

First Selectman Carl Zorn called a Town Meeting to order via Zoom on Wednesday, 21 April 2021 at 7:00 PM. All members of the Board of Selectman were present.

A motion was made by First Selectman Zorn for Raymond Barber of Goshen Road to serve as Moderator. Selectman Bill Ballinger seconded the motion. All in favor.

Moderator Raymond Barber read the call of the meeting.

The Electors of the Town of Bozrah and those entitled to vote at a Town Meeting are hereby warned and notified of a Town Meeting to be held via ZOOM on Wednesday, 21 April 2021 at 7:00 PM The agenda is as follows:

Consider and act on the following question:

Shall the Town of Bozrah authorize the First Selectman to sign a proposed Qualified Data Center Host Municipality Fee Agreement with Gotspace Data Partners, LLC a Massachusetts limited liability company.

Copies of the proposed agreement are available at the Town Hall during normal business hours.

Dated this 14th day of April 2021 at Bozrah CT.

Board of Selectman

Carl Zorn

William Ballinger

Glenn Pianka

Selectman Bill Ballinger moved to authorize the First Selectman to sign a proposed Qualified Data Center Host Municipality fee agreement. Phil Lavalley of Lake Road seconded the motion.

Selectman Ballinger gave a background about Gotspace.

Since we have a number of people on here and some are more familiar with the project than others. I will try and give a thirty-thousand-foot view of why we are here tonight. Gotspace Data Partners is a company that builds large data facilities. They are very large facilities, and they have millions of dollars' worth of computer equipment in each one of the buildings they put up. If you have ever used Cloud, Google, or Twitter or Facebook or Apple or if you stream your apps, you have data go through a center similar to this. They are located countrywide, located worldwide and the data explosion is building so fast they need to build more and more of these centers. Up to this point of time, there has not been any large data centers in New England because the tax climate has not been favorable to them. You have to realize as I have said that these buildings have millions of dollars' worth of computer data storage and equipment and as it is currently set up or was set up. Connecticut law the Town (Host Town) could tax that equipment as business equipment and that makes it terribly prohibit for them to put a center in any Town or State that allows that. So, before the epidemic people at Gotspace and partners and the Legislative of Connecticut and the Governor of Connecticut worked out a deal or worked out a bill, passed and signed that allows large data centers if they are putting up a large computer center. Storage centers in the State of Connecticut are tax exempt from Municipal taxes. Now this just cannot be any data center it has to be a large data center. A minimum amount that one of these centers can cost and qualify for the tax abatement is tow hundred dollars. So, we are talking big money here. The second thin that the legislative imposed on any center any company that wants to build one of these data centers in Connecticut if they want to take advantage of the tax abatement is they must reach a PILOT Agreement.

A payment in lieu of tax agreement with the host municipality. The reason being is since the Legislation took away the towns ability to tax their facility and the equipment in it. They have to come up with some sort of agreement in lieu of taxes which is what a PILOT is. Those two things have to be met for them to build a facility in Connecticut to qualify for this tax exemption. Gotspace is interested in several towns in Connecticut. All of them locally owned or a least municipally owned. Electric power companies and they all belong to a corporate who pools their resources, pool their buying power, and can almost, always beat United Illuminating or Eversource on prices. That is why they concentrated on Towns that have their own power company. Jewett City, Wallingford, Groton, Norwich, and us. Those are the five towns that why would like to establish a host agreement with because without that they cannot go forward if they do not have an agreement with the host town on a pilot program.

Several months ago, they submitted a proposed agreement to all these towns and what they were proposing is how they would and what and how they would pay it. These facilities use extreme large amounts of electricity. The minimum size that they build is sixteen-megawatt facility and then it goes up to thirty-two megawatts and above thirty-two. So, they have proposed, and it is a the same proposed for all five towns or municipalities. Some of these are bigger towns they have proposed that in lieu of taxes every year if they get a sixteen mega-watts facility in this town, they will pay the town five hundred thousand dollars a year. If they had up to a thirty-two including a two mega-watt facility, they would pay the town a million dollars a year and if they were over thirty-two mega-watts, they would pay one point five million added to our coffers every year is a huge percent of our nine million budget what we are looking at this year. Not so much for the city like Norwich or Wallingford so there is some incentive on their part to participate all though Norwich nor Wallingford has submitted a proposal.

