

Town of Wallingford, Connecticut

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MEMORANDUM

TO: Members of the Wallingford Town Council

CC: William W. Dickinson, Jr., Mayor
Tim Ryan, Economic Development Coordinator

FROM: Gerald E. Farrell, Sr., Town Attorney
Janis M. Small, Corporation Counsel

RE: Data Center Proposal

DATE: June 4, 2021

This afternoon, Gotspace provided us with a list of the properties to be included in the Agreement. Some properties listed separately together make up one farm. Gotspace will need to provide more information on this. The Administration has not had an opportunity to review this list.

That said, attached is a draft Agreement for your review and consideration. Below is an outline of the key provisions:

1. (a) The Agreement will specify the properties that could be developed for the data centers. The purpose of doing so is to limit the Agreement to those properties and require a new agreement for any future properties. This provides the Town with some control over any possible expansion. (As stated above, the list of properties provided today will need to be examined.)
- (b) Paragraph 2 provides Gotspace with the ability to substitute another property for one or more listed in the Agreement provided the property is in the same zone and can meet the requirements of the Agreement.
- (c) Any Additional properties may only be included if the Town consents. This gives the Town the ability to limit any expansion or require a new Host Fee Agreement for those properties.
- (d) Keep in mind that the plans that have been circulated to date are conceptual. As drafted, the Agreement does not limit the number of buildings permissible on a particular site or their specific location on any given property.

2. The Host Fee to be paid is as follows:
 - a) For each building with a capacity of less than 16 MW, \$500,000 annually; for each building with a capacity of 16 MW up to 32 MW, \$1,000,000 annually; and for each building with a capacity of 32 MW and higher, \$1,500,000 annually.
 - b) Additionally, there will be an annual increase of at least 2% or, if greater, by the CPI formula with a 3% cap.
 - c) Preliminary payments will be made after the State has qualified the centers based upon the last assessment of the property. Upon issuance of a building permit, the preliminary payment will be 150% of the previous assessment.
3. The term of the Agreement will be based upon the investment. Under the statute, an investment of \$200,000,000 provides for a 20 year term. An investment of \$400,000,000 provides for a 30 year term.
4. Wallingford is not obligated to fund any improvements.
5. GotSPACE will need to reach an agreement with the Electric Division on terms acceptable to both parties.
6. (a) We have separately drafted language that prohibits the use of North Farms, Tankwood and Williams Roads for ingress/egress to the sites. The developer has not yet agreed to this requirement. In the early 2000's, the Town engaged in a study of the land under contract by GotSPACE. This land, zoned industrial, was studied to determine the best way to expand the industrial park into these lands. Based upon that study, it was the Town's expectation that future industrial developments would access their sites through Sterling Drive, Tower Road, and Fairfield Boulevard. Further, the property abutting Williams Road has access from Route 68 and should not need to use the residential street.

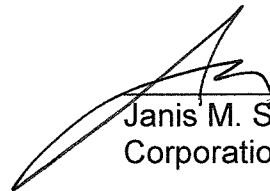
(b) The Agreement also provides that if any other residential streets abut a property used by the Data Centers, the Town has to approve access from those streets. The developer has not yet fully agreed to this requirement. They may seek to discuss this with the Council.
7. FYI, it has been represented that the build out for each building is approximately 18 months. It is also our understanding that they will not necessarily be built at

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the same time. This may result in an extended construction period within each property. Also, the developer represents that the equipment in the data centers are changed out every three years.

8. Noise from Data Centers is of serious concern in that the proposed locations abut residential uses. Our research indicates that in other areas of the country, data centers of this magnitude are not normally built near residential uses. Based upon our research and consultation with an acoustical engineering firm, it will not be sufficient to solely rely on the noise ordinance in protecting the residential area from noise and vibration. The Agreement provides for the establishment of an appropriate noise level and the requirement of design features necessary to ensure compliance.

Previously, I forwarded to you a copy of our consultant's report. Attached is another copy.



Janis M. Small
Corporation Counsel

JMS/bjc

Enclosures