



MEETING OF JOINT PUBLIC HEARING CITY COUNCIL AND PLANNING BOARD

59 COURT STREET
MUNICIPAL BUILDING, CITY COUNCIL CHAMBERS
WESTFIELD, MASSACHUSETTS
OCTOBER 04, 2021 AT 6:00 PM

The meeting was called to order in the City Council Chamber, Municipal Building, 59 Court Street, Westfield, MA at 6:00 PM by President Bean.

The Clerk called the roll. All thirteen Councilors were present. Planning Board member Raymond St. Hilaire was absent. All other Planning Board members and the two associate Planning Board members were present.

The Pledge of Allegiance was led by the President.

At 7:03 PM Planning Board member Raymond St. Hilaire arrived at the meeting and was recorded as being present.

A Public Hearing was held to review an application submitted pursuant to MGL Chapter 121A by Servistar Realities, LLC of One Boston Place, Suite 2600, Boston, MA to construct 10 data center buildings totaling 2.74 million square feet on 155.49 acres at 0 Ampad Road (Parcels 56R-96, 97, 98); 0 Egleston Road (Parcels 56R-30, 47); 0 (Parcel 63R-3-2D) 10 & 15 Campanelli Drive; 85, 81, 91, 97, 103, 115 & 191 Servistar Industrial Way. Mr. Jeff Daley, President and CEO of Westmass Area Development and a Westfield resident addressed the Council. He introduced his team representing the application as follows, Paul Corey, Attorney Jane Mantolesky and Erik Bartone. The team will be presenting the 121A agreement to both the Council and the Planning Board tonight and then the site plan for the Planning Board tomorrow night. Mr. Erik Bartone, a Principal with DBS Energy, Cromwell, CT as well as a Boston location, representing the applicant for development and Fortune 50 companies that are interested in developing a large-scale, hyperscale data center in New England addressed the Council. He started a powerpoint presentation. He informed the Council that the site is made up of 16 individual parcels, 162 acres located in the Industrial A zone located off Servistar Industrial Way with the main entrance on Ampad Road. The campus contains 10 data center buildings with 2.74 million square feet of data center space. The 16 individual parcels have negotiated acquisition agreements with the current owners. Servistar Realities LLC was set up as a special purpose acquisition company. His company is hired by the large companies such as Google and Amazon to identify the site for the data centers. Most of his company's services are relative to energy procurement, infrastructure development, site location, real estate acquisition and legal & regulatory. He reviewed the industry background as follows: data management services are growing at an annual rate in excess of 10% due to

