Related Digital
Washtenaw County Data Center Proposal
August 2025

Project Summary

Related Digital is proposing a data center project on 575 acres of land in Saline Township. The proposed data center is a low impact, high investment project being designed with the Township's rural character in mind. Related Digital will develop on fewer than 250 acres of the site, with the balance remaining open green space and landscape. The project prioritizes the preservation of open space and consistency with the surrounding area, including through setbacks from the road and screening. It will have minimal impacts on water, traffic, and other Township resources. Further, the project offers significant benefits to Saline Township, including substantial tax revenues and a superior alternative to other developments that will otherwise occur on the land. Notably, our project will cancel 127 acres of solar currently under lease on the site.

Project Overview

What is a data center? A data center is a building (or buildings) that stores computing machines and their related hardware equipment. These buildings are filled with servers that process and store the data commonly referred to as "the cloud." A data center also includes the physical equipment to keep the facility cool.

What is the project's timing? Related Digital has applied to Saline Township to rezone approximately 575 acres. There have been several public meetings on the project, including an August 5th Planning Commission meeting, an August 12th Planning Commission meeting, and an August 13th Township Board meeting. The rezoning application will be back on the agenda for the next Board meeting. Related Digital would like to commence initial work on the site in October, with full construction planned to commence in the first quarter of 2026 and construction expected to be complete in the fourth quarter of 2027.

Why Michigan? Data center development in Michigan has been driven in part by new state sales and use tax legislation, supported on a bipartisan basis in the state legislature and approved by the Governor in December 2024 (PA 181 of 2024). In addition, Michigan's strong labor force and stable climate are contributing factors.

Why Saline Township? Related Digital assessed dozens of sites throughout the state. There are a few reasons why this site is optimal:

a. The specific 345kV transmission lines that run through the site have more than enough capacity for the project (and will have no negative effect on the Township's electricity grid).
b. The site is a continuously flat area, ideal for siting data center buildings.
c. The site is 30 feet down from Michigan Avenue, set back from proximate residential buildings and out of view for much of the community, particularly with the existing woodlands and additional planned berming.

What are the legally binding conditions of the proposal that will benefit the Township? We have proactively included several voluntary conditions as part of our rezoning. If approved, the project will be bound to follow these conditions:

a. Approximately 200 acres of wetlands, open space, and agricultural land will be protected from building or development activities in a manner similar to PA116s.
b. Conservation easements will be placed on approximately 48 acres of wetlands and woodlands.
c. The project will have a minimum of 75' setbacks from any abutting property.
d. Landscaped berms will be constructed along Michigan Avenue, and primary ingress and egress will only be off Michigan Avenue.
e. Once the final site plan approval is received, the project cannot be expanded in the future to include additional data center buildings.
f. The project's HVAC systems will not use high-water-use evaporative cooling technologies.
g. The on-site water system will be made available to the fire department for fire suppression consistent with the public health, safety and welfare of the Township and its residents. In addition, any on-site sewer system constructed to serve the Project shall be designed to only serve the project and not be expandable to provide urban services to any other property.
h. To reimburse the Township for fire and other municipal services, and to provide other public benefits to the community, the project will directly contribute Two Million ($2,000,000) Dollars for investment and use for fire and other emergency services; (B) One Million ($1,000,000) Dollars to establish a Community Investment Fund to be administered by the Township in the exercise of its reasonable discretion; and (C) One Hundred Thousand ($100,000) Dollars for the repair and maintenance of the Township's historic cemeteries.
i. Related Digital will not sell or lease the Project to a non-profit charitable or other tax-exempt entity.
j. Should a situation arise in which the Project is abandoned, Related Digital must decommission the project and restore the site as a natural area.

<u>Project Design</u>

What will the sound level be? Aren't data centers noisy? Generators are usually the noisiest pieces of equipment at a data center. While a typical data center of this size has approximately 600 generators, our project is designed to include just 12 generators, which will only run in emergency situations and for routine maintenance (roughly one hour a month). Further, we have already conducted sound studies for the project. Existing conditions on the site were found to have sound levels of 48 to 77 decibels. Our project is designed for a maximum of 65 decibels at any property line, less than the highest existing conditions (and less than most farm equipment). The sound studies have been submitted to the Township Board and Planning Commission for review.

How will the project affect traffic in our community? Isn't the entrance location dangerous? We are working closely with MDOT to design safe and appropriate traffic solutions for the project. We only expect to add 300 new vehicle trips during peak AM and PM hours. We have already

completed a traffic study, which was approved by MDOT and shared with the Township Board and Planning Commission. MDOT confirmed the project earned an 'A' rating, indicating minimal traffic impacts.

Don't the soil conditions make it difficult to build? No, the conditions may slow down the project's initial earthwork process, but it won't make it any more difficult to build and we have a team of construction experts who have successfully built data centers across the country.

How much water will the Project use? The project will use a nominal amount of water, primarily for restrooms, sinks, other domestic uses and humidity control. We anticipate roughly 20,000 gallons a day. Our project is different from some of the large data centers you may have read about that utilize evaporative cooling technology and consume millions of gallons of water daily. We included a specific condition in our rezoning application stating that we will not evaporate water for cooling. Importantly, the air-cooled technology we utilize in our design is common practice in the data center industry and has been used for decades.

