

MEMPHIS CITY COUNCIL
DATA CENTER ORDINANCES UNDER CONSIDERATION

DATA CENTER ORDINANCES UNDER CONSIDERATION

Ordinance No.	Originating Member	Description	Page #
5982	Smiley	Moratorium on All New Data Centers	1
5982	Smiley	Proposed Substitute Ordinance No. 5982 Imposing Moratorium	6
5985	Spinosa	Establish Large Load Digital District Program	18
5986	Warren	Regulation of Siting, Development and Expansion of Large-Scale Data Centers	29
TBD	Logan	Directing Zoning Amendments to UDC for Land Use and Siting of Data Centers	43
Resolution	Cooper-Sutton	Resolution Requesting Comprehensive Data Center Standards	52

A RESOLUTION REQUESTING COMPREHENSIVE DATA CENTER STANDARDS TO PROTECT MEMPHIS RESIDENTS, RATEPAYERS, AND PUBLIC RESOURCES

WHEREAS, Memphis welcomes responsible investments that strengthen the local economy, create quality employment, and produces lasting public benefits; and

WHEREAS, Memphis residents and small businesses should not bear higher utility rates, taxes, or service risks created by infrastructure built primarily to serve a single high-demand customer; and

WHEREAS, any company creating the need for new or upgraded generation, transmission, substations, water, sewer, road, emergency-response, or other public infrastructure should bear the full and fairly allocated cost of that infrastructure, together with appropriate financial security; and

WHEREAS, enforceable ratepayer protections should ensure that large-load customers pay rates, demand charges, deposits, stranded-cost protections, and other charges sufficient to prevent cross-subsidization by residential and small-business customers; and

WHEREAS, the City of Memphis seeks to establish clear and enforceable safeguards for data-center development, including appropriate residential buffers, measurable noise limits, water-conservation requirements, protections against excessive groundwater withdrawal, full-cut-off lighting, environmental monitoring, and decommissioning obligations; and

WHEREAS, residents living near proposed or operating data centers deserve timely notice, meaningful opportunities to participate, access to understandable information, and transparent reporting concerning noise, air emissions, water use, energy demand, emergency operations, tax incentives, and promised community benefits; and

WHEREAS, any public incentive, tax arrangement, utility commitment, or development agreement should produce measurable and enforceable benefits for Memphis residents, including neighborhood investment, workforce development, local hiring, education support, and other lawful forms of direct taxpayer benefit; and

WHEREAS, the Memphis City Council finds that a uniform, transparent, and enforceable framework is necessary to protect public health, environmental justice communities, utility reliability, the Memphis Sand Aquifer, taxpayers, ratepayers, and the long-term fiscal interests of the City of Memphis.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis that the following principles constitute the policy priorities of the Memphis City Council for the review, approval, expansion, incentivization, and operation of large-scale data centers and artificial-intelligence computing facilities within the City of Memphis:

SECTION 1. DEVELOPER-FUNDED INFRASTRUCTURE AND RATEPAYER PROTECTION.

Standards presented for Council consideration should require each applicant, to the extent permitted by law, to pay the reasonable and documented costs of project-specific studies, utility connections, infrastructure improvements, capacity additions, and public services made necessary by the proposed facility.

Applicable utility agreements should be structured by the governmental and utility entities having jurisdiction to prevent project-related costs from being shifted to residential and small-business customers. Such agreements should include, as appropriate, cost-of-service rates, demand charges, deposits or other credit support, minimum payment

obligations, and protections against costs resulting from project cancellation, closure, relocation, or reduced operations. The methodology used to allocate project-related costs should be documented and independently reviewed, with a nonconfidential summary made available to the public.

SECTION 2. FISCAL TRANSPARENCY AND ENFORCEABLE COMMUNITY BENEFITS.

Before final approval of any City-supported incentive or development agreement involving a data-center facility, the appropriate reviewing entity should provide a publicly available, plain-language fiscal-impact statement identifying the value and duration of the proposed incentive; projected tax revenue; infrastructure and utility obligations; anticipated public costs; potential effects on Memphis-Shelby County Schools and other public schools serving Memphis residents; and all proposed community benefits.

To the extent permitted by law, applicable agreements should establish measurable performance requirements; timelines for delivering community benefits; annual public reporting; appropriate audit and verification rights; and remedies for noncompliance, where legally permissible, development agreements should establish a Resident Benefit and Utility Relief Fund supported by payments from the applicant or a defined portion of project-generated revenue. The fund may provide utility-bill credits, property-tax relief, home energy-efficiency assistance, scholarships, or other direct and measurable benefits, with priority given to residents and neighborhoods most directly affected by the project. Any such program should include clear eligibility requirements, transparent administration, annual public reporting, and protections ensuring that benefits are not substituted for the applicant's other infrastructure, tax, environmental, or community obligations.

SECTION 3. LAND-USE AND NEIGHBORHOOD PROTECTIONS.

Standards presented for Council consideration should include, at minimum, an appropriate buffer between data-center facilities and residential properties; measurable daytime and nighttime noise limits; noise measurements conducted at facility property lines and affected residential properties; protections against continuous, low-frequency, and vibration-producing sound; full-cutoff, downward-directed lighting; screening and landscaping; designated truck routes; and reasonable construction-hour restrictions. Any exception request should require public notice, documented technical justification, and Council review to the extent permitted by law.

SECTION 4. WATER, AIR AND AQUIFER PROTECTION.

Standards presented for Council consideration should require applicants for new data-center facilities and material expansions to submit a water-use and conservation plan before project approval. The plan should disclose projected average and peak water demand, proposed water sources, cooling technology, anticipated wastewater discharge, conservation measures, and drought and emergency operating procedures. Applicants should be required to utilize closed-loop or other water-efficient cooling technologies and reclaimed or other non-potable water sources when reasonably available and technically appropriate, with the goal of minimizing the use of potable water drawn from the Memphis Sand Aquifer.

Private production wells and direct withdrawals from the Memphis Sand Aquifer for routine data-center cooling should not be authorized unless approved by the appropriate governmental and regulatory authorities following public notice, independent technical review, and a finding that no reasonably available, less water-intensive alternative exists. Facilities should also report actual water use and discharge at regular intervals and implement corrective or conservation measures when established usage limits are exceeded.

The City should establish a formal reporting process with the Shelby County Health Department requiring quarterly presentations to the Memphis City Council on air quality and pollution associated with data-center operations. Presentations should include available monitoring results, emissions data, permit compliance, reported violations, enforcement actions, and potential public-health concerns. The information should be presented in plain language and made publicly available so Councilmembers can clearly inform their constituents about local air-quality conditions. Any project-specific monitoring or reporting costs should be paid by the data-center operator.

SECTION 5. AIR QUALITY ENERGY AND EMERGENCY OPERATIONS.

Standards presented for Council consideration should require applicants for new data-center facilities and material expansions to disclose all proposed primary, backup, temporary, emergency, and behind-meter energy-generation equipment. Required disclosures should include the type and number of units, generating capacity, fuel source, anticipated operating hours, projected emissions, applicable permit status, and emergency operating procedures.

No combustion turbine, generator, or other emissions-producing equipment should operate without all permits and approvals required by applicable federal, state, and local law. Facilities should be subject to appropriate emissions monitoring, inspection, nonconfidential public reporting, resident complaint-response procedures, and enforceable corrective-action requirements in coordination with the governmental and regulatory authorities having jurisdiction.

SECTION 6. DECOMMISSIONING AND FINANCIAL ASSURANCE.

Standards presented for Council consideration should require new data-center facilities and material expansions, to the extent permitted by law, to submit a decommissioning and site-restoration plan before beginning operations. The plan should address the removal of equipment and structures, proper disposal of regulated materials, remediation of any environmental conditions for which the facility is legally responsible, and restoration of the site in accordance with applicable law. The City should also consider requiring a bond, letter of credit, or other appropriate financial assurance based on a documented decommissioning cost estimate and periodically reviewed to protect the City and its taxpayers from abandonment-related expenses.

SECTION 7. MEMPHIS WORKFORCE AND BUSINESS PARTICIPATION.

Projects receiving City support should commit to measurable goals for hiring Memphis residents, providing family-sustaining wages, creating registered apprenticeship and workforce-training opportunities, and utilizing minority-owned, women-owned, and small local businesses in accordance with applicable law and City programs. Projects should also establish partnerships with Memphis-area high schools, colleges, technical-training programs, workforce-development organizations, and other qualified community partners. Required reports should distinguish temporary construction jobs from permanent positions and identify employee residency, wages, apprenticeship and training participation, business-contracting outcomes, and the number of permanent jobs created and retained.

SECTION 8. IMPLEMENTATION.

