

STATEMENT OF JUSTIFICATION

ZMAP-2019-0017
SPEX-2020-0022
H&M Property

PIN #096-18-3161

October 4, 2019
REVISED March 5, 2020
Revised June 11, 2020
Revised July 8, 2020

I. Introduction

Amazon Data Services Inc. (the “Applicant”) is the owner of approximately 100.18 acres of property located in the Dulles Election District of Loudoun County and more particularly described as Loudoun County PIN #096-18-3161 (the “Property”). Pursuant to § 6-1200 of the Loudoun County Revised 1993 Zoning Ordinance, as amended (the “Zoning Ordinance”), the proposal will require legislative approval of a Zoning Map Amendment (“ZMAP”) to rezone the parcel to the Planned Development-General Industry (“PD-GI”) zoning district to allow the development of data center uses the Property up to an FAR of 0.4, and a Special Exception (SPEX) to increase the FAR to 0.6

The Property is currently zoned Mineral Resource-Heavy Industry (“MR-HI”) pursuant to §3-1000 of the Zoning Ordinance. The Property falls within the Ldn 65 1-mile Noise Contour of the Airport Impact (“AI”) Overlay District and the Quarry Notification (“QN”) Overlay District.

The parcel is approximately 100.18 acres with several small industrial structures related to the adjacent quarry, a Loudoun County Sheriff’s Firing Range, and a mulch stockpile along Willard Road. Site access is provided by Willard Road and its intersection with Route 50. According to Loudoun County GIS, there are several wetlands scattered around the property and a floodplain traverses the northern and eastern portions of the site.

Dulles International Airport borders the northern portion of the site, and is zoned R-2 (Loudoun County PIN # 067-37-9924). The site is bordered to the south and east by industrial uses on parcels zoned PD-GI (Loudoun County PIN #097-47-2063) and MR-HI (Loudoun County PINs# 097-48-5009 and 096-10-0169) A quarry and associated uses comprise the four parcels to the west, which are zoned MR-HI (Loudoun County PINs #096-26-7903, #096-16-0341, #096-16-7616, and #097-46-8493).

II. Proposed Development

The Applicant proposes a ZMAP to rezone the parcel from MR-HI to PD-GI to accommodate the development of data center uses as permitted pursuant to § 4-603(QQ) of the Zoning Ordinance, up to the permitted FAR of 0.4.

Under the current MR-HI zoning, the site could develop with up to 3,272,880 SF of by-right mineral extraction, processing, and other industrial uses, and the proposed development of up to 1,671,122 SF of data center uses at a .4 FAR, (with up to 2,506,682 SF with a .6 FAR, as was encouraged by the Dulles District Planning Commissioner and review in Section V below) presents the County with an opportunity to increase its tax base while reducing the impact on the surrounding infrastructure when compared to the existing by-right scenario.

The shift in use from the current by-right mineral extraction, processing, and industrial to 100% data center dramatically reduces the traffic impact on the surrounding road network. A traffic analysis prepared by Gorove/Slade shows that, at the originally proposed, .4 full build out, the proposed data center uses will generate 1,808 fewer AM peak hour trips, 2,007 fewer PM peak hour trips, and 8,774 fewer daily trips when compared to the existing by-right full build-out scenario. This represents an 84% decrease in average daily trips generated by the site from the potential by-right development. Moreover, the proposed development will not contribute to the deterioration of future conditions at nearby intersections, particularly when compared to the uses and intensities that are currently permitted by-right on the site.

The application proposes to dedicate over four acres of right-of-way for the Tall Cedars Parkway Extension recommended by the Comprehensive Plan, contributing towards crucial links between South Riding and the planned US Route 50 Alternate along the southern portion of the Dulles Airport property. As depicted on the CDP, the alignment has been shifted per the design provided by the Department of Transportation and Capital Infrastructure (“DTCI”) from the conceptual layout presented by the 2019 Comprehensive Plan map to allow for a more efficient, thoughtful layout of the site, while still maintaining a throughway condition for Tall Cedars Parkway Extension between US Route 50 and the planned US Route 50 Alternate.

