

FACTS REGARDING THE DATA CENTER

- A.** At the last meeting, the Town Council had several concerns: the location of some of the buildings which were too close to residences on Tankwood Road; there was a possibility of using North Farms Road or Tankwood Road as the main access to the site; noise and the number of locations that were being propose. We have taken affirmative steps to alleviate those concerns as follows:
1. The buildings off Tankwood Road were moved considerably further from the residences (see the map already sent and blue outline is where the buildings were). This was achieved by purchasing additional property to move those buildings back and to help to satisfy the council.
 2. The Hosting Agreement specifies that Tankwood Road, North Farms Road and Williams Street, as well as any other residential streets, could not be used to access any of the properties listed on schedule A. This was achieved by working with a local company to secure the main access off Fairfield Boulevard. (As discussed below)
 3. Please note, an emergency access still may be needed if required by state or municipal authorities. However, as of now, we have no indication that such an emergency access would be required.
 4. We have significantly reduced the scope of construction on Campus #2 by removing any development from “Ringrose” property and limit that property for access only to get to Gillespie property, since Williams Road cannot be used as an access. In addition, on Campus #2, reduce the number of buildings from two buildings to only one on the Gillespie property .
 5. On noise issue please see below.
 6. All the above was done in 10 days to help meet the concerns of the Town Council.
- B.** It is now our understanding other concerns or perhaps clarification of the concerns raised at the last meeting, is required. Below is information that might be helpful.
1. **NOISE:**
 - i. Neighbors are concerned over noise which is understandable:
 - ii. Current Use of the Property
 - i. Current zone is IX- and according to the Wallingford town ordinances, the noise emitting from an industrial zone to a residential zone is much higher than what we propose.
 - iii. **HOSTING AGREEMENT NOISE RESTRICTIONS:**
 - i. Under this Hosting Agreement the noise level is in the hands of the Town of Wallingford. After the establishment of a “base noise level”, it shall be the Owners’ consultant job to a design a Data Center that meets the noise criteria as set by the Town of Wallingford. Also, if there is non-compliance, Gotspace has 14 days to suggest how to correct the problem and the time frame which the Town can review. In the petition, the request is for the town to implement a deadline and we talked to the Town and made that adjustment.
 - iv. **OAKDALE THEATER:**

a. The Town was concerned about the noise issue when it negotiated the Hosting Agreement. The town wanted to make sure there was not a similar issue the one town experienced with Oakdale. As you may recall, Live Nation, who runs the facility, did not want to spend the money to solve the problem because it was too costly. Oakdale was a complex issue dealing with pre-existing facility for many years and over the years the shows became more elaborate and more sophisticated and basically outgrowing the pre-existing structure. The resolution was really noise abatement without spending much money. In this Hosting Agreement the noise level is being defined at a set decibel level and the agreement requires the Data Buildings be constructed considering the noise requirement. Therefore, the noise abatement issue will be the heart of the construction. The Town of Wallingford is in total control, and we would even suggest, this council is in control because it is in the contractual issue. If this council finds a violation of this agreement based upon any issues stated therein, including but not limited to noise, a vote by this council finding a breach would set the wheels in motion.

v. VIDEO OF THE ARIZONA DATA CENTER:

The video of the Arizona Data Center where one can hear the humming of the air conditioners on top is misleading and not an accurate reflection of this project for the following reasons:

- a. Arizona does not have a defined decibel level where a noise is considered a nuisance. Below is an excerpt of the Ordinance and I have attached the full Ordinance for your review. In summary, the ordinance finds noise as “no person shall disturb the peace, quiet and comfort of enabled by creating any disturbing or unreasonably loud noise”. Therefore, there is no noise standard unlike this Hosting Agreement which creates a standard.
- b. This Data building was constructed about 10 years ago and, therefore, it did not have the up-to-date equipment which is much quieter.
- c. The acreage the building is on is only 57 acres
- d. The Hosting Agreement will not allow this humming noise to happen by virtue of the language and safeguards built in the agreement.
- e. The video was taken close to the building and not the distance that this agreement contemplates from residential dwellings.

2. NO INGRESS OR EGRESS OFF OF TANKWOOD ROAD- unless the Town or State agency requires the same as an emergency only access:

- i. As you may recall in the last meeting the proposal was stay off North Farms Road and Tankwood Road but if the access from Sterling Drive and Fairfield Boulevard couldn't be achieved, we reserved the right to use those other streets. Well, we managed to secure the main access off Fairfield Boulevard by land swapping with an industrial neighbor who needed more land for his business.

3. SETBACK FROM RESIDENTIAL (see attached map)

i. TANKWOOD ROAD

- a. **PLAN:** The new language of the Hosting Agreement moves the builds further back than the First plan. The agreement requires a 350 setback from the road. The road is 50 feet wide and the house are setback such that the closest any Data Building gets to one house is over 500 Feet. In the rest of the cases on Tankwood Road ,the distance is 600 feet plus. To give that a little perspective a

football field is 300 feet. I have attached a map showing the various distance to each of the houses on Tankwood Road.

b. **CURRENT ZONING LAWS:** The Data Center Plan setback is **7 times greater** than the current zoning regulations. In the industrial zone, the setback from the street is only 50 feet. As a result, an industrial building could be constructed only 50 feet off the road and would allow for trucks and other industrial vehicles on Tankwood as well as noise well in excess of the limitations on the Data Center.

ii. **NORTH FARMS ROAD:**

a. **Plan:** The new language of the Hosting Agreement moves the buildings further back than the first plan. The agreement requires a 300 ft setback from the the residential boundary line which essentially places the closest Data Center Building to the actual dwelling over 450 feet.

b. **CURRENT ZONING LAWS:** The Data Center Plan setback is **6 times greater** than the current zoning regulations. In the industrial zone, the setback from the street is only 50 feet. As a result, an industrial building could be constructed only 50 feet off the road, as well a number of curb cuts on North Farms Road that would allow for more trucks and other heavy industrial vehicles on North Farms Road . Moreover, as with Tankwood Road, the noise from the industrial activity would be well more than the limitations on the Data Center.

