



## TOWN COUNCIL REGULAR MEETING

21 Main Street

Tuesday, June 10, 2025 at 9:00 AM

### AGENDA

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Possible additions to the agenda and related materials are not set forth herein.

Times set forth are approximate and may be adjusted as necessary.

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#### I. WORKSESSION - 9:00 AM

- A. Planning Commission Update
- B. **Zoning Ordinance Text Amendment - ZOTA-25-1 – A Text Amendment to Remove Data Centers as a Permissible Use within the Industrial District.** On March 22, 2025, Town Council adopted a Resolution to initiate a text amendment to Articles 3, 9, and 12 of the Town of Warrenton Zoning Ordinance. This text amendment is for the purpose of removing Data Centers as a Permissible Use within the Industrial District, and therefore make Data Centers an impermissible Use within the Town of Warrenton. On May 20, 2025, the Planning Commission voted to recommend approval of the text amendment 4 - 1.
- C. Budget Work Session For Fiscal Year 2026
- D. Proffers discussion: Mr. Kovalik Request
- E. Tiffany Estates
- F. Agenda Review
- G. Closed Session

#### II. REGULAR MEETING - 6:30 PM

- A. INVOCATION.
- B. PLEDGE OF ALLEGIANCE.
- C. PROCLAMATIONS AND RECOGNITIONS.
- D. CITIZEN'S TIME.
- E. APPROVAL OF THE AGENDA.
- F. PUBLIC HEARINGS.

- [a.](#) A Public Hearing to Consider the Fiscal Year 2026 Proposed Budget, the Fiscal Year 2026-2031 Proposed Capital Improvement Plan, 2025 Tax Rates, Fiscal Year Water and Sewer Rates, Warrenton Aquatic and Recreation Facility (WARF) Fees, and Special Event Fees

**G. CONSENT AGENDA.**

- [a.](#) Acceptance of Virginia Department of Transportation (VDOT) State of Good Repair (SGR) Grant Funds
- [b.](#) Acceptance of Virginia Department of Transportation (VDOT) Revenue Share Grant Funds
- [c.](#) Acceptance of Virginia Department of Environmental Quality (DEQ) Stormwater Local Assistance Funds (Grant #25-13)
- [d.](#) Acceptance of Virginia Department of Environmental Quality (DEQ) Stormwater Local Assistance Funds (Grant #25-18)

**H. NEW BUSINESS.**

**I. UNFINISHED BUSINESS.**

**J. TOWN ATTORNEY'S REPORT.**

**K. TOWN MANAGER'S REPORT.**

**L. COUNCILMEMBERS TIME.**

**M.ADJOURNMENT.**





Community Development  
Department

# **STAFF REPORT**

|                                   |                                 |
|-----------------------------------|---------------------------------|
| <b>Town Council Meeting Date:</b> | June 10, 2025                   |
| <b>Agenda Title:</b>              | Planning Commission Update      |
| <b>Requested Action:</b>          | Informational Purposes          |
| <b>Staff Lead:</b>                | Denise Harris, Planning Manager |

## **EXECUTIVE SUMMARY**

On May 20, 2025, the Planning Commission held a public hearing on ZOTA 25-01, the Town Council initiated zoning text amendment to remove data centers from the Zoning Ordinance. Six people spoke to the amendment. The Planning Commission voted 4-1 (Ainsworth against) to recommend approval of the text amendment to Town Council. This item is now before the Town Council for a work session at its June meeting.

The Planning Commission also updated their bylaws in a 5-0 vote after several months of review. The updated bylaws take into consideration State Code requirements. The draft meeting minutes are attached and is available for viewing on the Town's website here: <https://www.regionalwebtv.com/warrentonpc>.

## **BACKGROUND**

On March 22, 2025, Town Council adopted a Resolution to initiate a text amendment to Articles 3, 9, and 12 of the Town of Warrenton Zoning Ordinance. This text amendment is for the purpose of removing Data Centers as a Permissible Use within the Industrial District and therefore make Data Centers an impermissible Use within the Town of Warrenton.

## **STAFF RECOMMENDATION**

For Informational Purposes.



## PLANNING COMMISSION REGULAR MEETING

21 Main Street

Tuesday, May 20, 2025, at 7:00 PM

### MINUTES

Item A.

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#### A REGULAR MEETING OF THE PLANNING COMMISSION OF THE TOWN OF WARRENTON, VIRGINIA, WAS HELD ON MAY 20, 2025, at 7:00 PM

##### Regular Meeting

##### PRESENT

Mr. Ryan Stewart, Chair; Mr. Terry Lasher, Vice Chair; Ms. Darine Barbour, Secretary; Mr. Steve Ainsworth; Mr. James Lawrence; Mr. Rob Walton, Community Development Director; Heather Jenkins, Zoning Administrator; Patrick Corish, Associate Town Attorney

##### ABSENT

N/A

The minutes laid out will be a brief recap of the agenda items. Please see recorded video for more in-depth information.

#### CALL TO ORDER AND ESTABLISHMENT OF A QUORUM.

The meeting opened at 7:00 PM by Chair Stewart and declared a quorum present.

#### ADOPTION OF MINUTES

Commissioner Lawrence moved to approve the January 21, 2025 and April 22, 2025, with the correction of a misspelling of "work session." The motion was seconded by Commissioner Ainsworth. The motion passed 5-0.

#### PUBLIC HEARING.

**1. Zoning Ordinance Text Amendment - ZOTA-25-1 – A Text Amendment to Remove Data Centers as a Permissible Use within the Industrial District. On March 22, 2025, Town Council adopted a Resolution to initiate a text amendment to Articles 3, 9, and 12 of the Town of Warrenton Zoning Ordinance. This text amendment is for the purpose of removing Data Centers as a Permissible Use within the Industrial District, and therefore make Data Centers an impermissible Use within the Town of Warrenton.**

Ms. Heather Jenkins, Zoning Administrator, gave an overview of the March 11, 2025, Town Council initiated text amendment and the Planning Commission's work session from April 22, 2025.

Chair Stewart opened the floor up to questions of staff.

Commissioner Lawrence inquired the Zoning Ordinance Legislative Intent sections at the beginning of each District. Staff explained that the consideration is whether the proposed text amendment falls within the guidelines of the legislative intent of the Industrial District of the Zoning Ordinance and Plan Warrenton 2040.

Chair Stewart then opened the Public Hearing at 7:15 PM.

Ali Zarabi – 344 Richards Drive, Warrenton

Ken Alm – 194 Culpeper Street, Warrenton

David Gibson – 5485 Foxview Drive, Calverton

John McAuliffe – Chilton House, Culpeper Street, Warrenton

Denise Schaffer – 6080 Whipperwill Drive, Warrenton

Cindy Burbank – Barn Owl Court, Warrenton

Chair Stewart closed the Public Hearing at 7:33 PM

Commissioner Lawrence discussed that data centers were not contemplated in the comprehensive plan. Plan Warrenton 2040 took a lot of pride in being citizen driven. Data centers were not part of that discussion. Since its adoption in 2021, the community has been vocal about removing data centers as an approved use in Town. He stated he feels a personal responsibility to representative democracy to honor the wishes of the community.

Commissioner Ainsworth discussed the Planning Commission not serving as a rubber stamp for Town Council but to properly vet land use decisions. Data centers was discussed as a possible use in the Industrial District, which by-right allows for wholesale, distribution centers of similar structure size and form that are similar to data centers. The land is surrounded by car dealerships and strip malls. Stated he believes it is not very different from other allowable uses and is an integral part of utility infrastructure. He raised concerns about one group of elected officials finding the use to be reasonable with the strict requirements under a Special Use Permit process, which requires vetting through the Planning Commission and Town Council. At this time he does not see a driving force to remove the use from the Zoning Ordinance.

Secretary Barbour spoke to there is only being one parcel available for another data center and asked if this was a use they would want to contemplate based on the required time, expense, and staff resources for one potential applicant. She stated she is not interested in being part of that type of legislative application and the citizens have spoken that they do not want data centers. Secretary Barbour continued that she wants to protect Warrenton's unique character and listen to the citizens. She believes the Planning Commission is looking at the proposal and asking questions, not rubber stamping a Town Council initiation, by looking at studies and doing their research before making a recommendation. She takes pride in the Planning Commission's due diligence and hopes the community understands they have thought about the citizens no matter what decision is recommended.

Vice Chair Lasher thanked Commissioner Ainsworth, Commissioner Lawrence, and Secretary Barbour for all raising great points. However, from his standpoint he relies on Plan Warrenton 2040, which tried to bring all the viewpoints in the community into one guiding document and he does not see where data centers fit within it. He agreed the Town needs economic development opportunities to achieve a workable community. He found that when one decision takes up a large chunk that limits the Town's ability to have a workable community then it impacts having a livable community. He clarified his previously comments regarding cost and revenues by stating he was inferring the costs associated with staff and decision makers time to revisit over and over. Wants a constructive dialogue and commends the community for coming out.

Chair Stewart stated that he stands by the original Planning Commission's recommendation for the original text amendment; however, believes that everyone has learned a lot since that time. A lot has been learned about the impact of data centers from a land use perspective and the impacts on communities, public processes, and the way residents relate to their Town. He stated he also was in agreement with Commissioner Lawrence about the previous comments about Plan Warrenton and the Character Districts. He went on to review the development of the Urban Development Areas to state he understands the intent that was developed behind all those guidelines. There is no defined area for data centers on a large scale, industrial facility like seen in Loudoun or Prince William counties. The road map of the comprehensive plan does not include the intent to have data centers. From a practical standpoint, data centers are limited to only a few sites in town and don't see how they match the intent or character in their current form. However, Chair Stewart did believe there may be opportunities for smaller scale data center footprints. If allowed for a computer warehouse that looked like a single family home that does not require any additional utilities or demand on the water system, then it might work as viable infill development for a diversity of uses in the Industrial District. However, the Town does not have anything on the books to promote this. As the Zoning Ordinance is being updated, this may be something the community might want to look at. The staff draft of the proposed Zoning Text Amendment appears to meet the intent of the Commission and the Town Council leading him to support it.

Chair Stewart concluded the Planning Commission discussion and asked for a motion.

Commissioner Lawrence moved to recommend to Town Council to approve ZOTA 20-01 to amend Articles 3, 9, and 12 with the Staff's draft to remove data center uses from the Industrial District of the Zoning Ordinance.

Secretary Barbour seconded the motion.

There was no further discussion.

The motion passed 4-1 (Ainsworth against).

## **NEW BUSINESS.**

Planning Commission Bylaws Update which had been reviewed over the course of several months was brought forward for adoption.

Secretary Barbour requested consistency with the wording of "Chair" over "Chairman."

Chair Stewart said he would prefer gender neutral wording of "Chair" over "Chairman."

Chair Stewart asked for a motion with this administrative modification.

Commissioner Lawrence moved to adopt the updated Planning Commission Bylaws as amended. Commissioner Ainsworth seconded the motion. The Planning Commission approved the updated Bylaws 5-0.

## **COMMENTS FROM THE COMMISSION.**

Secretary Barbour thanked staff and reminded everyone that next month is Juneteeth on June 14<sup>th</sup>. Asked to help get the word out to come celebrate.

Chair Stewart thanked staff for their hard work on the data center issue. It has been a long road for everyone involved. Also thanked the public for voicing their concerns on the issue.

#### **COMMENTS FROM THE STAFF.**

Ms. Heather Jenkins reviewed two land use applications that have been submitted, including a legislative waiver for street connectivity and a Special Use Permit for Home Depot for covered storage.

Director Walton advised there is nothing for the agenda next week.

Chair Stewart and the Planning Commission advised staff to cancel the Work Session the following week.

#### **ADJOURN.**

Commissioner Lawrence moved to adjourn the meeting; Commissioner Ainsworth seconded the motion. With no further business, the Chair Stewart adjourned at 7: 55 PM.

**I hereby certify that this is a true and exact record of actions taken by the Planning Commission of the Town of Warrenton on May 20, 2025.**

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Darine Barbour, Secretary  
Planning Commission

DRAFT



# STAFF REPORT

|                                   |                                                                                                         |
|-----------------------------------|---------------------------------------------------------------------------------------------------------|
| <b>Town Council Meeting Date:</b> | June 10, 2025                                                                                           |
| <b>Agenda Title:</b>              | ZOTA-25-1 – A Text Amendment to Remove Data Centers as a Permissible Use within the Industrial District |
| <b>Requested Action:</b>          | Hold a Work Session                                                                                     |
| <b>Department / Agency Lead:</b>  | Community Development                                                                                   |
| <b>Staff Lead:</b>                | Heather Jenkins, Zoning Administrator                                                                   |

## EXECUTIVE SUMMARY

On March 22, 2025, Town Council adopted a Resolution to initiate a text amendment to Articles 3, 9, and 12 of the Town of Warrenton Zoning Ordinance. This text amendment is for the purpose of removing Data Centers as a Permissible Use within the Industrial District, and therefore make Data Centers an impermissible Use within the Town of Warrenton.

On April 22, 2025, the Planning Commission held a work session to discuss the text amendment, and on May 20, 2025, held a public hearing to receive citizen comments. Upon closing the public hearing, the Planning Commission moved to recommend approval of the text amendment by a vote of four to approve, one to deny.

Staff requests that Town Council hold a work session to discuss the text amendment, and provide feedback and guidance to staff prior to scheduling a public hearing. Per Zoning Ordinance Section 11-3.9.9 *Town Council Review and Action*, the Town Council must act on the proposed text amendment within one year. The one-year deadline falls on Wednesday, March 11, 2026.

## BACKGROUND

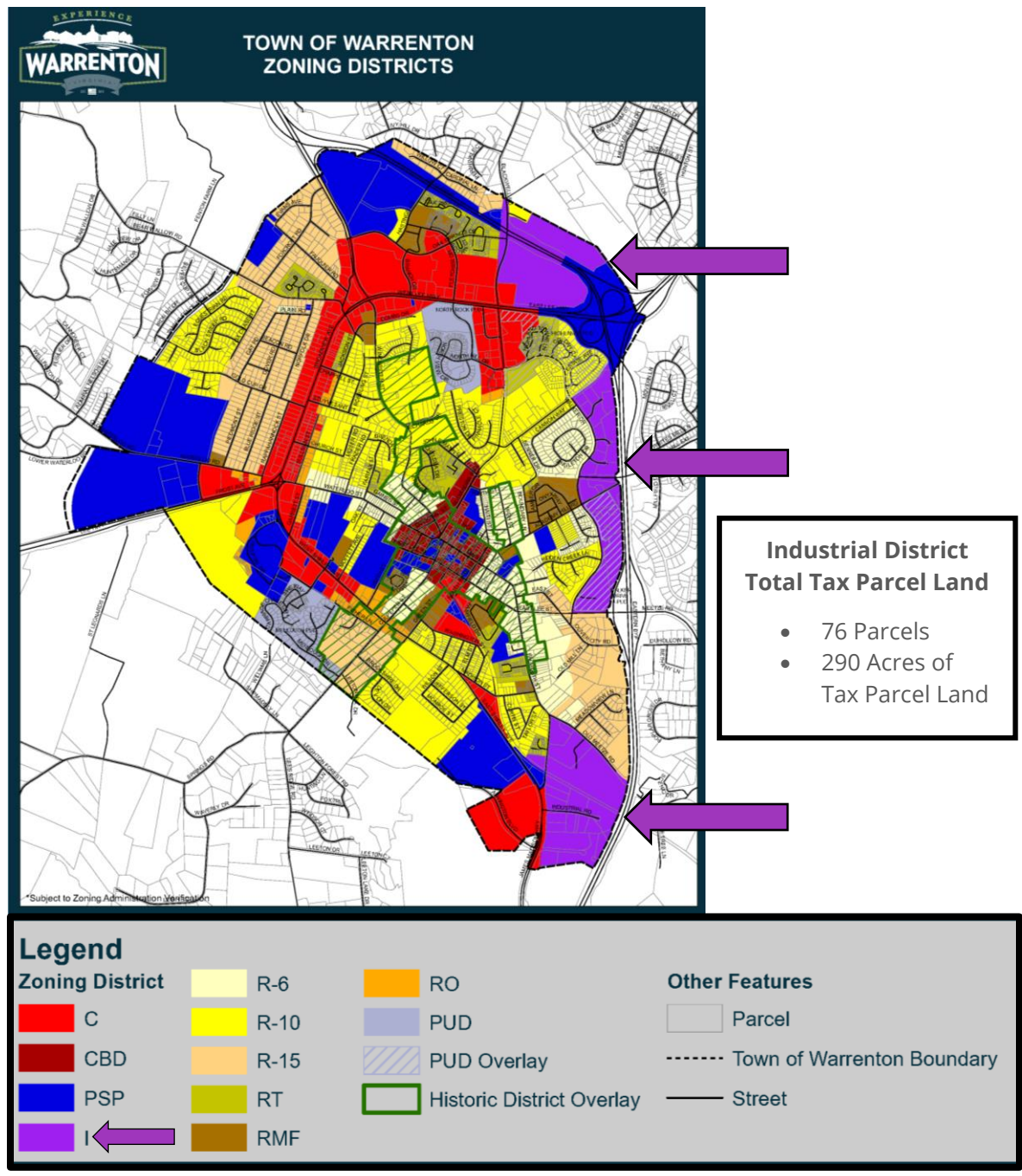
On August 10, 2021, Town Council adopted an Ordinance to add Data Centers as a Permissible Use within the Industrial District with the approval of a Special Use Permit by Town Council. This text amendment added Data Centers as an allowable use under Section 3-4.12.3 *Permissible Uses*, as defined in Article 12 *Definitions*, and subject to the standards listed in Section 9-26 *Data Centers*. A copy of the adopted text amendment is included with this staff report as [Attachment A – Ordinance to Adopt ZNG 2021-0321](#). A brief timeline of the text amendment process for the previous Data Center text amendment is as follows:

### Data Center Text Amendment (ZNG 2021-0321) Timeline:

- July 11, 2017 – Town Council initiates a Zoning Ordinance Text Amendment to research industrial areas and the possibility of adding data centers.
- The originally initiated Text Amendment was not pursued with the Planning Commission or Town Council.
- April 13, 2021 – Town Council initiates a Zoning Ordinance Text Amendment to allow data centers within the Industrial District with the approval of a Special Use Permit.

- May 25, 2021- Planning Commission holds a work session on the Text Amendment.
- June 15, 2021 – Planning Commission holds a public hearing on the Text Amendment.
- July 20, 2021 – Planning Commission holds a public hearing on the Text Amendment, and recommends approval 5-1.
- August 10, 2021 – Town Council holds a public hearing on the Text Amendment, and approves the Text Amendment 7-0.

**Zoning Map - Industrial District Locations**





Following approval of the initial text amendment on August 10, 2021, one Special Use Permit application for a Data Center was submitted for consideration by the Planning Commission and Town Council, application number SUP-22-3, located at 719 Blackwell Road (PIN 6984-69-2419-000). On February 14, 2023, Town Council approved this Special Use Permit application subject to the associated Conditions of Approval. The Special Use Permit SUP-22-3 and the associated Site Development Plan, case number SDP-23-6 approved on April 18, 2024, remains the sole approved Data Center Use within the Town. A copy of the resolution to approve SUP-22-3 is included with this staff report as [Attachment B – Resolution to Approve SUP-22-3](#).

On March 22, 2025, Town Council adopted a Resolution to initiate a text amendment to Articles 3, 9, and 12 of the Town of Warrenton Zoning Ordinance. This Resolution includes the statement that a Data Center is a Use that does not further the health, safety and welfare of the public, nor does a Data Center Use promote public necessity or public convenience within the Town of Warrenton. A copy of this Resolution is included with this staff report as [Attachment C – Resolution to Initiate ZOTA-25-1](#).

On April 22, 2025, the Planning Commission held a work session to discuss this text amendment. During the April 22, 2025, work session, Planning Commission members requested information on the possible impacts of data centers on communities. On May 20, 2025, the Planning Commission held a public hearing to discuss the text amendment and to hear comments from citizens. As a part of the May 20, 2025, public hearing, staff provided a copy of the *Data Centers in Virginia* report provided to the Governor and General Assembly of Virginia by the Joint Legislative Audit and Review Commission (JLARC), dated December 9, 2024. The JLARC report provides an in-depth analysis of the impact data centers can have on local communities, to include economic, fiscal, energy, natural and historic resource impacts, as well as potential impacts on residential areas adjacent to data centers. The JLARC report is included with this staff report as [Attachment D – JLARC Data Center Report](#). A briefing of this report, as presented to the General Assembly and other bodies, is included with this staff report as [Attachment E – JLARC Data Center Presentation](#), where this briefing summarizes the findings of the JLARC report.

Prior to the May 20, 2025, public hearing, citizen comments were received that expressed either support of the proposed text amendment or caution regarding removal of the Data Center use altogether. During the May 20, 2025, public hearing six citizens spoke in favor of the proposed text amendment to remove Data Centers as an allowable use in the Town. A copy of the May 20, 2025, meeting minutes is included with this staff report as [Attachment F – Planning Commission Public Hearing Meeting Minutes](#). Upon closing the public hearing, the Planning Commission moved to recommend approval of the text amendment, by a vote of four to approve, one to deny.

**STAFF RECOMMENDATION**

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Staff requests that the Town Council hold a work session to discuss this matter. A red-lined version of the proposed ordinance language has been included with this staff report as [Attachment G – Draft Text Amendment](#). Following this work session, the text amendment will be placed on the next available Town Council agenda for a public hearing.

Per Zoning Ordinance Section 11-3.9.1 – *Authority for Change* – zoning ordinance text amendments are meant to *further the public necessity, convenience, general welfare, or good zoning practice*; Ordinance Section 11-3.9.13 – *Criteria for Consideration of Text Amendments* includes the two considerations of 1. *whether the proposed text amendment is consistent with the Comprehensive Plan* and 2. *whether the text amendment is*

consistent with the intent of [the] Zoning Ordinance. Additionally, Section 11-3.9.13 directs Town Council members to the fourteen (14) consideration criteria from Section 11-3.9.12 – *Criteria for Consideration of Zoning Map Amendments* – specifically, only those criteria that are *relevant to the text amendment*.

**11-3.9.12 – Criteria for Consideration of Zoning Map Amendments**

*Note – Per 11-3.9.13 – Criteria for Consideration of Text Amendments, only those criteria that are relevant to the specific text amendment should be considered.*

1. whether the rezoning request, if granted, would further the public interest, and whether it conforms with the goals, objectives, and policies of the Comprehensive Plan;
2. whether the rezoning is consistent with the town's Future Land Use Plan, as identified in the Comprehensive Plan, and established character of the area and land use patterns;
3. whether the rezoning is justified by changed or changing conditions;
4. whether the rezoning, if granted, would create an isolated district unrelated to adjacent districts;
5. whether utility, sewer and water, transportation, school, recreation, stormwater management and other facilities exist or can be provided to serve the uses that would be permitted on the property if it were rezoned;
6. whether the rezoning will be compatible with properties and uses in the vicinity and not have an adverse impact on these properties or their values;
7. whether there are adequate sites available elsewhere in the Town for the proposed use, or uses, in districts where such uses are already allowed;
8. whether the impact that the uses that would be permitted if the property were rezoned will have upon the volume of vehicular and pedestrian traffic and traffic safety in the vicinity and whether the proposed rezoning provides sufficient measures to mitigate such impacts;
9. whether a reasonable and viable economic use of the subject property exists under the current zoning;
10. whether the effect of the proposed rezoning on environmentally sensitive land or natural features, wildlife habitat, vegetation, water quality and air quality is compatible with the Town's Comprehensive Plan;
11. whether the proposed rezoning encourages economic development activities in areas designated by the Comprehensive Plan and provides desirable employment and enlarges the tax base;
12. whether the proposed rezoning considers the current and future requirements of the community as to land for various purposes, including housing and business, as determined by population and economic studies;
13. the effect of the proposed rezoning to provide moderate housing by enhancing opportunities for all qualified residents of the Town; and
14. the effect of the rezoning on natural, scenic, archaeological, or historic features of significant importance.

**Service Level/Collaborative Impact**

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There are no known service level or collaborative impacts.

**Policy Direction/Warrenton Plan 2040**

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The Zoning Ordinance currently allows for Data Centers as a Permissible Use within the Industrial District. Industrial Zoned parcels within the Town are located along the eastern boundary of the Town jurisdictional limits, adjacent to the Eastern Bypass and Route 17 Spur. The Comprehensive Plan, Future Land Use Map

shows that Industrial Zoned properties are located within the New Town Mixed Use/New Town Character District, Old Town Mixed Use/Old Town Character District, and Greenway and Wellness Mixed Use/Greenway and Makers District. The desired development for these character districts is described in the Comprehensive Plan, Town Warrenton 2040, in Goals L2, L3, and L5, predominantly as mixed-use and walkable.

While the New Town Character District, Goal L3, calls for the establishment of a major employer, a Data Center was not specifically listed in any of the Future Land Use or Character Districts. This issue was raised during the initial Zoning Ordinance Text Amendment public hearing process for *ZNG 2021-0321*. As such, Town Council asked staff to prepare a Text Amendment to remove Data Centers as a Permissible Use within the Industrial District.

**Fiscal Impact**

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The potential fiscal impacts associated with data center development are highly individualized as to the circumstances of the locality and the proposed site-specific data center development conditions, so that a quantitative analysis is not feasible, other than what has been provided as a part of the JLARC Data Center Report (Attachment D). Generalized fiscal impacts are summarized in the JLARC Data Center Report, and this report finds that the greatest amount of revenue generation from data centers to a locality comes during the initial construction phase, due both to the large number of construction-related jobs that are generated and the purchase of building materials, as well as secondary revenue generators such as hotel stays, food purchases, and other service-sector related transactions.

**Legal Impact**

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Should a text amendment be approved to remove Data Centers as a Permissible Use within the Industrial District, the Data Center approved as a part of case number SUP-22-3 may become a non-conforming use, subject to the standards found in Zoning Ordinance Section 11-4 *Non-Conforming Uses and Structures*. A determination of non-conformity requires the concurrence of the Zoning Administrator and the Town Attorney; however, staff defers to the Town Attorney for any questions as to how this text amendment may or may not affect any existing Data Center approvals.

There are multiple court cases currently filed within the Circuit Court that may or may not be impacted by this proposed text amendment to remove Data Centers as a Permissible Use. Staff defers to the Town Attorney for all questions related to on-going litigation.

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**ATTACHMENTS**

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- [Attachment A](#) – *Ordinance to Adopt ZNG 2021-0321*
- [Attachment B](#) – *Resolution to Approve SUP-22-3*
- [Attachment C](#) – *Resolution to Initiate ZOTA-25-1*
- [Attachment D](#) – *JLARC Data Center Report*
- [Attachment E](#) – *JLARC Data Center Presentation*
- [Attachment F](#) – *Planning Commission Public Hearing Meeting Minutes*
- [Attachment G](#) – *Draft Text Amendment*

## ORDINANCE

### AN ORDINANCE TO APPROVE A ZONING ORDINANCE TEXT AMENDMENT TO ARTICLES 3, 9 AND 12 TO ALLOW A DATA CENTER USE WITH THE APPROVAL OF A SPECIAL USE PERMIT

WHEREAS, the Town of Warrenton seeks to update Articles 3, 9 and 12 of the Zoning Ordinance to allow a Data Center with the approval of a special use permit; and

WHEREAS, in addition to allowing the Data Center use, supplemental standards and a definition are being added to Articles 9 and 12 respectively; and

WHEREAS, the text amendment seeks to require legislative action for a data center proposal in the Industrial District; and

WHEREAS, the Town Council of the Town of Warrenton feels a data center use is appropriate for the Town's Industrial District with the appropriate safeguards as proposed as part of the Supplemental Use Regulations; and

WHEREAS, the Town Council has determined that the health, safety, general welfare of the public and good zoning practice warrant this amendment; and

WHEREAS, the Town Council initiated this text amendment on April 13, 2021; and

WHEREAS, the Town of Warrenton Planning Commission held a work session on the proposed amendment on May 25, 2021; and

WHEREAS, the Town of Warrenton Planning Commission held a public hearing on the proposed amendment on June 22, 2021 where the applicant's representative spoke and the Commission deferred recommendation until the next scheduled Regular Meeting; and

WHEREAS, the Town of Warrenton Planning Commission discussed this text amendment as part of their Unfinished Business portion of the agenda on July 20, 2021 and recommended approval by a 5-1 vote; and

WHEREAS, on August 10, 2021, the Town of Warrenton Town Council held a public hearing and considered written and oral testimony on the proposed text amendment; now, therefore, be it

ORDAINED by the Town Council of the Town of Warrenton this 10<sup>th</sup> day of August 2021, That the Town Council hereby approves the following text amendment to Articles 3, 9 and 12 of the Zoning Ordinance:

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Town Clerk

## **Article 3     Zoning Districts and Map**

**Amended by Town Council:**    **March 11, 2008**  
                                                  **February 12, 2013**  
                                                  **April 12, 2016**  
                                                  **June 14, 2016**  
                                                  **August 9, 2016**  
                                                  **December 11, 2018**  
                                                  **August 11, 2020**  
                                                  **August 10, 2021**

### **3-4.12   I            Industrial District**

#### **3-4.12.1   Legislative Intent**

It is the intent of this district to implement the Town's Comprehensive Plan by providing for a variety of light manufacturing, fabricating, processing, wholesale distributing, and warehousing uses appropriately located for access by highways and providing a controlled environment within which signing is limited, uses are to be conducted generally within completely enclosed buildings, and a moderate amount of landscaping is required. In order to preserve the land for industry, to reduce extraneous traffic, and avoid future conflicts between industry and other uses, business and service uses are limited primarily to those which will be useful to employees in the district and future residential uses are restricted.

#### **3-4.12.2   Permitted Uses (by-right)**

- Accessory buildings
- Active and Passive Recreation and Recreational Facilities
- Banks and savings and loan offices
- Broadcasting studios and offices
- Business and office supply establishments
- Cabinet, upholstery, and furniture shops
- Cafeteria or snack bar for employees
- Clinics, medical or dental
- Commercial uses constituting up to 15% of permitted site or building area
- Conference Centers
- Contractor's office and warehouse without outdoor storage
- Crematory
- Dwellings for resident watchmen and caretakers employed on the premises
- Employment service or agency

- Flex Office and Industrial uses
- Health and Fitness Facilities
- Institutional buildings
- Janitorial service establishment
- Laboratories, research, experimental or testing, but not testing explosives, rockets, or jet engines
- Light manufacturing uses which do not create danger to health and safety in surrounding areas and which do not create offensive noise, vibration, smoke, dust, lint, odor, heat, glare, or electrical impulse than that which is generally associated with light industries
- Mobile Food Vendors subject to Article 9-24
- Monument sales establishments with incidental processing to order but not including shaping of headstones
- Motion picture studio
- Nurseries and greenhouses
- Offices- business, professional, or administrative
- Off-street parking and loading subject to Article 7
- Open space subject to Article 9
- Printing, publishing, and engraving establishment; photographic processing; blueprinting; photocopying; and similar uses
- Private club, lodge, meeting hall, labor union, or fraternal organization or sorority
- Rental service establishment
- Retail or wholesale sales and service incidental to a permitted manufacturing, processing, storing, or distributing use
- Rug and carpet cleaning and storage with incidental sales of rugs and carpets
- Security service office or station
- Sign fabricating and painting
- Signs, subject to Article 6
- Studios
- Transmission and receiving towers of height not exceeding one hundred twenty-five (125) feet
- Utilities related to and necessary for service within the Town, including poles, wires, transformers, telephone booths, and the like for electrical power distribution or communication service, and underground pipelines or conduits for local electrical, gas, sewer, or water service, but not those facilities listed as requiring a special use permit
- Wholesale establishment, storage warehouse, or distribution center. furniture moving

#### **3-4.12.3 Permissible Uses (by special use permit upon approval of the Town Council)**

- Automobile body shop

- Automobile and truck repair and service
- Commercial Kennels
- Contractor's storage yard
- **Data Center**
- Farm equipment, motorcycle, boat and sport trailer sales and service
- Fuel, coal, oil distribution storage yards
- Lumber and building supply with undercover storage.
- Maintenance and equipment shops with screened outside storage
- Outdoor storage of any kind
- Plumbing and electrical supply with undercover storage
- Restaurant or cafeteria, drive-thru or otherwise
- Self-service mini-warehouse
- Temporary fair and show grounds
- Tire and battery sales and service, tire recapping and retreading
- Transmission and receiving towers of height greater than one hundred twenty-five (125) feet.
- Treatment plants, water storage tanks, major transmission lines or pipelines, pumping or regulator stations, communications towers, storage yards and substations, and cable television facilities and accessory buildings

#### 3-4.12.4 Lot and Yard Regulations

| Use                                                                          | Minimum<br>Lot Size<br>(sq. ft.) | Minimum<br>Lot Frontage<br>(at front<br>setback) | Maximum<br>Lot Coverage<br>(impervious surfaces and<br>accessory buildings) |
|------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------|
| All principal<br>manufacturing and<br>processing uses in<br>industrial parks | One (1) acre                     | 100 ft.                                          | 75%                                                                         |
| Other uses, including<br>permitted retail and<br>service establishments      | 10,000<br>square feet            | 100 ft.                                          | 75%                                                                         |

| <b>Minimum Setbacks</b>                                             |                                                                                                                                            |                                                                                                                                                                  |                                                                                                                                                            |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Use                                                                 | Front                                                                                                                                      | Side                                                                                                                                                             | Rear                                                                                                                                                       |
| All principal manufacturing and processing uses in industrial parks | Fifty (50) feet from the right-of-way of a local street having a right-of-way of fifty (50) feet or less.                                  | Twenty-five (25) feet on an interior lot or adjacent to any C or I district including accessory buildings or parking structures, ten (10) feet for parking lots. | Forty (40) feet on an interior lot or adjacent to any C or I district including accessory buildings or parking structures, ten (10) feet for parking lots. |
|                                                                     | Sixty-five (65) feet from the right-of-way of a major thoroughfare or collector street having a right-of-way greater than fifty (50) feet. | Fifty (50) feet adjacent to any R district including accessory buildings or parking structures, thirty (30) feet for parking lots.                               | Sixty-five (65) feet adjacent to any R district including accessory buildings or parking structures, fifty (50) feet for parking lots.                     |
|                                                                     | Forty (40) feet from the right-of-way of a service drive. Accessory buildings shall not be permitted forward of the setback line.          |                                                                                                                                                                  |                                                                                                                                                            |
| Other uses, including permitted retail and service establishments   | same                                                                                                                                       | same                                                                                                                                                             | same                                                                                                                                                       |

### 3-4.12.5 Building Regulations

| Use                 | Maximum Height                                                                                                                                |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| All buildings       | 35 feet                                                                                                                                       |
| Accessory buildings | Within 20 feet of any lot line shall not exceed 15 feet in height.<br>All accessory buildings shall be less than the main building in height. |

### 3-4.12.6 Special Regulations for Manufacturing and Commercial Buildings

3-4.12.6.1 Enclosed Buildings. All uses shall be conducted within a completely enclosed building of permanent and durable construction, with no open storage of raw, in process, or finished material and supplies or waste material. Finished or semi-finished products manufactured on the premises may be stored in the open if screened from the street or from a residence district by landscaping, fences, or walls.

3-4.12.6.2 Landscaping. In general, where approval of a site plan is required, the landscape plan shall be designed to promote harmonious



relationships with adjacent and nearby residential properties, developed or undeveloped, and to this end may provide effective screening along side and rear property lines by means of fences, walls, hedges, planting screen, or natural vegetation as outlined in Article 8, General Provisions for Landscaping.

- 3-4.12.6.3 Fencing. All fencing shall have a uniform and durable character and shall be properly maintained.

## Article 9     Supplemental Use Regulations

Amended by Town Council:    February 12, 2013  
                                                      July 8, 2014  
                                                      August 9, 2016  
                                                      December 11, 2018  
                                                      April 9, 2019  
                                                      August 10, 2021

### Contents (Sections)

- 9-1     Accessory Structures and Uses; Parcel Limitations
- 9-2     Additional Regulations Where a Grouping or More than One Use is Planned for a Tract
- 9-3     Affordable Dwelling Unit Provisions
- 9-4     Apartment Buildings, Special Regulations
- 9-5     Bed and Breakfast Facilities
- 9-6     Cluster Development Provisions
- 9-7     Home Occupations and Home Businesses
- 9-8     Lighting
- 9-9     Manufacturing Buildings, Special Regulations
- 9-10    Mobile Homes (Manufactured Homes)
- 9-11    Office and Other Business Buildings, Special Regulations
- 9-12    Open Space
- 9-13    Outdoor Display
- 9-14    Performance Standards for All Non-Residential Uses
- 9-15    Recycling Facilities
- 9-16    Residential Use Limitations
- 9-17    Steep Slopes
- 9-18    Telecommunications Facilities
- 9-19    Temporary Uses
- 9-20    Traditional Neighborhood Development Option (TND)
- 9-21    Utility Lots
- 9-22    Yard and Garage Sales
- 9-23    Massage Therapy, Establishment of Provisions for Therapists and Businesses
- 9-24    Mobile Food Vendors
- 9-25    RESERVED
- 9-26    Data Centers

## Article 9 Supplemental Use Regulations

### 9-26 Data Centers

Data Centers, as defined in Article 12, are permissible in the Industrial (I) District, subject to the following requirements.

#### 9-26.1 Additional Standards

- A. Minimum Lot Size: 25 acres. Town Council may approve a data center on parcels less than 25 acres as part of the special use permit application.
- B. The data center shall utilize recycled water or air chillers, in conjunction with using recycled water, for cooling purposes. Potable water shall not be used for cooling.
- C. All electric service lines from the substation to the data center shall be placed underground.
- D. Setbacks: Per Section 3-4.12.4 (“All principal manufacturing and processing uses in industrial parks”).
  - 1. Town Council may approve building heights greater than 35 feet during the review of the Special Use Permit. Buildings must be setback one (1) additional foot (horizontally) from the required setback line for each additional one (1) foot (vertically) greater than 35 feet. Building heights shall be in conformance with the Comprehensive Plan.
  - 2. The data center building shall be setback a minimum of one-hundred (100) feet from property lines.
- E. Parking: In accordance with “Assembly or Manufacturing Uses” per Section 7-7 of the Zoning Ordinance.
- F. Building Facades:
  - 1. Building facades shall include at least two of the following design elements:
    - a. Change in building height;
    - b. Building step-backs or recesses;
    - c. Fenestration (25% minimum);
    - d. Change in building material, pattern, texture, or color;
    - e. Use of accent materials.

G. Mechanical Equipment:

1. Mechanical equipment shall be completely screened through the use of walls, fences or evergreen vegetation so that no part of the mechanical equipment can be seen from adjoining properties or right-of-ways.
2. All generators shall be equipped with mufflers to reduce emissions and noise.

H. Security:

1. The facility shall provide access to Town and County emergency services staff at all times.

I. Landscaping:

1. In addition to the landscape planting requirements of Article 8 of the Zoning Ordinance, any portion of the data center (including equipment) visible from a park or adjoining/across the street from a residential district shall be screened by vegetation consisting of a double staggered row of evergreen trees planted 15 feet on center. A minimum 3 foot berm planted with a double staggered row of evergreen shrubs planted 10 feet on center may be used in place of the double staggered row of evergreen trees required above.

J. Substations:

1. Substations associated with the data center shall be screened from adjacent properties and right-of-ways through the use of opaque fencing in addition to evergreen trees and shrubs.

## Article 12      Definitions

Amended by Town Council:    February 12, 2013

June 14, 2016

August 9, 2016

December 11, 2018

April 9, 2019

September 10, 2019

October 13, 2020

August 10, 2021

**Data Center:** A facility containing one or more large-scale computer systems used for data storage and processing for off-site users. Typical supporting equipment includes back-up batteries and power generators, electric substations, cooling units, fire suppression systems, and enhanced security feature

February 14<sup>th</sup>, 2023  
Town Council  
Regular Meeting

**RESOLUTION PURSUANT TO SECTION 11-3.10 OF THE ZONING ORDINANCE OF THE  
TOWN OF WARRENTON FOR APPROVAL OF APPLICATION FOR A  
SPECIAL USE PERMIT 22-03**

**WHEREAS**, Warrenton, VA (Hereinafter "the Town") is a municipal corporation located within the County of Fauquier; and

**WHEREAS**, Amazon Data Services, Inc., ("the Applicant"), is the requesting a Special Use Permit approval on a parcel of land containing approximately 41.793 acres, identified as GPIN 6984-69-2419-000, located off Blackwell Road and Lee Highway in the Town of Warrenton and hereinafter referred to as the "Property"; and

**WHEREAS**, the Applicant has applied for a Special Use Permit pursuant to §3-4.12.3 of the Zoning Ordinance, to allow for approximately 220,200 square-foot data center to be located on the Property, hereinafter the "Special Use Permit"; and

**WHEREAS**, the Applicant requested waivers and modifications to increase the building height from 35 feet to 37 feet, increase the fence height from six feet to eight feet, and decrease the parking loading space requirement from 22 spaces to one space; and

**WHEREAS**, pursuant to §11-3 of the Zoning Ordinance upon petition of the Applicant for approval of the Special Use Permit, the Planning Commission upon advertisement and notice properly given pursuant to §15.2-2204 of the Virginia Code held a Public Hearing on November 15, 2022, November 22, 2022, and December 20, 2022; and

**WHEREAS**, the Town Council received and considered the recommendation of the Planning Commission for denial of the Special Use Permit; and

**WHEREAS**, the Town Council of the Town of Warrenton held a Public Hearing on January 10, 2023, upon notice properly and duly given; and

**WHEREAS**, the Town Council of the Town of Warrenton held open the Public Hearing on January 10, 2023 to February 14<sup>th</sup>, 2023, upon notice properly and duly given; and

**WHEREAS**, the Town Council has considered the issues and the Applicant addressed the applicable factors listed in §11-3.10.3 of the Zoning Ordinance for the Town of Warrenton; and

**WHEREAS**, the Town Council finds that the Application meets the criteria for approval in the Town of Warrenton Zoning Ordinance and that the Application is consistent with the Town of Warrenton's Comprehensive Plan based on the analysis in the staff report; and

**WHEREAS**, the Town Council, in consideration of all of the foregoing, is of the opinion that the application for the Special Use Permit be approved subject to certain conditions;

**NOW, THEREFORE, BE IT RESOLVED** that the Warrenton Town Council approves

SUP 22-03, subject to the attached Special Use Permit with Conditions of Approval dated February 14<sup>th</sup>, 2023, and all documents referenced in the Conditions of Approval, with requested waivers and modifications listed above.

ATTACHMENT:  
Conditions of Approval

**Votes:**

**Ayes:** Ms. Heather Sutphin, Mr. Brett Hamby, Mr. James Hartman, Mr. John "Jay" Heroux

**Nays:** Mr. William Semple, Mr. David McGuire, Mr. Paul Mooney.

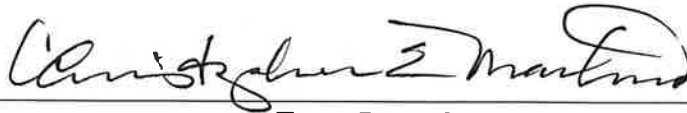
**Absent from Vote:**

**Absent from Meeting:**

**For Information:**

Community Development Director,  
Town Attorney

ATTEST: \_\_\_\_\_



Town Recorder

March 11, 2025  
Town Council  
Regular Meeting

**A RESOLUTION TO INITIATE ZOTA-25-1, A ZONING ORDINANCE TEXT AMENDMENT TO ARTICLES 3, 9  
AND 12 TO REMOVE DATA CENTERS AS A PERMISSIBLE USE WITHIN THE INDUSTRIAL ZONING  
DISTRICT**

**WHEREAS**, Warrenton, VA (Hereinafter "the Town") is a municipal corporation located within the County of Fauquier; and

**WHEREAS**, the Warrenton Town Council (Hereinafter "Council") may, by ordinance, amend, supplement, or change the regulations of the Zoning Ordinance of the Town whenever the public necessity, convenience, general welfare or good zoning practice may require such an amendment; and

**WHEREAS**, such an amendment may be initiated by resolution of Council in accord with the procedures and requirements of Section 11-3.9 of the Zoning Ordinance; and

**WHEREAS**, on August 10, 2021, Council approved a Zoning Ordinance Text Amendment to Articles 3, 9 and 12, case number ZNG 2021-0321, to add Data Centers as a Permissible Use within the Industrial District with the approval of a Special Use Permit by Council; and

**WHEREAS**, Council now finds that a Data Center is a Use that does not further the health, safety and welfare of the public, nor does a Data Center Use promote public necessity or public convenience within the Town of Warrenton; and

**WHEREAS**, Council hereby directs staff to prepare a text amendment for consideration by the Planning Commission to remove Data Centers as a Permissible Use within the Industrial District, and therefore render Data Centers as an impermissible Use within the municipal boundaries of the Town of Warrenton; now, therefore, be it

**RESOLVED**, by the Warrenton Town Council this 11<sup>th</sup> day of March, 2025, that Council hereby initiates a text amendment to Articles 3, 9 and 12 to remove Data Centers as an allowable Use.

**Votes:**

**Ayes:**

**Nays:**

**Absent from Vote:**

**Absent from Meeting:**

**For Information:**

Community Development Director,  
Town Attorney

**ATTEST:** \_\_\_\_\_

**Town Recorder**



Report to the Governor and the General Assembly of Virginia

# Data Centers in Virginia

2024



## COMMISSION DRAFT

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**Vice-Chair**

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Delegate R. Lee Ware  
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Staci Henshaw, Auditor of Public Accounts

**JLARC director**

Hal E. Greer

**JLARC staff for this report**

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Kate Hopkins, Senior Legislative Analyst  
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## Summary: Data Centers in Virginia

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### WHAT WE FOUND

#### **Data centers provide positive economic benefits to Virginia's economy, mostly during their initial construction**

Data centers provide positive benefits to Virginia's economy mostly because of the industry's substantial capital investment. The primary benefit comes from the initial construction of data centers. Most construction spending likely remains in the state economy because much of it goes to Virginia-based businesses providing construction materials and services.

Data centers employ fewer employees than some other industries, but data center jobs tend to be high paying. Several data center representatives indicated that a typical 250,000-square-foot data center may have approximately 50 full-time workers, about half of which are contract workers. Data center construction supports a substantially larger number of workers. Construction of an individual data center building usually takes about 12 to 18 months, and data center representatives indicated that, at the height of construction, approximately 1,500 workers are on site from various construction-related industries.

Overall, the data center industry is estimated to contribute 74,000 jobs, \$5.5 billion in labor income, and \$9.1 billion in GDP to Virginia's economy annually. Most of these economic benefits derive from the construction phase rather than data centers' ongoing operations. The economic benefits from the industry are concentrated in Northern Virginia, where most data centers are located, but other regions of the state also benefit because data centers are also located there, or they are home to businesses that provide materials for data center construction.

#### **Data centers can generate substantial local tax revenues for localities that have them**

Localities with data centers can collect substantial tax revenues from the industry, primarily from business personal property and real property (real estate) taxes. The amount of local data center revenue depends on several factors, such as the size of their data center market and local tax rates. Some localities have greatly reduced their business personal property tax rates for computer equipment to try to attract data centers, but this also reduces the revenue they can collect from the industry. For the

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### WHY WE DID THIS STUDY

In 2023, the Joint Legislative Audit and Review Commission directed staff to review the impacts of the data center industry in Virginia.

### ABOUT DATA CENTERS

Data centers are specialized facilities that manage, process, and share large amounts of data. They enable the digital services that people rely on daily, including websites, electronic applications, and cloud-based platforms, such as email and media streaming. Northern Virginia is the largest data center market in the world, constituting 13 percent of all reported data center operational capacity globally and 25 percent of capacity in the Americas. Multiple factors have contributed to Northern Virginia's market prominence, including a strong fiber network, supply of reliable cheap energy, available land, proximity to major national customers, and the creation of a state data center tax incentive. The data center industry is growing rapidly in Virginia, both in established markets and newer ones. Significant new market growth is expected in counties outside of Northern Virginia and along the I-95 corridor to Central Virginia.