The City Administration, Division of Planning and Development, Division of Public Works, Division of Finance, Law Division, Memphis Light, Gas and Water Division, and other appropriate entities are requested to develop and present, within 60 days of adoption of this Resolution, proposed ordinance language, review criteria, model agreement terms, monitoring requirements, and enforcement mechanisms consistent with these policy priorities.

SECTION 9. APPLICABILITY.

The policy priorities established by this Resolution should be considered and, to the maximum extent permitted by law, incorporated into the review of new data-center facilities, material expansions of existing facilities, new or amended utility arrangements, renewed or modified incentive agreements, and new or amended development agreements affecting facilities within the City of Memphis. Nothing in this Resolution shall impair an existing contractual obligation or supersede any stricter requirement imposed by federal, state, or local law.

BE IT FURTHER RESOLVED that the Memphis City Council encourages the Economic Development Growth Engine for Memphis and Shelby County, Shelby County Government, Memphis Light, Gas and Water Division, the Tennessee Valley Authority, and other appropriate governmental and utility entities, acting within their respective authority, to coordinate with the City of Memphis and incorporate protections consistent with this Resolution into applicable incentive agreements, utility arrangements, infrastructure commitments, and development-review processes.

Sponsor: Councilwoman Yolanda Cooper-Sutton, Super District 8-3

Adopted: _____, 2026

Yolanda Cooper-Sutton
Memphis City Council, Super District 8-3

ORDINANCE NO. 5982

AN ORDINANCE DECLARING A TEMPORARY MORATORIUM ON THE ACCEPTANCE, PROCESSING, APPROVAL, AND ISSUANCE OF ZONING, LAND USE, BUILDING, AND OTHER ASSOCIATED INFRASTRUCTURE PERMITS FOR DATA CENTER DEVELOPMENTS WITHIN THE CITY OF MEMPHIS

WHEREAS, pursuant to Tennessee Code Annotated § 13-7-201, the Memphis City Council possesses the authority to regulate land use, zoning, and development to protect the public health, safety, and welfare of its citizens; and

WHEREAS, there has been substantial growth nationwide and throughout Tennessee in the development of large-scale data centers and high-density computing facilities supporting cloud computing, artificial intelligence, digital storage, cryptocurrency operations, and other advanced computing technologies; and

WHEREAS, modern data centers differ significantly from traditional commercial and industrial developments because they require exceptionally high electrical loads, extensive backup generation systems, electrical substations, battery storage systems, mechanical cooling equipment, water resources, telecommunications infrastructure, and continuous twenty-four-hour operations; and

WHEREAS, these facilities may generate impacts relating to electrical infrastructure capacity, water consumption, wastewater management, stormwater runoff, emergency services, traffic, lighting, vibration, noise, air quality, fuel storage, public utilities, and surrounding neighborhoods; and

WHEREAS, the Memphis and Shelby County Unified Development Code's current zoning regulations do not specifically classify or comprehensively regulate data center developments as a distinct land use and therefore do not adequately address their unique operational characteristics or community impacts; and

WHEREAS, the Memphis City Council finds that additional study is necessary before permitting additional data center developments to ensure that appropriate zoning classifications, siting standards, buffering requirements, operational standards, utility protections, and environmental safeguards are established; and

WHEREAS, the Memphis City Council further finds that a temporary moratorium is necessary to prevent applications from vesting under existing regulations while permanent zoning amendments are developed.

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

SECTION 1. DEFINITIONS

Data Center means any building, structure, campus, or facility primarily designed for housing, operating, or maintaining computer servers, data storage equipment, networking equipment, telecommunications infrastructure, or other electronic systems used for processing, transmitting, or storing digital information, together with all associated cooling systems, backup generators, substations, battery storage, mechanical equipment, and supporting infrastructure.

High-Density Computing Facility means any facility engaged primarily in artificial intelligence processing, cryptocurrency mining, commercial server farming, or other computing activities requiring substantial electrical demand or specialized computing equipment.

SECTION 2. TEMPORARY MORATORIUM

Beginning on the effective date of this Ordinance, the City of Memphis shall continue to accept applications for the limited purpose of docketing and completeness review, but shall not process, schedule, hear, approve, or issue any approval identified below during the moratorium. All review deadlines otherwise applicable under state law, the Memphis and Shelby County Unified Development Code, or administrative rule are tolled for the duration of this moratorium. The Memphis and Shelby County Division of Planning and Development shall not process the following for any new Data Center or High-Density Computing Facility located within the city limits of the City of Memphis for the duration of the temporary moratorium:

- Rezoning applications;
- Planned development applications;
- Special use permits;
- Conditional use permits;
- Site plan approvals;
- Building permits;
- Grading permits;
- Land disturbance permits; or
- Any other discretionary land use approval

No City department, board, commission, agency, or official shall accept or approve such applications during the duration of this moratorium.

SECTION 3. EXEMPTIONS

This Ordinance shall not apply to:

1. Existing lawfully operating data centers that do not expand their building footprint, electrical demand, utility capacity, or operational intensity; and
2. Applications that were legally vested pursuant to applicable local and state laws prior to the introduction of this Ordinance;
3. Routine maintenance, repair, replacement, or modernization of existing facilities that does not materially increase operational impacts.
4. Accessory Computing Use Exclusion: A data center or high-density computing facility does not include computer servers, data storage equipment, networking equipment, telecommunications equipment, or related computing infrastructure that is accessory or incidental to another lawful principal use of the property and primarily serves the operational needs of that principal use. This exclusion includes, without limitation, computing infrastructure accessory to hospitals and healthcare facilities, financial institutions, educational institutions, governmental facilities, offices, retail establishments, manufacturing facilities, telecommunications facilities, and similar principal uses.
5. The Memphis City Council may grant a waiver upon written findings that strict application would deny the applicant of all economically viable uses of the property. The applicant may initiate the waiver process through the Memphis and Shelby County Division of Planning and Development by utilizing the case appeal process to the Council.

SECTION 4. STUDY

During the moratorium period, the Memphis and Shelby County Division of Planning and Development, working in conjunction with a study committee consisting of a Chair and Vice Chair who are members of the Memphis City Council, Memphis Light, Gas and Water (MLGW), and other industry experts, shall prepare recommendations regarding permanent zoning regulations governing Data Centers and High-Density Computing Facilities.

The study committee should evaluate, at minimum:

1. Appropriate zoning districts and permitted locations;
2. Classification of data centers by size, electrical demand, and operational intensity;
3. Minimum separation distances and buffering from residential neighborhoods, schools, parks, hospitals, greenways, and other sensitive land uses;
4. Noise mitigation standards, including operational sound limits and acoustic studies;
5. Water consumption, cooling technologies, and conservation measures;
6. Wastewater discharge requirements;

7. Stormwater management standards;
8. Lighting and visual screening requirements;
9. Emergency access and fire protection requirements;
10. Backup generator operations and fuel storage;
11. Electrical infrastructure impacts, including substations and transmission improvements;
12. Allocation of infrastructure costs to developers to ensure public utility customers are not responsible for costs attributable to new high-demand facilities;
13. Traffic impacts during construction and operation;
14. Environmental sustainability measures;
15. Public notification and community engagement requirements;
16. Potential capital expenditure fund for the benefit of the City of Memphis;
17. Any additional development standards necessary to ensure compatibility with surrounding land uses;
18. Guidelines for required Community Benefits Agreements.

SECTION 5. DURATION

This moratorium shall remain in effect until the earlier of:

- A. Twelve (12) months following the effective date of this Ordinance;
- B. Adoption of comprehensive zoning regulations governing Data Centers and High-Density Computing Facilities by the Memphis City Council; or
- C. Repeal or amendment by subsequent ordinance of the Memphis City Council.

The City Council may extend the moratorium if additional time is reasonably necessary to complete the study and adopt permanent regulations in the Memphis and Shelby County Unified Development Code. The Memphis City Council requests a progress report from the Division of Planning and Development on the proposed permanent zoning regulations within six months of the passage of this ordinance.

SECTION 6. SEVERABILITY

The provisions of this Ordinance are hereby severable. If any of these sections, provisions, sentences, clauses, phrases, or parts are held unconstitutional or void, the remainder of this Ordinance shall continue in full force and effect.

SECTION 7. EFFECTIVE DATE

This Ordinance shall take effect from and after the date it shall have been passed by the Council, signed by the Chair of the Council, certified and delivered to the Office of Mayor in writing by the comptroller and become effective as otherwise provided by law.

Sponsors:

JB Smiley, Jr.

