BOARD OF SUPERVISORS
STAFFORD COUNTY, VIRGINIA,
MINUTES
REGULAR MEETING
SEPTEMBER 23, 2025

**CALL TO ORDER** – A regular meeting of the Stafford County Board of Supervisors was called to order by Deuntay Diggs, Chairman, at 5:00 p.m. on Tuesday, September 23, 2025 in the Board Chambers, George L. Gordon, Jr. Government Center, 1300 Courthouse Road, Stafford VA.

**ROLL CALL** – The following members were present: Deuntay Diggs, Chairman; Tinesha O. Allen, Vice Chairman; Pamela Yeung; Darrell English; Monica Gary.

Absent were Supervisor Meg Bohmke and Supervisor Crystal Vanuch.

Also in attendance were William Ashton, County Administrator; Rysheda McClendon, County Attorney; Taylor Dunn, Deputy Clerk; various staff members; and other interested parties.

## ADDITIONS – DELETIONS AND APPROVAL OF THE REGULAR AGENDA

William Ashton, County Administrator, said that there were no additions or deletions to the regular agenda.

## WORK SESSION ITEMS

ITEM 1. CAPITAL PROJECTS TRANSPORTATION; AUTHORIZE THE COUNTY ADMINISTRATOR TO EXECUTE A GRANT AGREEMENT WITH THE US DEPARTMENT OF TRANSPORTATION, FEDERAL HIGHWAY ADMINISTRATION, FOR THE PROTECT GRANT BROOKE ROAD FLOOD MITIGATION AND RESILIENCY PROJECT; PROPOSED RESOLUTION R25-216

Bryon Counsell, County Engineer, said that this item before the Board tonight required a short, quick action. He said that if the Board chose to take action, they would need to suspend their bylaws to do so. He said that this had been a long time coming, as the Board was aware. He said that the County had applied for a Federal Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Grant in 2023 at the direction of the Board, and they had received a notice of award in 2024.

Mr. Counsell said that federal grants required a complicated grant agreement that outlined the terms and conditions of both the grantee's and grantor's responsibilities. He said that this particular grant was the first time the PROTECT Grant had been initiated by the federal government. He said that the money had been earmarked for the federal fiscal year 2023, but due to changes in the Federal Highway Administration (FHWA) staff and the new administration, they were able to move the funding to the federal fiscal year of 2022.

Mr. Counsell said that this was a significant bonus for the County, as it allowed them to include all of their expenditures so far on the project in the County obligation, resulting in a net savings of approximately $500,000. He said that therefore, if the Board approved it before the end of September, they would spend $500,000 less. He said that however, if the Board did not approve it before the end of September and they approved it later, the grant would only cover construction costs, leaving them with an additional $600,000-plus in realized expenses.

Mr. Counsell said that this was a good thing, but it put them in a time-sensitive situation, requiring the Board to approve it tonight if they wished to take advantage of the FY22 funding pool. He said that the chart presented to the Board showed the projected expenditures, highlighting the difference between the FY22 and FY23 funding pools for the federal government.

Ms. Gary said that if they were to move forward with this, it appeared that they would be saving a significant amount of money, approximately half a million dollars, that they would otherwise have to pay back.

Mr. Counsell said that that was correct. He said that they were projecting this outcome, assuming all factors remained equal and the process proceeded relatively smoothly. He said that they anticipated a significant savings by approving the FY22 funding rather than FY23.

Ms. Gary asked what steps they would need to take today if they aimed to move forward with this as quickly as possible, considering it had not come to the Board previously.

Mr. Counsell said that there was a provision in the Board's bylaws that required a certain time to pass before taking action. He said that this provision would need to be suspended; then, they could proceed with the vote and move forward accordingly. He said that in terms of the exact process, he would defer to the County Attorney's Office to explain.

Rysheda McClendon, County Attorney, said that to clarify, the Board could act on this item by declaring it time-sensitive. She said that the Board's bylaws contemplated taking up time-sensitive items during work sessions if necessary, so with a two-thirds majority voting to deem it time-sensitive, they could then vote on the item.

Ms. Gary motioned, seconded by Mr. English, to make Item 1 time-sensitive.

The Voting Board tally was:

Yea: (5) Allen, Diggs, English, Gary, Yeung
No: (0)
Absent: (2) Bohmke, Vanuch

Mr. English asked what would happen if the project costs went over budget. He asked if these savings could be used to cover any overages.

Mr. Counsell said that the main point was that they were tentatively awarded $10.2 million, so as long as the County met their 20% obligation, they would be funded up to $10.2 million. He said that currently, there was some flexibility in the contingency, which would allow for reimbursement for changes and expenditures if they encountered any issues or went over budget. He said that this would not alter the structure of the funding reimbursement.

Mr. English said that that answered his question.

Ms. Gary asked if it was correct that this was a reimbursement that was now accessible to them due to the changes, which meant this was money they already spent that they would be getting back.

Mr. Counsell said that they would not be getting it back, but they would be able to include it in their obligations. He said that without it, they would not be able to include it, and then their costs would increase.

Dr. Yeung asked what the total amount of construction costs were.

Mr. Counsell said that they had not yet spent any money on construction. He said that at this point, they were approximately 90% through the design process, and they had not yet obtained the necessary right-of-way for two properties. He said that the anticipated cost for construction was $9.7 million. He said that the total funding amount approved was $10,200,000.

Dr. Yeung asked if the project was completed under budget, could they use any leftover funds for other projects, or if it had to be spent only on this project.

Mr. Counsell said that it was specific to this project.

Mr. Ashton said that to clarify a point made earlier, when Mr. Counsell stated that the total federal funding was $10.2 million and the project cost was $9.7 million, it meant that the County was still responsible for 20% of the project cost themselves. He said that this actually provided them with a buffer of approximately $2.5 million in case of increased costs under the current budget. He said that to further clarify an earlier question, the issue at hand was cost avoidance; it was not a reimbursement. He said that additionally, he needed to sign this document by Thursday in order for it to be included in the 2022 federal appropriation. He said that if he did not sign it by then, the appropriation would be moved up a whole fiscal year.

Dr. Yeung said that this was requested in 2023, but she would like clarification regarding when it was granted.

Mr. Counsell said that it was granted in 2024.

Dr. Yeung asked why it was not brought forward earlier.

Mr. Ashton said that it was not ready. He said that this was because, as Mr. Counsell explained a few minutes ago, they had gone through multiple staffs at the federal level. He said that it had taken them some time to sort through that. He said that each of these contracts was a unique agreement in itself. He said that they had to negotiate the terms of that contract with them, obtain legal review, and get them to accept their proposed changes, while they also needed to agree to the changes they proposed. He said that as with any negotiation, they needed to bring it to a successful conclusion. He said that all of this came together late last week, and at that time it became apparent if they could make it by Thursday, they would receive the additional benefit.

Ms. Gary motioned, seconded by Dr. Yeung, to approve Proposed Resolution R25-216.

The Voting Board tally was:

Yea: (5) Allen, Diggs, English, Gary, Yeung
No: (0)
Absent: (2) Bohmke, Vanuch

ITEM 2. DATA CENTER WORK SESSION

Donna Krauss, Deputy County Administrator, said that she would like to provide a preview of how this evening's work session would be structured and what information staff would be sharing with the Board. She said that they had multiple staff members present to provide that information. She said that Mr. Dunn will be distributing a packet, and she would briefly outline its contents for reference. She said that this evening, they would focus on several key aspects. She said that first, they would review the changes made by the Board and requested from the Planning Commission's recommendations, which were highlighted in yellow in Exhibit A, the Comprehensive Plan Amendment document.

Ms. Krauss said that next, they would provide a brief financial outlook, led by Andrea Light, Chief Financial Officer. She said that they would also have Scott Mayausky, Commissioner of Revenue provide information on revenues and the history of the data center tax. She said that they also would be sharing comparative information, including data on how other localities in the region were addressing data centers. She said that localities to their north had been spending significantly more time discussing data center regulations, with some taking nearly seven years to make determination, but it varied drastically between localities. She said that information staff was sharing today was what was currently in code and regulations in those localities.

Ms. Krauss said that staff would also be presenting illustrative data center governance examples and visual comparisons to help illustrate the differences. She said that finally, they would review policy and regulations guidance developed by staff. She said that the Board's handouts included the ordinance from their last work session, as well as two charts that would be discussed during the presentation. She said that one chart compared the current ordinance, draft ordinance, and alternative options. She said that the other chart provides comparative information on jurisdictions and regulations.

Mike Zuraf, Director of Planning and Zoning, said that he would provide a brief review of recent events and confirmation of the latest draft changes discussed at the last work session. On August 19, 2025, at their regular Board meeting, staff had presented the Planning Commission's recommendations. He said that the following week, the Board had held a specific work session to review those recommendations and discussed various issues, agreeing to a few changes to both the Comprehensive Plan and Zoning Ordinance as recommended by the Planning Commission, and the Board had also voted to schedule a joint public hearing with the Planning Commission on October 21, 2025.

Mr.,. Zuraf said that today, they would review and confirm those modifications and discuss additional issues regarding data centers. He said that first, they would examine the draft changes and adjustments made by the Board. He said that only one change was recommended to the Comprehensive Plan, which would add building materials among the recommended noise mitigation measures that should be considered for a data center project. He said that for the Zoning Ordinance revisions, there were four changes recommended. He said that the first change increased the primary structure setback requirements to 1,320 feet for areas adjacent to residential lots, the Rappahannock and Potomac Rivers, and schools.

Mr. Zuraf said that the second change to the Zoning Ordinance modified tree preservation to focus on measures to preserve existing trees, essentially removing language that limited preservation to healthy trees. He said that the goal was to simply preserve trees, regardless of their health status.

Ms. Gary said that a gentleman who resided in her district who ran a waterway cleanup nonprofit organization was concerned about this portion of the ordinance. She said that following up with her after their previous meeting, he asked about the definition of "mature" for the purposes of this ordinance. She said that specifically, she would like to know how they were defining mature trees in this context.

Mr. Zuraf said that was a good question. He said that staff would need to provide some more clarification on that definition.

Mr. Diggs said that one thing he would like to highlight was that when they were discussing the noise issue, a constituent reached out to the Board regarding the low decibel noise and her concerns that it was not being addressed as well as it could be. He said that he was aware that they had restrictions in place, which were based on state guidelines. He asked what staff's thoughts were on that matter.

Mr. Zuraf said that through the Planning Commission's effort, it was definitely identified as a concern, and it was addressed in the Comprehensive Plan. He said that staff realized that they needed more time to thoroughly study that issue and develop an appropriate and enforceable product. He said that while this did not delve into the specific details that might be desired, it was clear that further work was required.