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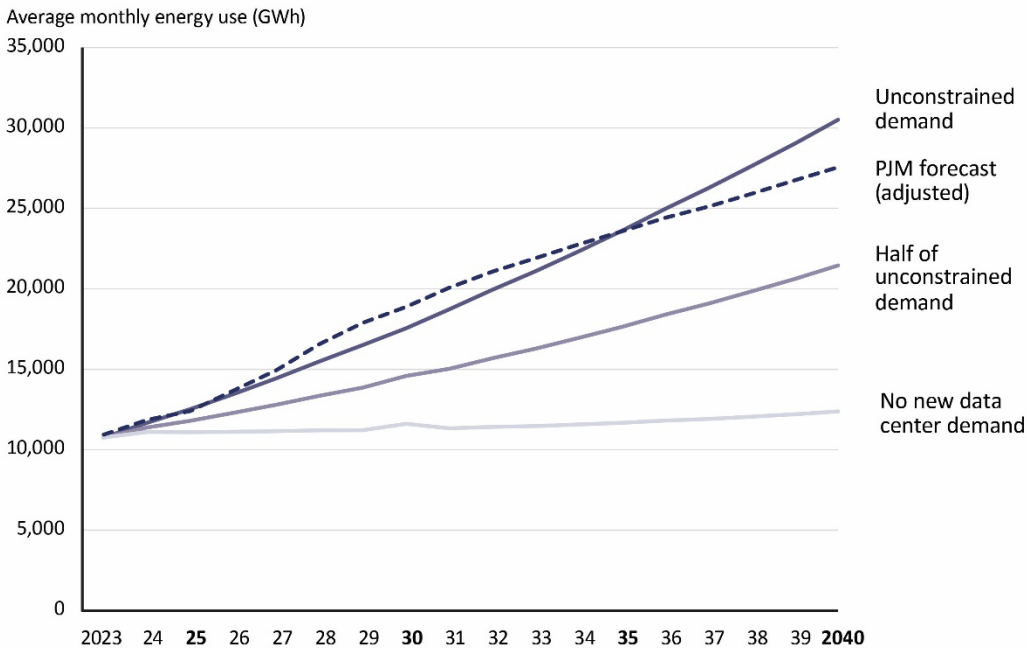
five localities with relatively mature data center markets, data center revenue ranged from less than 1 percent to 31 percent of total local revenue.

Localities in economically distressed areas of the state could benefit from data centers through increased local tax revenue, but these localities could have difficulty attracting the industry. Access to power and large, flat areas of land are key requirements for data centers, but are not available in some distressed areas, particularly in Southwest Virginia. Many distressed localities are also in rural areas that are away from data center customers and population centers, which makes it harder for them to attract the industry. However, these localities may be able to compete for data centers running certain artificial intelligence (AI) workloads, such as training. These localities could potentially become more attractive to the industry if they are able to proactively develop industrial sites suitable to data centers.

### **Data center industry is forecast to drive immense increase in energy demand**

Modern data centers consume substantially more energy than other types of commercial or industrial operations. Consequently, the data center industry boom in Virginia has substantially driven up energy demand in the state, and demand is forecast to continue growing for the foreseeable future. The state's energy demand was essentially flat from 2006 to 2020 because, even though population increased, it was offset by energy efficiency improvements. However, an independent forecast commissioned by JLARC shows that unconstrained demand for power in Virginia would double within the next 10 years, with the data center industry being the main driver. JLARC's independent forecast largely matches the most recent forecast by PJM, which is the regional organization that coordinates generation and transmission operations for Virginia and several other eastern and midwestern states.

## Data center demand would drive immense increase in energy needs in Virginia, based on JLARC's independent forecast and other forecasts



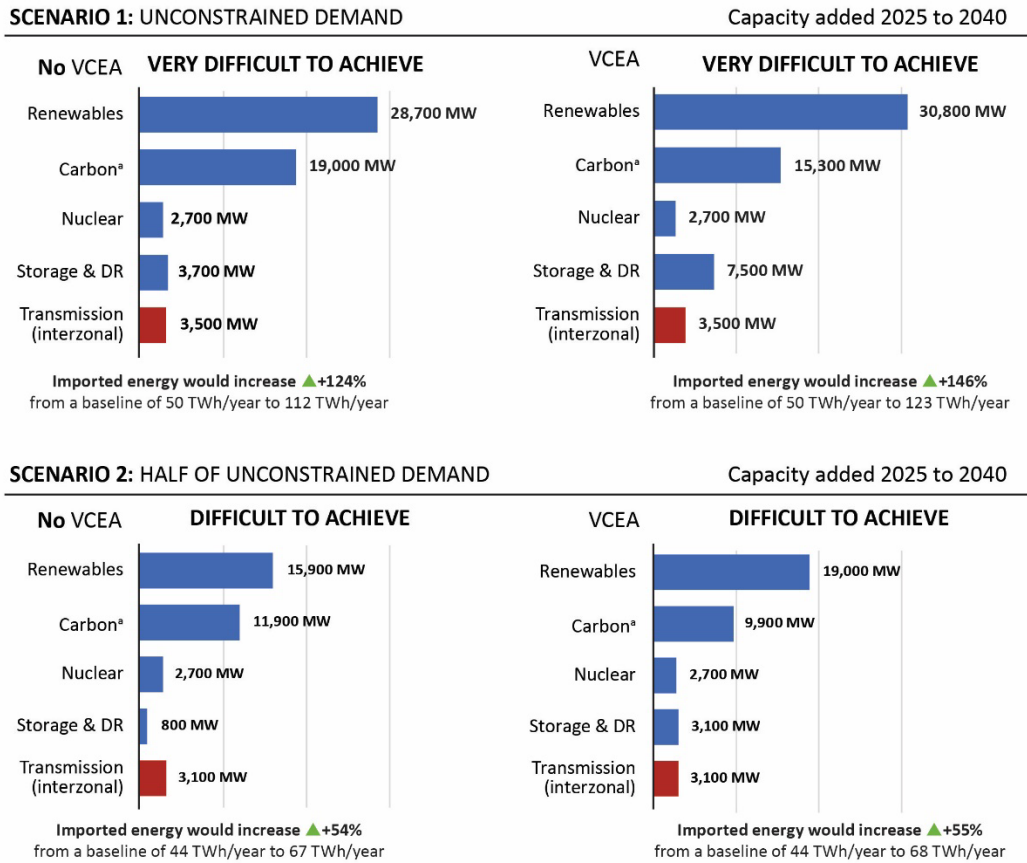
SOURCE: JLARC staff consultant analysis.

NOTE: A detailed note is provided for this figure in Chapter 3.

## Building enough infrastructure for unconstrained data center demand will be very difficult and meeting half that demand is still difficult

An independent model of the energy grid commissioned by JLARC staff found that a substantial amount of new power generation and transmission infrastructure will be needed in Virginia to meet unconstrained energy demand or even half of unconstrained demand. Building enough infrastructure to meet unconstrained energy demand will be very difficult to achieve, with or without meeting the Virginia Clean Economy Act (VCEA) requirements (Scenario 1, figure). New solar facilities, wind generation, natural gas plants, and increased transmission capacity would all be required to meet unconstrained demand, and the number of projects needed would be very difficult to achieve. For example, new solar facilities would have to be added at twice the annual rate they were added in 2024, and the amount of new wind generation needed would exceed the potential capabilities of all offshore wind sites that have so far been secured for future development. Large natural gas plants would also need to be added at an equal or faster rate than the busiest build period for these facilities (2012 to 2018), depending on VCEA compliance.

## Estimated generation mix needed to meet demand scenarios, with and without meeting VCEA requirements



SOURCE: E3 grid modeling analysis.

NOTE: A detailed note is provided for this figure in Chapter 3.

<sup>a</sup> Carbon includes natural gas, coal, and oil. Biomass facilities are counted as renewable resources, per the VCEA.

However, starting in 2045, E3's grid model assumes natural gas plants would be converted to hydrogen fuel in each scenario when VCEA requirements are met.

Building enough infrastructure to meet half of unconstrained energy demand would also be difficult (Scenario 2 above). If VCEA requirements were not considered, the biggest challenge would be building new natural gas plants. New gas would need to be added at the rate of about one large 1,500 MW plant every two years for 15 consecutive years, equal to the busiest period of the last decade (2012 to 2018). If it is assumed that VCEA requirements would be met, the biggest challenges would be building enough wind, battery storage, and natural gas peaker plants. Wind generation needs would be the same as the unconstrained demand scenario. The amount of new battery storage would be several times the small amount currently in place in Virginia and a significant number of new natural gas peaker plants would have to be constructed. Both Scenarios 1 and 2 would rely on energy from as yet unproven nuclear technologies.



The state could encourage or require data centers to take actions to help address their energy impacts by promoting development of renewable energy generation, participating in demand response programs, and managing energy efficiency. However, these actions would have only a marginal impact on decreasing data center energy demand.

### **Existing electric utility requirements and processes help limit risks associated with system capacity and reliability**

Data centers' projected energy demand increases have raised concerns about whether enough infrastructure can be built to keep pace. Currently, PJM attempts to protect regional grid reliability by requiring utilities to secure sufficient generation capacity plus a reserve margin, and the state requires utilities to develop plans that describe how generation capacity needs will be met. However, individual electric utility planning does not guarantee that the generation resources needed for the whole PJM region will be built because regional generation is not centrally planned. This is less of a concern with transmission because PJM and utility transmission owners centrally identify the impact large loads are expected to have, and how those loads can be brought on safely without causing transmission reliability problems.

If utilities are unable to build enough new infrastructure to keep pace with demand, one of the main ways they can protect grid reliability is by delaying the addition of new large load customers until there is adequate generation and transmission capacity. Utilities appear to be able to delay large load additions for transmission-related concerns, but it is less clear if they are allowed to delay adding new load because of generation concerns.

### **Data centers are currently paying their full cost of service, but growing energy demand is likely to increase other customers' costs**

JLARC staff commissioned an independent study of electric utility cost recoveries under current rate structures to see if the data center industry is paying its share of current costs. The study found that current rates appropriately allocate costs to the customers responsible for incurring them, including data center customers.

However, data centers' increased energy demand will likely increase system costs for all customers, including non-data center customers, for several reasons. A large amount of new generation and transmission will need to be built that would not otherwise be built, creating fixed costs that utilities will need to recover. It will be difficult to supply enough energy to keep pace with growing data center demand, so energy prices are likely to increase for all customers. Finally, if utilities are more reliant on importing power, they may not always be able to secure lower-cost power and will be more susceptible to spikes in energy market prices. A typical residential customer of Dominion Energy could experience generation- and transmission-related costs increasing by an estimated \$14 to \$37 monthly in constant (or real) dollars by 2040 (independent of inflation). Establishing a separate data center customer class, changing cost allocations,

and adjusting utility rates more frequently could help insulate non-data center customers from statewide cost increases.

### **Data centers create additional financial risks to electric utilities and their customers**

The data center industry presents additional financial risks to electric utilities and their customers because of the sheer size of the industry's energy demand. One risk is that utilities will build more generation and transmission infrastructure than is needed if forecast demand does not materialize, or several large data centers close. This could strand utilities with infrastructure costs that would have to be recouped from their existing customer base. Another risk is particular to electric co-ops, which are not-for-profit companies that are owned by their member customers. If a data center customer delayed, disputed, or failed to pay an energy generation bill and the co-op was unable to recoup these costs from the customer, they would ultimately have to be paid by all other co-op members. A large enough bill could potentially result in a co-op defaulting and going bankrupt.

Another risk relates to data center participation in the state's retail choice program, which allows data centers and other large load customers to purchase generation through third parties rather than through their incumbent electric utility. This also has the potential to shift generation costs to other customers if enough data centers "leave" their incumbent utility for retail choice.

### **Data center backup generators emit pollutants, but their use is minimal, and existing regulations largely curb adverse impacts**

To ensure constant operations in the event of a power outage, nearly all data centers maintain diesel generators on-site for backup power. Diesel generators emit several harmful air pollutants, such as nitrogen oxides, carbon monoxide, and particulate matter. To limit potential emissions from backup generators, the Virginia Department of Environmental Quality (DEQ) permits limit when they can be run, how long they can be run, and the maximum annual emissions each permitted site is allowed. Nearly all current data centers use "Tier 2" diesel generators, which DEQ allows to run only in emergencies or as part of routine maintenance testing.

Data center generators are run mostly only for maintenance, and most data center operators interviewed by JLARC staff reported experiencing zero to two minor outages per site in the last two years, with nearly all outages being only a few hours long. Consequently, data centers' diesel generators are a relatively small contributor to regional air pollution—in Northern Virginia, they make up less than 4 percent of regional emissions of nitrogen oxides and 0.1 percent or less of carbon monoxide and particulate matter emissions. While they make up only a small part of regional emissions, DEQ is conducting further study to ensure no harmful impacts occur locally. If the study detects any local air quality impacts, DEQ has the authority to increase protections as needed.

**Data center water use is currently sustainable, but use is growing and could be better managed**

Data centers require industrial-scale cooling, which is sometimes dependent on water, to manage the heat generated by their computing equipment. Most data centers use about the same amount of water or less as an average large office building, although a few require substantially more, and some require less than a typical household. The amount of water a data center uses depends on its size, computing density, and type of cooling system.

Most data centers receive their water from local water utilities, which make withdrawals from Virginia's water sources (rivers, groundwater). DEQ regulates water withdrawals, including requiring permits for large-scale withdrawals, to protect future water availability and environmental sustainability. However, while DEQ is responsible for ensuring water sustainability, there is less oversight over how available water should be shared across various uses in a locality. Virginia as a whole is relatively water rich, but water is more limited for some localities that do not have access to large amounts of surface water and are in groundwater management areas.

**Localities have allowed data centers to be built near neighborhoods, but some localities are taking steps to minimize residential impacts**

The industrial scale of data centers makes them largely incompatible with residential uses. One-third of data centers are currently located near residential areas, and industry trends make future residential impacts more likely.

Inadequate local planning and zoning have allowed some data centers to be located near residential areas, which sometimes causes impacts on those residents. In some cases, this occurred because local zoning ordinances did not consider data centers to be an industrial use. In addition, some localities have zoned industrial areas next to residential areas, even though land use principles state that industrial uses and residential uses should not be zoned next to each other. Local elected officials have also granted data centers exceptions that led to adverse residential impacts, such as approving rezonings that would allow data centers next to sensitive locations.

In response to increased residential opposition, some localities have taken steps to minimize the residential impacts of data centers. The three Virginia localities with the largest data center markets have taken or are considering changes to zoning ordinances to better manage future data center development, and several localities considering their first data center projects are proactively implementing planning and zoning changes to promote appropriate industry development. The effectiveness of local efforts to minimize residential impacts ultimately depends on the decisions of local elected officials when considering more restrictive zoning ordinances or individual special permit or rezoning requests.

**Data center noise near residential areas presents unique challenges, and some localities are unsure about their authority to address it**

The constant nature of data center noise has sometimes been a problem when data centers are located near residential areas. Data centers emit low-frequency noise that is not loud enough to damage nearby residents' hearing and rarely loud enough to violate noise ordinances. However, some nearby residents report that the constant noise generated by some data centers affects their well-being. Although noise has been a problem for some data centers, a large majority of data centers do not generate noise complaints because of their location or design.

Localities traditionally use noise ordinances to address noise concerns, but those typically target excessively loud noise from short-term sources, such as parties and barking dogs, and carry a low maximum civil penalty of \$500. Noise restrictions for data centers could be more effective if included in zoning ordinances instead, but some localities were uncertain whether they have the authority to establish these restrictions in such ordinances. Zoning ordinances that establish maximum allowable sound levels for both new and existing data centers would allow localities to better account for the low-frequency noise data centers emit, prescribe a better process for measuring potential noise violations, and impose more effective penalties for addressing any violations.

Some data center companies are conducting sound modeling studies *before* building data centers, but not all Virginia localities currently require this, and some were unsure whether they had the authority to do so.

**Changes to the state's data center sales tax exemption could address some policy concerns related to the industry**

Since 2010, Virginia has offered an exemption to the state's retail sales and use tax to attract large-scale data centers. The exemption allows data centers and their tenants to purchase computers and other equipment, such as servers, network infrastructure, cooling equipment, and generators, without paying sales tax. Because data centers are capital intensive, the exemption is valuable to the industry (providing \$928 million in tax savings in FY23), and about 90 percent of the industry uses the exemption. Data center companies report the exemption is an important factor when deciding where to locate and expand, and most of the other states that Virginia competes with for new data center developments have similar exemptions.

Because the data center exemption is a valuable incentive and used by most of the industry, it could be used to incentivize data centers to take actions to address many of the issues discussed throughout this report. There are a range of changes that could be made to the exemption, depending on the General Assembly's policy objectives.

***Extend the exemption to maintain industry growth*** — If the General Assembly wishes to maintain data center industry growth in Virginia and the associated economic and local tax revenue benefits, it could extend the exemption. The exemption is scheduled to expire in 2035, and data center representatives unanimously reported

that expiration of the exemption would negatively affect the state's ability to attract new data centers and keep existing ones. Data center companies typically consider the cost of ownership over a 15- to 20-year period when making location decisions, so to influence future site selection decisions, an extension would need to be in place well before 2035.

***Allow the exemption to expire to reduce industry growth and associated energy impacts*** — If the General Assembly wishes to slow the data center industry's growth in Virginia because it determines that energy impacts, including increasing costs to residential and other customers, outweigh the industry's economic benefits, it could allow the exemption to expire in 2035. While the General Assembly could allow the exemption to expire only in certain regions, like Northern Virginia, that approach would be less effective in reducing overall growth in energy demand because significant growth is occurring in several counties outside of Northern Virginia and is expected to continue.

***Change the exemption to balance industry growth and energy impacts*** — Rather than choosing between economic benefits or reduced energy impacts, the exemption could be changed to try to balance these competing impacts. The General Assembly could allow the full exemption to expire in 2035 (or end it before then) and apply a partial sales tax exemption until 2050. A partial exemption would also better align the economic benefits the state receives with the value of the exemption. Most economic benefits occur during construction, and switching to a partial exemption in 2035 would reduce the value of the exemption in later years when the economic impacts of current and planned data centers could be expected to slow. A partial exemption could also generate more tax revenue for the state.

***Use the exemption to address other policy concerns related to the data center industry*** — If the General Assembly extends the exemption, even as a partial exemption, there are several additional options the General Assembly could implement to address concerns in specific policy areas. The exemption could be modified to address energy, natural resource, historic resource, and residential impacts.

## WHAT WE RECOMMEND

This report includes multiple policy options for the General Assembly to consider depending on its policy goals for the data center industry in Virginia. The report also includes several recommendations. The following recommendations include only those highlighted in the report summary. The complete list of recommendations and options is available on page xi.

### Legislative action

- Clarify that electric utilities have the authority to delay, but not deny, service to customers when the addition of customer load cannot be supported;

- Direct Dominion Energy to develop a plan for addressing the risk of infrastructure costs being stranded with existing customers, and file that plan with the State Corporation Commission;
- Expressly authorize local governments to require and consider water use estimates for proposed data center developments;
- Expressly authorize local governments to require sound modeling studies for proposed data center developments; and
- Expressly authorize local governments to establish and enforce maximum allowable sound levels for operational data center facilities using alternative low frequency metrics and zoning ordinances.

### **Executive action**

- The Virginia Economic Development Partnership should clarify that grants under the Virginia Business Ready Sites Program can be used for potential data center sites.

## Recommendations and Policy Options: Data Centers in Virginia

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JLARC staff typically make recommendations to address findings during reviews. Staff also sometimes propose policy options rather than recommendations. The three most common reasons staff propose policy options rather than recommendations are: (1) the action proposed is a policy judgment best made by the General Assembly or other elected officials, (2) the evidence indicates that addressing a report finding is not necessarily required, but doing so could be beneficial, or (3) there are multiple ways in which a report finding could be addressed and there is insufficient evidence of a single best way to address the finding.

### Recommendations

#### RECOMMENDATION 1

The Virginia Economic Development Partnership should clarify in site characterization and development guidelines that potential data center sites are eligible for grants under the Virginia Business Ready Sites Program. (Chapter 2)

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#### RECOMMENDATION 2

The General Assembly may wish to consider amending the Code of Virginia to clarify that electric utilities have the authority to delay, but not deny, service to customers when the addition of customer load cannot be supported by the transmission system or available generation capacity. (Chapter 3)

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#### RECOMMENDATION 3

The General Assembly may wish to consider amending the Code of Virginia to expand the Accelerated Renewable Buyers program, which allows large customers of energy utilities to claim credit for purchases of solar and wind *energy* to offset certain utility charges, to also allow customers to claim partial credit for purchases of *capacity* from battery energy storage systems based on the current PJM electric load carrying capacity rating. (Chapter 3)

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#### RECOMMENDATION 4

The General Assembly may wish to consider amending the Code of Virginia to require that utilities establish a demand response program for large data center customers and to require that these customers participate in the program. (Chapter 3)

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**RECOMMENDATION 5**

The General Assembly may wish to consider amending the Code of Virginia to direct Dominion Energy to develop a plan for addressing the risk of generation and transmission infrastructure costs being stranded with existing customers and file that plan with the State Corporation Commission as part of its biennial rate review filing or as a separate filing. (Chapter 4)

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**RECOMMENDATION 6**

The General Assembly may wish to consider amending the Code of Virginia to expressly authorize local governments to (i) require proposed data center developments to submit water use estimates and (ii) consider water use when making rezoning and special use permit decisions related to data center development. (Chapter 5)

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**RECOMMENDATION 7**

The General Assembly may wish to consider amending the Code of Virginia to expressly authorize local governments to require sound modeling studies for data center development projects prior to project approval. (Chapter 6)

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**RECOMMENDATION 8**

The General Assembly may wish to consider amending the Code of Virginia to expressly authorize local governments to establish and enforce maximum allowable sound levels for data center facilities, including (i) using alternative low frequency noise metrics and (ii) setting noise rules and enforcement mechanisms in their zoning ordinances, separate from existing noise ordinances. (Chapter 6)

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## **Policy Options to Consider**

**POLICY OPTION 1**

The General Assembly could consider amending the Code of Virginia to require that, as a condition of receiving the sales tax exemption, data center companies meet and certify to an energy management standard, such as the International Organization for Standardization's 50001 standard for energy management. (Chapter 3)

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**POLICY OPTION 2**

The General Assembly could consider amending the Code of Virginia to allow electric cooperatives to create for-profit subsidiary companies that could fulfill their legal obligation to provide energy services (retail sales) to customers with load capacity of over 90 MW. (Chapter 4)

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**POLICY OPTION 3**

The General Assembly could consider amending the Code of Virginia to require that electric utilities establish caps on participation in retail choice that protect ratepayers from undue costs, and that such caps be approved by the State Corporation Commission through a formal case process. (Chapter 4)

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**POLICY OPTION 4**

The General Assembly could amend the Code of Virginia to require that, as a condition of receiving the data center sales and use tax exemption, all new data center developments in the Northern Virginia Ozone Nonattainment Area use only Tier 4 generators, Tier 2 generators with selective catalytic reduction systems, or generators with equivalent or lower emission rates. (Chapter 5)

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**POLICY OPTION 5**

The General Assembly could amend the Code of Virginia to require that, as a condition of receiving the sales and use tax exemption, data center companies meet and certify to an environmental management standard, such as the International Organization for Standardization's 14001 standard for Environmental Management Systems. (Chapter 5)

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**POLICY OPTION 6**

The General Assembly could amend the Code of Virginia to require that, as a condition for receiving the sales and use tax exemption, data center companies conduct a Phase I historic resource study of a proposed development site, as well as a viewshed analysis when a proposed site is located within a certain distance of a registered historic site, and report the study findings to the appropriate locality prior to development. (Chapter 5)

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**POLICY OPTION 7**

The General Assembly could amend the Code of Virginia to require that, as a condition for receiving the sales and use tax exemption, data center companies conduct a sound modeling study prior to the development of a proposed data center that is to be located within a certain distance of a residential development or area zoned for residential development and provide the study findings to the appropriate locality. (Chapter 6)

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**POLICY OPTION 8**

The General Assembly could amend the Code of Virginia to extend the expiration date for the state's sales and use tax exemption for data centers from 2035 to 2050. (Chapter 7)

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**POLICY OPTION 9**

The General Assembly could allow the sales and use tax exemption for data centers to expire in 2035. (Chapter 7)

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**POLICY OPTION 10**

The General Assembly could amend the Code of Virginia to extend a partial sales and use tax exemption for data centers from 2035 to 2050. (Chapter 7)

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# 1 Overview of the Data Center Industry

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In 2023, the Joint Legislative Audit and Review Commission (JLARC) directed its staff to review the impacts of the data center industry in Virginia. Specifically, staff were directed to assess the impact of the industry on state and local revenue; Virginia's energy demand and supply; natural, historic, and cultural resources; and local residents. Staff were also directed to forecast future growth of the industry in Virginia and determine (i) how any economic benefits could be more widely distributed and (ii) if Virginia's data center tax exemption could be improved. (See Appendix A for the study resolution.)

To complete this study, JLARC staff conducted over 250 interviews with more than 150 different stakeholders, including local residents and stakeholder groups; data center companies and developers; state and local officials; electric and water utility companies; and subject-matter experts. Staff analyzed water usage and air quality and emissions data, as well as capital expenditure, employment, and tax benefit data from users of the data center tax exemption. Staff also reviewed state and local land use regulations and conducted case reviews of local data center-related zoning and permitting requests. (See Appendix B for more information on methods used for this study.)

JLARC staff contracted with two consultants as part of this study. Faculty from the Weldon Cooper Center for Public Service at the University of Virginia (Weldon Cooper Center) developed an economic impact analysis of Virginia's data center industry and an independent energy demand forecast for Virginia and its utilities. Consulting firm Energy + Environmental Economics (E3) modeled how data center growth was likely to affect future generation and transmission needs, carbon emissions, and utility costs, including how costs could be passed on to ratepayers. E3 also made additional refinements to the Weldon Cooper Center energy demand forecast.

## Data centers are key hubs of the world's digital infrastructure

Data centers are specialized facilities that manage, process, and share large amounts of data. They enable the digital services that people rely on daily, including websites, electronic applications, and cloud-based platforms such as email and media streaming. These services are also critical to businesses and organizations, for example, allowing businesses to make secure transactions electronically or conduct complex computing tasks using artificial intelligence (AI). Given their essential role in daily life, business, and the economy, data centers have become a critical part of the world's digital infrastructure (sidebar).

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**Digital infrastructure** encompasses the systems and technologies needed for the internet, online services, and other digital activities to function. This includes networks (e.g., fiber, switches), hardware (e.g., computers, servers), software (e.g., operating systems, applications), data centers, and the personnel who manage and maintain these components.

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**Megawatts** are units used to measure power, equivalent to one million watts. Megawatts measure the amount of energy produced or consumed at any instant, rather than total over time. A different unit of measure is used to measure the amount of energy produced or consumed over a given time period. For example, megawatt-hours describe the number of megawatts produced or consumed during an hour.

For context, a Virginia town of 10,000 people uses approximately 10 megawatts.

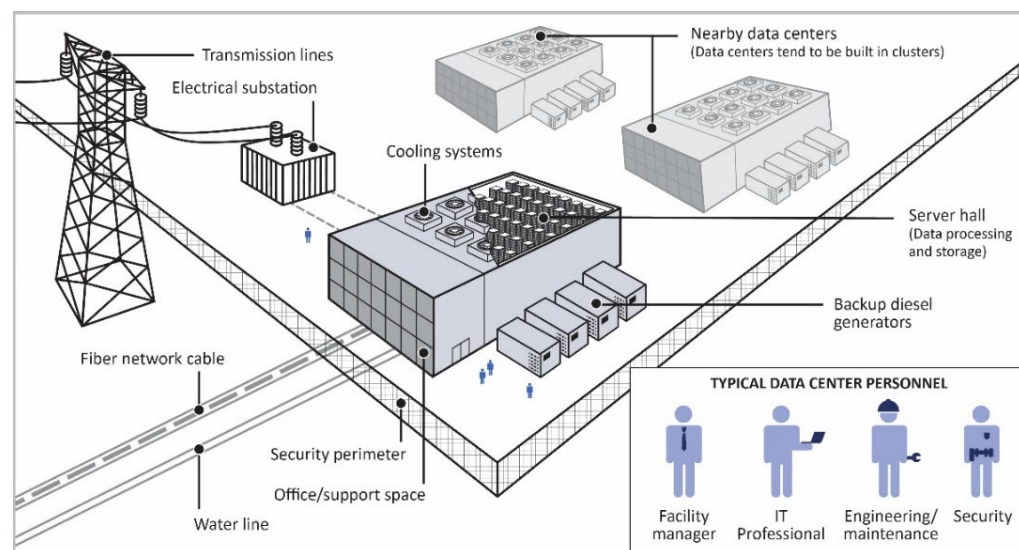
A typical, modern data center is a large industrial building filled with computing equipment, including servers, storage drives, and network hardware. Externally, these buildings often resemble warehouses or distribution centers. Data centers can vary greatly in size, ranging from smaller facilities with a few thousand square feet to large, multi-story buildings exceeding one million square feet. Data centers are often located on campuses alongside other facilities or other data centers operated by the same company. In addition, many data centers have physical security measures, such as floodlights, fencing, and access controls, to protect the facility and its data.

Data centers require large amounts of electricity to operate. This energy powers the computing equipment inside, as well as cooling equipment that prevents the computing equipment and building from overheating. The amount of electricity needed for a data center varies based on its size, the density and type of computing equipment, and the cooling system used. A small data center can require five to 20 megawatts of power, while a larger data center can require 100 or more megawatts (sidebar). Given the amount of electricity needed for operations, data centers often have power lines and substations connecting them directly to nearby high-voltage transmission lines. All data centers also have backup generators on-site to ensure continuity of operations if their primary power supply fails.

Data centers are operated and maintained by a skilled workforce, including technicians, electricians, and network engineers. Data centers also generally have security personnel.

Figure 1-1 illustrates the infrastructure, equipment, and personnel found in and around a typical, modern data center.

**FIGURE 1-1**  
Common infrastructure, equipment, and personnel at a typical data center



SOURCE: JLARC staff.

NOTE: Illustrative example. Data centers may have different equipment, e.g., based on their cooling system.

There are various types of data centers, ranging from traditional enterprise and colocation facilities to newer hyperscale operations.

- Enterprise data centers are private facilities owned and operated by a single company, designed specifically to meet that company's IT and data storage needs. These are generally non-technology companies, such as banks, insurance firms, and credit card companies, that rely heavily on secure, in-house data processing and storage. Enterprise data centers are generally located on-site, such as within a corporate campus or integrated into a larger office building. Enterprise data centers are a shrinking segment of the data center market as companies increasingly rely on the cloud for their computing needs.
- Colocation data centers are facilities owned and operated by a company that leases physical space within their data center to other companies and organizations. These tenants, which include smaller technology companies, online retailers, and government agencies, house their computer equipment within their leased space and have their own staff who maintain and upgrade this equipment. Tenants rely on the data center owner to provide all other services such as power, cooling, and physical security. Colocation data centers generally serve multiple tenants—often upwards of 20 or more—which allows these companies to benefit from economies of scale.
- Hyperscale data centers are purpose-built facilities designed to serve the world's major technology companies (e.g., Amazon Web Services [AWS], Google, Meta, Microsoft), often known as “hyperscalers.” These are the largest data centers with the largest operational capacity and power requirements (sidebar). Hyperscale data centers can either be owned and operated by the hyperscaler company or by a third-party that leases the facility to the hyperscaler. In some cases, the third party that owns the data center also provides services such as power, cooling, and security, while in others the hyperscaler manages all building operations. Hyperscale data centers are a growing segment of the data center market.

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**Operational capacity**—also called “capacity”—refers to the amount of power a data center needs to operate. This includes all the power needed to run the computing equipment, cooling systems, and other building operations. Capacity is often used to describe the size of a data center. For the purposes of this chapter, capacity is measured in megawatts.

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The time it takes for data to travel from one point to another, such as from a data center to the end user, is called “**latency**.” Low latency indicates data is traveling more quickly; high latency indicates there is a longer delay. Many factors affect latency, most notably the geographic distance between the data center and user. Some tasks—such as financial transactions—are more “latency sensitive” than others, meaning they require as low latency as possible.

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## Data center industry is growing rapidly, driven by a combination of established and emerging trends

The data center industry spans markets around the world, clustering in locations that provide access to land, energy, and fiber, and are business friendly, politically stable, and at low risk from natural disasters. Many data center markets are located near key population, business, and government centers because they are close to their customers and end users. Being in proximity to customers reduces the time it takes for data to travel between the data center and the customer, ensuring fast processing, which can be critical for certain business operations, such as financial transactions (sidebar).

It also reduces time for end users to access data, which, for example, reduces buffering times and increases picture quality when streaming media.

The data center industry is dominated by a few large participants. In the U.S., four hyperscaler companies—AWS, Google, Meta, and Microsoft—are responsible for much of the data center industry. These companies operate their own hyperscale data centers, lease other hyperscale data centers, and can also be customers within traditional colocation data centers.

### **Data center industry is growing rapidly worldwide**

The data center industry is growing worldwide, with many data centers under construction or in development. Market reports and trade literature indicate the industry has grown significantly over the past decade, with an especially rapid growth rate in recent years, particularly in the Americas. For example, a 2024 report from the real estate firm Cushman & Wakefield estimates 44,600 megawatts of data center capacity is in development worldwide. More than half (55 percent) of this capacity is in the Americas region, 30 percent is in the Asia-Pacific region, and the remaining 15 percent is in the Europe, Middle East, and Africa (EMEA) region. When completed, this growth would double existing capacity across the EMEA markets and more than double existing capacity in the Americas and Asia-Pacific markets.

The industry is growing both in terms of the number of data centers under construction as well as the size and scale of those data centers. More data centers are being built, and many of the new data centers under construction are larger and have more operational capacity. For example, the capacity of a typical data center has increased from requiring only a few megawatts of power to more than 100 megawatts.

There has also been a recent shift toward companies building data center *campuses*, rather than individual data centers, to serve the needs of hyperscalers. Such campuses can be made up of multiple parcels of land and house several data centers owned by the same entity. Collectively, the operational capacity of these campuses can reach hundreds of megawatts, and in some cases, exceed one gigawatt (i.e., 1,000 megawatts). Companies are increasingly developing data center campuses, rather than individual facilities, to consolidate operations, improve efficiency, and more easily expand capacity in response to growing demand.

### **Industry expected to grow for foreseeable future, though factors could shift where growth occurs**

The data center industry is expected to keep growing, driven by demand for digital services, such as e-commerce, media streaming, and cloud-based applications. This trend accelerated during the COVID-19 pandemic as more people and businesses relied on these services and is expected to continue. As the economy becomes increasingly digitized, more consumers use digital services, and the number of internet-

connected devices rises, the need for data storage, processing, and network capacity will continue to grow.

The recent emergence of AI is another significant driver of data center growth. AI applications, such as machine learning and data analytics, require immense computing power and storage to process large amounts of data. As businesses increasingly adopt AI tools and AI is integrated into commercial applications, the demand for data centers to support these technologies has surged and is expected to continue to grow.

AI also has the potential to reshape how and where the data center industry grows. For example, some AI workloads, such as large language model training, are not latency sensitive, allowing data centers housing these tasks to be located farther from established data center markets. Additionally, AI workloads are often much larger than typical data center demands, requiring larger facilities with more computing capacity and more power needs (sidebar).

Market constraints could also shift where the industry grows. Key factors, such as power availability, land price and availability, local opposition, and regulatory environments, are constraining the industry, especially in established markets. As these constraints grow, some markets may become less attractive for development, driving data center growth toward other locations.

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**AI workloads typically require more power than traditional data center tasks because they use more energy-intensive hardware.** The servers conducting AI tasks often include graphics processing units (GPUs) alongside central processing units (CPUs), because GPUs are better suited to running large, simultaneous data processes required for AI applications. Since GPUs consume more power than CPUs, AI tasks are generally more energy demanding.

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## Northern Virginia has the largest data center market in the world, and the state's industry is growing

There are approximately 150 data center sites in Virginia, which collectively house around 340 data center buildings. These sites vary in size, ranging from a single 2,400-square-foot data center building to a campus of seven buildings that total more than 3 million square feet. In total, Virginia has over 63 million square feet of data center space on 7,200 acres of land (sidebar).

Virginia data center sites also vary in size in terms of operational capacity. The smallest sites require only about one megawatt of power, while some larger campuses are estimated to need 200 or more megawatts and are still growing. In total, Virginia data center sites use approximately 5,050 megawatts of power (sidebar). (This is based on the 2024 peak load forecast by Dominion Energy and Mecklenburg, Northern Virginia, and Rappahannock electric cooperatives in August 2023.)

### Virginia's data center industry is mostly concentrated in Northern Virginia, with other small clusters near Richmond and Mecklenburg

Data centers are located across the state, but 80 percent of Virginia's data center industry is concentrated in three Northern Virginia localities: Loudoun, Prince William, and Fairfax (Figure 1-2). Loudoun County alone accounts for approximately half of the state's data center industry in terms of number of sites, building square footage, and estimated energy usage. The eastern part of the county north of Dulles

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For context, **Pocahontas State Park—the largest in Virginia—covers 7,600 acres.** The entire state park system spans a total of 75,900 acres.

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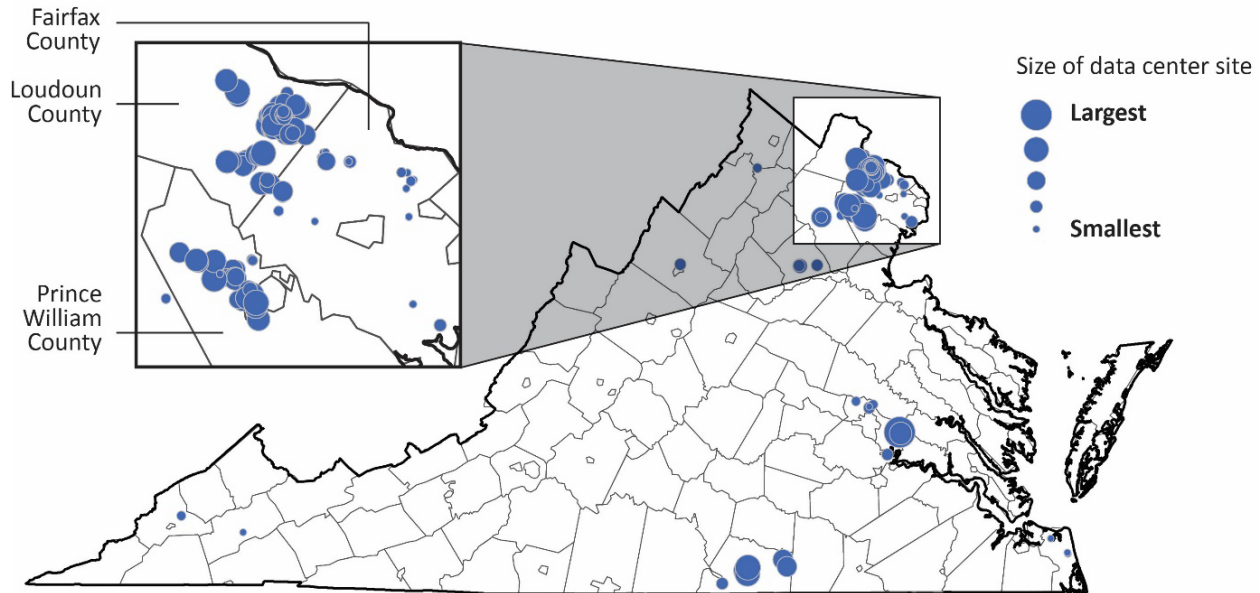


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Data centers' power usage in Virginia—about 5,050 megawatts—is roughly **equivalent to the electricity needs of 2 million Virginia households** (about 60 percent of households in the state).

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International Airport has become known as “Data Center Alley” because of its high concentration of data centers. The remaining 20 percent of Virginia’s data center sites are in 11 other localities, with the most notable clusters in the Richmond region and Mecklenburg County.

**FIGURE 1-2****Most of Virginia’s data center industry is concentrated in Northern Virginia**

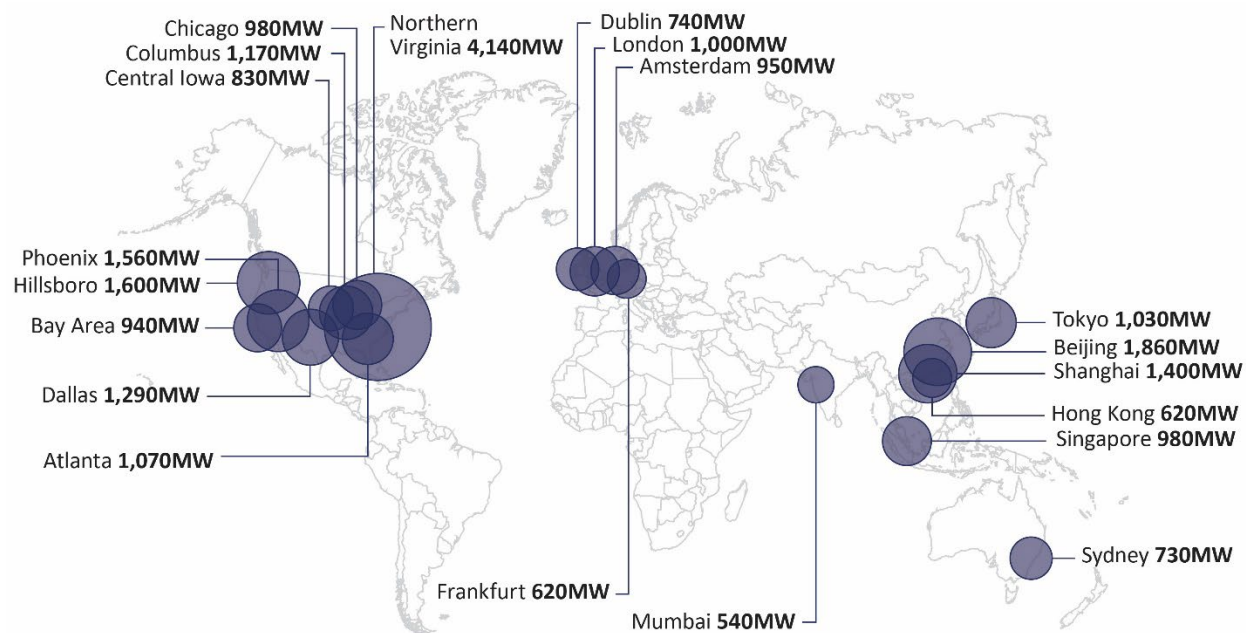
SOURCE: JLARC analysis of Virginia Department of Environmental Quality data and county property real estate records.

NOTE: Map shows one dot per data center site, which may include multiple data center buildings. Size of each site represented by size of dot, as measured by the maximum capacity (in terms of megawatts) the site is permitted to backup via diesel generators. This capacity is larger than the current operational capacity because it (i) accounts for the site's full build-out potential, which many sites have not yet reached, and (ii) includes allowances for redundancy. Data center operators report 0 to 25 percent of backup capacity is typically for redundancy.

### **Northern Virginia is the largest data center market in the world because of multiple factors**

Northern Virginia has the highest concentration of data centers in the world and is recognized as the world’s premier data center market. The exact size of the Northern Virginia data center market (in terms of the number of sites and energy demand) varies based on the sources used; however, every source indicates Northern Virginia is the global leader. According to data reported by Cushman & Wakefield, in terms of megawatts, the Northern Virginia market is more than twice the size of the next largest market in the world, Beijing, and nearly three times the size of the next largest market in the U.S., located in and around Hillsboro, Oregon (Figure 1-3). The Northern Virginia market constitutes 13 percent of all reported data center operational capacity globally and 25 percent of capacity in the Americas region.



**FIGURE 1-3****Virginia has the most operational capacity of all global markets**

SOURCE: JLARC analysis of Cushman & Wakefield 2024 Global Data Center Market Comparison.

NOTE: Reflects market size in terms of operational capacity as measured by megawatts. Shows 20 largest markets. "Northern Virginia" refers to an estimate of data center capacity in the traditional Northern Virginia market consisting of Fairfax, Loudoun, and Prince William counties and Manassas. The Cushman & Wakefield report also includes an estimated 560 megawatts of capacity in Culpeper and Fauquier counties and the Richmond metropolitan region.

Multiple factors have contributed to Northern Virginia's market prominence. The region's role in the early stages of the internet's development gave it a head start as a key data center hub. In the mid-20th century, early data processing companies contracting with government agencies and high-technology government labs were drawn to the region given its proximity to their federal government customers. The establishment of an internet exchange point in the 1990s further attracted major telecommunications and early internet companies to the region.

As the internet grew, a strong fiber network, supply of reliable cheap energy, and available land encouraged more data centers to locate in the region. Data centers were also drawn to the region given its proximity to major national customers, including most notably the federal government, government contractors, and technology firms that held an enormous amount of government and other data. With the rapid growth of the internet in the 2000s, it became advantageous for data centers to cluster near each other so they could share information more quickly. The high concentration of data centers also led to a burgeoning ecosystem of industry professionals, real estate developers, construction companies, and tradespeople with expertise in data centers, which continues to make the region attractive today.

The creation of a state data center tax incentive has also been a key factor in the industry's development in Northern Virginia, as well as the state more broadly. In 2010, Virginia adopted a sales and use tax exemption that exempted data centers from paying retail sales tax on computer and related equipment purchases, and the General Assembly has since expanded the exemption. (See Chapter 2 for more information about the sales and use tax exemption and its impact.)

### **Data center industry is growing rapidly in Virginia, both in established markets and newer ones**

The data center industry is growing rapidly in Virginia. Since 2020, data center *space* in Virginia has more than doubled, with over a quarter of the state's existing data center square footage built in 2022 and 2023. Additional square footage has been built in 2024. A 2024 Cushman & Wakefield report underscores this trend, noting there is a record amount of data center *capacity* in development in the state. This includes 1,500 megawatts under construction and 2,900 megawatts in earlier stages of development. When this development is complete, it will nearly double the size of data center capacity in Virginia.

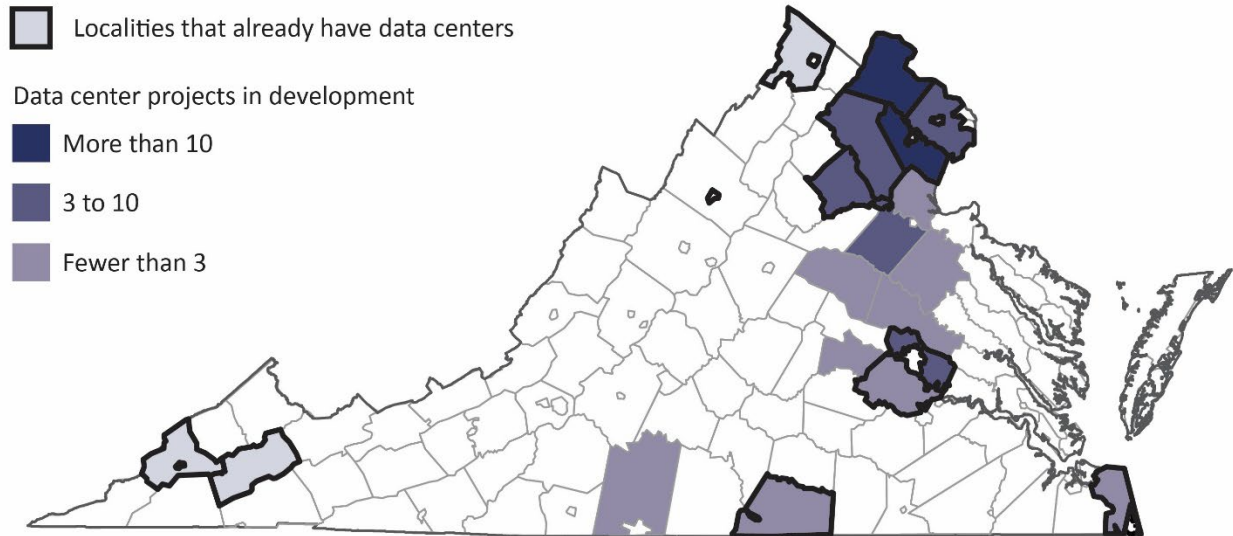
As of September 2024, there are at least 70 new known data center sites under active development across the state. These projects are at various stages of the development process, with more than half having received full local government approval and/or under construction. The remaining projects are at earlier stages, such as awaiting local rezoning or approval.

Much of the data center development is occurring in the established markets of Northern Virginia, the Richmond region, and Mecklenburg County. Within these existing markets, the majority of growth continues to be in Loudoun and Prince William counties, with Prince William County being the fastest-growing locality (Figure 1-4). The growth in these markets is driven by data center developers and companies building at new sites as well as expanding existing campuses.

