right to undisclosed future phases, increased load, a different energy system, a new PILOT, public land, or other Discretionary Public Development Value.

(c) A transfer of ownership or operator does not extinguish obligations that run with an SDA, land instrument, utility agreement, permit, or other binding approval.

SECTION 6. IMPLEMENTATION EXECUTIVE, SINGLE INTAKE, AND PROGRAM ADMINISTRATOR.

(a) Within five business days after adoption, the Mayor shall designate the Interim Program Executive and activate the Master Delivery Compact, subject to lawful appointment, procurement, employment, and funding requirements.

(b) The Interim Program Executive shall maintain the integrated critical path, common data room, authority matrix, readiness certifications, and public escalation protocol. The Executive shall not exercise a permit, utility, tax, land, appropriation, or elected decision reserved to another body.

(c) Within five business days after the operative date, the DPD Director shall designate one Program Administrator and one electronic application record for each Tier II and Tier III Facility.

(d) MLGW, DPD, Public Works, Fire, the Shelby County Health Department, EDGE, and other participating agencies shall transmit comments to the Program Administrator. The Program Administrator shall issue the City's consolidated completeness or deficiency notice. Nothing in this subsection transfers a final agency decision.

(e) The City shall conduct one mandatory pre-submittal conference before accepting a Tier II or Tier III development application as substantially compliant.

SECTION 7. SUBSTANTIAL COMPLIANCE CHECKLIST.

(a) Pursuant to Tennessee Code Annotated §§ 13-4-310(e) and 13-3-413(e), as applicable, a Tier II or Tier III application is not substantially compliant unless it includes each item in Appendix E, including at minimum:

(1) legal site control and parcel identification;

(2) ownership, control, end-user, and affiliate disclosure;

(3) a full-campus conceptual plan and phase schedule;

(4) MSED, Utility Requested Load, annual ramp, and interconnection assumptions;

(5) an Energy Supply and Operations Plan disclosing all utility, independent-power, onsite, backup, storage, fuel, and hybrid components;

(6) potable, nonpotable, reclaimed, process, peak, drought-stage, and wastewater projections, cooling technology, and proposed WUE;

(7) noise, air, fuel, battery, fire, emergency, traffic, stormwater, and decommissioning concepts;

(8) evidence of financial capacity and payment of published study deposits;

(9) a complete list of requested Discretionary Public Development Value; and

(10) certification under penalty of applicable law that no Affiliated Facility or material phase has been omitted.

(b) DPD shall publish the checklist before this ordinance becomes operative and may add only objective, publicly posted technical items. No unpublished or open-ended standard may determine substantial compliance.

(c) If an applicant declines a lawful extension needed to complete independent technical review, the City shall act within applicable deadlines on the record then available and may issue a deficiency or denial when required evidence is absent. The City shall not create an accidental approval by failing to act.

SECTION 8. TIERED AND TIMED REVIEW.

(a) Tier I. Registration, full-campus disclosure, ordinary permits, applicable operating standards, and annual energy/water reporting. DPD shall target an initial coordinated determination within thirty business days after a substantially compliant submission.

(b) Tier II. Applicant-funded technical review; energy-track determination; Water Assurance review; Resource and Return Ledger; and Strategic Infrastructure Readiness Determination before final discretionary City action. DPD shall target sixty business days after a complete technical record.

(c) Tier III. All Tier II requirements; independent infrastructure and fiscal underwriting; public presentation of the Resource and Return Ledger; and Council ratification of any SDA or extraordinary allocation. DPD shall target ninety business days after a complete technical record, excluding applicant-caused delay and mandatory external process.

(d) These targets are operating commitments, not guarantees of approval or waivers of State law. The Program Administrator shall maintain a deadline ledger under Tennessee Code Annotated § 7-51-2204 and shall issue no more deficiency reports than permitted by law.

SECTION 9. TWO ENERGY PATHS; ONE FULL-SITE RECORD.

(a) Utility-served and hybrid path. An applicant seeking any MLGW electric service shall obtain the applicable MLGW study or readiness statement and comply with the MLGW Large-Load Service and Capacity Policy. No City approval creates a Capacity Reservation.

