



## **Data Center Comparison Memorandum to the GCEDC Board**

The GCEDC Board is currently considering three data center projects (Project Hydroscale; Project Rampart; Project Double Reed) who have submitted applications to locate on the same property at the STAMP Site located west of Crosby Road, just south of the substation access road in the Town of Alabama, Genesee County, New York. These projects are mutually exclusive, as they essentially seek the same basic location on the STAMP Site. This memo will be a summary of each of the three proposed projects as well as the results of the detailed application reviews and additional due diligence and analysis that has been completed by GCEDC Staff and the STAMP Tech Team; along with a final Staff recommendation.

### **EXECUTIVE SUMMARY**

- Based on the information submitted by each of the three applicants, Staff recommends the approval of Project Double Reed for the reasons enumerated below. Please note that this is merely a summary of our findings. Additional details and back-up documentation can be found in the packet of materials to which this Executive Summary is attached.
- In Staff's view:
  - The environmental impact of these projects has been carefully considered by GCEDC Staff and Tech Team. Of the three projects under consideration, Project Double Reed has demonstrated that it will have by far the lowest level of air emissions, thereby having the smallest impact on air quality.
  - Each of the proposed projects will require the installation of back-up generators that are powered by diesel fuel. On-site diesel fuel storage will be limited to approximately 60,000 gallons for Project Double Reed, whereas diesel storage at the other projects would be more than ten times that level – 700,000 gallons for Project Hydroscale and 1.5 million gallons for Project Rampart. Minimizing on-site diesel fuel storage is directly

responsive to the public comments received expressing concerns regarding spill concerns and fire safety.

- Project Double Reed's facilities will have the lowest sound emission levels of the three projects, without the need for a mitigation buffer. It should be noted that while initial noise level estimates provided by Project Rampart were similar to those of Project Double Reed, subsequent updates have shown that both Rampart and Hydroscale's noise levels would exceed the STAMP GEIS thresholds and therefore, would require further study before any approvals could be issued.
- Landscaping proposals for Project Double Reed include vegetative screening that will help shield the building from view. The other two projects would be fully or partially visible when viewed from adjacent properties.
- Project Double Reed has demonstrated that it has the experience and financial capabilities to execute, develop, and deliver its project in a timely manner. It is backed by a proven developer with an impressive client base and a multitude of similar projects under its belt. In addition, Project Double Reed is the only project that has a soft commitment from a Fortune 500 company to utilize 100% of the data center capacity.
- Project Double Reed will pay over \$7,000,000 in sales tax and property taxes which will be allocated to Genesee County, the Town of Alabama, and its school district on an annual basis, subject to an escalator that will result in approximately \$10,000,000 being paid on an annual basis at the end of the PILOT for the project. It is anticipated that this revenue will have a critical impact on the County's ability to undertake vital updates to our infrastructure, thereby improving the health and welfare of all members of our community. In addition, Project Double Reed will pay \$50,000,000 (at a rate of \$200,000 per MW) to finance construction of the STAMP Substation and to reimburse GCEDC for costs associated with prior investment made to the same, while also paying GCEDC \$18,000,000 for the 60 acres it will purchase for the Project.
- Although Project Rampart proposes the highest PILOT/Host Agreement payments of the three projects, our community members made it clear during the public hearings held for these projects that money is not and should not be the only factor taken into consideration during this process.

Our directive is to determine which project, if any, is the best fit for Genesee County. Based upon the information provided to us by the three applicants, Project Double Reed will have the smallest environmental impact and will best address concerns voiced by the Nation with respect to visual and noise impacts, all while providing local benefits totaling over \$1,000,000,000 over the life of the PILOT. For these reasons, as more thoroughly discussed in the following pages, we recommend that the GCEDC Board approve Project Double Reed.

## **I. PROJECT REVIEW HISTORY**

GCEDC has undertaken an intensive, months' long review of all three competing applications. A detailed summary of the Project Review History is attached as **Exhibit A**. As detailed therein, following receipt of multiple applications for competing projects, GCEDC established a process for obtaining final design and information and a final and best offer from all three applicants. Specifically, the process included:

- One-on-one meetings with each applicant and the STAMP Tech Team to answer any applicant questions regarding the process, deliverables relating to final design packages, and related items.
- One-one-one meetings with the STAMP Committee to afford applicants the opportunity to discuss their best and final financial offers.
- Clear written correspondence at each step in the process.

After discussions with each of the Applicants, the process was summarized in a December 11, 2024 letter to all applicants. No applicant objected to GCEDC's process as set forth in the December 11 letter.

Following review of all three projects, GCEDC staff has prepared detailed summaries of the projects (including incentives requested and design details), attached hereto as **Exhibit B**.