The data center industry is also growing in new Virginia markets, most notably in counties outside of the established Northern Virginia market and along the I-95 corridor (Figure 1-4). For example, seven localities without any data centers have recently approved new campuses or have applications pending. According to stakeholders, data center development is moving into these new markets as land availability and local regulatory environments become more challenging in Northern Virginia. Additionally, AWS is leading development into localities along I-95 as part of its agreement with the state to invest \$35 billion in data centers in new Virginia locations by 2040.

**FIGURE 1-4**

**Data center industry still growing in established markets, but development starting to spread into new areas, such as along I-95**



SOURCE: JLARC summary analysis as of September 2024.

NOTE: "In development" includes projects that are under construction, permitted, and/or have been approved through local rezoning or other approval processes (if applicable).



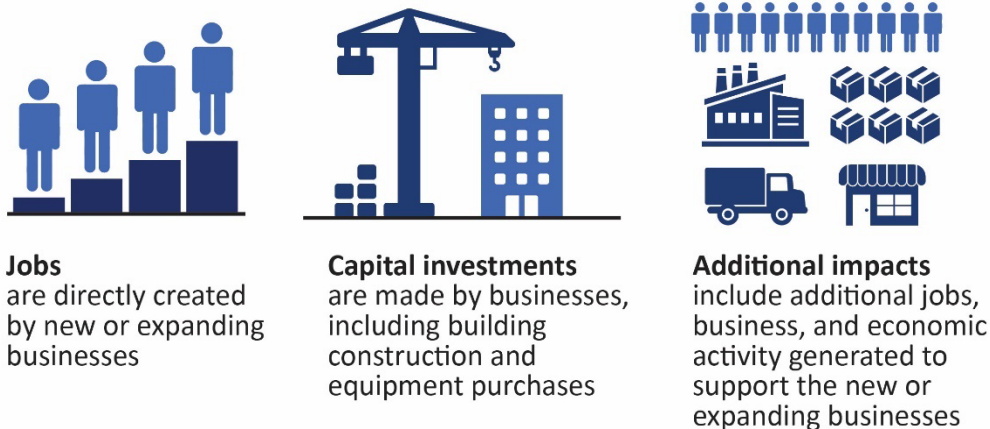
## 2 Economic and Fiscal Impacts

States strive to build and maintain a strong and diverse economy. A strong economy benefits the state by increasing the wealth of its citizens, helping its businesses succeed, and generating tax revenues to support state and local government operations. Tax revenues help pay for essential services like roads, schools, and public safety.

Virginia looks to improve its economy by attracting new businesses and having existing businesses expand their operations. Businesses benefit the economy directly by creating new jobs and making capital investments, such as constructing new buildings and purchasing vehicles and equipment. Business activities have many additional impacts that further economic growth, such as creating additional jobs at in-state suppliers and in the service industries that support the original business and its employees (Figure 2-1).

**FIGURE 2-1**

**Businesses create jobs and capital investment and have additional impacts that benefit the state economy**



SOURCE: JLARC staff analysis.

### **Data center industry provides positive economic benefits to state**

State and local economic development agencies view data centers as an attractive industry. Data center companies are some of the largest and most well-resourced technology companies in the world. Though data centers directly employ relatively fewer employees than some industries, data center jobs tend to be higher paying, so jobs

**Tradeable sector** includes businesses that compete or export goods and services outside of where they are located. They have larger economic impacts because they bring in new revenue from outside the state instead of simply reallocating existing economic activity.

**An employment multiplier** is an estimate of the number of additional jobs created in the economy to support each job created directly by an industry.

have a higher economic impact. Data centers also meet other characteristics of a high impact industry: they are in a tradable industry sector and have a high employment multiplier (sidebar). Data centers—like manufacturers, steel producers, and transportation industries—are also capital intensive. Their facilities are enormous and require multibillion-dollar outlays for construction and equipment, which can provide substantial tax revenue for local governments and a comparatively smaller amount of tax revenue for the state (for the portion that is not tax-exempt).

The data center industry provides secondary economic benefits to the state as well. The clustering of data centers in a region, like Northern Virginia, can have “knock on” economic effects by indirectly attracting other related technology businesses, which help create a well-trained, regional IT workforce. This clustering of data centers, related businesses, and skilled workers can further improve the region’s attractiveness to additional businesses in the technology sector and other sectors.

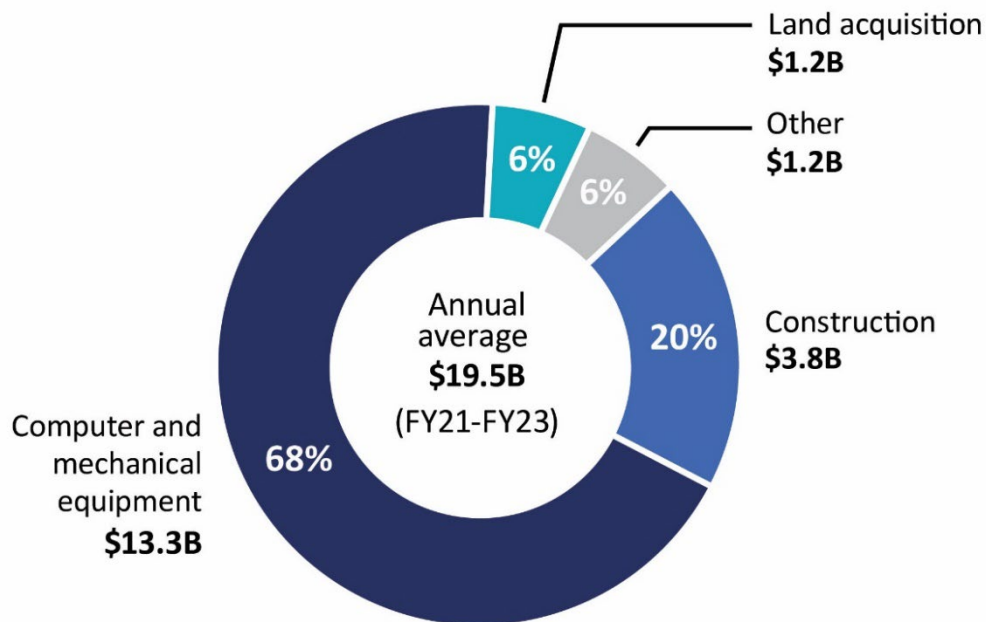
### **Data center capital investment is substantial, although only a portion of it benefits Virginia’s economy**

Capital investment in Virginia data centers is substantial, exceeding \$24 billion in FY23, and primarily consists of equipment purchases from Virginia-based and out-of-state companies. Data center investment represented 84 percent of the total capital investment across all economic development projects announced by the Virginia Economic Development Partnership (VEDP) between FY22 and FY24. However, like capital investments made by other industries, only a portion of data center capital investment benefits the Virginia economy. The primary benefit to Virginia’s economy is related to data center construction, which comprises about 20 percent of total data center capital investment (Figure 2-2). Most construction spending likely remains in the state economy because much of it goes to Virginia-based businesses performing key construction services such as clearing and grading sites, erecting steel frames, installing high-voltage electrical equipment, installing industrial-scale cooling systems, and running miles of cable, conduit, and piping. Materials used in data center construction are often also sourced from Virginia businesses throughout the state.

The largest portion of data center capital investment is for IT and mechanical equipment (68 percent), and most of this spending occurs with out-of-state companies. Computer servers are the biggest equipment expense and, because there are no major computer server manufacturers in Virginia, are sourced from outside the state or the country. Some other equipment used in data centers is sourced in Virginia. For example, Virginia has suppliers of electrical and cooling equipment, raised-access floors and hot/cold aisle containment systems, and fiber infrastructure. These suppliers have recently located or expanded operations in Virginia because of the state’s large data center market. Even so, a substantial amount of non-computer equipment still likely comes from out-of-state, such as the diesel generators data centers use for backup power.

FIGURE 2-2

Primary benefit of data center capital investment to Virginia's economy is from construction, which comprises 20 percent of data centers' capital investment



SOURCE: JLARC staff and Weldon Cooper Center analysis of data center capital investment between FY21 and FY23 reported to VEDP.

### Data center industry supports relatively small operations workforce and sizable construction workforce, both with average or above average wages

Data centers typically employ a small number of workers for data center operations, relative to their facility size. For example, several data center representatives indicated that a typical 250,000-square-foot data center may have approximately 50 full-time workers (one employee per 5,000 square feet versus one employee per 650 square feet for some distribution centers). About half of these workers are likely direct employees of the data center company (or for colocation data centers, direct employees of the tenant). These workers include facility managers, engineers, data technicians, and facility maintenance staff. The other half are contract workers, including electricians, pipefitters, and security personnel who work full-time at the facility (sidebar).

Data center direct employees and contract workers accounted for, by JLARC staff estimates, over 8,000 full-time jobs in FY23. A data center may add new jobs each year as new facilities begin and expand operations. In FY23, data centers added more than 800 new full-time jobs.

Data center construction, however, supports a substantially larger number of workers than data center operations. Construction of an individual data center building usually

Data centers require constant ongoing maintenance of electrical and cooling systems. Data centers have hundreds of electrical and mechanical components that must be replaced as they break down over time. Additionally, these systems can also be upgraded or configurations changed as computer equipment is upgraded and replaced.

takes about 12 to 18 months, and it can take five or more years to fully build out a campus. Data center representatives indicated that, at the height of construction, approximately 1,500 workers are on site building a facility and installing electrical and cooling systems and include occupations such as

- site developers and surveyors,
- equipment operators for land clearing and leveling,
- workers to erect steel building frames and concrete walls,
- electricians installing cabling, equipment, and generators, and
- pipefitters and HVAC technicians installing piping and cooling equipment.

Both data center operations and construction workers earn average or above average wages, contributing to the economic benefit of the industry. On average, data center employees and contractors earn about \$100,000 per year, varying based on job role and area of the state. Many construction-related jobs do not require a college degree but are also relatively high-paying. For example, the starting salary for electricians is approximately \$24 per hour, and a “journeyman” (fully trained) electrician can make approximately \$56 per hour. These wages translate to \$50,000 and \$116,000 in annual wages, respectively, but the actual annual wages are likely higher because these workers often work over 40 hours per week and can earn overtime pay.

The growth of Virginia’s data center industry has contributed to the expansion of the state’s trades and construction industry. A representative from a construction supplier and contractor indicated that the data center industry is the largest construction sector right now, and data center projects are about one-third to one-half of their current projects and nearly two-thirds of their backlog. A representative of an electrical workers union in Northern Virginia indicated that, because of demand from the growing data center industry, their apprenticeship program has grown from 300 apprentices per training course to 500 in the last several years and could grow larger. A benefit of this growth is that many workers are able to stay in-state and move to another data center construction job after a project is complete, rather than moving to another state to find work.

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**JLARC’s independent economic impact analysis** was performed by staff from the Weldon Cooper Center. The analysis was conducted using economic modeling software developed by IMPLAN. The model uses an industry standard methodology but does not account for the cost of some potential externalities, such as health and environmental costs associated with increased carbon emissions, that may be associated with the industry’s large energy demands. See Appendix D for additional details.

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### **Data center industry has added thousands of jobs and several billion dollars to state’s economy, mostly from construction**

The data center industry benefits the Virginia economy because of the additional jobs and personal income created and the value it adds to the Virginia economy (i.e., Virginia gross domestic product or GDP). JLARC staff commissioned an independent economic impact analysis of the data center industry in Virginia (sidebar). The analysis estimated that the data center industry provides approximately 74,000 jobs, \$5.5 billion in labor income, and \$9.1 billion in Virginia GDP overall to the state economy annually, based on average spending by the industry between FY21 and FY23 (Table 2-1). These estimates are just over 1 percent of total statewide employment, income, and Virginia GDP during the last three years. Most of the economic benefits have been in



the Northern Virginia region, but other regions where data centers are located or under construction, or that have businesses that otherwise support the industry, also benefited (Figure 2-3).

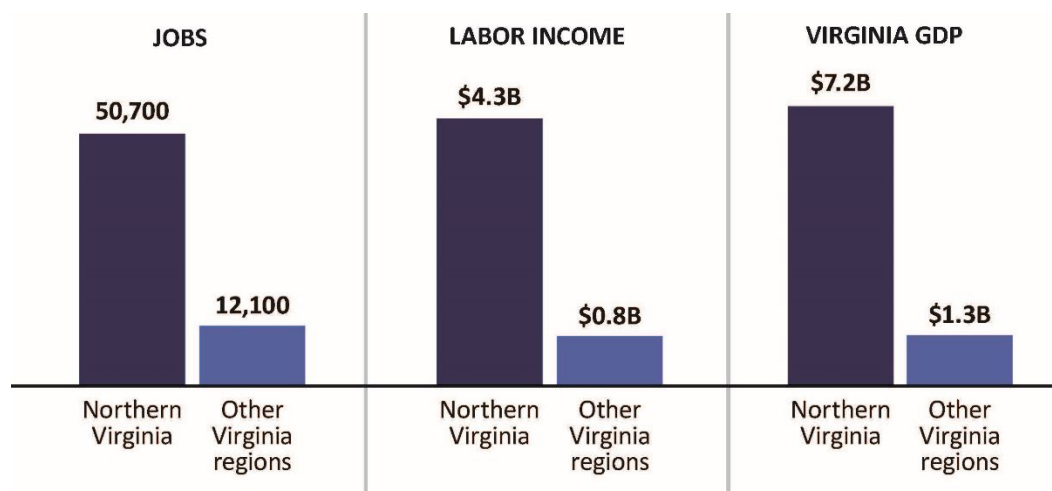
**TABLE 2-1**  
**Data center industry has positive economic benefits on Virginia**

| Economic impact | Annual average based on data center capital investment and related operation spending |                               |                                |
|-----------------|---------------------------------------------------------------------------------------|-------------------------------|--------------------------------|
|                 | Construction phase                                                                    | Operations phase              | Total impact                   |
| Jobs            | 59,000 jobs<br>(35,000 direct)                                                        | 15,000 jobs<br>(4,400 direct) | 74,000 jobs<br>(39,400 direct) |
| Labor income    | \$4.3 B<br>(\$2.6 B direct)                                                           | \$1.2 B<br>(\$0.4 B direct)   | \$5.5 B<br>(\$3.1 B direct)    |
| Virginia GDP    | \$6.4 B<br>(\$3.3 B direct)                                                           | \$2.7 B<br>(\$1.1 B direct)   | \$9.1 B<br>(\$4.4 B direct)    |

SOURCE: Weldon Cooper Center economic impact analysis of the data center industry impacts, based on data center spending between FY21 and FY23 reported to VEDP, adjusted to account for non-exempt data centers. Numbers may not sum because of rounding.

NOTE: Direct operations jobs include only data center employees and exclude contractors that work full time at data centers. Total impact includes direct impacts plus indirect and induced impacts. Average data center economic impacts presented here likely underestimate the impacts in more recent years given the growth of the industry.

**FIGURE 2-3**  
**Economic impact from data centers is concentrated in Northern Virginia**



SOURCE: Weldon Cooper Center economic analysis of the annual data center industry impacts, based on data center spending between FY21 and FY23 reported to VEDP, adjusted to account for non-exempt data centers.

NOTE: Totals for Northern Virginia and other Virginia regions do not sum to statewide totals shown in Table 2-1 because the analysis does not account for impacts from activity in Northern Virginia occurring in other Virginia regions and vice versa.

Much of the data center industry's economic benefits in Virginia derive from capital spending during the construction phase rather than spending during ongoing operations (Table 2-1). Annual average spending during the construction phase is estimated

to be more than three times annual operation spending, according to prior research. Data centers were estimated to contribute 59,000 jobs annually during the construction phase, accounting for 80 percent of total annual jobs resulting from data centers. This estimate includes 35,000 direct jobs, most of which were construction workers (28,000), although some were IT-related workers manufacturing and installing equipment (7,000). Another 24,000 jobs were estimated to be in supporting sectors, such as materials suppliers, and “induced jobs” in businesses that benefit from worker spending, such as restaurants and retail. The data center construction phase also accounted for most of the annual increase in total labor income (80 percent) and total Virginia GDP (70 percent) from data centers. Appendix D provides additional technical details on these and other analysis outcomes.

Because most of data centers’ economic benefits are from construction, continued growth of the data center industry would be needed in Virginia to maintain the same level of economic impact. Current trends suggest continued growth is likely to happen, at least for the near future. Virginia’s data center market is expected to double in the next few years based on the data center capacity currently under construction and in the early development stages.

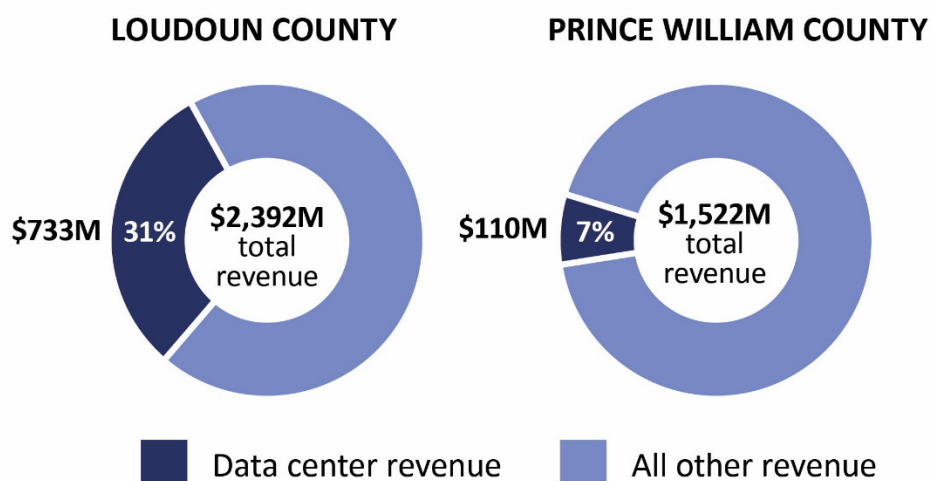
## Data centers generate substantial local tax revenues for localities that have them

**Business personal property taxes** are levied by local governments on the value of property, such as furniture, fixtures, computer equipment, machinery, tools, and heavy equipment within their locality. State law allows a locality to tax certain classes of personal property at lower rates, including computer equipment for data processing.

**Real property (or real estate) taxes** are levied by a local government on land and improvements in their locality.

Local governments with data centers in their jurisdictions can collect substantial tax revenues from the industry. Data centers pay different types of local taxes, but the primary ones are business personal property and real property (real estate) taxes (sidebar). The business property tax, in particular, can generate substantial revenue. A single data center typically has business personal property valued in the millions, a large portion of which is computer equipment that is typically replaced every five years.

Although data center tax revenues can be substantial, the industry’s share of local revenue varies. For the five localities with relatively mature data center markets (Loudoun, Prince William, Mecklenburg, Henrico, and Fairfax), data center revenue ranged from less than 1 percent to 31 percent of total local revenue. The amounts collected and percentage of local revenues vary substantially because of differences in the size and maturity of the data center markets, locality sizes and tax bases, and local tax rates and depreciation schedules. Loudoun and Prince William have the largest and most mature markets, and data center revenue accounted for 31 percent and 7 percent, respectively, of total local tax revenue (Figure 2-4). Loudoun collects substantially more revenue from data centers primarily because its data center market size is three times larger than Prince William’s. Revenue estimates are not provided for all of these localities to protect taxpayer confidentiality.

**FIGURE 2-4****Data center tax revenue can be substantial for local governments (FY23)**

SOURCE: JLARC staff analysis of revenue collections from localities and the APA Local Government Comparative Report, FY23.

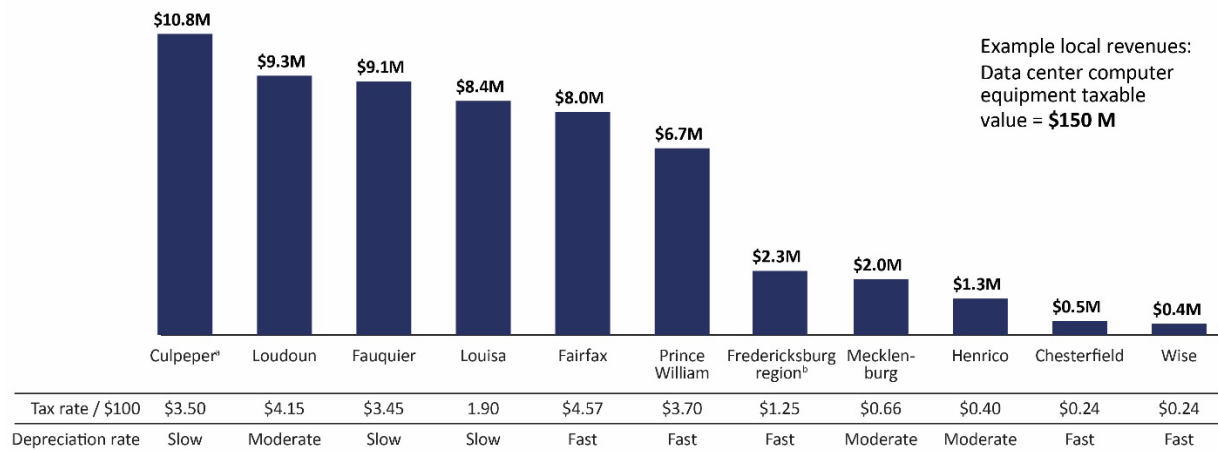
Tax rates also significantly affect the amount of revenue a locality can generate from data center developments. Some localities have greatly reduced their business personal property tax rates for computer equipment to try to attract the industry and, therefore, collect far less revenue than other localities with a higher tax rate would collect for a comparable project. For example, assuming a data center with \$150 million in taxable computer equipment, counties could collect from \$10.8 million to \$0.4 million over a five-year period (after accounting for different tax rates and depreciation schedules) (Figure 2-5).

Even with the variation in tax revenue collections, local government staff from the five counties with the greatest data center presence indicated that data center revenue has benefited their locality. Local government staff indicated data center revenue has allowed their locality to

- lower real estate tax rates (Loudoun and Prince William),
- develop an affordable housing trust fund (Henrico County),
- establish revenue stabilization or reserve funds (Loudoun and Prince William), and
- construct new schools (Mecklenburg).

FIGURE 2-5

Some localities would collect far less revenue over a five-year period than others for the same data center development



SOURCE: JLARC staff analysis of locality property tax rates and depreciation schedules for computer equipment.

NOTE: Tax rate is the business personal property tax rate in 2024 for computer equipment. Amounts exclude real property taxes. Amounts are based on a data center with \$150 million in equipment. Data center equipment is typically replaced every five years, which resets the depreciation schedule used to calculate the decline in value of equipment each year after its purchase.

<sup>a</sup> Culpeper provides a local tax rebate for data centers that invest at least \$10 million and hire at least 10 new employees in the Culpeper Technology Zone, and therefore may reduce this amount for qualifying data centers. <sup>b</sup> Fredericksburg Region includes the City of Fredericksburg, Caroline County, King George County, Spotsylvania County, and Stafford County.

In addition to the revenue the industry generates, local government staff reported that data centers are an attractive industry because they impose minimal direct costs on the provision of government services compared with other industries. Data centers employ relatively few employees in comparison with other industries like manufacturing and logistics. Industries with more employees place greater demand on local roads, school systems, and other services.

## Localities in distressed areas have difficulty attracting data centers

Data center developments could benefit localities in economically distressed areas of the state through increased local revenue. However, localities in these areas face several challenges in attracting data centers. To be considered, a locality likely needs to have 230kV transmission lines (the preferred voltage for modern data center campuses) and large and flat properties close to those transmission lines. These requirements could prevent many counties in distressed areas, particularly in Southwest Virginia, from being considered.

Localities in economically distressed areas that are away from population centers can also only compete for certain types of data centers. They cannot compete for data centers that need to be close to customers or require low latency, such as cloud computing and colocation facilities. However, they may be able to compete for data centers

running artificial intelligence (AI) workloads, such as training models, which do not need to be near populated areas and may not require low latency. AI is expected to drive a lot of future industry growth and presents an opportunity for more remote localities.

The state could improve the competitiveness of localities in distressed areas by helping them identify, prepare, and market industrial sites that are attractive to the data center industry. Data center companies prefer to move fast once a site has been identified, so available land should have access to roads and other utilities (water, sewer) that allow construction to begin soon after selection. Company representatives said industrial sites that are shovel-ready could be particularly attractive. The primary reason Mecklenburg was successful in attracting Microsoft was because the county had already identified a site suitable for data center development when Microsoft was looking for potential Virginia locations.

The Virginia Business Ready Sites Program, which is administered by VEDP, can be used for this purpose. The program identifies and assesses the readiness of potential industrial sites and provides site characterization and development grants to local governments and regional authorities. The program is intended to develop sites to attract large employers, such as manufacturers, but it can be used to identify and develop sites for which data centers would be a “best use” and would generate a positive return on investment for the state. For example, a 150-acre site that has limited road and rail infrastructure but is located close to 230kV transmission lines might be best used as a data center instead of a manufacturing plant. To help localities in distressed areas compete for data centers, VEDP should clarify that potential data center sites can be included in VEDP’s site listings and are eligible for Virginia Business Ready Sites Program grants.

### RECOMMENDATION 1

The Virginia Economic Development Partnership should clarify in site characterization and development guidelines that potential data center sites are eligible for grants under the Virginia Business Ready Sites Program.

The state made changes to its data center sales tax exemption, discussed in the next section, several years ago to try to attract data centers to distressed areas of the state (sidebar). However, very few data centers have qualified for the exemption under the changes, so the changes alone may not be sufficient to overcome other challenges to attract data centers to these areas.

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The 2020 General Assembly **lowered the eligibility requirements** for the data center exemption in distressed areas of the state to 10 jobs and capital investment of \$75 million to encourage growth in these areas.

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## State's data center exemption encourages industry growth and has moderate economic benefits

Virginia, like other states, uses incentives and other strategies to try to attract specific industries that can create new economic activity. The goal of targeting specific industries is to establish industry clusters or ecosystems.

Since 2010, Virginia has offered a retail sales and use tax exemption to attract large-scale data centers. The exemption allows qualifying data centers and their tenants to purchase computers and other equipment without paying the state sales tax on the following items, namely

- computer equipment such as servers, mainframes, network infrastructure, and data storage hardware; and
- other equipment such as cabling, switches, cooling equipment, generators, monitoring systems, and similar items used to operate exempt equipment.

---

This report includes higher **estimates of the tax revenue impact of the data center exemption** than was reported in prior years. Data centers using the exemption are now required to report to the Virginia Economic Development Partnership their annual eligible exemption expenditures and tax benefits.

**The statewide retail sales and use tax** includes a 4.3 percent state share, a 1 percent local option share, and additional 0.7 percent to 1.7 percent regional share, depending on the region. In addition to collecting revenue from the local option, localities tax data center property in other ways, as described in this chapter.

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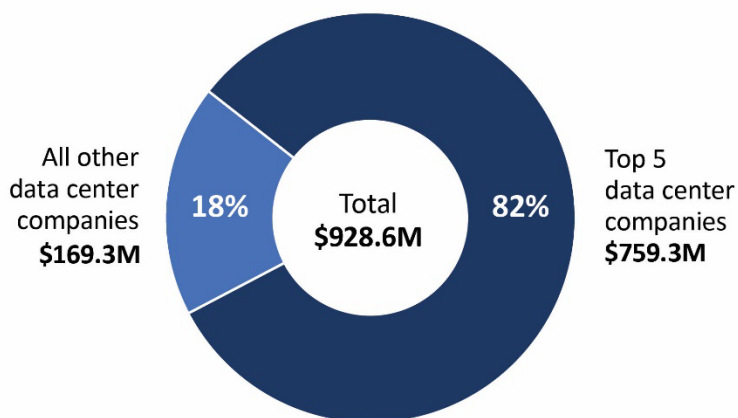
### Exemption provides qualifying data center companies with substantial tax reductions

Data center owners and their tenants, which can include a wide range of businesses in sectors like technology, health care, financial institutions, and retail, can claim the data center sales and use tax exemption if they meet eligibility requirements. To qualify, data centers must create a minimum of 50 jobs paying at least 150 percent of the prevailing annual average wage in the locality where the data center is located and make a \$150 million capital investment. As noted above, the minimum thresholds are lower for distressed areas. Data centers and tenants reported saving \$928.6 million in sales taxes in FY23 because of the exemption, including state, local, and regional portions of the tax (sidebar). The state portion of the exempted amount was an estimated \$683 million, making it by far the state's largest economic development incentive, with the next closest incentive valued at \$74 million.

Although approximately 30 data center companies (and their tenants, for colocation data centers) claim the exemption, most of the tax savings accrue to a small number of companies (Figure 2-6). Even so, the median savings for a data center company using the exemption was \$5.4 million in FY23, and all but six companies saved \$1 million or more.

**FIGURE 2-6**

**Most of the tax savings from data center exemption go to only a few data center companies (FY23)**



SOURCE: JLARC staff analysis of data center exemption information reported to VEDP.

NOTE: For colocation data centers, the tax savings is attributed to the data center owner rather than the individual tenant, because the data center owner is the “holder” of the MOU and the reporting entity.

### **Exemption likely affects data center location and expansion decisions**

Data center companies consider several factors when determining where to locate, and state sales tax exemptions are regularly ranked among their top factors. The other top site selection factors are access to power, available land, workforce quality, customer needs, business-friendly regulatory climate, and utility and other costs. While it is impossible to precisely determine the exemption’s importance in data centers’ location decisions, representatives from data center companies indicated the exemption was a key consideration because it greatly reduces their costs.

Data center companies view the exemption as important because their industry is capital intensive, and the exemption provides substantial savings on those investments. If a typical modern 250,000-square-foot data center costs \$250 million to \$325 million to build and equip, the exemption would provide an initial benefit of about \$9 million to \$15.5 million in savings (depending on the locality). Companies also save on subsequent equipment purchases, usually made every five years when data centers replace and upgrade their computer equipment. For colocation data centers, the exemption is also important for meeting customer needs, because it provides savings to tenants who purchase their own equipment.

### **Virginia is competing for data centers with other states that have similar exemptions**

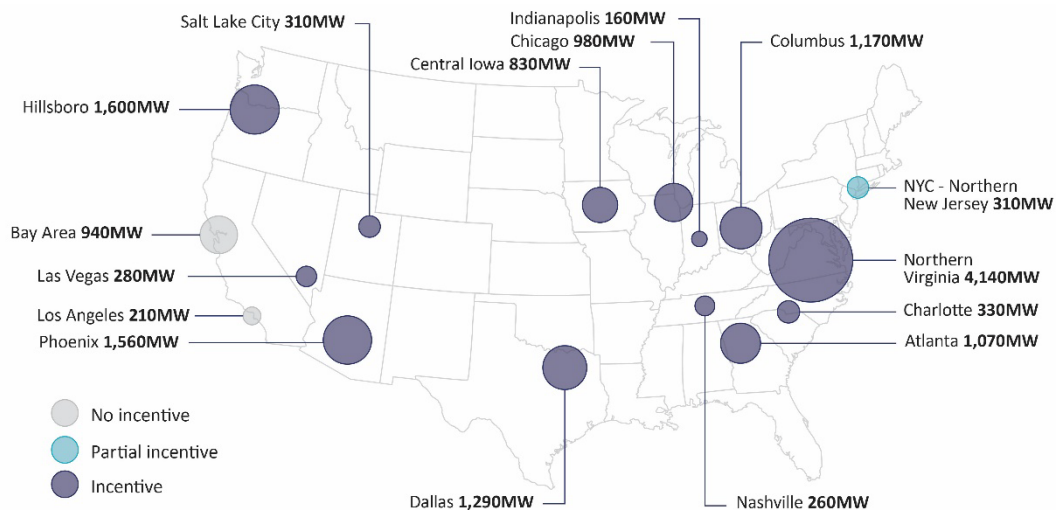
Since the late 2000s, states have increased their efforts to attract data centers, primarily by adopting sales tax exemptions. In 2008, Virginia became the seventh state to adopt a sales tax exemption. (The initial exemption applied to very few localities and is no longer in effect, but a statewide exemption was adopted in 2010.) Today, the majority

of states either have a sales tax exemption for data centers (34) or do not have a sales tax (4). All states bordering Virginia provide a sales tax exemption to data centers. (See Appendix E for a map of states with a data center sales tax exemption.)

Virginia competes with other states for new data center developments, especially states that also have primary markets. Most other primary markets are located in states with exemptions, with the exceptions being markets in California and the New Jersey portion of the New York-northern New Jersey market (Figure 2-7). These two markets have a relatively small data center presence considering their proximity to major population centers, the California market's proximity to high tech firms in Silicon Valley, and the New Jersey market's proximity to the U.S. financial center in New York City.

**FIGURE 2-7**

**All primary data center markets in the U.S. have exemptions, except for California and northern New Jersey markets, which are relatively small**



SOURCE: JLARC staff analysis of Cushman & Wakefield 2024 Global Data Center Market Comparison.

NOTE: Oregon (Hillsboro market) does not have a sales tax (which has similar effect of the exemption). "Northern Virginia" refers to an estimate of data center capacity in the traditional Northern Virginia market consisting of Fairfax, Loudoun, and Prince William counties and Manassas. The Cushman & Wakefield report also includes an estimated 560 megawatts of capacity in Culpeper and Fauquier counties and the Richmond metropolitan region.

### **Data center exemption has moderate economic benefits and return in revenue to the state compared with other incentives**

The data center exemption has moderate economic benefits and moderate return in revenue to the state compared with Virginia's other economic development incentives. (See *Data Center and Manufacturing Incentives*, JLARC, 2019.) It is rated as moderate because it is similar to the economic benefits and return in revenue for the average incentive (Table 2-2). Like most economic development incentives, the data center exemption does not pay for itself when considering just the state portion of the exemption cost and the state return in revenue.



TABLE 2-2  
Data center exemption has moderate benefits compared with other incentives

|                                                        | Annual average        |                            |
|--------------------------------------------------------|-----------------------|----------------------------|
|                                                        | Data center exemption | Average Virginia incentive |
| Economic impact per \$1 million spent on the exemption |                       |                            |
| Jobs added                                             | 84 jobs               | 58 jobs                    |
| Income added                                           | \$6 M                 | \$5 M                      |
| Virginia GDP increase                                  | \$10 M                | \$9 M                      |
| Impact on state revenue per \$1 spent on the exemption |                       |                            |
| Return in revenue per \$1 spent                        | 48¢                   | 41¢                        |

SOURCE: *Economic Development Incentives 2024*, JLARC 2024.

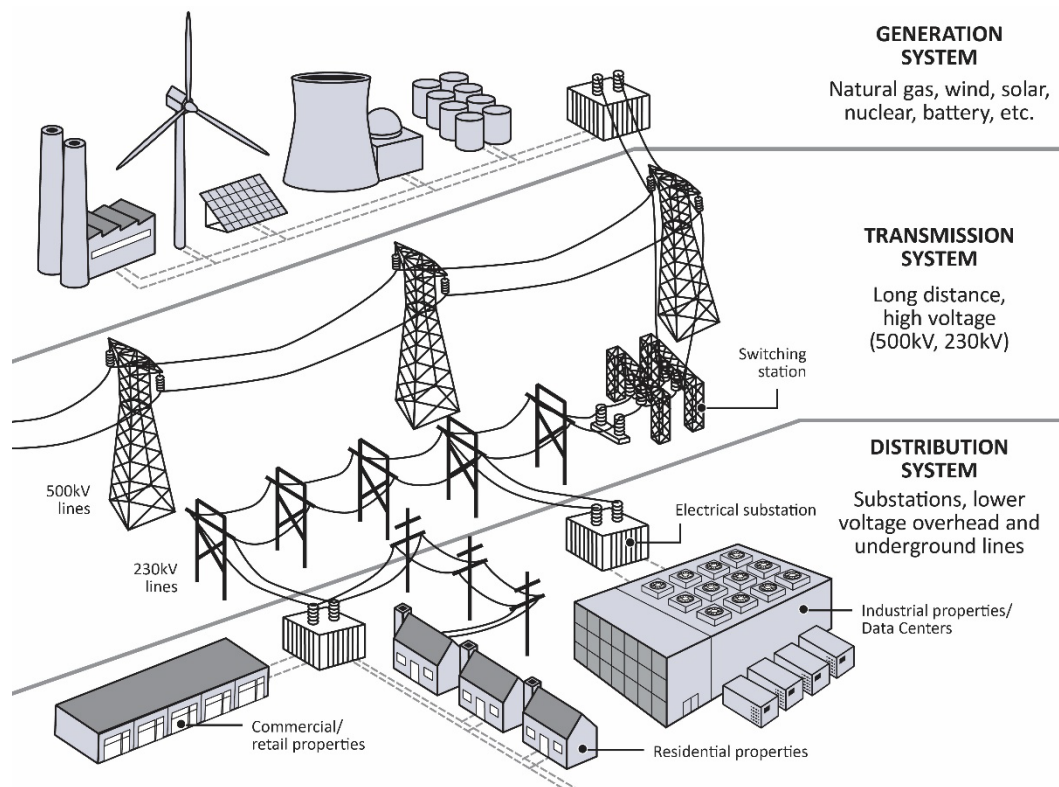


# 3 Energy Impacts

Virginia's power grid is part of the North American Eastern Interconnection, a massive energy infrastructure network that provides electricity to most states and several Canadian provinces east of the Rocky Mountains. The grid comprises three key interconnected systems: generation, transmission, and distribution (Figure 3-1). Power generation in Virginia has historically come from a few large carbon fuel and nuclear plants, but is increasingly coming from renewable sources like solar and wind. The transmission system moves power in bulk over long distances from where it is generated to the area where it is consumed. Power is then reduced to lower voltages and provided to homes, businesses, and other consumers through the distribution system.

**FIGURE 3-1**

**Power grid is a complex network of generation, transmission, and distribution systems**

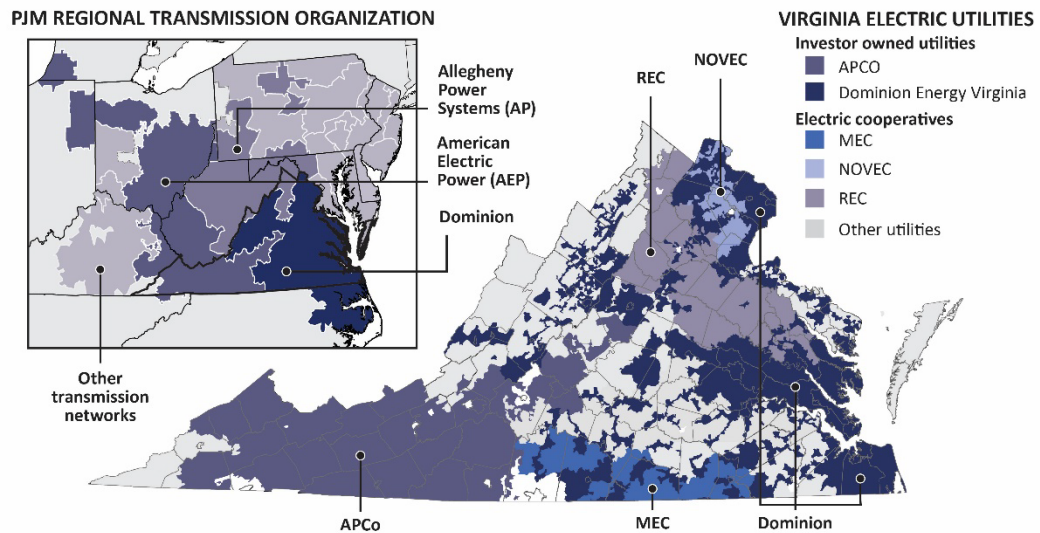


SOURCE: JLARC staff.

Within the eastern power grid, Virginia is part of the PJM regional transmission organization (Figure 3-2). PJM is a not-for-profit organization that coordinates generation and transmission operations and operates as a wholesale power market for its members, including utilities, independent power generators, and other energy companies. Within Virginia's section of PJM, the two main power utilities are Dominion and American Electric Power (AEP), which operate much of the generation and most of the transmission that serve the state. Dominion and AEP (under its subsidiary Appalachian Power Company, or APCO) are also the distribution utilities for much of the state. However, a significant portion of the state is served by 13 distribution cooperatives (the "co-ops"). Most co-ops purchase their power through another generation and transmission utility, the Old Dominion Electric Cooperative (ODEC), which operates or partially owns a few power plants, and contracts for additional power, in and outside of Virginia. The largest distribution co-op, the Northern Virginia Electric Cooperative (NOVEC), purchases its own generation and operates one power plant.

Virginia's power utilities are subject to state and federal laws and are regulated by the State Corporation Commission (SCC) and the Federal Energy Regulatory Commission (FERC). One of the SCC's key functions is to approve new generation and transmission projects. See Appendix F for more discussion of generation and transmission projects' potential impacts and how regulators and utilities try to minimize those impacts.

**FIGURE 3-2**  
**Virginia is part of PJM and relies on transmission and distribution utilities**



SOURCE: PJM and SCC maps.

NOTE: MEC = Mecklenburg Electric Cooperative. REC = Rappahannock Electric Cooperative. Additional cooperatives that are not named above include A&N, BARC, Craig-Botetourt, Community, Central Virginia, Northern Neck, Powell Valley, Prince George, Southside, and Shenandoah Valley. There are also several small municipal power utilities, and the investor-owned Eastern Kentucky Power Company serves a small portion of Southwest Virginia.

## Data center industry is driving immense increase in energy demand and will require enormous new infrastructure investments

Modern data centers consume substantially more energy than other types of commercial or industrial operations. For example, one of the smaller data centers recently constructed in Virginia can draw up to 18 MW of power (sidebar). This is roughly equivalent to a mid-sized automobile assembly plant, 60 large commercial office buildings, or 4,500 homes. The largest new data centers can draw from 100 to over 200 MW each, which is more than most industrial consumers. Some planned data center campuses are expected to consume well over 1,000 MW, once fully built out, which is more than the 950 MW generation capacity of the state's largest nuclear reactor.

To evaluate the potential energy impacts of the data center industry, JLARC staff commissioned an independent forecast of *unconstrained* power demand growth in Virginia, based on historical data trends. The unconstrained forecast shows what demand would be before accounting for constraints like the ability to build enough energy infrastructure to meet demand. JLARC staff also commissioned an independent grid model to project what future generation and transmission infrastructure would be needed to meet (1) unconstrained demand and (2) half of unconstrained demand. The grid model also estimated infrastructure needs if there was no new data center demand, so that the effects of data center growth could be separated from other effects on the grid. The demand forecast was developed by staff from the Weldon Cooper Center for Public Service at the University of Virginia, and the grid model was developed by energy consultant Energy + Environmental Economics (E3). See Appendix B for additional details.

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**Data center power demand is typically measured in megawatts (MW).** A watt measures the amount of energy produced or consumed at any instant, and a megawatt is equal to 1 million watts. For example, a 100 MW data center can consume up to 100 MW of energy at a given point in time. Energy consumption over time is typically measured in kilowatt-hours (KWh) or megawatt-hours (MWh).

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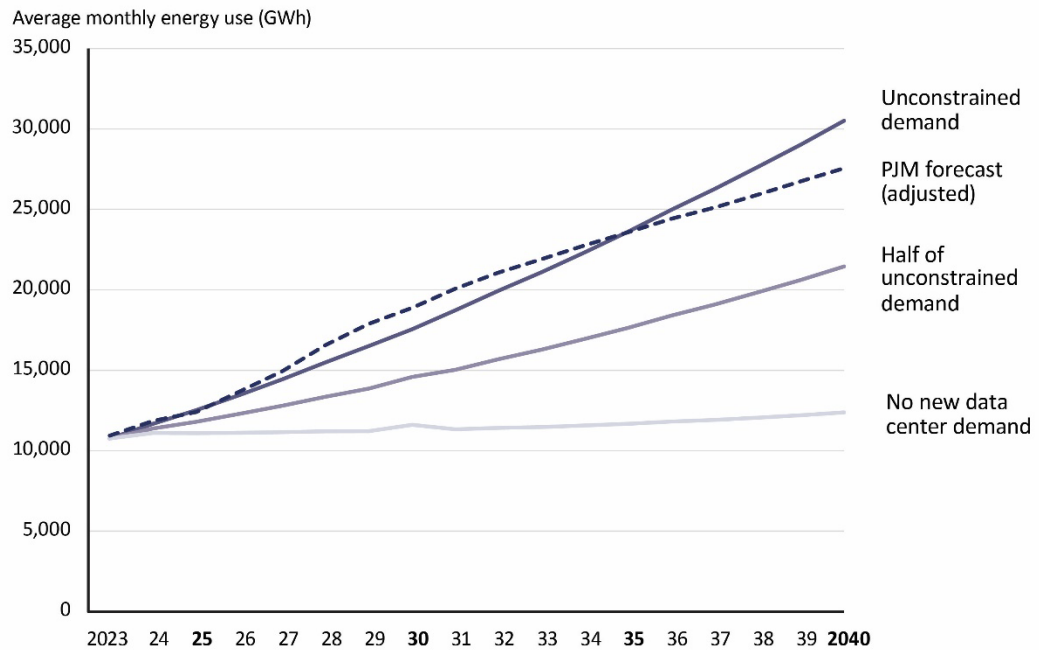
### Data center industry is forecast to drive immense increase in energy demand

The data center industry boom in Virginia has substantially driven up energy demand, and demand is forecast to continue growing for the foreseeable future. The state's energy demand was essentially flat from 2006 to 2020 because, even though the population increased, improvements in energy efficiency offset that increase. However, by 2024, PJM forecast an unprecedented 5.5 percent year-over-year growth in the Dominion transmission zone, mainly because of increasing data center demand.

JLARC's independent forecast shows that unconstrained demand for power in Virginia is expected to double within the next 10 years, driven primarily by the data center industry's growth (Figure 3-3). Almost all of the demand growth is expected to occur in the Dominion transmission zone, which covers the Northern and Central Virginia regions, where most new data centers are being built. JLARC's forecast largely matched the most recent PJM forecast.

**FIGURE 3-3**

**Data center demand would drive immense increase in energy demand in Virginia, based on JLARC's independent forecast and other forecasts**



SOURCE: JLARC staff consultant analysis.

NOTE: Forecast is for Virginia. PJM forecast is the 2024 forecast for the Dominion transmission zone adjusted upward to account for APCO; this adjustment had no effect on the trendline shown and was done so that the forecasts could be more easily compared. JLARC's independent forecast was developed using actual, historical energy use and employed advanced statistical methods to project use going forward. While JLARC's forecast was checked against the data reported by utilities on future data center load requests, that data was not used to formulate the forecast.

The first five years of JLARC's unconstrained demand forecast are in line with the new data center load additions that are expected, based on existing utility service and data center construction agreements, data center projects that have been announced, and national energy research conducted by Lawrence Berkeley National Laboratory and the Electric Power Research Institute.

### **New generation and transmission infrastructure will need to be built to help address data center demand**

JLARC's grid model found that a substantial amount of new generation and transmission infrastructure would need to be built in Virginia to meet unconstrained demand, or even half of unconstrained demand, and most of the new infrastructure needs would be attributable to the growing data center industry (Table 3-1). For each of the demand scenarios, the model considered the most feasible and economical approaches to meeting infrastructure needs with and without the requirements of the Virginia Clean Economy Act (VCEA). The modeling was done using industry standard approaches and tools for electric utility and state energy planning purposes. It is based

on current state and federal laws and regulations. Some costs, such as the social cost of carbon, were not explicitly included in the model.

VCEA was enacted in 2020 to drive investment in renewable resources and requires the phaseout of carbon-emitting generation in the state by 2050. (See Appendix G.) VCEA requires that an increasingly larger share of the energy sold by the investor-owned utilities, Dominion and APCO, to their retail customers come from renewable and in-state generation sources. While this results in slightly more generation being built in-state than would otherwise occur, it has little effect on new transmission infrastructure needs and could increase the amount of energy that is imported from out of state. VCEA's effects on renewable and in-state generation are not as pronounced as might be expected because the requirements for utilities to sell energy from these sources do not apply to the co-ops, and a majority of projected data center growth (~60 percent) is expected to occur in co-op service territories. See Appendix H for additional details on generation capacity and energy sources expected under each scenario.