Ms. Allen asked Ms. McClendon if she could speak to Mr. Zuraf's point regarding the need for additional time to ensure a good product. She asked if this was primarily related to the potential for legal challenges to their ordinance in that they needed to gather data to support the ordinance.

Ms. McClendon said that she was not entirely sure about what Mr. Zuraf was referring to because she was not there. She said that however, she believed the underlying idea was that any provisions in the ordinance should be grounded in data. She said that specifically, when it came to sound and this new technology, it was paving the way with regards to understanding how to classify low decibel noise. She said that as a result, more time was needed to conduct the necessary research or studies to gather sound data that could be used to inform the ordinance beyond what was currently outlined.

Ms. Allen said that she believed there was an article that was released today regarding Prince William County's Board reviewing the results of years-long sound studies, and she believed they were planning to phase the requirements in. She asked staff to consider looking into Prince William's work on the subject to see if it could inform Stafford's ordinance.

Mr. Zuraf said that he had not read that article, but he understood that the issue had been thoroughly studied by that County.

Ms. Allen said that three months was insufficient time for Stafford to develop sufficient data, which was one of their concerns. She said that as Ms. Krauss had mentioned, some jurisdictions had been working on this issue for years, and they were trying to achieve results in a much shorter timeframe.

Mr. Zuraf said that they were approaching a point where they needed to start thinking about the next Comprehensive Plan update, so they could incorporate adjustments to the data center recommendations and follow-up ordinance guidelines into that larger process. He said that the third change the Board had made at their last meeting was a minor adjustment to include state holidays as part of the prohibition on generator testing during restricted periods. He said that the last Zoning Ordinance change removed the term "or equivalent sound expert" and now required sound studies to be signed by a professional engineer and certified by the Institute of Noise Control Engineering, ensuring they met specific qualifications. He said that these changes had been agreed upon during the last work session. He said that they would have further discussion on setback and buffer requirements later in the work session.

Mr. English asked if vibrations emanating from the data center facilities were considered as part of the noise regulations. He asked if that should be considered in a separate category.

Mr. Zuraf said that it may related to the low-frequency issue that required further time to study.

Ms. Gary said that she quickly looked it up and was unable to find any specific guidelines or definitions in Virginia code or their County code that provided a standard for what constituted a mature tree. She said that as a result, she was concerned that they would not be able to legally define what a mature tree was, and therefore it would be an unachievable goal.

Mr. English said that he thought they had an arborist on staff.

Mr. Zuraf said that they had established landscape standards that specified the required tree diameters.

Ms. Gary said that she understood that was referring to trees in general, but she could not find anything about mature trees specifically. She said that she thought they may have to provide some sort of definition, otherwise it would be unenforceable.

Mr. Zuraf said that he would have to go back and add that into the ordinance, which they could consider as part of the public hearing.

Ms. Allen said that language should be based on the findings of their research, because they did not have the authority from the state to create something that did not already exist.

Mr. Zuraf said that it was likely to be related to diameter, and they could obtain more specific information.

Ms. Gary said that she thought the state did allow them to create it.

Ms. McClendon said that in looking at the different parts of the ordinance, it looked like "mature" was really about the final height of the tree, which would vary depending on the specific tree required. She said that upon closer inspection of the provision, it became clear that the intent was to preserve existing trees. She said that in light of this, they may want to consider simply striking the word "mature" and using "existing trees" instead.

Ms. Allen said that her concern was that, in their decision-making process regarding sound ordinances, they should not be unfairly favoring one industry over others. She said that there was a risk that they may be giving a free pass to one industry, while potentially overlooking other industries that could produce sounds that were equally, if not more, problematic. She asked if staff was being mindful of this potential imbalance and that they were making sure not to take a heavy-handed approach with this aspect.

Mr. Zuraf said that they were basing some of their maximum sound levels on their current noise ordinance, which set certain decibel limits. He said that this language looked to be a bit more restrictive in terms of maximum decibel levels at the property line. He said that any other use may need to follow similar guidelines.

Ms. Allen said that she was concerned that other businesses would have to follow the same requirements.

Mr. Zuraf said that this would be specific to data centers, so there would be potential enforcement of rules that applied to data centers but not to other businesses.

Andrea Light, Chief Financial Officer, said that she would provide a fiscal outlook in their next five-year financial plan, aiming to give them an idea of where they were headed with regards to data centers. She said that in anticipation of the upcoming issuance of Virginia Public School Authority (VPSA) standalone bonds for the Schools' $113.3 million borrow, their financial advisors, PFM, had provided them with a credit assessment.

Ms. Light said that this was a standard practice before issuing standalone debt, where they examined what rating agencies saw as the County's creditworthiness and projected future data. She said that in their 2023 credit assessment, both Moody's and Standard & Poor's (S&P) initially rated the County just below AAA, but through their qualitative analysis and future data center revenue, they upgraded Stafford to AAA. She said that the following slides reflected Moody's local government methodology, used to score the County.

Ms. Light said that although S&P and Fitch had slightly varying scorecards, they generally aligned with Moody's in their assessment. She said that this presentation would provide the Board and community with an outside financial management perspective, comparing them to some of their peers. She said that the first chart on the left displayed full value per capita, examining assessed value per resident.

Ms. Light said that Stafford County maintained lower housing values compared to some of their neighbors, primarily driven by population and the higher number of school-age children. She said that the average percentage of students per residence in other localities was about 15%, whereas Stafford County had 18.7%, indicating a large number of children who did not purchase homes. She said that their median household income continued to outpace their peers, with

Stafford's median household income projected to reach approximately $138,000, according to the census.

Ms. Light said that Moody's analysis showed their adjusted gross domestic product (GDP) growth at 0.2%, aligning with their Virginia peers. She said that available fund balance was below many of their peers, but it was important to note that Prince William, Albemarle, and Fauquier did not include utilities in their financial reports, whereas Stafford did. She said that Hanover and Spotsylvania had water and sewer utilities, making them more comparable to Stafford.

Ms. Light said that the liquidity ratio, calculated as unrestricted cash per revenue, was above their peer median, but did not exceed all AAA locality medians. She said that long-term liabilities included other post-employment benefits (OPEB) and long-term debt service. She said that although they did not look great in this area, it had decreased primarily due to debt repayments. She said that they must be cautious as they completed the next issuance of debt. She said that they had not been allocating sufficient funding to their OPEB. She said that currently, their financial policies required that health savings and health insurance savings be directed towards OPEB, and over the past couple of years, they had not met this requirement.

Ms. Light said that the ratio of fixed costs to revenue, as shown in the last fund chart, provided an important indication of their annual financial burden associated with the County's debt, pensions, and OPEB obligations. She said that moving forward, they anticipated meeting with Moody's and S&P in October to discuss their path forward for obtaining a bond rating, which would enable them to issue debt for the Schools in the amount of $113.3 million.

Ms. Light said that they would not seek a new rating from Fitch at this time because the cost of obtaining a new rating was approximately $35,000 per rating, so this provided them with some cost savings. She said that in February, Fitch had conducted surveillance, which maintained a AAA rating; nevertheless, they planned to meet with Fitch to provide an update on their status.

Ms. Light said that this information provided a comprehensive view of their financial situation from an outside perspective. She said that if they took a closer look at their local financial situation, their five-year financial plan was outlined in the budget. She said that the current real estate tax rate was $0.9236, excluding the fire levy. She said that under this plan, they anticipated a tax rate of $1.07 in Fiscal Year 2030. She said that it was essential to note that they had not projected any data center revenue in this five-year financial plan, as there was uncertainty regarding the timing, so they left that out.

Ms. Light said that they had also included minimal operating costs, such as a 3% annual salary increase and step increases for public safety, Stafford County Public Schools, and fire crews in 2027 and 2029, as well as small improvements for different departments. She said that the primary driver of their expenditures was debt service. She said that as shown in the chart, they currently had $47.2 million in total County debt and school debt, not including Transportation or the fire levy; this was what came out of the General Fund.

Ms. Light said that by 2030, this amount of debt service was expected to increase to $50.68 million, driven by the issuances of debt. She said that as their debt increased, so did their tax rate.

She said that they had had previous discussions with the Board about strategic management of data center revenue and its potential impact on their financial policies. She said that they were working with their financial advisors to look at Loudoun and Prince William Counties, as well as other localities that would have data centers. She said that they would bring this back to the Board for further discussion and consideration because it was ultimately a policy decision.

Ms. Light said that the three-pronged approach would be to create a data center reserve, limit reliance for ongoing expenditures, and provide funding for capital projects. She said that the data center reserve would help mitigate the budget impact if revenues fluctuated, whether they increased or decreased. She said that when limiting their reliance on ongoing expenditures for the data center revenue, they should examine the annual recurring amount and limit their ongoing expenditures, and then allocate the revenues to support capital projects.

Dr. Yeung said that given the high fixed costs and their long-term liabilities associated with these data center operations, she believed it was essential to ensure that their liability position remained strong enough to maintain resilience and mission readiness during unexpected surges in demand, cost increases, and other unforeseen challenges.

Ms. Light said that regarding the fixed cost ratio she had mentioned earlier, this was not driven by data centers. She said that this was a snapshot of their current County situation, and that number had decreased. She said that if the Board were to allocate revenue from a new source, such as data centers or other economic influxes, towards their fixed costs, including debt repayment, OPEB, and other expenses, it could create a path forward. She said that this revenue could be used to not only address their current challenges but also to consider the long-term fiscal health of the County. She said that this presented a real opportunity to examine their situation in a broader context.

Ms. Allen asked if staff had performed financial analyses from the perspective of the County not receiving any revenues.

Ms. Light said that this information from Moody's was a snapshot in time, valid only through the end of 2024. She said that it did not reflect any future developments or changes. She said that what they had been discussing with PFM was their overall financial and economic outlook, as outlined in the Board's strategic plan, and how they planned to progress. She said that one key aspect of this was their approach to data centers. She said that rating agencies frequently asked them about the County's stance on moving forward with data centers, and they were particularly interested in the Board's position on this matter. She said that as a locality with sizeable data centers, Stafford was one of the few, and rating agencies wanted to learn more about their experiences and insights.

Ms. Allen said that if the credit rating was potentially contingent on the revenue, she would like to know if the difference between a AAA and an AA+ rating was negligible.

Ms. Light said that there was an eight basis point difference, which amounted to $1.6 million over the life of the bond.

Ms. Allen asked what that would be equal to in terms of cents on their tax rate.