the digitalization of the economy, an information based society, everyone having many devices and that data has to be managed. There is a huge market ship going on with everything more cloud based and more data processing going that is increasing the growth of data management services. The data center industry over the last 10 years has grown out of the Silicon Valley, San Francisco area and has migrated east to northern Virginia's Loudoun County primarily due to the undersea cables that connect to Europe. There are many Fortune 50 companies driving this growth of data centers due to their desire to diversify their concentration of data all in one location so as to reduce their risk. The buildings themselves house more equipment and not many people, they are modern high tech, have redundancy in hvac and electrical. Site selection criteria is based on energy costs/reliability, property taxes, sales and use tax and regulatory environment with the magnitude of the costs going to energy costs. He reviewed a comparison of the different costs of electricity, real property taxes and personal property taxes with Loudoun County, VA paying \$9,000,000 electrical costs, Piscataway, NJ paying \$14,100,000 and Boston, MA paying \$20,400,000. He compared the different taxes in each location, pointing out the difference in costs are based on the local tax rates. It is these comparisons that are used in evaluating site selection. There are 30 states right now that have laws relative to tax rates to attract data centers. And in New England there is no such legislation, except for Connecticut which just passed legislation. Energy costs and reliability are two things that are looked at in site selection and at the Westfield site there is a transmission interconnect, a new \$36 million Eversource upgrade high voltage transmission lines and a new substation improving reliability in this region. Through data from Eversource these lines are 100% reliable. Secondly looked at the fiber network and Westfield is unique in that it has a utility that has invested a significant amount of fiber infrastructure with Whip City Fiber providing a robust fiber network that links the Boston and Manhattan markets. The geographic location of Westfield was looked at which has a central location between Boston, Rhode Island, Manhattan, Albany and Connecticut, a dense population of 34 million in a 100 mile radius, it has access to three airports, Barnes, Bradley and Logan. He presented an overlay chart of Westfield comparing energy costs and taxes (preliminary numbers) with Loudoun County, VA, Piscataway, NJ and Boston, MA. The model used for energy costs was for a direct, wholesale purchase through ISO New England, for a cost of seven cents per kilowatt hour which is a very attractive cost. The modeled property taxes, which are similar to Loudoun County, VA, are very attractive. The property taxes modeled out what the property taxes would look like over the 40 year term. The build-out would be 12 to 18 years and taxes would be paid as they are built. The total taxes would be around \$360 million over the 40 years. The average annual taxes would be \$9 to \$11 million a year. There would be over 400 full time jobs at the project site, with an average of annual salary of \$100,000, the jobs would be a skilled workforce, mostly IT. Trade jobs for HVAC, electrical, plumbing during construction and with so much infrastructure the construction doesn't really end. About 1,200 indirect jobs of engineers, architects, legal, environmental, support and supply services. Benefits Westfield's economic expansion. Supports the Westfield Turnpike Industrial Park with ancillary businesses expected to locate new facilities supporting additional jobs and additional property taxes. Westfield Gas and Electric is important to the project because of the fiber and

the natural gas as well as water from the City. The key considerations for the project are the energy costs. The property taxes, which is why the project is before the City Council, for the 121A/6A tax agreement, which Attorney Jane Mantolesky will get into later. The project is looking for local approval from the Planning Board and Conservation Commission as well. He explained that they are working with Massachusetts legislators for long term sales and use tax incentives to be able to compete with Connecticut.

Attorney Jane Mantolesky addressed the Council relative to the MGL Chapter 121A. She informed the Council that it allows cities and developers to pay an in-lieu of taxes payment on excise personal property taxes and real estate taxes under Section 6A of MGL Chapter 121A. The purpose is to entice developers to develop blighted open space, decadent or substandard areas. The project must serve a public purpose which includes economic development. The Section 10 excise tax payment is due on March 15, annually to the Massachusetts Department of Revenue and then it's transmitted back to the City. The Section 6A property tax contract payment is due on April 1st annually, paid directly to the City. The excise tax payment is approximately \$2 million a year and the 6A real estate taxes are an average of \$7 million a year. The process for a 121A project begins with the developer speaking with the Mayor, Treasurer and Assessor as to what the numbers could look like. Once the preliminary numbers are set, the developer submits the application to the Department of Housing and Community Development, then the Department of Housing and Community Development provides the application, that has meet all the regulatory requirements under 121A, to the Mayor in which the Mayor transmits the application to the City Council and the Planning Board. The City Council and Planning Board hold a joint public hearing, which is what is happening tonight. The Planning Board then issues a report on the approval of the project, which includes seven findings. The Planning Board transmits the report to the City Council within 45 days of the close of the joint public hearing. The City Council has 30 days after transmittal to adopt the report and send Mayor. The Mayor sends to his approval to the Department of Housing and Community Development and the Department of Housing and Community Development provides a final sign off. Recent 121A projects include MGM Springfield in 2014 and a mixed use project in Easthampton in 2021. The seven 121A required findings are as follows:

1. The proposed project area is qualified under the statutory definition of "blighted open", "decadent" or "substandard" area established in Section 1 of MGL Chapter 121A.
2. The project is not in contravention of any zoning, subdivision, health or building ordinance or by-law or rules and regulations of the city or town
3. The project does not conflict with the City's master plan, or if there is no master plan, with the local or regional plan, as appropriate
4. The project is not detrimental to: a. The best interests of the public or the City; b. the best interests of public safety and convenience
5. The project is consistent with the most suitable development of the City
6. The project constitutes a public use and benefit (economic development)

