

STAFFORD COUNTY, VIRGINIA
PROFFER AMENDMENT JUSTIFICATION

Applicant: Amazon Data Services, Inc., a Delaware corporation (the “Applicant”)

Owner: Old Potomac Church LLC, a Virginia limited liability company (the “Owner”)

Applicant’s Representative: Charles W. Payne, Jr.
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Project Name: “Potomac Church”

Property: Tax Map Parcel No. 39-71A, consisting of 49.9 acres, more or less (collectively, the “Property”)

Date: April 5, 2023

Current Zoning: Urban Commercial (B-2)

Request: Amend Stafford County Ordinance O09-28 (Case No. RC2800486) to permit the development of a data center campus

File No.: _____

1. Background. The Property consists of approximately 49.9 acres of undeveloped land and is generally located off of Old Potomac Church Road near the intersection of South Campus Boulevard with convenient access to Richmond Highway (U.S. Route 1).¹ The Applicant seeks to amend the proffers (the “Proffers”) approved by the Stafford County Board of Supervisors (the “Board”) on or about September 15, 2009, as Ordinance O09-28 (Case No. RC2800486), then rezoning the Property from the Agricultural-1 (A-1) zoning district to Urban Commercial (B-2). Under the current Proffers, in relevant part, the maximum building area for the Property must be no more than 531,868 square-feet with a minimum of 60% of the gross building area at the time of maximum build-out being medical or general office and/or medical-dental clinic uses. A copy of the current Proffers is attached hereto and marked as **Exhibit A**.

Since the 2009 approval, the Property has remained undeveloped. Accordingly, the Applicant seeks to amend the Proffers to allow for the development of a data center campus consisting of data center facilities, public facilities/utilities, and related accessory uses on the

¹ The Property is situated in the Falmouth election district.

Property, all as set forth on the generalized development plan prepared by Bowman Consulting Group Ltd., titled “GENERALIZED DEVELOPMENT PLAN POTOMAC CHURCH PROPERTY TAX MAP: #39-71A FALMOUTH MAGISTERIAL DISTRICT STAFFORD COUNTY, VIRGINIA”, dated March 27, 2023 and attached hereto as **Exhibit B**, and in the Proffer Amendment Statement included with this application (the “Amended Proffers”).

2. Request. As mentioned above, the Property is subject to the conditions under the Proffers. Accordingly, the Applicant is requesting the development of a data center campus consisting of two data center facilities totaling approximately 510,000 square feet of space, public facilities/utilities, and related accessory uses on the Property which are by-right uses in the B-2 zoning district, and require a proffer amendment to the Proffers, all as described more particularly in the Proffer Amendment Statement enclosed herewith.

3. Justification. The Applicant’s proposed primary use as a data center campus is allowed under the B-2 zoning district. However, the Proffers limit the uses on the Property to 531,868 square-feet of commercial office space with a minimum of 60% of the gross building area at the time of maximum build-out being medical or general office and/or medical-dental clinic uses. Thus, the Applicant must amend the Proffers. For the reasons described below, we believe the Applicant’s proposed proffer amendment is in accordance with the underlying zoning ordinance, compatible with surrounding uses and supported by the County’s Comprehensive Plan (“Comp Plan”) adopted on November 16, 2021.

Zoning Ordinance

As mentioned above, this Property is currently zoned B-2, which permits data centers as a by-right permitted use. This Property is undeveloped, and has remained so since its original conditional rezoning in 2009. We believe that this proffer amendment will allow for the viable and immediate development of this Property with a by-right use (data center), which will not only allow for a productive use of the Property, but also create significant positive tax revenues, create high quality and paying jobs, and generate significantly less traffic volumes than permitted uses under the Proffers, all as further described below.

Comprehensive Plan Analysis

Again, we believe that this Project is consistent with the County’s Comp Plan, and specifically conforms to several of its goals, including:

- *Attracting and retaining high quality, highly skilled and well-paying employment options for residents.*

This Project will generate significant private investment into the County at this location (over \$2 billion alone on this site). Additionally, this Project is expected to create 3,254 jobs during development (mostly in the construction field), and 61 permanent jobs at full build-out (mostly in the high-skilled tech-industry).

- *Directing growth into the USA, and encouraging the development of accessible, convenient, and attractive commercial and industrial locations within the USA.*²

The Project is located within the USA, and will be served by public water and sewer facilities. Further, the Applicant agrees in its Amended Proffers that the Project will be developed as depicted on the general building feature illustrations, attached hereto as **Exhibit D**. Additionally, the Project will be adequately screened and set back from nearby residential, commercial, and institutional uses to minimize visual and noise impacts, all as shown on the GDP.

