

**The Catlett Project
REZ-2023-
Statement of Justification
June 26, 2023**

Catlett Station II LLC (the “Applicant”), Golden Rule Centre Inc., and Michael and Sue Hetu are the owners of 67.36 acres of land more particularly described as Fauquier County PIN #'s 7932-05-8458, 7922-95-9625-000, and 7922-94-4334-000 (a portion of) (the “Property”). The Property, located in Catlett along Route 28, is poised to play an essential role in advancing Fauquier County’s land use and economic development objectives.

The Applicant respectfully requests a rezoning of the Property from the Industrial Park (“I-1”) District to the Business Park (“BP”) District to accommodate a high-tech data center campus. The Proposed Development represents a significant, long-term investment in Fauquier County that will generate well-paying jobs and significant tax revenue for decades, with little pressure on public services, facilities, and infrastructure.

In addition to the rezoning, the Applicant respectfully requests a special exception for an aboveground water storage facility to accommodate fire suppression needed for the site.

The Applicant submits, for the reasons memorialized herein, that the proposed rezoning advances the Fauquier County Comprehensive Plan (the “Comprehensive Plan”) policies, supports the priorities of the Board of Supervisors, and will enhance the commercial tax base of the County.

Background & Proposed Development

Catlett has long served as a civic gathering point for members of the surrounding farming community. The railroad was originally a hub of commercial activity, and even though the railroad no longer serves that purpose, Catlett’s commercial and industrial land use patterns are evident. The Property, situated at the boundary of Catlett next to the railroad right-of-way, is zoned I-1 pursuant to Article 3 of the Fauquier County Zoning Ordinance (the “Zoning Ordinance”). It is bounded to the west by Catlett Road (Va. Route 28), to the north by vacant land zoned Rural Agriculture (“RA”), to the east by the Norfolk Southern Railroad Right-of-Way, and to the south by Gaskins Lane (Va. Route 796) and land zoned I-1 and Commercial (“C-1”).

The Applicant proposes to rezone the Property from the I-1 district to the BP district to accommodate the development of data center uses up to 1,400,000 square feet. Since the Applicant is not the intended end user of the project, and there is a range of potential building shapes and sizes due to the high-tech and continuously evolving nature of the data center industry, the Applicant has submitted a Concept Development Plan prepared by IMEG (“Concept A” also known as the “CDP”), as well as two additional alternative plans (“Concepts B and C”) to illustrate the range of potential site layouts that would be allowed as “minor modifications” for a future definitive site plan. Any site plans submitted in the future must be in general conformance with these illustrative concept plans and also meet the specific criteria and development limitations described in the associated Proffer Statement proposed and submitted by the Applicant.

The Applicant fully supports focusing data center development in specific areas that have already been earmarked for industrial land and are in close proximity to existing power and fiber optic infrastructure. As the Property is one of only a few locations within Fauquier County suitable for a data center based on the goals of the Fauquier County Comprehensive Plan and Catlett Service District Plan,

this strategy will enable Fauquier County to maintain its rural character while benefitting from the substantial tax revenue and additional economic development benefits that would be unlocked from the investment in a limited number of data center campuses, therefore supporting the goals of the Comprehensive Plan.

Landscape Buffering, Setbacks, and Fencing

As part of the proposed Proffer Statement and reflected on the CDP, the Applicant submits that the Proposed Development will exceed the current Fauquier County Zoning Ordinance (“the Zoning Ordinance”) requirements for setbacks, landscape buffers, maximum lot coverage, and landscaped green space within the BP zoning district.

In addition, buildings will be setback from property lines to ensure sufficient distance between data center buildings, public roads, and adjacent properties. If an onsite substation is required, it will be located toward the rear of the property, at a minimum distance of 750 feet from Route 28.

Data center tenants require significant investment in security equipment. To that end, the Proposed Development will be fenced, and entrances will be gated. All security fencing and emergency access gates along Route 28 will be behind the berm and landscape buffering along the site’s frontage. Additionally, any aesthetic fencing around the perimeter of the Property will be consistent with surrounding properties, such as a wooden ranch fence.

Site Access

Primary access to the site will be located on Gaskins Lane, and subject to the approval of the waiver requested from Fauquier County Zoning Ordinance Section 2-410(A), Route 28 (Catlett Road) will serve as an emergency access point.

Height Restriction

The Applicant requests that the maximum height, as defined by Article 15 of the Zoning Ordinance, allowed on the site for the data center and necessary support equipment be forty-five (45) feet within three hundred (300) feet of Route 28 and sixty-five (65) feet on the balance of the property. With the current nature of data center development in the Northern Virginia area, multi-story designs have become the preferred solution for data center developers. By enabling two-story buildings, the potential investment (and, therefore, tax revenue) on the campus is expected to almost double due to the additional upfront investment in two times the critical equipment and ongoing installation and continuous replacement of two times the computer equipment. The increase in height and subsequent square footage is expected to result in approximately double the economic impact on Fauquier County with minimal additional impacts on the community.