Jana Swearengen-Washington

Jerri Green

Dr. Michalyn Easter-Thomas

Chairwoman

Jana Swearengen-Washington

Substitute **ORDINANCE NO. 5982**

AN ORDINANCE DECLARING A TEMPORARY MORATORIUM ON THE ACCEPTANCE, PROCESSING, APPROVAL, AND ISSUANCE OF ZONING, LAND USE, BUILDING, AND OTHER ASSOCIATED INFRASTRUCTURE PERMITS FOR DATA CENTER DEVELOPMENTS WITHIN THE CITY OF MEMPHIS

WHEREAS, pursuant to Tennessee Code Annotated § 13-7-201, the Memphis City Council possesses the authority to regulate land use, zoning, and development to protect the public health, safety, and welfare of its citizens; and

WHEREAS, there has been substantial growth nationwide and throughout Tennessee in the development of large-scale data centers and high-density computing facilities supporting cloud computing, artificial intelligence, digital storage, cryptocurrency operations, and other advanced computing technologies; and

WHEREAS, modern data centers differ significantly from traditional commercial and industrial developments because they may require exceptionally high electrical loads, extensive backup generation systems, electrical substations, battery storage systems, mechanical cooling equipment, water resources, telecommunications infrastructure, and continuous twenty-four-hour operations; and

WHEREAS, such facilities may generate impacts relating to electrical infrastructure capacity, water consumption, wastewater management, stormwater runoff, emergency services, traffic, lighting, vibration, noise, air quality, fuel storage, public utilities, and surrounding neighborhoods; and

WHEREAS, the Memphis and Shelby County Unified Development Code does not presently classify or comprehensively regulate data center developments as a distinct land use and therefore does not specifically address their unique operational characteristics or potential community impacts; and

WHEREAS, additional study is necessary before permitting additional data center developments to ensure that appropriate zoning classifications, siting standards, buffering requirements, operational standards, utility protections, environmental safeguards, and community protections are established; and

WHEREAS, a temporary moratorium should serve as a defined planning and regulatory-development period and not as an indefinite or blanket prohibition, and should culminate in a transparent framework identifying where qualifying facilities may appropriately be located, what information applicants must submit, how proposed projects will be evaluated regardless of energy source, and how affected communities will participate in the process; and

WHEREAS, meaningful public participation should occur before the City designates preferred areas for future data center development so that neighborhood impacts, infrastructure needs, environmental concerns, economic opportunities, and community priorities may inform the final siting and regulatory framework; and

WHEREAS, a temporary moratorium is necessary to prevent applications from vesting under existing regulations while the City undertakes the community-engagement, study, siting, and permanent-regulation process established by this Ordinance.

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

SECTION 1. DEFINITIONS

For purposes of this Ordinance, the following terms shall have the meanings set forth below:

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.

Data Center means any building, structure, campus, or facility primarily designed for housing, operating, or maintaining computer servers, data storage equipment, networking equipment, telecommunications infrastructure, or other electronic systems used for processing, transmitting, or storing digital information, together with all associated cooling systems, backup generators, substations, battery storage, mechanical equipment, and supporting infrastructure.

High-Density Computing Facility means any facility engaged primarily in artificial intelligence processing, cryptocurrency mining, commercial server farming, or other computing activities requiring substantial electrical demand or specialized computing equipment.

Maximum Site Electrical Demand or MSED means the greatest projected coincident electrical demand of the complete facility or campus during its first five (5) years after initial operation, regardless of whether supplied by Memphis Light, Gas and Water (“MLGW”), a TVA-connected service, an independent power producer, behind-the-meter generation, onsite generation, storage, or any combination thereof, measured before subtracting onsite generation or storage.

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

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 shall not constitute Discretionary Public Development Value.

Eligible Digital Infrastructure Expenditures means the purchase or lease price of servers, processors, accelerators, storage devices, networking and switching equipment, racks, qualified software, cooling equipment, backup or onsite generation equipment, and other capital equipment installed for the facility, excluding payroll, employee benefits, debt service, taxes, and land purchase price.

SECTION 2. TEMPORARY MORATORIUM

Beginning on the effective date of this Ordinance, the City of Memphis may continue to accept applications for the limited purposes of docketing and completeness review; provided, however, that no application subject to this Section shall be processed, scheduled, heard, approved, or issued during the moratorium.

All review deadlines otherwise applicable under state law, the Memphis and Shelby County Unified Development Code, or administrative rule shall be tolled to the extent permitted by law for the duration of the moratorium.

During the moratorium, the Memphis and Shelby County Division of Planning and Development shall not process any of the following for a new Data Center or High-Density Computing Facility located within the corporate limits of the City of Memphis:

1. Rezoning applications;
2. Planned development applications;
3. Special use permits;
4. Conditional use permits;
5. Site plan approvals;
6. Building permits;
7. Grading permits;
8. Land disturbance permits; or
9. Any other discretionary land-use approval.

No City department, board, commission, agency, or official shall approve any application subject to this Section during the moratorium except as expressly provided in Section 3 of this Ordinance.

SECTION 3. EXEMPTIONS

The moratorium established by this Ordinance shall **not** apply to:

- A. Existing lawfully operating Data Centers or High-Density Computing Facilities that do not expand their building footprint, electrical demand, utility capacity, or operational intensity;

B. Applications legally vested pursuant to applicable state or local law prior to the introduction of this Ordinance;

C. Routine maintenance, repair, replacement, or modernization of an existing facility that does not materially increase operational impacts;

D. Accessory Computing Uses. Computer servers, data storage equipment, networking equipment, telecommunications equipment, or related computing infrastructure that is accessory or incidental to another lawful principal use of property and primarily serves the operational needs of such principal use. This exclusion includes, without limitation, computing infrastructure accessory to hospitals and healthcare facilities, financial institutions, educational institutions, governmental facilities, offices, retail establishments, manufacturing facilities, telecommunications facilities, and similar principal uses; and

E. A waiver granted by the Memphis City Council upon written findings that strict application of the moratorium would deny an applicant all economically viable use of the property. An applicant may initiate the waiver process through the Memphis and Shelby County Division of Planning and Development utilizing the applicable appeal process to the Council.

SECTION 4. STUDY AND PERMANENT REGULATORY DELIVERABLES

During the moratorium period, the Memphis and Shelby County Division of Planning and Development, working in coordination with MLGW, the Shelby County Health Department, Memphis Fire Department, Engineering Division, Public Works Division, EDGE/IDB, and such other departments, agencies, or entities as may be appropriate, shall prepare recommendations for comprehensive permanent zoning and development regulations governing Data Centers and High-Density Computing Facilities.

The study and recommendations shall evaluate, at a minimum:

1. Appropriate zoning districts and permitted locations;
2. Classification of facilities by size, MSSED, Utility Requested Load, water demand, and operational intensity;
3. Minimum separation distances and buffering from residential neighborhoods, schools, parks, hospitals, greenways, and other sensitive land uses;
4. Noise mitigation standards, including operational sound limits and acoustic studies;
5. Water consumption, cooling technologies, conservation measures, reclaimed-water alternatives, and protection of the Memphis Sand aquifer;
6. Wastewater discharge requirements;
7. Stormwater management standards;

8. Lighting and visual-screening requirements;
9. Emergency access and fire-protection requirements;
10. Backup generator operations, onsite generation, battery systems, and fuel storage;
11. Electrical infrastructure impacts, including substations and transmission improvements;
12. Allocation of infrastructure costs to developers to ensure that public utility customers are not responsible for costs attributable to new high-demand facilities;
13. Traffic impacts during construction and operation;
14. Environmental sustainability measures; including but not limited to renewable, clean and green energy.
15. Public-notification and community-engagement requirements;
16. A substantial-compliance checklist consistent with Section 7;
17. A source-neutral energy review framework consistent with Section 8;
18. A designated data center development area or areas consistent with Section 6; and
19. Any additional development standards reasonably necessary to ensure compatibility with surrounding land uses and protection of the public health, safety, and welfare.
20. The feasibility of a community benefits agreement for the long-term financial benefits of the community, including Section 9 of this ordinance.

The permanent regulatory recommendations shall be presented to the Memphis City Council no later than one hundred eighty (90) days following the effective date of this Ordinance, unless the Council authorizes additional time based upon a written progress report demonstrating the need for such additional time.

SECTION 5. COMMUNITY ENGAGEMENT AND PUBLIC INPUT

A. The City Council, in conjunction with the Office of Comprehensive Planning, shall conduct a structured community-engagement process during the moratorium and prior to recommending or adopting any designated area for future Data Center or High-Density Computing Facility development.

B. The Memphis City Council, in conjunction with the Office of Comprehensive Planning, shall conduct no fewer than three (3) public community meetings. Such meetings shall be geographically distributed throughout the City of Memphis and shall include at least one (1) meeting held at a location reasonably accessible to residents of an area in which a Data Center or High-Density Computing Facility is located and operating as of the effective date of this Ordinance.