Ms. Light said that doing the math in her head, she believed it would be about 70 cents.

Ms. Allen said that that would be almost half of a penny that they would be paying over the life of the bond. She said that regarding the five-year financial plan, she understood the fire levy paid for itself, but when they were borrowing money, she would like to know if they were borrowing it under their rating at that time.

Ms. Light said that borrowing money would still be under their AAA rating or whatever their bond rating was at that time. She said that if their bond rating was reduced, that would impact any future standalone issuances.

Ms. Allen said that they were planning to build five fire stations in the next five to ten years, so she thought that would potentially impact the amount of money they would be getting back and paying towards the bonds. She asked what Transportation looked like, considering they had not acted on all of them.

Ms. Light said that Transportation was a $50 million bond, with annual debt service projected to be between $4 million and $4.5 million.

Ms. Allen said that she understood they had the ability to change things in the Capital Improvement Program (CIP), but she also knew that the Schools had started the process of procuring land and engineering for Drew Middle School and Hartwood Elementary. She asked if that had been factored into the total bond amount for Schools.

Ms. Light said that it primarily covered Elementary School 18, Elementary School 19, High School 6, and some 3R projects. She said that there would be some design costs for Drew and Hartwood included, as well.

Ms. Allen said that with all of that considered, she would like to know if they had factored in the potential costs of the next three projects, as staff had presented in the subsequent slides. She said that without any revenue to offset these costs, she was concerned about the impact on their tax rate. She said that she would like to know how much they would be paying in debt over the next five years.

Ms. Light said that in terms of pennies on debt service, in 2030, when the total debt was approximately $68 million, the annual debt service would be equivalent to about 22 cents.

Ms. Allen asked what they were paying right now.

Ms. Light said that they currently had $47 million, which was equivalent to approximately 16 cents.

Ms. Allen said that they would be going from 16 cents to 22 cents in the next five years. She said that as Board members, they were often told that they had the authority to set the tax rate and make their own decisions; they did not have to take staff recommendations. She said that however, she would like to see a more detailed analysis of the impact of this change, taking into account the staff's recommendations and the planned reassessments within the next five years. She said that if they were to consider the cumulative effect of these changes, she would like to see a more comprehensive assessment of the potential impact on their tax rate. She asked if Ms. Light would consider bringing follow-up information to the Board on what it would look like if they did not raise taxes.

Ms. Light said that if the Board did not raise taxes, this debt service would remain a commitment. She said that the $113.3 million that needed to be borrowed to complete High School 6, Elementary School 18, and Elementary School 19. She said that the Schools were moving forward with that plan, as they needed to borrow to continue to pay for contracts and open the schools. She said that they required funding to pay for these contracts, and continuing the projects was absolutely necessary.

Ms. Light said that according to PFM's sizing, the bond issuance would result in $9.75 million in increased debt service in Fiscal Year 26. She said that in the spring, they would request a $50 million dollar issue bond issuance to finish up those projects. She said that a significant amount of debt service was coming on, and with the three schools opening at the end of this fiscal year, operating impacts must be considered in order for the schools to actually open. She said that there were some things that could not be shared between schools, and that as a major consideration. She said that her assumption was that the School Division would be requesting funding to pay for those additional costs next year, but she had not confirmed that with Schools.

Ms. Allen said that to clarify, the bonds did not include those additional costs associated with the new schools. She said that they would be looking at the financial impacts of schools being built and staffed after they made the decision. She said that she was simply pointing out that they did not know the full cost of three new schools until after the fact.

Mr. Ashton said that he would note that the Superintendent would be presenting that information to the Board in November.

Ms. Allen asked if staff had considered how population growth in the County related to the impacts.

Ms. Light said that she did not have that information right now, but she could provide it to the Board as a follow-up.

Ms. Allen said that she would appreciate seeing that data, as they had discussed the potential shift in demographics from a family-aged population to one with more students. She said that if they had more students, it was uncertain what the impacts would be on the schools. She said that this was part of the larger picture, but she knew there was other information about how they were below debt service for the schools.

Dr. Yeung said that she would have rather seen the three schools phased in due to the significant costs of constructing them and then staffing and operating them. She said that because the Board had already voted to approve the schools, they had to find funding for them. She said that she recalled it was about $9 million in operating costs for the schools.

Ms. Light said that she did not have the exact number available.

Mr. Diggs said that he and Mr. English attended a meeting of the George Washington Regional Commission (GWRC) the previous day. He said that they had discussed the differences in bond ratings and the realized savings. He asked if they were working towards a AAA+ rating.

Ms. Light said that to clarify, Stafford had three AAA ratings, making them a triple-AAA locality. She said that there were only a handful of these in the United States, but it was less than 100. She said that this was a significant achievement, and it reflected positively on their community's responsible management of its funds.

Ms. Light said that with the $113 million, there was about eight basis points or a $1.6 million difference between AAA and AA+. She said that looking ahead, if the Board continued with the current capital plan, they anticipated borrowing an additional $991 million in debt over the next nine years, with an additional $80 million in debt service. She said that however, some of the current debt service would be paid off, so the number would come down a little bit.

Ms. Light said that having their rating at the highest level possible was comparable to having an excellent credit score. She said that their goal was to have the highest credit rating in order to get the best interest rates and borrowing amounts.

Mr. Diggs said that he had heard from many constituents the suggestion that they should just raise taxes. He said that his concern was that eventually, they may reach a point where they were taxing people out of their homes. He said that he was troubled by the fact that every year, they had individuals on fixed incomes who stated they were unable to bear another tax increase. He said that the reality was that, regardless of the outcome, they must make a decision.

Ms. Allen asked what the County's current primary source of revenue was and what the percentage of that was.

Ms. Light said that their current primary source of tax revenue was real estate taxes, which made up about 75% of their overall revenue.

Ms. Allen asked how much of that was residential versus commercial.

Ms. Light said that she believed it was about an 80/20 split, but the Commissioner of the Revenue could provide more accurate information.

Ms. Allen said that another consideration was their local tax relief for veterans. She said that Mr. Mayausky could clarify what that impact would be on their tax rate, but she assumed the relief provided would grow more significantly, and therefore would impact their ability to generate revenue from real estate.

Ms. Light said that she had provided a list of their future capital projects. She said that again, they had $991.6 million in debt issued over a nine-year period, with approximately $80 million in new debt service. She said that they had analyzed their revenues, strengths, weaknesses, opportunities, and threats, as well as their expenditures. She said that their median income in Stafford County was one of the highest in Virginia, but they also had a weakness in the growth of their unfunded state mandates.

Ms. Light said that they were looking at a declining real estate revenue base in a County with the strongest median income because of that problem. She said that there were possible opportunities in the upcoming legislative session; one potential option was a 1% sales tax for school capital, which could bring in $25 million. She said that this would likely redesign their discussion on the upcoming school projects, at the very least. She said that those funds could be used for school capital or school debt service, as they had been in the past.

Ms. Gary said that to clarify, that would require a referendum, which would have to be voted on locally.

Ms. Light said that yes, there would still be a referendum that would need to be put to the voters. She said that this was how it had been done in the past, so she assumed the legislation would remain relatively the same. She said that they did face revenue threats, and both governor candidates had a platform of removing the car tax, which would remove approximately $55 million in revenue, or about 12% of their overall General Fund revenue.

Ms. Light said that for expenditures, while they had a strong budget history, they also had departments that were fiscally conservative and responsible, which created year-end savings. She said that they needed to examine their health insurance costs, as both the Schools and the County were experiencing significant increases. She said that the Schools had requested additional funding this year to cover their rising health insurance costs. She said that Mr. Ashton was a strong supporter of priority-based budgeting and realigning their budget practices to focus on the most strategic and important initiatives for the citizens, community, and Board to accomplish.

Ms. Light said that the main threat they faced was that their demand for services was outpacing their revenue growth. She said that when considering the number of schools they had or needed, the number of teachers they required, and the addition of Sheriff's deputies, they had not added a Sheriff's deputy in two years, nor had they added a fire crew in two years; they had only added ambulance crews. She said that looking at that level of need, to continue to provide services to a growing community was significant.

Ms. Allen said that this was what she had been trying to address with her question about the population growth. She said that they should consider what their growth would be within the next five years because, as Ms. Light had mentioned earlier, they would need to consider the need for more schools, fire stations, and Sheriff's deputies. She said that they must expand government services to accommodate those needs, and they must be cognizant of that.

Ms. Allen said that the question she had was about how they factored in the potential impacts when discussing their median income level. She said that as Ms. Light had mentioned, they had a healthy median income, but she would add that they had a significant number of federal employees compared to other localities. She said that they did not yet know the effects of potential job losses among these employees on their County's revenues. She said that no one wanted to have no job in the face of increasing taxes.

Ms. Light said that she recently reviewed unemployment figures for Stafford County, and they were currently at 3.5%. She said that economists generally considered unemployment rates under 5% to be indicative of full employment.

Ms. Allen said that the Board also had the ability to choose not to approve CIP projects. She said that if they were to, going back to the $900 million of projects, some of those projects might be considered excessive or unnecessary. She said that with that in mind, she would like to know what their debt service would look like even if they chose only to move forward with the bare minimum.

Ms. Light said that they were currently at $990 million and $80 million in debt service. She said that if they cut that in half to $445 million and $40 million, and if Board had prioritized projects , they would likely be looking at approximately $40 million in debt service increase. She said that she did not have the information to provide a detailed breakdown of the impact of debt service reduction as they paid off their debt, but between Fiscal Years 29 and 30, there was a slight decline in debt service.

Ms. Light said that this was based on their current CIP. She said that there were options available to the Board as they considered this information with the next CIP. She said that she wanted to emphasize that they were not in a dire financial situation, and she did not want to leave the Board with that impression. She said that there were opportunities to examine their long-term financial growth and the community's desired services and infrastructure. She said that according to their five-year financial plan, they would raise the tax rate to $1.07 with very minimal impacts on schools and County services.

Ms. Allen asked what it looked like in terms of expanding parks in the County, which she mentioned because it was a priority of the public.

Ms. Light said that there was no plan within the five-year financial plan to expand any services provided by the County. She said that this plan was meant to keep up with where they were currently at.

Ms. Allen asked if this outlook was to maintain their levels of service.

Ms. Light said that yes, at the maximum it would maintain levels of service.

Ms. Allen said that she was often accused of not doing enough to improve levels of service, and if this was what it took to simply maintain, then it raised the question of what it would take to actually improve on that. She said that she just wanted to point this out.