TABLE 3-1

**Addressing demand from data centers would require substantial investment in new in-state generation resources and transmission by 2040**

|                                        |                                   |                          | Change from 2025 to 2040            |                  |                                          |                  |
|----------------------------------------|-----------------------------------|--------------------------|-------------------------------------|------------------|------------------------------------------|------------------|
|                                        |                                   |                          | Scenario 1:<br>Unconstrained demand |                  | Scenario 2:<br>Half unconstrained demand |                  |
|                                        | Current system                    |                          | No VCEA                             | VCEA             | No VCEA                                  | VCEA             |
| <b>Generation resources (in-state)</b> | 36,000 MW capacity                | Net increase             | +54,100 MW                          | +56,300 MW       | +31,200 MW                               | +34,700 MW       |
|                                        |                                   | <i>Data center share</i> | +35,600                             | +34,300          | +12,800                                  | +12,700          |
| <b>Transmission (interzonal)</b>       | 8,700 MW capacity                 | Net increase             | +3,500 MW                           | +3,500 MW        | +3,100 MW                                | +3,100 MW        |
|                                        |                                   | <i>Data center share</i> | +3,500                              | +3,500           | +3,100                                   | +3,100           |
| <b>Imported energy (net)</b>           | 38 TWh annual energy <sup>a</sup> | Net increase             | +62 TWh                             | +73 TWh          | +24 TWh                                  | +24 TWh          |
|                                        |                                   | <i>Data center share</i> | +79 <sup>b</sup>                    | +92 <sup>b</sup> | +41 <sup>b</sup>                         | +43 <sup>b</sup> |

SOURCE: E3 grid modeling analysis. Current system capacity and energy are derived from Energy Exemplar PLEXOS database.

NOTE: Generation is in-state nameplate capacity that would need to be built, which can be significantly higher than the amount of energy produced by a resource over a year (e.g., Virginia solar facilities produce at around 25 percent of nameplate capacity). The model predicts new generation capacity would still be built even without data center growth, because the grid is expected to shift to cheaper renewable energy sources and building more in-state generation to reduce reliance on imports. Transmission shows only current and additional interzonal capacity needed for power exchange between the Dominion transmission zone and neighboring zones. It does not show transmission capacity or additions *within* the Dominion transmission zone.

<sup>a</sup> TWh=terawatt hours. TWh are used to measure large amounts of energy consumed over time. One TWh = 1,000,000 MWh.

<sup>b</sup> Data center share of imported energy is larger than the net increase because, without data center demand, imported energy would decline. For example, under Scenario 1 (no VCEA), energy imports would decrease –17 TWh from 2025 to 2040 without data center demand. +79 TWh data center share –17 TWh = net increase of +62 TWh.

## Building enough infrastructure to meet growing data center demand will be difficult under both forecast scenarios

Historically, utilities and other PJM members have kept up with demand by building enough new generation resources and transmission to meet demand. Utilities have been able to do this because demand has increased slowly or been relatively flat over the past several decades, but the expected increase in demand from data centers will far outpace previous energy demand growth. If utilities are unable to build enough new generation and transmission to keep pace with forecast data center demand, there are two likely outcomes: (1) they will delay the retirement of older fossil fuel plants, and less economical plants, to the extent allowed by state and federal law, and (2) they will delay the addition of new large load customers, mainly data centers, until there is adequate transmission and generation capacity to serve them. On the demand side, data centers will seek out markets where demand can be met and pursue ways of contracting for and generating their own power. While it is possible that enough infrastructure could be built to meet growing data center demand in Virginia, it would be difficult to accomplish.

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**VCEA financially penalizes utilities** that do not comply with renewables requirements by levying deficiency payments, but in practice, utilities may choose to pay those deficiency payments if it is more economical or feasible than securing new renewable generation. Statute directs any deficiency payments collected to be used in support of job training, energy efficiency, and renewable energy programs. The costs of deficiency payments are recovered from utility customers.

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It could be especially challenging to meet demand while also fully meeting VCEA renewable requirements. Dominion's 2024 integrated resource plan indicates that it expects to meet VCEA renewable requirements for most, but not all, years between now and 2040 and expects to pay deficiency payments in some years (sidebar). In addition, in its previous 2023 plan, Dominion indicated it did not expect to meet VCEA requirements to retire carbon emitting assets that take effect in 2045. The previous plan stated: "Due to an increasing load forecast, and the need for dispatchable [i.e., easily scalable] generation, the [modeled planning scenarios] show additional natural gas-fired resources and preservation of existing carbon-emitting units beyond [the 2045] statutory retirement deadlines established in the VCEA." The revised 2024 plan does not comment on this and does not project out past 2040.

### Building enough infrastructure to meet *unconstrained* energy demand will be very difficult, with or without meeting VCEA requirements (Scenario 1)

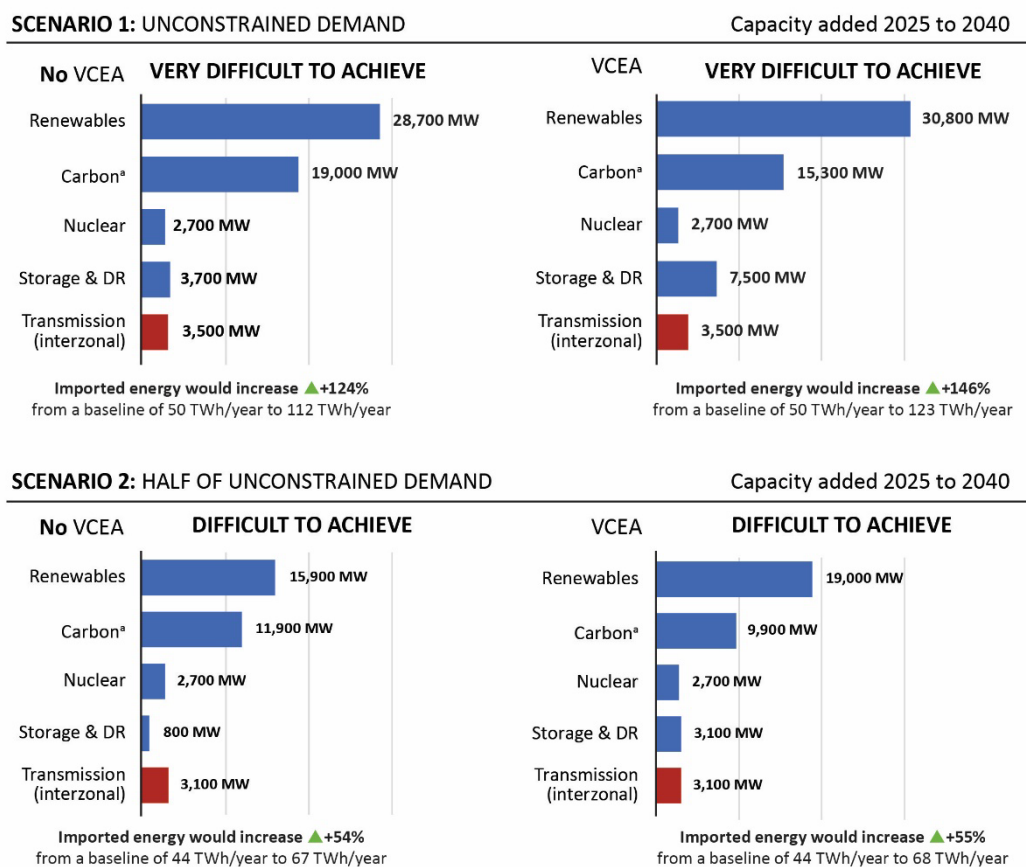
It will be very difficult to build new generation and transmission in Virginia fast enough to match unconstrained demand by 2040 (Scenario 1) and would require a massive and sustained build-out of new renewable, carbon, nuclear, and storage facilities (Figure 3-5). Build rates would have to greatly outpace what has been accomplished historically. Solar facilities would have to be added at about twice the annual rate they were added in 2024, and the amount of new wind generation needed (8,800 MW) would exceed the potential capabilities of all offshore wind sites that have so far been secured for future development (7,400 MW). New natural gas plants would have to be added at a rate of one large 1,500 MW plant almost every year (without meeting



VCEA requirements) or almost every 1.5 years (meeting VCEA requirements) for 15 consecutive years, which would be faster than the rate they were added during the busiest build period of the last decade in the state. Additional pipeline capacity may also need to be added to serve such a substantial increase in natural gas generation, which would create additional challenges. The unconstrained demand scenario would also require building more nuclear generation, presumably using new technologies.

FIGURE 3-4

### Estimated generation mix needed to meet demand scenarios, with and without meeting VCEA requirements



SOURCE: E3 grid modeling analysis.

NOTE: The generation and transmission solutions generated by the model are tested to ensure they would produce a reliable system. Generation capacity is given in *nameplate* capacity, which can be significantly higher than the amount of power that can actually be expected after accounting for resource intermittency and downtime (firm capacity). The model predicts only interzonal transmission needed between PJM zones, but additional transmission would need to be built within the Dominion transmission zone. DR is demand response resources, which refer to customers who can reduce energy use during peak load events or add energy back on to the grid. The figure does not show what would need to be built if there were no new data center demand (Scenario 3). Under this scenario, the grid would be able to transition to a more renewable-based system with relatively less difficulty.

<sup>a</sup>Carbon includes natural gas, coal, and oil. Biomass facilities are counted as renewable resources, per the VCEA. However, starting in 2045, E3's grid model assumes natural gas plants would be converted to hydrogen fuel in each scenario when VCEA requirements are met.

To meet transmission needs, the state would have to increase interzonal capacity to the Dominion transmission zone by approximately 40 percent and construct additional transmission within the zone. Many of the new transmission lines would need to be built in densely populated regions of the state with limited options for siting new infrastructure. (Figure 3-4 shows only new interzonal transmission.)

In addition to building new in-state generation and transmission, the state would need to more than double the amount of energy imported from out of state. Consequently, Virginia would be reliant on additional generation being built at a rapid pace in other states in the PJM region and would need these other states to build sufficient generation capacity to serve Virginia's needs as well as their own.

### **Building enough infrastructure to meet only *half of unconstrained* energy demand will be difficult (Scenario 2)**

It would likely still be difficult to build enough new generation and transmission to meet half of unconstrained demand by 2040 (Scenario 2). Meeting demand would also require a sustained build-out of new renewable, carbon, nuclear, and storage facilities. Solar facilities would have to be added at a rate of 650 to 700 MW per year, which is substantial but lower than the 1,000 MW expected to be added in 2024. New nuclear generation would also be needed.

If VCEA requirements are not considered, the biggest challenge would be building new natural gas plants. New gas would need to be added at the rate of about one large 1,500 MW plant every two years for 15 consecutive years, which would be about the same rate Dominion added these types of plants during its busiest period of the last decade (2012 to 2018).

If it is assumed VCEA requirements are met, the biggest challenges would be building enough wind, battery storage, and natural gas “peaker” plants (sidebar). Wind generation needs would exceed the potential capabilities of all secured offshore wind sites in Virginia. The amount of new battery storage needed would be several times the small amount of existing battery storage in Virginia, but would be equivalent to what has already been installed in Texas and about half of California's installed capacity. A significant number of new natural gas “peaker” plants would also be needed to help balance intermittent generation from renewables.

Transmission needs would remain substantial under the half of unconstrained demand scenarios, especially in and around the Northern Virginia region, and building enough transmission capacity within a 15-year timeframe could be even more difficult than building enough generation. The amount of energy the state would need to import would increase by over 50 percent.

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**“Peaker” plants** are 50 MW to 150 MW facilities used intermittently to supplement other types of generation when there is not sufficient energy to meet demand. Historically, they have mostly operated at times when cooling and heating needs are the highest among households. However, as more solar and wind generation is incorporated into the grid, they can be used to provide energy when these renewables are not producing (alongside battery storage).

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## **New infrastructure projects face several challenges that make a rapid increase in construction difficult to achieve**

Under the most favorable circumstances, it takes five or more years to develop and build new generation facilities, limiting how fast they can be added to the grid. New generation projects face several challenges that could keep them from being built, including community opposition (especially to solar and natural gas projects), long lead times to procure equipment, workforce constraints, and state and federal laws that limit what new carbon-emitting generation facilities can be built. PJM data shows that only a small percentage of projects that submit applications are ever actually built (sidebar).

A significant portion of new generation would need to come from solar projects, which could face challenges acquiring enough land. Generally, a solar facility in Virginia needs five to 10 acres to produce one MW of power. Assuming an average need of 7.5 acres per MW, and the scenarios modeled above, JLARC staff estimated that Virginia will have about 57,000 acres of land devoted to utility-scale solar by 2025, and new projects could require from 73,000 to 165,000 additional acres by 2040, depending on the demand scenario. Utilities and independent generators could face significant challenges in acquiring and gaining local approval for this much additional land, given the resistance solar projects have already encountered in some Virginia communities.

Small modular nuclear reactors have been identified as a potential future generation source. However, none have been successfully built in the United States, only a few exist worldwide, and this technology has not yet been proven to be a viable utility generation source. They also have high up-front costs that pose a barrier to their commercial viability, and some communities may oppose them being built nearby. Other promising, emerging technologies that have not yet proven to be commercially viable at a utility scale are hydrogen generation, long duration battery storage, and floating offshore wind.

Utilities also face challenges completing the many major transmission projects that will be needed to connect generation to data center markets, including the numerous new and dispersed renewable generation facilities that are expected to be built. For example, PJM's goal is to have \$3.5 billion in Virginia transmission projects that were proposed in December 2023 for Virginia, mostly to serve data center demand, to be in service by June 2027. This 3.5-year timeline is possibly unrealistic considering that major new transmission projects often take five to seven years to complete.

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### **PJM must study and improve the addition of most new utility-scale generation to the grid.**

PJM's approval process became overwhelmed by small-scale renewable projects in 2022, which led to a two-year pause in approvals while PJM reformed its process. This pause may have affected the number of projects that have been built in recent years, but project success rates were already low before the pause (29 percent in 2018).

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## **Demand growth raises concerns about system capacity and reliability, but existing utility requirements and processes limit risks**

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**Federal Energy Regulatory Commission (FERC)** oversees the nation's electrical grid.

**North American Electrical Reliability Corporation (NERC)** sets reliability standards for the grid.

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Electrical utilities in Virginia have an obligation to serve any customer within their service territory, but they are not required to provide service immediately upon request. Their foremost responsibility is to ensure the reliability of the power grid before adding any new, large customers like data centers. Federal and international bodies oversee transmission organizations and utilities and set reliability standards that PJM and Virginia utilities must follow (sidebar). The state also sets its own requirements for utilities, which the SCC is responsible for enforcing. These requirements and processes are intended to identify future reliability problems and ensure they are resolved before the grid is affected.

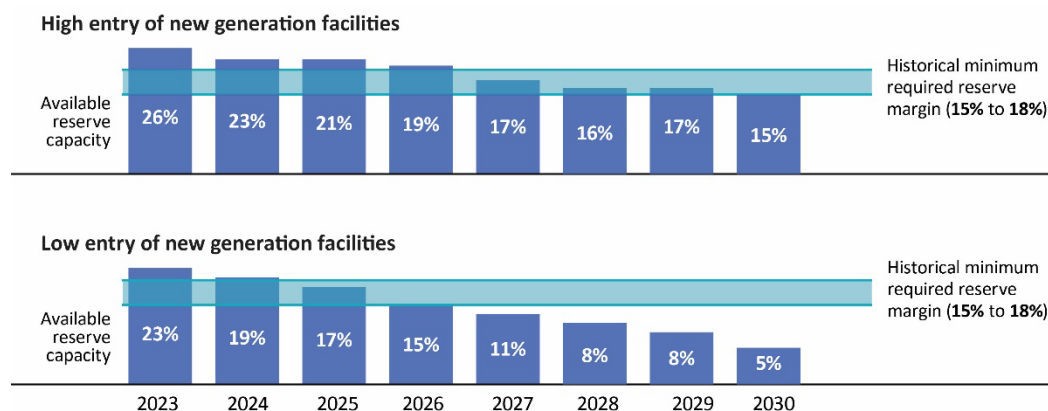
### **Generation capacity concerns are partially addressed through PJM requirements and utility planning processes, but risks remain**

PJM protects grid reliability by requiring utilities to secure enough generation capacity to meet the next three years of projected customer demand, plus a reserve margin to account for peak load (i.e., high energy use) events like hot summer days. The regional PJM grid appears to have sufficient generation capacity to meet current demand without causing any system reliability concerns. However, PJM estimates the grid could run out of needed reserve capacity by 2030, even under optimistic assumptions for adding new generation (Figure 3-5). If utilities are not able to secure enough capacity to meet projected demand, they would have to delay adding new load or shed existing load to meet capacity requirements and maintain system reliability.

Although PJM sets minimum capacity requirements for utilities, there is some uncertainty in whether regional generation will be sufficient because it is not centrally planned. PJM does not plan for and identify specific generation projects that are needed (like it does for transmission), cannot direct new generation to be built, does not own or operate any generation sources (like a utility), and cannot stop a utility or independent operator from retiring an existing generation facility (although it can offer “reliability must run” payments to keep a facility open in the short term). Virginia cannot address these structural issues because PJM is federally regulated, not state regulated. PJM is aware of generation capacity concerns and is working to try and address them.

FIGURE 3-5

### PJM projects available generating capacity could decline below reserve levels within a few years



SOURCE: JLARC staff analysis of PJM data and reports.

NOTE: PJM's reserve capacity projections were prepared in February 2023, using its 2023 demand forecast. PJM has since revised its demand forecast upward and in August projected a potential 1,663 MW shortfall in total capacity by 2029/2030.

At the state level, utilities protect grid reliability by planning to meet their own generation needs and PJM capacity requirements. Dominion and APCO—Virginia's two investor-owned utilities—are required to develop integrated resource plans that describe how they will meet capacity needs and submit them to SCC as part of a litigated proceeding. SCC holds public hearings to review the plans and gain perspectives from the utility, SCC staff, and other stakeholders, such as environmental groups and business interests. Despite disagreements over utility plans (sidebar), this process ensures the state's largest utilities plan to meet future generation needs and that these plans are scrutinized by regulators and stakeholders. Virginia co-ops also plan for their future generation needs, although the process is not as formal or subject to the same scrutiny. Most co-ops plan to purchase energy for data center customers from the PJM market rather than building generation to serve data center energy needs.

Individual utility planning does not guarantee that the generation resources needed for the whole PJM region will be built, which contributes to uncertainty about the sufficiency of future capacity. Both investor-owned utilities and co-ops plan to fulfill some future share of their energy demand with energy imported from elsewhere in the PJM market and, as discussed above, there is some uncertainty in whether regional generation will be sufficient to meet that demand. Growing demand from the data center industry in other states, such as the growing Chicago and Ohio markets, could limit how much energy is available to be imported by Virginia utilities.

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**Stakeholders sometimes contest** whether the integrated resource plans developed by utilities provide the best generation solutions for meeting future demand, or whether proposals conform to state law. For example, SCC staff recommended that Dominion's most recent 2023 plan be denied over VCEA compliance concerns, and the plan was not approved by the Commission.

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### **Transmission reliability concerns appear to be effectively addressed through existing PJM and utility planning processes**

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**PJM evaluates the overall transmission system** through its annual Regional Transmission Expansion Plan (RTEP). Under the RTEP process, both PJM and transmission owners assess the potential impacts of expected changes in demand and generation to see if and where standards violations or other reliability concerns could occur. They then solicit or propose system improvements, such as new transmission substations and lines, to address identified problems.

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PJM and utility transmission owners centrally identify the impacts large loads are expected to have, and how those loads can be brought on safely without causing transmission reliability problems. At the project level, transmission owners like Dominion are required to study how the addition of a proposed data center (or any other large load) would affect the transmission system. These interconnection studies determine if the existing transmission system is sufficient to handle the load or if upgrades are needed to avoid violations of national reliability standards, such as excessive voltage incidents or outages. At the system level, both PJM and transmission owners must review the expected cumulative impact of demand growth on the transmission system, from proposed data centers and all other sources, and identify needed improvements (sidebar). Utilities cannot add new large loads to the grid, including from data centers, until identified transmission improvements are made. For example, if a new transmission line is needed for proposed data centers in Northern Virginia, utilities cannot add new data center loads until that line is operational.

Transmission planning processes appear to be working properly to protect reliability. In 2022, Dominion paused adding new data center loads in Loudoun County for three months as it worked to resolve regional transmission constraints. Since then, Dominion has incrementally added new data center loads in Loudoun to ensure new additions do not compromise the reliability of the transmission system. The utility expects the constraints that limit new load additions will not be fully resolved until 2025. Similarly, in July 2024, Dominion sent a letter to customers informing them that future large load additions to any part of the Dominion transmission zone are expected to take 12 to 36 months longer than they have previously taken so that the utility can appropriately plan for and connect the “record pace” of new load requests to the transmission system.

### **State could clarify that utilities can delay the addition of new, large loads if necessary to protect grid reliability**

If utilities are unable to build enough new infrastructure to keep pace with energy demand, one of the main ways they can protect grid reliability is by delaying the addition of new large load customers until there is adequate generation and transmission capacity. Utilities appear to have the authority to delay large load additions for transmission-related concerns because this has already been done without legal objections. It is less clear if utilities are allowed to delay adding new load because of generation concerns. For example, representatives from one co-op utility indicated they did not believe they had the authority to provide less load than requested or delay new load additions for capacity, costs, or other reasons. The state could explicitly give utilities the authority to delay additions of new large loads if it is necessary to maintain grid reliability and avoid exceeding available generation or transmission capacity constraints.

**RECOMMENDATION 2**

The General Assembly may wish to consider amending the Code of Virginia to clarify that electric utilities have the authority to delay, but not deny, service to customers when the addition of customer load cannot be supported by the transmission system or available generation capacity.

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Some stakeholders have asserted that the state should have a process for determining *whether* demand from large load data center customers should be met, not just *how* it should be met. In theory, the state could require evaluation of large load requests and allow requests to be denied through the existing SCC case process. However, this would be a shift in the historical U.S. electric utility paradigm and could be subject to legal challenges.

## **State could encourage or require data centers to take actions to help address their energy impacts, but actions would have marginal impact on demand**

Virginia's growing data center industry is projected to greatly increase energy demand and will require construction of new generation and transmission infrastructure beyond what would have otherwise been built. Although regulators and utilities have requirements and processes in place to manage risks to grid reliability, new infrastructure projects can put VCEA renewable energy goals at risk, affect local communities and natural and historic resources (Appendix F), and affect customers' utility rates (Chapter 4). Data center companies could help address their energy impacts by

- promoting development of renewable energy generation,
- participating in demand response programs, and
- managing energy efficiency.

Many data center companies are already taking some of these steps, and the state could encourage or require further action. Data center companies are also exploring options for generating their own power, but it is unclear if this would address their impacts on the main power grid (Appendix I).

While these actions could have a marginal effect on data centers' energy impacts, they will not substantially reduce their energy demand or the challenges posed by growing demand.

## **Data centers could adopt more effective strategies for promoting renewable energy, but these would not lower their energy demand**

Data center companies—including the four hyperscaler companies that account for a vast majority of the industry in Virginia—have carbon neutral policy goals that encourage investment in new, renewable generation. Some companies also directly invest

in renewable energy projects in the PJM region and the development of new technologies, like small modular nuclear reactors. The scale of industry efforts is not easily quantifiable, so it is uncertain how much these efforts could help offset the industry's growing demand in Virginia.

Virginia's data center industry could be encouraged to further support investment in renewable energy and a reliable, decarbonized grid within the PJM region. The state already partially encourages this through VCEA's Accelerated Renewable Buyers program. Under the program, large customers with loads over 25 MW, which includes most data centers, can get credit for their purchases of renewable wind and solar energy made in the PJM region. Those credits go to offset what a utility charges customers for the utility's renewable generation projects, providing a financial incentive to participate. The program could be expanded to include utility-scale battery energy storage systems. Battery storage is needed because it can store and provide energy during periods when intermittent solar and wind generation is not producing power. Although battery storage systems do not count as net new generation, providing a financial incentive to invest in these resources is beneficial because of their importance in balancing loads from renewables. Any credit for using battery storage should be a partial credit per MW, based on capacity provided rather than energy consumed, and account for electric load carrying capacity (ELCC). ELCC is essentially a measure of the system energy contributions a given type of resource provides, and PJM assigns and regularly revises ELCC ratings. Currently four-hour battery storage has an ELCC rating of 59 percent for 2025/20026, meaning that a partial credit of 59 percent could be allowed for each MW of capacity purchased from battery storage resources.

### RECOMMENDATION 3

The General Assembly may wish to consider amending the Code of Virginia to expand the Accelerated Renewable Buyers program, which allows large customers of energy utilities to claim credit for purchases of solar and wind *energy* to offset certain utility charges, to also allow customers to claim partial credit for purchases of *capacity* from battery energy storage systems based on the current PJM electric load carrying capacity rating.

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The program could be further expanded in the future to include other renewable or non-carbon energy sources, such as hydrogen generation and small modular reactors. This could help bring more generation resources online to serve growing data center demand but would not reduce energy demand.

### **Demand response programs could have a more meaningful impact on energy consumption**

Under demand response programs, utility customers agree to reduce their power use or send power back to the grid during peak load events. This reduces the need for



additional generation and transmission to meet peak loads, and customers benefit by not getting billed higher peak load energy prices. Demand response programs are an effective way to reduce the need for new generation and transmission. As data centers become an increasingly large share of Virginia's base energy load, their participation in demand response programs could reduce the need for new infrastructure.

Data center companies in Virginia do not currently participate in demand response programs. Company representatives indicated that they have little flexibility to decrease energy use during peak load events because energy use is driven by computing activity, and computing activity is driven by customer and end user demand. From a business perspective, data center companies have strong incentives to keep facilities fully operational to meet their customer and end-user computing needs, and these typically outweigh financial incentives offered by voluntary utility demand response programs.

Despite limitations, there appear to be several viable ways that data center companies could participate in demand response programs. These include options for reducing demand during peak load events and adding energy to the grid during such events to offset a portion of their demand. Companies could

- shift some computing activity to other facilities outside of the region during peak load events,
- make operational adjustments that temporarily reduce energy use within the facility, such as small temperature adjustments for short periods, or
- install more environmentally friendly backup generators that are permitted to operate in non-emergency situations (sidebar), which could range from all generators at a facility to a subset of the generators used, or
- host battery storage systems that could serve as both a general utility and a demand response resource.

JLARC's consultant modeled the energy impact if data centers participated in demand response programs by using battery storage or backup generators to reduce or offset the equivalent of 10 percent of their load in a peak load emergency. The model found data centers could provide 2,000 to 2,400 MW of capacity value to the grid, which would slightly reduce the need for new in-state generation and transmission. A key consideration is that these demand response capabilities would have to be in place before new generation is added to have maximum effect.

Without state direction, most data center companies appear unlikely to participate in demand response programs. The state should not require a specific demand response method because different approaches may be more or less feasible for different companies. Instead, the state could direct utilities to implement a demand response program for large data center customers, such as any customer over 25 MW, and require these customers to participate in the program. This requirement could be phased in

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**Most data centers backup generation'** comes from Tier 2 diesel generators, which cannot and should not be used as a demand response resource because of their emissions (nitrogen oxides, carbon monoxide, and particulate matter). Natural gas and Tier 4 diesel generators have lower emissions and can be used for demand response under state and federal law. Backup generation is discussed more in Chapter 5.

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gradually to give companies time to work with utilities on demand response solutions and participation levels (e.g., MW or percent of load a customer will commit) that are feasible for all parties. The requirement could be initially limited to investor-owned utilities and later expanded to include co-ops.

#### RECOMMENDATION 4

The General Assembly may wish to consider amending the Code of Virginia to require that utilities establish a demand response program for large data center customers and to require that these customers participate in the program.

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#### **Improving data center efficiency makes better use of energy but is likely to have only a marginal impact on demand**

Data centers can improve energy efficiency in two primary ways. First, they can use newer and more efficient computer chips; computing activity ultimately drives almost all energy use in a data center. Second, they can improve the efficiency of their building systems, especially the cooling systems that account for most of the remaining energy use.

To promote energy efficiency, the state could encourage data center companies to meet an energy management standard, such as the International Organization for Standardization's (ISO) 50001. ISO 50001 requires organizations to set improvement goals, continually measure and evaluate outcomes, and revise policies to better achieve energy goals. An energy management standard can be fairly applied to all companies regardless of their business model. It is also preferable to requiring green building standards, such as Leadership in Energy and Environmental Design (LEED) building standards. Building standards could be required for new construction but may be unreasonable to retroactively apply to existing facilities.

The state could encourage data centers to adopt an energy management standard by making the state's sales and use tax exemption contingent on adoption. Many data center companies already set energy efficiency goals and policies, and a well-designed state incentive would complement these efforts and encourage other companies to adopt similar goals and policies.

#### POLICY OPTION 1

The General Assembly could consider amending the Code of Virginia to require that, as a condition of receiving the sales tax exemption, data center companies meet and certify to an energy management standard, such as the International Organization for Standardization's 50001 standard for energy management.

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Recent legislation proposed requiring data centers to meet a specific Power Usage Effectiveness (PUE) ratio. The efficiency of cooling and other building systems in data centers is commonly measured using a PUE ratio. However, PUE does not indicate a

data center's overall energy efficiency; it measures only the efficiency of cooling and other building systems that support facility operations. The data center industry has a strong market incentive to be energy efficient because energy is one of their largest operating costs. Requiring a specific and narrow requirement, like meeting a specific PUE ratio, could have unintended consequences, and could not be as widely applied as the ISO 5001. (See Appendix J for additional information on PUE.)

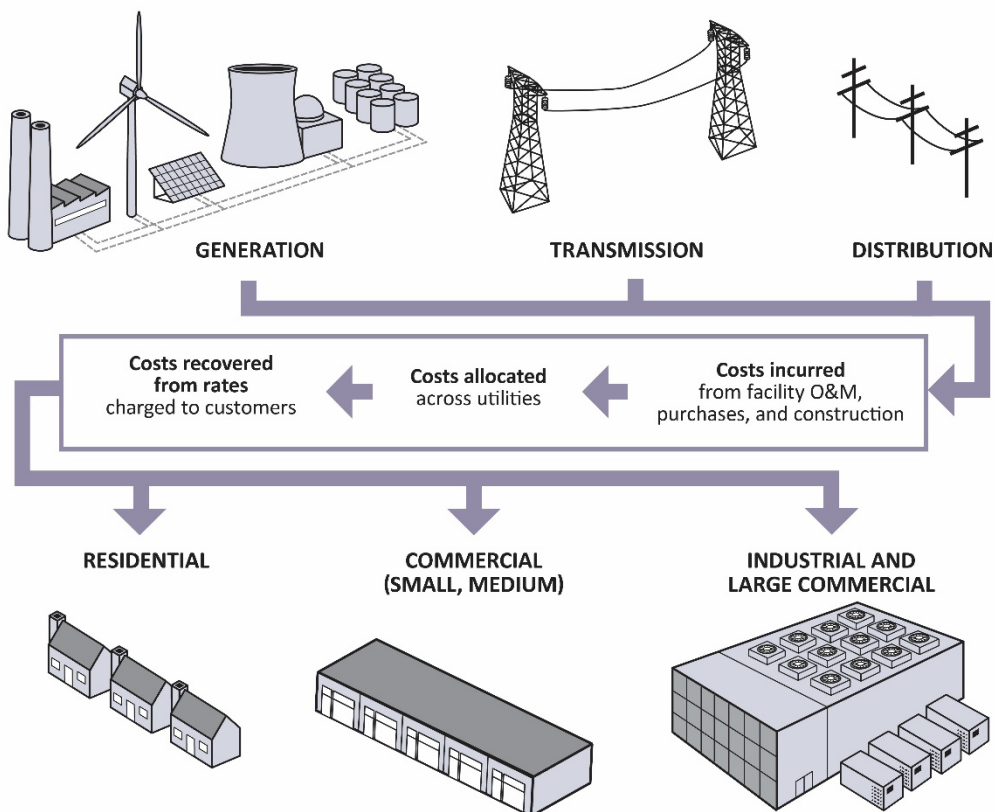
Energy efficiency in general is an important goal for the data center industry, but efficiency improvements are unlikely to reduce the industry's overall energy demand. Currently, the data center industry is growing fast, demand for energy exceeds the available supply, and companies want to maximize the value of their multimillion-dollar assets. Consequently, any energy saved from efficiency gains is likely to be used to perform more computing activity. One company representative noted "at the end of the day, a 200 MW data center is going to be a 200 MW data center."



# 4 Energy Costs

Utilities incur costs to build, operate, and maintain the energy grid and provide power to customers. These costs are ultimately recouped through rates charged to customers (Figure 4-1). The main principle underlying utility rates is that the rates charged to different types of customers should recover costs that are approximately equal to the costs of serving those customers.

**FIGURE 4-1**  
Utilities recover costs through rates charged to customers



SOURCE: JLARC staff analysis.

Utilities group their customers into classes of similar users, based on their cost of service. While the exact customer classes vary slightly among utilities, they generally fall into three groupings:

- residential customers,
- small to medium commercial customers, and

- industrial and other large commercial customers.

Within each customer class, customers are charged three categories of rates: generation, transmission, and distribution rates. Each rate is intended to recover costs related to that part of the system. For example, generation rates recover costs associated with operating power plants, constructing new plants, purchasing energy, and securing generation capacity from third parties. Transmission rates recover the cost of building and maintaining transmission lines. Distribution rates recover costs of building and maintaining substations, street-level powerlines, and other infrastructure needed to serve end-use customers. Utility rates sometimes include “riders” or “rate adjustment clauses” specifically intended to capture the cost of new infrastructure (e.g., a generation plant) or a specific initiative (e.g., grid modernization). Some costs can also be directly assigned to customers.

The State Corporation Commission (SCC) regularly reviews and approves utility rates to ensure they are reasonable. For example, the SCC reviews Dominion’s rates every one to two years, depending on the rate type. SCC reviews consider if a utility is over- or under-collecting costs by customer class and whether any changes are needed to address any allocation issues. In making its determinations, the SCC examines cost of service studies and other information presented by the utility and sometimes performs its own independent analysis. SCC’s responsibilities are established in state law.

## Data centers are currently paying full cost of service

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**JLARC’s cost recovery study** was performed by energy consultant E3. See Appendix B for additional details.

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JLARC staff commissioned an independent study of utility cost recoveries under current rate structures to see if the data center industry is paying for its current costs (sidebar). The study focused on rates charged by Dominion, the Northern Virginia Electric Cooperative, and the Mecklenburg Electric Cooperative (the co-ops) because most existing data centers are located in their service territories. The study found that current rates appropriately allocate costs to the classes and customers responsible for incurring them, including data center customers. For example, the consultant’s independently derived cost allocations for Dominion closely match the ones that the utility uses to set its rates, with only a few small differences for residential and large customer rates (Table 4-1). This finding is corroborated by SCC reviews of utility cost recoveries, especially its biennial reviews of Dominion’s rates.

Utilities try to ensure data center customers pay the costs they incur in several ways. Dominion groups data centers into the same class with similar industrial and large commercial customers, charges rates based on energy and system use, and ensures recovery of costs associated with any new distribution infrastructure for data centers through contractually required minimum payments. Co-ops essentially treat data centers as their own customer class, charge rates based on energy and system use, and directly assign distribution costs for data centers to each specific customer. Co-ops take additional steps to separate the energy sources they use for data centers from the sources they use to serve the rest of co-op customers.

**TABLE 4-1**  
**Consultant's independent cost allocations closely match allocations Dominion uses to set customer rates**

| Customer class                                            | Generation-related costs          |                     | Transmission-related costs        |                     |
|-----------------------------------------------------------|-----------------------------------|---------------------|-----------------------------------|---------------------|
|                                                           | Independent consultant allocation | Dominion allocation | Independent consultant allocation | Dominion allocation |
| Residential                                               | 40%                               | 41%                 | 53%                               | 55%                 |
| GS-1 (small non-residential)                              | 5%                                | 5%                  | 5%                                | 5%                  |
| GS-2 (intermediate)                                       | 14%                               | 14%                 | 12%                               | 12%                 |
| GS-3 (large, secondary voltage)                           | 15%                               | 15%                 | 12%                               | 11%                 |
| GS-4 (large, primary voltage, includes most data centers) | 26%                               | 26%                 | 18%                               | 16%                 |
| Total                                                     | 100%                              | 100%                | 100%                              | 100%                |

SOURCE: E3 analysis and Dominion rate schedules. Numbers may not sum because of rounding.

NOTE: GS = General Service. Table does not show churches or outdoor lighting customer classes because <1%.

## Growing energy demand from data centers is likely to increase other customers' costs

Utility rates recover the cost of operating and maintaining the current system and any new infrastructure that must be built. Even though current rate structures appropriately allocate costs across customers, data centers' increased demand will likely increase system costs for all customers, including non-data center customers. This is because current utility rate structures are not designed to account for sudden, large cost increases from the construction of new infrastructure to serve a relatively small number of very large customers.

JLARC's consultant modeled the potential cost impacts of data center demand resulting from increased infrastructure needs. The model estimated costs under the two demand growth scenarios from Chapter 3: (1) unconstrained demand and (2) half of unconstrained demand, both with and without VCEA compliance. For this exercise, the model focused on cost and rate impacts in the Dominion transmission zone where most data centers are expected to be located (sidebar).

### Generation and transmission costs are expected to increase from growing data center demand and will likely affect non-data center customers

Utility costs are likely to increase from the fixed costs of new infrastructure that will need to be built to address data center demand and the increase in prices as energy supply becomes constrained. Costs for the Dominion transmission zone could increase by an estimated \$16 to \$18 billion by 2040 under the unconstrained demand scenario, depending on if VCEA requirements are met. Costs could increase by \$8.5 to \$10 billion under the half of unconstrained demand scenario. In both scenarios,

**Dominion transmission zone** includes the Northern, Central, and Tidewater regions of Virginia. These regions include Dominion's *distribution* service territory and the *distribution* territories of most of the state's electric cooperatives. See Chapter 3 for a map of the zone.

most of the projected cost increases are attributable to growing data center demand. Costs do not reflect the full up-front capital costs of building new generation and transmission infrastructure, because these costs are amortized and collected from customers over a period of 20 to 40 years. Instead, they reflect the share of capital costs that would need to be recovered from customers each year, plus operating costs and energy purchases.

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**Building enough generation and transmission infrastructure to meet data center energy demand would be difficult** because it requires constructing enormous amounts of new infrastructure. In addition, unconstrained demand scenarios would require building infrastructure faster than has been historically possible. See Chapter 3 for additional details.

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Because generation and transmission costs are passed on to customers based on their actual usage, a substantial share of these costs would be recovered from the growing data center industry. However, a share of cost increases would be borne by other customers in three ways. First, a large amount of new generation and transmission would need to be built that would not otherwise be built, creating fixed costs that utilities would recover over the next several decades. A portion of these costs would be paid by non-data center customers. Second, because it would be difficult to provide enough energy supply to keep pace with growing data center demand, energy prices would increase for all customers (sidebar). Third, if utilities are more reliant on importing power to meet demand, they may not always be able to secure lower-cost power and would be more susceptible to spikes in energy market prices. These higher overall costs are likely to affect all customers, proportional to their energy use.

### **Distribution cost increases are likely to be assigned mostly to data centers and not other customers**

Data center loads are typically so large that they are not served from the regular distribution system and are instead connected directly to transmission lines from a substation that serves one or a few data center customers. Consequently, the main distribution costs that data centers incur are for building and maintaining these substations.

Utility rate structures appear to effectively insulate other customers from paying for distribution costs associated with data centers. Dominion recovers data center distribution costs by charging them its standard industrial and large commercial customer class rates, but it also contractually requires data centers to make minimum payments that fully recover the cost of the distribution substations built to serve them. In addition, Dominion charges data center customers directly for any “surplus” equipment (e.g., redundant connections requested by the customer). Co-ops require data centers to directly pay all costs associated with new substations as they are constructed.

There is one way that growing demand from data centers could indirectly increase distribution costs for other customers. As data center demand grows, some transmission lines could be upgraded to higher voltages to meet demand. For example, an existing 115kV transmission line could be upgraded to a 230kV line. This can require distribution-side upgrades to *all* existing substations connecting to the high voltage line, including those that serve and are paid for by non-data center customers. The cost impacts of potential substation upgrades are uncertain because they cannot easily be modeled across the system.



## Residential customers could experience cost increases that current utility and regulatory rate reviews cannot fully address

Utilities recover costs, including any future cost increases, through rates charged to customers. Rates are regularly reviewed by utilities, the SCC, and the Federal Energy Regulatory Commission (FERC) to ensure costs are being properly assigned to customers (sidebar). Rate reviews ensure that system costs are being allocated in a way that best reflects which customers are responsible for incurring costs. For example, in 2019, Dominion received FERC approval to revise how transmission costs are allocated to utilities within its transmission zone, which effectively assigned a greater share of costs to large customers and reduced residential transmission costs by about 10 percent. While current rate structures will assign a larger portion of costs to data centers over time, rates are not designed to isolate other customers from cost increases driven by the expected system-transforming increase in data center demand.

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**Utilities** regularly review their rates as required by state and federal laws.

**SCC** reviews and approves changes to generation, transmission, and distribution rates charged by utilities serving Virginia customers, such as Dominion and the co-ops.

**FERC** reviews and approves changes to how transmission costs are allocated to PJM and how transmission operators allocate cost to utilities.

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### Residential rates are likely to increase because of costs associated with growing data center demand

JLARC's consultant modeled how residential rates for Dominion customers might be affected by growing demand, assuming utilities and regulators use current practices to regularly reallocate costs. Dominion was chosen because of its large size and concentration of data centers. Residential rate changes were a key focus because they show how Virginia households could be affected and are indicative of how other customers, such as businesses, might be impacted.

Using the consultant's analysis, JLARC staff estimated that a typical residential customer with monthly consumption of 1,000 kWh could experience generation- and transmission-related costs increasing by an estimated combined total of \$33 per month by 2040 under the unconstrained demand scenario. Factoring in VCEA requirements would increase monthly costs by four more dollars. However, building enough infrastructure to meet unconstrained demand would be very difficult. Under the half of unconstrained demand scenario, which is still difficult to achieve, the total cost is estimated to increase by around \$14 per month (Table 4-2), whether or not VCEA compliance is assumed.

The rate changes shown here represent the share of generation and transmission rate increases that could be attributed to growing data center demand. Dominion's total residential bill projections, from its integrated resource plan, show much larger overall increases than the numbers reported here. Dominion's projections apply to the whole residential customer bill and include several costs that are not captured in JLARC's analysis, such as distribution costs and the cost of some additional transmission and generation projects that may not be solely attributable to data centers.

Dominion’s residential bill projections are also in nominal dollars that have been adjusted upward using an inflation assumption, whereas JLARC’s are held in constant (or real) 2024 dollars to show the real growth of costs that consumers will experience, independent of inflation. Dominion used a demand forecast that is similar to JLARC’s unconstrained demand forecast and substantially higher than the half of unconstrained demand forecast.

**TABLE 4-2**  
**Generation- and transmission-related costs for residential customers would increase by 2040 because of data center demand (Dominion example)**

|                                                                        | Projected increase in generation & transmission charges<br>(not including distribution charges & some transmission costs; 2024 constant dollars) |       |
|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|-------|
|                                                                        | 2030                                                                                                                                             | 2040  |
| Typical monthly residential generation and transmission charges (2023) | \$90                                                                                                                                             | \$90  |
| Scenario 1: Unconstrained demand                                       |                                                                                                                                                  |       |
| - VCEA (very difficult to achieve)                                     | +\$23                                                                                                                                            | +\$37 |
| - No VCEA (very difficult to achieve)                                  | +\$22                                                                                                                                            | +\$33 |
| Scenario 2: Half unconstrained demand                                  |                                                                                                                                                  |       |
| VCEA (difficult to achieve)                                            | +\$7                                                                                                                                             | +\$14 |
| No VCEA (difficult to achieve)                                         | +\$6                                                                                                                                             | +\$14 |

SOURCE: JLARC staff analysis of E3 model results and Dominion 2024 integrated resource plan.  
NOTE: Typical monthly residential charges are the sum of the amount billed to Dominion residential customers assuming typical use of 1,000 kWh. Does not include potential increases in distribution and several other charges that customers typically pay for. Does not capture the cost of the many intrazonal transmission projects that would be needed or generation projects that are not attributable to data center demand.

**Utilities could help insulate customers from systemwide cost increases with new data center customer class and rate-setting approaches**

Historically, adding new customers to the energy grid, even large load customers like manufacturers, has not increased costs for other customers because additions have been gradual, and the existing system has had enough capacity to serve them. However, addressing the needs of the fast-growing data center industry, even if only half of unconstrained demand is met, would require increasing generation capacity by 80-to-90 percent and transmission capacity 36 percent by 2040. Current utility rate structures are not designed to account for sudden, large cost increases from new infrastructure construction to serve a relatively small number of very large customers. New approaches would be needed to isolate residential and other customers from cost increases.

Establishing a separate data center customer class is a first step utilities could take to help insulate residential and other customers from the energy cost impacts of the industry. Utilities already have the authority to create separate rate classes with SCC approval. Creating a separate data center customer class would allow costs to be more

closely allocated to data centers and provide utilities with more flexibility over how to charge rates. Co-ops essentially treat data centers as their own customer class already, so this change would only affect Dominion, which groups data centers with other industrial and large commercial customers. The General Assembly could require Dominion to establish a separate data center customer class, although historically the legislature has not set such detailed requirements in statute.

Establishing a separate data center customer class alone would not fully insulate other customers from cost impacts. Utilities, with SCC approval, would also need to establish new cost allocation methodologies that assign a greater share of generation and transmission fixed costs to the new data center customer class. For example, they could design rate structures that *directly* assign some fixed generation or transmission costs to a new data center customer class, or an increased share of those costs to the new class.

Rates may also need to be adjusted more frequently to insulate other customers from data center-driven costs. Currently, rate adjustments occur only every one to two years and can over or underestimate actual cost growth. For example, under Dominion's current biennial rate review, generation costs are reallocated and rates are adjusted every two years, based on forecast energy demand. While forecasts expect data center demand to increase, accurately forecasting the industry's rapid growth is challenging because of the many factors that can affect demand in a given year. Consequently, new rates may not fully account for shifts in how costs are being incurred across customer classes in the years in between biennial reviews. For example, if the company allocates 55 percent of costs to residential customers, but rapidly growing data center demand results in residential customers only being responsible for 52 percent of costs during the biennium, the costs recovered from residential customers could be higher than the costs they incur. This could also potentially work in the other direction, with residential customers being undercharged if costs are under-allocated based on forecasts.

Utility cost allocation and rate design are complex and highly technical, and the practicality and legality of any changes require detailed analysis to be fully understood. For this reason, utilities and SCC are in the best position to address future cost concerns through cost allocation and rate design changes. SCC is proactively looking into cost concerns from the data center industry and has scheduled a technical conference for December 2024 to explore the effects of the increasing number of data centers and other large-load customers on Virginia's utilities, ratepayers, and power grid. The conference will provide participants an opportunity to identify ways to address the cost concerns noted here and throughout this chapter.

Even if new customer classes and rate-setting methodologies are established, it may not be possible to isolate any customers from the cost impacts of higher energy prices (discussed above). In addition, energy prices in Virginia could still be affected by data center demand even if data center growth is slowed in the state, because industry growth could shift to other states in the PJM region, increasing energy prices throughout the region.

## Data center growth creates additional financial risks to utilities and their customers

The growth of the data center industry presents several additional, but so far unrealized, financial risks to utilities and their customers. These risks largely result from the sheer size of the data center industry's energy demand relative to all other customers. These risks exist with the current size of the data center industry and will increase as the industry grows. Utilities have several mechanisms they use to manage financial risks from large data center customers, from planning processes to contracts, but these may not always be sufficient to mitigate the risks posed by the industry.

### Data center demand could drive generation and transmission infrastructure to be overbuilt, stranding costs with existing customers

One of the main risks posed by the data center industry's rapid growth is that utilities will build more energy infrastructure than is needed if forecast demand does not materialize as expected, or one or more large data centers close. Overbuilding could strand utilities with infrastructure costs that would have to be recouped from their broader customer base. This would drive up costs for all customers, including residential and other non-data center customers. The overbuilding risk is mostly associated with generation and transmission, not distribution (sidebar). It is also more of a concern for Dominion than the co-ops, because Dominion builds generation to meet all customer needs and is responsible for transmission, whereas co-ops *purchase* most energy for their data center customers and are not directly responsible for transmission.

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**Distribution** could be overbuilt but is less of a risk because most of these costs are fully recovered from data centers directly or through contractual minimum payment requirements.