C. The community-engagement process shall solicit public input concerning, at a minimum:

1. Land-use compatibility;
2. Proximity to residential neighborhoods and sensitive land uses;
3. Water and energy impacts;
4. Air quality and noise;
5. Traffic and construction impacts;
6. Emergency services;
7. Environmental justice and cumulative impacts;
8. Infrastructure needs;
9. Workforce-development and contracting opportunities;
10. Community benefits; and
11. Appropriate uses of revenues or capital contributions associated with future projects.

D. The Office of Comprehensive Planning shall maintain a public-comment period of not fewer than thirty (30) days and shall make available to the public, to the extent permitted by law, non-confidential maps, criteria, studies, agency findings, and other materials used to evaluate potential candidate areas.

E. Following completion of the community-engagement process and prior to Council consideration of any permanent siting map, designated development area, or comprehensive permanent regulatory framework, the Office of Comprehensive Planning shall transmit to the Memphis City Council a final Community Engagement Report. The report shall summarize:

1. The meetings conducted;
2. Public comments received;
3. Principal community concerns and recommendations;
4. Responses from relevant City departments and agencies; and
5. Any material changes made or recommended to the proposed siting or regulatory framework as a result of public input.

SECTION 6. DESIGNATED DATA CENTER DEVELOPMENT AREA OR AREAS

A. Following completion of the community-engagement process required by Section 5, the Memphis and Shelby County Division of Planning and Development, in consultation with MLGW, Public Works, Engineering, the Memphis Fire Department, the Shelby County Health

Department, EDGE/IDB, and other appropriate agencies, shall identify and recommend to the Memphis City Council one or more areas in which future Data Centers and High-Density Computing Facilities may be permitted, subject to comprehensive permanent development standards.

B. The site-selection analysis shall consider, at a minimum:

1. Industrial compatibility;
2. Separation and buffering from residential neighborhoods and sensitive land uses;
3. Existing and planned electric and gas infrastructure;
4. MSED and utility deliverability;
5. Reclaimed water and wastewater potential;
6. Protection of the Memphis Sand aquifer;
7. Fiber availability;
8. Road capacity;
9. Emergency access;
10. Environmental baseline conditions;
11. Air and noise burdens;
12. Stormwater impacts;
13. Brownfield or previously industrial land opportunities;
14. The ability of a facility to expand without encroaching upon residential neighborhoods;
and
15. The cumulative impact of multiple facilities.

C. The Division of Planning and Development shall present to the Memphis City Council a proposed map, objective siting criteria, and any amendments to the Unified Development Code determined to be necessary. No area shall become a designated data center development area solely through administrative action. Final designation shall require approval by the Memphis City Council through the legally required land-use and ordinance process.

D. Designation of an area shall not guarantee approval of any individual project, reserve utility capacity, waive any permit or regulatory requirement, or create any vested right. Each future project shall remain subject to all applicable laws, permanent development standards, utility requirements, and project-specific review.

SECTION 7. SUBSTANTIAL COMPLIANCE CHECKLIST

A. To the extent applicable under Tennessee Code Annotated §§ 13-4-310(e) and 13-3-413(e), and as part of the permanent framework developed during the moratorium, an application for a qualifying Data Center or High-Density Computing Facility shall not be deemed substantially compliant unless it includes, at a 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. MSSED, 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 water-use efficiency;
7. Noise, air, fuel, battery, fire, emergency, traffic, stormwater, and decommissioning concepts;
8. Evidence of financial capacity and payment of any lawfully required 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. The Division of Planning and Development shall publish the proposed checklist for public review before permanent regulations become operative and may recommend only objective, publicly posted technical requirements. No unpublished or open-ended standard shall determine substantial compliance.

C. Nothing contained in this Section shall authorize approval of a project during the moratorium. This Section establishes the minimum application framework to be incorporated into permanent regulations or otherwise implemented through the legally appropriate process before termination of the moratorium.

SECTION 8. TWO ENERGY PATHS; ONE FULL-SITE RECORD

A. **Utility-Served and Hybrid Facilities.** An applicant seeking MLGW electric service shall obtain the applicable MLGW study or readiness statement and comply with all applicable MLGW large-load service and capacity requirements. No City approval shall constitute or be construed as a reservation or guarantee of electric capacity.

B. Self-Supplied or Behind-the-Meter Facilities. 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 requirements, electrical safety, islanding, interconnection, if applicable, emergency operation, fire protection, fuel storage, decommissioning, and construction phasing.

C. MLGW approval shall be required only to the extent required by applicable law, contract, utility service, interconnection, backup service, or safety requirements. The absence of MLGW jurisdiction over a private power arrangement shall not exempt a facility from applicable land-use, air, water, fire, building, noise, traffic, fiscal, or other lawful local requirements.

D. A hybrid facility shall disclose both MSED and Utility Requested Load. City review shall evaluate the complete facility and shall not treat a self-supplied campus as consuming no public or environmental resources solely because its Utility Requested Load is zero.

SECTION 9. STUDY OF A STRATEGIC DATA CENTER CAPITAL EXPENDITURE FUND

A. As part of the study required by Section 4, the City shall evaluate the feasibility and legality of establishing a Strategic Data Center Capital Expenditure Fund (the “proposed Fund”) to support lawful capital investments for the public good. The study shall identify permissible funding sources and uses, fiscal requirements, and any further Council action necessary to establish, fund, administer, and oversee the proposed Fund.

B. The study shall evaluate whether the proposed Fund could lawfully receive:

1. Memphis City Council appropriations;
2. Grants and intergovernmental transfers;
3. Proceeds dedicated by separate ordinance; and
4. Contractual capital contributions negotiated in connection with Discretionary Public Development Value, including a Strategic Development Agreement, PILOT, public land transaction, public infrastructure commitment, or other discretionary economic-development arrangement.

C. The study shall evaluate the legal authority and practical feasibility of negotiating recurring contractual capital contributions from a Data Center or High-Density Computing Facility receiving material Discretionary Public Development Value. The evaluation shall consider potential methods for calculating contributions, project economics, public return, and the circumstances under which a contribution would be appropriate.

The study shall distinguish contributions negotiated through a lawful contract, incentive agreement, land instrument, or other valid legal authority from charges imposed as a condition of an ordinary permit otherwise available as of right. This subsection does not impose a payment obligation or establish a negotiating floor.

D. The study shall evaluate the lawful capital purposes for which money in the proposed Fund could be used, including but not limited to: :

1. Shared utility and public infrastructure;
2. Water and wastewater infrastructure and water alternatives;
3. Road, drainage, and stormwater improvements;
4. Environmental-monitoring infrastructure;
5. Resilience and emergency response infrastructure;
6. Fiber or other public digital infrastructure;
7. Public-compute or research infrastructure;
8. Capital improvements in host or impacted communities, and
9. Other capital projects determined by the Memphis City Council to serve the public good, to the extent permitted by applicable law

The study shall further evaluate lawful ways to prioritize Memphis residents and businesses in employment, contracting, and projects supported by the proposed Fund, consistent with applicable procurement, funding, and other legal requirements.

The study shall also consider how to distinguish additional community benefits from ordinary taxes, legally required infrastructure costs, and compliance with generally applicable law.

E. The study shall recommend appropriate Council oversight and financial controls if the proposed Fund is established, including an annual report of receipts, contractual sources, expenditures, encumbrances, project purposes, and remaining balance. It shall also evaluate whether transfers to the General Fund may lawfully be prohibited or conditioned on a subsequent ordinance stating the purpose and amount of the transfer.

F. This Section directs further study only. It does not establish the proposed Fund, dedicate revenue, impose a contribution, authorize an expenditure, or restrict a transfer of existing City funds. Any such action shall require subsequent Council approval in accordance with applicable law.

SECTION 10. MORATORIUM EXIT FRAMEWORK AND PROGRESS REPORTS

A. The purpose of this moratorium is to establish a defined period for community engagement, study, siting analysis, and development of comprehensive permanent regulations governing Data Centers and High-Density Computing Facilities.

Accordingly, prior to termination of the moratorium pursuant to the permanent-regulation provisions of Section 11, the City shall, through the legally appropriate process:

1. Complete the community-engagement process required by Section 5 and transmit the final Community Engagement Report to the Memphis City Council;
2. Adopt or formally act upon a designated data center development area or areas and objective siting criteria pursuant to Section 6;
3. Publish and adopt, as legally appropriate, the substantial-compliance requirements contemplated by Section 7;
4. Adopt a source-neutral, full-site energy disclosure and review framework consistent with Section 8;
5. Establish the fiscal and administrative mechanisms necessary to receive and administer the Fund described in Section 9; and
6. Adopt comprehensive permanent zoning and development standards addressing the subjects identified in Section 4.

B. The Division of Planning and Development shall provide a written progress report to the Memphis City Council within ninety (90) days following the effective date of this Ordinance and every ninety (90) days thereafter for so long as the moratorium remains in effect.