Mr. Diggs said that as Ms. Light presented information that included financial challenges for the County, he wanted to emphasize that just because schools, veterans, and other segments of the community may have major costs to support, the Board was not criticizing them. He said that the Board and staff were discussing the costs of providing services, but were not saying the costs were a problem.

Dr. Yeung said that at the Board's last meeting, she had talked about the fact that the County needed more parks because they were currently lacking in terms of park acreage per person. She said that they were currently at 6.83 acres per person and the average was 12 acres per person; therefore, they needed to allocate more parks. She said that one of the reasons she mentioned Autumn Ridge Park was that it could be expanded to accommodate the growing population.

Dr. Yeung said that when discussing schools, they had 2,200 seats available, and the issue was more about how and where they redistricted. She said that her main concern right now was their staffing for the Sheriff and the Fire Department. She said that considering their County had 165,000 people, and according to national standards, they called for approximately two deputies and one firefighter/medic for a population of 1,000. She said that she would like to know how many additional positions they would need to ensure their constituents had adequate public safety coverage, and what that would mean for their budget planning.

Ms. Light said that she did not have the exact numbers available to answer that right now, but she thought this would be a great discussion to have in the context of their five-year financial plan. She said that the Board could discuss that as one of their priority's for the five-year plan.

Dr. Yeung said that every budget season, they focused on their children, but she wanted to ensure that their emergency services were adequate and that they were clear on what services they were providing to their constituents. She said that on a whole, the County was doing a fantastic job and the staff did not give themselves enough credit for the work they did on a daily basis. She said that she wanted to emphasize that they were working diligently on finding efficiencies and making improvements to their services. She said that she had been here for almost 32 years and knew firsthand that the County services had stayed consistent despite their shrinking resources.

Scott Mayausky, Commissioner of Revenue, said that he wanted to present some information regarding revenue projections, as they played a very important part in the Board's decision-making process. He said that he had prepared a presentation to clarify these projections and address any questions the Board or the public may have. He said that to provide context, it was a strategic priority set by the Board of Supervisors in 2015 to recruit data centers, with the goal of diversifying their tax base. He said that currently, their commercial tax base accounted for approximately 18% of their tax base, while 82% came from homeowners. He said that the County had historically struggled to attract and maintain a strong commercial tax base.

Mr. Mayausky said that in 2015, the Board felt that data centers could be a way to grow this commercial base, as the more money they received from commercial sources, the less they would have to rely on homeowners. He said that conversations with industry representatives began in 2018. He said that in 2019, a regional tax agreement was signed, setting a $1.25 tax rate, which was standardized across Planning District 16 region. He said that he had worked with the region's Commissioners of Revenue to ensure their depreciation schedules did not compete with each other if data centers found the region attractive, which they had.

Mr. Mayausky said that the next significant milestone was the Amazon Web Services (AWS) agreement, signed in January 2024, as part of a grant match program with the state. He said that this program allowed AWS to qualify for the state's exemption on sales tax, and it was designed to benefit only a limited number of companies. He said that currently, only AWS had qualified to take advantage of this exemption. He said that the localities received a two-to-one grant match for performance agreements that satisfied the state requirement.

Mr. Mayausky said that he wanted to discuss the tax rate and depreciation schedules, which were signed in 2019 and matched the rate and schedule adopted by Prince William County at the time.

He said that Prince William County had set this rate to attract data centers from Loudoun and Fairfax Counties. He said that in their region, the locality leaders felt it was not in the region's best interest to compete with each other by lowering the business property tax rates to attract data centers, largely due to what happened in the Richmond region. He said that in the Richmond region, Henrico and Chesterfield Counties got into a bidding war for Facebook, and they ended up with tax rates of $0.24 and $0.40. He said that as a side note, Henrico recently raised their rate from $0.40 to $2.60 in April 2025.

Ms. Allen asked if Mr. Mayausky could explain why Stafford did not pivot when they saw Prince William pivot.

Mr. Mayausky said that when Prince William County raised its rate, they had already constructed a number of data centers. He said that in contrast, Stafford currently did not have any data centers constructed. He said that he believed this pattern was also similar to what Henrico County followed. He said that they did not raise their rate before Facebook arrived, but rather several years after. He said that he was fairly certain that other data centers followed them, so Henrico raised their rates several years after the construction of those data centers. He said that revenue sources for data centers included real estate, computer equipment and peripherals (C&P) or business property, and electric substations.

Mr. Mayausky said that substations must be built to support data centers and were assessed by the State Corporation Commission (SCC) but were taxed locally, providing a local benefit. He said that he had provided an example to illustrate the real estate and personal property revenue generated by data centers. He said that it also helped to illustrate Ms. Light's point about the volatility of the business property tax or C&P. He said that the real estate would continue to appreciate in value and did not depreciate. He said that to be conservative, staff had not assumed any appreciation in this 10-year graph, and the growth seen was the median tax rate increase over the prior 10 years.

Mr. Mayausky said that next, the orange line represented the business property or C&P, which was quite volatile due to its depreciation schedule. He said that additionally, there was confusion and uncertainty in the industry, with some sources indicating that computer equipment was replaced every three to five years, while others suggested a continuous replacement rate of 20% per year. He said that they had chosen to extend their revenue projections for five years to account for this uncertainty, acknowledging the value and revenue generated by this property, while the schedule itself remained uncertain.

Ms. Gary asked how this information was verified.

Mr. Mayausky said that they typically sent out business property forms every spring, which were self-reporting. He said that as a result, they would report that information to the County. He said that staff then verified that information with their counterparts in Loudoun and Prince William and Fairfax Counties to ensure they were seeing the same things. He said that given that they were already in regular contact with those three Counties, they could rely on their input. He said that if they had any concerns, they had the right to conduct an audit.

Mr. Mayausky said that one of the benefits, he believed, was the hidden benefit for them of the performance agreement, which only applied to AWS. He said that currently, there were only two buildings, but they were eligible for a 60% rebate up to $39.2 million on the taxes they paid. He said that they must verify and confirm with the County their capital investments. He said that the County had written into the agreement that they could share this information with Economic Development, and they could confirm that the information they provided for the refund matched the information they provided for the taxes.

Mr. Mayausky said that Amazon wanted to recoup that money as quickly as possible, and he thought this would provide the County with a good insight into what was happening in those data centers, and subsequently, they could use this information to build models for the other data centers that were not part of the performance agreement.

Ms. Gary said that that was very helpful. She asked if they could write that into any of their agreements.

Mr. Mayausky said that they could try. He said that Amazon pushed back on that one quite a bit, but they were ultimately able to reach an agreement.

Dr. Yeung asked, if they were still unsure about the intended use of the building, how could they accurately anticipate the final use of the new buildings and how the Commissioner of Revenue assessed the taxable revenue from that.

Mr. Mayausky said that there were three approaches to valuing property: the sales approach, the income approach, and the cost approach. He said that the sales approach was typically used for residential properties, as sales data was more readily available in neighborhoods. He said that the income approach was used when a property generated revenue, such as an office building, and its value was determined by how much it could be leased for.

Mr. Mayausky said that the cost approach was the third method, and they utilized a national costing service called Marshall and Swift for commercial buildings. He said that they used the cost approach until the building was completed, then they assessed its intended use. He said that if sufficient data was available, they may switch to the income approach, which yielded a higher value. He said that however, this required knowledge of the amount of electricity usage within the building.

Mr. Mayausky said that since nothing had been completed, they currently relied on the cost approach. He said that for the data centers, the income approach was more accurate, but they lacked the necessary data on electricity usage, which was required for capitalization and determining the value of leaseholds.

Dr. Yeung asked if at some point, they would know the peripherals or the tenants and then be able to calculate or project that.

Mr. Mayausky said that once a building was completed, they could consider a supplement to that building. He said that this allowed them to add it to the tax rolls immediately and tax it at its full value. He said that when it came to business property, they were limited to taxing what was present on January 1. He said that for example, if a data center was completed in February, they could not tax the equipment until January 1 of the following year. He said that in the interim, they would identify the tenants, verify the equipment, and gather information from their colleagues in Loudoun and Prince William Counties to prepare for the business filing returns. He said that this was when they got their first look at the business property's value and what it contained.

Dr. Yeung asked whether anyone could go back and attempt to obtain a pass for what they previously submitted.

Mr. Mayausky said that there was always an appeal process with the County. He said that he was not aware of any exemptions for business property in data centers, aside from the banks and the federal government, if the federal government owned the property. He said that the banks were extremely rare, and he was only aware of two in Northern Virginia, one of which was located in Manassas.

Dr. Yeung asked if there was a way to avoid this issue.

Mr. Mayausky said that he did not think that there was any way to keep them out. He said that what they could do was build as many relationships as possible with data center operators and try to gather information ahead of time, so they were not caught off guard when revenue was expected but did not materialize. He said that that was about all they could do to protect themselves in that situation.

Mr. English asked if hypothetical data center tenants such as the federal government or nonprofits or public universities such as Mary Washington would have to pay taxes on their equipment.

Mr. Mayausky said that the tax implications depended on the ownership. He said that if Mary Washington or the federal government purchased the equipment, the equipment itself would not be subject to taxation. He said that if those entities leased the equipment, the equipment would remain taxable because they would tax the owner rather than the lessee.

Mr. English said that he assumed they would normally lease the equipment and would not buy it.

Mr. Mayausky said that yes, typically they leased it. He said that even in the worst-case scenario, he did not think they owned any buildings. He said that therefore, the building would remain taxable.

Ms. Allen said that in all of these hypothetical scenarios, most of this was based on trust. She said that if it were discovered that any of them were not being truthful, the County had the authority to conduct an on-site audit with staff to ensure they were paying their fair share. She said that she wanted to reiterate that point.

Mr. Mayausky said yes, absolutely.

Mr. Diggs said that they had had discussions about the Comprehensive Plan and the specific number mentioned in the Plan. He said that he would like to know how that number was determined.

Mr. Mayausky said that he did not have the answer until yesterday, when someone stumbled upon it and shared it with him. He said that they were fairly certain that it originated from Mangum Economics, who had prepared a report for Stafford County estimating the value of a data center building. He said that the estimated value here was remarkably similar, and the time frame was also similar to when that planning document was created. He said that based on this, he believed it was safe to assume that this document was the one they were looking for, and he was happy to send the Board copies of the report as a follow-up.

Mr. Ashton said that he and Mr. Mayausky had discussed this the previous night. He said that he believed a significant source of confusion stemmed from how the number was presented. He said that they had been discussing a single data center building, which was represented by a series of graphics showing a single data center building at 250,000 square feet. He said that in contrast, in the Comprehensive Plan it was represented as 1,000,000 square feet of data centers, which was four buildings. He said that if they divided the 18.5 million square feet by four, it would fall within the number range that Mr. Mayausky had mentioned.