The Applicant therefore requests approval of the ZMAP to accelerate the active development of the Property with an in-demand use. If approved, the County will realize an appreciable increase in tax revenue with minimal impact to public services.

III. Comprehensive Plan

The Property is governed by the policies of the Loudoun County 2019 Comprehensive Plan and is located within the Suburban Policy Area of the 2019 Comprehensive Plan (the “Plan”), designated as a Suburban Industrial/Mineral Extraction Place Type. The Plan notes that Eastern Loudoun County has evolved into a critical corridor for international centers of technology and global data management facilities, “more than 70 percent of all internet traffic is routed through data centers in this policy area.” The Suburban Industrial/Mineral Extraction Place Type recommends data centers as a Core Use, with FARs up to 0.60 and building heights of up to four (4) stories. The

Plan also calls for a block length of 300-1,000 feet, surface parking, and open space of 30% of the site.

A major component of the Plan is Chapter 5 – Economic Development. This Chapter of the Plan contains guidance directing the County to coordinate land use and economic development. The Plan employs a “targeted cluster strategy,” with Cluster 1 focusing on Information & Communications Technology through data analytics and technology advancement, cybersecurity, and data centers. The Plan notes that the information and communications technology (IT) cluster continues to play a major role for Loudoun County in terms of employment, establishments, earnings, name recognition, and potential for future growth. The IT assets that Loudoun has cultivated over the last few decades, including infrastructure such as data centers, workforce, and general economic environment, create a wealth of opportunities within the cluster for continued expansion. Data centers serve as one of Loudoun County’s key business sectors, and in recent years, data center users have been increasingly pressed when searching for suitable land to develop. This application presents a perfect opportunity to meet the Plan’s goals.

Moreover, data centers provide benefits to the County that are not realized through traditional mineral extraction, processing, and industrial uses. The proposed data center will contribute significantly to the expansion of the tax base in several key ways while producing less traffic and less of an impact on County services. Northern Virginia has a high concentration of employable individuals in the tech industry, more than Seattle and the San Francisco/Silicon Valley area, and out of the cities and counties in Northern Virginia, Loudoun County has the highest concentration of people employed in computer and mathematical occupations. The Applicant proposes to invest hundreds of millions of dollars to improve the Property, which will have a meaningful, positive impact on the real estate property taxes generated by the site. It should also be noted that the Applicant’s proposed investment will result in a meaningful increase in the Business Personal Property tax generated by the site.

The Economic Development Plan also calls for improved access to Dulles Airport consistent with the Revised Countywide Transportation Plan. (Chapter 5, Economic Development). As noted above, the Applicant’s proposal will contribute to the critical connection of Tall Cedars Parkway from US Route 50 to the US Route 50 Alternate planned along the southern border of the airport property.

Per the 2019 Comprehensive Plan, the site is also subject to the Route 50 Corridor Design Guidelines for new development. Building arrangements should have limited setback variation, reduced parking scale, service areas/mechanical units that are screened from view, and fencing and walls that create a visual screen. The site is set back over 800 feet from Route 50 at its closest point, with several properties screening the subject site from view. The building layout, mechanical screening, and fencing will meet the intent of the Route 50 Design Guidelines and will certainly be more consistent with those guidelines than the existing allowed uses on site. Given the drastically lower number of trips projected to be generated by the site, a large parking field is not being contemplated.

The proposed development is consistent with the Plan's policy guidance. Moreover, it represents an opportunity to put underutilized land to productive use, while also delivering revenue and critical infrastructure to the County.

IV. Compliance with Specific Issues for Consideration, § 6-1210(E)

The Applicant's proposal requires a Zoning Map Amendment. Section 6-1210(E) lists certain factors that should be considered when deciding whether to grant a Zoning Map Amendment. Those factors are addressed below.

- (1) *Appropriateness of the proposed use based on the Comprehensive Plan, trends in growth and development, the current and future requirements of the community as to land for various purposes as determined by population and economic studies and other studies and the encouragement of the most appropriate use of land throughout the locality.*

Please refer to Section III, above. The Applicant notes that the data center industry has grown tremendously in the County. The presence of data centers provides a steady source of revenue to the County, and the Department of Economic Development has consistently courted prospective data center users as an important aspect of the County's economic growth strategy.