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Generation could be overbuilt if a substantial portion of the expected data center demand does not materialize, or if there is a decrease in that demand overtime. As a result, non-data center customers would pay a larger share of the fixed costs for this new generation. While it does not currently appear likely that supply will exceed demand, there is some risk because much of the data center industry is concentrated in a small number of companies. Therefore, business decisions at one company could have a substantial effect on overall demand. For example, if one of the major hyperscaler companies decided not to pursue development of new artificial intelligence (AI) products or has a line of AI products that fail to be commercially viable, then energy demand from that company could decrease substantially.

On the transmission side, there are three types of transmission lines to consider: (1) "backbone" lines that bring power into a region, (2) regional lines that move power to distribution points within the region, and (3) short extension lines that move power from main lines to serve a single distribution point, including extension lines that might be built to serve one or a few data center customers. Because transmission lines serve specific regions and distribution points, they are more at risk of being overbuilt if regional or individual customer demand does not materialize or decreases over time.

Utilities attempt to avoid overbuilding transmission and otherwise ensure costs are recovered. Dominion indicated it tries to avoid overbuilding by making transmission upgrades only as needed to meet the metered load expected from customers. For example, even if data center customers in an area have requested 2,000 MW of capacity, Dominion will only build new transmission to serve 1,000 MW if that is the forecasted metered load. One co-op utility indicated that it contractually requires data center customers to reimburse the utility for any penalties from transmission providers that may be incurred if a data center project is canceled. However, while utility actions reduce the risk of transmission costs being stranded with other customers, they do not eliminate this risk. For example, transmission costs can take up to several decades to recoup, and if a data center ceases operation before then, or it never uses the amount of energy it expected to, costs will be recovered from other customers.

Utilities could take additional steps to reduce the risk of generation and transmission costs being stranded with customers.

- Utilities could obtain contractual agreements from data centers customers to provide minimum payments that ensure the costs of major generation and transmission buildouts are not stranded with other customers. For example, AEP Ohio has proposed requiring any data center with over 25 MW of capacity to pay for at least 85 percent of the energy they expect to need, even if they use less, for at least 12 years.
- Utilities could directly assign some or all costs of smaller projects, such as transmission line extensions, to the customers or customer class for whom the line is primarily being built to serve. For example, if a two-mile transmission extension is primarily being built to serve a data center development, some or all of the project's costs could be assigned to that customer.

The state should direct Dominion to develop a plan for addressing the risk of generation and transmission infrastructure costs being stranded with existing customers. (Dominion is currently the only transmission-owning utility in the state expected to experience rapid demand growth.) The plan could adopt one or more of the approaches described above, or other approaches the utility identifies as more practical and effective. The plan could be included as part of Dominion's biennial rate review filing with SCC, or as a separate filing.

## RECOMMENDATION 5

The General Assembly may wish to consider amending the Code of Virginia to direct Dominion Energy to develop a plan for addressing the risk of generation and transmission infrastructure costs being stranded with existing customers and file that plan with the State Corporation Commission as part of its biennial rate review filing or as a separate filing.

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## **Data centers pose particular cost and financial solvency risks to electric co-ops and their customers**

Virginia's electric co-ops are not-for-profit companies that are essentially owned by their member customers. Their main purpose is to provide members with reliable power at low costs. Co-ops are much smaller than the state's investor-owned, for-profit utilities—Dominion and APCO—and do not have the same financial resources or reserves as these companies.

An increasing share of data center growth is expected to occur in co-op service territories, and co-ops are statutorily obligated to serve these customers. Based on the half of unconstrained demand forecast, the industry could account for 80 percent or more of annual energy sales in three Virginia co-ops by 2030. This growth creates unique challenges for the co-ops, which must find ways to insulate themselves and other customers from the cost and financial solvency risks associated with taking on a small number of extremely large data center customers.

The main risk co-ops identified is that a data center could potentially delay, dispute, or fail to pay its energy generation bill. Co-ops purchase energy from PJM energy markets and then sell that energy to their data center customers. A weekly data center energy bill can be extremely large under normal circumstances and can be magnified by price spikes from peak load events. For example, one co-op estimated the weekly energy bill for 4,000 MW of power at data center sites expected to soon be built in its service territory could be \$20 to \$40 million and could range upward of \$100 million under the energy price spikes that were seen in a major winter storm in 2022. PJM bills weekly, and if one or more data center customers dispute or otherwise do not pay on time, a co-op would have to cover its energy costs until they can be recouped. If the co-op was unable to recoup costs from one or more of its data center customers, the costs would ultimately have to be paid by all other co-op members, and a large enough bill could result in the co-op defaulting and going bankrupt.

Some co-ops said they were sufficiently addressing risks through their contracts with data centers, as allowed under current state law. Namely, these co-ops said the contracts allowed them to:

- perform credit checks when establishing service,
- require more frequent weekly payments for energy use, which aligns with PJM's weekly billing cycle, so they do not have to float co-op funds to pay data center bills,
- require upfront payment of deposits and pledges of collateral based on what the co-op expects it would need to cover unpaid data center bills until further action, such as terminating service, can be taken, and
- terminate service for failure to pay.

Other co-ops said they did not believe that the existing contractual and legal tools available were sufficient to fully cover all potential financial risks, especially considering

data centers could soon account for the vast majority of their energy costs. They noted that current termination of service notification and dispute time periods could allow unpaid bills to continue increasing for several weeks (sidebar). They also said it can be challenging to get data center companies to agree to some contractual terms, such as committing to large collateral obligations designed to cover a large peak load event. These contractual and legal issues could be addressed at the SCC technical conference in December.

One co-op indicated that, even with additional contractual protections, they were still at risk if a data center company failed to meet its contractual obligations, such as if the company itself were unable to provide agreed upon payments. To address this, the co-op attempted to get SCC approval to create for-profit subsidiary companies to serve data center customers. Under this arrangement, if a data center did not pay its bills, only the subsidiary company would be affected, and the business continuity of the co-op would be assured. The SCC acknowledged the risks the co-op had identified, but did not grant the request because it did not believe it had the legal authority to allow a co-op to serve customers through a separate for-profit legal entity, among other factors. The General Assembly could amend the Code of Virginia to expressly allow co-ops to create for-profit subsidiaries to serve data centers and other large load customers. The customer size could be set at 90 MW to match the statutory threshold that already exists for the retail choice program (discussed in the next section).

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State law allows utilities to **terminate service after 10 days** of advance notice. However, customers can dispute billing issues that might lead to service termination, and co-ops indicated that **dispute resolution can take as long as 30 to 60 days**.

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## POLICY OPTION 2

The General Assembly could consider amending the Code of Virginia to allow electric cooperatives to create for-profit subsidiary companies that could fulfill their legal obligation to provide energy services (retail sales) to customers with load capacity of over 90 MW.

### Data center company participation in retail choice program could shift generation costs to other customers

In Virginia, most customers are obligated to purchase generation through their incumbent utility. For example, a customer in Dominion's service territory must purchase power from Dominion. The one major exception is that large load customers, including most data centers, are allowed to participate in retail choice, which allows them to purchase energy through a provider of their choice (sidebar). The goal of the program is to encourage competition and lower energy prices for industrial and other large commercial customers.

Customers qualify for retail choice if they (a) exceed 5 MW and account for less than 1 percent of the utility's peak load, or (b) exceed 90 MW. The restriction that a customer cannot account more than 1 percent of the utility's load was intended to prevent customers from leaving the utility for retail choice if it could have negative cost impacts on the utility's remaining customers. The 90 MW exception was reportedly added to allow one particular industrial customer to participate in the program. At that time,

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The current retail choice program was established in 2007 when Virginia's energy sector became re-regulated. Under the program, a qualifying customer can enter into an agreement to receive power from a third-party competitive service provider, which can purchase energy from the PJM market or enter into power purchase agreements with independent generators in or outside of Virginia to provide power to the customer.

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very few customers exceeded the 90 MW threshold. Today, many existing data centers, and virtually all planned future ones, exceed 90 MW and are eligible to participate in retail choice.

Now that data centers make up a substantial and growing share of energy use in the state, retail choice creates two financial risks to utilities and their customers.

- Utilities are required to build or secure enough generation to meet all customer demands. If a customer leaves the utility for retail choice, the fixed cost of any recently built generation is divided among the remaining customers. For example, the costs of constructing Dominion's recent Brunswick and Greenville power stations are paid for by all of its customers. If a substantial portion of data centers leave for retail choice, a greater share of those fixed costs will be allocated to remaining customers. The risk for this potential dynamic will be compounded in upcoming years because a lot of new generation is planned to be built to serve growing data center demand.
- Utilities also indicated that, because they are legally obligated to serve any customer in their territory as a provider of last resort, they must plan for the capacity needs of current and future customers. If utilities plan and build infrastructure to serve future data center customers, and some of those customers at some point leave for retail choice, the utility will incur costs for customers who are no longer actively paying generation bills.

It is difficult to model the cost impacts of data center customers shifting to retail choice, because it is unclear how many might pursue this option. However, utilities report that only a small number of data center customers are currently participating in retail choice, so there is the potential for many more to enter the program, especially as the industry grows. Dominion estimated that if all currently eligible customers chose to participate in retail choice, including non-data center customers, the cost-shift to other customers could exceed \$600 million annually (a \$150 per year cost impact for a typical residential customer). That figure is likely to grow substantially as data centers make up an increasing share of the customer base.

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Before returning to their incumbent utility, a **retail choice customer must provide advance written notice of five years.**

However, statute allows the customer to return earlier by seeking an exemption from the SCC if its energy supplier "has failed to perform, or has anticipatorily breached its duty to perform, or otherwise is about to fail to perform," and the customer is unable to obtain service at reasonable rates from an alternative supplier.

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JLARC staff identified several ways the state could manage the financial risks of retail choice to residential and other customers. The General Assembly could direct utilities to determine an overall cap on retail choice participation for their customers, such as a total amount of the utility's customer load that could be obtained through retail choice, and require the SCC to review and approve the caps. This would provide an avenue for utilities and customers to present their cases and give SCC authority to decide what is appropriate. Other alternatives to this approach include requiring exit fees for customers leaving for retail choice or directing utilities to continue directly charging them for fixed generation costs (i.e., making these "non-bypassable" charges). In addition, the General Assembly should leave in place the existing legal requirement that any customer participating in retail choice must notify the utility five years before returning (sidebar). Requiring advance notice of at least several years is important so



that utilities can appropriately plan for system needs, secure needed capacity, and protect other customers from rate fluctuations.

### **POLICY OPTION 3**

The General Assembly could consider amending the Code of Virginia to require that electric utilities establish caps on participation in retail choice that protect ratepayers from undue costs, and that such caps be approved by the State Corporation Commission through a formal case process.

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Data center companies could soon have access to utility market-based pricing options that largely achieve the same goal as retail choice without shifting costs to other customers. Currently, co-ops already provide all their data center customers with market-based energy prices. Dominion has also established a small market-based rates pilot program and recently filed an application with the SCC to make the program permanent and widely available to customers. Market-based rates provide customers with potentially lower energy pricing that is similar to what they could expect to obtain through retail choice, but they remain a utility generation customer and therefore continue to help pay for fixed generation costs (instead of having these costs passed on to other customers).



# 5 Natural and Historic Resource Impacts

Virginia has abundant natural and historic resources, which provide economic, environmental, cultural, and educational benefits to the state. The value of these resources has long been recognized by the federal, state, and local governments. Governments have established regulatory systems intended to protect these resources and reduce the impacts that land development and other human activity have on them. The extent of natural and historic resource protections varies by resource type, with some regulatory systems providing stronger protection than others (Table 5-1). Natural and historic resource protections apply to data center operations and developments just as they apply to other commercial and industrial operations and developments (sidebar).

**Data center energy demand**, and its related impacts on Virginia's natural and historic resources, is discussed in Chapter 3 and related appendixes.

**TABLE 5-1**  
Federal, state, and local regulations protect natural and historic resources from commercial and industrial operations and developments, such as data centers

|                                  | Regulatory protections |       |       | Brief overview                                                                                                                 |
|----------------------------------|------------------------|-------|-------|--------------------------------------------------------------------------------------------------------------------------------|
|                                  | Federal                | State | Local |                                                                                                                                |
| Air resources                    |                        |       |       |                                                                                                                                |
| Pollutant emissions*             | ●                      | ●     | ○     | Federal and state governments regulate harmful emissions and concentrations                                                    |
| Water resources                  |                        |       |       |                                                                                                                                |
| Water withdrawals*               | ○                      | ●     | ○     | State sets and enforces water withdrawal limits and conditions                                                                 |
| Wastewater discharges*           | ●                      | ●     | ○     | Federal and state governments regulate harmful discharge contents                                                              |
| Stormwater runoff*               | ●                      | ●     | ◐     | Federal, state, and some local governments regulate runoff rate and quality                                                    |
| Wetland and stream disturbances* | ●                      | ●     | ◐     | Federal, state, and some local governments require impact mitigation                                                           |
| Land resources                   |                        |       |       |                                                                                                                                |
| Conservation                     | ◐                      | ◐     | ◐     | All government levels set aside lands for conservation, but few regulations, outside voluntary programs, protect private lands |
| Electronic waste                 |                        |       |       |                                                                                                                                |
| Disposal                         | ◐                      | ◐     | ◐     | No regulations require reuse or recycling, but some disposal limitations exist                                                 |
| Historic resources               |                        |       |       |                                                                                                                                |
| Preservation                     | ◐                      | ◐     | ◐     | Federal, state, and some local governments regulate impacts in specific circumstances                                          |

SOURCE: JLARC staff summary of federal, state, and local regulations, staff interviews, reports, and websites.

NOTE: ● = stronger mandatory protections, ◐ = partial mandatory protections, ○ = no mandatory protections. \* indicates that permits are required for potentially sizeable impacts. The responsibility or authority for a given government level to regulate impacts varies by resource.

## Data center backup generators emit pollutants, but their use is minimal, and existing regulations largely curb adverse impacts

To ensure constant operations in the event of a power outage, data centers maintain on-site backup power. Data centers report that providing uninterrupted operations is extremely important to their customers, which can include banks and hospitals, who expect no outages or downtime. In Virginia, nearly all data centers use diesel generators for backup power (Figure 5-1). On average, each data center site has 54 permitted generators, but the number and electrical capacity of these generators vary widely depending on the number of data center buildings at a site, overall power and redundancy needs, and the sizes of generators used (typically one to three megawatts per unit). In total, the industry has approximately 8,000 permitted generators throughout the state.

**FIGURE 5-1**

**Data centers rely on diesel generators for power in the event of an outage**



SOURCE: JLARC photo of diesel generators at a data center in Virginia.

The federal Clean Air Act requires the U.S. Environmental Protection Agency to set **National Ambient Air Quality Standards**.

These standards identify safe concentration thresholds for six pollutants—including ozone (which nitrogen oxides may form), carbon monoxide, and particulate matter—based on scientific evidence.

Diesel generators emit several harmful pollutants, so their commercial use is regulated by state and federal agencies. The main emissions are nitrogen oxides, carbon monoxide, and particulate matter. When highly concentrated in the air, these emissions can have adverse effects on public health and the environment. Exposure to high concentrations of diesel generator emissions can affect human cardiovascular, respiratory, and central nervous systems. Nitrogen oxides, which diesel generators emit in much larger quantities than other pollutants, can contribute to ground-level ozone pollution (including smog) and acid rain.

To prevent harmful concentrations, Virginia's Department of Environmental Quality (DEQ) is required by federal and state law to regulate sizeable emissions of these pollutants and enforce National Ambient Air Quality Standards (sidebar). DEQ requires

diesel generators used by data centers to be permitted, primarily because of their nitrogen oxides emissions (sidebar). Moreover, DEQ monitors air quality and creates plans to maintain or attain National Ambient Air Quality Standards across the state. For instance, Northern Virginia has historically struggled to meet the standard for ozone, to which nitrogen oxides can contribute, so DEQ has stricter policies for nitrogen oxides emissions in that region.

### **Data center backup generators are rarely run for prolonged periods, and emissions are unlikely to adversely affect regional air quality**

Data center operators aim to have backup generator capacity for days-long outages, but in practice, the generators are rarely run for prolonged periods. Most operators reported experiencing zero to two minor outages per site in the last two years, with nearly all outages being between one and five hours long. Otherwise, generators are typically run only for limited amounts of time as part of routine maintenance (sidebar). For example, in 2023, the industry's actual emissions were only 7 percent of what permits allowed, with most emissions coming from maintenance testing.

On a regional level, data center emissions from diesel generators have grown substantially in recent years, but they remain a relatively small contributor to regional air pollution. Since 2015, nitrogen oxides emissions from data center diesel generators have more than doubled, carbon monoxide emissions have tripled, and particulate matter emissions are five times larger. However, these emissions make up a small part of overall emissions in the region. Based on National Emissions Inventory data, in Northern Virginia, where most data centers are concentrated, data center emissions make up less than 4 percent of regional nitrogen oxides emissions and 0.1 percent or less of regional carbon monoxide and particulate matter emissions. Overall, air quality in Northern Virginia has improved during the same time that the industry has grown, as reductions in car and other emissions have been greater than data center emission growth.

While emissions from data centers' diesel generators make up a small part of *regional* emissions, understanding whether they have adverse *local* impacts is more difficult. Because the data center industry's large clusters of diesel generators are unique, local air quality impacts are harder to assess. Diesel generators' intermittent use makes their impacts difficult to model, and no other type of development uses nearly as many generators on one site as a data center development. Additionally, air quality monitoring occurs regionally and does not effectively capture localized effects. While DEQ staff believe that data centers' intermittent use and low emissions levels are unlikely to cause adverse impacts, the agency has recently launched a three-year study that will directly monitor data center generator emissions in Northern Virginia to more fully understand their air quality impacts. If the study detects any local air quality impacts, DEQ has the authority to increase protections as needed.

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**DEQ permits are required** for any new development that may annually emit over 40 tons of nitrogen oxides, 100 tons of carbon monoxide, or 10–25 tons of particulate matter, depending on the particulate matter size. Data centers using diesel generators usually meet the criterion for nitrogen oxides, but not for the other pollutants.

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Data center operators indicated that **maintenance testing** typically involves a short (10–30 minute) monthly test and one long (one- to four-hour) annual test. Testing of generators is staggered across a site on an individual or group basis.

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## **Federal and state regulations limit potential emissions from backup generators, even under worst-case scenarios**

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The U.S. Environmental Protection Agency has established **generator tiers** based on emission rates, or the amount of a pollutant emitted by a source over a given amount of time. Data centers could use generators that are considered Tier 2 or Tier 4.

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DEQ permits limit when data center generators can be run, how long they can be run, and the maximum annual emissions each permitted site is allowed. Nearly all current data centers use “Tier 2” diesel generators, which are only permitted to run in emergencies or as part of routine maintenance testing (sidebar). This restriction prevents data centers from running their generators for any other reason. Permits are issued per data center site, rather than per building or generator, and cap the total emissions allowed per site. For example, a data center campus would not be allowed to run its generators indefinitely, even in an emergency, because it would likely reach its emissions limits within a few days. Because outages are rare, data centers do not often approach their emission limits. (For information on data center generator fuel choice, see Appendix K.)

In the event of a prolonged outage that affects one or more Northern Virginia counties, any affected data centers could reach their emission maximum within a few days and potentially affect regional air quality. For example, under a worst-case scenario where all data centers in Northern Virginia reach their maximum allowed emissions, data centers would emit over 9,000 tons of nitrogen oxides in the region. That is equal to about half of what has typically been emitted annually in Northern Virginia by all sources. Such a large-scale outage could potentially result in violation of air quality standards and contribute to regional air quality issues. However, the extent of any impact would depend on weather patterns and contributions from other emissions. Such large-scale outages are rare, and air quality levels would return to normal after the event is over.

## **General Assembly could incentivize use of generators with lower emission rates to reduce risk of local and regional impacts during prolonged power outages**

To reduce the risk of air quality impacts from data centers during a prolonged outage, the state could incentivize the industry to adopt technologies that reduce potentially harmful emissions. “Tier 4” diesel generators are designed to emit significantly less nitrogen oxides and particulate matter than the “Tier 2” generators most data centers use. Alternatively, Tier 2 generators can be equipped with selective catalytic reduction systems (SCRs). Both technologies can significantly reduce emissions of nitrogen oxides and particulate matter—reportedly by up to 90 percent—over long run times. Some newer data centers in Virginia use SCRs on their generators, and only one uses Tier 4 generators.

Without state incentives, data center companies are unlikely to change their backup power choices. Tier 4 generators and SCRs are more costly, and data center companies have expressed concerns about the extra complexity and the current availability of Tier 4 generators to meet campuswide and statewide backup power needs. The state

could encourage adoption of these technologies by requiring new data centers in the Northern Virginia Ozone Nonattainment Area to use Tier 4 or SCR-equipped Tier 2 generators to be eligible for the state's sales and use tax exemption (sidebar). This requirement could be phased in over time to account for data centers that have already ordered generators or otherwise made investments that would not comply with this requirement.

**The Northern Virginia Ozone Nonattainment Area** includes Arlington, Fairfax, Loudoun, and Prince William counties and the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park.

#### POLICY OPTION 4

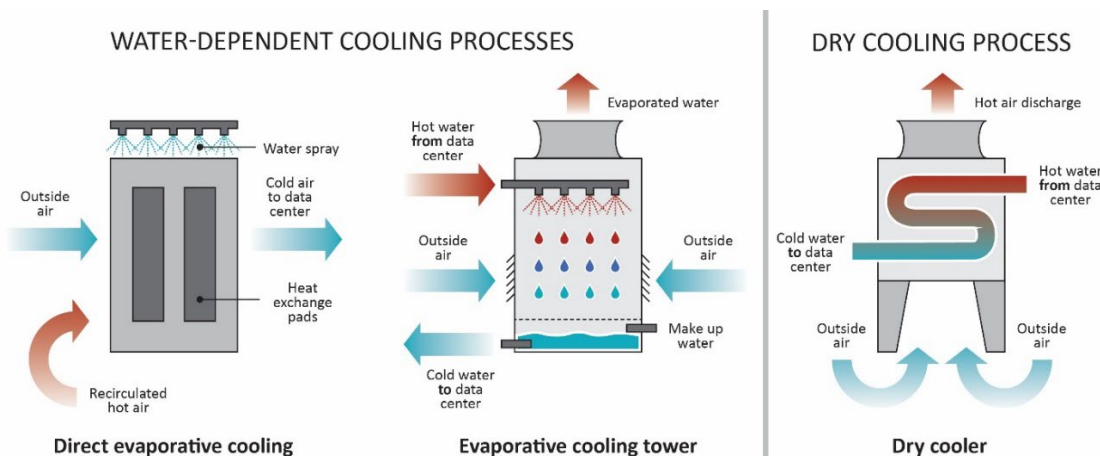
The General Assembly could amend the Code of Virginia to require that, as a condition of receiving the data center sales and use tax exemption, all new data center developments in the Northern Virginia Ozone Nonattainment Area use only Tier 4 generators, Tier 2 generators with selective catalytic reduction systems, or generators with equivalent or lower emission rates.

## Data center water use is currently sustainable, but use is growing and could be better managed

Data center water use varies depending on the data center's size, computing density, and type of cooling system. Data centers require industrial-scale cooling to manage the heat generated by their computing equipment. Some cooling systems use water evaporation, and these systems typically require regular water refills to operate (Figure 5-2). Other cooling systems recirculate all or most of their water, similar to a radiator, and use relatively little water. Some data centers use a combination of cooling processes, including processes that do not require any water.

FIGURE 5-2

Evaporative cooling processes require more water than dry cooling processes



SOURCE: JLARC synthesis of interviews, government reports, and research literature.

NOTE: Depicted examples are generalizations and do not include all data center cooling processes and equipment.

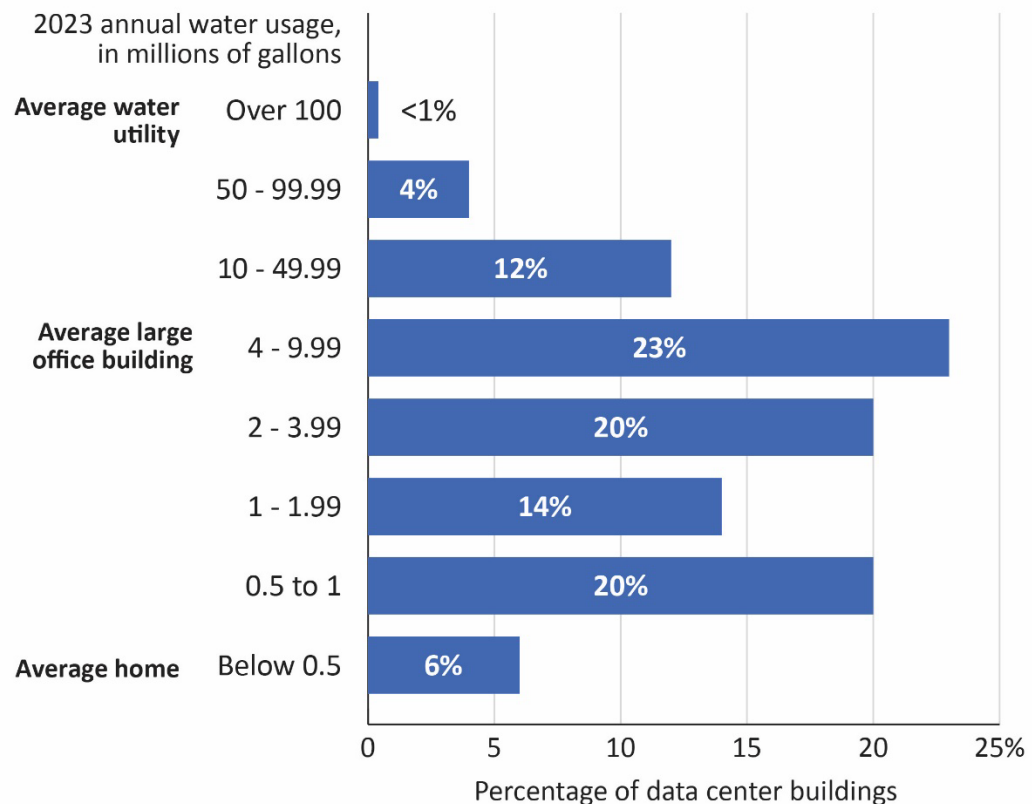
### While some data centers use substantial amounts of water, most use similar or less than other large commercial and industrial water users

For comparison, the state's largest industrial water user in 2023 used about 36.5 billion gallons of water annually.

Based on available data, most data centers use about the same amount of water (or less) as an average large office building (6.7 million gallons per year), although a few require substantially more, and some require less than a typical household (Figure 5-3). In 2023, 11 data center buildings each used over 50 million gallons, including one building that used 243 million gallons (10 percent of the industry's total use) (sidebar).

FIGURE 5-3

Annual data center building water use varied widely, but most used the same amount of water as an average large office building or less (2023)



Reclaimed water is wastewater that is treated, often to a non-potable standard, and re-used, such as for irrigation and industrial purposes. It reduces the need for additional water withdrawals, diverts wastewater from entering water sources, and reduces demand on potable water systems.

SOURCE: JLARC staff analysis of data provided by water utilities serving Fairfax, Henrico, Loudoun, Mecklenburg, and Prince William counties and the Town of Wise. Average uses are based on federal and state water use statistics.

NOTE: Data was not available for all data centers in Virginia but was for the large majority. Water use is on a per building, not per campus, basis. Annual usage for some data center buildings is approximate because of data constraints.

Cumulatively, data centers use a small share of statewide water withdrawals and a moderate share of some region's water withdrawals. In 2023, the data center industry used an estimated 2.1 billion gallons of water, with just over a third coming from reclaimed water instead of new withdrawals (sidebar). Data center water use accounted for less than 0.5 percent of total state withdrawals.



The industry's impact was also limited regionally. Most data centers are served by water utilities, and industry use made up from 2 to 21 percent of water use, after excluding reclaimed water use, at the six water utilities JLARC staff reviewed. Data centers were typically one of these water utilities' larger customers, but a data center was the single largest customer for only two utilities.

### **State regulates water withdrawals to ensure future water availability and to protect water ecology**

To protect future water availability and environmental sustainability, DEQ regulates withdrawals from Virginia's water sources, including requiring permits for large-scale withdrawals (sidebar). Withdrawals can reduce the amount of water that is available for future use if it is withdrawn faster than it is naturally replaced. Additionally, they may affect aquatic flora and fauna, such as by reducing available habitat. Most data centers receive their water from local water utilities, which make the withdrawals. In these cases, DEQ ensures that data centers' water use is sustainable through permitting the utility's withdrawals. Only two data centers have their own DEQ withdrawal permits, and any data centers that do make their own withdrawals are subject to the same regulations as water utilities.

To determine appropriate water withdrawal allowances, DEQ performs scientific modeling that evaluates water withdrawal impacts on future water availability and aquatic flora and fauna in that water source. Permits specify withdrawal limits and set other conditions, such as requiring the permit holder to limit withdrawals during droughts. If a requested withdrawal amount would exceed sustainable levels, DEQ would issue a permit only for a sustainable amount or add conditions to the permit that ensure sustainability. Permits must be renewed at least every 15 years, at which time DEQ reruns the water model with updated water source condition data. If growing data center demand prompted a water utility to seek a larger withdrawal than their permit currently allows, the requested permit withdrawal allowance increase would also have to be modeled by DEQ.

### **Data center water needs are likely to increase as the industry grows, and state and local governments could help ensure limited water resources are used effectively**

While DEQ is responsible for ensuring that permitted water withdrawals are sustainable for the water source, there is less oversight over how available water should be shared across various uses. While the state as a whole is relatively water rich, water is a limited resource for some Virginia localities, such as those that do not have access to major rivers or other surface waters and are in groundwater management areas. Additionally, when local water use demand exceeds current permit or infrastructure thresholds, utilities may need to expend significant resources to meet the additional demand (sidebar). Therefore, localities should fully consider their allocation of available water. For instance, when reviewing a potential new development that may use a

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**Withdrawal permits** are required for withdrawals above 10,000 gallons per day from non-tidal surface waters, two million gallons per day from tidal surface waters, and 300,000 gallons per month from groundwaters in a groundwater management area. There are some exceptions for users that pre-date these regulations. Withdrawals that do not require permits may still require annual reporting.

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Some water utilities that serve or will soon serve data centers have recently expanded their permits and/or infrastructure. For instance, five have requested new or larger withdrawal permits, though these expansions are not fully attributable to data centers. Water utility staff shared that data centers pay their fair share for any additional infrastructure they require.

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large amount of water, a locality should consider whether the project could affect the locality's ability to meet future residential demand or pursue other types of economic development.

***State could clarify localities' authority to request potential water use information from proposed developments***

While any large water user has the potential to affect local water availability, water use information may be particularly helpful for zoning decisions for data center developments. Data centers can use a relatively large range of water amounts compared with other land uses. Some companies will continue to build data centers that use water for cooling, and potentially larger amounts of water as cooling needs increase. While others are moving away from water, the industry's net water use is expected to increase. In addition, because the industry is growing rapidly and typically grows in clusters, data center water use in a given locality can grow suddenly.

Localities have general statutory authority to consider water resources in their land use planning, but state law is not clear on localities' ability to require a proposed data center development to provide a water use estimate or to consider water use in their rezoning and special use permit decisions. (Rezoning and special use permits are discussed more in Chapter 6.) In interviews, local planning staff, government attorneys, and a local elected official conveyed different understandings of the law or reported being uncertain whether a locality could consider water use estimates when evaluating data center development projects. This information could be helpful for assessing a development's potential impacts, but data center developers can be reluctant to share this information because of proprietary concerns. State law should clarify localities' authority to require this information from data center developers and consider water usage in their rezoning and special use permit decisions. This clarification could potentially be extended to other development types, such as other developments with the potential to use large amounts of water.

**RECOMMENDATION 6**

The General Assembly may wish to consider amending the Code of Virginia to expressly authorize local governments to (i) require proposed data center developments to submit water use estimates and (ii) consider water use when making rezoning and special use permit decisions related to data center development.

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Additionally, if local planning officials have this information, they should consult with their local water utility—prior to approving data center developments—on the impact these developments could have on the utility or future water availability. In some data center approvals, this information was not shared between parties. Doing so could help to ensure water use impacts are fully understood prior to approving the development.

### ***Increasing use of reclaimed water may help reduce impacts on water resources***

Some utilities offer reclaimed water systems for their customers, and using reclaimed water instead of potable water for cooling, including evaporative cooling, is generally a best practice for data centers. Reclaimed water can reduce a development's impact on water resources because it does not require additional water withdrawals and can decrease wastewater discharges. DEQ currently permits only two water utilities, including Loudoun Water, to provide reclaimed water for evaporative cooling uses.

Reclaimed systems may not be viable or available in all localities, but utilities that serve data centers should consider the option. Smaller utilities may not create enough wastewater for a reclaimed system that could sustain data center operations. Moreover, financial considerations may also limit reclaimed water use, as reclaimed systems have high capital costs. However, because of the potential benefits for water availability, utilities that serve data centers—and other large water customers—should consider the viability of using reclaimed water systems, as well as potential opportunities for data center companies to help with upfront costs.

Some stakeholders, including a data center company and several water utilities, indicated that Virginia's reclaimed water system regulations for evaporative cooling use are difficult to meet or confusing. DEQ indicated that regulatory changes, such as explicitly listing minimum standards for reclaim water use in data center evaporative cooling processes or reducing some treatment and monitoring conditions, could potentially address concerns while maintaining necessary safeguards but would require further review. DEQ is already scheduled to conclude an internal review of these regulations by September 2026 as part of its quadrennial review process, but DEQ could start this review now so that any eventual changes could be implemented a year earlier. Any potential changes DEQ identifies would need to be implemented through the standard regulatory process—including a Notice of Intended Regulatory Action and public comment period.

## **Data center construction has similar land and water impacts to other large developments, and state and local regulation mitigate most effects**

The development of land for industrial, commercial, or residential uses, particularly “greenfield” developments, can affect Virginia's land and water resources (sidebar). Depending on the characteristics of the site being developed, the construction process may change land characteristics and uses, modify stormwater runoff patterns, and/or disturb wetlands and other waterways (Table 5-2). Such impacts can degrade air and water quality, destroy wildlife habitat, and increase flooding and erosion risks.

A development's ability to mitigate its potential impacts depends on the site, development type, and the resource. A development can mitigate overall potential impacts on these resources in three ways:

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**“Greenfield” development** occurs on land that has not previously been developed. In contrast, redevelopment occurs on the site of a former development. A redevelopment is less likely to impact land and water resources, as any potential impacts likely already occurred during the previous development.

State-managed databases, such as the Department of Conservation and Recreation's **Natural Heritage database**, identify on-site resources that may be impacted by development.

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- **avoiding** direct impacts to the maximum extent practicable, such as not constructing a building on forested land,
- **minimizing** impacts to the maximum extent practicable, such as using a retaining wall to minimize impacts to an adjacent waterway, or
- **compensating** for any impacts that do occur, such as offsetting impacts to a wetland by restoring or constructing that same type of resource elsewhere.

TABLE 5-2

**Constructing new developments can result in loss of undeveloped and agricultural lands, create stormwater runoff risks, and potentially disturb wetlands**

|                           | <b>Land resource loss</b>                                                                                    | <b>Stormwater changes</b>                                                               | <b>Wetland disturbances</b>                                                                                               |
|---------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Development action        | Undeveloped and agricultural lands may be developed for industrial, commercial, residential, or other uses.  | Impervious surfaces may be created to support buildings and ancillary developments.     | Wetlands (including streams and other waterways) may be drained, filled, or encroached upon to maximize developable area. |
| Potential impact          | Forests, agricultural lands, and other green spaces are lost.                                                | Less rainwater is absorbed into the ground, increasing stormwater runoff.               | Wetland areas are destroyed, diverted, or otherwise disturbed.                                                            |
| Effect without mitigation | Air, water, and soil quality degradation, loss of habitat, and lower agricultural production occur.          | Increased flooding and erosion, water pollution, and slower groundwater recharge occur. | Water source degradation, loss of habitat, and increased flooding and erosion occur.                                      |
| Effect with mitigation    | Losses are avoided, minimized, or offset by preserving, creating, or restoring lands elsewhere. <sup>a</sup> | Predevelopment runoff rate and quality are maintained, minimizing adverse impacts.      | Disturbances are avoided, minimized, or offset by funding or implementing wetland creation or restoration. <sup>a</sup>   |

SOURCE: JLARC synthesis of interviews, government reports, and other information.

NOTE: <sup>a</sup> Offsetting impacts can be difficult and require significant time and space, particularly for replacing lost undeveloped and agricultural lands.

### **Some regions have seen substantial data center growth, but their construction impacts are similar to other large developments**

Data center development has construction impacts that are similar to other large-scale developments' impacts. While comprehensive information on data centers' impacts to natural resources is not tracked, the vast majority of their development is greenfield development—although some redevelopment is also occurring.

The development pressures from data centers on undeveloped and agricultural lands statewide are not more than other fast-growing developments in Virginia. For example, the total land area of currently operating data centers is equal to about 1.4 percent of the farmland lost in Virginia between 2017 and 2022. According to land conservation experts, the current primary threat to undeveloped and agricultural lands is solar energy developments.

On a regional level, however, the share of undeveloped and agricultural land development in Northern Virginia attributable to data centers has been substantial. JLARC staff estimated that the data center industry accounted for between 20 and 30 percent of land development in Loudoun and Prince William counties from 2013 to 2021, and the amount of data center development has already increased 50 percent since then. However, these are some of Virginia's fastest-growing counties, which means that some portion of land developed for data centers likely would have been developed for other uses, such as housing, mixed-use commercial space, or distribution centers.

Data center developments have similar impacts on stormwater and wetlands as other large-scale developments, such as warehouses or shopping centers. The magnitude and significance of impacts depend on site characteristics as much as the development itself (sidebar). Therefore, impacts may be the same whether a site is developed for a data center or another land use.

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**Magnitude of impact** depends on the change to the environment, not the development itself. For example, a small green-field development may create more impervious surface than a large redevelopment.

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### **State and federal regulations require mitigation of stormwater and wetlands impacts, but land conservation is at local discretion**

Federal and state regulations require stormwater management and wetland permits for sizeable impacts, regardless of development type. Stormwater permits for individual developments are usually administered by DEQ or the locality, and wetland permits are typically jointly issued by the U.S. Army Corps of Engineers and DEQ. Most data center developments require a stormwater permit because of their size, but only those that affect a wetland or other waterway require a wetland permit (which is the same for all types of development).

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**Impact significance** depends on the resource that is affected. For example, a given amount of water pollution may have a larger effect in a small river than a big river.

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Stormwater management permits require developments to manage their stormwater runoff to meet water quality and quantity requirements to minimize impacts. For instance, a development would be required to install a stormwater management system, such as an on-site stormwater pond, to slow and filter its runoff. Data centers create a relatively large amount of impervious surface, and stormwater permits require management that is proportional to the addition of impervious surface and land cover changes. Some impacts may still occur even if all permit requirements are met, such as less water being absorbed into the ground or water source temperature increases, but these same impacts can occur from any developments that create large impervious surfaces or change land cover, such as a warehouse or shopping center.

Wetland permits require developments to avoid and minimize impacts to wetlands and other waterways to the maximum extent practicable and to compensate for any remaining significant impacts. Because data centers require large building footprints, they may be relatively less able to avoid or minimize impacts. However, any significant impacts that do occur require proportionate compensation, which ensures losses are replaced to the extent possible through the preservation, restoration, or creation of that resource elsewhere.

In Virginia, federal and state regulations do not require mitigation of impacts to undeveloped and agricultural lands. Localities have full discretion through their zoning laws

to determine how lands that are not protected from development can be used. While localities can require, negotiate, or accept offers to conserve a portion of the existing natural landscape as part of a development, data center developments generally use most of land that is practicable and allowed to be developed. Because undeveloped and agricultural lands are difficult to replace, the primary mitigation method to protect them is to avoid or minimize development on these lands. The state could consider imposing land use restrictions to prevent or minimize the land impacts from data center development, but this would be a profound change in the state's involvement in local land use decisions, and, currently, there does not appear to be a basis for distinguishing data centers from other large developments in considering such restrictions.

## State could require data centers to meet environmental management standard to receive tax exemption

The ISO 14001 standard for Environmental Management Systems is one of the most used environmental management frameworks in the world. The U.S. Environmental Protection Agency believes it helps organizations to systematically identify and reduce their environmental impacts.

**Required minimum standards** for specific resources could have unintended consequences, including: 1) not being viable for all data center companies, who have different operational systems and preferences, 2) not ultimately improving sustainability, such as water restrictions leading to more energy-intensive cooling, or 3) not being adaptable as the data center industry evolves, such as if new technologies shift the industry's environmental impacts.

Even though federal and state regulations already limit most negative natural resource impacts of data centers, the state could encourage them to meet an environmental management standard because of their large and growing presence. Environmental management standards, such as the International Organization for Standardization's (ISO) 14001 standard, require companies to proactively review and reduce their impacts to natural resources (sidebar).

Environmental management standards do not set required minimum standards but involve continuous improvement in operational sustainability. Required minimum standards may not be viable for all data center companies and may not be wholistically sustainable (sidebar). Environmental management standards call for companies to evaluate all of their environmental impacts and set and pursue sustainability goals. This process is repeated every few years and encourages a wholistic approach to sustainability. For instance, ISO 14001 seeks to promote organizational improvement in air emissions, water use, water discharge, waste generation, and energy consumption—all of which have been raised as concerns about data centers. (For more information on data center water discharges and waste generation, see Appendix K. For more information on data center energy impacts, see Chapter 3.)

The state could encourage adoption of an environmental management standard by making the state's sales and use tax exemption for both new and existing data centers contingent on adoption. Many data center companies already set sustainability goals and policies, and a well-designed state requirement would encourage other companies to adopt similar goals and policies. At least four other states—Arizona, Illinois, Iowa, and Washington—require data centers to meet a sustainability standard as a condition of their state data center tax incentive program.

## POLICY OPTION 5

The General Assembly could amend the Code of Virginia to require that, as a condition of receiving the sales and use tax exemption, data center companies meet and certify to an environmental management standard, such as the International Organization for Standardization's 14001 standard for Environmental Management Systems.

## Data center impacts on historic resources are similar to other developments, but current protections could be strengthened

Developments have the potential to negatively affect historic resources, both during and after construction. Historic resources can include sites (e.g., battlefields and cemeteries), structures (e.g., buildings), and objects (e.g., artifacts) (Figure 5-4). Impacts can vary substantially depending on the type of development being proposed, the significance of the historic resources affected, and how those resources will be affected. In many cases, a development will not adversely affect historic resources because there is nothing historically significant on the development site or located nearby.

FIGURE 5-4

Virginia has a wide range of historic resources



SOURCE: Image courtesy of the Virginia Department of Historic Resources (cropped by JLARC).

## Data center developments can affect historic resources in the same ways as other large developments

Some data center developments have affected state historic resources. For instance, two data center developments have relocated or damaged cemeteries, and several have been located on historic sites, including a turn of the 19th-century residential site, a historic African American horse showground, and part of a Civil War battlefield. Additionally, several approved but not yet built data center developments have raised concerns of viewshed impacts on historic battlefields around the Northern Virginia region. Like with other development types, the total number and extent of data centers' impacts on historic resources are unknown as not all of these resources—or impacts to them—have been identified and catalogued.

Preservation experts consider data centers' impacts and risk of impact to be similar to those of other large-scale developments. Data centers have less flexibility than some other developments, like housing, to avoid building on parts of the property where resources might be located. Data center developments also require extensive grading, which can destroy buried structures and objects, and tall data center buildings are more likely to have viewshed impacts on nearby resources. However, other large-scale developments, like warehouses and shopping centers, can have the same impact. The rapid growth of data center development increases the likelihood that historic resources will be disturbed by these developments, but the same is true of other commercial and residential construction growth.

### **Pre-development studies help promote mitigation of impacts to historic resources**

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Various methods may be used to **mitigate impacts to historic resources**. For instance, developments may avoid or minimize impacts by moving building locations or lowering building heights. If historic resources cannot be avoided, they may be excavated and relocated, studied and documented before their destruction, and/or commemorated with signage. The appropriate strategy can depend on the resource, development type, and the site.

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Before site development begins, sites can be studied to identify any potentially significant historic resources and determine mitigation strategies if impacts were to occur. Developers can hire experts or third parties to perform "Phase I" historic resource studies, which could include background research, physical inspection, and remote sensing, to identify historic resources that may be affected by a new development. If a Phase I study finds historic resources, Phase II historic resource studies can determine their significance and, if needed, develop mitigation approaches (sidebar). When needed, Phase III historic resource studies involve carrying out mitigation approaches, such as excavating and relocating a resource or documenting a resource. Once historic resources have been identified, developers can additionally perform viewshed analyses to determine whether a new development would be visible to these resources, potentially affecting their significance.

Phase I historic resource studies and viewshed analyses are relatively inexpensive pre-development tools. Some data center companies reported that they conduct Phase I studies for some or all of their data center developments, and several have conducted and shared viewshed analyses as part of the local zoning approval process. Studies can ultimately save developers time and money by preventing delays or the need for design changes from unexpected discoveries after developments have been approved.

### **Few legal or regulatory protections exist to protect historic resources, but pre-development studies could be more strongly encouraged**

While there are many layers of federal, state, and local protections for natural resources, fewer protections exist for historic resources. For private developments, federal regulations require that historic resource impacts need to be considered—studied and potentially mitigated—only if a wetland or other federal permit is required. State law only requires additional Virginia Department of Historic Resources (DHR) oversight of private developments when human remains need to be removed.

Local regulation of historic resources varies by jurisdiction, depending on local capabilities and priorities. All localities have the authority to restrict development around



historic resources through their zoning ordinances, but some are better able to identify these resources than others. For instance, Loudoun requires Phase I historic resource studies for all non-residential developments and has a county archeologist who evaluates study results and makes recommendations to planning staff if additional action is needed. Most localities do not require pre-development studies and do not have an archeologist on staff. Moreover, when development and historic resource preservation goals conflict, it is up to local elected officials to make zoning decisions.

To ensure that potential impacts to historic resources are identified, the state could encourage Phase I historic resource studies for all new data center developments, as well as viewshed analyses for new developments within a certain distance of a registered historic site. To do this, the state could make eligibility for the sales and use tax exemption contingent on this work being performed for any new data center developments. For example, the state could require that, for any data center that begins construction in 2026 or later, the data center company perform a Phase I study (along with a viewshed analysis, if applicable) before the facility is constructed in order to be eligible for the exemption. Data center developers would pay for the study and report findings to localities, which would determine if any further action is required.

#### **POLICY OPTION 6**

The General Assembly could amend the Code of Virginia to require that, as a condition for receiving the sales and use tax exemption, data center companies conduct a Phase I historic resource study of a proposed development site, as well as a viewshed analysis when a proposed site is located within a certain distance of a registered historic site, and report the study findings to the appropriate locality prior to development.

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Some localities may not currently have the time, expertise, or resources to review the Phase I historic resource study submissions. DHR could offer grants for localities to hire consultants or have staff available for consultation, but this would require additional funding or staff to implement. Alternatively, localities would have the option to require data centers to pay for a consultant hired by the locality to perform the review.

Some historic resource preservation experts stated that, while they would appreciate greater protections around historic resources, establishing mitigation requirements at the state level may not allow for site-specific characteristics or local preferences. For instance, prohibiting data center development near historic resources statewide, as was proposed during the 2024 legislative session, may be broader than needed—as impacts do not occur every time a development is on or near a historic resource—or could prove too restrictive given the abundance of historic resources in Virginia.



# 6 Local Residential Impacts

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Local governments are responsible for managing land development in their jurisdictions for different residential, commercial, agricultural, and industrial uses. Localities manage development through planning and zoning to ensure developments conform with state and local laws and are grouped with appropriate types of development.

On the planning side, state law requires localities to create and update long-term comprehensive plans to support “coordinated” and “harmonious” development. These plans provide a strategic vision for development in the county but, while important for guiding local decisions, do not set any legal boundaries.

On the zoning side, localities pass zoning ordinances that set legal restrictions on development. Zoning ordinances establish conceptual *zones* (e.g., rural residential, light industrial), which have their own sets of rules and requirements for new development. For each zone, the ordinance lists *uses* that are allowed. Uses can allow different types of business operations (e.g., data center, brewery), different types of residential construction (e.g., townhouse, single-family house), and other distinct uses. Additionally, zoning ordinances can impose minimum requirements on specific uses or zones, such as maximum heights or mandatory setbacks from property lines.