Mr. Mayausky said that he had never quite understood the concern over the specific number, as his calculations put it within the range of values they had been discussing here in terms of value. He said that it was originally calculated using a $0.97 tax rate from a couple of years ago, but when updating it with today's tax rate, it was about $4.5 million per building, and he believed they had always talked about between $4 million and $4.4 million per building, which was a conservative estimate.

Dr. Yeung asked if the Board could receive a copy of that.

Mr. Mayausky said that yes, he would send it to the Board. He said that next, he wanted to clarify that he was not stating exactly how data centers would replace their property, but he wanted to provide an illustration of how the C&P was unpredictable in terms of revenue, and therefore they needed to be careful in how they budgeted with that. He said that also, it was important to see the impact of that business property revenue when they had multiple data centers, and how that protected. He said that Manassas was not protected in that way because they had only one or two data centers.

Mr. Mayausky said that having multiple data centers with different depreciation cycles could level out the C&P revenues. He said that with that improved stability, a bank coming in and taking over a data center would not devastate that tax base. He said that as he had mentioned at the town hall meeting with Mr. Diggs, if they were considering entering the data center business, it was important to have more than one data center to minimize risk and ensure a stable tax base.

Mr. Diggs said that he appreciated the clarification. He said that his interpretation was that Mr. Mayausky was not encouraging an unlimited amount of data centers, but instead to be aware of the risk of having only one.

Dr. Yeung said that she was supportive of diversifying the tax base, but she wanted to clarify that other sources of revenue other than data centers were important in that diversification as well.

Mr. Mayausky said that he had additional information that would put the revenue generated by data centers into perspective. He said that yes, it was possible to attract other industries to generate additional revenue. He said that data centers were the largest revenue-generating industry sector. He said that substations, as he had mentioned, were assessed by the state and the County got to tax them at their tax rates. He said that each substation would generate between $20,000 and $30,000, depending on their capacity.

Mr. Mayausky said that for example, at Stafford Technology Park, there would be six substations, generating over $100 million in extra revenue. He said that while that may not be a significant amount, every bit helped at this point. He said that for further perspective, he had provided their list of the top ten taxpayers in Stafford County. He said that staff compiled this list to become part of the County's annual financial report, but it was assessed value that was often cited. He said that he had converted the list to tax dollars because that was the most pertinent information.

Mr. Mayausky said that currently, Amazon was the highest taxpayer in the County, with its distribution and fulfillment facilities generating $3.7 million. He said that to clarify, that was Amazon and not AWS. He said that every 250,000-square-foot data center built in Stafford County became the County's largest taxpayer. He said that even an empty data center building, assuming no business property revenue, would become one of the top ten taxpayers in Stafford County. He said that it would take a substantial amount from other industries to match the volume of revenue generated by data centers.

Mr. English asked if the equipment in Amazon's distribution center was subject to County taxation.

Mr. Mayausky said yes.

Mr. English asked what the amount of tax revenue the County was receiving from that.

Mr. Mayausky said that the total was $3.7 million. He said that it was a combination of real estate with high-tech equipment such as conveyor belts and identification systems, all of which were considered business property.

Mr. English asked if all the company vehicles were registered in Stafford.

Mr. Mayausky said that yes, they were. He said that it was a huge account.

Ms. Allen said that she would like to revisit one of the points they had discussed earlier. She said that one thing they often heard was whether they were using best practices in their tax approach. She said that Mr. Mayausky had mentioned a specific percentage in comparison to other jurisdictions, if she recalled correctly, and it was around 92%.

Mr. Mayausky said that Ms. Allen was referring generally to their taxing practices. He said that Virginia was unique because their state constitution required them to assess properties at 100% fair market value, but there was no clear legal definition of fair market value. He said that therefore, Counties were given significant leeway in this process. He said that they did not take action or cut off state funding until they dropped below 70%. He said that their target was 92% during a reassessment.

Mr. Mayausky said that they did not aim to reach 100%, even though it was technically possible, because if they did, it implied that they were over-assessing approximately half of their County. He said that they strived to avoid over-assessing anyone. He said that to measure this, he used a coefficient of dispersion (COD), which calculated how far above and below the average their values were. He said that their COD was approximately eight. He said that at 92%, they were not over-assessing many people in the County.

Ms. Allen said that she wanted to point this out because while they could assess at different values, best practices were used in these projections and therefore they were based on being fair and balanced versus being heavy-handed.

Mr. Mayausky said that also, the tax rate adjusted to the assessed values. He said that therefore, if they taxed the additional 8%, they would not necessarily receive 8% more revenue. He said that it was likely that the tax rate would decrease to offset that amount. He said that he believed they were doing the right thing and following best practices, and Loudoun and Prince William Counties had been a tremendous help to them in learning how to value data centers. He said that they were also following those Counties' best practices, so it was reassuring not to be the first to do this.

Ms. Allen said that when considering Loudoun's numbers, which had consistently generated over almost $1 billion dollars per year, she felt it was unlikely that Stafford would be incorrect in their projections if they were based off of these experienced Counties' practices. She said that she did not understand the concern with that.

Mr. Mayausky said that he found it baffling as well. He said that he understood the confusion surrounding the grants, but it was essential to note that the grants only applied to AWS. He said that even with the 40%, AWS would still be a top ten taxpayer for each building. He said that he could see why there was confusion, but it was difficult to comprehend the assertion that these were not revenue-generating facilities when Loudoun County was generating a billion dollars in revenue and Prince William County was expected to bring in upwards of $200 million.

Dr. Yeung said that they were proud to support their veterans and the amenities they needed and the care they deserved. She said that however, at this time, the state had not yet reimbursed them for local veterans' tax relief, and they were currently at approximately $23 million or $24 million. She said that she believed by 2030, the total amount was expected to increase to $33 million.

Mr. Mayausky said that it would be more than that, actually. He said that it was not an issue with veterans; rather, it was a problem with the state. He said that the state should share in the cost of the program they helped create. He said that they were currently at approximately $27 million for real estate and $3 million for vehicles. He said that this year, the program was growing at a rate of about $500,000 per month in terms of tax revenue.

Mr. Mayausky said that he had also conducted a projection out to 2034, estimating a cost of approximately $160 million. He said that this was a rough estimate, but he could confirm that the situation was not improving.

Mr. English asked if Mr. Mayausky knew how many tax-exempt entities in Loudoun County and Prince William County that were currently in their queue and did not pay taxes. He said that if he did not have that information, he could provide it to him later. He said that also, he wanted to confirm that they could not refuse tax-exempt entities from building or buying data centers.

Mr. Mayausky said that no, they could not do that. He said that he would reach out to Loudon and Prince William to see if they had those numbers as well. He said that continuing with his presentation, he would like to add one important point regarding the yellow highlighted area on the list of top ten taxpayers, which was the Stafford Technology Campus. He said that although they did not have a building, they were already their third highest taxpayer based on the value of the land that was rezoned.

Mr. Mayausky said that on another note, he would like to clarify the findings of the Joint Legislative Review and Audit Commission (JLARC) study, which was cited by many as a source of data center information. He said that upon reviewing the study, he found that nine out of ten pages focused on the benefits of tax revenue to localities, not the state. He said that the relevant section of the study highlighted the significant tax benefits to localities, but asserted that there was no significant tax benefit to the state, primarily due to the state's exemption of sales tax. He said that he had referenced this information on page 17 of the study.

Ms. Allen asked if Mr. Mayausky had a rough estimate of their tax base in the County.

Mr. Mayausky said that it was approximately 82% residential and 18% commercial.

Ms. Allen asked if that had changed over the past five years since the COVID-19 pandemic. She asked if there was less commercial now.

Mr. Mayausky said that he had a chart that spanned 25 years, which he would send to the Board as a follow-up. He said that the number may have appeared deceiving at first, as commercial property values could not increase as rapidly as residential property values. He said that if that were the case, it would be unsustainable, as the rents would be too high for merchants to afford. He said that commercial property, therefore, tended to grow at a slower pace.

Mr. Mayausky said that anyone who owned property in the early 2000s was familiar with the rapid growth of residential property. He said that when residential property values were on the rise, the percentage of commercial property in the mix decreased as a percentage of the total. He said that this did not mean that commercial property was declining, but rather that it was not growing at the same rate as residential property. He said that the numbers had ranged from as low as 12% to as high as 20%, but this was more a reflection of the fluctuations in the residential market.

Mr. Diggs said that he would like to discuss the assumption that the easiest solution was to simply bring in all the businesses. He said that it was a common notion, but it was not as straightforward as it seemed. He said that in reality, it was not as simple as just going out and selecting businesses to relocate there. He said that the County was working on this, but it was not as easy or simplistic as some in the community may have believed.

Mr. Mayausky said that while he was not the County's expert on economic development, he believed there were several factors at play, and one of them was completely out of their control – the demographics must align for a business to want to locate there. He said that it was not just a matter of wanting a specific business, like Trader Joe's, to come to their County; they must ensure that their County's demographics, finances, and traffic patterns aligned with the business's model.

Mr. Mayausky said that additionally, businesses like those that required certainty and stability were also a factor. He said that if policies were not clear and reliable, they would likely choose to locate elsewhere. He said that what he had heard from business owners was that they did not care about the policy itself, but rather that it would not change after they had established themselves. He said that on the revenue side, considering the tax revenue generated by data centers, their County's entire business property tax base today was approximately $12.5 million. He said that in this context, a data center could bring in $2.5 million in business property taxes per 250,000-square-foot building. He said that it would take a significant amount of economic activity to match that level of tax revenue.

Ms. Krauss said that she would add that one of the Board's priorities was economic development, and they were currently in the process of updating their Economic Development Strategic Plan, which would be presented to the Board in October. She said that as someone involved in this process, she could confirm that some of the things mentioned by Mr. Mayausky were part of the findings of that plan's research and data, so that would be brought forward.

Ms. Krauss said that when it came to policy decisions, such as the recently passed Transportation Impact Fee (TIF), that was a policy instituted by the Board, which had a significant economic impact on businesses looking to locate in the County. She said that any policy decisions made by the Board had a trickle-down effect, influencing decisions on residential growth, such as the development of Embrey Mill and Garrisonville, which were areas with high potential for growth.