## **II. CRITERIA FOR EVALUATION AND ANALYSIS**

The GCEDC Staff has reviewed all of the documentation provided from each of the data center applicants. In connection with the request to purchase land at the STAMP Site, all applicants were advised that the GCEDC would consider factors including (but not limited to): (i) the creation of good paying jobs in the local community; (ii) the amount of land proposed to be consumed by the data center and its potential impact on the overall build out of STAMP; (iii) demand for resources (water, sewer, electricity) and the impact of such demands on the overall build out of STAMP; and (iv) impacts to the environment including but not limited to impacts to natural resources on the STAMP site (wetlands,

streams, etc.) and any potential impacts to the Territory of the Tonawanda Seneca Nation ("**Nation**") lands adjacent to the STAMP Site as a Traditional Cultural Property.

In addition, GCEDC Staff has reviewed the GCEDC's Uniform Tax Exemption Policy ("**UTEP**") in evaluating the various requests for financial assistance associated with the projects as well as the financial benefits to the community which would be created in return for such financial assistance.

### **III. STAFF ANALYSIS OF CRITERIA**

GCEDC Staff has reviewed the above-referenced criteria and a summary of the relevant areas of consideration is provided below.

#### **a. Environmental and Technical Considerations**

As detailed in the attached memorandum prepared by the STAMP Technical Team, Project Double Reed is the least environmentally impactful project and is the most consistent with the analysis, thresholds and conditions set out in the STAMP Generic Environmental Impact Statement ("**GEIS**"). A summary of relevant environmental considerations associated with each data center project is provided below.

- Air Impacts.
  - Project Rampart and Project Hydroscale will require 120 and 200 backup generators, respectively; whereas Project Double Reed will require only 6. Because of this, Both Project Rampart and Hydroscale will require storage and use of several hundred thousand gallons more of diesel fuel on site more than Double Reed.
  - Both Project Rampart and Project Hydroscale have potential air emissions in excess of the threshold requiring Title V air permit due to the large number of backup generators; whereas Double Reed could qualify for the lesser Air Facility registration due to its significantly lower potential to emit and estimated actual emissions. While it is possible that all three projects could ultimately require a State Facility Permit, Project Double Reed's projected actual emissions (as well as Double Reed's potential to emit) are an order of magnitude lower than the competing projects. In light of the New York State Department of Environmental Conservation's obligation to comply with the Climate Leadership and Community Protection Act ("**CLCPA**") (and other applicable laws), Project Double Reed's application is far more likely to be processed (and ultimately approved) in a timely fashion.
  - Critically, both Rampart and Hydroscale are well in excess of the contemplated actual annual air emissions for a single STAMP facility under the GEIS; whereas Double Reed is well under the same. Furthermore, Project Double Reed will emit substantially less CO<sub>2</sub> than competing projects.

- Noise Impacts
  - Project Rampart and Project Hydroscale both propose projects with noise emissions in excess of the GEIS thresholds, whereas Project Double Reed has proposed a project consistent with the GEIS.
- Visual Impacts
  - All three projects enjoy substantial setbacks from a majority of the surrounding uses, but Project Double Reed's height is similar to Project Rampart's lower height while also being located approximately 800' further away from the Nation's eastern boundary adjacent to the site. Double Reed has also proposed a conceptual landscape plan with vegetative screening to further shield it from view.
- Energy Demand
  - All three Project demand energy within the capacity of the STAMP substation, with Hydroscale demanding the least at 195 MW, and Double Reed demanding the most at 250 MW.

## **b. Financial Considerations**

In evaluating the GCEDC's UTEP as well as other relevant financial considerations, GCEDC Staff has determined that Project Double Reed most successfully achieves the goals of the UTEP while also presenting a credible application. A detailed analysis follows.

### **i. Credibility**

In evaluating the information contained in the applications, GCEDC Staff believes that Project Double Reed's application is the most likely to deliver on its proposed project at the STAMP Site. This conclusion is drawn based upon GCEDC Staff's review of the application materials, interaction with each of the applicants, the conduct and content of the interviews held with the applicants, GCEDC Staff's knowledge and experience reviewing applications (including applications relating to data centers), and input from STAMP stakeholders. Specifically:

- Project Double Reed is the most likely to bring its project to fruition because it is the only project that has a commitment, albeit a soft one, from a tenant which, in Double Reed's case, is a Fortune 50 company with over \$100,000,000,000 in revenue and will utilize 100% of the project space. By contrast, no other project appears close to securing a tenant for total occupancy of the project.
- Project Double Reed's costs estimates and employment and wage information appear to be the most accurate since Double Reed has a soft commitment from

a specific tenant and is fully familiar with that tenant's technical specifications and requirements. In turn, this allows Double Reed to base its estimates upon actual operations rather than generalized assumptions. By contrast, no other project appears close to securing a tenant for total occupancy of the project and, as a result, their cost estimates and employment and wage information are based on industry averages which may or may not be relevant to their final tenant or tenants.