(b) Self-supplied or behind-the-meter path. An applicant proposing no MLGW electric service, or proposing Onsite Generation or an independent power producer, shall submit an Energy Supply and Operations Plan addressing full MSED, generation technology, fuel supply, expected operating hours, air emissions, noise, cooling and water, electrical safety, islanding, interconnection if any, emergency operation, fire protection, fuel storage, decommissioning, and construction phasing.

(c) MLGW approval is required only to the extent required by law, contract, utility service, interconnection, backup service, or safety. Absence of MLGW jurisdiction over a private power purchase does not exempt the Facility from land-use, air, water, fire, building, noise, traffic, fiscal, SDA, or other lawful local requirements.

(d) A hybrid Facility shall disclose both MSED and Utility Requested Load. The Resource and Return Ledger shall never treat a self-supplied campus as consuming zero resources merely because Utility Requested Load is zero.

SECTION 10. STRATEGIC INFRASTRUCTURE READINESS DETERMINATION.

(a) The Program Administrator shall issue a written determination stating whether the application presents a credible path to satisfy land use, energy supply, water, wastewater, roads, fiber, emergency response, fire, air, noise, lighting, stormwater, fuel, security, and decommissioning requirements.

(b) The determination incorporates, but does not duplicate or supersede, the written findings and permits of agencies with independent jurisdiction.

(c) A favorable determination requires findings that:

(1) the project has a technically credible energy path without representing that utility capacity is reserved;

(2) statutory electrical infrastructure costs and contractual incremental public costs are allocated to the project and secured;

(3) the project can satisfy the Memphis Water Assurance Standard or has obtained the limited waiver authorized by Section 12;

(4) the project will not materially impair critical public service or an adopted resource budget;

(5) land-use, air, noise, fire, emergency, fuel, and operating requirements can be satisfied; and

(6) all material phases, affiliates, energy sources, and public requests have been disclosed.

SECTION 11. PROJECT COST RESPONSIBILITY AND SECURITY.

(a) "Statutory Electrical Infrastructure Costs" means the capitalizable costs governed by Public Chapter 961 and successor law. Those costs shall be assigned and recovered as required by law and neutral utility policy.

(b) "Contractual Incremental Public Costs" means additional but-for costs reasonably attributable to the Facility, including water, wastewater, road, emergency-service, public-safety, monitoring, land, operating, maintenance, and decommissioning exposure. Such costs may be imposed only through an SDA, utility agreement, land instrument, incentive agreement, lawful fee supported by required cost documentation, or other valid contract or authority.

(c) Tier II and Tier III Facilities shall provide deposits, letters of credit, guarantees, bonds, take-or-pay obligations, completion security, decommissioning security, or other protection proportionate to public exposure before a public entity constructs ahead of the project.

(d) Construction of the project's required infrastructure, payment of ordinary taxes, and compliance with law are not community benefits and shall not be counted as negotiated value.

SECTION 12. MEMPHIS WATER ASSURANCE STANDARD.

(a) A Tier II or Tier III Facility shall be designed and operated as a Water-Assured Facility.

(b) After a commissioning period not exceeding ninety days, potable water shall not be used for routine heat rejection or evaporative cooling at a Tier II or Tier III Facility. Permitted approaches include dry cooling, closed-loop systems with de minimis make-up demand, reclaimed or treated wastewater, captured stormwater, direct-to-chip or immersion systems, or another independently verified technology meeting equal or better performance.

(c) Each Facility shall install separate meters for potable, nonpotable, reclaimed, and process water; report monthly use and annual/peak WUE; maintain a drought-stage reduction and curtailment plan; and fund annual independent verification.

(d) Each Tier II and Tier III application shall quantify, under published Memphis design-day assumptions, the cooling design's expected PUE, cooling-related peak megawatts, annual megawatt-hours, potable and total water demand, and onsite-emissions effect relative to feasible alternatives. The Resource and Return Ledger shall display the water savings and energy penalty or benefit together. No cooling technology is presumed costless.