Ms. Krauss said that as they moved forward with the five-year financial plan and budgeting, she believed it was essential to consider the Board's priorities in conjunction. She said that this would help them determine where to allocate dollars and make informed decisions about the county's economic vitality. She said that in her opinion, this upcoming budget cycle was a pivotal moment for the County, and the Board would need to make instrumental policy decisions to ensure the community continued to thrive.

Mr. Ashton said that Ms. Krauss had accurately captured his conversations with her and other staff as they entered the budget season. He said that it was indeed a monumental task, as they examined the numbers now. He said that he would like to encourage the Board, as he had in some private conversations, to closely review the five-year financial plan, as it served as the foundation for building budgets. He said that from an economic development perspective, he concurred with Ms. Krauss, and Mr. Mayausky did an excellent job with his analysis of economic development.

Mr. Ashton said that everything he had said was true; factors that came into play included the location of competitors and nearby facilities. He said that they were not waiting for an economic development plan to proactively engage with potential companies. He said that they were already doing so, and he received regular reports, although some details were redacted, and he was aware that they were actively engaging with businesses at all times. He said that they did experience success and failure, but they operated in a highly competitive marketplace.

Mr. Ashton said that when it came to policy questions raised by Mr. Mayausky, he wholeheartedly agreed. He said that in his previous position, an elected body that prioritized being business-friendly had helped them overcome their stride in terms of predictability for businesses. He said that businesses did not care about the existence obstacles; they primarily wanted to identify potential hurdles before making a commitment. He said that straightening out these policy questions was crucial to sparking economic development growth. He said that he absolutely agreed with Mr. Mayausky's assessment on that aspect.

Mr. Diggs said that as a Board, they were leaders in the community and should be addressing the concerns of the community. He said that when the community was fearful, they should strive to alleviate those fears and provide them with the necessary information. He said that their constituents may be concerned about the impacts specific to them and their neighborhood, but the Board must address the County as a whole. He said that he had noticed that some people were saying that the County was only concerned with financial matters.

Mr. Diggs said that he wanted to clarify that while revenue was a consideration, it was not the only consideration. He said that from his perspective, no single business could solve all their challenges. He said that nevertheless, they must have meaningful conversations about protecting the environment, safeguarding people's homes, and ensuring that residents could continue to live in their homes for years to come. He said that was why he appreciated the thoughtful and well-rounded responses from staff.

Ms. Krauss said that she recently received a report and she would like to highlight three points as it related to this conversation. She said that their Economic Development Department assisted 74 new businesses that opened in the past year. She said that they also engaged with 1,183 active businesses and 674 prospective businesses in Fiscal Year 2025. She said that this did not include the legacy program they established. She said that their primary focus had been on supporting restaurants and hospitality businesses. She said that they were actively engaging with local businesses, and they did have opportunities available in Stafford.

Ms. Allen said that she wanted to build upon what Mr. Ashton had stated, as she had had conversations with businesses in the past where she was asked why they did not have a Whole Foods or Trader Joe's or other business in their area. She said that one of the common feedbacks she received was the location. She said that they expressed hesitation about putting a business with them because it created unnecessary competition between locations if they had a location to the north or south of them.

Ms. Allen said that this appeared like it should be a non-issue because they would be getting the revenue regardless of location; however, for these businesses, avoiding market saturation was one of their concerns. She said that on the other hand, some businesses, such as storage facilities and gas stations, did not face the same market challenges. She said that she was aware that one of the concerns was that the County was not doing enough, but she knew that staff did recruiting and utilized agencies such as the Fredericksburg Regional Alliance (FRA) to help with that.

Ms. Allen said that she also knew that the state administration had made a conscious decision to target Stafford as a targeted growth point for certain industries over the past four years. She said that when the state provided incentives to bring businesses to their area, it was a deliberate choice to exclude other Counties in the Commonwealth. She said that as a result, they were trying to utilize all available tools to attract businesses; however, they could not simply wave a magic wand and force a business to come to their area. She said that they must create a conducive market that would encourage them to operate in their area.

Ms. Allen said that some people argued that they had a sufficient population of 165,000 residents, but she could only provide an example of how this could be negatively impactful to them. She said that for instance, when a grocery store came to their area, they identified a location based on their model, and they had been successful along the east coast. She said that however, when the County tried to relocate them to a different spot, the company ultimately decided to leave and did not consider any other location in Stafford.

Ms. Allen said that as a community or as leaders, they could not force businesses to operate. She said that as a Board, they did make concessions to try to attract businesses, but ultimately, they must create a market that was attractive to them. She said that they did attempt to be incentivizing, but they could not disclose specifics due to the project-based nature of their efforts. She said that they must also be mindful of not being taken advantage of with certain incentives. She said that finding this balance was a challenge.

Ms. Allen said that she understood that this may be a lengthy explanation, but she wanted to provide a complete picture for those who may be misinformed or uninformed about their efforts. She said that they were often criticized for not doing enough economic development and she wanted to speak to that. She said that additionally, she had a related question for Mr. Zuraf. She said that if a business was zoned by right for a certain type of business, they could not stop them from operating in that space.

Mr. Zuraf said that as long as they complied with the zoning regulations and obtained a site plan approval.

Ms. Allen said that unless they required a conditional use permit (CUP) or rezoning, the County had no say in what business operated in the land that they were appropriately zoned for. She said that if the business was meeting the zoning regulations, the County could not stop them.

Dr. Yeung said that based on their strategies and strategic plan, she would like to know if they were they meeting or exceeding their priorities. She said that she appreciated that some of the initiatives they were implementing aligned with the framework, and she was pleased when they achieved strategic goals and reported progress during their meetings.

Dr. Yeung said that for instance, when they had proposed an ordinance, staff would explain how it was meeting a particular strategic goal. She said that she would like to get an update on their strategic plans, goals, and progress since 2023, and she believed sharing this information with the community would be beneficial. She said that she was often asked about their progress by constituents, it would be helpful to have a clear answer.

Ms. Krauss said that yes, she could work with Mr. Spence to provide an update report to the Board.

Ms. Gary said that she would like to add a brief comment. She said that she would like to express her gratitude to staff for their presentations. She said that many of them had been ingesting a significant amount of information, and it continued to change, so she was glad they were continuing this discussion. She said that she would like to respond to Mr. Diggs' earlier comment regarding revenue. She said that as she reflected on his statement, she believed a budget should be viewed as a moral document, not just a fiscal one.

Ms. Gary said that if the County was broke, the Board would be unable to provide for the people they were elected to serve and care about, which was why they had run for office in the first place. She said that it was easy to get sidetracked and assume the County only wanted money, but she would ask that everyone consider what the purpose of that money would be for. She said that she would acknowledge that the Board members all had different priorities, but they were united in their fight for the things that mattered to them and the people they cared about. She said that it was important to keep this in mind as they moved forward.

Brian Geouge, Principal Planner, said that he would cover comparisons, photo and illustrative examples, and planning considerations as they related to data centers. He said that first, they would look at a locality comparison. He said that staff had prepared a chart comparing Stafford County to other localities, including Fairfax, City of Fredericksburg, Henrico, Loudoun, and Prince William. He said that this chart was created for the Planning Commission subcommittee.

Mr. Geouge said that regarding where data centers were permitted, Stafford County allowed them only in heavy industrial M-2 zones, which was comparable to the other localities they examined. He said that typically, these localities permitted data centers in industrial districts or required a conditional use permit. He said that the City of Fredericksburg, however, had a specific overlay district for data centers. He said that in terms of height restrictions, Stafford County was more restrictive, with a maximum height of 65 feet, compared to 75 feet or more in other localities.

Mr. Geouge said that Stafford's current ordinance required a sound study to be prepared with each phase of development, which was analyzed at the site plan stage. He said that this currently was being reviewed for the Stafford Tech Campus project. He said that however, there were no specific regulations currently in place for data centers. He said that the proposed ordinance updates were in line with what they had seen in proffered projects so far.

Mr. Geouge said that for setbacks, the norm in other localities was around 200 feet, while Stafford County was currently under that with 100 feet from residential and other commercial-industrial zoned properties. He said that if they were abutting those properties, it would default to their normal setbacks. He said that finally, for open space, Stafford County compared favorably to other localities. He said that that they required 25% open space in the M-2 district, but if they were outside the urban services area, the requirement was 30%, and certain other localities had as low as 10%.

Dr. Yeung asked if there could be a notation for the 30% to say where that was located, rather than just stating it.

Mr. Geouge said that yes, they could do that.

Mr. Diggs asked if Stafford would be adding the Tier 4 regulation to their updates.

Mr. Geouge said that they had that as a recommendation in the Comprehensive Plan, yes. He said that next, he would like to present an example of how data centers were clustered in localities. He said that in this case, it was Prince William County along Route 234 and Route 66. he said that the pink dots represented existing known data centers, while the red dots indicated proposed data centers. He said that the facilities were generally clustered together and along major transportation corridors.

Mr. Geouge said that there was some residential development nearby, typically consisting of higher-density single-family detached or attached townhouses, and even some higher-density multifamily units, similar to those found in an R-3 district or a urban development (UD) district in Stafford. He said that another factor to consider was the proximity to major transportation corridors, which would introduce additional noise sources in the surrounding area. He said that another example was eastern Henrico, located southeast of Interstate 295 and Interstate 64, and abutting a railroad.

Mr. Geouge said that the data centers were situated in the center of this development area, while most of the other buildings on the periphery are warehouses. He said that given its proximity to Interstate 295 and Interstate 64, this location was attractive for data centers, and they were often co-located in an industrial setting. He said that in this scenario, they typically saw a 1,000-foot-plus separation between the data centers and the closest residential neighborhoods.

Mr. Geouge said that he also had some photo examples for context. He said that the left image was an aerial photograph with an arrow indicating the location and direction of the photograph on the right. He said that in this instance, a single-family attached development was adjacent to a data center to the north, with approximately a 190-foot separation between the buildings. he said that the data center was set back roughly 130 feet from the property line, which aligned with their current regulations of 100 feet.

Mr. Geouge said that this particular building stood at 68 feet high, and they have various buffers in place. He said that the left image featured a mature buffer, while the right image showed a freshly planted buffer, approximately 40 feet or 80 feet combined. He said that this highlighted the importance of preserving existing trees, as it may take 10 to 20 years for the newly planted buffer to become effective.

Mr. Geouge said that it was mentioned earlier how they could define what constituted a mature tree for preservation purposes. He said that in their Design and Construction Standards Manual for Landscaping (DCSL), Stafford had criteria for claiming credits for existing trees, allowing that as a means to satisfy buffer requirements. He said that the threshold for claiming credits is a 4-inch diameter at breast height. He said that to ensure consistency, he would recommend they tie the definition of mature to this existing credit criteria.