7. The method of relocation is feasible, where applicable, and housing is available for displaced occupants

Councilor Flaherty questioned the Annual Operating Costs graph and what is made up of those costs. Mr. Bartone explained that the graph models represent the loads of a typical data center with the purchase of electricity in the real time market. Councilor Onyski questioned how the Westfield Gas & Electric fits into the project. Mr. Bartone replied that the project would be getting the electricity from the transmission system and they would be paying Eversource. The WG&E is on the distribution system and the project is on the transmission system. The WG&E would be used for fiber and gas and emergency power. Councilor Onyski questioned what the estimate payments would be WG&E for fiber and gas. Mr. Bartone replied that he did not have those numbers because they have not started negotiating yet, but it could potentially in the range of seven figures. Councilor Matthews-Kane questioned how much water will be used for the cooling. Mr. Bartone replied that the cooling system is a closed system and does not use a significant amount of water and in the winter time the outside air is used for the cooling. Commissioner Bowen questioned if the 400 jobs that the project will produce will be remote jobs. Mr. Bartone replied that there will be remote jobs, but there will also be jobs that are needed to be on site and it will be about 40 jobs per building of jobs on site. Councilor Beltrandi questioned what the requirements will be for local people to get jobs on the construction side. Mr. Bartone replied that it is beyond his scope relative to the hire procedures and labor agreements, but that from his experience it is typically a combination of union and nonunion employees that are hired and it is important to have local people that understand the local regulations. Councilor Beltrandi if hiring local people is something that is written into the agreement. Mr. Bartone replied that he could get that information. Commissioner Crowe questioned what happens if there is a power outage. Mr. Bartone replied that it is required that there is 100% redundancy using diesel generators which take about 15 seconds to transfer the load and natural gas generators are taking about three minutes and with the new technology it's taking about 45 seconds and that may be the way the industry will go, but for now it will be diesel generators. The generators are individual units for each building and each has its own diesel storage tank. There are no large storage tanks. Councilor Allie questioned how long is the capacity for the diesel systems. Mr. Bartone replied that the generators are regulated by the State and can only run during power outages and they will run once a month for testing purposes. Councilor Allie informed Mr. Bartone that Westfield faces a lot of challenges with a lot of roads and infrastructure and asked if he was done negotiating the deal with the Mayor or if there was still time to add to the deal. Mr. Bartone replied that the negotiations are complete with the Mayor and it's all about the numbers in totality and that the numbers are transparent. Councilor Flaherty asked if the electricity is going to be purchased directly from the Westfield Gas & Electric. Mr. Bartone replied no. Councilor Flaherty questioned if the diesel generators had to run for an extended time would more fuel have to be trucked in to refuel the generators. Mr. Bartone replied yes. Councilor Flaherty questioned if natural gas were to be used, how they would handle the issue of getting natural gas in an emergency because New England has an issue with getting natural gas in this area because there is no pipeline. Mr. Bartone replied that it should not be an issue