Where will the water come from? We are planning for a 6-inch, 118 ft deep well on-site that will only serve the Project and the Saline Area Fire Department, should they need it.

What is the stormwater/flood management plan? The project's stormwater management features will significantly mitigate stormwater runoff from the site, reducing peak flow rates into the Saline River in comparison to existing conditions.

The project will have 15–20-acre detention basins that will be designed to exceed the volume requirements for a 100-year storm event and will discharge to the Saline River through restricted outlet structures. Controlled discharge and full drawdown are expected to occur within a 48-hour period following a qualifying storm event. Additionally, the swales directing stormwater to the basins will be designed to promote infiltration, further enhancing the system's effectiveness.

How do we know you won't expand the development in the future? As part of our site plan application, we included a legally binding condition that the project will not expand. Once we have final site plan approval, development on any future land will be restricted. We are open to leasing land not required for the project to members of the community for farming.

Will this project have solar? There will be no solar as part of this project. Moving the project forward would actually cancel the existing solar lease on the site, which right now can proceed without any needed approvals from the township.

<u>Project Tax Benefits</u>

What are tax benefits? The project will bring significant new tax benefits to Saline Township. Currently, the properties that comprise the project contribute roughly $3,600 of taxes to the township on an annual basis. In the first year of operations, the project will contribute $2.2M of

taxes to Saline Township. The project's average annual contribution to Saline Township's taxes through 2039 is projected to be at least $1.6M per year.

Regarding tax revenues to the schools, it is estimated that the data center will pay an average of at least $8M per year to the Saline Area School system and $2.2M to the Washtenaw County ISD. Although a portion of the $8M goes to the State for distribution, the district still benefits directly. Several existing millages flow straight to Saline Area Schools, and this project adds a new revenue source that can also reduce the burden of future millages on Saline Township homeowners.

Based on some of the school-related millages, the tax revenue breakdown includes:

- School Debt (bonds): $2,681,250
- Washtenaw ISD: $1,955,990
- Saline Sinking Fund: $122,301
- Saline CARES Millage: $174,782

Unlike other school funding, these millages are locked in, and the State can't remove or reduce them. These new tax revenues mean ongoing support for our schools and protection for homeowners from bigger millage-related tax increases.

How can the Township have confidence that the tax revenue will be there? All the above tax projections were calculated assuming a partial tax exemption from the PA 198 program for industrial districts. No other tax exemption program applies (as has been confirmed by the County Tax Assessor). Finally, as one of the conditions of the rezoning, the data center cannot be sold to a tax-exempt entity.

Project Process

Why are you trying to get this approved so quickly? States and municipalities are competing aggressively to attract data centers through new tax and use policies because they provide significant new tax revenue streams to support state budget shortages, create investment in infrastructure, and contribute to America's competitiveness. To take advantage of this competitive opportunity and deliver for our tenant, Related Digital aims to start site work in October.

Won't this create a precedent for more data centers in the township? No. As Fred Lucas, the lawyer for Saline Township, stated clearly at the last Township Board meeting, each project and zoning request is considered individually on its merits by the Planning Commission and Board. In addition, the community investment fund included in the proposal could be used to help the Township fund any legal battles with future developments. Finally, allowing at least one data center proposal to proceed could help mitigate the risk of litigation and claims of exclusionary zoning, as the data center project is a clear commitment of land for industrial use and would provide the Township with a substantial defense against expanding such land uses in the future.

What happens at the end of the Project or if the company goes out of business? Will Saline be left with an empty building? First, it is extremely unlikely that Saline will be left with an empty building. The useful lives of data centers are much longer than those of renewable energy generation or battery storage projects. Second, the significant investments in the project's electrical infrastructure mean that the site will have long term value. There is little to no precedent for the abandonment of data center projects; however, should a situation arise in which the Project is abandoned, Related Digital has included a legally binding commitment to decommission the project and restore the site as a natural area.

How are you going to start building in October? Don't you need permits? Our plan is to start preliminary sitework in October, not full construction. We will comply with all Township, County, and State permitting requirements. To begin moving dirt in October, we are in the process of obtaining a handful of key permits. Of course, the first step is conditional rezoning approval.

What happens if the Planning Commission or Township Board delays or rejects this proposal? We cannot guarantee that this opportunity will still exist for the Township should the planning commission or board further delay or reject this approval. We do know that some of the sellers have already pulled their land out of the PA116 program and intend to develop all of their land for solar, residential (potentially up to 500 homes on 1 acre lots), or other development if the data center project does not move forward.

<u>Other Project Questions</u>

Who is the tenant or user of the Data Center? Is it the government? Our tenant is a large American publicly traded technology company. There are only a handful of companies who can lease a project of this size, such as Microsoft, Oracle, Google, Amazon, Meta, and CoreWeave.

Will our electric bills go up to pay for these upgrades? No, bills will not go up because of the data center project. When the State of Michigan passed its most recent laws (PA 181 of 2024) concerning data centers, it included language stating that any costs associated with the upgrades and infrastructure for a particular data center project must not be passed on to ratepayers. This means that the project must pay for any costs. In fact, we expect that the net result of including this project in DTE's service territory and the upgrades we are paying for could alleviate pressure on ratepayers.

There is another data center project under review in Augusta. How can the system support both? The Augusta project will be served from different transmission lines than this project. We have no affiliation with that project.