- As no project can proceed with construction until an Air Permit has been issued by the New York State Department of Environmental Conservation ("NYSDEC"), the Air Permitting process is a gating item for all three projects. As detailed above, Project Double Reed, because of the minimal amount of backup generators, will be the most straightforward of all of the data center projects from an air permitting perspective and therefore, Staff believes, is the most likely to receive a timely Air Permit from NYSDEC, and may in fact qualify for the less time-intensive Air Facility Registration. In light of the significant regulatory processes associated with Rampart or Hydroscale's air emissions, Staff finds that it is not likely that those projects would be completed in a timely manner.
- GCEDC will need to have a productive working relationship with any company seeking to locate at the STAMP Site, and is not looking to partner with a company that is essentially speculating on land that may flip either the land or the ownership of the company to a third-party unknown to GCEDC. While Project Double Reed has confirmed its client/tenant relationship and its intention to own the property for the life of the PILOT, Project Rampart appears to neither own nor control any datacenters, with the parties representing Project Rampart having flipped entitlements received for other datacenters to unrelated third-parties and having confirmed that entitlements received at STAMP would be flipped if conditions were favorable.
- Project Double Reed has proceeded in good faith throughout the application review process without resort to threats of litigation or other bad behavior to try to manipulate review of the application. By contrast, Project Rampart's actions throughout the application review process have indicated that Project Rampart would be unable to have a productive relationship with GCEDC and other STAMP stakeholders. While Project Hydroscale has proceeded in good faith throughout the application process, the information provided by Project Hydroscale (particularly with respect to financial incentive requests) has repeatedly been modified, including well-after GCEDC's cutoff date for "best and final offers" from the companies.

## **ii. GCEDC UTEP**

The GCEDC UTEP fully supports the grant of financial assistance to Project Double Reed. The qualitative UTEP factors, along with explanations of the applicability of each factor to the projects, are detailed below.

- The Project pledges to create and/or retain quality, good paying jobs in Genesee County.
  - Project Hydroscale is pledging the highest employment and payroll at 200 jobs at an average salary of \$142,000 (annual payroll of approximately \$28.4 million); with Double Reed pledging the second highest at 122 jobs at an average salary of \$89,000 (annual payroll of approximately \$10.86 million); and Rampart pledging the least at 105 jobs at an average salary of \$64,095 (annual payroll of approximately \$6.73 Million).
- Completion of the Project will enhance the long term tax base and/or make a significant capital investment.
  - Project Double Reed is pledging the highest capital investment at \$6.3 billion, with Hydroscale at \$5.4 billion, and Rampart at \$3.3 billion.
- The Project will contribute towards creating a “liveable community” by providing a valuable product or service that is underserved in Genesee County.
  - While this criteria relates primarily to the product or service provided by an applicant (and therefore is broadly identical for all three projects), as noted above, Project Double Reed’s environmental impacts are significantly less than those proposed by Project Rampart and Project Hydroscale. Accordingly, Project Double Reed would contribute most towards “creating a ‘liveable community’” in accordance with this standard.
- The Board will review the Agency’s Fiscal and Economic Impact analysis of the Project to determine if the Project will have a meaningful and positive impact on Genesee County. This calculation will include the estimated value of any tax exemptions to be provided along with the estimated additional sources of revenue for municipalities and school districts that the proposed project may provide.
  - As detailed in the Fiscal and Economic Impact analysis prepared for each project, project Double Reed is projected to have a meaningful and positive impact on Genesee County.
  - Project Rampart is offering the highest land purchase price at \$350,000 per acre, totaling \$23.45 million for 67 acres; with Project Double Reed and Project Hydroscale both providing the next highest price at \$300,000 per acre (Project Double Reed requesting 60 acres, totaling \$18 million; and Project Hydroscale requesting 43 acres, totaling \$12.9 million). We

note that Project Rampart has offered to sell acreage back to GCEDC at cost if such acreage is not needed for their project. While GCEDC is under no obligation to buy back acreage, this caveat does suggest that the project itself is subject to future uncertainty with respect to design.

- Project Rampart proposes the highest PILOT/Host Agreement payments at \$135 million; with Double Reed at \$128 million; and Hydroscale pledging the least at \$76 million. We note that, following the deadline for companies to submit their “best and final offers” with respect to their projects, Project Hydroscale has since clarified that it would match the most competitive application. While this offer comes after the deadline, Staff acknowledges the same, however, this change does not impact Staff’s conclusion regarding the overall analysis of the various projects.
- In addition, as detailed in the attached memorandum addressing electrical infrastructure, the financial contributions by Project Double Reed analyzed in the Fiscal and Economic Impact Analysis that will be made to the electrical grid will contribute to the State’s renewable energy goals and emission reduction targets as set forth in the State energy plan.
- The Project is included in one of the Agency’s strategic industries: Agri-Business and Food Processing, Manufacturing, Advanced Manufacturing and Nano-Enabled Manufacturing, Life Sciences and Medical Device.
  - All three projects fall within the Agency’s targeted businesses for the STAMP Site (Technology Manufacturing). This use was specifically identified in the GEIS prepared for the development of STAMP as well as the incentive zoning agreement negotiated with the Town of Alabama.
- The Project will give a reasonable estimated timeline for the completion of their proposed project.
  - As detailed above, Project Double Reed’s estimated timeframe for completion of the proposed project is the most reasonable in light of several factors: (1) ability to secure a tenant in a timely fashion; (2) ability to obtain necessary permits and approvals in a timely fashion; (3) ability to construct a project consistent with tenant requirements in light of existing tenant relationship.