- (2) *The existing character and use of the subject property and suitability for various uses, compatibility with uses permitted and existing on other property in the immediate vicinity, and conservation of land values.*

The proposed use is compatible with existing and planned surrounding uses. The surrounding parcels are developed with industrial uses to the south and east, and a quarry and related uses to the west. The portion of the Dulles Airport property to the north of the subject site contains an internal access road and fire brigade practice range, but is otherwise largely undeveloped.

- (3) *Adequacy of sewer and water, transportation, and other infrastructure to serve the uses that would be permitted on the property if it were classified to a different zoning district.*

The Applicant will work with the utility companies to ensure adequate provision of electric, water, sanitary sewer, and stormwater service to the site. Given the negligible traffic impact of the proposed use as outlined in the traffic study, no transportation improvements are called for. However, the Applicant is proffering to improve Willard Road from the proposed site entrance to the intersection of Willard Road and Route 50, and the proposed right-of-way dedication for the Tall Cedars Parkway Extension provides the key roadway link recommended by the 2019 Countywide Transportation Plan.

- (4) *The requirements for airports, housing, schools, parks, playgrounds, recreational areas and other public services.*

The proposed use will have *de minimus* impacts on the vast majority of public facilities such as schools, parks, and housing. The use does not generate any school-aged children. The level of employment will be such that it will not put a strain on the services provided by the County. The proposed use will add minimal traffic to the surrounding road network, and existing public sewer and water lines will easily serve the Property.

- (5) *Potential impacts on the environment or natural features including, but not limited to, wildlife habitat, wetlands, vegetation, water quality (including groundwater), topographic features, air quality, scenic, archaeological, and historical features, and agricultural and forestall lands.*

The proposal will meet all County, State and Federal requirements related to the protection and mitigation of impacts to environmental or natural features including the floodplain and jurisdictional wetlands depicted on the CDP submitted with this application. Should any wetlands be disturbed, appropriate wetlands mitigation will be implemented and/or credits will be purchased. As depicted on the CDP, the floodplain will be undisturbed and the River and Stream Corridor Management buffer will be provided to protect and ensure the continued health of the related water course. A Phase I archeological study, conducted by Dutton + Associates and submitted as part of this application, concluded there were no archeological, cultural, or historical resources associated with the site that were worthy of additional study.

- (6) *The protection of life and property from impounding structure failures.*

It is not anticipated that there will be a need for major impoundment structures on the site. If impoundment structures are used on the Property, they will be designed in accordance with State and County requirements and will consider the safety of downstream population and parcels.

V. Special Exception for Additional FAR (as recently requested by the Dulles District Planning Commissioner)

The H&M site is particularly well-suited for data center use, surrounded by Dulles Airport to the north, the long-existing Chantilly Crushed Stone quarry to the west and industrial uses to the immediate south and east. The site is not visible from Route 50.

This site is at the right confluence of power, infrastructure, fiber optic lines and desirable location. These data centers will be a meaningful benefit to the tax base, with significantly less traffic than is permitted by-right, and a noteworthy upgrade in uses from what otherwise can be developed under MR-HI or PD-GI.

Although it is not clear whether the applicant\owner can or will utilize the additional FAR, the applicant\owner was persuaded by the Dulles District Planning Commissioner (joined by the

Sterling District Commissioner) to consider a late but logical increase in the density from a .4 to .6 FAR, via a Special Exception under the PD-GI District regulations. The Applicant's representative made clear in the discussions with the County that it is not prepared to agree to a "minimum", but having a higher ceiling and potential for additional data center FAR makes sense on this site. The Applicant's transportation consultant has confirmed there is no meaningful degradation in the transportation infrastructure by having the option to increase the data center FAR from .4 to .6.

Importantly, the additional data center FAR would go "up" and not "out". There is a maximum building height of 45 feet, with an ability to peak at 100 feet as buildings step back from the property lines. This ensures the flexibility needed to go vertical, not horizontal, in accommodating any additional square footage. The additional FAR, if realized, will be incorporated by raising the height of the building(s), not spreading out footprints into the rest of the site.

