



## Phillips Lytle LLP

Via E-Mail

January 15, 2025

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. Wells:

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 writing to follow up on our December 23, 2024 letter regarding SDC Technology Services, LLC’s (“Applicant”) application to purchase land and obtain financial incentives from the GCEDC (“Application”) for the construction of three, one-story buildings that will house data center equipment totaling approximately 900,000 square feet across an approximately 60 acre site together with supporting infrastructure (“Project Double Reed”). In response to our December 23 letter, we received a best and final offer package for Project Double Reed on January 3, 2025 (“Final Offer Package”). Upon GCEDC’s review of the Final Offer Package, the GCEDC has several questions which need to be addressed in order for GCEDC to finalize its evaluation of Project Double Reed within the schedule described in our December 11, 2024 letter to Applicant.

### Application Questions

GCEDC Question 1: In the GCEDC “Incentive Input Form” submitted as part of the Application, Applicant failed to provide proposed Community/Grant Program and County Host Agreement amounts, suggesting instead that same be incorporated into a comprehensive PILOT. If Applicant wishes to proceed on this basis, please provide an updated Assessed Value per SQ FT (up from \$125) to reflect incorporation of such grants over the life of the “payment in lieu of taxes” financial assistance (“PILOT”) . In

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the alternative, the Applicant must provide a dollar value for each amount and clarify whether such grants are intended as a one-time lump sum or is a payment made annually over the life of the PILOT.

GCEDC Question 2: In the GCEDC “Application for Financial Assistance” document:

- Exhibit D to the Application includes a listing of employment associated with the Project which totals only 122 jobs. Please update the Exhibit to reflect the 140 jobs referenced elsewhere in the Application, or update the Application to reflect 122 jobs as the accurate number.
- In Section II “Project Information,” please update the Estimated Project Costs/Project Capital Investment to reflect the \$18,000,000 cost for the land. In that same section, please confirm whether the \$200,000,000 in “production equipment” represents the total value of all equipment, **including tenant servers and equipment**, to be purchased/installed in connection with the Project. This number appears low based upon GCEDC’s experience reviewing data center projects.

GCEDC Question 3: Please confirm whether the Project will require a mortgage. If so, please confirm the amount of the mortgage and whether the Applicant will seek a mortgage recording tax exemption.

GCEDC Question 4: Please confirm whether Project Double Reed will provide for onsite childcare facilities?

GCEDC Question 5: In your Application materials it appears that the Project incorporates land not currently owned/controlled by GCEDC along Crosby Road, consisting of a residential home. Please confirm whether the Applicant has obtained a commitment from the homeowner for the sale of this property or (in the alternative) please update project application materials to exclude this property (including supporting documentation such as site plans and associated environmental studies).

Escrow



January 15, 2025

In accordance with the Agreement for the Payment of Project Evaluation Expenses (“**Escrow Agreement**”) between Applicant and GCEDC, as well as the Hold Harmless Agreement and Addendum thereto, Applicant is required to reimburse GCEDC for its out-of-pocket expenses in reviewing the Application. GCEDC has engaged its counsel and outside engineering consultant to review the Application, and the Project’s escrow is nearing depletion. In light of the existing balance of the escrow account (\$10,396), and in light of the anticipated fees anticipated to be accrued, GCEDC requests that Project Double Reed replenish the escrow with a deposit of an additional \$25,000 by no later than January 31, 2025. This will be required in order for the GCEDC Board to consider the Application at its February 6, 2025 meeting.

#### Conclusion

Please provide the above information and corrections by no later than 5:00 P.M., January 16, 2025. To the extent site plans or other deliverables must be updated, please provide those by no later than January 27, 2025. If there are any material delays in submitting the above requested information/corrections, it may result in Applicant being dropped from further consideration or delays in GCEDC’s consideration of the Application.

Thank you for your prompt attention to these matters. If there are any questions or concerns about anything detailed herein, please reach out to me.

Very truly yours,

Phillips Lytle LLP

By /s/ *Adam S. Walters*

Adam S. Walters  
ASW