Each progress report shall identify, at a minimum:

1. Tasks completed;
2. Tasks remaining;
3. Community engagement completed;
4. Candidate siting analysis undertaken;
5. Interagency coordination;
6. Draft regulatory provisions developed; and
7. Any legal, administrative, technical, or other obstacle that may delay adoption and operative implementation of the permanent regulatory framework.

SECTION 11. DURATION

A. Except as otherwise provided herein, the moratorium established by this Ordinance shall remain in full force and effect until the earliest to occur of the following:

1. Twelve (12) months following the effective date of this Ordinance;
2. Following completion of the community-engagement process and submission of the final Community Engagement Report required by Section 5, adoption and operative implementation by the Memphis City Council of comprehensive zoning and development regulations governing Data Centers and High-Density Computing Facilities, including the regulatory framework contemplated by Section 10 of this Ordinance; or
3. Repeal, modification, or termination of the moratorium by subsequent ordinance of the Memphis City Council.

B. For purposes of subsection A(2), completion of the community-engagement process or submission of the final Community Engagement Report, standing alone, shall not terminate the moratorium. Termination pursuant to subsection A(2) shall occur only after both:

1. Completion of the community-engagement and reporting requirements established by this Ordinance; and
2. Adoption and operative implementation of the comprehensive permanent zoning and development regulations contemplated by this Ordinance.

SECTION 12. SEVERABILITY

The provisions of this Ordinance are hereby declared severable. If any section, subsection, provision, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be unconstitutional, invalid, or otherwise unenforceable by a court of competent jurisdiction, such determination shall not affect the validity or enforceability of the remaining portions of this Ordinance, which shall remain in full force and effect.

SECTION 13. EFFECTIVE DATE

This Ordinance shall take effect from and after the date it shall have been passed by the Memphis City Council, signed by the Chair of the Council, certified and delivered to the Office of the Mayor in writing.

Sponsors:
JB Smiley, Jr.
Jana Swearengen-Washington
Jerri Green
Dr. Michalyn Easter-Thomas

Chairwoman
Jana Swearengen-Washington

DRAFT – PENDING LEGAL AND COUNCIL REVIEW
ORDINANCE NO. 5985

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) MSER, 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.

Ordinance NO. 5986

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MEMPHIS, TENNESSEE, AMENDING ORDINANCE NO. 5367, KNOWN AS THE MEMPHIS AND SHELBY COUNTY UNIFIED DEVELOPMENT CODE, TO ESTABLISH REGULATIONS FOR THE SITING, INITIAL DEVELOPMENT, CONSTRUCTION, EXPANSION, ALTERATION, AND OPERATION OF LARGE-SCALE DATA CENTERS; ESTABLISHING DATA CENTER DEVELOPMENT STANDARDS; PROHIBITING ROUTINE EVAPORATIVE AND ONCE-THROUGH COOLING; REQUIRING CLOSED-LOOP WATER-CIRCULATION SYSTEMS; PROHIBITING MAJOR WITHDRAWALS OF LOCAL WATER RESOURCES FOR DATA CENTER COOLING; REQUIRING WATER CONSERVATION AND MONITORING; REQUIRING PROGRESSIVE USE OF RENEWABLE AND NON-CARBON ELECTRICITY; ESTABLISHING A SCHEDULE FOR THE PHASE-OUT OF CARBON-BASED ELECTRICITY; ESTABLISHING REQUIREMENTS FOR EXPANSION OF EXISTING DATA CENTERS; PROVIDING FOR PUBLIC DISCLOSURE, REPORTING, ENFORCEMENT, PENALTIES, AND OTHER MATTERS RELATED THERETO.

WHEREAS, the City Council of Memphis recognizes that large-scale data centers can require substantial amounts of electricity, water, land, electrical infrastructure, cooling infrastructure, and other public resources; and

WHEREAS, the City Council recognizes its responsibility to protect the health, safety, welfare, environmental quality, water resources, neighborhoods, infrastructure, and long-term economic interests of the residents of Memphis; and

WHEREAS, the Tennessee Department of Environment and Conservation recognizes that local governments may address data center siting, zoning, land-use compatibility, noise, and local infrastructure matters through local governmental processes; and

WHEREAS, the City of Memphis possesses authority to regulate land uses and zoning within the City pursuant to applicable Tennessee law and the Memphis and Shelby County Unified Development Code; and

WHEREAS, the Memphis and Shelby County Unified Development Code was adopted by Ordinance No. 5367 and has been amended from time to time by the City Council; and

WHEREAS, the Memphis City Council has determined that data center development should be subject to standards appropriate to the scale and intensity of the use; and

WHEREAS, the City Council finds that the protection of water resources is a legitimate public purpose and that cooling technologies that continuously circulate water in closed systems can substantially reduce water consumption; and

WHEREAS, the City Council finds that routine evaporative cooling can result in continuing consumption of water through evaporation and can place unnecessary demands upon municipal and regional water resources; and

WHEREAS, the City Council finds that data center electricity demand can be substantial and that increasing reliance upon renewable and non-carbon energy sources is in the public interest; and

WHEREAS, the City Council further finds that the costs of electrical infrastructure required solely or primarily because of data center development should not be shifted to residential customers or unrelated commercial customers to the extent prohibited or regulated by Tennessee law; and

WHEREAS, the City Council enacted Ordinance No. 5982 establishing a temporary moratorium on certain data center permits in order to provide time for the City to study and establish appropriate permanent development standards; and

WHEREAS, the City Council now determines that permanent standards governing water, energy, environmental sustainability, development, expansion, and infrastructure are necessary;

NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEMPHIS, TENNESSEE:

SECTION 1.

DATA CENTER DEFINED.

The Memphis and Shelby County Unified Development Code shall be amended to establish the following definition:

“DATA CENTER” means a building, structure, campus, or collection of buildings and associated infrastructure principally used for the housing, operation, storage, processing, management, transmission, or distribution of digital information through electronic computing equipment, including servers, computer systems, artificial-intelligence computing equipment, telecommunications equipment, network equipment, data-storage equipment, environmental control systems, electrical systems, substations, backup power systems, cooling systems, and related infrastructure.

A facility shall be considered a Data Center regardless of whether its computing equipment is operated by the owner of the real property, a tenant, contractor, affiliate, subsidiary, or other entity.

SECTION 2.

LARGE DATA CENTER.

A “LARGE DATA CENTER” means a Data Center that:

- A. has a projected electrical demand of twenty (20) megawatts or greater; or
- B. is designed or intended to increase electrical demand to twenty (20) megawatts or greater within ten (10) years of initial occupancy.

The City Council may establish a lower threshold by subsequent amendment to the Unified Development Code.

SECTION 3.

APPLICABILITY.

The requirements of this Ordinance shall apply to:

- A. every new Large Data Center;
- B. every new Data Center proposed after the effective date of this Ordinance;
- C. every expansion of an existing Data Center that increases electrical demand, computing capacity, building area, cooling capacity, or water demand;
- D. every conversion of an existing building or property to Data Center use;
- E. every new Data Center campus or expansion of an existing Data Center campus; and
- F. any phased development where multiple buildings or facilities are operated under common ownership, control, management, or utility service.

SECTION 4.

DATA CENTER DEVELOPMENT APPROVAL REQUIRED.

No person shall establish, construct, expand, enlarge, or materially modify a Data Center unless the applicant has obtained all applicable zoning, land-use, site-plan, building, utility, environmental, and other approvals required by the City and applicable law.

No Data Center development shall be approved unless the applicant demonstrates compliance with this Ordinance.

SECTION 5.

DISCLOSURE OF ULTIMATE DEVELOPMENT.

Every application for a new Data Center shall disclose the maximum reasonably anticipated development of the property, including:

- A. ultimate building area;
- B. ultimate electrical demand;
- C. anticipated computing capacity;
- D. number and capacity of cooling systems;
- E. maximum anticipated water demand;
- F. proposed water sources;
- G. proposed wastewater discharge;
- H. backup-generation capacity;
- I. battery-storage capacity;

- J. renewable-energy generation or procurement;
- K. anticipated carbon-based electricity consumption; and
- L. all known phases of future development.

No applicant shall avoid the requirements of this Ordinance by dividing a single Data Center campus into separate buildings, ownership entities, applications, phases, or permits.

SECTION 6.

CLOSED-LOOP COOLING REQUIRED.

- A. All new Data Centers shall use closed-loop cooling systems.
- B. Cooling water shall be continuously circulated and reused within the cooling system.
- C. The cooling system shall be designed so that water is not routinely consumed through evaporation.
- D. Once-through cooling systems are prohibited.
- E. Open-loop cooling systems are prohibited.
- F. Routine evaporative cooling towers are prohibited.
- G. Routine cooling-water blowdown, bleed-off, or discharge is prohibited except where specifically approved by the City Engineer as necessary for system safety or maintenance and where the discharge complies with all applicable law.
- H. Acceptable cooling technologies may include:
 - 1. air cooling;
 - 2. dry cooling;
 - 3. direct-to-chip cooling;
 - 4. rear-door heat exchangers;
 - 5. immersion cooling;
 - 6. closed-circuit cooling;
 - 7. other non-evaporative technologies approved by the City Engineer.