- *Minimizing impacts to the environment, including conservation of green space and tree preservation.*

The overall open space for the Project is expected to be at least 25% of the Property, as more particularly discussed in the Proffer Amendment Statement and GDP. Further, the Applicant will preserve existing trees within the buffer areas shown on the GDP. In the event the Applicant must clear existing trees within the said buffer area, the Applicant agrees to install new planting materials, all as provided more particularly in the Proffer Amendment Statement.

- *Directing development in the County's Targeted Development Area.*

The Property is located within the County's Courthouse TDA, specifically in its mixed use – commercial/residential area. In the Courthouse TDA, the County envisions 5,440 residential dwelling units, including 3,190 multi-family, 750 townhouse, and 1,500 single-family units, and 5,500,000 square-feet of commercial development. While this Project does not include any residential uses, this Project will develop approximately 510,000 square-feet of data center facilities, a by-right use, on commercially zoned land. As noted above, the Proffers restrict the Property to 532,000 square feet of commercial office and retail space that will generate over 19,000 vehicle trips per day vs. the Applicant's alternative proposal which will generate 382 vehicle trips per day at full build out of 510,000 square feet of data center space. Further, this Project is compatible with surrounding uses and contemplated uses under the Comp Plan, and will attract a targeted County industry to this immediate area that will have significantly less impact than what is currently permitted under the Proffers.

- *Promoting the Smart Downtown Vision.*

Finally, the Property is located within the "Smart Downtown" area – which is a "first-of-its-kind model 'Smart Community' in Virginia, demonstrating smart technologies and serving as a model for other communities." The Comp Plan further notes that "[a] Smart Community is one with technological infrastructure that enables it to collect, aggregate, and analyze real-time data to improve the lives of its residents, businesses, and visitors." This Project consists of two, high-tech data center facilities with accessory uses, which will significantly add to the technology based industries offered in this area. And, seeing as the function of a data center is to provide shared access to applications and data using complex networks and storage infrastructure, we believe this Project meets the vision of the Smart Downtown Area.

² The Applicant submitted a Comprehensive Plan Compliance Application with this proffer amendment request for the construction of substations and the extension of electric lines to serve the Project.

Fiscal Impact Analysis.

Additionally, the Applicant included a Financial Impact Analysis based on data provided by the Fredericksburg Regional Alliance at the University of Mary Washington, Mangum Economics, and Chmura Economics and Analytics, which is titled “Economic and Fiscal Contribution of a Data Center Development to Stafford County”, which is attached hereto and marked as **Exhibit E** (the “FIA”). According to the FIA, each 250,000 square-foot data center facility is anticipated to generate the following economic output:

- Investment of approximately \$1 billion capital investment in the County, with \$330 million for real estate and \$670 million for business personal property values, including data center equipment.
- As a result, the Project is anticipated to generate over \$2.8 million annually in County real estate taxes and approximately \$2.1 million in County personal property tax revenue.
- In sum for just a 250,000 square-foot facility, it is anticipated to generate \$4,898,750.00 in positive tax revenues for the County.
- Upon full build-out of a 250,000 square-foot data center facility, 30 full time jobs are anticipated to be created, which is expected to generate approximately \$4,830,000.00 in labor income.
- The indirect and induced employment from on-going operations of the 250,000 square-foot data center facility is expected to generate another 108 jobs, which will generate approximately \$4,849,000.00 in labor income.
- The indirect and induced employment caused by the construction of this Project is expected to create 245 jobs, with \$12,969,500.00 in labor income.
- Overall, the total economic activity estimated during the construction phase of a 250,000 square-foot data center facility is anticipated to total \$371,390,590.00 generating \$9,118,355.00 in state and local tax revenues.

Please note that the Applicant is planning to develop approximately *510,000 square-feet* of data center facilities on the Property. Accordingly, the above numbers will be scaled by multiplying each number by 2.0 – for example, upon full build-out of the Project, 60 +/- permanent jobs are expected to be created which is also estimated to generate approximately \$9,660,000.00 in labor income, and \$9,797,500.00 in total annual tax revenues for the County.³ Accordingly, this Project will benefit the County by generating significant positive tax revenues, and providing additional, high paying careers to its citizens.

Traffic Memorandum.