and if they were to go to natural gas that would have to be worked out. Councilor Flaherty commented that 121A projects usually have housing projects included and this project has no housing which is a concern. Councilor Flaherty questioned how the calculations came about. Attorney Mantolesky replied that the calculations have been reviewed by the City Assessor, City Collector and the Law Department. Councilor Flaherty informed Mr. Bartone that per the 121A agreement the profit can be no more than 8 percent and per his review of the agreement more than 8 percent will be made. Attorney Mantolesky replied that the agreement was written within the content of the law. Councilor Sullivan questioned what is currently being collected on these properties now. Mr. Bartone replied around \$120,000. Councilor Sullivan asked what will the total amount of taxes that will be completed on the project. Mr. Bartone replied \$360 million. Councilor Burns asked if there would be any cost to the City to bring in public water and sewer to the site. Mr. Bartone replied that there would be no cost to the City. Councilor Mello questioned how much impervious surface on the property and after completed. Mr. Bartone replied that he is not sure. Councilor Mello questioned the name of road in the pictures provided in the application that is a claim of blight. Mr. Bartone replied it is Ampad Road. Councilor Mello questioned what is happening with the turtle habitat. Mr. Bartone replied that the plan was redesigned to remove the proposed 11th building to open up the area for the turtle habitat. Councilor Morganelli questioned how the equipment will be brought in. Mr. Bartone replied by truck. Councilor Morganelli questioned how many acres of trees will be removed for the project. Mr. Bartone replied that he would get that answer. Councilor Morganelli questioned which open space goal does this project represent. Attorney Mantolesky replied that it is section 4 of the application on page 8 and she read from the application. Mr. Corey reviewed the plans for the box turtles and the extensive research done to preserve the wetlands that makes this project the best use of that property. Commissioner Bowen questioned what how the personal property exemption works within the 121A agreement. Attorney Mantolesky replied that the Commonwealth does not have taxes for data centers and that the personal property exemption is included in the 121A agreement. Councilor Beltrandi questioned if there is any solar within the projects. Mr. Bartone replied that there would be some, a small amount. Councilor Flaherty commented that the \$60 per square foot for taxes is low because data centers generate a lot more money than a warehouse on an industrial lot and that somebody is making out on this deal. Mr. Bartone replied that the whole project needs to look at the project in totality. Mr. Jeff Daley informed that the tax will grow in year one because roads and improvements will be made to the property and the 121A agreement gives stability to the assessment of the property with 2.5 percent of growth per year. Councilor Flaherty asked if the \$60 per square foot is final. Mr. Bartone replied that yes that is the deal. Mr. Corey reiterated how the costs were assessed and the need for the taxes to be known within the project. Mr. Brian Richards, 60 Pineridge Drive questioned if the Westfield Gas & Electric has negotiated a distribution franchise agreement with Eversource for retail service. Mr. Corey replied that a franchise agreement is not needed because the project will be on the wholesale transmission side for Eversource and that they are working amicably with the Westfield Gas & Electric on providing natural gas and fiber build outs. Mary Ann Babinski, 114 Rogers Avenue asked what the company will do to erase the carbon footprint.

Mr. Corey replied that the buildings will use green materials and the buildings will be state of the art with its materials. He added that a benefit of Massachusetts is the off shore winds developments. Councilor Sullivan asked if they would be buying into the vineyard wind. Mr. Corey replied that it's a big opportunity to reduce the carbon footprint, but not saying would buy or not buy it. Gabriella Michaliszyn, 304 Sackett Road asked what happens to the old equipment from the data centers and is there an educational partnering component. Mr. Bartone replied that the old equipment will be recycled or used in a secondary market and there will be a partnership with Westfield State University and Westfield Technical Academy. Councilor Flaherty questioned how the ramp of the 6A agreement works. Mr. Bartone replied that it has been calculated out on the factors. Councilor Flaherty asked what the amenities are and would like to see them firmed up. Councilor Flaherty asked if geothermal cooling will be use. Mr. Bartone replied that it has been looked at and it is an option that is being evaluated. Councilor Flaherty asked where the preservation of open space will be. Mr. Bartone replied that there will be a parcel at the pioneer valley railroad as well as another parcel. Councilor Flaherty asked what the timeline is for decision. Attorney Mantolesky replied that the Planning Board has 45 days to get its report to the Council and then the Council has 30 days from receipt of the Planning Board report to make its decision. Councilor Flaherty commented that Schedule G is missing from the application. Attorney Mantolesky replied that it's a confidential document and is not included. Councilor Flaherty asked for details of the data center project in Florida or any other projects they have done are going. Mr. Bartone replied that it's confidential. Commissioner Bowen asked if the wind costs come in lower then would the \$60 per sq. ft. be increased. Mr. Bartone replied that the project will not happen if it's not \$60 sq. ft. and that it's presumptuous to think that wind costs will be lower. Councilor Mello requested that a stormwater report be provided relative to the project in totality. Councilor Beltrandi offered a motion, which was duly seconded, to leave the public hearing open. Councilor Sullivan informed the Council that most of the questions that are outstanding are not relative to the 121A agreement and will be handled in the public hearing at the Planning Board and that he will be voting no on keeping the public hearing open. Councilor Harris informed the Council that she will vote no on keeping the public hearing open. Councilor Flaherty informed the Council that this is a 40 year project and all questions need to be answered and he supports keeping the public hearing open. Councilor Adams informed the Council that he will vote no on keeping the public hearing open and that the deal is the deal and there is no more information that will change the applicant's mind. Councilor Allie agreed with Councilor Sullivan. Mr. Jeff Daley requested that the application be referred to the appropriate subcommittees where the details of the 121A agreement will be reviewed and that the purpose of the public hearing was to allow the public to speak and the public has spoken. Community Development Director Peter Miller mentioned that due to parliamentary procedure the speaking in favor or against needs to happen tonight if the public hearing is closed, if it stays open it moves to the next night.