### **iii. Additional Considerations**

In addition, Staff offers the following with respect to Project Double Reed.

- The Project will have a positive impact on existing and proposed businesses and economic development projects in the vicinity.



- Project Double Reed will play a critical role as a tenant of the STAMP Site in supporting the overall goals of the development of STAMP and the positive impacts that will result for existing businesses and other economic development projects. Further, the financial benefits to the community will be utilized to fund infrastructure improvements throughout the County which will benefit economic development projects (both existing and future) as well as the community at large.
- The taxing jurisdictions will be reimbursed by the project occupant if a project does not fulfill the purposes for which an exemption was provided.
  - GCEDC will enter into binding agreements with the company prior to the issuance of any incentives which will include appropriate claw back mechanisms as required by law.
- The STAMP Project has received public support from the community and Project Double Reed helps to achieve the goals of STAMP.
  - As detailed in the public surveys completed for the STAMP project during the incentive zoning process completed by the Town of Alabama, the local community broadly supports the development of STAMP. While many public commenters at the February 3 public hearing expressed strong opposition to such development and to Project Double Reed (as has the Nation), it should be noted that the vast majority of such commenters are residents neither of the Town of Alabama nor Genesee County. Further, the comments primarily focused upon environmental concerns which have been addressed in detail in the attached Tech Team Memo, as well as the public response summary included therein.
- Project Double Reed's environmental impact has been carefully analyzed.
  - As detailed in the attached Tech Team Memo, and as explained in more detail elsewhere herein, the impacts from Project Double Reed fall well within the parameters and thresholds set forth in the GEIS completed for the development of STAMP.
- The Project will utilize, to the fullest extent practicable and economically feasible, resource conservation, energy efficiency, green technologies and alternative and renewable energy measures.
  - Project Double Reed's proposed design shows a demonstrated commitment to reducing reliance on fossil fuels through the minimization of fossil fuel backup power resources. Further, the Project will draw power from the STAMP substation, which itself is interconnected to the Western

New York power grid, primarily drawing hydropower rather than non-renewable sources.

- The Project will not provide onsite child daycare facilities, however, contributions from the Project may facilitate such services in the Town.
  - While the Project does not propose to provide for onsite child daycare facilities, it should be noted that this is typical for the Data Center industry. Such uses do not typically generate a high demand for such services, and it is not anticipated that Project Double Reed will generate such a demand. Notwithstanding the lack of onsite child care services, the significant financial benefits associated with the Project will allow the Town and County to consider funding such services should they become needed in the future.
- The proposed project will not unduly strain existing services, including, but not limited to additional educational, transportation, police, EMS or fire services.
  - As detailed in the Tech Team Memo, Project Double Reed will adequately serviced by the existing services present in the Town and County. Project Double Reed will be constructed in full compliance with the latest building code standards. Further, the development of STAMP as a whole results in significant payments to the Town and County which enable further spending to support existing services in the Town.

#### **IV. STAFF CONCLUSION**

In summation, from Staff's perspective, of the three proposals, Project Double Reed satisfies the goals of STAMP to the greatest extent based on the following:

##### **Environmental**

- Because it will have only 6 backup generators, Project Double Reed will have the lowest air emissions out of all three projects by far, and will emit the lowest amount of greenhouse gasses including CO<sub>2</sub>, aligning it more closely with the State's CLCPA goals.
- Project Double Reed could qualify for an air registration based on its emissions, which is more easily obtained, but in any event would have a significantly more competitive application for a State Facility Air permit.
- Critically, both Rampart and Hydroscale will have emissions beyond that which is contemplated for a single facility under the GEIS, while Double Reed will be well within the limits for a single facility under the GEIS.

- Project Double Reed will only require 60,000 gallons of onsite diesel storage, as opposed to the 700,000 gallons required for Hydroscale, and 1,500,000 gallons for Rampart.
- Project Double Reed will have the least amount of generators, which will lessen impacts to noise and is the only project compliant with the GEIS noise thresholds.
- Project Double Reed, while requiring more water than Rampart, will require far less than Hydroscale.
- Project Double Reed will be the least visible project from surrounding uses including the Nation due to its low profile, inclusion of landscaping, and distance from the Nation.

## **Financial**

- Project Double Reed provides best mixture of financial benefits, with the second highest number of jobs and pay behind Hydroscale; and the second highest payments behind Rampart in terms of land costs and PILOT payments, while requiring the second least amount of land behind Hydroscale.
- Project Double Reed proposes the highest capital investments.
- Because Project Double Reed will not provide payments through a future Host agreement associated with a future sales tax exemption, if the State makes servers exempt in the future, it will have no effect on these payments.
- Project Double Reed's application was by far the most credible both in terms of the reliability of the information contained therein as well as Project Double Reed's ability to deliver on its proposed project.