Additionally, the Applicant included a traffic memorandum, titled “Potomac Church AWS Data Center – Trip Generation Assessment,” dated March 24, 2023 and prepared by Bowman

³ These estimated figures were extrapolated from the FIA, and therefore are included for example purposes only.

Consulting Group Ltd., attached hereto as **Exhibit F** (the “Traffic Memo”). The Traffic Memo analyzed the existing roadway network in this area, which includes U.S. Route 1, Old Potomac Church Road, and South Campus Boulevard. Its trip generation projections for the Project were developed based on existing traffic data for similar data center facilities within the Commonwealth of Virginia.

The Applicant constructs data centers throughout the country and the Commonwealth. The data centers developed by the Applicant are unique compared to typical data centers because of their highly specialized and modern state of the art facilities which require fewer external trips to the roadway network due to their efficient operations and automated systems.

Accordingly, Bowman prepared and developed a trip generation assessment in March 2023 to determine the average weekday and peak hour trip generation rates for these facilities based on actual data from fully operational sites, which is a part of the Traffic Memo (the “Assessment”). This Assessment was developed in coordination with the Virginia Department of Transportation’s Fredericksburg District and Central Office, and the Assessment is approved by both entities for use in this Traffic Memo.

The Assessment concludes that the following average weekday, AM peak hour, and PM peak hour trip generation rates for the existing data center facilities:

- 0.75 daily trips per 1,000 square-feet or 382.50 vehicle trips per day at full build out.
- 0.09 AM peak hour trips per 1,000 square-feet or 45.9 vehicle trips during AM peak hour at full build out.
- 0.03 PM peak hour trips per 1,000 square-feet or 15.3 vehicle trips during PM peak hours at full build out.

With this Assessment methodology, the Traffic Memo evaluates the anticipated site trips generated by the Project, which is expected to consist of two (2) data center buildings with a cumulative size of approximately 510,000 square-feet. The Traffic Memo evaluates the anticipated site trips generated by the Project. The Traffic Memo concludes that the estimated site trips for the Project will result in 46 total trips during the AM peak hour, 15 during the PM peak hour, and 383 trips during an average weekday. Please note that the Stafford County *Zoning Reclassification Application Packet, revised August 2020* notes that a traffic impact analysis (“TIA”) is required for any proposed development that is anticipated to generate 1,000 or ore vehicle trips per day. The Traffic Memo indicates that the Project is anticipated to generate 471 daily trips. Accordingly, the Project is a low-traffic generator, and a TIA is not required.

Further, this Project is expected to generate significantly less traffic than a medical/dental office building – which generates approximately 36 daily trips per 1,000 square-feet. If the Property were developed with the maximum square-footage permitted under the Proffers (531,868 square-feet), the a minimum of 319,120.80 square-feet of said development must be medical/dental office. Accordingly, if the Property were developed in accordance with the Proffers, the development would generate between 19,147.25 and 11,488.35 total daily trips (18,764.25 to 11,105.35 total daily trips more than the proposed Project).

Additionally, as a part of the Project, the Applicant committed to constructing the following improvements and cash proffers, all as more particularly described in the Proffer Amendment Statement and shown on the GDP:

- Improve a portion of Old Potomac Church Road to include a two-lane right-of-way along the Property's frontage that is controlled by the Applicant; and
- Construct pedestrian walkways along its Property frontage adjacent to public roads within the public right-of-way.
- The Applicant will pay the aggregate sum of \$500,000.00 towards additional future transportation improvements to be constructed by others along Old Potomac Church Road.

Also note that the Property will be accessed via two (2) full access driveways with its principal access off of South Campus Boulevard. More specifically, the first driveway is expected to form the fourth leg of the existing three-legged intersection of Old Potomac Church Road and South Campus Boulevard. The second site driveway is expected to be located further to the south along Old Potomac Church Road, and will serve only as emergency access to the Project, all as shown on the GDP.

Archaeology Report.

The Applicant also provided a Phase I archaeological investigation report prepared by R. Christopher Goodwin & Associates, Inc., titled "Phase I Archaeological Survey for the Proposed Potomac Church Site, Stafford County, Virginia" dated February 7, 2023, and attached hereto as **Exhibit G** (the "Phase I Report"). This Phase I Report is based on fieldwork undertaken during January of 2023. Generally and as noted below, the Phase I Report found no sites of historical significance that would require further archaeological investigation – and this Project is not expected to have any adverse impact on areas of historical significance.