Within a zone, a use can be allowed by right, allowed by special permit, or prohibited. If a use is prohibited in a zone, then a developer can seek to have the parcel rezoned to allow the use.

- **By right** uses are allowed within a zone without any special approval by the locality. For example, if data center development is a by-right use, a developer can build a data center in the zone without seeking special approval from the locality. Localities cannot require data center developers to do anything not already established in the zoning ordinance. For example, a locality could not require a by-right data center to be set back farther from nearby property lines than the ordinance already dictates.
- **Special permit** uses are allowed if approved by the locality’s elected officials, e.g., a county’s board of supervisors (unless they delegate this authority to the local board of zoning appeals), often following a public hearing. As part of the special permit process, the locality can make approval conditional on additional restrictions to mitigate negative impacts, such as bigger property line setbacks or lower building heights.

- **Rezoning** changes the conceptual zone a parcel falls under and therefore its allowed uses. Rezoning requests require a public hearing and approval from elected officials. Like with special permits, the locality can consider the developer's willingness to conform to additional restrictions or actions as a condition of rezoning approval.

## Growing number of data centers are being built close to residential areas, causing residential impacts

This chapter focuses on data centers' impacts on residential areas. While minimizing impacts on **other sensitive uses** such as schools and parks is important, concerns of negative impacts in Virginia have primarily come from residential areas.

Land use planning principles state that neighboring property uses should be compatible with one another. These principles generally dictate that industrial uses should be far from residential and other sensitive uses because they are often incompatible (sidebar). Residential neighborhoods are generally expected to be safe, quiet, and pleasant places to live, whereas industrial facilities are often large, unsightly, and potentially noisy. For example, Loudoun County ordinances state that "industrial uses [...] are incompatible with residential uses due to the prevalence of outdoor storage and emissions of noise, odor, and vibrations."

### Data centers are industrial facilities that are largely incompatible with residential uses

The industrial scale of data centers makes them largely incompatible with residential uses. A modern data center site includes one or more large, industrial buildings, similar in size and appearance to a new distribution center or a manufacturing facility, which is an abrupt contrast to a residential home.

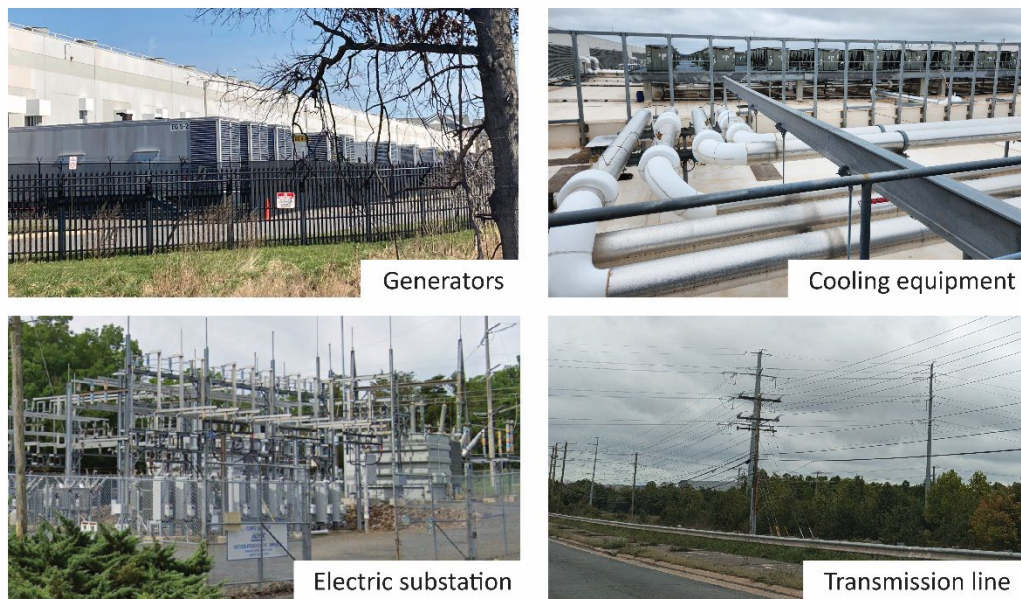
Other components of data center sites are also industrial in character and unsightly to residents who live close by (sidebar) (Figure 6-1). Trailer-sized generators (a median of 35 per site) are often lined up beside the data center building or housed in large generator sheds. Industrial-scale cooling equipment, such as chillers or water towers, often sit on the roof or outside the main building. Many data center sites are encompassed by security fences and deploy bright security lighting. Data centers also require industrial-scale electrical infrastructure. Sites will often include one or more electrical substations on or adjacent to the site, and some require above ground transmission lines extending from nearby main lines.

#### Resident descriptions of nearby data centers include:

- "a giant monolith in the wrong place"
- "a prison"

**FIGURE 6-1**

**Data center buildings and sites have industrial characteristics and infrastructure**



SOURCE: JLARC staff photos and Google Earth.

Homeowners in residential areas close to data centers frequently express concern that having industrial sites nearby will decrease their property values. While it is certainly possible that nearby data centers have affected the resale value of homes, there is not yet evidence of this relationship. In interviews with representatives of neighborhoods opposed to nearby data centers and other informed individuals (sidebar), almost none observed a decline in property value or speed of home sales. One commonly cited explanation was that the tight housing market in Northern Virginia decreases buyers' selectiveness and so proximity to data centers has not yet had a noticeable effect on property values.

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**To assess data centers' impacts on property value,** JLARC interviewed representatives of neighborhoods opposed to data centers proposed or recently constructed nearby, local stakeholder groups, county assessor's offices, and a local real estate agent association.

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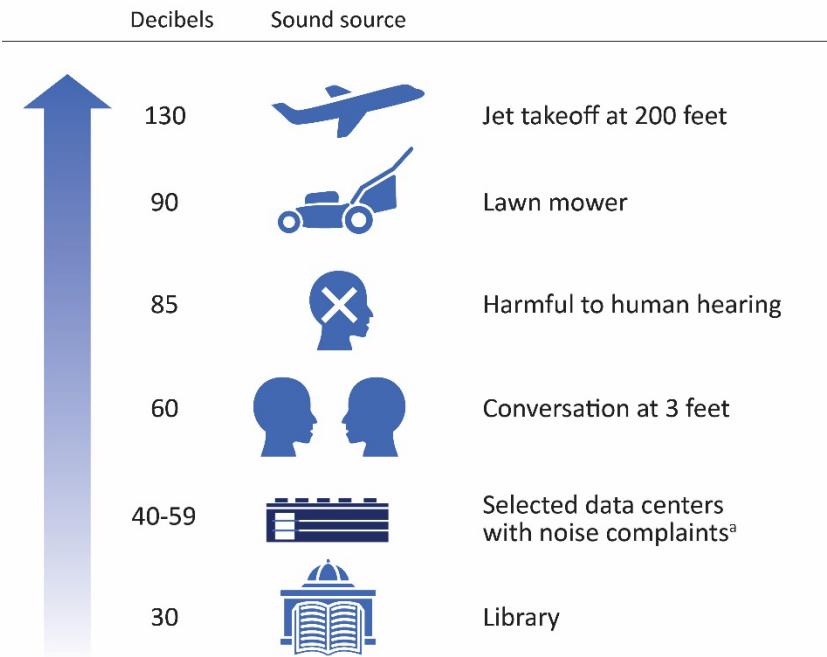
### **Some nearby residents report that constant noise from data centers impacts their well-being**

The constant nature of data center noise has been a reported problem when data centers are located near residential areas. Whether data center noise can be heard past the facility's property line depends on its design and its type of cooling system, which can cause noise. In addition, local geography and surrounding buildings can affect how sound travels.

While some data centers have been noisy enough to cause complaints, the noise is not loud enough to damage nearby residents' hearing and rarely loud enough to violate noise ordinances (Figure 6-2). Data center noise that has prompted resident complaints ranges from an estimated 40 to 59 decibels (per JLARC's review of noise measurements of selected data centers that have prompted complaints by residents). This

sound level is typically below the 55 or 60 decibel limit that Loudoun, Prince William, and Fairfax allow in their ordinances for residential areas. Rather than the volume of the noise, it's data centers' constant noise that some residents consider problematic. Data center noise is described as a constant “drone” or “hum,” similar to house air conditioning systems but magnified to an industrial scale. The noise can sometimes be heard both in and outside of nearby residences.

**FIGURE 6-2**  
**Data center sound is noticeable but quieter than many common sounds**



SOURCE: JLARC review of Occupational Safety and Health Administration, U.S. Centers for Disease Control and Prevention, and Federal Aviation Administration websites, and analysis of complaint data from Fairfax and Loudoun.  
NOTE: The units are A-weighted decibels. <sup>a</sup> Encompasses measurements at locations where local staff recently measured data center noise using A-weighted decibels. Measurements are a response to complaints, so they are not representative of all data centers. Measurements indicate total sound, not the isolated amount from data centers.

Residents who have reported that data center noise is a problem have indicated that it has adversely affected their well-being. JLARC staff spoke with residents who live near data centers that have been the subject of noise complaints to learn how the noise affects them. Some residents described physical symptoms such as migraines from the facilities' constant noise. Others said that they experience health problems caused by disrupted sleep, and some residents described an inability to concentrate on tasks. A common theme was poorer quality of life, with some residents avoiding their decks and yards because the sound is louder outdoors.

Data centers are not required to reduce their noise if they are not violating local ordinances, which has made it difficult to address noise concerns. Some neighborhoods have attempted to address concerns through the county and engagement with data

center companies. Residents of the Great Oak neighborhood in Prince William reported noise to county police from a nearby data center in May 2022, and as of October 2024, the issue had not been fully addressed by the data center owner to all residents' satisfaction. Residents of the Brook Haven neighborhood in Loudoun contacted the county in 2021 about noise concerns, and the data center completed an attempted solution in November 2023. In both cases, residents observed reductions in noise from the nearby facilities but emphasized it took time and repeated communications from residents to prompt action.

### **Data center construction sites can be especially disruptive to nearby residential areas**

Because of data centers' size and scale, their construction takes a long time and is disruptive to residential areas. Construction activities typically include clearing trees, grading land, laying foundations, erecting buildings, and installing equipment. While these activities are not unique to data centers, the impacts on residents are especially large because of the projects' scope. Each building takes about 12 to 18 months to construct, and with the industry moving toward developing data center campuses, work on additional buildings often begins as soon as one is completed. Therefore, a large site could take as long as seven years to fully complete. This work requires thousands of workers on site and substantial truck deliveries of materials.

Some residents report they have been negatively affected by data centers' construction. Their concerns include loud construction noises and vehicle traffic. For example, one neighborhood's main access road was damaged by frequent use of heavy vehicles, which reportedly sometimes blocked school buses and emergency vehicles.

### **One-third of data centers are near residential areas, and industry trends make future residential impacts more likely**

The majority of data centers are appropriately located in industrial or commercial areas and are not close to residential uses. Over 60 percent are more than 500 feet from residential-zoned properties (as measured from property line to property line, meaning the actual facility and residences are even farther apart) (sidebar). The farther away a data center is from residential areas, the less likely it is to affect nearby residents.

A minority of data centers have generated noise complaints. At least 15 data centers (10 percent of operational data center sites) appear to have generated noise that nearby residents regard as problematic, according to resident groups and government records.

However, the number of data centers being built near residential areas is increasing. Almost one-third (29 percent) of operational data center properties in Virginia are within 200 feet of residentially zoned properties. Currently, there are several data centers being constructed adjacent to single-family homes, townhouses, and apartment complexes. Several recently approved data centers in Loudoun and Prince William will be built on land adjacent to neighborhoods, including at least two proposed

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**Analysis of the proximity of data center properties to residential zoning** used data from eight localities that account for nearly all (93 percent) data centers in Virginia. (See Appendix B.)

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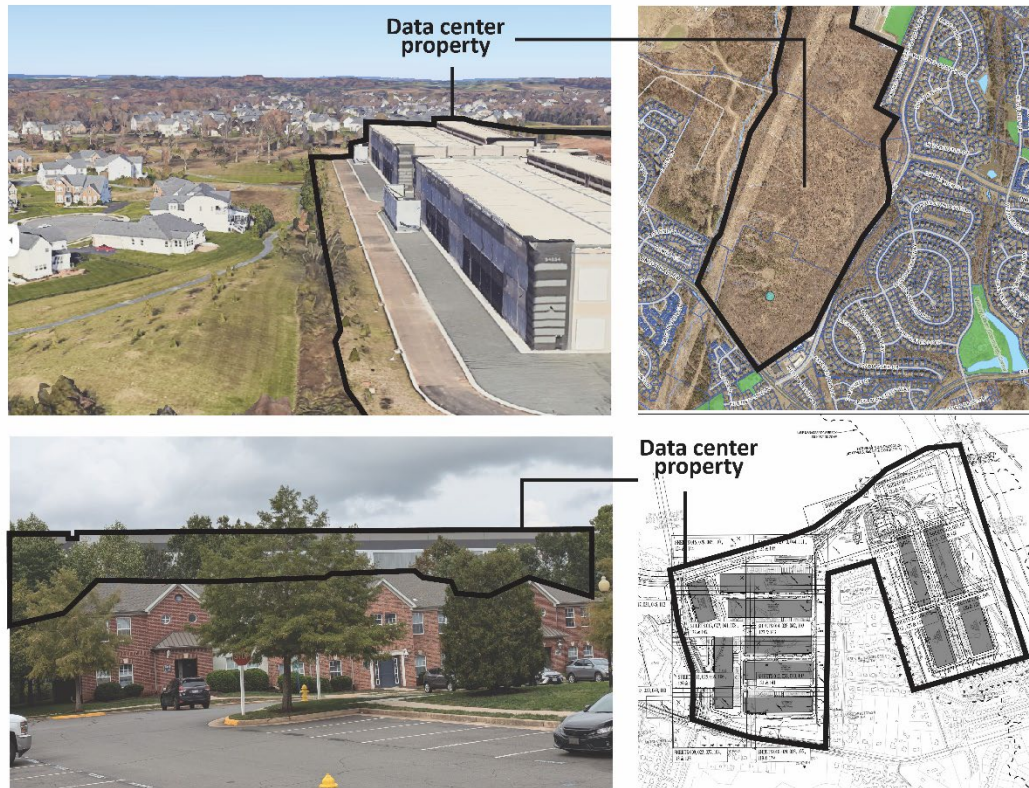


developments where the property also abuts an elementary school (Figure 6-3). Other counties—such as Fairfax, Stafford, and Henrico—have also received proposals for data centers close to residential areas.

Trends in real estate availability and facility design increase the likelihood of future residential impacts. As the industry's footprint in Northern Virginia grows, the amount of land ideal for data center development is decreasing, and developers are more likely to consider locations closer to residential and other sensitive areas. Additionally, the typical data center building is becoming taller, larger, and more power-intensive, which has the potential to make their industrial characteristics more pronounced and, depending on the design, could generate more noise.

**FIGURE 6-3**

**Some recently built or approved data centers are close to residential areas**



SOURCE: JLARC site visits, Google Earth, and locality websites.

NOTE: In order, the pictures depict: (1) existing data center from the Loudoun Meadows neighborhood of Loudoun, (2) land approved for Devlin Technology Park in Prince William, (3) an existing data center next to the Regency neighborhood in Prince William, and (4) a proposed site plan for property that was rezoned to allow data centers around the Amberleigh Station neighborhood in Prince William.



## **Localities have allowed data centers near neighborhoods, sometimes without sufficient mitigation of impacts**

Appropriate local planning and zoning decisions can reduce the risk of data center developments affecting residents. Localities need to proactively update their planning and zoning to manage data center development, because the industry is rapidly changing. As recently as 10 years ago, data centers were much smaller facilities that were similar in size and appearance to commercial office buildings. Local ordinances that continue to treat data centers as non-industrial commercial uses, which are often allowed next to residential areas, are outdated and can affect residents.

Localities need to consider which areas are appropriate for data center development, classify data centers as industrial uses in zoning ordinances, ensure data centers are not too close to residential zones, and include requirements to mitigate any potential negative impacts from data centers, such as building setbacks and height restrictions. In addition, local elected officials should adequately consider potential residential impacts when considering special permit and rezoning requests.

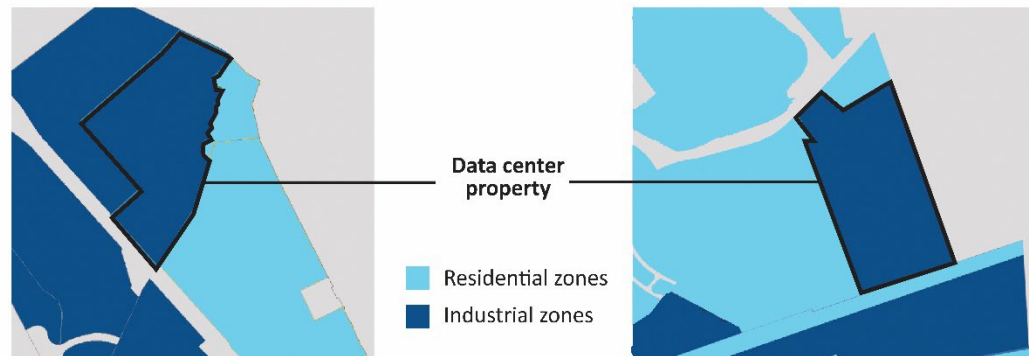
### **Inadequate planning and zoning have allowed data centers near residential areas**

Data centers have sometimes been built too close to residential and other sensitive areas because local zoning ordinances did not consider them to be an industrial use. For example, until 2021, Fairfax considered a data center to be a telecommunications facility, which allowed data centers to be built in areas zoned for residential and office uses. Loudoun originally treated data centers as an office use and continues to allow by-right data center development in areas zoned for office uses in some parts of the county.

In addition, some localities have zoned industrial areas next to residential areas on their zoning maps, even though land use principles state that industrial uses are ideally separated from residential uses by buffers, such as commercial zones. For example, the Great Oak neighborhood in Prince William and the Bren Mar neighborhood in Fairfax are directly adjacent to industrial zones (Figure 6-4). This has allowed data center development by right despite being close to residences. The likelihood of residences being close to data centers has also increased because of some local decisions to rezone land to residential despite being in primarily industrial areas. If zoning maps are not reviewed and updated, more data centers are likely to be built closer to residential areas.

**FIGURE 6-4**

**Some industrial zones border residential zones, allowing by right data centers too close to residential zones**



SOURCE: JLARC review of Prince William and Fairfax geographical informational systems and planning staff reports.  
NOTE: The first picture depicts an existing data center near the Great Oak neighborhood of Prince William. The second picture identifies a planned data center near the Bren Mar neighborhood of Fairfax County. Grey coloring indicates a zone that is (1) neither residential nor industrial or (2) within another locality. “Zones” refers to the official zoning classification in local ordinances.

Zoning ordinances often include requirements intended to mitigate negative impacts from businesses, but these requirements are not always sufficient. Required building height limits and property line setbacks are fundamental ways to reduce a development’s impacts. For example, the property on the right side of Figure 6-4 was zoned industrial and is only subject to a setback of at least 40 feet (although the developer is voluntarily planning a larger setback). This zoning would have allowed a new data center to be built close to the property lines of two adjacent townhouse complexes. Landscaping and architectural requirements are other ways to mitigate data center impacts, but their value is limited. Newly planted trees take decades to grow, and the size and proximity of a nearby data center matters more to residents than its architecture.

### **Some localities’ elected officials have granted data centers exceptions to requirements designed to reduce residential impacts**

Local officials in Virginia have sometimes approved data center requests to build in locations that prompt resident opposition or are likely to cause impacts. These elected officials are responsible for reviewing applications for special permits and rezonings and ensuring they are compatible with the locality’s long-term comprehensive plan (or amending the long-term plan). While there is no objective way to assess if officials made the “right” decision in approving a given project, there are cases where elected officials’ decisions have led to impacts on residents or contradicted development strategies laid out in long-term plans. For example,

- Elected officials have approved property rezonings that allow data centers next to sensitive locations. Prince William approved rezoning from mixed residential to industrial for the Devlin Technology Park (second in Figure 6-3), which is adjacent to a school and about 80 feet from residential zoning.

- Elected officials have approved data center requests in areas that are not suitable, according to the locality’s long-term comprehensive plan. In Loudoun, the board of supervisors approved the True North development even though staff recommended denial because the county’s “transitional” long-term plan classification for the site does not support data centers (sidebar).
- Elected officials have exempted individual data centers from local requirements intended to mitigate negative impacts on residents. For example, Loudoun’s board of supervisors allowed Aligned Energy’s Relocation Drive project to exceed the zone’s maximum height and square footage, despite staff recommending against the exemption because of nearby residential areas.

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**Local planning staff can recommend denial for several reasons.** Sometimes staff may recommend denial because they believe more information from the developer is needed before a decision should be made. Other times staff may recommend denial because the proposed use is not compatible with the proposed site or there are not sufficient mitigations planned to adequately protect nearby residents.

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## **Some localities have taken steps to minimize residential impacts, though success of these efforts rests with elected officials**

Residents’ opposition to data centers has grown in recent years, especially in Loudoun and Prince William. While data center projects rarely generated citizen opposition in the past, it is now more common for individuals and organized groups to speak against data center proposals at local planning commission and board of supervisors meetings. Some grassroots groups have been created to fight specific proposals for new data centers, joined by existing organizations such as regional environmental groups. These local groups often also advocate for more government restrictions on allowable locations for data centers.

Opposition to data center proposals has also emerged outside of the main Northern Virginia markets. For example, local groups contested recent proposals in Henrico County and the Town of Warrenton. However, some locations such as Mecklenburg have not encountered significant resident opposition.

## **Several Virginia localities are making or considering zoning ordinance changes to reduce the risk of residential impacts**

Most of the Virginia localities with sizable data center markets have taken or are considering steps to better manage future data center development. Since 2019, elected officials in the three localities with the most data centers (Loudoun, Prince William, and Fairfax) have taken some steps to address residential concerns (Appendix L). For example,

- All three localities have increased the requirements for data centers to improve their appearance or reduce their visibility, for example, increasing setback requirements, requiring specific design standards for the building façade, or screening external mechanical equipment.

- Loudoun and Fairfax have reduced the number of zones allowing data centers by right.
- All three localities have taken steps to address noise, such as requiring sound studies for new projects, requiring proactive sound measuring for existing data centers, and eliminating a partial exemption in the local noise ordinance for nighttime noise from businesses (including data centers).
- All three localities recently initiated studies of their data center policies to better manage development. Fairfax's study concluded with elected officials amending their ordinances in fall 2024. Loudoun and Prince William are reviewing potential changes to their long-term comprehensive plans as part of their studies and tentatively plan to vote on study proposals in 2025.

In several of the Virginia localities that are considering or expecting their first data center projects, elected officials have proactively implemented planning and zoning changes to promote appropriate industry development. The goals of these changes are to avoid the types of residential impacts that have occurred in established data center markets. For example, in 2023, Stafford County added data center principles to its comprehensive plan, prohibited data centers in several commercial and light industrial zones, and established industry-specific standards. Culpeper County also coordinated amending its comprehensive plan and zoning ordinance relevant to data centers. Culpeper allows data centers in multiple industrial zones but provides tax incentives to encourage development in a newly designated Technology Zone with more stringent design requirements.

### **Localities generally have adequate expertise to make data center decisions**

For the most part, local government staff possess sufficient expertise to support review and approval of data center projects. Data centers are one of many types of development that local planning, permitting, and other staff evaluate. Evaluating whether a data center project is in an allowable location, has appropriate setbacks and building height, or is proposing effective landscape screening is similar to evaluating other large commercial or industrial developments. The one exception is noise, a topic where staff from several localities would like more expertise. For example, planning staff from a locality with data center experience are uncertain whether their recently revised ordinances are the right way to prevent data center noise impacts.

Data center applications can be challenging, however, for smaller counties with less experience with the industry, given the complexity, size, and scale of data center projects. These localities have addressed challenges by reaching out to staff in other localities with more industry experience and by contracting for tasks where their expertise may be lacking, such as assessing economic impacts. For some functions, such as reviews of stormwater management plans, the Department of Environmental Quality

may perform the review instead of the locality. Larger counties have sometimes used consultants as well, such as Prince William for a noise study.

### **Effectiveness of local efforts to minimize residential impacts ultimately depends on elected officials**

The effectiveness of local efforts to minimize the residential impacts from data center development ultimately depends on elected officials. Local staff can propose well-designed zoning ordinance changes and provide sound advice on whether a special permit or rezoning request should be approved based on local development standards and the locality's comprehensive plan, but elected officials make the final decisions. As described above, elected officials in Fairfax, Loudoun, and Prince William have recently taken actions to minimize residential impacts of data centers, and several localities considering data center projects are taking actions proactively. While these actions do not guarantee elected officials will always make the "right" decisions to address impacts, they do indicate that elected officials are actively responding to residents' concerns.

### **State intervention does not appear warranted, but localities should consider using key practices in data center ordinances and decisions**

Land use decisions are traditionally a local responsibility in Virginia, because they directly affect local residents. Land use decisions are also very site specific, and local governments are better positioned than the state to evaluate what is appropriate for a given site.

### **Nature of data center impacts does not appear to merit state intervention, and localities appear to be taking needed actions**

Although some stakeholders have advocated for greater state involvement in land use decisions, there is not currently a compelling reason for a state role in setting local requirements for data centers or intervening in local approval decisions. State intervention should only be considered if local policies are causing significant threats to residents' health and safety or other significant harm, but that is not the case with data centers.

Furthermore, only a minority of data centers in Virginia have been reported to impose negative impacts on residents. While some localities have allowed data centers to be built in areas incompatible with residential uses, those localities now appear to be taking actions to avoid future impacts by reviewing and changing local zoning ordinances. Other localities that have not experienced negative impacts on residents yet appear to be taking proactive action to minimize impacts.

## **Localities should implement several practices to minimize residential impacts**

Localities should implement several practices to protect residents and ensure data center development proceeds appropriately and with minimal impacts. Namely, localities should:

- classify data centers as an industrial use in their zoning ordinances;
- review the locations of zones allowing data centers by right, and adjust the zoning map if needed, considering proximity to residential areas;
- ensure that minimum requirements in the zoning ordinance adequately mitigate negative impacts on residential or other sensitive areas (e.g., setbacks, building heights), and add requirements specific to data centers as needed;
- identify optimal areas for data center development in the locality, including locations that are suitable from the county's perspective (e.g., far from residential areas) as well as the industry's perspective (e.g., large parcels, access to transmission);
- reduce the likelihood of noisy data centers (including through limiting allowable locations and requiring sound modeling) and prohibit the constant low-frequency noise of data centers from reaching residential areas; and
- require commitments from data centers making zoning requests to sufficiently mitigate negative impacts on any nearby residential areas.

## **Localities can take steps to mitigate data center noise, but some are unsure of authority to do so**

Although only a few data centers have caused impacts to residential areas, noise is reported to be one of the most disruptive problems for residents, and data center noise concerns can be difficult to resolve. Noise impacts can be reduced by siting data centers away from residential areas and by modeling data centers' potential noise impact before they are built. Localities also need to be able to address noise that occurs after data centers are operational.

### ***Noise concerns can be reduced by modeling data center sound impacts before a data center is built***

In addition to having zoning ordinances that prevent data centers from being located close to residential areas, localities should require sound modeling for data centers proposed close to residential areas. Sound modeling predicts the sound a facility will generate once operational and provides an opportunity for building designers to assess the need for, and effectiveness of, sound reduction strategies. Localities could review study results to determine if any further action, such as sound barrier construction, should be required before approving a development project.

Sound modeling studies can also be used to establish the baseline level of noise already occurring around the proposed data center site, which can later be used to determine whether a data center has contributed to noise in the area. Many data center companies are now doing sound modeling studies for all or some of their projects, and companies explained that sound modeling prior to construction is worthwhile because reducing noise after a building is operational can be difficult and expensive.

Some localities were unsure whether Virginia law allows them to require sound modeling studies. Given this uncertainty, the Code of Virginia should be amended to clarify that local governments have the authority to require sound modeling studies by data center developers and to review and consider the results in their land use decisions.

### RECOMMENDATION 7

The General Assembly may wish to consider amending the Code of Virginia to expressly authorize local governments to require sound modeling studies for data center development projects prior to project approval.

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The state could incentivize sound modeling by making eligibility for the sales and use tax exemption contingent on this work being performed for any new data center developments proposed near residential areas. For example, the General Assembly could amend the law to require any data center company with a data center that is proposed to be constructed in 2026 or later near a residential area or area zoned for residential development perform a sound modeling study and provide the results to the appropriate locality in order to qualify for the exemption.

### POLICY OPTION 7

The General Assembly could amend the Code of Virginia to require that, as a condition for receiving the sales and use tax exemption, data center companies conduct a sound modeling study prior to the development of a proposed data center that is to be located within a certain distance of a residential development or area zoned for residential development and provide the study findings to the appropriate locality.

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#### ***Localities also need the ability to address noise issues that occur once a data center is operational***

Localities also need to be able to address data centers' noise once they are operational, but local ordinances have been largely ineffective at addressing data center noise concerns. Most local noise limits are defined using "A-weighted" decibels (sidebar). This metric is designed to target excessively loud noise from sources such as parties and barking dogs. The lower frequency noise data centers emit is not fully captured in "A-weighted" decibels. Therefore, data center noise rarely exceeds the allowable limits set in ordinances, despite the constancy of the sound being problematic for residents. To effectively address data center sounds that cause resident complaints, localities could

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**"Decibels"** are a pure unit of measurement of sound's volume. When measuring sound, different modifications can be used to account for various frequencies. For example, "A-weighted" decibels prioritize frequencies perceived loudest by humans and therefore reduce particularly low frequencies. "C-weighted" decibel measurements account more for low frequencies.

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develop a supplemental noise limit defined using a metric that better accounts for low frequency sounds, such as “C-weighted” decibels.

Another challenge is that most localities address excessive noise in *noise ordinances*, and state law limits civil penalties for noise ordinance violations to \$500 after the first offense. Stakeholders have expressed concern that this small penalty is not sufficient to affect the behavior of the large companies that own data centers. Addressing noise limits through localities’ *zoning ordinances* would allow localities to better address data center noise. For example, the zoning ordinance could prescribe a process for measuring potential noise violations and penalties for not addressing them.

Some localities were unsure whether state law allows them to (i) establish maximum sound levels in alternative low frequency sound metrics and (ii) set noise rules and enforcement mechanisms in their zoning ordinances. The state should clarify that local governments have the authority to use these approaches to address data center noise.

#### **RECOMMENDATION 8**

The General Assembly may wish to consider amending the Code of Virginia to expressly authorize local governments to establish and enforce maximum allowable sound levels for data center facilities, including (i) using alternative low frequency noise metrics and (ii) setting noise rules and enforcement mechanisms in their zoning ordinances, separate from existing noise ordinances.

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# 7 Potential Changes to Data Center Sales Tax Exemption to Address Policy Concerns

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Virginia's data center retail sales and use tax exemption is a valuable incentive to data centers (providing \$928 million in savings in FY23), and about 90 percent of the industry (as measured by megawatts of power) uses the exemption. The General Assembly could therefore use the exemption to incentivize the industry to take actions that help address many of the concerns discussed throughout this report.

If consideration is given to amending the exemption, two factors should be considered. The exemption was adopted primarily to attract data centers to Virginia for economic development purposes, so any changes to advance other policy goals could make it a less effective economic development tool. The exemption is also consistent with tax policy principles that generally exempt businesses' production-related inputs (in this case computer and related equipment) and therefore provides equitable tax treatment with other capital-intensive industries that have business input exemptions.

## **Exemption changes could encourage continued data center growth, reduced energy demand, or a balance of these priorities**

The data center industry provides positive economic benefits to Virginia (Chapter 2). However, a primary concern about the growing industry is the immense increase in energy demand it will require (Chapter 3), which could increase costs to other customers (Chapter 4). The state could consider changes to the exemption to maintain data center industry growth, reduce energy demand by reducing industry growth, or attempt to balance these two competing priorities.

## **Extending the exemption could help Virginia maintain industry growth and associated economic and local tax revenue benefits**

The data center industry provides moderate economic benefits to Virginia and can provide localities that have them with substantial tax revenues. While economic benefits are concentrated in Northern Virginia, other regions of the state also benefit. For example, data center construction benefits equipment manufacturers and material suppliers in Tidewater, Southwest, and Southside Virginia. While historically only a few localities have benefited from data center tax revenues, the industry is rapidly growing. Data center projects are under development in at least 15 localities, most of which did not previously have data centers. Therefore, from an economic development perspective, the state may want to continue attracting the industry and maintain Virginia's position as a top global data center market.

The state's data center sales tax exemption is scheduled to expire in 2035, and data center representatives unanimously reported that expiration of the exemption would have a negative impact on the state's ability to attract new data centers and keep existing ones. Some companies indicated the expiration date could start to affect site selection and expansion decisions made in the next few years, because companies typically consider the costs of data center ownership over a 15- to 20-year period when making location decisions. Companies indicated that, without the exemption, the total cost of data center ownership and operation would significantly increase. Virginia is currently competing for new data center development with several other primary U.S. markets, almost all of which have data center exemptions. Without an exemption, data center representatives indicated any new development in Virginia would be limited to only what is "absolutely necessary," and development would likely shift to other markets.

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The 2023 General Assembly passed a **special data center sales tax exemption extension to 2040 or 2050** for companies that create 1,000 or 2,500 jobs (100 of which must meet above average wage requirements) and make a capital investment of at least \$35 billion or \$100 billion, respectively. So far, this extension applies to only one data center company, but several others may be interested in qualifying for this extension.

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To help Virginia remain competitive, the state could extend the exemption's expiration date. To influence future site selection decisions, an extension would need to be in place well before 2035. A reasonable new expiration year would be 2050, which would match the special extension that has already been created for companies that meet certain additional criteria (sidebar). The exemption should continue to have an expiration date, because this is considered an effective practice to ensure periodic scrutiny of its need and effectiveness.

#### **POLICY OPTION 8**

The General Assembly could amend the Code of Virginia to extend the expiration date for the state's sales and use tax exemption for data centers from 2035 to 2050.

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Extending the expiration date for the exemption, without making any other changes to it, would not address one structural issue with the exemption. Most of the economic benefits of the exemption occur during data center construction, but the exemption provides companies with substantial tax benefits in subsequent years after economic benefits have declined.

### **Allowing the exemption to expire could help reduce industry growth and associated energy demand**

Virginia's utilities have historically been able to keep up with energy demand, but even if data center energy use grows at only half the forecasted rate, the state will need to make enormous investments in energy infrastructure. While data centers will incur much of the cost of new infrastructure investments, energy rates for all users are likely to increase. Growing energy demand could also make it more difficult for the state to meet goals set forth in the Virginia Clean Economy Act.

If the General Assembly wishes to slow down the data center industry's growth in Virginia because it determines that energy concerns outweigh the industry's economic benefits, it could allow the sales tax exemption to expire in 2035. While it is difficult to gauge the exact effect this would have, it is likely industry growth would slow and

could eventually stop or even contract. If the industry contracts, it would reduce the need for future generation and transmission infrastructure but would actually increase energy costs paid by other ratepayers, who would have to share a larger portion of current systemwide costs. While the state could allow the exemption to expire only in certain localities or regions, like Northern Virginia, that approach would be less effective in reducing overall growth in energy demand. Industry growth is occurring in several counties outside of the Northern Virginia region and is expected to continue, so allowing the exemption to expire in Northern Virginia while extending it elsewhere would not address the energy impacts where much of the future industry growth is likely to occur (sidebar).

If the General Assembly allowed the exemption to expire in 2035, it would need to determine how to treat the large subset of data centers that will likely qualify for the special 2040 or 2050 extension. This extension currently pertains only to Amazon Web Services, but other companies may be interested in developing agreements to use the extension. Disallowing Amazon Web Services from using the extension would likely affect its custom performance grant agreement with the state to develop multiple data center facilities throughout Virginia, which was negotiated under the assumption the company would receive the extension, and could be subject to legal challenges.

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**Outside of the Northern Virginia planning district**, data center projects are currently under development in the counties of Caroline, Chesterfield, Culpeper, Fauquier, Hanover, Henrico, Louisa, Mecklenburg, Pittsylvania, Powhatan, Spotsylvania, and Stafford. Dominion Energy expects the Stafford area to “become another super large market” like Loudoun and Prince William counties.

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## POLICY OPTION 9

The General Assembly could allow the sales and use tax exemption for data centers to expire in 2035.

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### Exemption could be changed to balance industry growth with energy impacts

By either extending the exemption or allowing it to expire, the state would be choosing either economic benefits or reduced energy impacts. An alternative approach is to try and balance these competing objectives. The state could do this by allowing the *full* exemption to expire in 2035 (or ending it before then) and applying a *partial* tax exemption to 2050.

The size of a partial exemption could depend on whether the state wants to emphasize economic benefits or reduced energy impacts. For example, under the current exemption, qualifying companies are exempt from paying the full 4.3 percent state share of the retail sales and use tax and local and regional portions (sidebar). Focusing on the state share, a partial exemption could require qualifying companies to pay a 1 percent sales tax, which would keep much of the exemption’s value intact and would likely remain somewhat effective at promoting industry growth (but would do less to reduce energy use). Alternatively, qualifying companies could be required to pay a higher 3 percent sales tax, which would likely be less effective at promoting industry growth and so would reduce future energy use more. By choosing a higher partial tax rate, the state could risk losing some of its existing data centers, particularly in Northern

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**The statewide retail sales and use tax** includes a 4.3 percent state share, a 1 percent local option share, and an additional 0.7 percent to 1.7 percent regional share, depending on the region.

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Virginia, although this risk may be diminished by the region's many attributes that make it so attractive to the industry.

The state would need to determine if the partial exemption would apply to data centers that qualify for the existing special 2040 or 2050 extension. This extension currently pertains only to Amazon Web Services, but other companies may be interested in developing agreements to use the extension. To be most effective at addressing energy impacts, and to maintain a level playing field for competitors, the same or a similar partial exemption could also be applied to these data centers.

### POLICY OPTION 10

The General Assembly could amend the Code of Virginia to extend a partial sales and use tax exemption for data centers from 2035 to 2050.

A partial exemption would also better align the economic benefits the state receives with the exemption's value. Most economic benefits occur during construction, and switching to a partial exemption in 2035 would reduce the value of the exemption in later years when the economic impacts of current and planned data centers could be expected to slow. A partial exemption would also generate more revenue for the state. For example, a 1 percent partial sales tax would have generated approximately \$160 million in state tax revenue in FY23.

## Exemption changes could address other policy concerns related to the data center industry

Virginia's sales tax exemption currently requires...

**50 new jobs** located at the data center, associated with operations or maintenance.

**Jobs pay at least 150%** of the prevailing annual average wage of the locality where the data center is located.

**\$150 million in capital investment.**

Requirements are lower for data centers in economically distressed localities (10 jobs and \$75 million capital investment).

If the decision is made to extend the exemption, this report provides several options the General Assembly could enact to modify it and address concerns in specific policy areas (Table 7-1). These policy options would add new requirements, in addition to the existing requirements, for data centers to be eligible to receive the exemption (sidebar). These options could be phased in gradually to give data center companies enough time to implement them, and the General Assembly could decide to enact some but not others.

The General Assembly will need to determine its primary policy goals for the industry to determine whether to add new requirements to the exemption. If some or all of these policy options were adopted, it would likely make the exemption harder to use and more complex to administer. Alternatively, the General Assembly could pass legislation *requiring* the industry to take these actions, regardless of whether they qualify for the exemption, but this approach could lead to some data centers choosing to either shut down or operate in violation of the law.

The policy options in Table 7-1 would require changes to the Memoranda of Understanding (MOUs) all data center companies are required to enter into with the Virginia Economic Development Partnership (VEDP) to receive the exemption. Current law allows all of a company's data centers in a specific locality to collectively qualify for

the exemption. Therefore, the company reports data to VEDP for all of its data centers in each locality where it operates rather than by each individual data center. Policy options that apply only to new data centers might require changing MOUs to apply to each individual data center or to have addenda to the MOUs that identify the individual eligible data centers. VEDP would need to determine exactly how MOUs would need to be restructured.

VEDP would also need to determine the evidence data center companies would need to provide to qualify for the exemption, which would likely add to the complexity of administering the exemption. For example, companies could be required to provide appropriate documentation before a new data center becomes operational to qualify for the exemption. Alternatively, companies could be allowed to self-certify under the condition that documentation must be provided if requested by VEDP or Virginia Tax. VEDP would need to develop guidelines for how to implement any new compliance requirements and set forth new terms in the MOUs.

**TABLE 7-1**

**General Assembly could modify the sales tax exemption to address energy, natural resource, historic resource, and residential impacts**

| Change                                                                                              | Issue Addressed           | Policy option |
|-----------------------------------------------------------------------------------------------------|---------------------------|---------------|
| <b>Options that could apply to <i>all</i> Virginia data center operations</b>                       |                           |               |
| Implement ISO-50001 Energy Management standard or equivalent                                        | Energy impacts and costs  | 1             |
| Implement ISO-14001 Environmental Management Systems standard or equivalent                         | Natural resource impacts  | 5             |
| <b>Options that could apply to <i>new</i> data centers built after a certain date</b>               |                           |               |
| No Tier 2 diesel generators in Northern Virginia Ozone Non-Attainment area without SCR systems      | Natural resource impacts  | 4             |
| Phase 1 historic resources study required, viewshed study required if near registered historic site | Historic resource impacts | 6             |
| Sound modeling (noise) study required                                                               | Residential impacts       | 8             |

SOURCE: JLARC staff analysis.

NOTE: ISO = International Organization for Standardization. SCR = Selective Catalytic Reduction systems that reduce emissions of nitrogen oxides, a major contributor to smog-forming ozone, and other harmful emissions.



## Appendix A: Study resolution

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### Resolution of the Joint Legislative Audit and Review Commission directing staff to review data centers

Authorized by the Commission on December 11, 2023

WHEREAS, there has been substantial growth in the data center industry in Virginia, particularly Northern Virginia which has the largest concentration of data centers in the world, Southern Virginia, the Greater Fredericksburg region, and the Greater Richmond region; and

WHEREAS, growth in the data center industry is expected to continue with increasing demand from deployment of advanced and innovative technologies used by individuals, business of all sizes across all industries, government agencies, and other organizations that require the digital infrastructure that data centers provide; and

WHEREAS, data centers can bring economic benefits to localities because they can create significant economic activity during construction, they can increase property tax revenue for local governments without placing high demands on government services like schools, and the clustering of data centers can make a region more attractive to other high tech businesses and help support ecosystems of vendors, service providers, and suppliers; and

WHEREAS, concerns exist over data centers because they require large amounts of energy, which can affect the broader energy market; they may have impacts on natural, historical, and cultural resources; and some citizens have expressed opposition to having data centers located near residential areas due to concerns over issues such as noise and the adverse visual impact; and

WHEREAS, the data center sales tax exemption is Virginia's largest economic development incentive, and JLARC conducted an in-depth review of the exemption in 2019; now, therefore, be it

RESOLVED by the Joint Legislative Audit and Review Commission that staff be directed to review the overall impacts of the data center industry in Virginia and state and local policies regarding the industry. In conducting its study staff shall (i) research recent and expected trends in factors impacting data center industry growth and forecast future growth of Virginia's data center industry, taking into account how various factors may affect these projections; (ii) assess impacts of the data center industry on Virginia's natural resources, as well as historic and cultural resources, and identify potential technologies that could reduce their impacts on these resources; (iii) assess the impacts of the data center industry on current and forecasted energy demand and supply in Virginia, including how data centers will likely affect future energy infrastructure needs, energy rates paid by customer classes and whether cost allocation methods ensure no single customer class is unreasonably subsidized by other customer classes, and the state's ability to transition from fossil fuels to renewable energy sources; (iv) estimate the impact of the data center industry on local revenue and assess how local tax policies may affect data centers; (v) identify how data centers may impact local residents, including concerns such as noise pollution, decreasing property values, and

the adverse visual impact; (vi) identify considerations around the construction and siting of data centers, and review how zoning and regulatory restrictions and requirements can affect data center deployment; (vii) identify guidance and assistance state agencies could provide to local governments for use in making decisions about the location and expansion of data centers; (viii) assess whether more geographically diverse data center industry growth would provide greater economic benefits to the Commonwealth, and if so, identify obstacles to attracting data centers to other areas, particularly economically distressed or rural regions of the state, and policy changes that could increase geographic diversity, such as changes in electricity policy, tax policy, and broadband infrastructure policy; (ix) compare Virginia's competitiveness in attracting data centers with other states; and (x) determine if Virginia's data center tax exemption could be improved, including whether the exemption could be better targeted, the level of benefit is appropriate given the cost, or other changes should be considered.

JLARC may make recommendations as necessary and may review other issues as warranted.

All agencies of the Commonwealth, including the Virginia Department of Energy, the Virginia Department of Environmental Quality, the State Corporation Commission, the Virginia Economic Development Partnership Authority, the Virginia Department of Taxation, and Virginia local governments shall provide assistance, information, and data to JLARC for this study, upon request. JLARC may use consultants as necessary to complete the study. JLARC staff shall have access to all information in the possession of agencies pursuant to § 30-59 and § 30-69 of the Code of Virginia. No provision of the Code of Virginia shall be interpreted as limiting or restricting the access of JLARC staff to information pursuant to its statutory authority.



## Appendix B: Research activities and methods

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Key research activities performed by JLARC staff for this study included:

- structured interviews with local residents and stakeholder groups, data center companies and developers, state and local officials, electric and water utility companies, and subject-matter experts;
- contracts with consultants to produce an independent energy demand forecast for Virginia and its utilities, and model how future data center growth in Virginia is likely to impact energy supply, demand, emissions, and cost;
- site visits to data centers and nearby communities;
- development of inventories of (i) operational and (ii) planned data centers;
- economic impact analysis of the data center industry (see Appendix D);
- data collection and analysis, including on data center water usage, emissions, capital expenditures, employment and tax benefits amongst users of the data center tax exemption, and data center proximity to residential areas;
- review of state and local laws, ordinances, reports, and policies relevant to energy, natural and historic resources, land use, and noise;
- review of research literature relevant to data centers, energy, natural and historic resources, and noise; and
- review of other documents, literature, and media sources.

### Structured interviews

Structured interviews were a key research method for this report. JLARC staff conducted over 250 interviews with 165 different stakeholders.

### *Residents and stakeholder groups*

JLARC staff conducted interviews with nearly 20 local residents and resident stakeholder groups, such as neighborhood associations, including those in Fairfax, Fauquier, Henrico, Loudoun, and Prince William counties. These interviews focused on the impact of data centers on local residents and communities, such as viewshed and noise issues.

JLARC staff also conducted roughly 20 interviews with state and regional stakeholders groups, including those that represent data center companies, electric cooperatives, construction tradespeople, land conservation and preservation, battlefield preservation, sustainability and the environment, and local and tribal interests. Staff interviewed the American Battlefield Trust, Clean Virginia, Cultural Heritage Partners, Data Center Coalition, Friends of the Rappahannock, Northern Virginia Technology Council, Preservation Virginia, Sierra Club, Southern Environmental Law Center, Virginia Association of Counties, Virginia Association of Soil and Water Conservation Districts, Virginia Chapter of the American Planning Association, Virginia Clinicians for Climate Action, Council of Virginia Archaeologists, Virginia Data Center Reform Coalition, Virginia Farm Bureau Federation, and Virginia, and Maryland & Delaware Association of Electric Cooperatives. Staff also interviewed

representatives of the Pamunkey tribe. These interviews covered a range of topics related to the impact of data centers.

### ***Data center companies and developers***

JLARC staff conducted nearly 40 interviews with 12 data center companies and developers. These companies operate colocation and hyperscale data centers in Virginia and include industry leaders. These interviews covered a range of topics, including their data center operations in Virginia, the economic impact of data centers, data center site selection, energy issues and sustainability, and the impact of data centers on natural and historic resources, local planning, and community impacts.

### ***State agency staff***

JLARC staff conducted more than 30 interviews with state agency staff, including staff from the Virginia Department of Environmental Quality (DEQ), State Corporation Commission, Virginia Economic Development Partnership, Virginia Department of Taxation, Virginia Department of Conservation and Recreation, Virginia Department of Historic Resources, Virginia Department of Forestry, Virginia Department of Agriculture and Consumer Services, Virginia Department of Energy, Virginia Department of Housing and Community Development, and Virginia Department of General Services. These interviews covered a range of topics related to the impact of data centers, including energy issues, issues related to natural and historic resources, and economic development.