Upon motion of Councilor Beltrandi, it was
VOTED: That the Public Hearing be CONTINUED to October 7, 2021.

The vote on the foregoing was as follows:

James Adams	No
Dan Allie	No
Brent Bean II	Yes
John Beltrandi III	Yes
Michael Burns	No
Ralph Figy	No
Dave Flaherty	Yes
Cindy Harris	No
Bridget Matthews-Kane	Yes
Kristen Mello	Yes
Nicholas Morganelli, Jr.	Yes
William Onyski	Yes
Richard Sullivan, Jr.	No
William Carellas	No
Cheryl Crowe	No
Robert Goyette	No
Jane Magarian	No
Philip McEwan	No
Raymond St. Hilaire	No
John Bowen	Yes

The President declared the motion LOST.

The President declared that the public hearing continues on tonight.

Councilor Flaherty questioned what the two entities of Servistar DC LLC and Servistar Realities. Attorney Mantolesky replied it's the operating company and the real estate company. Councilor Flaherty questioned if others are part of the lease what are their obligations. Mr. Corey replied that they will be obligated by the lease. Councilor Flaherty asked who the tenants will be. Mr. Corey replied that he cannot comment on that. Councilor Flaherty requested a list of amenities. Mr. Corey replied that they are listed in the application and they will review them and respond again. Councilor Flaherty questioned if Eversource would be getting a tax reduction. Mr. Corey replied that it is still being determined who owns the lines on the property, but Eversource would not be getting any tax reduction. He reiterated that this project would be highest taxpayer in the City in year 3 and by the term of 40 years the project will have paid \$360 million in taxes and if this agreement is not approved the land will not be developed and there will be no tax revenue. Councilor Flaherty read a list of requests to use local construction companies and give jobs to local residents with specific percentages and a request for educational amenities. Mr. Jeff Daley replied that local jobs and educational opportunities are a priorities and he will look into putting that on the amenities but without specific percentages. President Bean relinquished the Chair to Councilor Figy. Councilor Bean asked if it's normal to have an intergovernmental agreements. Attorney Mantolesky replied that there could be some agreements. Mr. Jeff Daley replied that this is a