(e) As a condition of an SDA, District participation, City-controlled Discretionary Public Development Value, MLGW water service, and City land-use approval to the extent authorized by law, a Tier II or Tier III Facility shall not rely on a new direct withdrawal from the Memphis Sand aquifer for routine process or cooling use unless: (1) every permit and approval required from the Shelby County Health Department, the Groundwater Quality Control Board, TDEC, and any other competent authority has been obtained; and (2) the Council approves a time-limited SDA exception by a two-thirds vote after public hearing and written findings of necessity, monitoring, capacity, and no superior alternative. The

Council does not issue or substitute for a well permit, and this subsection does not displace another agency's jurisdiction.

(f) The Council may grant a time-limited potable-water waiver for no more than three years by a two-thirds vote only upon findings that:

(1) no technically and commercially reasonable nonpotable or dry alternative can be available on the required schedule;

(2) MLGW confirms sufficient capacity without impairing critical or ordinary customer needs;

(3) the SDA establishes a binding WUE ceiling, separate metering, drought curtailment, and a funded conversion plan;

(4) the applicant finances or provides an equivalent nonpotable-water, conservation, or system-capacity improvement; and

(5) the waiver is necessary to secure demonstrably superior long-term regional value.

(g) DPD and MLGW shall publish the technical schedule in Appendix B, update measurement protocols administratively, and issue a public "Memphis Water-Assured" certification only after independent verification. Confidential infrastructure-security details may be protected as allowed by law, but aggregate use, PUE, and performance shall be public.

SECTION 13. RECURRING FISCAL FLOOR.

(a) No City-approved or City-recommended PILOT, lease, incentive, or other discretionary arrangement for a Covered Facility shall reduce the annual City payment attributable to Core Computing Personal Property below one hundred percent of the ad valorem tax that would be due if the property were privately owned and fully taxable.

(b) The annual City payment attributable to land shall be one hundred percent of the ordinary City ad valorem tax equivalent. The annual City payment attributable to cooling, backup or nonemergency generation, storage, and other support personal property shall be at least fifty percent of the ordinary City ad valorem tax equivalent. The annual payment attributable to other real-property improvements shall be at least twenty-five percent of the ordinary City ad valorem tax equivalent.

(c) Core Computing Personal Property includes every replacement, refresh, upgrade, leased asset, affiliate-owned asset, and functionally equivalent item placed in service during the term. A change in owner, lessor, affiliate, assessment classification, or equipment cycle does not reset or evade the floor.

(d) The minimum is a floor, not an entitlement. A competitive award may require higher payments. The City shall evaluate twenty-year net present value and recurring annual yield, but no year may fall below the applicable floor.

(e) Ordinary taxes and minimum PILOT payments shall not be represented as community benefits. A reduction from a requested abatement is not a negotiated contribution.

(f) The City shall not recommend a joint City-County PILOT inconsistent with this Section. County participation and the County share are governed by the Shelby County Companion Measure.

SECTION 14. REGIONAL RESOURCE AND RETURN LEDGER.

(a) The Program Administrator shall publish a project ledger for each Tier II and Tier III Facility, using assumptions certified by the applicant and reviewed by an independent underwriter for Tier III.

(b) The Ledger shall separately disclose at least:

(1) twenty-year net public fiscal value and recurring annual public revenue;

(2) Utility Requested Load, MSED, load ramp, cooling-related peak megawatts and annual megawatt-hours under Memphis design conditions, and flexibility or curtailment value;

(3) potable, nonpotable, reclaimed, peak, and drought-stage water demand, WUE, and the paired energy-water tradeoff of the selected cooling design;

(4) acreage, land-control structure, public infrastructure exposure, and useful infrastructure retained for future users;

(5) Onsite Generation, expected operating hours, fuel source, air/noise burden, storage, and resilience;

(6) ground rent, option fees, reservation deposits, bid premium, Growth Dividend, and other direct consideration;

(7) permanent payroll, local procurement, workforce, public-compute, research, and supplier-ecosystem value;

(8) financial strength, construction certainty, default security, and stranded-asset risk; and

(9) the opportunity and option value surrendered by committing land, capacity, water, infrastructure, or public credit.

(c) No single score is dispositive. A project must first satisfy hard floors; it must fit within adopted resource budgets; and only then may it compete on return, performance, speed, and strategic value.