### ***Local government staff***

JLARC staff conducted more than 50 interviews with local government staff and elected officials in Caroline, Chesterfield, Culpeper, Fairfax, Fauquier, Frederick, Henrico, Loudoun, Mecklenburg, Prince William, Stafford, and Wise counties, and the town of Warrenton. These interviews covered a range of topics, including planning and zoning, economic development, environmental services, public works, historic resources, and local tax and revenue impacts.

### ***Federal government staff***

JLARC staff conducted interviews with staff at the U.S. Army Corps of Engineers, U.S. Department of Agriculture, and U.S. Environmental Protection Agency. These interviews generally focused on the impact of data centers on natural resources.

### ***Electric companies and cooperatives in Virginia and Virginia's regional transmission organization***

JLARC staff conducted more than 20 interviews with electric companies and cooperatives in Virginia, including Dominion Energy, Appalachian Power Company, and the Central Virginia, Mecklenburg, Old Dominion, Northern Virginia, and Rappahannock electric cooperatives. These interviews focused on the impact of data centers on energy demand, supply, and rates. Interviews with Dominion Energy also focused on energy transmission and generation issues.

JLARC staff also interviewed the PJM regional transmission organization, which serves Virginia. These interviews focused on energy transmission and generation in the region, as well as the impact of data centers on energy demand and supply.

### ***Water utilities***

JLARC staff conducted 15 interviews with local water utilities, including those in Caroline, Fairfax, Fauquier, Henrico, Loudoun, Mecklenburg, Prince William, Stafford, and Wise counties. These interviews focused on the impact of data centers on water utilities, planning, and availability.

### ***Subject-matter experts***

JLARC staff conducted more than 25 interviews with subject-matter experts across a range of topics related to data centers. These experts included researchers at the Cooling Technologies Research Center at Purdue University, Lawrence Berkeley National Laboratory, National Renewable Energy Laboratory, Occoquan Watershed Monitoring Laboratory, and Rutgers Noise Technical Assistance Center; experts at engineering, law, and real estate firms with experience working with data centers; and leading data center construction materials and equipment manufacturers, such as a steel fabricator and generator manufacturer.

### ***Contracts with consultants***

JLARC contracted with faculty from the Weldon Cooper Center for Public Service at the University of Virginia (Weldon Cooper Center) to develop an independent energy demand forecast for Virginia and its utilities. JLARC also contracted with consulting firm Energy + Environmental Economics (E3) to model how data center growth in Virginia is likely to affect future generation and transmission needs and whether the associated costs of system changes could be passed on to residential ratepayers. E3's work was divided into two projects: (1) grid modeling and (2) cost of service and rate impacts.

Additionally, JLARC contracted with Terance Rephann and Joao Ferreira, regional economists at the Weldon Cooper Center, to assist in the economic impact analysis. The methods used for the economic impact analysis are described in Appendix D.

### ***Weldon Cooper Center energy demand forecast***

WCC was contracted to develop an independent energy demand forecast for Virginia that accounts for the expected growth of the data center industry. WCC collected data on historical retail energy sales for Dominion Energy, Appalachian Power Company (APCO), and utilities serving the rest of Virginia. WCC collected additional data on retail energy sales to *data center* customers for the utilities that currently serve most of the Virginia data center industry: Dominion, Northern Virginia Electric Cooperative (NOVEC), and Mecklenburg Electric Cooperative (MEC). WCC also collected data on metered load forecasts for data center customers in the Rappahannock Electric Cooperative (REC). REC does not currently have any operational data center customers, but a substantial number of new, large data center campuses are planned to be built in REC's distribution service territory.

Using historical energy sales data, WCC applied advanced statistical methods to develop an *unconstrained energy demand* forecast for Virginia. The unconstrained demand forecast shows what demand would be before accounting for constraints like the ability to build enough energy infrastructure to meet demand. WCC also developed a forecast for *half of unconstrained demand* to provide a lower-growth scenario for analysis purposes. Finally, WCC developed a *no new data center demand* forecast so that the effects of the industry on energy demand could be isolated for analysis purposes. WCC's forecast

made several projections, including baseload demand growth from all non-data center customers, demand growth from data center customers, and demand growth from electric vehicles. Additional details on the data and statistical methods used to develop the forecast are detailed in WCC's final report to JLARC staff.

WCC's forecasts cover the period from 2025 to 2050 because VCEA requires carbon emitting generation owned by Dominion and APCO to be retired by 2045 and for the utilities to have all energy from non-carbon emitting sources by 2045 (Dominion) or 2050 (APCO). However, because forecasts become more speculative the farther out they go, this report shows energy demand forecasts up to 2040. The energy demand forecasts for later years are detailed in WCC's final report to JLARC staff.

One of the limitations of the WCC forecasts is that historical data does not fully capture some of the trends that are likely to drive future data center growth, such as how artificial intelligence (AI) will be developed and deployed. However, the unconstrained demand forecast is within the bounds of what can be expected in the next five-plus years based on the electric service and construction agreements that utilities report having in place with data center customers. It is important to note that because forecasts were developed using actual, historical energy sales, they are not subject to distortion by speculative capacity requests from developers or data center companies.

### ***Energy + Environmental Economics grid modeling (project 1)***

E3 developed a model of the regional PJM generation and transmission grid. E3 then converted the WCC *energy* demand forecasts into *peak load* demand forecasts that estimate the highest overall power demand that would be placed on the grid each year, under different scenarios. The peak load forecast considered daily and seasonal energy use trends and weather patterns. E3 then modeled three main demand scenarios. For each of the demand scenarios, the model considered the most feasible and economical approaches to meeting infrastructure needs with and without the requirements of the Virginia Clean Economy Act (VCEA).

- Scenario 1: unconstrained demand, with and without VCEA. E3 also modeled variations where unconstrained demand and VCEA requirements could be met by using high levels of nuclear and renewable generation or by better regional coordination across PJM.
- Scenario 2: half of unconstrained demand, with and without VCEA.
- Scenario 3: no new data center demand, with and without VCEA.

E3's modeling used industry standard approaches and tools used for electric utility and state energy planning purposes. The model applied constraints on the amounts of infrastructure that could be built by 2030 using historical build rates, relaxed those constraints for 2035, and removed most constraints for 2040 and following years. Modeling was based on state and federal laws and regulations in place in 2024. For VCEA scenarios, the model followed the "letter of the law" and assumed that certain requirements—such as the Renewable Portfolio Standards and associated Renewable Energy Certificate requirements for investor-owned utilities—would not apply to electric cooperatives. This assumption has a significant impact because a majority of future data center growth is expected to occur in the electric cooperatives' distribution service territories. Societal costs, such as the social cost of carbon, were not explicitly included in the model. Additional details on the exact methods and assumptions used to develop the model are detailed in E3's final report to JLARC staff.

For each scenario, the model predicted the mix of generation and transmission capacity that would be needed to meet demand, the resulting mix of generation energy sources (including energy imports), and their associated emissions. Outcomes were developed for the Dominion transmission zone, Virginia, and the PJM region. The model also predicted system costs for the Dominion transmission zone, where most data center growth is expected to occur. Each scenario outcome was tested to ensure that the system being built would be functional and meet industry standard reliability requirements.

E3's grid modeling covers the period from 2025 to 2050 because VCEA requires all carbon emitting generation owned by Dominion and APCO to be retired by 2045 and for the utilities to have all energy from non-carbon emitting sources by 2045 (Dominion) or 2050 (APCO). However, because energy demand forecasts and generation options become more speculative in further out years, this report only shows model results up to 2040. The model's results for later years are detailed in E3's final report to JLARC staff.

### ***Energy + Environmental Economics cost of service and rate impact analysis (project 2)***

For the cost-of-service analysis, E3 examined how costs were being incurred and allocated to different customer classes under the rate structures in place at Dominion Energy, NOVEC, and MEC. The purpose of this analysis was to determine if the current rate structures were wholly recovering costs from the customers who are incurring those costs. E3's cost-of-service analysis was done using industry standard approaches and tools for electric utility planning purposes. Additional details on the exact methods and assumptions used in this analysis are detailed in E3's final report to JLARC staff.

For the rate impacts analysis, E3 focused on how changing demand could affect generation and transmission costs for residential ratepayers in Dominion's distribution service territory. Dominion was chosen because of its large size and concentration of data centers. Residential rate changes were a key focus because they show how Virginia households could be affected by growing data center demand and are indicative of how other customers, such as businesses, might be affected.

E3's analysis of rate impacts followed three steps. First, E3 estimated total costs that would be attributable to the Dominion transmission zone, under the different energy demand scenarios discussed above, using its grid model. Second, for the Dominion distribution service territory, E3 estimated how costs would be allocated to residential customers, assuming that the company regularly reallocated costs to its different customer classes using current state- and federally approved allocation methodologies. Third, E3 translated these costs into the incremental cost per kilowatt-hour that would be passed on to residential ratepayers.

E3's rate impact analysis was limited to generation and transmission cost increases that could be attributed to growing data center demand. The analysis captures the cost of transmission needed to increase capacity into the Dominion transmission zone (interzonal transmission) and to interconnect with new generation sources. A significant portion of potential future transmission costs, associated with transmission projects *within* the Dominion transmission zone (intrazonal transmission), were not captured because these projects and their costs cannot easily be predicted. The analysis did not consider potential changes to distribution rates because most increases in distribution costs from the data center industry are effectively allocated to and recovered from these customers. E3's analysis also did not consider how Dominion's allowable profit margin would factor into rate impacts.

JLARC staff converted E3's rate impact data to show how a typical residential customer, using 1,000 kilowatt-hours of energy per month, could be affected. JLARC staff's conversion included an adjustment to account for Dominion's allowable profit margin but did not incorporate several other costs that affect the total residential bill. Consequently, Dominion's total residential bill projections, from its integrated resource plan, show much larger overall increases than the numbers presented in this report. Dominion's projections apply to the whole residential bill and include several costs that are not captured in JLARC's analysis, such as distribution costs and the cost of some additional transmission and generation projects that may not be solely attributable to data centers. Dominion's residential bill projections are also in nominal dollars that have been adjusted upward using an inflation assumption whereas JLARC's are held in constant (or real) 2024 dollars to show the real growth of costs that consumers will experience, independent of inflation. The demand forecast that Dominion uses in its rate projections is similar to the WCC unconstrained demand forecast but substantially higher than the half of unconstrained demand forecast.

### **Site visits**

JLARC staff conducted site visits to two operational data centers in Virginia, including one in Loudoun and one in Henrico. Staff conducted these site visits to better understand how data centers are designed and operated. For example, staff observed the data halls, power and cooling systems, and backup generators, and listened to noise levels throughout the facilities. Staff also spoke with a variety of personnel at the data centers, including facility operations managers and operational and maintenance staff.

Additionally, JLARC conducted multiple site visits to observe areas with data center development and neighborhoods with nearby data centers. Two of these site visits were led by stakeholder groups with extensive participation in local zoning processes and studies of data centers. JLARC visited eight neighborhoods close to operational data centers or data centers in various stages of development. At all but one of those locations, JLARC staff spoke with residents about their perspectives on the data centers. Additionally, JLARC visited a commonly used trail adjacent to a data center and visited land within Manassas National Battlefield next to property rezoned for a data center.

### **Data center inventories**

JLARC staff developed an inventory of the operational data centers in Virginia. This inventory was used to map the presence of the industry in Virginia. The inventory was based on data provided by DEQ listing data center sites with active air emissions permits (which all Virginia data centers have for their diesel generators). This data was as of August 2024. Staff used the address field in this data to search county real estate assessment records, using these records to (i) confirm the address was associated with a data center and (ii) identify the size of the site (in terms of acres), the number of buildings on the site, when they were built, and their size (in terms of square feet). In a few instances, county records did not list the size of the building. In these instances, JLARC staff estimated the size of the building(s) on the site based on the total capacity (megawatts) of the generators permitted by DEQ.

Staff cross-referenced this information where possible, using publicly available information from data center company websites, the Existing and Proposed Data Centers map developed by the Piedmont

Environmental Council, and other websites that track the data center industry, such as Datacenter-Hawk. From this cross-referencing, JLARC staff identified a few sites that appeared to be data centers but were not associated with a DEQ permit. In these instances, JLARC staff estimated the capacity of the site (megawatts) based on the size of the building(s) listed on the site's real estate assessment record.

JLARC staff also developed a list of data center sites currently under construction, planned, or proposed in Virginia. This information was used to assess where data center growth is expected to occur in the state. To develop this inventory, staff monitored media articles announcing new and proposed data center development, such as those published by Data Center Dynamics and local news outlets. Staff also identified information about proposed data center sites by reviewing local data center-related zoning and permitting requests.

## **Data collection and analysis**

### ***Local data center tax revenue***

JLARC staff calculated the proportion of local revenue that comes from data centers by collecting data center tax revenue from localities and comparing it to their total local revenue reported in the Auditor of Public Accounts' Comparative Report of Local Government Revenues and Expenditures for FY23.

### ***Data center generator permit, emissions, and violations data***

DEQ provided JLARC staff air permit data for Virginia data centers (who were identified by DEQ), including data center permitted generator numbers and energy capacities, maximum allowed annual emissions, and actual emissions from 2015–2023. Additionally, JLARC staff used DEQ annual point source emission data, enforcement action data (including notices or violations and any charges assessed), and National Emissions Inventory data for Northern Virginia in 2017 and 2020.

JLARC staff created summary statistics of data center permit information (such as generator numbers and maximum allowed emission) and actual emissions and examined trends across time, regions, and localities. Using a map generated through JLARC's data center inventory, JLARC staff also examined clusters of data centers and cumulative local emissions from data centers.

To understand how data center emissions compare to other industries and contribute to overall emissions, JLARC staff compared data center emission and violation data to that of other Virginia air permit holder groups from 2015–2023. Additionally, JLARC staff estimated the current and potential portion of Northern Virginia air emissions resulting from data centers using 2020 National Emissions Inventory data.

### ***Data center water use***

JLARC staff received 2023 data center water usage information from water utilities serving Fairfax, Henrico, Loudoun, Mecklenburg, and Prince William counties as well as the town of Wise. Usage was typically reported for anonymous, individual data center buildings. However, one utility shared combined data for all of their data centers buildings, and one shared all water meter data for data center companies but did not combine use by building. (Some data centers have multiple water lines.) Reclaim

water use amounts were identified in the data. Two utilities shared annual usage data; three shared monthly usage data; and one shared daily usage data. Five utilities were able to share some amount of information related to data center water use trends since 2019 or later. All utilities shared their total annual customer base water usage for 2023.

JLARC staff used this data to calculate individual and cumulative data center water usage amounts, including the portion of a local utility's water that goes to data centers. JLARC also examined data center water usage seasonal trends and trends in recent years. JLARC analyzed data center water usage relative to other industries and water users in Virginia based on DEQ's 2023 Annual Water Resources reports; non-agricultural, non-public utility withdrawal data shared by DEQ; and the U.S. Energy Information Administration's 2012 Commercial Buildings Energy Consumption Survey water use statistics.

### ***Land conversion due to data centers***

JLARC estimates of land conversion due to data centers are based on data center development land area summary statistics calculated in JLARC's data center inventory. These land area amounts were compared to statewide and locality natural land losses recorded in the U.S. Department of Agriculture's 2022 Census of Agriculture state-level data and the federal Multi-Resolution Land Characteristics Consortium's National Land Cover Database Enhanced Visualization and Analysis tool.

### ***Proximity of data centers to residential zones***

JLARC staff analyzed the distance between operational Virginia data center sites and residential zoning. This analysis was limited to eight localities that account for the vast majority (93 percent) of data center sites in the state. JLARC measured the distance between each operational data center site and the nearest residential zoning using the interactive maps on localities' websites. This measurement indicates the distance between property lines, but the distance between data center buildings and homes is greater because data center buildings tend to be located away from the property line. JLARC staff captured the smallest distance to residential zoning across the multiple parcels that comprise a single data center site. JLARC focused on residential zoning because the zoning classification reflects uses of a property permissible under current local ordinances. However, this approach sometimes *overstates* the distance between a data center site and residences in situations where land is zoned residential but contains no homes. The reverse is also true; this approach sometimes *understates* the distance between data center sites and residences in situations where land contains homes but is not zoned residential. JLARC summarized the proportion of data center sites very close to residential zoning (defined as within 200 feet, which is approximately half the length of a football field) and somewhat close to residential zoning (defined as within 500 feet, which is approximately 1 ½ times the length of a football field) (Table B-1).

JLARC also analyzed the change over time in the proportion of data center sites near residential zoning. For each data center site in the analysis, JLARC identified whether the site existed in 2015 using annual DEQ data about air emission permits, which Virginia data center sites have for their diesel generators. For the group of data center sites with any generators reported to DEQ in 2015, JLARC calculated the proportion within 200 and 500 feet of residential zoning. JLARC then compared those



proportions to the proportions of all data center sites within those specified distances to examine whether data center proximity to residential zoning has increased over time.

**TABLE B-1**  
**Proportion of data center sites near residential zoning varies by Virginia locality**

| Locality                                                      | Proportion of data center sites within<br>specified distance of residential zoning |          | Total data<br>center sites |
|---------------------------------------------------------------|------------------------------------------------------------------------------------|----------|----------------------------|
|                                                               | 200 feet                                                                           | 500 feet |                            |
| Loudoun                                                       | 24%                                                                                | 34%      | 71                         |
| Prince William                                                | 21%                                                                                | 21%      | 24                         |
| Fairfax                                                       | 55%                                                                                | 70%      | 20                         |
| Henrico                                                       | 38%                                                                                | 38%      | 8                          |
| Chesterfield, Culpeper, Fauquier, Virginia Beach <sup>a</sup> | 25%                                                                                | 38%      | 8                          |
| Total                                                         | 29%                                                                                | 37%      | 131                        |

SOURCE: JLARC analysis of localities' interactive map websites and JLARC inventory of operational data centers.

NOTE: Six data center sites were excluded from the analysis because data on proximity to residential zoning was not available or reliable.

<sup>a</sup> These four localities are combined because the number of data center sites in each locality is very small.

## Document and research literature review

JLARC staff reviewed numerous documents and literature pertaining to data centers, such as:

- Virginia state laws, regulations, and policies relevant to energy, natural and historic resources, land use, and noise;
- studies, reports, data, and other information on data center market size and forecasting data center industry growth;
- reports, presentations, and regulatory filings from Dominion Energy, electric cooperatives, and the PJM regional transmission organization, including those related to energy load, load forecasts, and transmission, generation, and distribution projects;
- research literature and stakeholder reports on natural and historic resources; data center backup power and cooling technologies; and data center, other land use, and technology impacts on natural and historic resources;
- federal, state, and local government reports, assessments, webpages, and other documents on natural and historic resources, data center, other land use, and technology impacts on these resources, land use best practices;
- local comprehensive plans, ordinances, and policies relevant to land use and noise;
- local government presentations and reports relating to data centers including documents prepared by staff, consultants, and workgroups;
- summaries of local approaches to data center regulation and recommended practices;
- documents and journal articles describing the science of sound waves, sound modeling processes, ways to reduce sound levels, and government approaches to regulating sound; and
- local, national, and international news media coverage of the data center industry.

***Review of local ordinances and specific data center requests***

JLARC staff conducted an in-depth examination of the way nine localities in Virginia govern data centers. The review included localities with the most existing data centers in Virginia (Loudoun, Prince William, Fairfax, Henrico, Mecklenburg), as well as several localities that have recently approved their first data centers (Caroline, Fauquier, Stafford, Warrenton). JLARC staff searched for ordinances specific to data centers, as well as other ordinances applicable to data centers due to their location or use category. The review focused on local rules regarding density (e.g., height, lot coverage), architecture (e.g., building materials), site layout (e.g., building setbacks), landscaping, and equipment screening. When specific to data centers, local rules related to environmental, water use or cooling systems, and electricity infrastructure were also identified.

Additionally, JLARC reviewed staff reports for 19 specific data center requests to local elected officials. These reports provided elected officials with information about requests for rezonings, special permits, and exceptions to local ordinances. JLARC staff reviewed reports from Caroline, Fairfax, Henrico, Loudoun, and Prince William counties and the town of Warrenton. The purpose of reviewing these staff reports included learning about the types of potential positive and negative impacts from data centers, the types of conditions beyond minimum requirements that developers committed to, the standards against which local staff evaluated data centers, the frequency of data center development that was not by right, and the alignment between staff recommendations and the decision of elected officials.

## Appendix C: Agency responses

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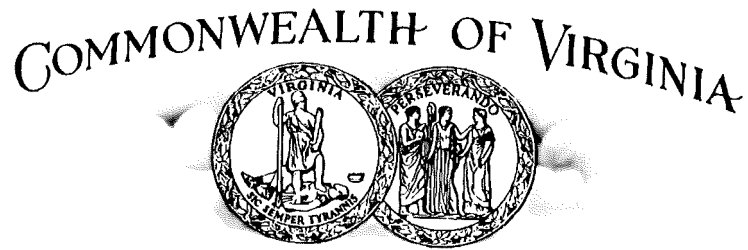
As part of an extensive validation process, the state agencies and other entities that are subject to a JLARC assessment are given the opportunity to comment on an exposure draft of the report. JLARC staff sent relevant portions of the exposure draft to the State Corporation Commission (SCC), Virginia Economic Development Partnership (VEDP), Virginia Department of Environmental Quality, Virginia Department of Historic Resources, Dominion Energy, Northern Virginia Electric Cooperative, and Rappahannock Electric Cooperative.

Appropriate corrections resulting from technical and substantive comments are incorporated in this version of the report. This appendix includes response letters from the SCC and VEDP.

JEHMAL T. HUDSON  
COMMISSIONER

SAMUEL T. TOWELL  
COMMISSIONER

KELSEY A. BAGOT  
COMMISSIONER



Item B.

BERNARD LOGAN  
CLERK OF THE COMMISSION  
P.O. BOX 1197  
RICHMOND, VIRGINIA 23218-1197

## STATE CORPORATION COMMISSION

November 22, 2024

Mr. Hal E. Greer, Director  
Joint Legislative Audit and Review Commission (JLARC)  
919 East Main Street, Suite 2101  
Richmond, VA 23219

Dear Mr. Greer:

The State Corporation Commission appreciates the opportunity to review the draft of relevant portions<sup>1</sup> of the JLARC report, *Data Centers in Virginia* provided to Staff on November 13, 2024. The Commission Staff provided its high level feedback to JLARC Staff during a meeting held on Friday, November 22, 2024.

Please let us know if we may be of further assistance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jehmal T. Hudson", is written over a horizontal line.

Jehmal T. Hudson  
Chairman, State Corporation Commission

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<sup>1</sup> Sections 3 and 4, and Appendices F, G, I, and J.



November 21, 2024

Mr. Hal E. Greer, Director  
Joint Legislative Audit & Review Commission  
919 East Main Street, Suite 2101  
Richmond, VA 23219

**Re: VEDP response to the draft JLARC report, *Data Centers in Virginia***

Dear Mr. Greer:

Thank you for providing an opportunity for us to review relevant sections of chapters 1, 2 and 7 of the Joint Legislative Audit & Review Commission's (JLARC's) draft report, *Data Centers in Virginia*.

The content we reviewed provides a helpful overview of the data center industry and its importance to the Commonwealth. As the report highlights, data centers are key hubs of the world's digital infrastructure, and their concentration in Virginia has helped establish the Commonwealth as a global tech hub. We particularly appreciate your meticulous survey of the data center industry's presence in Virginia, which accounts for over 63 million square feet of data center space across 150 sites and directly employs more than 8,000 people, in addition to supporting tens of thousands of additional jobs.

Since your last comprehensive review of the industry in 2019, the geographic distribution of data centers across Virginia has changed considerably. Although many of the legacy assets are still concentrated in Northern Virginia, the industry has become an important opportunity for the entire Commonwealth. This expansion, particularly into rural areas, has been facilitated by technologies such as Artificial Intelligence, which are less constrained by latency requirements compared to other applications. Reflecting this trend, seven localities that previously lacked data centers have either approved new campuses or have pending applications, including several rural and "distressed" areas. VEDP's current project pipeline suggests that the spread of data centers across more localities is expected to continue, provided that Virginia continues to offer a competitive sales and use tax exemption.

Your report also demonstrates the significant and far-reaching impact of the data center industry. Notably, the analysis estimates that the data center industry supports an impressive 74,000 jobs, \$5.5 billion in labor income, and \$9.1 billion in Virginia GDP overall to the state economy annually. In particular, we appreciate that your report shines a spotlight on the significant knock-on effects of the industry that extend to virtually every corner of the Commonwealth.

VEDP strongly agrees with the report's finding that the sales and use tax exemption has been an important part of the industry's growth and continues to drive site selection and expansion

Mr. Hal E. Greer  
November 21, 2024  
Page 2 of 2

decisions. VEDP has responsibility for administering, in cooperation with the Department of Taxation, this important program on behalf of the Commonwealth and is pleased to see that new data collected by VEDP is serving to strengthen transparency. Your analysis adeptly leverages this data to demonstrate the significant state and local tax revenues generated by the industry.

This valuable report comes at a critical juncture for the data center industry. Coming on the heels of significant growth in recent years, the industry is expected to see continued, strong growth driven by demand for digital services and the emergence of new technologies, like Artificial Intelligence. These trends raise important questions about the implications of this growth.

Your report underlines various considerations that legislators will need to balance as they think about the future of the state's support for the data center industry. You correctly point out that sustaining the growth of the industry and its critical contribution to Virginia's economy will require action on the current 2035 sunset of the data center sales and use tax exemption. Allowing the existing exemption to sunset would result in development shifting to competing markets, and those effects are likely already beginning to be felt given the long timeframes the industry uses to analyze their investments.

Nonetheless, VEDP recognizes that balancing competing interests may prompt legislators to seek out a new paradigm for support that navigates a challenging middle ground. The report is helpful in providing a number of different policy options for them to consider. In the context of thinking about these different options, we strongly agree with the report's warning that saddling an incentive program with competing policy priorities is not sound economic development practice. Furthermore, VEDP would caution against any action that could constitute a legal or moral failure to deliver on commitments to companies that have chosen to invest in Virginia and have entered into performance agreements or memoranda of understanding with the Commonwealth. This could expose the Commonwealth to legal risks and seriously undermine our credibility with prospective investors in the future.

As always, we appreciate the professionalism and engagement of JLARC staff during the project and compliment your team on its insightful analysis and reporting.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jason El Koubi', with a stylized flourish at the end.

Jason El Koubi  
President & CEO

## Appendix D: Economic impact modeling of the data center industry

Weldon Cooper Center staff conducted economic impact analyses of Virginia’s data center industry using IMPLAN (Impact analysis for PLANning) software. IMPLAN has been used in many economic impact studies and is one of the most common tools used in economic impact analysis. Models here were built using 2022 IMPLAN Pro data released in November 2023 that utilizes a 546-sector IMPLAN sector scheme (IMPLAN® model. n.d.). Tables were customized for Virginia and two of its regions using the software.

Input-output analysis using the model produces industry-specific multipliers that indicate how economic activity in one sector of the economy affects the overall state or regional economy. For this study, we were interested in how changes in the data center industry affect the state and regional economy. Outcome variables examined include total employment, state GDP, and labor income.

For estimating the impact of the industry net of the state data center exemption, the opportunity cost of state funds was accounted for by increasing government spending, equivalent to the exemption amount.

### Analysis included customization of IMPLAN sector for data centers to better reflect nature of the industry

Tracking the size and growth of the data center industry is challenging because of the absence of a specific industrial classification in government statistics. Data center activity often appears merged with the primary business operations of their parent firms, making their identification difficult<sup>1</sup>.

The North American Industrial Classification System (NAICS) code 518210—Data Processing, Hosting, and Related Services—is typically used as a proxy for data centers, but this approach introduces what is usually referred to as “aggregation bias,” as this category encompasses various unrelated activities that have a far higher representation in the sector than only data centers. For instance, an analysis of Virginia’s 2016 employment data for that sector (518210) reveals that only 15 percent of the total employment in the sector was data center employment, with other data centers, cloud computing, and cybersecurity-related support services making up perhaps 2–5 percent more. Indeed, most employment in this sector involves other IT services, such as document scanning and software development, particularly in federal IT contracting in Northern Virginia. (See *Data Centers and Manufacturing Incentives*, JLRARC 2019).

Data center employment is also dispersed across other industries. An examination showed that only 41 percent of data center jobs were classified under data processing, hosting, and related services. Significant portions were found in sectors like “wired telecommunications carriers” (30 percent), “telecommunications resellers” (10 percent), and “all other telecommunications carriers” (4 percent). This analysis excluded many enterprise data centers and colocated firms, whose employment is often reported under other business functions, further complicating efforts to track the industry accurately.

The IMPLAN sector for data centers that corresponds to the 518210 NAICS code for data centers is “436 - Data processing, hosting, and related services.” However, using this sector introduces significant bias, as data centers represent only a small portion of its total activity. More importantly, the

expenditure patterns of this IMPLAN sector do not reflect the specific characteristics of data center operations. Because of this, there is a substantial mismatch between the commodity demand and value-added characteristics of the IMPLAN sector 436 and what we know of data center expenditure patterns. For instance, in 2020, IMPLAN data showed that less than 1 percent of gross output is spent on “electricity transmission and distribution” (0.68 percent) and water, sewage, and other systems (0.02 percent) even though data center industry reports estimate that electricity alone accounts for 40 percent of data center operating expenditures<sup>ii</sup>. Data center representatives also estimated energy accounts for about 40 percent of their operating costs during structured interviews. Similarly, employee compensation is overestimated in the IMPLAN model, accounting for 24 percent of output compared with 15 percent in industry-specific studies. This may lead to an inflation of induced economic impacts by overstating the income distributed to households.

In income distribution, little is known about other aspects of data center value added that are important for estimating activity impact, such as profit generation, distribution, and taxes paid. Indeed, data centers have the potential to contribute to local economies through tax payments, which are then reinvested via local government spending. However, IMPLAN’s tax estimation methodology is quite generic and may not accurately reflect county- and state-level tax structures and exemptions. Therefore, modeling alternative tax scenarios with more realistic assumptions can help better estimate the local economic impacts of data centers.

The reliance on conventional and standardized IMPLAN sectors, particularly when key inputs are significantly misrepresented, leads to biased results in economic impact studies. Best practices in economic analysis suggest customizing expenditure patterns to more accurately reflect the unique characteristics of data center operations. Therefore, the expenditure patterns for IMPLAN sector 436 regarding electricity were increased to 40 percent and employee compensation was reduced to 15 percent. Sensitivity analysis was performed to see how changing these percentages affected results. For operational impacts, for example, customizing the IMPLAN sector to include 40 percent of electricity consumption lowers the employment multiplier for data center operations approximately 20 percent.

## **Analysis includes two modeling phases**

This analysis was split into two phases, the construction phase (capital spending for initial development of the data center) and the operations phase (ongoing) to help policymakers better understand the industry’s short-term and long-term impacts. The construction phase corresponds to the initial years of data center development and what must be put in place before a data center “works.” The operations phase accounts for the impact of all the expenditures after the data center opens independent of whether they are considered capital or operational expenditures in their budget.

### ***Construction phase***

Information collected by VEDP from data centers using the exemption was used to determine amounts of capital spending by data centers to include in the analysis (Table D-1). The percentages of spending by capital spending category are consistent with other research<sup>iii</sup>.



**TABLE D-1**  
Initial capital spending of data centers using the exemption (by year)

| Year         | Land acquisition | Building and site improvements | Exempt equipment or software | Other            |
|--------------|------------------|--------------------------------|------------------------------|------------------|
| 2021         | \$865 M          | \$3,927 M                      | \$14,333 M                   | \$940 M          |
| 2022         | 1,030            | 2,264                          | 9,614                        | 1,615            |
| 2023         | 1,689            | 5,309                          | 16,009                       | 1,002            |
| <b>Total</b> | <b>\$3,585 M</b> | <b>\$11,501 M</b>              | <b>\$39,957 M</b>            | <b>\$3,557 M</b> |
| %            | 6.1%             | 19.6%                          | 68.2%                        | 6.1%             |

SOURCE: VEDP.

The VEDP data includes only data centers that benefited from the tax exemption. These data centers correspond to 92 percent of the data center activity in Virginia, according to DEQ records and JLARC staff analysis of locality real estate records to obtain data center square footage. Statewide, 8 percent of data centers were not included in those numbers. By region, it is estimated that only 5.45 percent of the data centers in Northern Virginia are nonexempt (94.55 percent are exempt) and 21 percent in other regions of Virginia are nonexempt. Capital spending was increased to account for the nonexempt data centers, and this new amount was assumed to be the direct impact of the industry (Table D-2).

**TABLE D-2**  
Initial capital spending of data centers using the exemption (by region)

| Year                  | Land acquisition | Building and site improvements | Exempt equipment or software | Other            |
|-----------------------|------------------|--------------------------------|------------------------------|------------------|
| Northern Virginia     | \$3,316 M        | \$10,638 M                     | \$36,955 M                   | \$3,290 M        |
| Other regions         | 632              | 2,027                          | 7,041                        | 627              |
| <b>Virginia total</b> | <b>\$3,948 M</b> | <b>\$12,664 M</b>              | <b>\$43,997 M</b>            | <b>\$3,917 M</b> |

SOURCE: Weldon Cooper Center.

However, not all of this spending impacts Virginia's economy, and a critical assumption of economic impact analysis is the share of capital expenditures that are generated locally. Land acquisition is not traditionally included in impact models since this represents a monetary flow or transfer of funds that will not necessarily translate into a shock in local production. The acquisition of computer and related IT equipment is not necessarily done locally, so it should be assumed that part of this equipment comes from outside the region. This is even more true as we examine smaller geographical areas that might not include the entities associated with wholesale, transportation, and production of this type of equipment. Only building and site improvements (construction) should be included as local production. To estimate the indirect impacts, the model included 100 percent of the building and site improvements as construction (specifically IMPLAN industry sector "51 – construction of new manufacturing structures") and 25 percent of the exempt equipment and software expenditures.

The assumptions described above were used to generate indirect and induced impacts of data center capital investment in Virginia, according to average annual capital investment between FY21 and FY23

(Table D-3). Impact estimates were also produced for Northern Virginia and other regions of the state. Analysis of the results indicates that most of the impacts are construction-related (for example 80 percent of the direct employment is construction-related) rather than from manufacturing and installation of IT equipment.

**TABLE D-3**

**Impacts of initial capital investment in Virginia and by region, annual average FY21–FY23**

| <b>Impact</b>                     | <b>Employment</b> | <b>Labor income</b> | <b>Virginia GDP</b> | <b>Total output</b> |
|-----------------------------------|-------------------|---------------------|---------------------|---------------------|
| <b>Statewide</b>                  |                   |                     |                     |                     |
| Direct                            | 35,110            | \$2,646.6 M         | \$3,342.1 M         | \$7,887.7 M         |
| Indirect                          | 9,945             | 843.8               | 1,504.2             | 2,806.8             |
| Induced                           | 13,992            | 791.9               | 1,570.9             | 2,596.8             |
| <b>Total</b>                      | <b>59,047</b>     | <b>\$4,282.4 M</b>  | <b>\$6,417.2 M</b>  | <b>\$13,291.3 M</b> |
| <b>Northern Virginia</b>          |                   |                     |                     |                     |
| Direct                            | 27,703            | \$2,368.5 M         | \$2,957.6 M         | \$6,625.6 M         |
| Indirect                          | 5,577             | 585.4               | 1,30.1              | 1,733.3             |
| Induced                           | 7,510             | 490.3               | 963.7               | 1,488.2             |
| <b>Total</b>                      | <b>40,790</b>     | <b>\$3,444.2 M</b>  | <b>\$4,951.4 M</b>  | <b>\$9,847.0 M</b>  |
| <b>Other regions of the state</b> |                   |                     |                     |                     |
| Direct                            | 5,761             | \$406.5 M           | \$517.0 M           | \$1,262.5 M         |
| Indirect                          | 1,584             | 116.6               | 212.5               | 418.0               |
| Induced                           | 2,106             | 107.3               | 219.6               | 373.4               |
| <b>Total</b>                      | <b>9,451</b>      | <b>\$630.4 M</b>    | <b>\$949.2 M</b>    | <b>\$2,053.9 M</b>  |

SOURCE: Weldon Cooper Center economic impact analysis using IMPLAN.

The statewide results do not match the sum of the results for Northern Virginia and other regions of Virginia because, for the sake of simplicity, a multi-regional input-output model was not used. Data center investment in other regions of the state affects Northern Virginia, and vice versa, but they are not accounted for because the model accounts for the impacts in one region only.

### **Operation phase**

As explained above, to accurately describe the impacts of the ongoing operation, the model was customized to include a better perspective of energy and labor costs. For this analysis, the model assumed that 40 percent of operational expenditures are associated with electricity consumption, and that 15 percent of the industry spending was direct labor costs.

Several adjustments were made to VEDP employment information collected from data centers. The employment information VEDP collected from data centers was used to estimate data center direct employment, statewide, in Northern Virginia, and in other Virginia regions. This number was adjusted in several ways. First, the employment number was reduced by half because the VEDP information on employment tends to boost the number of jobs as data centers can account for the jobs associated with contractors or the employees of contractors in addition to data center employees. In input-output

terminology, this is an indirect impact of the industry. Several data center representatives stated that 50 percent of their jobs were associated with third-party hiring and the other 50 percent with direct jobs. Because the jobs reported by VEDP were all full time (or full-time equivalents), a factor was applied to transform these jobs to full-time and part-time employment as required by the model. Like for capital spending, employment was increased to account for the nonexempt data centers. This new amount was assumed to be the direct impact of the industry (Table D-4).

**TABLE D-4**  
**Model was adjusted to incorporate data center operating characteristics**

| Region                    | Employment   | Labor income     | Total output       |
|---------------------------|--------------|------------------|--------------------|
| Northern Virginia         | 3,426        | \$357.4 M        | \$2,382.7 M        |
| Other regions of Virginia | 947          | 62.0             | 413.1              |
| <b>Virginia statewide</b> | <b>4,373</b> | <b>\$419.4 M</b> | <b>\$2,795.8 M</b> |

SOURCE: Weldon Cooper.

The results obtained for the impacts of ongoing operation for Virginia are far less than the impacts of capital spending (Table D-5). For example, total employment impacts from a year of data center operations are estimated to be 14,817 jobs compared with total employment impacts of 59,047 jobs for a year of initial capital spending.

**TABLE D-5**  
**Impacts of data center operations in Virginia and by region, annual average FY21–FY23**

| Impact                            | Employment    | Labor income       | Virginia GDP       | Total output       |
|-----------------------------------|---------------|--------------------|--------------------|--------------------|
| <b>Statewide</b>                  |               |                    |                    |                    |
| Direct                            | 4,373         | \$419.4 M          | \$1,051.1 M        | \$2,795.8 M        |
| Indirect                          | 6,615         | 552.2              | 1,217.8            | 2,188.1            |
| Induced                           | 3,830         | 216.8              | 430.2              | 711.1              |
| <b>Total</b>                      | <b>14,817</b> | <b>\$1,188.4 M</b> | <b>\$2,699.0 M</b> | <b>\$5,695.0 M</b> |
| <b>Northern Virginia</b>          |               |                    |                    |                    |
| Direct                            | 3,426         | \$357.4 M          | \$956.2 M          | \$2,382.8 M        |
| Indirect                          | 4,333         | 441.8              | 963.9              | 1,552.5            |
| Induced                           | 1,966         | 128.4              | 252.5              | 389.9              |
| <b>Total</b>                      | <b>9,725</b>  | <b>\$927.6 M</b>   | <b>\$2,172.5 M</b> | <b>\$4,325.1 M</b> |
| <b>Other regions of the state</b> |               |                    |                    |                    |
| Direct                            | 947           | \$62.0 M           | \$116.5 M          | \$413.1 M          |
| Indirect                          | 1,106         | 78.3               | 185.6              | 356.9              |
| Induced                           | 556           | 28.3               | 58.0               | 98.6               |
| <b>Total</b>                      | <b>2,609</b>  | <b>\$168.6 M</b>   | <b>\$360.0 M</b>   | <b>\$868.5 M</b>   |

SOURCE: Weldon Cooper Center economic impact analysis using IMPLAN.

### Data center industry impact

Mostly because of the impact associated with initial capital expenditures, data centers in Virginia generate 73,864 jobs per year, corresponding to almost \$5,471 million of labor income, \$9,166 million of Virginia GDP, and an increase in output of \$18,986 million (Table D-6).

**TABLE D-6**

**Summary of initial capital spending and operations impact statewide, annual average FY21–FY23**

| Impact       | Employment    | Labor income     | Virginia GDP     | Total output      |
|--------------|---------------|------------------|------------------|-------------------|
| Direct       | 39,483        | \$3,066 M        | \$4,393 M        | \$10,684 M        |
| Indirect     | 16,560        | 1,396            | 2,722            | 4,995             |
| Induced      | 17,822        | 1,009            | 2,001            | 3,308             |
| <b>Total</b> | <b>73,864</b> | <b>\$5,471 M</b> | <b>\$9,116 M</b> | <b>\$18,986 M</b> |

SOURCE: Weldon Cooper Center economic impact analysis using IMPLAN.

Another aspect is that the state government could also opt to spend the exemption money on alternative sources. The alternative scenario was modeled to estimate impacts if the state would use the annual average exemption amount between FY21 and FY23 (\$573 million per year) in alternative expenditures (Table D-7). These impacts were used to determine the impact of the industry accounting for the cost of the exemption. Accounting for this alternative use of the exemption amount (or opportunity cost), reduces additional jobs by about 5,000 (to 69,000 additional jobs on net) and reduces additional income and Virginia GDP by \$0.4 billion and \$0.5 billion, respectively, which are a small fraction of their total impacts (Table D-6).

**TABLE D-7**

**Impacts to the state if the exemption amount was used instead for alternative government expenditures, annual average FY21–FY23**

| Impact   | Employment   | Labor income     | Virginia GDP     | Total output     |
|----------|--------------|------------------|------------------|------------------|
| Direct   | 3,534        | \$277.4 M        | \$359.1 M        | \$448.0 M        |
| Indirect | 403          | 27.7             | 48.3             | 88.5             |
| Induced  | 1,197        | 67.8             | 134.5            | 222.4            |
|          | <b>5,134</b> | <b>\$372.9 M</b> | <b>\$542.0 M</b> | <b>\$758.9 M</b> |

SOURCE: Weldon Cooper Center economic impact analysis using IMPLAN.

<sup>i</sup> Byrne, David, Carol Corrado, and Daniel E. Sichel. 2018. The rise of cloud computing: Minding your p's, q's and k's. NBER Working Paper 25188.

<sup>ii</sup> Day, Tim and Nam D. Pham. 2017. *Data centers: Jobs and opportunities in communities nationwide*. U.S. Chamber of Commerce Technology Engagement Center.

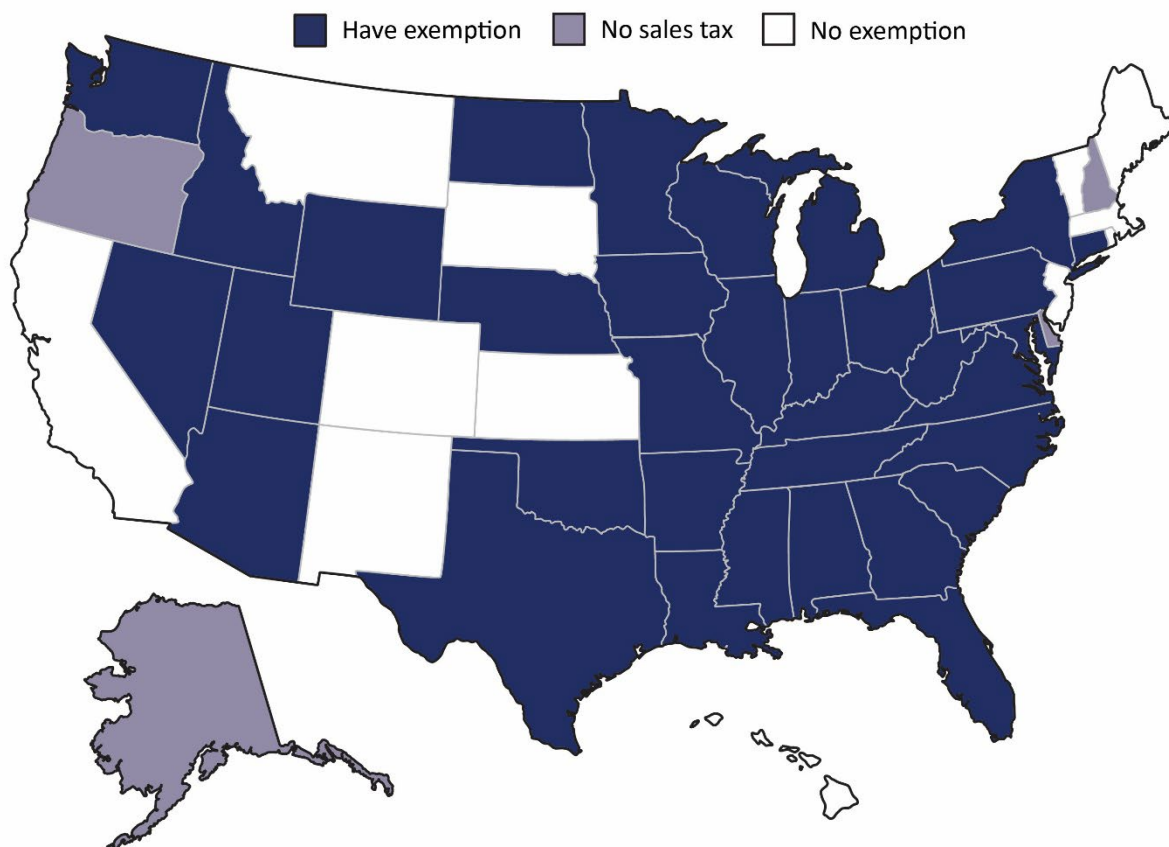
<sup>iii</sup> Day, Tim and Nam D. Pham. 2017. *Data centers: Jobs and opportunities in communities nationwide*. U.S. Chamber of Commerce Technology Engagement Center.

## Appendix E: States with data center sales tax exemptions

Most states either have a sales tax exemption for data centers (34) or do not have a sales tax (Figure E-1). All states bordering Virginia provide a sales tax exemption to data centers.

FIGURE E-1

## Nearly all states offer a sales tax exemption for data centers (2024)



SOURCE: State Tax Notes and JLARC staff review of state websites.

## Appendix F: Energy infrastructure project impacts and regulation

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Construction of new generation and transmission infrastructure can affect the communities and environments where they are built. The extent of any impacts will vary substantially for generation and transmission projects. State and local governments regulate these projects, through review and approval processes. Regulatory processes seek to minimize negative impacts but do not necessarily avoid them altogether. Utilities can implement several grid enhancing technologies to help reduce the need for major new generation and transmission projects, but this does not eliminate the need for new projects.

### **Construction of new generation and transmission infrastructure can have environmental impacts and is often opposed by local communities**

On the generation side, a significant portion of new generation is expected to be solar, and solar facilities have large land demands that can have widespread impacts. For example, a modest 100 MW solar facility would require about 5,000 to 1,000 acres of land in Virginia. (The rule of thumb is that 5 to 10 acres of solar can generate up to 1 MW of power.) Because of the large land demands, most solar facilities are built in rural areas. Constructing solar facilities typically involves clearing forest land or converting agricultural land to this use, which can have several environmental impacts from habitat loss to affecting stormwater runoff.

Some communities in rural Virginia have been increasingly opposed to new solar facilities, with several counties placing restrictions on solar development or outright denying projects. Community opponents site environmental concerns, impacts on local agriculture, and the effects of solar facilities' industrial appearance on the rural character of their counties. Opponents also often assert that solar facilities do not offer significant economic or other benefits to their communities.

The extent to which a solar project affects the environment and generates community opposition depends on the project. For example, a project that involves clearing 5,000 acres of forest land with multiple streams would have a more substantial environmental impact than a project that is installed on 2,000 acres of fallow pastureland. Similarly, a development located near a residential area or that is visible from the surrounding area could generate more community opposition than one that is hidden from view.

On the transmission side, new transmission lines can fragment forest habitats, create water quality risks at stream and wetland crossings, and reduce scenic quality of nearby historic and recreational resources. Communities are sometimes opposed to new or expanded transmission lines for these reasons. Communities also sometimes oppose new transmission lines because of their undesirable appearance, effect on the use of private properties that are under or adjacent to the lines, effect on the value of nearby properties, and health concerns.