The Applicant understands that the height increase may have minimal incremental visual impacts along the Route 28 corridor and plans to remediate those impacts with effective landscape buffering, setbacks, and other screening methods, as well as thoughtful architectural features, including options of change in building height; building step-backs or recesses; fenestration; change in building material, pattern, or texture; or use of accent materials. The Applicant’s proposed 45’ maximum height limitation within 300’ of the Route 28 right-of-way, and a commitment to using differentiated surfaces on any building façade visible from Route 28, will further minimize the visual impact from Route 28. The Applicant proposes that any principal façade visible from Route 28 be composed of at least two (2) different materials such as glass; pre-cast concrete; colored metal panels; tile masonry; stucco/EIFS; brick, or concrete tilt-wall.

Power Delivery

The Applicant is aware that the County's Zoning Ordinance mandates that all new power lines serving data centers must be placed underground, and the Applicant is actively pursuing multiple solutions that will enable a successful project while accommodating this requirement. The Applicant has been working with Dominion Energy (Dominion) to identify potential solutions for both near-term and long-term power capacity to serve the site, and the Applicant recently submitted a "Letter of Authorization" (LOA) to formally commence the engineering work necessary to evaluate the provision of electric service. Dominion's preliminary analysis indicates that the system can provide enough power to serve the project's first phase from the Nokesville Substation and the existing medium voltage transmission easement that runs south along Route 28. The Applicant and Dominion have also discussed multiple potential routes to deliver long-term power (for the full project capacity) from the closest high-voltage power lines that run just 2.5 miles east of the site in Prince William County. These routes will be further defined and analyzed in the coming months as Dominion completes their formal interconnection process.

Water Use & Cooling

Limited potable water will be required to serve bathrooms, sinks, showers, kitchens, and other typical office building water uses for employees.

The data centers will be cooled with a closed-loop system, which will not be filled using the public water system or a groundwater well. The Applicant has identified multiple water hauling companies who can assist in the initial filling and commissioning of a closed-loop system.

Comprehensive Plan

The Proposed Development fits squarely within the Comprehensive Plan recommendations for the Property. Fauquier County established the Catlett Service District Village Plan to protect Catlett's historical and environmental qualities while promoting economic development and diversity. The Property is planned for Commercial/Industrial uses, which are "necessary for a sustainable community, adding employment opportunities and tax base to the County."

Along Route 28, the "intent of this land use is for cleaner, lower impact modern industrial and commercial uses and practices." The Catlett Service District Village Plan identifies key areas of consideration for future development proposals, including commuter traffic on Route 28, environmental and water quality, public water and sewer, and strengthening the local tax base. Data center use meets these goals by leveraging existing industrial property to offer state-of-the-art technology and local employment opportunities while minimizing the draw on public facilities. Data center use, in particular, has little effect on the surrounding road network and results in minimal additional needs for public services such as schools, parks, and public safety. Further, since the project will not use public water or groundwater for cooling purposes, it will have limited incremental impact on public water facilities and substantially less impact than what is currently allowed with the existing zoning conditions. Furthermore, the Applicant has confirmed that any future project will meet the established noise limits and has committed to conducting a noise study to confirm conformance before site plan approval. At the same time, data center projects provide substantial revenue through real estate and personal property taxes.

The Comprehensive Plan recommends industrial uses be "effectively screened," particularly from Route 28. As discussed above, the Applicant has committed to enhanced landscape buffers along Route 28 and increased setbacks from all adjacent parcels. Additionally, all electrical and mechanical

yards will be located behind buildings or otherwise screened from Route 28. To the extent that any portions of the data centers are visible to an approaching vehicle or neighboring parcel, the Applicant plans visually appealing and durable building materials that align with the community's character and style.

Fauquier County partially implemented the Catlett Service District to “maintain a clean and healthy natural environment” in Catlett, particularly water and air quality. The Proposed Development will have little impact on the environment, particularly compared to uses that are entitled by right on the Property today. As noted above, the project will not be allowed to use public water or groundwater for cooling purposes. Additionally, all modern data centers are designed to run as efficiently as possible to minimize power and water relative to the capacity achieved. In fact, global data center energy consumption has remained relatively flat over the past few years, hovering at around 1% to 1.5% of global energy consumption, largely due to liquid cooling, more efficient IT equipment, and green building standards.

Finally, the Applicant has sensitively placed its proposed buildings to minimize intrusions on wetlands, floodplains, and any other potentially environmentally sensitive areas on site. The provided site plan and alternatives allow for a number of solutions to allow for the natural flow of stormwater through the site, potentially accompanied by surrounding greenspace. Further, no floodplain impacts are proposed, and the largest contiguous areas of wetlands at the back of the site are being maintained. The Proposed Development will also implement stormwater management facilities to address runoff water quality to local waterways in accordance with Part IIB of the Virginia Stormwater Management Program Regulations.

