



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

DCM: Cassey Ogden

DATE: December 17, 2025

SUBJECT

Hold a public hearing and consider making a recommendation to City Council regarding a request for a Specific Use Permit (SUP) to allow for a Modular Data Center use on approximately 4.064 acres of land, approximately located 3,800 feet south of Jim Christal Road and 1,200 feet east of South Western Boulevard in the City of Denton, Denton County, Texas. (S25-0007, Denton20, Angie Manglaris)

BACKGROUND

The applicant, Houston Aderhold of SPRE Denton TX, LLC, has submitted a request for a Specific Use Permit (SUP) to allow for Modular Data Center use on approximately 4.064 acres of land within the Heavy Industrial (HI) and Public Facilities (PF) zoning districts.

Modular Data Center as a principal use is defined in the Denton Development Code (DDC) as follows: “long term (more than 24 hours) storage of specialized computing systems and hardware within a modular structure(s) including but not limited to pods, shipping containers, cargo containers, and similar storage containers that are used for the sole purpose of remote storing, gathering, processing, and/or analyzing large amounts of data information. Accessory uses may include office and/or electrical equipment for localized distribution.”

In 2022, City Council approved ordinance DCA22-0003a, which amended the DDC to incorporate two new uses: Modular Data Center and Warehouse Data Center. It was determined an amendment to the DDC was needed to incorporate these uses after a rezoning of City-owned property south of the Denton Energy Center was approved by City Council to facilitate a data center use, generating additional interest from private technology companies regarding the development of similar uses within the City of Denton. Given the variability in data centers, the two uses were added to the DDC to codify zoning districts in which different forms of Data Centers were appropriate as well as to establish Use-Specific Standards for each form of the use to mitigate adverse impacts.

Since that time, Denton Municipal Electric (DME) has received several inquiries regarding the desire to lease City-owned property adjacent to an electrical substation with the intent to develop a Data Center use. To assist in the selection process, DME issued a request for proposals (RFP) for available land and capacity adjacent to the RD Wells Substation, generally located 3,800 feet south of Jim Christal Road and 1,200 feet east of South Western Boulevard.

Following RFP Process, City Council voted to approve a power purchase agreement (PPA) (Ordinance 24-1382) between the City of Denton and SPRE Denton TX, LLC for the construction of a 20-megawatt Modular Data Center for the portion of land adjacent to the RD Wells Substation. Upon approval of the

PPA, SPRE Denton TX, LLC submitted their development applications for the construction of a Modular Data Center. A Specific Use Permit (SUP) is required for Modular Data Centers in the HI and PF zoning districts and is intended to ensure compatibility with the surrounding area and that adequate mitigation is provided for anticipated impacts, which, for this type of use could include visual clutter created by the storage structures as well as potential noise nuisance from the computer cooling system. In addition, Modular Data Centers are subject to Use-Specific Standards specified in DDC Subsection 5.3.6.I. The proposed SUP plans provided as Exhibit 8 depict the following:

- Eight modular data center pods
- Four parking spaces
- One modular office/repair building
- 15,220 square feet of landscape area
- 30,720 square feet of expected tree canopy cover at maturity

The subject property is currently developed with gravel paving and has no vertical structures on site. The lot is immediately to the east of the RD Wells DME Substation and has previously been used as a storage area for DME equipment. The site takes access from Jim Christal Road by way of an established access easement.

A full analysis of this request is provided as Exhibit 2.

OPTIONS

1. Recommend approval as submitted
2. Recommend approval subject to conditions
3. Recommend denial
4. Postpone consideration

RECOMMENDATION

Staff recommends **approval** of the SUP request with the following conditions:

1. Development of the site shall substantially comply with the attached Site Plan and Landscape Plan (attached as Exhibit 8). Administrative approval of changes that do not increase the size and number of the modular data center buildings and equipment, change the number of parking spaces, decrease the buffer and screening requirements, or result in a decrease of more than 5 percent in the landscape area for the whole site may be administratively approved, if such changes are permissible per the Denton Development Code. All other changes shall require a Specific Use Permit amendment in accordance with the Denton Development Code.
2. Notwithstanding the limited administrative approvals authorized in condition 1, the City reserves the right to require approval by ordinance of any amendments or alterations to the SUP, the attached site plan, and the attached landscape plan, including those referenced in condition 1. The attached site plan and landscape plan are incorporated as requirements of the SUP.
3. In accordance with DDC Subsection 5.3.6.I, the development shall not cause an increase in the ambient noise level in the area more than 3 dBA. The applicant shall be responsible for verifying compliance after installation of the modular structures.
4. Access to the site may be taken from an existing access easement situated within Lots 3 & 4, Block A, Westpark Addition Phase 2. These lots are to be used for the sole purpose of access and shall not contain modular data center buildings.
5. The zoning map shall reflect the Specific Use Permit on the property consistent with the DDC.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Date	Council, Board, Commission	Request	Action
1984	City Council	Annexation	Approved
2002	City Council	City-wide Zoning Transition to IC-G	Approved
2019	City Council	City-wide Zoning Transition to Public Facilities	Approved
August 6, 2024	City Council	Power Purchase Agreement between the City and SPRE Denton TX, LLC	Approved

PUBLIC OUTREACH:

To comply with the public hearing notice requirements, the following were completed:

- On November 24, 2025, 7 notices were sent to property owners within 200 feet of the subject property. As of the writing of this report, staff has not received any written responses.
- On November 24, 2025, 7 courtesy notices were sent to physical addresses within 500 feet of the subject property.
- A notice was published on the City's website on November 24, 2025.
- A notice was published in the Denton Record Chronicle on November 30, 2025.
- No neighborhood meetings have been held by the applicant as of writing this report.
- Two signs was posted on the property on December 5, 2025.

DEVELOPER ENGAGEMENT DISCLOSURES

No developer contact and/or meeting disclosures have been provided to staff as of the issuance of this report.

EXHIBITS

1. Agenda Information Sheet
2. Staff Analysis
3. Site Location Map
4. Future Land Use Map
5. Zoning Map
6. Noise and Vibration Assessment
7. Site Plan
8. Notification Map
9. Draft Ordinance
10. LLC Members List

Respectfully submitted:
Hayley Zagurski, AICP
Planning Director

Prepared by:
Angie Manglaris, AICP
Assistant Planning Director