Accordingly, for the foregoing reasons, staff recommends that Project Double Reed be approved. In evaluating all three projects, Staff has ranked their overall applications based upon the above criteria as follows:

1. Project Double Reed
2. Project Hydroscale (RECOMMEND DO NOT PROCEED)
3. Project Rampart (RECOMMEND DO NOT PROCEED)

## **Exhibit A**

### **Review Process Timeline**

- September 2024: GCEDC received applications for development of a data center for Project Hydroscale and Project Rampart.
- September 26, 2024: GCEDC commenced formal outreach to the Nation regarding the projects, including a copy of a conceptual site plan for Project Hydroscale, and a formal notice letter to the Nation advising the Nation of the project and a request to meet with the Nation to discuss the project.<sup>1</sup>
- October 3, 2024: GCEDC Board resolved to circulate a lead agency package with its notice of intent to act as lead agency for Project Hydroscale and to grant an access agreement to Project Hydroscale. Project Rampart attends meeting and demands that the GCEDC Board adopt resolutions granting Project Rampart an access agreement and soliciting lead agency status for Project Rampart. The GCEDC Board declined to do so in light of the incomplete nature of Project Rampart's application.
- October 4, 2024: Project Rampart provides letter updating Application documents and requesting to be placed on GCEDC's October 30 meeting agenda.
- October 11, 2024: GCEDC provides separate letter to Project Rampart and Project Hydroscale requesting certain application deliverables be updated.
- October 15, 2024: Project Rampart responds to October 11 letter and provides updated EAF.
- October 21, 2024: GCEDC provided a letter requesting Project Rampart execute an unrevised copy of the Hold Harmless Agreement after counsel for Rampart proposed significant changes; Project Rampart provides executed Hold Harmless Agreement.
- October 31, 2024: GCEDC approved a resolution reestablishing itself as Lead Agency for SEQR review of Project Rampart and granting an access agreement to Project Rampart.
- November 18, 2024: Project Double Reed submits its initial application materials.
- December 5, 2024: GCEDC approved a resolution reestablishing itself as Lead Agency for SEQR review of Project Double Reed and granting an access agreement to Project Double Reed.
- December 11, 2024: GCEDC provided letters to all three Applicants describing the evaluation process.
- December 18, 2024: Project Double Reed meets with STAMP Tech Team.
- December 20, 2024: Project Hydroscale meets with STAMP Tech Team.

---

<sup>1</sup> Reference is made to the Initial Assessments for each project for a detailed description of outreach to the Nation regarding the project.

- December 20, 2024: GCEDC provides a letter to Project Double Reed summarizing its in-person meeting and requesting additional information/clarification.
- December 23, 2024: GCEDC provides a letter to Project Hydroscale summarizing its in-person meeting and requesting additional information/clarification.
- December 23, 2024: GCEDC Letter to all three Applicants providing extension to January 3, 2025 to provide final design packages and requesting additional information/clarification.
- January 7, 2025: GCEDC STAMP Committee meets with Project Rampart and Project Double Reed separately.
- January 7, 2025: GCEDC circulated the Initial Assessments (“IA”) to Tonawanda Seneca Nation (“Nation”), NYSDEC, and the State Historic Preservation Office (“SHPO”), together with final design packages for each project.
- January 8, 2025: GCEDC STAMP Committee meets with Project Hydroscale.
- January 9, 2025: All three Applicants provided best and final offers for land and financial benefits.
- January 15, 2025: Letters provided to all three applicants requesting for additional information/clarification on information provided in best and final offers and final design packages.
- January 16, 2025: Project Rampart responds to January 15 letter.
- January 17, 2025: Project Double Reed responds to January 15 letter.
- January 21, 2025: Letters provided to all three applicants requesting for additional information/clarification on information provided in best and final offers and final design packages.
- January 22, 2025: Project Rampart and Project Double Reed respond to January 21 letter.
- January 27, 2025: Project Double Reed files supplemental response to January 21 letter.
- January 29, 2025: Project Hydroscale files response to January 21 letter.
- January 30, 2025: Project Hydroscale files supplemental response to January 21 letter.
- January 30, 2025: Nation comment letter received regarding GCEDC’s review of projects.
- February 3, 2025: GCEDC holds public hearings on financial incentives for all three projects.
- February 10, 2025: Letters provided to all three applicants requesting for final clarifications on information provided regarding projects.

- February 14, 2025: Project Rampart files supplemental response to February 10 letter.
- February 14, 2025: Project Hydroscale files supplemental response to February 10 letter.
- February 20, 2025: Project Hydroscale files supplemental response regarding its incentive request and capital investment for the project.
- February 26, 2025: Project Double Reed files supplemental response to February 10 letter.<sup>2</sup>
- February 27, 2025: C&S provides final analysis of air emissions for each project.
- February 28, 2025: Town of Alabama provides letter concerning emergency services.
- February 28, 2025: Electrical analysis provided to GCEDC.