Griswold has and Groton has, and they would like us to. So that is where we are the agreement is sixteen pages and it looks impressive. When we first did the first draft, we did not question much on the pay schedule for we thought they were being very generous. What we questioned was some of the language that was not as tight that it should have been. We do not think between us and the town attorney and the attorneys for Gotspace and the other people associated with Gotspace. We negotiated some improvements to that language and to give Gotspace some credit is that they also shared what Groton requested and modified that was also incorporated into ours. So, by the time we got done with what started out as a contract that could be misinterpreted has been tighten up considerably. We have protected ourselves as a town financially and have would our practicable potential income from the PILOT program if they decided to build in this town. Nothing in this agreement is guaranteed there has been talk they might like to put facilities in a couple of towns the size has not been determined sixteen or thirty-two. Power becomes very important to them because oblivious a sixteen-thirty-two-mega-watt is a huge amount of power. The high line that goes through town is three hundred and forty-five mega-watts. You can get an idea of the percent that will be drawn from that it's a lot of power.

So, we have to decide as a town whether we would accept. Ultimately, we have to decide whether we want to accept this payment proposal or not. If not, they will go away, they will go somewhere else because they can build a facility here, but they will not qualify for a tax break and no one is going to do that. So that is the chose we have to make tonight and over the past couple of months the Board of Selectman and attorneys both for the town and for the company have tightened it up. We are convinced what we got, what we are going to get out of it. We protected the town from any financial down fall or downwind potential, and we have some significate upscale potential. So, that is the thirty-thousand-foot view. It still has to go through Planning and Zoning, Inland Wetlands, all of our local boards and commissions who will retain control of how this will develop and the thing is if we reject this tonight, they are not going to spend anytime to try and go through Planning and Zoning and our Inland Wetlands

because they won't qualify even if they got the approval and got the zoning where they need it and Wetlands approval they still wouldn't qualify for the tax break. So, that's where we are. If anyone has specific questions I can try and answer them. I have spent a fair amount of time over the past month and a half working on this agreement. There is another thing, you might be interested in; it has an escalation factor for the PILOT program. I have not seen a lot of PILOT programs with escalation factors all though they should be because what's a fair and acceptable amount today would not thirty years from now. So, their proposing that each year this fee would increase by two percent at a minimum and depending on consumer index price for the North East. It could go up as high as three percent, capped at three percent. Every year this could be added on. I thought financially this is a nice package and now with the wording we are happy with it. Gotspace will have to pay taxes on the property until they qualify for the tax abatement, that is in the agreement. I think that is where we need to be too. So, I am open for questions.

Jeremy Tarasevich Fitchville Road; First, I am in favor of this, I think it would be a great addition for the Town budget wise. What about water lines, do they need water, sewer?

Selectman Ballinger: Yes, that was one thing that concerned us is that we wanted to make sure that we would not be liable for abiding that to them. So, we had a section put in just on our contract alone that states nothing in the preceding sentence which describes Gotspace's obligation to pay preliminary that basically says this is not a joint venture. If they need something they have to pay to have it put in. That was not terribly clear in the first draft the first few drafts we got this inserted because it specially says this is not a joint venture, your all one your own on this one.

Chuck Mandel Caroline Road; Quick question: the usage, the payment is based on usage of electricity is that correct?

Selectman Ballinger; Yes

Chuck Mandel: Is there anything to eliminate them from creating their own generator plant like solar or if they ran natural gas?

Selectman Ballinger: I see where you are going, it's not the usage of electricity it's the number of units in there. These buildings take 16 mega-watts of power so if it is sixteen mega-watts of equipment it does not matter where they get their electricity from. There will be back up generators on site because they can not have one of these sites go down.

Chuck Mandel: It's not on meters.

Selectman Ballinger: No, it is capacity because of the overhead of running the heating, lighting, and the air condition but the equipment in there is rated for sixteen mega-watts.

Chuck Mandel: It will be known through building permits etc. we will know that right?

Selectman Ballinger: We would know that yes.

Chuck Mandel: One more quick question; will that require a zone change?

Selectman Ballinger: Not sure, it's not spelled out in the regulations that data centers are an unauthorized use in that Zone. They want that clarified that's why they will be going in front of P & Z as I said, this is just the beginning for them they have a long road in front of them.

John Onsager Bozrah Street Ext. Commented on the noise these data centers produce, the traffic of employees on shift changes, disruption to the town. Airgas makes a lot of noise now; Airgas is nothing. compared to what this will be producing.

Charlene Lathrop Hough Road: Is Carl Zorn the First Selectman going to be the Selectman signing the agreement? Carls' property touches theirs on what they are proposing to buy correct. Did Gotspace approach him to purchase his property?