Mr. Geouge said that for another example, in this case, they had a single-family detached development adjacent to a data center to the north. He said that the separation distance was 500 feet, which was more significant than the first slide. He said that the building setback was 380 feet, and there was a 100-foot buffer. He said that they could see the buffer more clearly in the image of the house on the left. He said that the other triangular piece in the background was a stormwater detention facility, which also separated the uses. He said that as shown in the street view, the data center remained prominent in the background of the house. He said that the point of this slide was that distance and buffer widths were only part of the picture.

Mr. Geouge said that they needed to evaluate each site on a case-by-case basis, as they did with rezoning applications for data centers. He said that they would assess the impacts on abutting residents and roadways to determine the specific site conditions for each project. He said that in this case, the significant elevation drop-off from the back of the house was making the mature trees less effective at screening the data center.

Mr. Diggs asked where this facility and the houses were located.

Mr. Geouge said that it was on Dearmey Creek Way in Prince William. He said that next, he would like to touch on some development considerations. He said that as they previously discussed, there was a distinction in staff's opinion between regulations for urban, suburban, and rural settings. He said that the types of abutting uses or uses in the general vicinity were also significant factors. He said that even in the urban services area, they may be abutting residential properties, where they would want to impose greater restrictions.

Mr. Geouge said that this highlighted a couple of distinguishing factors. He said that staff believed establishing different regulations within the urban services area versus outside would be appropriate. He said that outside was where they were going to preserve rural character. He said that to achieve this, they could increase setbacks, limit visibility from roadways and abutting properties, and lower maximum building heights. He said that these measures helped preserve a view shed and mitigate sound propagation.

Mr. Geouge said that additional visual and noise impacts on adjacent properties and roadways were another aspect to consider. He said that they requested a view shed analysis for reclassifications, but with the proposed ordinance, these would become mandatory. He said that for example, one data center reclassification they had received showed a significant elevation change between the major roadway and the data center, which alone would mitigate most visual impacts. He said that this case-by-case analysis was crucial when reclassifying a project and potentially proffering where issues arise.

Mr. Diggs asked if they had addressed the lighting on the data center campuses. He said that in rural areas, this was a concern because the data centers could potentially become a source of light pollution. He asked how that played into these considerations.

Mr. Geouge said that lighting was regulated, but other factors also come into play. He said that the buffer distance, amount of vegetation between a home or roadway and the use, and setback requirements were all contributing factors. He said that the proposed ordinance had even more restrictive provisions than their current code for lighting. He said that it capped buildingmounted light fixtures at 30 feet. He said that this meant that even if a building was 110 feet tall, the tallest fixture would be limited to 30 feet on the side of the building.

Mr. Geouge said that they were proposing a maximum foot candle value for data centers, which was a cap of 15 foot candles. He said that in contrast, their current ordinance had minimum requirements for lighting, but no cap, effectively giving the developer the freedom to install as tall of lights as they wanted. He said that for this ordinance amendment, they were establishing a cap to ensure that lighting was not excessive.

Mr. Geouge said that in the last work session, there was discussion about whether there should be a minimum parcel size for data centers. He said that with that, staff wanted to evaluate the impacts of these potential regulations on a typical data center development, using the Potomac Church Tech Center as an example. He said that they chose this site because it was a relatively small development and could be the type of development that would be most impacted by large setback or buffer regulations, and the layout was very typical. He said that this 50-acre site has a total gross floor area (GFA) of 478,000 and was a two-story building.

Mr. Geouge said that however, there were many caveats due to the variables in site development. He said that in this case, Potomac Church Tech Center had roughly 14 acres on site of riparian protection area (RPA) and wetlands, which significantly limited its ability to develop the eastern portion of the site. He said that under more ideal circumstances, this development could have occurred on a larger site of 35 acres.

Mr. Geouge said that they had created example scenarios where the potential setbacks were applied to this particular project. He said that with a 1,320-foot setback, a 270-acre parcel would be required; a 500-foot setback would require an 86-acre parcel; a 300-foot setback would require a 55-acre parcel; and a 200-foot setback would require a 41-acre parcel. He said that another variable to consider was that these setbacks only applied to the buildings and substation, and do not take into account buffer requirements. He said that this meant that developers could build up to the minimum setback requirement in some areas, but not in others due to the need for guard stations, onsite improvements, and stormwater management, which could effectively push the setback back further.

Mr. Zuraf said that he would review the policy and regulations guidance section, including the changes proposed to mainly the setbacks and buffers from what they had today to what was being recommended by the Planning Commission and adjusted by the Board, and introducing some alternative setback options for consideration. He said that the alternative options presented would address some of the discussion from the last Board work session, including the idea of considering a tiered approach to regulations. He said that the Board had agreed at the time to advertise the higher 1,320-foot setback, but also allowed for consideration of lesser standards after the public hearing.

Mr. Zuraf said that these suggestions reflected the baseline standards that should be expected, which would be applied to all projects regardless of specific considerations. He said that from this baseline, proffered conditions could be utilized to strengthen some regulations and increase buffers where appropriate. He said that alternatively, the ordinance may reflect more restrictive standards in certain conditions, and reductions may be granted by the Board in specific situations through the approval of a reclassification, if appropriate.

Mr. Zuraf said that the provided table compared the proposed changes from the current data center regulations to the draft changes and some alternative options for consideration. He said that first, he would like to focus on the alternative options. He said that as they moved forward, the Board could determine if staff should provide this information as part of the joint public hearing on October 21, 2025. He said that the tiered approach in these alternative options broke down development standards by location, distinguishing between sites inside and outside the urban services area (USA), and considering the surrounding uses.

Mr. Zuraf said that the alternative building setbacks incorporated onsite electric substations and applied setbacks to the substations, just like the data center building itself, due to the substations' size and height. He said that the setbacks for primary buildings inside the urban services area from residential and specified uses, such as schools, libraries, and childcare, would be 200 feet from residential and 100 feet from commercial-zoned properties. He said that if a site was adjacent to an industrial-zoned property, the standard setbacks of 40 feet would apply.

Mr. Zuraf said that outside the urban services area, a flat 300-foot setback would be applied regardless of the surrounding use. He said that the rationale for these lesser setbacks was noted. He said that currently proposed projects were subject to rezonings, allowing for consideration of increased standards, setbacks, buffers, and other factors. He said that the Comp Plan guidelines would be used to determine if a project met the plan's requirements and if an increase or relief of these standards would be appropriate.

Mr. Zuraf said that additionally, the current Zoning Ordinance required sound studies, view shed analyses, and tree preservation plans, which would be considered when evaluating a project's suitability for buffers. He said that also, it was worth noting that these setback standards were greater than most of the existing setback requirements in their Zoning Code for most other uses. He said that typically, setbacks for most other uses were 40 to 50 feet or less. He said that there were some exceptions, such as for solar facilities, which had a 100-foot setback. He said that even so, they were proposing larger setbacks for this specific use. He said that this was also consistent with what staff had previously shown from other localities, which had similar setback standards in place.

Dr. Yeung asked for clarification regarding the Zoning Code and the specified uses in the footnote.

Mr. Zuraf said that he would like to clarify the Planning Commission's draft ordinance, which was outlined in the middle column, included everything they recommended. He said that the setback from residential uses and zones, as well as schools and the river, was 500 feet. He said that they also recommended a 300-foot setback from assisted living facilities, nursing homes, parks, childcare centers, and 100 feet from commercial-zoned property. He said that for accessory uses and parking and loading areas, there was a recommended 300-foot setback from those listed uses. He said that, then, vegetated buffers were required to be at least 200 feet from any residential zone or use.

Dr. Yeung asked if the two setbacks at the top were in conflict with each other. She said that she did not understand why the uses at the top were 500 feet and the others were 300 feet.

Mr. Zuraf said that this was the recommendation made by the Planning Commission, which suggested a 500-foot setback from any residential zone or use. He said that they had proposed a lesser setback of 300 feet if the facility were adjacent to an assisted living or nursing home. He said that in the alternative section option, the various uses were grouped together under the residential category, with specified uses noted in the footnote. He said that these uses were combined and would be subject to a 200-foot setback within the urban services area, a 100-foot setback from commercial-zoned properties within the urban services area, and a 300-foot setback from the property line for anything outside of the urban services area.

Ms. Allen said that the 40% was even more excessive than what Mr. Geouge had previously shown them, and it exceeded other localities' recommendations. She said that the highest she saw was 25%, and that was Stafford's right now. She said that now they were looking at going up to 40%.

Mr. Zuraf said that that would happen if the facility was located outside the urban services area.

Ms. Allen said that with Mr. Geouge's examples for the setbacks, it looked like with the 1,320-foot setback and the 40% open space, it seemed like they basically could not even have the project, especially when RPAs and other limitations were on a property.

Mr. Zura said that all of that could contribute to the 40% open space requirement. He said that the 300-foot setback also helped meet that requirement, as it was a substantial setback and counted towards the open space total. He said that this made it easier to achieve the 40% open space requirement.

Ms. Allen said that to reiterate, they did not necessarily have to be at 1,320 feet. She said that they could consider a different number, and as Mr. Geouge had mentioned, every project could come before the Board, and they could address any setbacks or requirements that they wanted to make it more responsive to public concerns. She said that for instance, they could consider a setback of 200 feet, and if that property might not be ideal for 200, as a Board, they could revisit and decide that they actually wanted to see the setback start at 300 feet. She said that the Board still had these tools available and they did not have to go to the extreme with every project they would assess.

Mr. Zuraf said that if the project had to go through a rezoning, then yes.

Ms. McClendon said that she would like to reiterate that proffers are voluntarily offered by the applicants. She said that the Board would inform the applicants of their desired outcome for the property, and it was up to the applicants to provide those conditions. She said that if the applicant failed to do so, the Board could then consider whether to approve the project. She said that however, she wanted to emphasize that the Board could not impose these conditions; they must be voluntarily offered by the applicants.

Mr. Diggs said that he believed that point had been overlooked in their conversation. He said that he had emphasized it on several occasions, but it seemed to be getting lost in the discussion. He said that the public's push for this issue was clear: they must get this done. He said that however, if anything came before the Board, it would be a rezoning, and they would then have more capability to control the impacts through those decisions. He said that he was unsure how to better clarify this to the public other than to just continue to reiterate it.

Mr. Zuraf said that they had started providing information on the County website about data centers and their efforts in this area. He said that this information aimed to educate the public about data centers and what they were doing. He said that all unapproved projects, including those he would not discuss in detail, were all subject to needing a rezoning.