---

<sup>2</sup> Project Double Reed timely requested an extension of time to respond, as provided for in the February 10 letter to all three applicants.

## **Exhibit B**

### **Detailed Project Summaries**

#### **PROJECT RAMPART, LLC. - PROJECT RAMPART**

Project Rampart, LLC (Rampart) has submitted an application to the Agency for a certain project to acquire approximately 67 acres of real property for the planning, design, construction and leasing of an approximately 750,000 square foot data processing facility.

Project data:

- a. Land purchase price of \$350,000 per acre for 67 acres (\$23.45 million). If there is any acreage remaining following completion of Rampart, Rampart has offered to sell the excess acreage back to the GCEDC at cost.
- b. They would pledge to create 105 jobs at an average salary of \$64,095 (annual payroll of approximately \$6.73 million).
- c. Total capital investment would be \$3.3 billion.
- d. Total proposed PILOT and Host Agreement payments over 20 years is \$135 million.

Environmental Information:

- a. Project Rampart will develop approximately 35.7 acres of a 67 acre site and create 28 acres of impervious surface.
- b. The proposed data center will be one, single story building, 40 feet tall, 400 feet wide, and 1,875 feet long, totaling 750,000 square feet.
- c. Stormwater will be managed with a single, 10,000 gallon infiltration basin (7.7 acres).
- d. Project Rampart will create an additional demand of 3,675 gallons of water per day and will create the same in wastewater.
- e. Project Rampart will require the storage of approximately 1,500,000 gallons of diesel fuel on site and will be required to comply with federal and state regulatory requirements for this volume of petroleum storage.
- f. Project Rampart estimates its total annual air emissions from its operation of its backup generators will exceed 50% of Title V Air Permit threshold for Nitrogen Oxide at 89 tons per year (tpy). Project Rampart's air emissions will also exceed the estimated annual emissions for a single facility anticipated under the STAMP Generic Environmental Impact Statement ("GEIS"); and will emit 7,834 tpy of Carbon Dioxide. See the Emissions Memo attached hereto for additional information regard air emissions.

- g. Project Rampart has not provided a conceptual landscape plan.
- h. Project Rampart is relatively well screened from surrounding uses except from the Nation's eastern border directly adjacent to the Project.
- i. Specific trip generation estimates were not provided for Project Rampart but based on the number of proposed employees (108), it can be assumed that there will not be a significant impact on traffic.
- j. Project Rampart will demand 200 MW of electric power and will include 120 backup generators to supply power in the event of an emergency power outage.
- k. Sound levels associated with the Project during operation of backup generators ranges from 82 dBa at the Project's southern property line to 50 dBa at the northern boundary of the STAMP Site, adjacent to residential receptors. While the noise study provided did not provide information regarding the boundary of the Nation's Territory for all noise conditions, it appears likely that noise levels would continue to exceed the 45 dBa nighttime limitation.
- l. New lighting will be required on the project site, which will be downward facing and dark-sky compliant.
- m. Project Rampart will have minimal impact on emergency services.

Additional information and considerations based on analysis of materials submitted by Rampart:

- a. Host Agreement payments are predicated upon the tenant requesting a sales tax exemption every year. However, a tenant has not been identified yet. If the tenant does not request one, or the tax law changes, that \$1 million per year payment will not be paid to the community.
- b. Rampart does not have a tenant committed yet. They have a list of companies that they are hoping to attract to the site.
- c. Rampart's ownership team does not own or operate any data center facilities, as the list of projects provided as references had previously been sold. It appears that the ownership team functions in a developer role for prior projects, where entitlements are obtained and then sold. As noted above, Rampart confirmed that this project would be sold if conditions were favorable.
- d. One reference provided by Rampart was for a deal where they purchased vacant land and then flipped it to another developer a few years later at a large profit without undertaking any development following acquisition of permits and approvals.
- e. The representatives from PRP previously represented to the Board that they would own the project for the twenty year period of the PILOT. Upon further inquiries, it was disclosed that PRP does not, in fact, own Project Rampart, LLC but rather, their affiliates do. Further while they committed that Project Rampart,



LLC would not sell the land for the twenty year period of the PILOT, they reserved the right to sell the LLC if the economic conditions were favorable.