SECTION 15. STRATEGIC DEVELOPMENT AGREEMENT.

(a) A Tier III Facility, and a Tier II Facility receiving material Discretionary Public Development Value, shall execute an SDA before receiving the value or final extraordinary City approval.

(b) The SDA shall include, as applicable:

(1) site, option, lease, ground-rent, and public-infrastructure terms;

(2) MSED, Utility Requested Load, energy source, water envelope, expansion, and transfer restrictions;

(3) statutory and contractual cost responsibility;

(4) recurring fiscal floor and Growth Dividend;

(5) construction, financing, procurement, energization, employment, and operational milestones;

(6) deposits, guarantees, letters of credit, take-or-pay, forfeiture, reversion, clawback, and liquidated-damages terms;

(7) water, air, noise, fire, emergency, security, monitoring, and decommissioning obligations;

(8) local procurement, workforce, supplier, public-compute, research, or host-area commitments included in the competitive award;

(9) public reporting, audit rights, change control, and remedies; and

(10) a project-certainty covenant that the public parties will not reopen the ratified economic terms absent default, material modification, fraud, or lawful amendment.

(c) Professional staff may negotiate. The Council shall ratify an SDA after public presentation of material economic terms. County ratification is required when County taxes, property, infrastructure, or discretionary value are involved.

SECTION 16. CONTRACTUAL REGIONAL GROWTH DIVIDEND.

(a) A Tier II or Tier III Facility receiving Discretionary Public Development Value shall pay a Regional Growth Dividend equal to one-half of one percent of Eligible Digital Infrastructure Expenditures, unless the competitive award requires a higher payment.

(b) The payment is contractual consideration for discretionary value and is not imposed solely as a condition of an ordinary permit available as of right.

(c) The Dividend shall be calculated and paid quarterly, with officer certification, related-party rules, audit rights, and record retention. Payroll is excluded. Ordinary taxes, statutory infrastructure costs, contractual incremental public costs, and legal compliance are not credits.

(d) When the State Digital Infrastructure Growth Surcharge becomes effective on the same base, the contractual payment is reduced dollar-for-dollar only to prevent duplicate payment, unless the bidder expressly offered an additional amount above the required floor.

(e) City receipts shall be deposited in a restricted Strategic Digital Infrastructure Fund and used for prepared districts, shared infrastructure, water alternatives, fiber, resilience, public compute, workforce, and other capacity-building purposes. General-fund transfer is prohibited except by later ordinance stating the specific emergency and amount.

SECTION 17. MEMPHIS DIGITAL INFRASTRUCTURE DEVELOPMENT DISTRICT NO. 1.

(a) The City hereby authorizes the creation and immediate development of Memphis Digital Infrastructure Development District No. 1 through EDGE/IDB or another lawful City-County vehicle using existing powers.

(b) Within fifteen days, the Mayor shall transmit to the Council and EDGE/IDB:

(1) a site-selection protocol emphasizing industrial compatibility, separation from residential uses, electric and gas pathways, reclaimed-water potential, fiber, roads, emergency access, environmental baseline, and expansion;

(2) an initial predevelopment budget and funding resolution;

(3) an independent underwriting and engineering procurement plan; and

(4) a proposed City-County participation agreement.

(c) Within fifteen business days, MLGW shall provide the preliminary District Deliverability Inventory required by the Master Delivery Compact. The inventory is not a reservation or service commitment.

(d) Within forty-five days, EDGE/IDB shall shortlist candidate sites through an open RFQ or comparable public process. Within seventy-five days, it shall seek option, ground-lease, or other control over one preferred site, subject to due diligence and public approval where required.

(e) No competitive solicitation may be released until the Interim Program Executive issues a positive Gate Viability Finding and the independent underwriter completes the Competitive Boundary Model. If those prerequisites are satisfied, EDGE/IDB shall publish the development package and competitive solicitation no later than Day 120.

(f) No City, EDGE/IDB, or project representative may describe District No. 1 service as accelerated, priority, firm, or faster, or state an energization date, without a written MLGW basis and the Interim Program Executive's certification that the public statement is supported by the current record.