SECTION 7.

PROHIBITION ON MAJOR LOCAL WATER WITHDRAWALS.

A. No Data Center shall use groundwater, surface water, municipal drinking water, aquifer water, river water, lake water, reservoir water, or other Local Water Resources for routine cooling operations if the withdrawal constitutes a Major Water Withdrawal.

B. No new private well shall be constructed for the primary purpose of supplying routine Data Center cooling.

C. No Data Center shall divert water from the Mississippi River, Wolf River, Nonconnah Creek, groundwater aquifers, reservoirs, lakes, or other local water resources for routine cooling operations unless expressly authorized by applicable law and separately approved by the City following a public review.

D. The City shall favor reclaimed, recycled, captured, non-potable, or otherwise non-freshwater sources where water is permitted for an authorized use.

E. No approval shall be granted where the proposed cooling-water demand would materially impair the City's ability to provide water for residential, public health, fire protection, environmental, agricultural, or other essential purposes.

SECTION 8.

POTABLE WATER.

Routine Data Center cooling shall not use treated potable drinking water supplied through the City's public water system except for:

A. initial filling of an approved closed-loop cooling system;

B. replacement of unavoidable system losses;

C. emergency conditions;

D. maintenance necessary to protect equipment or public safety; or

E. another use expressly approved by the City.

No potable water shall be used for intentional evaporative cooling.

SECTION 9.

INITIAL COOLING SYSTEM FILL.

The applicant shall disclose the volume of water required to initially fill the cooling system.

The City Engineer shall determine whether the proposed initial fill can be supplied without adversely affecting public water supply, fire protection capacity, wastewater capacity, or other essential municipal services.

The City may require phased filling or alternative water sources when necessary to protect municipal water capacity.

SECTION 10.

WATER CONSERVATION PLAN.

Every applicant shall submit a Water Conservation and Resource Protection Plan containing:

- A. cooling-system specifications;
- B. initial water-fill requirements;
- C. anticipated annual water consumption;
- D. anticipated maximum daily water consumption;
- E. water-source identification;
- F. anticipated makeup-water requirements;
- G. procedures preventing evaporation;
- H. procedures preventing routine discharge;
- I. leak-detection procedures;
- J. water-metering procedures;
- K. water-recycling procedures;
- L. emergency-water procedures;
- M. wastewater-management procedures; and
- N. certification by a Tennessee-licensed professional engineer.

SECTION 11.

SEPARATE WATER METERING.

Every Data Center shall install meters capable of separately measuring:

- A. total water entering the facility;
- B. cooling-system water;
- C. makeup water;
- D. water used for non-cooling purposes; and
- E. wastewater discharge where technically feasible.

The City shall have the right to inspect and verify such meters.

SECTION 12.

WATER REPORTING.

Every Data Center shall submit an annual report to the City containing:

- A. total water consumption;
- B. total cooling-water consumption;
- C. makeup-water consumption;
- D. water source;
- E. initial cooling-system fill;
- F. water lost through leakage;
- G. any authorized discharge;
- H. any emergency withdrawal; and
- I. certification by the facility owner or authorized representative.

The City may make such information available to the public subject to applicable trade-secret and public-records law.

SECTION 13.

RENEWABLE ENERGY REQUIREMENT.

Every new Data Center shall obtain electricity from qualifying renewable or other non-carbon energy resources according to the following schedule:

- A. Beginning upon commencement of commercial operation:

Not less than sixty percent (60%) of annual electricity consumption shall be matched by qualifying renewable or non-carbon electricity.

- B. Beginning three (3) years after commencement of commercial operation:

Not less than seventy-five percent (75%) shall be matched by qualifying renewable or non-carbon electricity.

- C. Beginning six (6) years after commencement of commercial operation:

Not less than ninety percent (90%) shall be matched by qualifying renewable or non-carbon electricity.

- D. Beginning ten (10) years after commencement of commercial operation:

One hundred percent (100%) shall be matched by qualifying renewable or non-carbon electricity.

SECTION 14.

QUALIFYING RENEWABLE ENERGY.

Qualifying renewable electricity may include electricity generated from:

- A. solar;
- B. wind;
- C. geothermal;
- D. qualifying hydroelectric resources;
- E. onsite renewable generation;
- F. qualifying utility renewable-energy programs;
- G. long-term renewable power-purchase agreements;
- H. community renewable-energy programs; or
- I. other renewable-energy procurement mechanisms approved by the City Attorney.

Renewable Energy Certificates may be used for compliance only where legally recognized and where the certificates are retired for the benefit of the Data Center.

SECTION 15.

CARBON-BASED ELECTRICITY PHASE-OUT.

A. Routine electricity consumption from coal, petroleum, natural gas, diesel, gasoline, fuel oil, or other fossil-fuel generation shall be progressively reduced.

B. No new Data Center shall exceed the following annual carbon-based electricity limits:

- 1.
Years 1-3: forty percent (40%);
- 2.
Years 4-6: twenty-five percent (25%);
- 3.
Years 7-9: ten percent (10%);
- 4.
Year 10 and thereafter: zero percent (0%).

C. Carbon-based backup generators shall not be considered routine electricity sources when operated solely for emergency response, legally required testing, maintenance, or grid emergency purposes.

SECTION 16.

FOSSIL-FUEL BACKUP GENERATORS.

A. New Data Centers shall minimize reliance upon fossil-fuel emergency generation.

B. Fossil-fuel generators may operate only:

1.
during electrical outages;
2.
during declared emergencies;
3.
during required testing;
4.
during maintenance;
5.
to protect life or critical equipment; or
6.
when required by the applicable electric utility or governmental emergency authority.

C. No fossil-fuel generator may serve as the routine primary electrical supply for a Data Center.

D. New Data Centers shall evaluate battery storage and renewable backup generation as alternatives to fossil-fuel generation.

SECTION 17.

EXPANSION OF EXISTING DATA CENTERS.

A. No expansion may proceed without demonstrating compliance with this Ordinance.

B. An expansion that increases the facility's electrical demand by twenty percent (20%) or more shall be reviewed as a new Large Data Center.

C. An expansion that increases water demand shall demonstrate that the increased demand complies with Sections 6 through 12.

D. Replacement of cooling equipment shall comply with the closed-loop, non-evaporative requirements of this Ordinance.

E. A facility shall not avoid these requirements through phased expansion.

SECTION 18.

EXISTING DATA CENTERS.

Existing Data Centers lawfully operating before the effective date of this Ordinance may continue their lawful operations, subject to applicable existing law.

However, existing Data Centers shall submit to the City, within twelve (12) months of the effective date of this Ordinance:

- A. a water-use report;
- B. a cooling-system description;

- C. electrical consumption data;
- D. renewable-energy procurement information;
- E. fossil-fuel generator information;
- F. maximum electrical demand;
- G. maximum water demand; and
- H. an expansion plan, if applicable.

No major expansion shall be approved unless the facility complies with this Ordinance.

SECTION 19.

ELECTRICAL INFRASTRUCTURE COSTS.

Nothing in this Ordinance shall authorize the City or any municipal utility to violate Tennessee law.

To the extent permitted by law, a Data Center applicant shall identify and be responsible for incremental electrical infrastructure costs attributable to its proposed development.

The City shall not voluntarily absorb Data Center-specific infrastructure costs where such absorption is prohibited by Tennessee law.

The applicant shall provide documentation demonstrating the anticipated electrical infrastructure requirements associated with the project.

SECTION 20.

GRID AND ENERGY IMPACT STATEMENT.

Before approval of a Large Data Center, the applicant shall provide:

- A. projected electrical demand;
- B. expected annual electricity consumption;
- C. expected peak demand;
- D. anticipated interconnection requirements;
- E. proposed renewable-energy procurement;
- F. proposed energy-storage capacity;
- G. expected carbon-based electricity consumption;
- H. anticipated electrical infrastructure requirements; and

I. documentation from the serving electric utility concerning available service and anticipated infrastructure requirements, to the extent such documentation may lawfully be obtained.

SECTION 21. PUBLIC DISCLOSURE.

Except for information protected by applicable trade-secret law, proprietary information law, cybersecurity requirements, or other applicable law, the City shall maintain a publicly accessible Data Center Development Register containing:

- A. approved Data Centers;
- B. pending applications;
- C. electrical demand;
- D. projected water demand;
- E. water-source information;
- F. cooling technology;
- G. renewable-energy percentage;
- H. carbon-based electricity percentage;
- I. backup-generation capacity;
- J. major expansion applications; and
- K. annual compliance reports.