- f. Without a tenant, the construction costs and server costs are an estimate. Those numbers could change (especially the servers number) once a tenant is identified, requiring them to potentially come back and ask for an increase to their sales tax exemption which would have an effect on the ratios that were analyzed at the time of this decision.
- g. Since filing its application, Project Rampart has engaged in an aggressive campaign in favor of Rampart's Application that fall well outside of GCEDC's standard application review procedures. In addition to aggressive lobbying techniques, Project Rampart has engaged in behavior seemingly designed to intimidate Staff, the GCEDC Board, and other applicants. Specifically, Project Rampart:
  - a. Demanded at the GCEDC Board's October 3, 2024 meeting that the GCEDC Board provide Rampart with an access agreement and SEQRA lead agency designation during a presentation on their project, despite never previously requesting the same. During this Board meeting, Rampart staff repeatedly interrupted the GCEDC Board's agenda notwithstanding repeated admonishments from GCEDC's counsel. Rampart staff failed to adhere to the basic rules of civility and decorum that GCEDC expects from all attendees at its meetings.
  - b. Following the GCEDC Board meeting, GCEDC Board Chairman Peter Zelif reached out to Paul Dougherty (Project Rampart President and CIO) offering to meet with Project Rampart but also requesting that Project Rampart refrain from name calling and similarly unproductive attacks. This was in response to Mr. Dougherty's email immediately prior in which he referred to a competing company as "neophytes" and insinuating their inferiority due to their status as a Canadian company. In response to Chairman Zelif's offer to meet, Mr. Dougherty denied any wrongdoing and baselessly accused GCEDC of having approved a competing project.
  - c. During a call with GCEDC staff discussing confidential business matters relating to both Project Rampart as well as the development of STAMP, Project Rampart representative Tom Wasko recorded the conversation without the permission or knowledge of GCEDC staff. We are further aware that Mr. Wasko then released the audio recording of that meeting (including the confidential business matters therein) to local media.
  - d. Rampart legal counsel sent a letter to Project Double Reed threatening litigation should Double Reed fail to withdraw its application from consideration based on allegations of "common law copyright infringement, unfair competition, unfair and deceptive trade practices, and

interference with prospective economic advantage.” The allegations stem from claimed similarities found in the Emergency Services Reports from both companies as well as the Full Environmental Assessment Form. The Board should be aware that it appears that Rampart copied portions of the Full Environmental Assessment Form from prior GCEDC projects. From the Staff’s perspective, these types of activities weigh against selecting Rampart.

- e. As a direct result of Project Rampart’s repeated threats of litigation against GCEDC and the other applicant, GCEDC was unable to obtain an industry consultant to review and analyze the technical data for each project. Specifically, no industry consultant GCEDC reached out to was willing to officially serve in that role because of concerns that Project Rampart would file suit against them. As a result, GCEDC staff had to invest significant time and effort into obtaining expertise into data center operations etc. Needless to say, this does not create a strong foundation upon which to build a solid relationship.

### **POTENTIA HOLDINGS, LLC. - Project Hydroscale**

Potentia Holdings, LLC (Potentia) has submitted an application to the Agency for a certain project to acquire approximately 43 acres of real property for the planning, design, construction and leasing of an approximately 900,000 square foot data processing facility.

Project data:

- a. Land purchase price of \$300,000 per acre up to 43 acres (\$12.9 million).
- b. They would pledge to create 200 jobs at an average salary of \$142,000 (annual payroll of approximately \$28.4 million).
- c. Total capital investment would be \$5.4 billion.
- d. Total proposed PILOT and Host Agreement payments over 20 years is \$76 million.

Environmental Information:

- a. Project Hydroscale will develop approximately 40 acres of a 43 acre site and create approximately 25 acres of impervious surface.
- b. The proposed data center will consist of two, 2-story buildings, with each footprint totaling approximately 223,000 sq. ft., for a total of approximately 446,000 sq. ft of footprint. Each building will have a second story, raising the total area requiring heating and cooling to approximately 892,000 sq. ft.

- c. Project Hydroscale proposes to manage stormwater with a single, 7.75 acre foot bio-retention area.
- d. Project Hydroscale will create an additional demand of 28,000 gallons of water per day and will create 2,500 gallons per day of sanitary wastewater.
- e. Project Hydroscale will require the storage of approximately 700,000 gallons of diesel fuel on site and will be required to comply with federal and state regulatory requirements for this volume of petroleum storage.
- f. Project Hydroscale estimates its total annual air emissions from its operation of its backup generators will exceed 50% of Title V Air Permit threshold for Nitrogen Oxide at 99.9 tpy. Project Hydroscale's air emissions will also exceed the estimated annual emissions for a single facility anticipated under the GEIS, and will emit 14,611 metric tpy of Carbon Dioxide.
- g. Project Hydroscale does not include a conceptual landscape plan
- h. Project Hydroscale provided visual simulations of the data center without information as to the location or perspective of the viewpoints. Notwithstanding, it appears Project Hydroscale will be screened from surrounding uses, but given its height, will be visible above depicted vegetation.
- i. Project Hydroscale anticipates the creation of 475 additional vehicle trips to the site at full build out during both the AM and PM peak hour.
- j. Project Hydroscale will demand 195 MW of electric power and will include 200 backup generators to supply power in the event of an emergency power outage.
- k. Noise levels for the Project when operating backup generators include measurements of 71 dBA at the eastern boundary of the Project site, 59 dBA at the northern boundary of the STAMP Site, and ranges from 47 to 49 dBA along the boundary of the Nation's Territory.
- l. New lighting will be required on the project site, which will be downward facing and dark-sky compliant.
- m. Project Hydroscale will have minimal impact on emergency services

Additional information based on analysis of materials submitted by Potentia:

- a. JLL, which represents Potentia, is listed as one of the top data center consultants in the world.
- b. JLL submitted references for data center projects that they have worked with, but have no ownership in.
- c. Potentia is also proposing to have a 1 to 1 mw backup generation on site. This number of generators would require a Title V air permit and that process could take several years, which would make it difficult to construct the Project in a timely manner (the NYSDEC regulations prohibit them from starting construction until they have obtained the required air permit).

