

ORDINANCE NO. 1231

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COACHELLA, CALIFORNIA, ADDING CHAPTER 17.92 TO TITLE XVII OF THE COACHELLA MUNICIPAL CODE TO PROHIBIT DATA CENTER USES WITHIN THE CITY OF COACHELLA

WHEREAS, Article XI, Section 7 of the California Constitution authorizes cities to adopt and enforce ordinances and regulations to protect the public health, safety, and welfare; and

WHEREAS, the City of Coachella possesses broad police powers to regulate land uses and development within its jurisdiction in order to protect public health, safety, welfare, and the environment; and

WHEREAS, the City Council is authorized pursuant to Government Code Sections 65850, 65853, 65854, and 65860 to adopt and amend zoning regulations governing the use of land within the City; and

WHEREAS, advances in cloud computing, artificial intelligence, machine learning, digital storage, cryptocurrency processing, and related technologies have resulted in a substantial increase in proposals for large-scale Data Center Uses throughout California and the western United States; and

WHEREAS, Data Centers differ substantially from traditional office, industrial, warehouse, research and development, and commercial uses because they may operate continuously on a twenty-four-hour basis and require extensive electrical, cooling, telecommunications, and utility infrastructure; and

WHEREAS, Data Centers commonly consume extraordinary quantities of electricity and water and may require substantial investments in substations, transmission facilities, backup generation systems, battery storage systems, cooling systems, and other supporting infrastructure; and

WHEREAS, the City Council finds that Data Centers may create substantial demands on local electrical infrastructure and utility systems and may affect future utility planning, infrastructure capacity, and long-term electrical reliability within the City; and

WHEREAS, the City Council further finds that Data Centers may require substantial quantities of potable and recycled water for cooling and operational purposes; and

WHEREAS, the Coachella Valley is located within a region subject to long-term water supply constraints, groundwater sustainability requirements, recurring drought conditions, climate-related water resource challenges, and increasing demands upon limited water resources; and

WHEREAS, the City Council finds that preservation of available water supplies for residential neighborhoods, schools, parks, public facilities, businesses, emergency services, agricultural operations, and future community development constitutes a significant public purpose; and

WHEREAS, Data Centers frequently utilize cooling systems, transformers, emergency generators, battery storage systems, fuel storage systems, ventilation equipment, and related infrastructure that may generate noise, vibration, heat, emissions, hazardous materials concerns, and other operational impacts; and

WHEREAS, the City Council finds that such operational characteristics may create public health, environmental, emergency response, and land use compatibility concerns that differ substantially from those associated with traditional commercial and industrial development; and

WHEREAS, Data Centers may require specialized fire protection measures, hazardous materials response capabilities, electrical infrastructure protection measures, and emergency response resources due to the nature of the equipment and infrastructure associated with such facilities; and

WHEREAS, the City Council finds that industrial and employment-designated land within the City constitutes a limited and valuable public resource; and

WHEREAS, the City Council further finds that Data Centers generally provide substantially fewer long-term employment opportunities relative to the amount of land area, electrical infrastructure capacity, water resources, and public services required to support such facilities; and

WHEREAS, the City Council desires to preserve available industrial and employment lands for uses that generate greater employment opportunities, workforce development, economic diversification, tax revenue generation, and community-serving benefits; and

WHEREAS, on June 4, 2026, the City Council adopted Urgency Ordinance No. 1229 establishing a temporary moratorium on Data Center development within the City for 45 days pursuant to Government Code Section 65858; and

WHEREAS, on July 8, 2026, the City Council adopted Urgency Ordinance No. 1230, pursuant to Government Code Section 65858, to extend the moratorium on Data Center development for an additional 10 months and 15 days; and

WHEREAS, the purpose of Urgency Ordinances No. 1229 and No. 1230 was to allow the City sufficient time to evaluate the impacts associated with Data Centers and to determine whether such uses should be regulated, restricted, or prohibited within the City; and

WHEREAS, during the moratorium period, City staff evaluated the operational characteristics, infrastructure requirements, environmental impacts, public health considerations, land use compatibility issues, and regulatory approaches associated with Data Center Uses; and