4. **ECONOMIC GAIN TO THE TOWN OF WALLINGFORD:** This project would clearly benefit all the residents of Wallingford economically on two fronts:

- i. **HOSTING AGREEMENT FEES:** These fees are the same fees for every town that the Owner negotiates for the Data Centers and the fees are derived from national Market Delta considerations to meet the current market conditions on the East coast.
- ii. The Hosting Agreement requires the following payments: For each Building within the Qualified Data Center with a Capacity of less than 16 MW, the Host Municipality Fee shall be Five Hundred Thousand Dollars (\$500,000) per annum;
- iii. For each Building within the Qualified Data Center with a Capacity ranging from 16 MW up to but not including 32 MW, the Host Municipality Fee shall be One Million Dollars (\$1,000,000) per annum;
- iv. For each Building within the Qualified Data Center with a Capacity of 32 MW or greater, the Host Municipality Fee shall be One Million Five Hundred Thousand Dollars (\$1,500,000) per annum.
- v. **POWER USAGE FEE:** The Hosting Agreement requires the Owner to enter into a power purchase agreement with Wallingford Electric Division (WED).

The parties have come to terms which my understanding will provide Wallingford with two major benefits:

- a. The Owner will pay Wallingford for the required upgrades to meet the demands, which means this agreement requires GotSPACE to perform at their own costs significant improvements to the electrical infrastructure. Absent this agreement, these improvements would eventually fall to the rate payers of Wallingford. These improvements are a significant cost.
- b. The actual payment to WED for the electricity based upon MW formula and the "FINAL MILE" pricing WED NET earnings would be approximately \$2.1 Million Dollars per year per building for a total of about \$12.6 Million Dollars per year

vi. **THEREFORE, THE TOTAL OF THE FEES IN THE HOSTING AGREEMENT AND THE FEES FOR POWER PURCHASE AGREEMENT THE TOWN OF WALLINGFORD HAS AN ECONOMIC PACKAGE TOTALING \$21.6 MILLION DOLLARS PER YEAR.** That money can be used as this council sees fit from lowering the mill rate for residents of Wallingford, to reducing the cost of electricity to the people of Wallingford, to going forward with those improvement projections that have been put on hold because financial resources are limited.

vii. As a comparison, based upon the mill rate analysis as applied to the Bristol Meyers buildings we believe that it would yield approximately \$500, 000 a year. One Data Center yields \$3.6 Million, including the electrical fee, which is over 7 times the Amazon deal without the car and truck traffic and the associated expense associated with road wear and tear.

i. **BEST FINANCIAL USE OF THE INDUSTRIAL PARK:** Every Town needs a strong industrial park to reduce the property taxes to residential neighborhoods. In that light, one should compare the potential taxes in the industrial park vs the income derived from the Hosting Agreement:

- a. The average tax revenue (real estate and personal property) per acre in the Barnes industrial park equals \$8,900 per acre. Under the current Hosting Agreement, if all the buildings are built, the income the Town of Wallingford would receive would be about \$23,600 per acre. **And that does not include the revenue because of the electric fee which would add more significant dollars per acre.** As a result, the income stream created by the Hosting Agreement would be a significant income generator lasting for many, many years.

5. **WHY PHASING WILL NOT WORK:** THERE ARE SEVERAL REASONS WHY PHASING WILL NOT WORK:

- i. As a result of not being able to use the main roads of Tankwood Road and North Farms Road, GotSPACE is forced to purchase all of the land at once in order to have two main accesses in and out of the property.

- ii. The investment in the road work, utilities as well as the electrical upgrade work to WED as required by the purchase power agreement is a significant capital investment and a bank would not lend any money on a huge capital investment unless there was an understanding of the scope of return of that investment by way of certain development.
- iii. It is important re-emphasize that this is only a Hosting Agreement which traditionally sets the economic terms and that until we purchase the property and determine slopes, cliffs and wetlands as well as other natural development issues, Gotspace can't limit itself to any phasing of any sort.
- iv. Simply, put at this stage of the game any talk about phasing or timing is a nonstarter because there is no way to obtain the funds required for the project.
- v. **In short, that would be like asking a developer who wants a 50 lot subdivision to do the land improvements and then only build 10 houses and then request about the other 40 houses. It is economic suicide and illogical in anybody's mind who understands business investments and capital costs**

6. AND FINALLY, I WOULD LIKE TO PUT TO REST AN ISSUE THAT HAS BEEN RAISED AND I BELIEVE NOT TO BE QUITE EXACTLY AS I THOUGHT IN THE HEARING:

- i. That this is one of the first times that a data center will be built close to a residential facility.

There are several examples where Data Centers are built near existing dwellings. In Hightstown, New Jersey there is a Data Building which is about 500 feet from 90 residential condominiums. In Norwalk, there is a data center surrounded by houses maybe 200 feet away.

I apologize for sending this on Monday. I didn't want to send it over the weekend, but I also could not let the meeting happen without some response to issues that were raised in one form or the other since Friday afternoon.

As always, I appreciate the thoughtfulness that you put into these issues.

Thanks

Len Fasano