A total of 414 shovel tests were excavated plus an additional 26 delineation shovel tests. An additional 451 planned shovel tests were not excavated due to standing water, existing disturbances, or slopes in excess of 15 percent. All areas not subjected to shovel testing were examined through pedestrian survey. This Phase I Report identified an isolated early to middle stage quartz biface. This artifact represents the isolated discard of a tool broken during manufacture. Six historic glass artifacts were recovered from the Ap horizon in a single shovel test, appear to represent a brief episode of nineteenth casual refuse discard, and were not considered to be an archaeological site (and are not considered historical properties). Therefore, it is not recommended for further archaeological investigation for these isolated finds.

Please note that a previous survey had been conducted in 2008 but not submitted for review to the Virginia Department of Historic Resources (VDHR) – such report is a part of the Phase I Report. The 2008 survey identified Site 44ST1045 as a probable early twentieth century "ice house" pit with a concentration of bottle glass in a shallow ravine west of the pit. This Phase I Report found that this location actually was approximately 328 feet south/southwest of the previously mapped location. This site was found to consist of an unlined hole associated with a bottle dump. The 2008

survey recommended that Site 44ST1045 was not National Register of Historic Places eligible due to the existence of similar sites in the region, an absence of artifacts in or adjacent to the pit, and an absence of structural remains at the site. The current Phase I Report also found no evidence for artifacts in or near the pit, no structural remains, and no evidence that historical aerial or cartographic data placed a structure at this location. In addition, the glass bottles appear to be the result of refuse dumping and not clearly related to the pit. Therefore, Site 44ST1045 does not possess the potential to address significant research issues. And, it is thus not a historic property and it is not recommended for further archaeological investigation.

The 2008 survey also identified Site 44ST1046 in the eastern portion of the Property, on a south-trending ridge straddling the forest and transmission line easement boundary. The site consisted of four shovel tests and surface area that yielded a total of 39 prehistoric artifacts, including 2 bifaces, 1 uniface, 1 sandstone fragment, and 35 lithic debitage. One of the bifaces was the stemmed base of a projectile point/knife that fit with the Savannah River, Holes or Bare Island types. The 2008 study recommended avoidance or additional archeological investigation of Site 44ST1046. During the current Phase I Report, shovel testing failed to identify any prehistoric artifacts in or near the previously mapped location of Site 44ST1046. Therefore, there is no evidence that Site 44ST1046 continues to exist on the Property, and no further archaeological investigation is recommended.

This Phase I Report did recover 11 prehistoric artifacts close enough to the mapped location of the previously recorded Site 44ST1047 that they are considered to be a part of the Property. The artifacts consisted of 10 quartz lithic debitage and one quartz tempered possible Early Woodland Accokeek ware sherd from Ap horizon contexts. The 2008 survey has identified three debitage from two shovel tests as Site 44SR1047. The low density and variety of artifacts and the absence of evidence for intact (unplowed) cultural deposits suggest that Site 44ST1047 lacks integrity and substantive research potential, and this is not considered to possess those qualities of significance as defined by the National Register Criteria for Evaluation, and no further archaeological investigation is recommended for the site.

Overall, the Phase I Report found no sites of historical significance that would require further archaeological investigation – and this Project is not expected to have any adverse impact on areas of historical significance.

Environmental Studies.

Further, the Applicant provided a preliminary wetland delineation prepared by Kimley Horn, titled “Preliminary Wetland Delineation With 2-Foot Contours” dated March 7, 2023, and attached hereto as **Exhibit H** (the “Wetland Delineation”). The Wetland Delineation is accompanied by the environmental inventory map also prepared by Kimley Horn, titled “Environmental Inventory Map” dated March 24, 2023, and attached hereto as **Exhibit I** (“Inventory Map”). Both the Wetland Delineation and the Inventory Map detail the environmentally sensitive areas on the Property – note that the Project is intentionally designed to avoid most of these areas (*see* the GDP).

Also note that the Applicant also provided a letter from the United States Department of the Interior – Fish and Wildlife Service (the “Service”), dated March 14, 2023, confirming that the Project

“not likely to result in unauthorized take” the northern long eared bat (*see Exhibit J*). The Service does not require any further actions, and coordination with the Service is complete.

Sound Study.

Finally, this Project will meet the County’s noise ordinance (Chapter 16 of the Code) (the “Noise Ordinance”). The Noise Ordinance requires that when a noise source can be identified and its noise is measured in more than one zoning district classification, the limits of the most restrictive classification must apply – although this Project is industrial, it will meet the current requirements of the adjacent properties’ current zoning, which are zoned residential and commercial, as applicable. Please note that the current residential requirements are 60 decibels (dBA) during the daytime and 55 dBA during the nighttime; and the current commercial requirements are 65 dBA during the day time and 60 dBA during the nighttime.