All critical environmental and open space features previously committed to remain unchanged – such as lot coverage and open space; and the building envelopes remain the same. Stormwater management, set-backs, protected environmental features and RSCOD are all unaffected by the additional FAR.

VI. Compliance with Special Exception Items for Consideration § 6-1309

The Applicant's proposal requires a Special Exception. Section 6-1309 lists certain factors that should be considered when deciding whether to grant a Special Exception. Those factors are addressed below.

- (1) Whether the proposed minor special exception or special exception is consistent with the Comprehensive Plan*

Please refer to Section III, above, which notes that data centers are recommended in this area as a Core Use, with FARs up to 0.6, consistent with this request. The Applicant notes that the data center industry has grown tremendously in the County. The presence of data centers provides a steady source of revenue to the County, and the Department of Economic Development has consistently courted prospective data center users as an important aspect of the County's economic growth strategy.

- (2) Whether the level and impact of any noise, light, glare, odor, or other emissions generated by the proposed use will negatively impact surrounding uses.*

The proposed use is compatible with existing and planned surrounding uses, and Proffer III includes measures to mitigate the impact to surrounding properties, which are all currently industrial, airport or mineral extraction in nature.

- (3) Whether the proposed use is compatible with other existing or proposed uses in the neighborhood, and on adjacent .*

The proposed use is compatible with existing and planned surrounding uses. The surrounding parcels are developed with industrial uses to the south and east, and a quarry and related uses to the west. The portion of the Dulles Airport property to the north of the subject site contains an internal access road and fire brigade practice range, but is otherwise largely undeveloped.

- (4) *Whether the proposed special exception or minor special exception adequately protects and mitigate impacts on the environment or natural features including, but not limited to, wildlife habitat, vegetation, water quality (including groundwater), air quality, topographic, scenic, archaeological or historic features, and agricultural and forestal lands.*

The proposal will meet all County, State and Federal requirements related to the protection and mitigation of impacts to environmental or natural features including the floodplain and jurisdictional wetlands depicted on the CDP submitted with this application. Should any wetlands be disturbed, appropriate wetlands mitigation will be implemented and/or credits will be purchased.

As depicted on the CDP, the floodplain will be undisturbed and the River and Stream Corridor Management buffer will be provided to protect and ensure the continued health of the related water course. A Phase I archeological study, conducted by Dutton + Associates and submitted as part of this application, concluded there were no archeological, cultural, or historical resources associated with the site that were worthy of additional study

- (5) *Whether the proposed special exception at the specified location will contribute or promote the welfare or convenience of the public*

The proposed development will contribute significantly to the welfare of the public through its economic benefits and low impact on public services and infrastructure. The County will realize substantial tax revenue from the proposed use, while its low impact ensures that the revenue can be allocated elsewhere in Loudoun County.

- (6) *The protection of life and property from impounding structure failures.*

The proposed use will have *de minimus* impacts on the vast majority of public facilities such as schools, parks, and housing. The use does not generate any school children. The level of employment will be such that it will not put a strain on the services provided by the County. The proposed use will add minimal traffic to the surrounding road network, and existing public sewer and water lines will easily serve the Property.

VII. Conclusion

This application contributes to the public welfare in that it has minimal impact on County facilities and services while generating a significant amount of taxes for the County to use to benefit its citizens. The proposed use generates significantly less traffic than other uses that could be developed on this site, and rezoning the site from MR-HI to PD-GI to accommodate a data center uses (as compared to mineral extraction-related and industrial uses) at an FAR of .4 (up to a .6 with the approval of the recently requested Special Exception) will reduce drastically the Property's traffic impact from the currently permitted by-right options. This reduced traffic will lessen the impact on US Route 50 and surrounding roadways, thus freeing up capacity on this very important corridor. The submitted layout allows the site to be developed in an efficient and well-designed manner while still providing important and valuable right-of-way for the critical extension of Tall Cedars Parkway. Based on the foregoing justification, the Applicant respectfully requests a recommendation of approval from Staff and the Planning Commission, and approval by the Loudoun County Board of Supervisors.