SECTION 22. ANNUAL COMPLIANCE CERTIFICATION.

Each Data Center shall annually certify compliance with this Ordinance.

The certification shall be signed by an authorized officer, manager, or responsible engineer of the facility.

Knowingly submitting false information shall constitute a violation of the Memphis Code of Ordinances.

SECTION 23. ENFORCEMENT.

The City may enforce this Ordinance through all remedies available under the Memphis Code of Ordinances and applicable Tennessee law.

Available remedies may include:

- A. notices of violation;
- B. civil penalties;
- C. suspension of permits;
- D. denial of expansion applications;
- E. revocation of approvals where legally authorized;
- F. injunctive relief;
- G. recovery of enforcement costs where authorized by law; and
- H. any other remedy authorized by law.

Each day of continuing violation may constitute a separate violation where permitted by law.

SECTION 24.

PERMIT CONDITION.

Compliance with this Ordinance shall be a condition of:

- A. zoning approval;
- B. site-plan approval;
- C. special-use approval;
- D. building-permit approval;
- E. certificate of occupancy;
- F. approval of a material expansion; and
- G. other applicable development approvals.

SECTION 25.

NO PREEMPTION OF STATE OR FEDERAL AUTHORITY.

Nothing in this Ordinance shall be construed to regulate matters exclusively reserved to the State of Tennessee, the Tennessee Valley Authority, the Tennessee Public Utility Commission, the Federal Energy Regulatory Commission, or the federal government.

Where state or federal law regulates electricity generation, transmission, utility rates, or environmental permitting, this Ordinance shall operate through the City's lawful zoning, land-use, development, building, water, infrastructure, and permitting authority.

SECTION 26.

IMPLEMENTATION THROUGH THE UNIFIED DEVELOPMENT CODE.

The Memphis and Shelby County Unified Development Code, Ordinance No. 5367, shall be amended as necessary to incorporate the provisions of this Ordinance into the applicable use, development, site-plan, special-use, performance-standard, and permitting sections of the Code.

The Division of Planning and Development, in consultation with the City Attorney, Memphis Light, Gas and Water Division, Memphis Department of Public Works, Memphis Department of Engineering, and other appropriate agencies, shall prepare conforming amendments necessary to implement this Ordinance.

SECTION 27.

ADMINISTRATIVE RULES.

The Director of Planning and Development, City Engineer, Water Services Director, Sustainability Officer, or their designees may promulgate reasonable administrative rules necessary to administer this Ordinance.

Such rules shall not exceed the authority granted by this Ordinance or applicable law.

SECTION 28.

REVIEW OF ORDINANCE.

The City Council shall receive an annual report concerning Data Center compliance, including:

- A. water consumption;
- B. water-source impacts;
- C. electrical demand;
- D. renewable-energy use;
- E. carbon-based electricity use;
- F. infrastructure costs;
- G. emergency-generator operation;
- H. violations;
- I. enforcement actions; and
- J. recommended amendments.

SECTION 29.

SEVERABILITY.

If any section, subsection, paragraph, sentence, clause, phrase, or provision of this Ordinance is determined to be invalid or unconstitutional, such determination shall not affect the validity of the remaining portions.

**SECTION 30.
EFFECTIVE DATE.**

This Ordinance shall take effect upon passage according to the procedures prescribed by the Charter of the City of Memphis and applicable Tennessee law.

**SECTION 31.
CODIFICATION.**

The City Clerk is directed to cause this Ordinance to be incorporated into the Code of Ordinances of the City of Memphis and the applicable portions of the Memphis and Shelby County Unified Development Code.

PASSED AND ADOPTED this ____ day of _____, 2026.

**CHAIRWOMAN / CHAIRMAN
MEMPHIS CITY COUNCIL**

ATTEST:

CITY COMPTROLLER / CITY CLERK

APPROVED:

**MAYOR
CITY OF MEMPHIS**

ORDINANCE NO. _____

AN ORDINANCE DIRECTING THE DEVELOPMENT AND INITIATION OF AMENDMENTS TO THE MEMPHIS AND SHELBY COUNTY UNIFIED DEVELOPMENT CODE TO ESTABLISH A LAND-USE AND SITING FRAMEWORK FOR DATA CENTERS WITHIN THE CITY OF MEMPHIS

WHEREAS, the Memphis and Shelby County Unified Development Code (“UDC”) establishes zoning and subdivision regulations applicable within the City of Memphis; and

WHEREAS, the Memphis City Council is authorized to initiate consideration of amendments to the Unified Development Code in accordance with applicable law and the procedures established by the UDC; and

WHEREAS, the City is presently undertaking a comprehensive update of the Unified Development Code; and

WHEREAS, technological and economic development has resulted in new and evolving land uses, including large-scale data centers and high-density computing facilities, whose electrical demand, water demand, infrastructure requirements, noise, cooling systems, backup generation, physical scale, and other development characteristics may differ substantially from conventional office, commercial, and industrial development; and

WHEREAS, the existing Unified Development Code does not contain a comprehensive land-use and siting framework specifically addressing the location and development characteristics of modern large-scale data centers; and

WHEREAS, clear land-use classifications, application requirements, development standards, and siting criteria provide greater predictability to residents, neighborhoods, developers, property owners, utilities, public agencies, and public officials before individual development applications are submitted; and

WHEREAS, the City Council finds that appropriate regulation of data centers should begin with determining where such uses are compatible with the City's neighborhoods, natural resources, public infrastructure, existing development patterns, and long-range development objectives; and

WHEREAS, the Council further finds that the appropriate level of land-use review should take into consideration the scale and intensity of a proposed facility and its reasonably anticipated demands upon land, infrastructure, utilities, and surrounding property; and

WHEREAS, state environmental, utility, and other regulatory requirements may address particular aspects of data-center development, but such requirements do not eliminate

the City's responsibility to evaluate land-use compatibility, siting, development standards, and information necessary to make informed local land-use decisions; and

WHEREAS, the Council desires that the development of permanent data-center standards proceed on a defined schedule and not be delayed by completion of the broader Unified Development Code update;

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

SECTION 1. DATA CENTER USE CLASSIFICATION

The Division of Planning and Development ("DPD") shall prepare for consideration through the Unified Development Code text-amendment process a distinct principal-use classification for **Data Centers**.

DPD shall develop objective criteria for distinguishing data centers according to scale and land-use intensity and shall recommend whether separate classifications are warranted for facilities of differing size or intensity, including a **Large-Scale Data Center**, **Hyperscale Data Center**, or other appropriate classification.

Such criteria shall evaluate, as applicable:

1. projected peak electrical demand;
2. projected water demand;
3. building square footage and site acreage;
4. cooling methodology and associated equipment;
5. backup-generation capacity;
6. associated substations, transformers, transmission facilities, or other utility infrastructure;
7. development phasing and anticipated ultimate buildout; and
8. other measurable characteristics affecting land-use compatibility or infrastructure demand.

In developing such classifications, DPD shall evaluate applicable federal and state definitions and thresholds, including classifications based upon electrical demand, while retaining the ability to recommend different or additional thresholds where appropriate for local land-use purposes.

SECTION 2. LOCATION AND SITING STANDARDS

The proposed UDC amendment shall establish the zoning districts and circumstances in which each data-center classification shall be:

- (a) prohibited;
- (b) permitted subject to specific development standards; or
- (c) permitted only following Special Use Approval or another legally authorized discretionary land-use review.

The proposed amendment shall evaluate and, where appropriate, establish development and siting standards addressing:

1. proximity and separation from residential zoning districts and existing residential uses;
2. proximity to schools and childcare facilities;
3. proximity to parks and public recreational facilities;
4. proximity to waterways, floodplains, wetlands, groundwater resources, and other environmentally sensitive areas;
5. setbacks and landscape buffers;
6. noise-producing equipment and mitigation;
7. backup generators and associated fuel storage;
8. substations, transformers, transmission facilities, and other electrical infrastructure;
9. cooling towers and other mechanical equipment;
10. lighting, screening, fencing, landscaping, and site design;
11. access, circulation, emergency access, and service areas;
12. development phasing and ultimate site buildout; and
13. such additional conditions as DPD determines are reasonably related to compatibility with surrounding land uses and the purposes of the Unified Development Code.

SECTION 3. INFRASTRUCTURE AND NATURAL-RESOURCE INFORMATION

For data-center applications subject to land-use review, the proposed UDC amendment shall establish disclosure requirements sufficient to permit DPD, the Land Use Control

Board, the City Council, and other reviewing agencies, where applicable, to understand the infrastructure, utility, site-development, and natural-resource characteristics relevant to the proposed location.