Mr. Diggs said that another consideration was that if they set the minimum size at 2,500 feet, which was not feasible, but as an example, if an applicant came before the Board, they could consider going lower than that.

Mr. Zuraf said that there was a provision in the code that permitted the Board to accept a reduced buffer or reduced setback.

Ms. Alen said that in that case, the 1,320 feet was not the only option.

Mr. Zuraf said that if a property was already zoned M-2 by right, then they would not need to obtain a rezoning and it was done.

Ms. Allen said that they had already discussed how there were very few by-right M-2 properties. She said that as a result, most applications at this point would have to come before the Board to be rezoned. She said that the Board of Supervisors could choose to lessen or increase the requirements as part of that process.

Ms. Gary said that she wanted to note in this discussion that the current Board could set a setback of a very high or very low level, and then it still required approval from the Board as part of future rezoning applications. She said that to her, it appeared that they needed to find a balance that allowed this Board and future Boards to make good business decisions on projects that they reviewed. She said that that was what she aimed to see, and she just wanted to state that.

Dr. Yeung said that she thought that there needed to be a range. She said that she did not believe in assigning a specific number, as the suitability of a location could vary greatly depending on factors such as proximity to a stream or river, which could render it unsuitable, or the closeness to residents, which could impact the number. She said that if they were in a by-right or industrial area with little to no surrounding population, then the number could be lower, based on the individual building and surrounding area. She said that this was why she was advocating for a range rather than a fixed number.

Ms. Allen said that one of her recommendations was to implement a sliding scale. She said that the Board did not reach consensus to adopt that approach.

Mr. Zuraf said that staff brought that consideration back for discussion.

Mr. Diggs said that as a County, they needed to think beyond their current work session and consider the broader implications. He said that they needed to add an element of assurance to their actions to prevent similar issues in the future. He said that developers needed to know that when they came to Stafford, there were set expectations they would have to deal with. He said that he was concerned that they were all over the place. He said that he was not suggesting that the public's input was not important, but whatever decisions they made, they must be consistent.

Mr. Diggs said that this consistency was not limited to data centers; it was essential for all their policy decisions. He asked everyone to be mindful of that. He said that he agreed with Dr. Yeung's comments regarding the river, creeks, and tributaries, which made sense. He said that for the most part, he thought they were on the same page.

Ms. Allen said that she had a question regarding the rivers. She said that they received a significant number of comments about the rivers and data centers' potential impact on reservoirs and water supply. She said that beyond Stafford County, if another locality put data centers along the Rappahannock or at the mouth of the river, it would impact them regardless of their local regulations.

Mr. Zuraf said that any project required compliance with specific stormwater management regulations to mitigate the impact of runoff.

Ms. Allen said that one of the concerns was that they did not want to dry up the Rappahannock River. She said that her concern was that, and this was just a hypothetical scenario, if they were to never approve any data center projects or none of them ever got built, if someone were to build a data center along the river's source or terminus, she was thinking that would still impact Stafford even if Stafford itself never built data centers.

Chris Edwards, Chief Operating Officer, said that it would not necessarily impact them because most river withdrawals are regulated by the Department of Environmental Quality (DEQ). He said that DEQ would prevent any major withdrawal that would actually dry up that part of the river. He said that it was safe to say that they could potentially obtain a withdrawal permit, but the amount of water they could withdraw would not be sufficient to completely dry up the river, leaving no water downstream.

Mr. Edwards said that he often used the example from his experience in Spotsylvania. He said that they had actually obtained a withdrawal permit before Stafford did. He said that the Stafford withdrawal permit essentially was what Spotsylvania could take out plus what Spotsylvania had to leave in the water. He said that they issued those permits in a way that allowed enough water to remain in the river for the next person downstream to get the water they were permitted to take.

Ms. Allen said that she appreciated the explanation, which tied into the importance of the reuse system, which would remove that issue. She said that from Stafford's perspective, they did not have any say in whether a large number of data centers would be allowed to extract water from the Rappahannock; the DEQ regulated that process.

Mr. Edwards said that one of the benefits of the reuse system was that it was located further downstream in the tidal portion, which was a larger river section. He said that as a result, they were able to not discharge any water from the two wastewater treatment plants. He said that this meant that they could actually use all of the water from the wastewater treatment plants for reuse.

Ms. Allen said that she had intended to reach out to Mr. Edwards earlier when discussing the debt service. She said that one of the major benefits currently was the reuse system, which meant the data centers may be helping the County with in terms of increasing their utility capacity for residents. She said that if the data center were not to contribute to this effort, and the system was not rebuilt as proposed, she would like to know how that would have an impact on their Utilities Fund and, subsequently, the utility rate. She asked what the total cost of those improvements would be.

Mr. Edwards said that total improvements from the Potomac Church and Stafford Technology Campus projects amounted to approximately $100 million. He said that the reuse system was expected to cost around $400 million. He said that separating the reuse system from the other improvements, the County could expect to receive around $40 million for the Aquia Wastewater Treatment Plant and an additional $60 million of improvements would be made to their water and wastewater system. He said that these improvements had already been planned as capital projects, so if data centers did not construct them, they had not put down the bond yet or finished the design, it was a project the County had to do anyway, so the County would have to put it back into their CIP.

Ms. Allen asked how much their utility rates would have to increase to cover that cost.

Mr. Edwards said that he was not certain about the exact amount. He said that when they created their model, it did not accurately reflect costs like $100 million, as they were spread out. He said that they would likely need to borrow that amount. He said that to make an educated guess, they had borrowed $25 million, which added approximately $800,000 they had to repay, which was around 5%. He said that based on this, he was estimating that they would need to increase rates by 5% to 10%.

Ms. Allen asked if Mr. Edwards could speak to the increases being necessary due to identified needs.

Mr. Edwards said that this discussion largely stemmed from the 2019 Water and Sewer Master Plan. He said that the improvements were identified to redirect water across the County, specifically where some of the data centers were located. He said that as a result, they were asked to expedite those improvements to provide more water at the data center site and throughout the County. He said that they would be taking about 10% of the water improvements, which would be reused once the system was online. He said that at that point, they would have already invested $60 million in the improvements.

Dr. Yeung said that at their last meeting, Ms. Bohmke mentioned a recent meeting they had with staff and a representative from Friends of the Rappahannock. She said that he was very impressed with Stafford County's rules and regulations, so she would like to extend her gratitude to all of staff for that. She said that the Rappahannock River Basin Commission had previously received presentations from representatives of DEQ and JLARC, so she thought they were all well-informed in that regard. She said that she appreciated the work staff had done so far and continued to do in this area.

Ms. Gary said that it came to her attention recently that the Planning Commission had not taken any action despite the Board's request to work on the tree canopy ordinance. She said that she wanted to bring this to the Board's attention, as they had previously discussed the possibility of revisiting this issue. She said that although they were currently in a work session, she believed it was essential that everyone was aware of this oversight.

Mr. Zuraf said that staff was working through that right now.

Ms. Gary said that she appreciated the reassurance and she would follow up with him on that.

Mr. Zuraf said that he wanted to address the suggested building setback range. He said that he believed that this range would be subjective, as it would be too open-ended without setting a minimum setback. He said that to determine the setback, they would need to consider what was adjacent, the adjacent zoning district, use, or location, both inside and outside. He said that to provide more clarity, he suggested setting different setbacks based on specific criteria rather than relying solely on a wide range. He said that staff had provided some options on the right side of the chart for consideration, including a 1,320-foot setback. He said that these options could be brought forward to the public hearing for further consideration, but it was ultimately up to the Board or them to decide based on the information provided.

Mr. Diggs said that he would like for this information to come back for their joint meeting.

Mr. Zuraf said that the Board had voted on advertising what was considered at the last meeting, so this would be supplementary information that would be included.

Mr. Ashton said that he would like to summarize the key points from tonight's discussion and provide a clear path forward. He said that to ensure that each of the Supervisors had the opportunity to ask questions, so he would be making staff available for one-on-one meetings. He said that they were committed to providing the Board with as much information as possible to inform their decision-making process. He said that given the compressed timeline, he wanted to ensure that each of the Supervisors was fully equipped to address their responsibilities. He said that to that end, he encouraged them to ask any questions they may have.

Ms. Allen asked about the possibility for them to gather information from Fairfax regarding the feedback they received on their model of having a setback and then an additional setback for the equipment.

Mr. Zuraf said that yes, they could look into how that was being applied.

Ms. Allen said that she would appreciate learning about the feedback regarding sound and some of the concerns. She said that she was curious because they had a unique approach to those regulations.

Mr. Diggs said that he wanted to thank the staff for putting together a phenomenal presentation, which the Board truly appreciated. He said that given the short time frame, they had all been doing an outstanding job, and they still had a lot of work to do. He said that he wanted to thank the constituents who attended, including those he met at the Protect Stafford meeting at Bethel Church, where he was impressed with the presentation. He said that the Board members were receiving a significant number of emails, and he wanted to assure them that they were taking all of their concerns seriously.

Mr. Diggs said that as constituents, their input was crucial to the Board, and they were committed to making sound decisions for the future of the County. He said that they could not do it without their constituents' involvement and accountability. He said that finally, he wanted to thank his colleagues for their hard work and dedication, as he believed this work session had provided valuable information for the direction he would be moving in.

Ms. Gary said that she also wanted to express her gratitude to staff for all the hard work they had put in very quickly. She said that it had been a lot asked of them, and she was very grateful for that, as well as to her colleagues for being there and working through this. She said that these issues had been difficult for the public, and it had been difficult at times in their discussions on this Board.

Ms. Gary said that she believed it was essential that they continued to show up and have these conversations, especially in light of the current national context. She said that by doing so, they could have hard conversations, work towards a solution that benefited the public, and bring their best ideas to the table. She said that she thought this was a wonderful thing to demonstrate and do right now.

Dr. Yeung said that she wanted to thank Mr. Diggs for allowing this work session to take place. She said that she was aware that she had been a challenging participant, and she appreciated the opportunity to have this discussion. She said that she also wanted to acknowledge Ms. Gary's request for this work session as well, and she appreciated that Mr. Diggs had backed them on that. She said that she would like to thank the staff for their hard work, and she was particularly pleased with the framework staff had created.

Mr. English said that he would echo the comments from the other Supervisors. He said that he wanted to thank staff for everything they were doing. He said that the concerns of his constituents were his main concern, so he thanked everyone for doing their best to address them.

**ADJOURNMENT**

The Board adjourned its meeting at 7:41 p.m.

A Copy, teste:

William H. Ashton, II
County Administrator