Transportation

The Catlett Service District Village Plan notes the deleterious impact of commuter traffic on Route 28. Fortunately, this proposed project will help prevent the traffic situation from worsening by offering a much lower impact project than many other currently allowable by-right uses. With this submission, the Applicant has provided a traffic analysis completed by a traffic engineering consultant conforming to the Institute of Transportation Engineers (ITE) standards. As the traffic generation memorandum shows, data centers, as opposed to other, far more intense and truck-generating industrial uses already permitted by right on the Property, have a de minimis impact on the surrounding road network. By way of example, the Property could be developed with 1,400,000 GSF of warehouse uses without any discretionary zoning action and without additional commitments to traffic improvements in Catlett. Such a warehouse could generate up to 2,250 daily trips, with 238 total weekday AM peak hour and 252 total weekday PM peak hour trips. On the other hand, a data center with 1,400,000 GSF would only generate approximately 1,386 daily trips, with 154 total weekday AM peak hours and 148 total weekday PM peak hour trips.

The CDP shows that the Proposed Development will meet the County’s important economic objectives while generating little traffic on Route 28. Further, it provides an opportunity for local residents to work and live in Fauquier County, eliminating the need to commute out of the county for good job opportunities. This benefits the individual employees and strengthens the local economy and community as a whole. Therefore, by rezoning the Property and committing to data center development, the Applicant respectfully submits that the Proposed Development will address and support specifically the County’s goal to limit the traffic on Route 28.

Economic Development

The Fauquier County Board of Supervisors introduced a strong endorsement of economic growth with its third guiding principle in the Comprehensive Plan: “A strong and diverse local economy is necessary for the sustained vitality of the County.” To that end, the Board established a series of policies, among them:

- Encourage and support . . . investment of new businesses in the County and promote opportunities for Fauquier County residents to work in the County.
- Promote the rezoning of land to non-residential uses as designated by the Plan when proposed by developers willing to provide the necessary infrastructure.
- Facilitate infrastructure to support business growth in areas of the County designated for development.

These policies are evident throughout the Comprehensive Plan. The Land Use Chapter notes that commercial/industrial development is “necessary for a sustainable community, adding employment opportunities and tax base to the County.” The Economic Base Chapter stresses the need to increase the County’s tax base; specifically, “new businesses and industries with low labor requirements that provide well-paying jobs and high capital investment could strengthen the tax base.” The Applicant believes that data centers will fulfill these policy goals and produce significant tax revenue with little impact on public facilities.

Taxes

Data centers generate significant tax revenue. Using industry averages for capital investments, Applicant estimates that each 30 MW building will generate approximately \$4.5M per building per year due to the substantial investment in high-tech facilities and equipment. elevated tax revenue generated by data centers vs. other industrial uses. For example, the OVH data center in Vint Hill generated \$12.55 per square foot of building space in the tax year 2021 vs. the \$1.43 per square foot of tax revenue generated from a similarly sized manufacturing facility in the County. Additionally, many data center end users have strong community relations programs, providing grants and supporting schools in the communities in which they operate.

Employment

Data centers have low labor requirements, resulting in minimal effects on traffic and public services; however, the development will support desirable construction and trade jobs. Long-term employment associated with data center operations are highly compensated and highly skilled. Data centers are staffed 24/7 with well-paid employees who oversee the daily operations and maintain critical reliability. Many of these employees will live in the community, avoiding additional traffic into/out of the county. The anticipated operator/developer often hires our military veterans (from virtually all service branches) given their unique, honed technical skills and work ethic.

Sustainability

Action, 2.1.6 of the Catlett Village Service District Plan specifically recommends permitting “only clean industrial development that is a low intensity to provide employment opportunities within the village.” The data center industry, as a whole, and led by companies such as Google, Microsoft, and

Meta, have committed to ensuring that three-quarters of energy used by facilities must be renewable or carbon-free by 2025 and realize complete climate neutrality by 2030. Further, the industry relies on continuous improvements in resilience and efficiency, which align with the need for long-term environmental sustainability.

Waivers and Modifications

1. The Applicant respectfully requests a waiver from the forty-five (45) foot height limitation set forth in Section 3-406 of the Zoning Ordinance. The Applicant requests a maximum height of 65' to develop two-story data centers, which aligns with the preferred solution of data center developers.
2. The Applicant respectfully requests a waiver from Section 2-410(A) to permit emergency ingress and egress along Route 28 (Catlett Road)

Conclusion

The Proposed Development fulfills the objectives of the Fauquier County Comprehensive Plan and advances the policies of the Board of Supervisors. Therefore, the Applicant respectfully requests a rezoning of the Property from I-1 to BP to accommodate data center development in accordance with the Comprehensive Plan and the Zoning Ordinance.

The Applicant has been working closely with local officials and the community to provide transparency throughout the initial application process, including meetings with several community groups and stakeholders to review project plans and hear feedback. As the application progresses, the Applicant looks forward to meeting with additional community members as planning for the proposed site development continues.

This proposal will lead to long-term and sustained investment in Fauquier County. The Applicant looks forward to working with the Fauquier County Board of Supervisors, Planning Commission, and Staff to realize the significant benefits associated with this application.

Respectfully submitted,