DPD shall evaluate disclosure requirements addressing, at a minimum:

- (a) projected peak electrical demand and, where reasonably available, anticipated annual electrical consumption;
- (b) proposed source or sources of electrical service;
- (c) projected peak and annual water demand;
- (d) proposed sources of potable and non-potable water;
- (e) cooling methodology, including material water requirements associated with cooling;
- (f) projected wastewater generation and proposed means of wastewater disposition;
- (g) stormwater-management characteristics relevant to development of the site;
- (h) number, type, capacity, and fuel source of backup generators;
- (i) fuel-storage facilities associated with backup generation;
- (j) required substations, transformers, transmission facilities, or other utility infrastructure;
- (k) anticipated noise-producing equipment and proposed mitigation;
- (l) proposed phases of development and anticipated ultimate buildout;
- (m) reasonably anticipated future expansion;
- (n) infrastructure improvements required to serve the site; and
- (o) other information reasonably necessary to evaluate land-use compatibility.

Information required pursuant to this Section shall be used to inform land-use and siting decisions consistent with applicable law and shall not be construed as replacing or duplicating permits or approvals issued by agencies possessing separate environmental, utility, safety, or regulatory jurisdiction.

SECTION 4. FUTURE RESOURCE-INTENSIVE USE FRAMEWORK

As part of the broader Unified Development Code update, DPD shall evaluate whether a general planning or classification framework is appropriate for identifying emerging land uses characterized by extraordinary demands upon public infrastructure, utilities, land, or natural resources.

Such evaluation may consider measurable factors including electrical demand, water consumption, wastewater generation, noise, emissions, land consumption, backup generation, and infrastructure requirements.

Nothing in this Section shall require different resource-intensive uses to be regulated identically. Any future standards shall be tailored to the particular land-use characteristics and impacts of the affected use.

Nothing in this Section shall delay the preparation, processing, or consideration of the data-center text amendment required by this Ordinance.

SECTION 5. EXISTING CODE AND SITING ANALYSIS — 45-DAY DELIVERABLE

Within **forty-five (45) days** following the effective date of this Ordinance, DPD shall present to the Planning and Zoning Committee an analysis identifying:

1. the existing UDC classifications or interpretations under which a data center could presently be permitted, accessory, conditional, special, or otherwise allowable;
2. the zoning districts associated with those classifications or interpretations;
3. the areas within the City of Memphis containing substantial concentrations of such zoning;
4. the relationship of those areas to residential neighborhoods, schools, childcare facilities, parks, waterways, floodplains, wetlands, groundwater resources, and other sensitive land uses or natural resources;
5. existing UDC provisions potentially applicable to noise, screening, generators, mechanical equipment, substations, utility facilities, buffering, site design, or similar data-center characteristics;
6. any material regulatory gaps identified by DPD; and
7. DPD's preliminary recommendations concerning appropriate and inappropriate zoning districts and land-use review mechanisms for data-center development.

To the extent reasonably practicable, the analysis shall include maps illustrating potential siting areas and their relationship to residential areas, public facilities, infrastructure, and sensitive natural resources.

SECTION 6. PROPOSED UDC TEXT AMENDMENT — 90-DAY DELIVERABLE

Within **ninety (90) days** following the effective date of this Ordinance, DPD shall complete proposed UDC text-amendment language implementing the requirements of this

Ordinance and shall initiate the process necessary for consideration of the amendment by the Memphis and Shelby County Land Use Control Board in accordance with applicable notice, hearing, and procedural requirements.

The proposed text amendment shall include, at a minimum:

1. proposed definitions;
2. proposed data-center use classifications;
3. applicable zoning districts;
4. applicable land-use approval mechanisms;
5. development and siting standards;
6. setbacks and buffering provisions, where appropriate;
7. infrastructure and application-disclosure requirements;
8. natural-resource and environmentally sensitive-area considerations;
9. provisions addressing development phasing;
10. provisions addressing material expansion or modification of existing facilities; and
11. such additional provisions as DPD determines are necessary to establish a comprehensive and enforceable land-use framework.

Completion of the broader Unified Development Code update shall **not be a prerequisite** to preparation, initiation, consideration, or adoption of the targeted data-center amendment required by this Ordinance.

The ninety-day requirement contained herein requires completion of proposed text sufficient to begin the formal UDC text-amendment process and shall not be satisfied solely through delivery of a report, presentation, study, or preliminary recommendations.

SECTION 7. INTERAGENCY CONSULTATION AND STAKEHOLDER ENGAGEMENT

In preparing the analysis and proposed UDC amendment required by this Ordinance, DPD shall consult, as appropriate and within their respective areas of authority, with:

- (a) Memphis Light, Gas and Water Division;
- (b) City of Memphis Public Works;
- (c) City Engineering;

- (d) the City Attorney and/or Law Division;
- (e) applicable environmental, health, emergency-management, fire, and public-safety agencies;
- (f) other City, County, regional, state, or utility agencies possessing information relevant to land-use and infrastructure planning; and
- (g) such residents, neighborhood organizations, property owners, developers, industry representatives, environmental or natural-resource stakeholders, and other members of the public as DPD determines appropriate.

Interagency consultation shall be used to inform the City's land-use framework and shall not transfer, expand, diminish, or duplicate the statutory jurisdiction of any participating agency.

SECTION 8. EXISTING FACILITIES AND MATERIAL EXPANSION

In preparing the proposed UDC amendment, DPD shall evaluate the appropriate treatment of lawfully established existing data centers consistent with applicable law, vested rights, previously granted entitlements, and applicable nonconforming-use provisions of the Unified Development Code.

DPD shall develop and recommend objective criteria for determining when expansion, intensification, or modification of an existing data center constitutes a **material expansion or material change** requiring additional land-use review.

Such criteria shall evaluate, as applicable:

- (a) expansion of building square footage or developed site area;
- (b) material increases in projected or actual electrical demand;
- (c) material increases in projected or actual water demand;
- (d) installation or material expansion of backup-generation capacity;
- (e) significant changes in cooling technology or cooling infrastructure;
- (f) construction or material expansion of substations, transformers, transmission facilities, fuel-storage facilities, or other supporting infrastructure;
- (g) commencement of additional development phases not previously reviewed or approved;

(h) changes substantially increasing noise, mechanical activity, or other impacts upon surrounding property; and

(i) other modifications materially affecting land-use compatibility or infrastructure demand.

The proposed amendment shall distinguish, where legally appropriate, between ordinary maintenance or replacement of existing equipment and expansion or modification materially increasing the scale, intensity, or external impacts of the use.

Nothing in this Ordinance shall be construed to impair vested rights or previously granted entitlements protected by applicable law.

SECTION 9. COUNCIL OVERSIGHT AND CONTINUING DISCLOSURE REVIEW

DPD shall report to the Planning and Zoning Committee regarding implementation of this Ordinance and the status of the proposed text amendment.

Such reporting shall address:

- (a) proposed definitions and classifications;
- (b) proposed zoning districts;
- (c) proposed approval mechanisms;
- (d) siting, setback, and buffering recommendations;
- (e) natural-resource considerations and protections;
- (f) infrastructure considerations;
- (g) application and infrastructure-disclosure requirements;
- (h) treatment of existing facilities and material-expansion triggers;
- (i) stakeholder and public engagement;
- (j) interagency consultation;
- (k) the status of preparation and processing of the proposed text amendment; and
- (l) the anticipated date of Land Use Control Board consideration.

DPD, in consultation with the City Attorney or Law Division and other appropriate agencies, shall further advise the Council whether continuing disclosure of **material changes** in electrical demand, water demand, cooling systems, backup generation, site development,

supporting infrastructure, or expansion should be required following initial land-use approval.

Such recommendation shall identify the appropriate legal or administrative mechanism for any continuing reporting requirement and shall distinguish between information properly required through the Unified Development Code and information more appropriately obtained through another lawful City or utility process.

Nothing in this Section requires the creation of an annual reporting program through the UDC unless DPD and the Law Division determine that such a requirement is appropriate, legally authorized, and reasonably related to land-use regulation.

SECTION 10. SEVERABILITY

BE IT FURTHER ORDAINED that the provisions of this Ordinance are hereby severable. If any section, subsection, provision, sentence, clause, phrase, or part of this Ordinance is held unconstitutional, unlawful, or otherwise invalid by a court of competent jurisdiction, such determination shall not affect the validity of the remaining provisions, which shall continue in full force and effect.

SECTION 11. EFFECTIVE DATE

BE IT FURTHER ORDAINED that this Ordinance shall take effect from and after the date it shall have been passed by the Council, signed by the Chair of the Council, certified and delivered to the Office of the Mayor in writing by the Comptroller, and become effective as otherwise provided by law.

SPONSOR: _____

CHAIRMAN: _____