(g) "Build ahead" during the interim means site control, surveys, baseline studies, preliminary engineering, utility studies, water strategy, rights-of-way, permits capable of being obtained before tenant selection, standard agreements, and long-lead procurement rights. No general-obligation debt or full speculative infrastructure construction is authorized without a separate public financing decision.

(h) Public or authority ownership with long-term ground leasing is preferred. A sale requires written findings that it produces greater risk-adjusted value and preserves performance and reversion rights.

(i) The district solicitation shall publish the hard floors, verified resource envelope, water standard, fiscal floor, standard SDA, bid security, evaluation method, and decision schedule. Qualified bidders compete for a finite position; no unsolicited announcement creates priority.

SECTION 18. INDEPENDENT UNDERWRITING AND CONFLICT FIREWALL.

(a) Recruitment and advocacy staff may develop prospects but shall not make the sole fiscal, resource, or risk determination.

(b) A Tier III SDA or district award requires an independent fiscal and infrastructure underwriting report and written conflict disclosures from decision participants.

(c) Material contacts, bid criteria, evaluated terms, and final rationale shall be documented. Bona fide trade secrets and infrastructure-security information may be protected only as allowed by law.

SECTION 19. MILESTONES, WAREHOUSING, AND FORFEITURE.

(a) No land option, district position, public commitment, or utility reservation may be held indefinitely. Each agreement shall contain financing, construction, procurement, and operation milestones.

(b) Missed milestones cause automatic reduction, release, forfeiture, or reversion unless the responsible body grants a written, time-limited extension based on circumstances beyond the applicant's control and continued superior public value.

(c) A district or capacity position is nontransferable without written approval and updated underwriting. The public parties may capture transfer value and may reject a transfer that weakens security, performance, or strategic return.

SECTION 20. OPERATING, REPORTING, AND ENFORCEMENT.

(a) Tier II and Tier III Facilities shall provide annual reports on energy source and demand, water and WUE, equipment value and refresh, employment and procurement commitments, public payments, emissions and generator operation where lawfully reportable, incidents, and material changes.

(b) The City may inspect, audit, require corrective action, suspend discretionary benefits, draw security, impose contract remedies, or seek injunctive relief for material noncompliance. Permit enforcement remains with the responsible agency.

(c) The Program Administrator shall publish an annual regional dashboard showing aggregate committed MSED, Utility Requested Load, water demand, recurring revenue, district positions, useful infrastructure, and remaining adopted resource budgets, with lawful security redactions.

SECTION 21. PROJECT CERTAINTY.

Once a Facility has received final approvals and executed all required agreements, the City shall administer those approvals according to their terms. Political reconsideration alone is not grounds to reopen a lawful agreement. Material expansion, default, misrepresentation, ownership transfer where approval is required, or changed operations remains subject to review.

SECTION 22. PERMANENT SYSTEM DELIVERABLES.

Within one hundred eighty days, the Mayor, DPD, MLGW, EDGE/IDB, and participating County officials shall submit: (1) permanent UDC text; (2) the first regional resource budget; (3) District No. 1 status and financing plan; (4) the permanent Authority transition plan; (5) the State legislative package; and (6) an audit of every serious Tier II or Tier III inquiry and the status of any claimed vested right.

SECTION 23. EFFECTIVE DATE; MORATORIUM REPLACEMENT; NO GAP.

(a) This ordinance becomes operative only when:

(1) the City has activated the Master Delivery Compact, designated the Interim Program Executive, and opened the common implementation record;

(2) DPD has published the Section 7 checklist and designated the Program Administrator;

(3) the MLGW Large-Load Service and Capacity Policy, or an interim equivalent approved by the proper authority, is effective; and

(4) the Council Attorney certifies the coordinated effective date and procedural route.

(b) At the exact time this ordinance becomes operative, the pending data-center moratorium is withdrawn, repealed, superseded, or terminated through the procedurally appropriate action. There shall be no interval in which the moratorium is absent and the replacement standards are not operative.

(c) If a severable provision is enjoined or invalidated, remaining provisions continue. If a core no-gap provision cannot legally become operative, the Council shall use the narrow sixty-day Tier III fallback described in the Action Plan until corrected.