



Phillips Lytle LLP

Via E-Mail

December 11, 2024

Bradley Wells
SDC Technology Services, LLC
2001 Ross Avenue, Dallas, TX 75021
bwells@stream-dc.com

Re: Project Double Reed Application to GCEDC - Evaluation Process

Dear Mr. Jackson:

As you know, we represent the Genesee County Economic Development Center (“GCEDC”) with respect to the development of the Western New York Science and Technology Advanced Manufacturing Park (“STAMP”) campus in the Town of Alabama, New York (“STAMP Site”). We are in receipt of the application for Project Double Reed (“Applicant”) to purchase land and to obtain financial incentives from the GCEDC for the construction of either four, two-story buildings (“Option 1”) or three, one story buildings (“Option 2”) that will house data center equipment totaling approximately 1,200,000 or 900,000 square feet, respectively, across an approximately 60 acre site together with supporting infrastructure (collectively, Option 1 & Option 2, the “Application”). As you know, GCEDC has also received similar applications from two other competing data center projects. GCEDC intends to carefully evaluate all three competing projects and anticipates that only one project will be selected to develop a data center at STAMP.¹

In an effort to inform each of the data center applicants and streamline GCEDC’s process for evaluating these three competing data center applications, a detailed explanation of the proposed evaluation process is outlined below. GCEDC’s current goal is to make a determination relative to all three data center applications at its February 6, 2025 Board Meeting. All three data center applicants are being asked to adhere to the proposed evaluation process schedule and any requirements and

¹ As has been communicated to Applicant in the past, data centers are not a targeted industry for STAMP and it is possible, after careful evaluation, that GCEDC could reject all three data center proposals.

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materials that are requested within. Any material deviations by Applicant will be considered by the GCEDC as part of the evaluation process and may result in the ultimate rejection of the Application. Please also note, any dates provided in the below proposed evaluation process are subject to modification by the GCEDC.

GCEDC's Evaluation Process

As noted above, data centers are not a targeted industry for STAMP. In general, data centers provide limited employment opportunities while at the same time consuming large amounts of electricity. Thus, data centers are not an ideal tenant for STAMP. The GCEDC will consider a number of factors in assessing the three projects. These include but are 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.

As of today, notice of the Application was sent on December 6, 2024 to the Nation regarding GCEDC's consideration of entering a land sale agreement with Applicant at the STAMP Site. In addition, copies of the State Environmental Quality Review Act ("**SEQRA**") lead agency packages will be circulated to all interested and involved agencies on December 13, 2024. In order to keep the evaluation process moving forward at a reasonable pace, the next steps in GCEDC's proposed evaluation process include the following:

- **Week of December 16, 2024:**

The GCEDC STAMP Technical Team will hold a one-on-one meeting with Applicant for the purposes of answering any questions Applicant has about the process, and emphasizing the required deliverables that are needed from Applicant for its final design packages, as well as to have preliminary



discussions regarding the financial components of the application. In addition, the meeting will be followed up by a letter confirming the discussions between GCEDC STAMP Technical Team and Applicant.

- **December 31, 2024:**

Applicant's final design package (which includes final conceptual facility design and final proposed needed acreage and location on STAMP Site) with all required SEQRA documentation must be submitted to GCEDC by December 31st. If there are any material delays in submitting Applicant's final design package and SEQRA documentation, it may result in Applicant being dropped from further consideration. Applicant's final design package and SEQRA documents must be submitted by December 31st in order for GCEDC to timely prepare an "Initial Assessment" for Applicant pursuant to its existing Letter of Resolution and provide the same to the Nation for a 30-day comment period prior to taking any action pursuant to SEQRA. Any changes to Applicant's final design and SEQRA documents will likely not be considered after December 31st.

- **January 2-7, 2025:**

The STAMP Committee and the GCEDC Staff will meet with Applicant to discuss final and best offer details and expectations. The meeting will be followed by a letter confirming the discussions between the STAMP Committee, the GCEDC Staff, and Applicant.

- **January 7, 2025:**

GCEDC will circulate a copy of the Initial Assessment for the data center to the Nation, New York State Department of Environment Conservation ("NYSDEC"), and the State Historic Preservation Office ("SHPO") pursuant to the terms of its Letter of Resolution.



- **January 9, 2025:**

Applicant's final and best offer application packages with all required supporting documentation must be submitted to GCEDC by January 9th. The final and best offer application package must contain the following materials to be considered a complete application:

1. Purchase price offer for proposed needed acreage as detailed in Applicant's final design package.
2. Details regarding the incentives that are being requested from GCEDC by Applicant.
3. Details regarding any other financial incentives requested from Applicant.
4. Details regarding any other financial benefits associated with Applicant's proposal.

- **January 10-31, 2025:**

All final and best offer complete application packages will be circulated to the GCEDC Board for review. The GCEDC Board will then schedule a public hearing for each data center application on January 16, 2025.

- **February 5 and 6, 2025:**

Based on all of the information provided by each of the data center applicants and the public hearings, the STAMP Committee will make a recommendation to the GCEDC Board on February 5th. The GCEDC Board is expected to take action on the recommendation at its meeting on February 6th.

Escrow Agreement



GCEDC and Applicant have executed an Escrow Agreement wherein Applicant has agreed to deposit funds in order to proceed with the evaluation process of the Application. To date, Applicant has not yet deposited the required funds. Delay or refusal of Applicant to deposit the requested funds will likely jeopardize Applicant from further consideration.

Application Status

Lastly and as noted above, there will be meetings with GCEDC regarding the status of the Application within the evaluation process including updates to due dates, modifications to the evaluation process, and any additional information or materials requested by GCEDC in order to evaluate the Application. GCEDC will continue to provide status updates on the Application during the evaluation process as materials are received from Applicant. The sooner requested materials are submitted prior to deadlines, the more likely GCEDC will be able to provide Applicant feedback on the same prior to final submission dates.

Conclusion

We trust that the above explanation of the GCEDC evaluation process in reviewing the three competing data center applications, including the Application, is informative and helpful. We hope that Applicant will be cooperative during this evaluation process in order to ensure there is a fair assessment of all three competing data center project applications at the STAMP Site.

Upon receipt of this letter, please provide three dates and times that the Applicant's project team is available for a one hour meeting with the GCEDC Tech Team the week of December 16, 2024. Please note, before a meeting can be scheduled, Applicant must deposit the required escrow funds with the GCEDC.

Thank you for your prompt attention to these matters.

Very truly yours,

Phillips Lytle LLP



Project Double Reed
Page 6

December 11, 2024

By /s/ *Adam S. Walters*

Adam S. Walters
ASW

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