new type and the biggest project in Massachusetts for a 121A agreement. Councilor Bean commented that he would like to have intergovernmental agreements in place prior to voting on the 121A agreement so as to get the best deal for Westfield. Mr. Corey reiterated that this location is the best location, but not the only location and that the applicant need certainty on its taxes and expenses therefore needs the 121A agreement in place because Massachusetts does not have any incentives for data centers. He also informed the Council that there are a lot of other regulatory approvals needed from the Planning Board and MEPA for this project to go forward, but the 121A agreement needs to be approved first. Councilor Flaherty questioned if the claw backs from Connecticut could be included in this agreement. Mr. Corey replied that he is not aware of the claw backs from Connecticut but that there is differences from Connecticut and Massachusetts. Councilor Flaherty referenced another company in Connecticut doing the same type of data center and that it's been stated that there is not enough energy to support multiple data centers. Mr. Corey replied that he is familiar with the company Councilor Flaherty was referring to and that it is even more important to get through the regulatory approvals before other companies. Councilor Flaherty asked if the applicant would consider a housing development or partner with someone to do a housing agreement. Mr. Daley replied no. Councilor Flaherty asked about betterment fees for roads or traffic. Mr. Daley replied that it may be discussed down the road. Councilor Flaherty asked if the applicant would be paying the CPA fee and the stormwater fee. Mr. Daley replied that he would review that with Community Development Director Peter Miller.

President Bean requested those in favor to come forward

Mary Ann Babinski, 114 Rogers Avenue informed the Council that she is not in favor or against but requested that all the questions get answered before a decision is made.

Mr. Steve Oleksak, 241 Sackett Road spoke in favor of the application.

President Bean requested those in opposition to come forward.

No one spoke in opposition.

Councilor Beltrandi offered a motion, which was duly seconded, to close the public hearing and refer the application to the Finance Committee. Upon motion of Councilor Flaherty, it was

VOTED: That the motion be amended to have the application also referred to Long Range Finance Committee.

The vote on the foregoing was as follows:

James Adams	No
Dan Allie	No
Brent Bean II	No
John Beltrandi III	No
Michael Burns	No
Ralph Figy	No
Dave Flaherty	Yes
Cindy Harris	No
Bridget Matthews-Kane	No
Kristen Mello	Yes
Nicholas Morganelli, Jr.	Yes
William Onyski	No
Richard Sullivan, Jr.	No

The President declared the motion to amend LOST.

Upon motion of Councilor Beltrandi, it was

VOTED: That his original motion be amended to only CLOSE the Public Hearing.

The vote on the foregoing was as follows:

James Adams	Yes
Dan Allie	Yes
Brent Bean II	Yes
John Beltrandi III	Yes
Michael Burns	Yes
Ralph Figy	Yes
Dave Flaherty	Yes
Cindy Harris	Yes
Bridget Matthews-Kane	Yes
Kristen Mello	Yes
Nicholas Morganelli, Jr.	Yes
William Onyski	Yes
Richard Sullivan, Jr.	Yes
William Carellas	Yes
Cheryl Crowe	Yes
Robert Goyette	Yes
Jane Magarian	Yes
Philip McEwan	Yes
Raymond St. Hilaire	Yes
John Bowen	Yes

The President declared the motion PASSED and the Public Hearing is CLOSED.

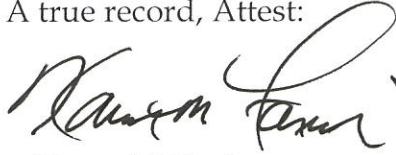
Upon motion of Councilor Harris, it was

VOTED: On a voice vote, that the application be REFERRED TO FINANCE COMMITTEE.

Councilor Flaherty was opposed. He informed the Council that he wanted to offer an amendment but it was not recognized.

At 9:51 PM, and upon motion of Councilor Harris, it was
VOTED: To ADJOURN.

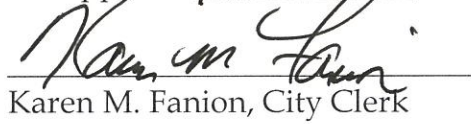
A true record, Attest:



Karen M. Fanion
City Clerk/Clerk of the Council

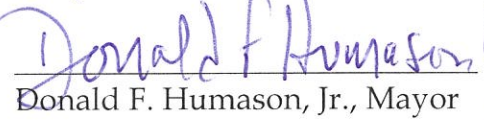
Presented to the Mayor

For approval Nov. 18 2021


Karen M. Fanion, City Clerk

Approved by the Mayor

Nov. 18 2021


Donald F. Humason, Jr., Mayor