The Project is intentionally designed to include elements to reduce noise produced by the operation of the data centers. More specifically, as shown on the GDP, this Project proposes to situate its generators between the two (2) data center buildings. Further, the Project will include enclosed generators, buffering, setbacks, screening, landscaping to mitigate its impacts to the area, all as shown on the GDP. These efforts will permit the Project to comply with the County’s Noise Ordinance, and mitigate its impacts on surrounding properties. Further, and to ensure that the Project satisfies the aforesaid, the Applicant agrees, as provided more particularly in the submitted Proffer Amendment Statement, to conduct sound studies prior to site plan approval to confirm the same to the County.

Comp Plan Compliance Review

As a part of this Project, the Applicant is working with Dominion Energy to develop and construct one (1) electrical substation and its accessory equipment on the Property, which requires the Applicant to request and the County to complete a Comp Plan Compliance Review (also known as the “2232 Review”). The 2232 Review requires that the County determine whether the location of the electrical substation and its accessory equipment, all consisting of 217,800 square-feet, on the Property is substantially in accord with the Comp Plan, pursuant to Virginia Code Section 15.2-2232. The Property is located within the USA with access to public water and sewer; accordingly, this 2232 review is limited to the review of the electrical substation and accessory equipment related thereto. Accordingly, the Applicant submitted the 2232 Review application along with this proffer amendment application, and is providing the additional information below to facilitate the County’s review:

As mentioned above, this Property is within the USA, and is already envisioned to be served by public water and sewer. Further, existing transmission lines already run adjacent to the Property on its western boundary with an existing twenty (20) foot wide Virginia Power Electric Easement on the western portion of the Property. And given the development pattern of this area, which is predominantly dense residential, commercial, and institutional uses, the development and construction of the electrical substation (the “Substation”) is not entirely out of character. Further, the Applicant is proposing to enclose the Substation and its accessory equipment in a security fence and a retaining wall with required buffering in order to provide screening from neighboring

properties, all as shown on the GDP. Accordingly, we believe that the proposed screening, buffering, and landscaping will all mitigate the visual impact from the Old Potomac Church Road and neighboring properties.

Also, the Substation is strategically located on the northeastern corner of the Property to limit visual and audible impacts to surrounding properties. As shown on the GDP, this location of the Property sits lower than the surrounding land, which will also limit its visibility and audibility from the surrounding areas. Further, the Substation will not generate nor does it add another access point onto Old Potomac Church Road. Additionally, the Project is in harmony with the scale, bulk, coverage, density and character of the area. This area is largely intended for dense commercial and residential uses, and this Substation has potential to serve the surrounding area. We do not believe that this electric substation will impair the value of this Property or adjacent land/buildings.

In summary, the proposed electrical substation is defined by the Code of Virginia as a “public utility” and therefore the County must determine whether it is in conformance with the Comp Plan. Under § 15.2-2232 of the Code of Virginia, a local Planning Commission should ensure that projects are substantially in accord (in conformance) with the locality’s Comp Plan. Generally, whenever the Planning Commission recommends a comprehensive plan or part thereof for the locality and such plan has been approved and adopted by the governing body, the Planning Commission is required to review proposed additions to these elements regarding the general or approximate location, character, and extent. Given that the proposed Substation is expected to have the ability to provide necessary electric service to the area and is appropriately located in the USA and adjacent to existing transmission lines, we believe that the public utility use is substantially in accord (in conformance) with the County’s Comprehensive Plan.

6. Exhibits: The following exhibits are enclosed herewith and are a material part of this application:

- A. Current Proffers
- B. Generalized Development Plan
- C. Trip Generation Assessment
- D. General Building Features
- E. Fiscal Impact Analysis
- F. Traffic Memorandum
- G. Phase I Report
- H. Wetland Delineation
- I. Inventory Map
- J. Service Letter

EXHIBIT A

Current Proffers

EXHIBIT B

Generalized Development Plan

EXHIBIT C

Trip Generation Assessment

EXHIBIT D

General Building Features

EXHIBIT E

Fiscal Impact Analysis

EXHIBIT F

Traffic Memorandum

EXHIBIT G

Phase I Report

EXHIBIT H

Wetland Delineation

EXHIBIT I

Inventory Map

EXHIBIT J

Service Letter