WHEREAS, the Planning Commission conducted a properly noticed public hearing on July 15, 2026 at which members of the public were afforded an opportunity to comment upon this Ordinance, the recommendations of staff, and other public testimony; and

WHEREAS, following the public hearing, the Planning Commission unanimously voted to recommend the adoption of a City-wide prohibition on Data Center Uses; and

WHEREAS, the Planning Commission also requested (1) that any exemptions to such prohibition be clearly defined, and (2) that City Council also consider implementing a prohibition on Data Center Uses through a ballot measure to ensure that such a prohibition cannot be subsequently amended or rescinded without voter approval; and

WHEREAS, the City Council has considered information regarding actions taken by other California jurisdictions, including temporary moratoria, zoning restrictions, and permanent prohibitions applicable to Data Centers; and

WHEREAS, the City Council has received and considered public testimony from residents, stakeholders, and community members regarding the potential impacts associated with Data Center development; and

WHEREAS, after considering all information presented, the City Council finds that Data Center Uses are not compatible with the City's long-term planning objectives, infrastructure planning assumptions, environmental sustainability goals, economic development priorities, and community vision; and

WHEREAS, the City Council finds that prohibiting Data Center Uses throughout the City is necessary to protect public health, safety, welfare, natural resources, infrastructure capacity, and community character; and

WHEREAS, the City Council further finds that adoption of this Ordinance promotes the orderly development of the City and serves the best interests of the residents of Coachella.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COACHELLA DOES ORDAIN AS FOLLOWS:

SECTION 1. INCORPORATION OF RECITALS. The City Council hereby finds that all of the foregoing recitals presented herewith are true and correct and are hereby incorporated and adopted as findings of the City Council.

SECTION 2. GENERAL PLAN CONSISTENCY FINDINGS

The City Council hereby finds that this Ordinance is consistent with, advances, and implements the goals and policies of the City of Coachella General Plan, including but not limited to the following:

A. Land Use Element Policy 7.3 (Heavy Industry)

Policy 7.3 provides that heavy industrial uses should be located in locations that do not affect sensitive uses.

The City Council finds that Data Center Uses frequently involve industrial-scale cooling systems, substations, transformers, backup generators, battery storage systems, fuel storage systems, and related infrastructure capable of generating noise, vibration, heat, emissions, lighting, and other operational impacts. Prohibiting such facilities citywide promotes Policy 7.3 by protecting residential neighborhoods, schools, parks, childcare facilities, places of worship, and other sensitive land uses from potential adverse impacts associated with industrial-scale infrastructure.

B. Land Use Element Policy 7.4 (Impact of Industrial Development)

Policy 7.4 requires industrial development to be designed for compatibility with surrounding uses and to minimize impacts on neighboring properties.

The City Council finds that Data Centers are unique industrial-scale facilities that operate continuously and require extensive utility infrastructure, cooling systems, backup power systems, and related facilities that may not be compatible with surrounding land uses. Prohibiting Data Centers promotes Policy 7.4 by ensuring that future industrial development within the City remains compatible with surrounding neighborhoods and community-serving uses.

C. Land Use Element Policy 7.5 (Industrial Compatibility)

Policy 7.5 requires industrial projects to be designed to limit impacts on residential areas.

The City Council finds that construction and operation of Data Centers may involve substantial infrastructure installation, utility improvements, equipment deliveries, maintenance activities, and supporting industrial operations that may adversely affect nearby residential areas. Prohibiting Data Centers promotes Policy 7.5 by preventing industrial-scale impacts from affecting existing and planned residential neighborhoods.

D. Fiscal Sustainability Policy 13.1 (Fiscal Impact Assessment)

Policy 13.1 requires evaluation of fiscal impacts associated with major development projects.

The City Council finds that Data Centers may require substantial public and private investment in utility infrastructure, electrical systems, emergency response resources, and public facilities while generating comparatively limited permanent employment opportunities and economic multipliers. This Ordinance promotes Policy 13.1 by ensuring that future development occurs in a manner that supports long-term fiscal sustainability.