Selectman Ballinger: yes, Carl Zorn will be signing the agreement as far as them approaching him, ask him he is online.

First Selectman Carl Zorn: There is one small corner they were asking about but they have not approach me about any plot or money or any actual plan there. They do require emergency access through Hough to Bashon. They are still working that out. I will not profit from this everything I do will be honest, open, and available to the public.

Charlene Lathrop: When they made their presentation, they talked about going through your property. If you are entering into a contract with them, I have a problem with that because it is a conflict of interest.

Brandon Lathrop Hough Road: if they buy it or not, they approached you on it. So, you really should not have any vote on this or signing the agreement with them.

Selectman Ballinger: Carl would be signing as a First Selectman not at the direction of the town, not at his own discretion. I do not see a problem with that. If you want to make an issue out of it that is up to you. But as far as his official capacity as First Selectman.

Chuck Mandel Caroline Road: Going back to Charlene and Brandon Lathrop it seems like a conflict of interest I understand it is a public hearing and the Town of Bozrah is voting on it. The First Selectman should not be a part of this process and I do not mind going to the Second or Third Selectman.

Selectman Ballinger: Ok why don't we change the wording which we can at a town meeting. Instead of First Selectman change it to First Selectman or authorized representative. Will that work?

Chuck Mandel: It might remove it from one step, I am not an attorney.

Selectman Ballinger: As a town I think that would be acceptable if that would take him out of the picture if that is everyone's concern.

Chuck Mandel: In my mind it would look better.

Selectman Ballinger: So, we are in a motion within a motion to change the wording of the contract to change the wording of the call to authorize the First Selectman or destined representative.

Moderator Raymond Barber: We could do that, but I have not heard a lot of people say that. I only heard a couple of people said that perhaps we could hear from a few more people.

Selectman Ballinger: This is a motion that is on the floor you can make a motion within a motion so if its so decided that enough people want to amend the wording to First Selectman or one of the other Selectman or a member of the Board of Selectman.

John Onsager Bozrah Street Ext. I make a motion that we amend to were it reads a destined Selectman to sign for the town if it is approved.

Selectman Ballinger: We need a second on that motion.

Chuck Mandel: I second the motion.

Moderator Raymond Barber: We still have a lot to discuss before we vote on anything.

Selectman Ballinger: We are in a sub motion that has to be delt with before we can move to the main motion.

Moderator Raymond Barber: What we have to do now is determine how many people who are online are they all voters?

Selectman Ballinger: Michele can you down the list to see who is logged on to get a yes or no on the motion within the motion just on the amendment.

Moderator Raymond Barber: We are going to vote on the amendment Michel can you please go down the list again?

Michel Leask: Yes

Moderator Raymond Barber: Michele are you satisfied that everyone's vote has been received?

Michel Leask: I have gone through the list Diana and Nancy are at the tow hall verifying.

VOTE: 1 ABSTAIN 59 YES Amendment passed.

Moderator Raymond Barber: The amendment to the motion is passed. We have passed an amendment to this that basically says any member of the Board of Selectman that has no fiscal interest of the property or around it or any other agreement can sign the agreement not just the First Selectman.

All other questions were answered by Selectman Ballinger.

Linda Blais of Bishop Road made a motion to accept the agreement.

Moderator Raymond Barber: We need a suggestion to move the question.

Jeremy Tarasevich Fitchville Road: I suggest to move the question.

Linda Blais Bishop Road: I will second that.

Moderator Raymond Barber: So, we are going to move the suggestion, Michel are you able to moderate the vote again?

Selectman Ballinger: Can we just go with a yes or no vote count Michel?

VOTE is: 1 ABSTAIN, 48 YES, 11 NO Agreement for First Selectman or any authorized member Board of Selectman to sign a proposed Qualified Data Center Host Municipality Fee Agreement with Gotspace Data Partners LLC has passed.

That completes the business we had for this evening. Before I entertain a motion to adjourn, I want to thank all of you that signed on and participated on this ZOOM meeting tonight. I also want to thank the Michel, the folks at the town hall and the Town Clerk who set the meeting up. I would like to encourage all of you to continue to participate in this process in the future. The P&Z, IWWC will be actively involved as we go forward. So don't let your interest end tonight if you were for it or against it. Stay involved, go to these meetings to know what's going on. We will now entertain a motion to adjourn.

Jeremy Tarasevich Fitchville Road: I make a motion to adjourn.

Fred Potter Gager Road: I Second the motion.

Moderator Raymond Barber: Motion made and seconded all in favor and Thank you very much.

Lynne A. Skinner
Bozrah Town Clerk