- d. Potentia has confirmed that they have one of the three to four potential tenants for their proposed facilities in line with a soft commitment.
- e. The wage and job information submitted appears to be higher than the industry standards.
- f. With only one tenant, the construction costs and server costs are an estimate. Those numbers could change (especially the servers number) once a tenant is identified which would require them to potentially come back and ask for an increase to their sales tax exemption which would have an effect on the ratios that were analyzed at the time of this decision.
- g. The PILOT and Host Agreements payments were initially a 50% abatement off of market rate, later changed to a 0% abatement to match the other projects. This “match” offer is inconsistent with Staff’s request that companies provide their “best and final offers” regarding financial incentives. Nevertheless, an updated financial analysis for the Project has been prepared for the Board’s consideration.

### **STREAM US DATA CENTERS, LLC. - PROJECT DOUBLE REED**

Stream US Data Centers, LLC (Stream) has submitted an application to the Agency for a certain project to acquire approximately 60 acres of real property for the planning, design, construction and leasing of an approximately 900,000 square foot data processing facility.

Project data:

- a. Land purchase price of \$300,000 per acre up to 60 acres (\$18 Million).
- b. They would pledge to create 122 jobs at an average salary of \$89,000 (annual payroll of approximately \$10.86 million).
- c. Total capital investment would be \$6.3 billion.
- d. Total proposed PILOT and Host Agreement payments over 20 years is \$128 million.

Environmental Information

- a. Project Double Reed will develop approximately 40 acres of a 60 acre site and create 40 acres of impervious surface.
- b. The proposed data center will consist of three, single story buildings, 41 feet tall (together with a rooftop noise mitigation screen), 450 feet wide, and 850 feet long, totaling 900,000 square feet.
- c. Project Double Reed proposes to manage stormwater with three stormwater retention ponds in accordance to a conceptual stormwater management plan.

No total size is given for these ponds, but the FEAF indicates 19.2 acres of the site will be utilized for the stormwater ponds and open space.

- d. Project Double Reed will create an additional demand of 10,000 gallons of water per day and will create 10,000 gallons per day of sanitary wastewater.
- e. Project Double Reed will require the storage of approximately 60,000 gallons of diesel fuel on site and will be required to comply with federal and state regulatory requirements for this volume of petroleum storage.
- f. Project Double Reed estimates its total annual air emissions from its operation of its backup generators will not exceed 50% of Title V Air Permit threshold for Nitrogen Oxide at 8.6 tons per year (tpy), and will emit 533 tpy of Carbon Dioxide.
- g. Project Double Reed does not include a conceptual landscape plan
- h. Project Double Reed provided visual simulations of the data center which indicate it will be screened from surrounding uses.
- i. Project Double Reed anticipates the creation of a maximum of 99 AM peak hour vehicle trips and 81 PM peak hour vehicle trips to the site.
- j. Project Double Reed will demand 250 MW of electric power and will include 6 backup generators to supply power in the event of an emergency power outage.
- k. Project Double Reed provides that the maximum noise impacts to residentially zoned properties will be below 45 dBA and maximum noise impacts at the Nation's Territory boundary will be 34 dBA, consistent with existing ambient noise levels.
- l. New lighting will be required on the project site, which will be downward facing and all lighting on the perimeter of the site will be shielded from outside uses.

Additional information based on analysis of materials submitted by Stream:

- a. Stream has confirmed that they have secured a soft commitment from a prospective tenant which would seek to utilize 100% of the space contemplated in the Application and that this prospective tenant is a Fortune 50 company with annual revenues of over \$100,000,000,000.
- b. All of the payments proposed by Stream are to be incorporated into a PILOT with none proposed for a future Host agreement associated with a future sales tax exemption. Therefore, if the State makes servers exempt in the future, it will have no effect on the payments proposed by Stream.
- c. The server costs provided are believed to be a good estimate since they have a soft commitment from a tenant and are fully familiar with the tenant's specifications.
- d. The employment and wage information provided are believed to be a good estimate since they have a soft commitment from a tenant and are fully familiar with the tenant's operations.

- e. Stream has proposed to have only 6 onsite generators. This would NOT require a Title V permit which could take several years to obtain. Instead, Stream will require a either a State Facility Permit which DEC indicates could be processed in a few months, or an air registration.