E. Fiscal Sustainability Policy 13.2 (Development Fees)

Policy 13.2 seeks to maintain the fiscal health of the City and ensure adequate funding of public facilities and services.

The City Council finds that Data Centers may create demands on infrastructure and public services that are disproportionate to the economic and fiscal benefits generated by such facilities. Prohibiting Data Centers promotes Policy 13.2 by preserving public infrastructure capacity and reducing the potential need for significant public investment associated with such facilities.

F. Fiscal Sustainability Policy 13.3 (Efficient Growth)

Policy 13.3 directs the City to manage growth in a manner that is fiscally sustainable and protects and enhances community values.

The City Council finds that preservation of limited industrial land, utility capacity, infrastructure resources, and water resources for employment-generating and community-serving development is consistent with fiscally sustainable growth and protection of community values. Prohibiting Data Centers promotes Policy 13.3 by preserving finite resources for future development opportunities that more directly advance the City's economic and community objectives.

G. Fiscal Sustainability Policy 13.4 (Diverse Tax Base)

Policy 13.4 promotes the establishment of a diverse and sustainable tax base.

The City Council finds that Data Centers generally generate fewer permanent jobs and limited sales tax revenues when compared to commercial, industrial, manufacturing, hospitality, research and development, and mixed-use developments. Prohibiting Data Centers promotes Policy 13.4 by preserving development opportunities that contribute more significantly to employment growth, economic diversification, and tax revenue generation.

H. Fiscal Sustainability Policy 13.7 (Fiscal Impacts of Infrastructure)

Policy 13.7 discourages developments requiring the construction of new infrastructure across large expanses of undeveloped areas.

The City Council finds that large-scale Data Centers frequently require substantial electrical transmission facilities, substations, distribution systems, telecommunications infrastructure, cooling systems, and related utility improvements. Prohibiting Data Centers promotes Policy 13.7 by discouraging development that may require extensive infrastructure expansion and significant utility investments.

I. Public Services Element Policy 1.10 (Minimized Environmental Impacts)

Policy 1.10 directs utilities to be located and designed to avoid or minimize impacts to environmentally sensitive resources and habitats.

The City Council finds that Data Centers frequently require extensive utility infrastructure, including substations, transmission facilities, cooling systems, battery storage systems, backup generation systems, and related improvements. Prohibiting Data Centers promotes Policy 1.10 by

reducing the potential need for utility infrastructure that may adversely affect environmental resources and by supporting responsible infrastructure planning.

J. Conservation and Resource Stewardship

The General Plan promotes the responsible stewardship of natural resources, efficient use of infrastructure, and sustainable growth.

The City Council finds that Data Centers commonly consume substantial quantities of electricity and water for operational and cooling purposes. Prohibiting Data Centers promotes the General Plan's resource conservation objectives by preserving finite water supplies and utility capacity for residential, commercial, public service, agricultural, and employment-generating uses.

K. Economic Development and Employment Objectives

The General Plan encourages economic development that creates employment opportunities, promotes workforce development, diversifies the local economy, and expands the City's tax base.

The City Council finds that industrial and employment-designated lands within the City constitute a limited resource that should be preserved for uses generating substantial employment opportunities and community benefits. Prohibiting Data Centers promotes these objectives by preserving land and infrastructure capacity for development that more effectively advances the City's economic development goals.

L. Overall General Plan Consistency

The City Council finds that this Ordinance promotes sustainable growth, fiscal sustainability, environmental stewardship, infrastructure efficiency, economic opportunity, public health, community character, and quality of life. Accordingly, the City Council finds that this Ordinance is consistent with and furthers the goals, policies, and implementation measures of the City of Coachella General Plan.

SECTION 3. CHAPTER 17.92 ADDED TO TITLE XVII OF THE COACHELLA MUNICIPAL CODE.

Title XVII of the Coachella Municipal Code is hereby amended to add Chapter 17.92 to read in its entirety as follows:

CHAPTER 17.92 – DATA CENTERS

17.92.010 – Intent and Purpose.

The purpose of this chapter is to protect the public health, safety, general welfare, natural resources, infrastructure capacity, community character, and quality of life in the city. The city council finds that Data Centers are not compatible with surrounding uses in any zone of the city because of the extraordinary demand they place on the city's electrical, water, and telecommunication infrastructure. In addition, the city council finds that the operation of Data

Centers may generate noise, vibrations, heat, emissions, and hazardous materials. Furthermore, the city council finds that Data Centers may require specialized fire protection measures, hazardous materials response capabilities, electrical infrastructure protection measures, and emergency response resources. Based on the foregoing, the city council has determined that the operational characteristics of Data Centers can create public health, environmental, emergency response, and land use compatibility concerns that differ substantially from those associated with traditional commercial and industrial development. As a result, the city council finds that prohibiting Data Centers throughout the City is necessary to protect public health, safety, general welfare, natural resources, infrastructure capacity, community character, and quality of life in the city.

17.92.020 – Definitions.

A “Data Center” means a structure or site used primarily for the storage, management, processing, and transmission of digital data and that houses computer or network equipment, systems, servers, appliances, and other associated components related to digital data storage, processing, and related operations. “Data Center Uses” include data storage facilities, small data storage facilities, server farms, artificial intelligence training or processing, image processing, cloud computing, email servicing, and other similar uses and appurtenant facilities. A Data Center does not include a “wireless communication facility” or a “communication equipment building” as defined in Section 17.86.020 and Section 17.06.040 of this code.

17.92.030 – Prohibition on Data Centers.

Data Centers are prohibited throughout the city. No person shall permit, establish, or operate a Data Center at any property within any zone of the city.

17.92.040 – Exemptions.

The following shall not be considered prohibited uses under this chapter: accessory server rooms, data processing equipment, or information technology facilities that are incidental, subordinate, and specifically related to a permitted principal use. Operation of a server room for purposes unrelated to the permitted principal use on a property is prohibited.

17.92.050 – Nonconforming Uses.

No use prohibited by this chapter shall be established after the effective date of this chapter.

Any lawfully established use existing prior to the effective date of this chapter shall be subject to Chapter 17.78 of this code.

17.92.060 – Enforcement.

The Community Development Director, Building Official, Code Enforcement Division, and City Attorney are authorized to enforce the provisions of this chapter.

Any violation of this chapter is designated as a misdemeanor and a public nuisance. The nuisance may be enjoined or otherwise abated by the city in the manner prescribed by Title 3 of

this code and any other applicable provision of state or local law.

SECTION 4. CEQA DETERMINATION.

The City Council finds that this Ordinance is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Sections 15061(b)(3), 15060(c)(2), and 15060(c)(3), because the prohibition of a category of development will not result in a direct or reasonably foreseeable physical change in the environment.

SECTION 5. SEVERABILITY.

If any section, subsection, subdivision, sentence, or clause or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have adopted each section irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, or phrases are declared unconstitutional, invalid, or ineffective.

SECTION 6. EFFECTIVE DATE.

This Ordinance shall take effect thirty (30) days after adoption.

SECTION 7. PUBLICATION.

The City Clerk shall certify to the adoption of this Ordinance and cause it, or a summary of it, to be published in a newspaper of general circulation printed and published within the City of Coachella, pursuant to all legal requirements.

SECTION 8. CERTIFICATION.

The City Clerk shall certify to the adoption of this Ordinance and shall cause it to be published in accordance with California Government Code Section 36933.

Introduced as a first reading this 12th day of August 2026.

Dr. Frank Figueroa
Mayor

ATTEST:

Angela M. Zepeda
City Clerk

APPROVED AS TO FORM:

BEST, BEST & KRIEGER

City Attorney

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF COACHELLA)

I HEREBY CERTIFY that the foregoing Ordinance No. 1231 was duly introduced, as a first reading, by the City Council of the City of Coachella at a regular meeting thereof, held on this 12th day of August 2026 by the following vote of Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

Delia Granados
Deputy City Clerk