Similar to the generation side, the potential environmental and community impacts of a transmission project can vary greatly from one project to the next. Generally, a "green field" project that involves acquisition of new right-of-way and construction of transmission lines where none currently exist is going to have the highest impact. A project where new lines are built in or adjacent to an existing

transmission line will be less impactful, and a project where an existing line is “wrecked and rebuilt” would be the least impactful.

### **State and local regulation is intended to minimize the impacts of new generation and transmission projects on communities and the environment**

Construction of major new generation and transmission facilities is regulated by the state to minimize impacts. Many of these projects are approved by the SCC through a formal case process to determine if a Certificate of Public Convenience and Necessity (CPCN) should be granted. The SCC considers several factors before approving a project and granting a CPCN. These factors include the potential impacts of the project on property owners, the environment, and cultural and historic resources (Table F-1). While these impacts may not be completely avoided, the process encourages the selection of projects and options that best minimize impacts without placing large cost burdens on ratepayers.

Smaller renewable generation projects (<150 MW) can be reviewed and approved by the Department of Environmental Quality through a separate “Permit by Rule” process. While this is not a litigated case process like an SCC approval, projects are reviewed to ensure they conform with the state’s requirements.

Localities have some authority over generation projects and transmission and distribution substations but minimal authority over transmission lines. Generation facilities and substations are subject to the same types of local zoning processes as other land uses. Local zoning ordinances specify which zoning districts allow them, whether they require a special permit from elected officials, and whether any design standards (such as landscaping) apply. Additionally, state law requires local reviews of certain entities—including substations—before development to evaluate their alignment with the local comprehensive plan. For transmission lines, CPCN approval deems the transmission line to be in compliance with local comprehensive plans and ordinances. In effect, this means localities do not have any direct authority over most transmission line project approvals or routes. (Although localities can play a role in approving 138 kilovolt transmission lines, which exist in a few parts of the state.)

Solar and similar projects are required to attempt to coordinate an agreement with their host locality. State law requires applicants for solar or energy storage projects to notify localities of their intent to develop and to meet with the locality to negotiate a “siting agreement.” This siting agreement can include conditions such as mitigating negative impacts, and if created, must receive a public hearing. However, there is no requirement for this process to culminate in a siting agreement. Failure to achieve a siting agreement does not prevent a developer from initiating the usual local zoning processes for new developments.

Localities do not have approval authority over transmission line projects but can participate in SCC cases either as respondents or public witnesses. As a public witness, a locality can submit written comments, or local representatives can provide comments in person at commission hearings. As a respondent, a locality becomes a participant in the case and can take several additional actions, such as filing for discovery (e.g., to obtain copies of utility analysis or documents supporting the application for a project), filing briefs, providing expert witnesses, and participating in cross examination of

witnesses (e.g., utility staff). No matter which approach is followed, the SCC is required to hear and weigh all evidence equally.

**TABLE F-1**  
**Criteria that the SCC must evaluate before approving a project and granting a CPCN**

---

Criteria that must be met

- Is not against the public interest <sup>a</sup>
- Will have no material adverse affect on system reliability
- Will have no material adverse affect on rates
- For transmission projects,
  - a. the line is needed, <sup>b</sup>
  - b. proposed method of installation is justified, <sup>b</sup>
  - c. will avoid or minimize adverse impact on (a) scenic assets, (b) historic and cultural resources, (c) the environment, and (d) human health and safety, and
  - d. why existing rights-of-way cannot adequately serve the need (presumably only applies when an expanded or new right-of-way acquisition is being requested as part of the project)

Criteria that must be considered

- Environmental impacts
- Human health and safety impacts
- Historical and cultural resource impacts
- Economic impacts, including job creation
- Improvement to service reliability
- Environmental justice considerations

Criteria that are considered, if requested

- Conformance with local comprehensive plans (locality must request) <sup>c</sup>
  - Costs, economic benefits, and effect on construction timeline of undergrounding transmission lines (locality must request)
- 

SOURCE: The Code of Virginia § 2.2-235, § 56-265.2, § 56-580, and § 56-46.1.

NOTE: SCC regulations provide additional information on what must be submitted to meet requirements and details what must be provided for transmission projects. SCC guidance also includes a planning and design attachment that provides detailed guidelines to applicants on how to ensure facilities protect natural and historic resources. SCC guidance provides additional information on when a transmission project requires a CPCN, based on specific characteristics. SCC guidance notes that certain transmission projects, such as reconductoring, do not require a CPCN.

<sup>a</sup> This is a general criterion that can be interpreted as the cumulation of all the other criteria weighed against each other. The Code declares some projects meet this goal—such as small renewable generation projects and projects in VCEA—and so do not require SCC to make a determination.

<sup>b</sup> Based on applicant's load flow modeling, contingency analysis, and presented reliability needs.

<sup>c</sup> Localities are explicitly granted right to present evidence that shows existing corridors, as designated in the comprehensive plan, can serve the identified need.

Localities also have three additional authorities under Code. First, localities can request that the SCC consider the costs, economic benefits, and effects on construction timelines of undergrounding transmission lines. Second, localities can establish transmission corridors in their comprehensive plans and provide evidence that new lines should be within those corridors, but it appears this latter



authority has been rarely (if ever) used. Third, localities can establish special tax districts that pay for the additional costs of undergrounding transmission lines, although it appears this authority has never been used.

Some stakeholders have said that local governments should have more authority to determine transmission routes and, especially, when transmission lines should be buried underground. While this would make transmission projects more responsive to local needs, undergrounding transmission lines is substantially more expensive and those added costs are currently spread across all utility ratepayers. Any changes to give localities more authority to require undergrounding of transmission lines would need to be accompanied by a change in how costs are allocated to prevent local government decisions from affecting rates paid by customers who do not benefit from undergrounding projects.

### **Utilities can use grid enhancing technologies to help reduce the need for new generation and transmission infrastructure**

Utilities use grid enhancing technologies (GETs), such as reconductoring existing transmission lines, to increase capacity of the transmission system and more effectively use existing generation. For example, Dominion reports that it uses advanced conductors for all its 230 kV reconductor and new build projects, which can increase line capacity by 50 percent. Dominion reported adding or replacing 800 miles of line with advanced conductors as of the end of 2023. Dominion also reports deploying and piloting several other GETs to improve system stability and efficiency. Utilities have an economic incentive to deploy GETs so that they can provide enough transmission capacity to serve fast-growing demand.

SCC staff indicated that, before approving a new transmission line project, they consider whether a quicker and lower-cost approach, such as reconductoring, could be used instead. Staff make this determination by looking at the project proposal, the state need, and whether reconductoring will address the need. SCC staff carry out their own power flow studies and verify thermal issues, voltage issues, and generator deliverability (if applicable).

## Appendix G: Virginia Clean Economy Act

The Virginia Clean Economy Act (VCEA) was enacted in 2020 and was intended to drive investment in renewable resources and phase out carbon-emitting generation in the state by 2050. VCEA was passed when energy demand in Virginia was projected to remain relatively flat. Now that demand is growing, largely because of data centers, it will be more challenging to meet these goals than originally contemplated.

The main way VCEA intends to decarbonize generation is by requiring an increasing share of energy sold by Dominion and APCO to come from renewable sources. The share of generation from renewables—the Renewable Portfolio Standard (RPS) requirement—increases each year until it reaches 100 percent (Table G-1). The utilities can meet the RPS requirement by directly building and claiming credit for new renewable generation facilities (mainly solar and wind) and entering into power purchasing agreements with third parties that operate renewable facilities. Utilities receive Renewable Energy Certificates (RECs) for energy from these sources, which are then credited toward their RPS requirement. Utilities can also purchase RECs from the PJM market and use purchased RECs to offset energy produced through carbon generation. Starting in 2025, 75 percent of Dominion’s RECs must be from in-state generation sources. VCEA financially penalizes utilities that do not comply with in-state renewables requirements by levying deficiency payments, but in practice utilities may choose to pay those deficiency payments if it is more economical or feasible than securing new renewable generation. The cost of deficiency payments is recovered from utility customers. VCEA sets aside nuclear power as a third category of generation, which in effect can be used to reduce the total amount of renewable energy required.

**TABLE G-1**

**VCEA requires growing share of energy sold in Virginia to come from renewable generation sources, with full decarbonization by 2050**

|                 | Percentage of total power sold required to come from renewables (excluding nuclear) |      |
|-----------------|-------------------------------------------------------------------------------------|------|
|                 | Dominion                                                                            | APCO |
| 2021 (year one) | 14%                                                                                 | 6%   |
| 2025            | 26                                                                                  | 14   |
| 2030            | 41                                                                                  | 30   |
| 2035            | 59                                                                                  | 45   |
| 2040            | 79                                                                                  | 65   |
| 2045            | 100                                                                                 | 80   |
| 2050            | -                                                                                   | 100% |

SOURCE: The Code of Virginia § 56-585.5.

NOTE: Percentages are the RPS program requirements for selected years; statute sets a percentage for every year. Nuclear power is excluded from the RPS calculation. For example, if one-third of Dominion power is nuclear, then the RPS percentage applies only to the remaining two-thirds of power that is not nuclear. Renewable energy is credited toward meeting RPS requirements through the purchase and retirement of Renewable Energy Certificates (RECs). RECs can be used to offset carbon emissions.

The VCEA's RPS requirements, and their associated REC requirements, do not apply to electric co-operatives (co-ops). This has significant implications because a majority of future energy demand growth is expected to occur in the co-ops' service territories, where many new data center campuses are expected to be built. (This is based on JLARC's consultant forecasts, and is corroborated with utility forecasts, utility construction and service agreements, and JLARC staff review of data center projects that are actively under development). Unlike Dominion and APCO, state law allows co-ops to secure energy to meet their growing demand from non-renewable and out-of-state generation sources.

VCEA directs the Virginia Air Pollution Control Board to develop regulations to gradually reduce carbon emissions. VCEA states the board "may establish, implement, and manage an auction program" or "utilize an existing multistate trading system" to achieve this purpose. Initially the state entered into the Regional Greenhouse Gas Initiative (RGGI) to reduce carbon emissions. The state has since withdrawn from RGGI, although the legality of that withdrawal is being challenged in court. A recent state circuit court decision ruled that the regulatory actions the state took to remove Virginia from RGGI were unlawful, but this decision could be appealed to a higher court.

Finally, VCEA requires carbon-emitting generation in Virginia owned by Dominion and APCO to be retired by 2045. However, VCEA allows these utilities to continue operating carbon-emitting generation plants in Virginia past 2045 if taking the plant off-line "would threaten the reliability or security of electric service to customers." Utility decisions to keep plants operating past 2045 must be approved by the SCC.

VCEA also has a presumption against the SCC approving new carbon-emitting generation plants, which applies to investor-owned utilities and co-ops. However, new carbon-emitting plants can be built if the SCC determines they are needed to address threats to the reliability or security of electric service to the utility's customers.

## Appendix H: Grid modeling generation capacity and energy source results

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JLARC staff commissioned Energy + Environmental Economics (E3) to develop an independent grid model and project the future generation and transmission infrastructure that would be needed to meet three different demand scenarios. For each of the demand scenarios, the model considered the most feasible and economical approaches to meeting infrastructure needs with and without the requirements of the Virginia Clean Economy Act (VCEA).

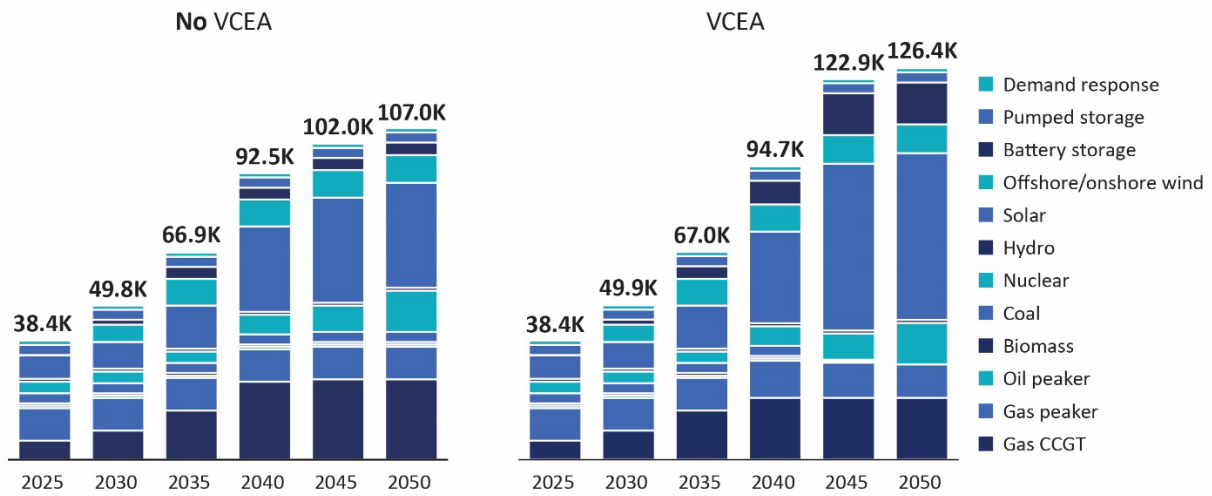
- Scenario 1: unconstrained demand, with and without VCEA. E3 also modeled variations where unconstrained demand and VCEA requirements could be met by using high levels of nuclear and renewable generation or by better regional coordination across PJM (not shown in this report).
- Scenario 2: half of unconstrained demand, with and without VCEA.
- Scenario 3: no new data center demand, with and without VCEA.

This appendix provides E3's grid modeling Virginia-level results for the (a) in-state generation capacity that would be needed to meet each demand scenario, by type of generation source and (b) the amount of energy that would be used from each type of generation source. Generation capacity is given in megawatts (MW) of nameplate capacity that would be needed, which can be significantly higher than the firm amount of capacity available from a resource. For example, Virginia solar facilities produce at around 25 percent of nameplate capacity. Generation energy is given in annual tera-watt hours (TWh) of energy used. E3's grid model assumes natural gas plants would be converted to hydrogen fuel in each scenario when VCEA compliance is assumed, starting in 2045. The model assumes that new nuclear generation will not be available until 2035. For additional discussion of E3's grid modeling methodology, see Appendix B.

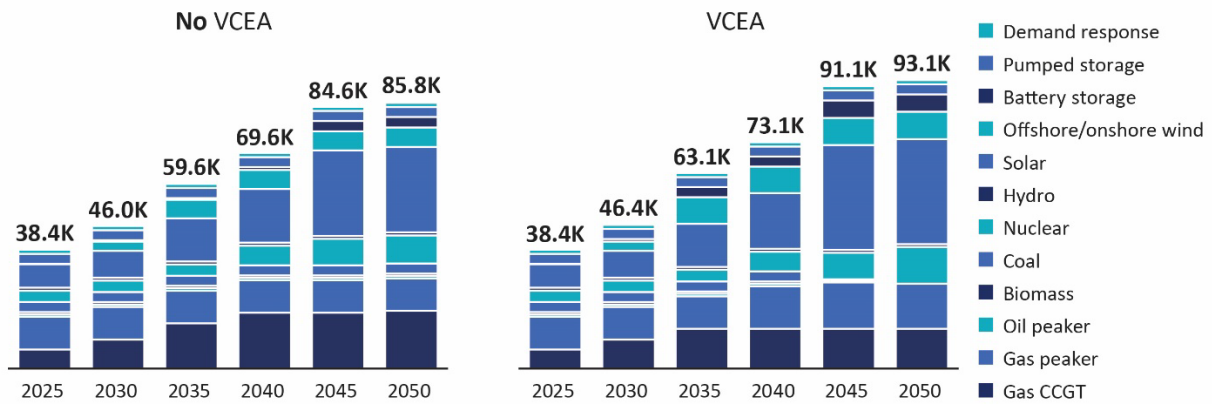
Results begin on next page.

**FIGURE H-1**  
**Generation capacity required 2025 to 2050**

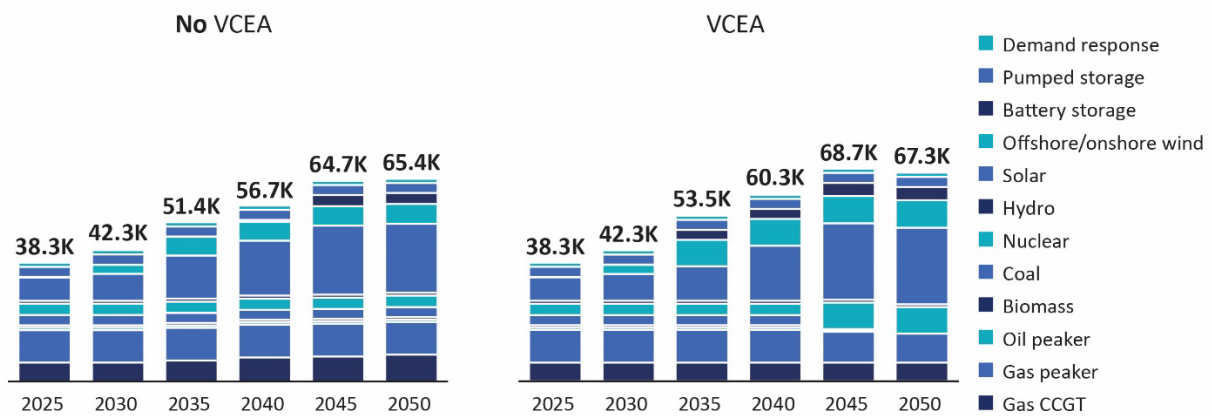
**SCENARIO 1: UNCONSTRAINED DEMAND (IN MW)**



**SCENARIO 2: HALF OF UNCONSTRAINED DEMAND (IN MW)**



**SCENARIO 3: NO NEW DATA CENTER DEMAND (IN MW)**



SOURCE: E3 grid modeling analysis.

NOTE: Capacity shown is nameplate capacity.

TABLE H-1

Generation capacity required 2025 to 2050, Scenario 1: Unconstrained demand (MW)

## No VCEA

| Resource              | 2025          | 2030          | 2035          | 2040          | 2045           | 2050           |
|-----------------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Gas CCGT              | 6,141         | 9,391         | 15,891        | 25,149        | 25,937         | 25,937         |
| Gas Peaker            | 10,499        | 10,499        | 10,499        | 10,499        | 10,499         | 10,499         |
| Oil Peaker            | 813           | 813           | 813           | 813           | 813            | 813            |
| Biomass               | 765           | 765           | 765           | 765           | 765            | 765            |
| Coal                  | 3,230         | 3,230         | 3,230         | 3,230         | 3,230          | 3,230          |
| Nuclear               | 3,708         | 3,708         | 3,708         | 6,388         | 8,532          | 13,356         |
| Hydro                 | 929           | 929           | 929           | 929           | 929            | 929            |
| Solar                 | 7,596         | 8,673         | 13,939        | 27,503        | 33,880         | 33,880         |
| Offshore/onshore Wind | -             | 5,580         | 8,656         | 8,756         | 8,856          | 8,956          |
| Battery Storage       | 116           | 1,608         | 3,835         | 3,835         | 4,008          | 4,008          |
| Pumped Storage        | 3,241         | 3,241         | 3,241         | 3,241         | 3,241          | 3,241          |
| Demand Response       | 1,354         | 1,354         | 1,354         | 1,354         | 1,354          | 1,354          |
| <b>Total</b>          | <b>38,393</b> | <b>49,792</b> | <b>66,861</b> | <b>92,462</b> | <b>102,043</b> | <b>106,967</b> |

## VCEA

| Resource              | 2025          | 2030          | 2035          | 2040          | 2045           | 2050           |
|-----------------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Gas CCGT              | 6,141         | 9,391         | 15,891        | 19,945        | 19,945         | 19,945         |
| Gas Peaker            | 10,499        | 10,499        | 10,499        | 11,976        | 11,342         | 10,863         |
| Oil Peaker            | 813           | 813           | 813           | 813           | 316            | -              |
| Biomass               | 765           | 765           | 765           | 765           | 15             | -              |
| Coal                  | 3,230         | 3,230         | 3,230         | 3,230         | 630            | -              |
| Nuclear               | 3,708         | 3,708         | 3,708         | 6,388         | 8,532          | 13,356         |
| Hydro                 | 929           | 929           | 929           | 929           | 929            | 929            |
| Solar                 | 7,596         | 8,673         | 13,939        | 29,622        | 53,880         | 53,880         |
| Offshore/onshore Wind | -             | 5,580         | 8,656         | 8,756         | 9,216          | 9,316          |
| Battery Storage       | 116           | 1,667         | 4,014         | 7,645         | 13,511         | 13,511         |
| Pumped Storage        | 3,241         | 3,241         | 3,241         | 3,241         | 3,241          | 3,241          |
| Demand Response       | 1,354         | 1,354         | 1,354         | 1,354         | 1,354          | 1,354          |
| <b>Total</b>          | <b>38,393</b> | <b>49,851</b> | <b>67,040</b> | <b>94,665</b> | <b>122,911</b> | <b>126,394</b> |

SOURCE: E3 grid modeling analysis.

NOTE: Capacity shown is nameplate capacity.

TABLE H-2

Generation capacity required 2025 to 2050, Scenario 2: Half of unconstrained demand (MW)

No VCEA

| Resource              | 2025          | 2030          | 2035          | 2040          | 2045          | 2050          |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Gas CCGT              | 6,141         | 9,391         | 14,626        | 18,021        | 18,021        | 18,605        |
| Gas Peaker            | 10,499        | 10,499        | 10,499        | 10,499        | 10,499        | 10,499        |
| Oil Peaker            | 813           | 813           | 813           | 813           | 813           | 813           |
| Biomass               | 765           | 765           | 765           | 765           | 765           | 765           |
| Coal                  | 3,230         | 3,230         | 3,230         | 3,230         | 3,230         | 3,230         |
| Nuclear               | 3,708         | 3,708         | 3,708         | 6,388         | 8,532         | 9,119         |
| Hydro                 | 929           | 929           | 929           | 929           | 929           | 929           |
| Solar                 | 7,596         | 8,673         | 13,939        | 17,340        | 27,589        | 27,589        |
| Offshore/onshore Wind | -             | 2,940         | 6,016         | 6,116         | 6,216         | 6,316         |
| Battery Storage       | 116           | 494           | 494           | 892           | 3,375         | 3,375         |
| Pumped Storage        | 3,241         | 3,241         | 3,241         | 3,241         | 3,241         | 3,241         |
| Demand Response       | 1,354         | 1,354         | 1,354         | 1,354         | 1,354         | 1,354         |
| <b>Total</b>          | <b>38,393</b> | <b>46,038</b> | <b>59,615</b> | <b>69,589</b> | <b>84,565</b> | <b>85,835</b> |

VCEA

| Resource              | 2025          | 2030          | 2035          | 2040          | 2045          | 2050          |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Gas CCGT              | 6,141         | 9,391         | 12,856        | 12,856        | 12,856        | 12,856        |
| Gas Peaker            | 10,499        | 10,499        | 10,499        | 13,709        | 15,013        | 14,534        |
| Oil Peaker            | 813           | 813           | 813           | 813           | 316           | -             |
| Biomass               | 765           | 765           | 765           | 765           | 15            | -             |
| Coal                  | 3,230         | 3,230         | 3,230         | 3,230         | 630           | -             |
| Nuclear               | 3,708         | 3,708         | 3,708         | 6,388         | 8,532         | 11,854        |
| Hydro                 | 929           | 929           | 929           | 929           | 929           | 929           |
| Solar                 | 7,596         | 8,673         | 13,939        | 17,883        | 33,880        | 33,880        |
| Offshore/onshore Wind | -             | 2,940         | 8,576         | 8,676         | 8,776         | 8,876         |
| Battery Storage       | 116           | 878           | 3,216         | 3,231         | 5,590         | 5,590         |
| Pumped Storage        | 3,241         | 3,241         | 3,241         | 3,241         | 3,241         | 3,241         |
| Demand Response       | 1,354         | 1,354         | 1,354         | 1,354         | 1,354         | 1,354         |
| <b>Total</b>          | <b>38,393</b> | <b>46,422</b> | <b>63,126</b> | <b>73,075</b> | <b>91,132</b> | <b>93,114</b> |

SOURCE: E3 grid modeling analysis.

NOTE: Capacity shown is nameplate capacity.

TABLE H-3

Generation capacity required 2025 to 2050, Scenario 3: No new data center demand (MW)

No VCEA

| Resource              | 2025          | 2030          | 2035          | 2040          | 2045          | 2050          |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Gas CCGT              | 6,042         | 6,042         | 6,759         | 7,728         | 8,016         | 8,642         |
| Gas Peaker            | 10,499        | 10,499        | 10,499        | 10,499        | 10,499        | 10,499        |
| Oil Peaker            | 813           | 813           | 813           | 813           | 813           | 813           |
| Biomass               | 765           | 765           | 765           | 765           | 765           | 765           |
| Coal                  | 3,230         | 3,230         | 3,230         | 3,230         | 3,230         | 3,230         |
| Nuclear               | 3,708         | 3,708         | 3,708         | 3,708         | 3,708         | 3,708         |
| Hydro                 | 929           | 929           | 929           | 929           | 929           | 929           |
| Solar                 | 7,596         | 8,673         | 13,939        | 17,733        | 22,340        | 22,340        |
| Offshore/onshore Wind | -             | 2,940         | 6,016         | 6,116         | 6,216         | 6,316         |
| Battery Storage       | 116           | 116           | 116           | 609           | 3,583         | 3,583         |
| Pumped Storage        | 3,241         | 3,241         | 3,241         | 3,241         | 3,241         | 3,241         |
| Demand Response       | 1,354         | 1,354         | 1,354         | 1,354         | 1,354         | 1,354         |
| <b>Total</b>          | <b>38,293</b> | <b>42,310</b> | <b>51,369</b> | <b>56,725</b> | <b>64,695</b> | <b>65,421</b> |

VCEA

| Resource              | 2025          | 2030          | 2035          | 2040          | 2045          | 2050          |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Gas CCGT              | 6,042         | 6,042         | 6,042         | 6,042         | 6,042         | 6,042         |
| Gas Peaker            | 10,499        | 10,499        | 10,499        | 10,499        | 9,865         | 9,386         |
| Oil Peaker            | 813           | 813           | 813           | 813           | 316           | -             |
| Biomass               | 765           | 765           | 765           | 765           | 15            | -             |
| Coal                  | 3,230         | 3,230         | 3,230         | 3,230         | 630           | -             |
| Nuclear               | 3,708         | 3,708         | 3,708         | 3,708         | 8,532         | 8,532         |
| Hydro                 | 929           | 929           | 929           | 929           | 929           | 929           |
| Solar                 | 7,596         | 8,673         | 11,092        | 17,783        | 24,669        | 24,669        |
| Offshore/onshore Wind | -             | 2,940         | 8,576         | 8,676         | 8,776         | 8,876         |
| Battery Storage       | 116           | 116           | 3,216         | 3,216         | 4,313         | 4,313         |
| Pumped Storage        | 3,241         | 3,241         | 3,241         | 3,241         | 3,241         | 3,241         |
| Demand Response       | 1,354         | 1,354         | 1,354         | 1,354         | 1,354         | 1,354         |
| <b>Total</b>          | <b>38,293</b> | <b>42,310</b> | <b>53,465</b> | <b>60,256</b> | <b>68,682</b> | <b>67,341</b> |

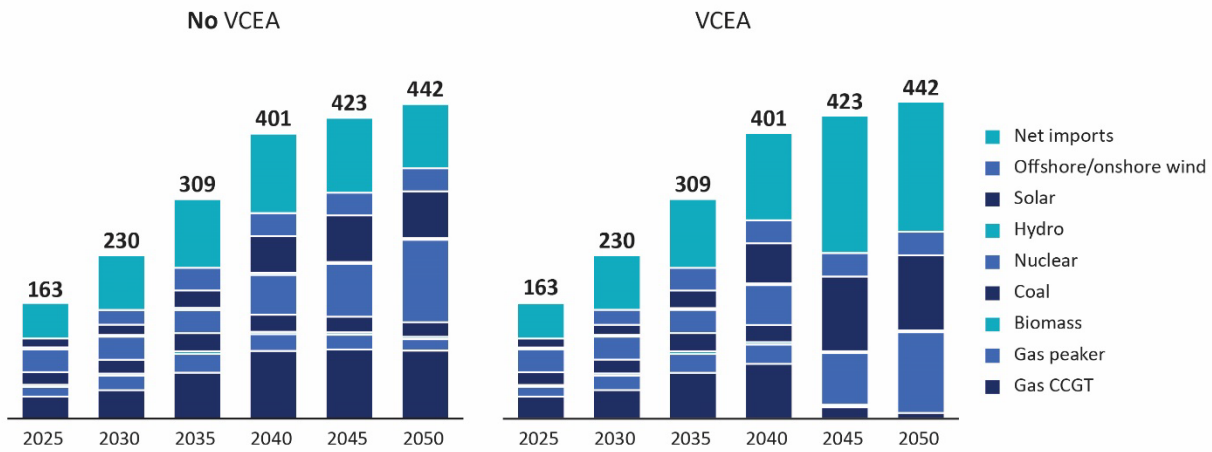
SOURCE: E3 grid modeling analysis.

NOTE: Capacity shown is nameplate capacity.

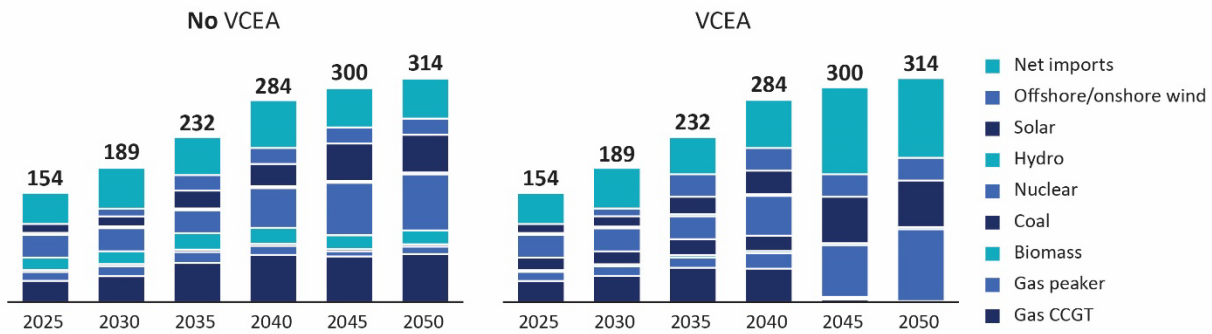


**FIGURE H-2**  
**Energy sources 2025 to 2050**

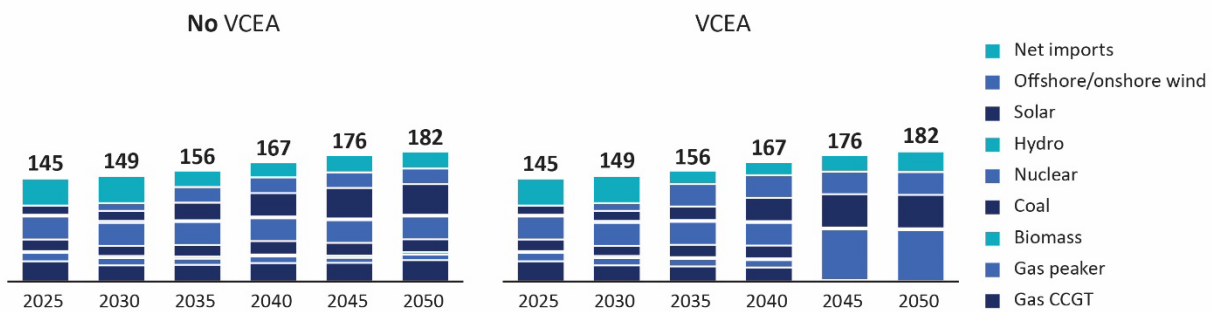
**SCENARIO 1: UNCONSTRAINED DEMAND (IN TWH)**



**SCENARIO 2: HALF OF UNCONSTRAINED DEMAND (IN TWH)**



**SCENARIO 3: NO NEW DATA CENTER DEMAND (IN TWH)**



SOURCE: E3 grid modeling analysis.

TABLE H-4

Energy sources 2025 to 2050, Scenario 1: Unconstrained demand (TWh)

No VCEA

| Resource              | 2025       | 2030       | 2035       | 2040       | 2045       | 2050       |
|-----------------------|------------|------------|------------|------------|------------|------------|
| Gas CCGT              | 31         | 40         | 65         | 96         | 98         | 96         |
| Gas Peaker            | 14         | 20         | 27         | 23         | 21         | 16         |
| Oil Peaker            | -          | -          | -          | -          | -          | -          |
| Biomass               | 3          | 3          | 3          | 3          | 3          | 3          |
| Coal                  | 18         | 19         | 26         | 24         | 22         | 21         |
| Nuclear               | 32         | 32         | 32         | 56         | 74         | 116        |
| Hydro                 | 3          | 3          | 3          | 3          | 3          | 3          |
| Solar                 | 13         | 14         | 25         | 52         | 66         | 66         |
| Offshore/Onshore Wind | -          | 21         | 32         | 32         | 32         | 33         |
| Battery Storage       | (0)        | (0)        | (0)        | (0)        | (1)        | (1)        |
| Pumped Storage        | (0)        | (0)        | (0)        | (0)        | (0)        | (0)        |
| DR                    | 0          | 0          | 0          | 0          | 0          | 0          |
| Net Imports           | 50         | 77         | 97         | 112        | 105        | 90         |
| <b>Total</b>          | <b>163</b> | <b>230</b> | <b>309</b> | <b>401</b> | <b>423</b> | <b>442</b> |

VCEA

| Resource              | 2025       | 2030       | 2035       | 2040       | 2045       | 2050       |
|-----------------------|------------|------------|------------|------------|------------|------------|
| Gas CCGT              | 31         | 40         | 65         | 77         | 16         | 8          |
| Gas Peaker            | 14         | 20         | 27         | 27         | 1          | -          |
| Oil Peaker            | -          | -          | -          | -          | -          | -          |
| Biomass               | 3          | 3          | 3          | 3          | 0          | -          |
| Coal                  | 18         | 19         | 26         | 24         | 2          | -          |
| Nuclear               | 32         | 32         | 32         | 56         | 73         | 114        |
| Hydro                 | 3          | 3          | 3          | 3          | 3          | 3          |
| Solar                 | 13         | 14         | 25         | 57         | 105        | 106        |
| Offshore/Onshore Wind | -          | 21         | 32         | 32         | 33         | 33         |
| Battery Storage       | (0)        | (0)        | (0)        | (1)        | (2)        | (1)        |
| Pumped Storage        | (0)        | (0)        | (0)        | (1)        | (3)        | (3)        |
| DR                    | 0          | 0          | 0          | 0          | 0          | 0          |
| Net Imports           | 50         | 77         | 97         | 123        | 194        | 183        |
| <b>Total</b>          | <b>163</b> | <b>230</b> | <b>309</b> | <b>401</b> | <b>423</b> | <b>442</b> |

SOURCE: E3 grid modeling analysis.

TABLE H-5

Energy sources 2025 to 2050, Scenario 2: Half of unconstrained demand (TWh)

No VCEA

| Resource              | 2025       | 2030       | 2035       | 2040       | 2045       | 2050       |
|-----------------------|------------|------------|------------|------------|------------|------------|
| Gas CCGT              | 30         | 37         | 55         | 66         | 64         | 67         |
| Gas Peaker            | 13         | 14         | 15         | 13         | 7          | 11         |
| Oil Peaker            | -          | -          | -          | -          | -          | -          |
| Biomass               | 3          | 3          | 3          | 3          | 3          | 3          |
| Coal                  | 17         | 18         | 23         | 22         | 19         | 20         |
| Nuclear               | 32         | 32         | 32         | 56         | 74         | 79         |
| Hydro                 | 3          | 3          | 3          | 3          | 3          | 3          |
| Solar                 | 13         | 14         | 25         | 32         | 53         | 53         |
| Offshore/Onshore Wind | -          | 11         | 22         | 22         | 23         | 23         |
| Battery Storage       | (0)        | (0)        | (0)        | (0)        | (1)        | (1)        |
| Pumped Storage        | (0)        | (0)        | (0)        | (0)        | (1)        | (1)        |
| DR                    | 0          | 0          | 0          | 0          | 0          | 0          |
| Net Imports           | 44         | 57         | 54         | 67         | 56         | 56         |
| <b>Total</b>          | <b>154</b> | <b>189</b> | <b>232</b> | <b>284</b> | <b>300</b> | <b>314</b> |

VCEA

| Resource              | 2025       | 2030       | 2035       | 2040       | 2045       | 2050       |
|-----------------------|------------|------------|------------|------------|------------|------------|
| Gas CCGT              | 30         | 37         | 48         | 47         | 4          | 2          |
| Gas Peaker            | 13         | 14         | 15         | 22         | 1          | -          |
| Oil Peaker            | -          | -          | -          | -          | -          | -          |
| Biomass               | 3          | 3          | 3          | 3          | 0          | -          |
| Coal                  | 17         | 18         | 23         | 22         | 3          | -          |
| Nuclear               | 32         | 32         | 32         | 56         | 73         | 101        |
| Hydro                 | 3          | 3          | 3          | 3          | 3          | 3          |
| Solar                 | 13         | 14         | 25         | 33         | 66         | 66         |
| Offshore/Onshore Wind | -          | 11         | 32         | 32         | 32         | 32         |
| Battery Storage       | (0)        | (0)        | (0)        | (0)        | (1)        | (1)        |
| Pumped Storage        | (0)        | (0)        | (0)        | (0)        | (1)        | (1)        |
| DR                    | 0          | 0          | 0          | 0          | 0          | 0          |
| Net Imports           | 44         | 58         | 53         | 68         | 123        | 112        |
| <b>Total</b>          | <b>154</b> | <b>189</b> | <b>232</b> | <b>284</b> | <b>300</b> | <b>314</b> |

SOURCE: E3 grid modeling analysis.

TABLE H-6

Energy sources 2025 to 2050, Scenario 3: No new data center demand (TWh)

No VCEA

| Resource              | 2025       | 2030       | 2035       | 2040       | 2045       | 2050       |
|-----------------------|------------|------------|------------|------------|------------|------------|
| Gas CCGT              | 29         | 23         | 23         | 26         | 26         | 30         |
| Gas Peaker            | 11         | 10         | 9          | 10         | 7          | 8          |
| Oil Peaker            | -          | -          | -          | -          | -          | -          |
| Biomass               | 3          | 3          | 3          | 3          | 3          | 3          |
| Coal                  | 16         | 14         | 16         | 19         | 18         | 18         |
| Nuclear               | 32         | 32         | 32         | 32         | 32         | 32         |
| Hydro                 | 3          | 3          | 3          | 3          | 3          | 3          |
| Solar                 | 13         | 14         | 25         | 33         | 43         | 43         |
| Offshore/Onshore Wind | -          | 11         | 22         | 22         | 22         | 22         |
| Battery Storage       | -          | (0)        | (0)        | (0)        | (1)        | (1)        |
| Pumped Storage        | (0)        | (0)        | (0)        | (0)        | (1)        | (1)        |
| DR                    | 0          | 0          | 0          | 0          | 0          | 0          |
| Net Imports           | 38         | 38         | 23         | 21         | 24         | 24         |
| <b>Total</b>          | <b>145</b> | <b>149</b> | <b>156</b> | <b>167</b> | <b>176</b> | <b>182</b> |

VCEA

| Resource              | 2025       | 2030       | 2035       | 2040       | 2045       | 2050       |
|-----------------------|------------|------------|------------|------------|------------|------------|
| Gas CCGT              | 29         | 23         | 21         | 20         | 0          | 0          |
| Gas Peaker            | 11         | 10         | 11         | 10         | 0          | 0          |
| Oil Peaker            | -          | -          | -          | -          | -          | -          |
| Biomass               | 3          | 3          | 3          | 3          | 0          | -          |
| Coal                  | 16         | 14         | 17         | 18         | 2          | -          |
| Nuclear               | 32         | 32         | 32         | 32         | 71         | 72         |
| Hydro                 | 3          | 3          | 3          | 3          | 3          | 3          |
| Solar                 | 13         | 14         | 19         | 33         | 47         | 47         |
| Offshore/Onshore Wind | -          | 11         | 32         | 32         | 32         | 32         |
| Battery Storage       | -          | (0)        | (0)        | (0)        | (1)        | (1)        |
| Pumped Storage        | (0)        | (0)        | (0)        | (0)        | (1)        | (1)        |
| DR                    | 0          | 0          | 0          | 0          | 0          | 0          |
| Net Imports           | 38         | 38         | 19         | 19         | 23         | 29         |
| <b>Total</b>          | <b>145</b> | <b>149</b> | <b>156</b> | <b>167</b> | <b>176</b> | <b>182</b> |

SOURCE: E3 grid modeling analysis.

## Appendix I: Data center on-site generation

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Instead of relying on utilities, many data center companies are looking at ways to generate their own power using on-site power generation. On-site generation can take a variety of forms, including utility-owned generation on or adjacent to a data center site, “behind the meter” generation that is owned by the data center, or a “microgrid” where the site operates its own generation and may not be connected to the larger grid. Of the current technologies available, only natural gas appears viable for on-site generation, and it can be deployed only close to pipeline infrastructure that has sufficient capacity to serve generation needs. Other technologies, such as small modular nuclear reactors, are being actively pursued by the industry as a potential future power source, but most stakeholders believe these will not realistically be available until 2035.

On-site generation is most likely to be used at new data center sites, where they can be incorporated into the site design. It appears unlikely existing sites, especially those that are fully built out, could be switched to on-site generation because of space constraints and financial considerations. Additionally, data center companies may have regulatory and public relation challenges trying to place some technologies, such as nuclear reactors, in suburban localities like Loudoun and Prince William.

On-site generation could help solve data center companies’ power problems, but they may not substantially reduce generation and transmission infrastructure needs. Several data center companies indicated that they were pursuing on-site generation as a primary power source but planned to rely on the main grid for backup. Because electric utilities have an obligation to serve all customers in their service territory, they would still need to build the infrastructure necessary to provide power to these sites, even if they are only serving in a backup capacity.

On-site generation could also shift new infrastructure costs to other customers, because infrastructure costs are recaptured through utility billings, and a data center using a on-site generation would not be regularly billed for services. It is possible that utilities could reach agreements with data center companies to provide reduced or non-firm levels of service if only serving in a backup capacity, which would reduce the need for additional utility infrastructure and cost impacts on other customers. However, it is not clear whether data centers would enter into such agreements. State law could be changed to address the potential issue of stranded costs from data centers that use on-site generation, but as of today, this is not occurring and only one data center site in Virginia appears to actively rely on on-site generation for a substantial share of its energy needs.

## Appendix J: Power usage effectiveness (PUE) ratios

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The efficiency of cooling and other building systems in data centers is commonly measured using a Power Usage Effectiveness (PUE) ratio. For example, a PUE of 1.3 indicates that 1.0 of energy is used for computing activity, and 0.3 is used for all other building systems. A PUE of 1.0 would indicate perfect efficiency, where all energy is used for computing activity, and none is used for any other purpose. Importantly, PUE does not measure how energy efficient a data center's computing is, because energy used for computing is always set equal to 1.0. Consequently, a lower PUE does not indicate if a data center is energy efficient as a whole. PUE only measures the efficiency of cooling and other building systems that support facility operations.

The data center industry has a strong market incentive to be energy efficient because energy is one of data centers' largest operating costs. Data centers regularly upgrade their computing equipment to take advantage of newer, more powerful and energy efficient computer chips. Computer chips' performance per watt has improved annually for decades. Data centers have also made big efficiency gains with their building systems. As recently as 10 years ago, PUEs of 1.9 or above were common across smaller enterprise and colocation data centers. With the consolidation of the industry into large hyperscale facilities, large companies now report fleetwide average PUEs of 1.1 to 1.4. However, some companies may continue to have less efficient building systems because there are also strong market incentives to avoid changes that could disrupt operations, such as installing more efficient cooling systems.

At least one European country, Germany, has passed legislation requiring data centers to achieve lower PUE in the near future (1.2 to 1.3, depending on when the data center was constructed), and similar legislation has been proposed in Virginia. A PUE requirement could have two unintended consequences: (1) it could encourage more water use by the industry, because water-dependent cooling uses less energy, and could make it harder for companies that use dry cooling systems to comply, and (2) companies that operate colocation data centers may be less able to comply because they do not control operational decisions that can affect PUE calculations, such as how much computing space tenants use. A PUE requirement for existing data centers would also create fairness issues, because companies that have chosen to use cooling systems that are more water efficient but less energy efficient may be unable to comply with the requirement, solely based on the type of cooling they chose before a PUE requirement was established.

## Appendix K: Additional natural resource considerations

---

Additional concerns about data center operations' impacts on natural resources, including their wastewater discharges, disposal of electronic waste, and diesel fuel carbon footprint, have also been raised. While significant adverse impacts to Virginia's natural resources may not occur from these, an environmental management standard, such as ISO 14001, could encourage data centers to reduce their impacts where possible. (See Chapter 5 for more information on environmental management standards.)

### **Because of existing regulations, data center wastewater discharges do not appear to pose ecological harms**

Data centers that use water in their cooling systems typically discharge only a small portion of it, but when discharges do occur, the discharges may contain relatively large concentrations of salts, other dissolved solids, and chemical additives. Some stakeholders expressed concern that data centers and/or wastewater treatment plants do not filter out the salts and any other chemicals before discharging the water to a Virginia surface water source, contributing to the degradation of water quality.

Federal and state wastewater regulations appear to protect against these risks. DEQ requires permits for wastewater discharges from utilities and other large dischargers. These permits set limitations on the contents of discharges and require water quality monitoring to ensure that discharges do not degrade water sources. Some data centers have their own discharge permits, but most send their discharges to a wastewater utility. In either case, the permit holder must ensure any wastewater is appropriately treated before discharging it into a water source. If a wastewater utility is not capable of adequately treating discharge from a data center customer, the utility can require the data center to pretreat its discharges.

Some stakeholders were concerned that existing wastewater regulations were not sufficient to protect water resources, but any potential shortcomings would be true for other development types, so data center-specific standards are not necessary. However, a certification to ISO 14001, which requires companies to meet all environmental regulations, may encourage additional voluntary commitments from data centers to reduce any wastewater impacts.

### **Electronic waste faces little regulation, but existing practices divert some servers from landfills**

Data centers are packed full of thousands of servers, and these servers are replaced every three to five years. Servers can contain rare and toxic materials. The process to procure these materials for use in servers can be environmentally harmful, as can improper disposal of the toxic materials. The reuse or recycling of servers and server parts can minimize environmental impacts.

Data centers, like other businesses, are not required by federal or state law to reuse or recycle electronic waste, but existing practices divert some servers from Virginia landfills. Many data center companies have sustainability goals related to electronic waste, including reusing, recycling, or donating old servers or old server parts. Additionally, not all local waste management services and landfills in Virginia

accept commercial waste and/or electronic waste, which would force data centers to seek other alternatives to dispose of their old servers.

Requiring data centers to meet an environmental management standard, such as ISO 14001, would require data centers to consider any environmental impacts caused by their waste generation. This could complement existing practices and discourage disposal of data center servers in Virginia landfills, if, and where, it does occur.

### **Few data centers currently use diesel fuel alternatives because of supply limitations**

Use of diesel fuel—the fuel commonly found in data centers’ backup generators—leads to greenhouse gas emissions. Data center operators are interested in expanding the data center industry’s use of alternative fuels, such as hydrotreated vegetable oil (HVO), to lower data centers’ carbon footprints. These alternatives can be used in most existing diesel generators. However, while these fuel alternatives are available for and used by data centers in Europe and California, the East Coast does not have a supply chain for these fuels. This makes it more expensive and logistically challenging for Virginia data centers to use these fuel alternatives.

Some data center companies are making efforts to expand the use of alternative fuels. For instance, some have requested DEQ permit approval to use HVO in their generators—as DEQ approval of fuel choice is needed as part of emission regulations—and the industry has reached out to the Virginia Economic Development Partnership about exploring ways to attract the fuel alternative industry to Virginia to increase local availability. While a requirement to use a fuel alternative may not currently be feasible, an ISO 14001 requirement could further encourage industry efforts to review and seek opportunities to limit their carbon footprints where possible.



## Appendix L: Data center planning and zoning changes in Fairfax, Loudoun, and Prince William

In recent years, the three Virginia localities with the most data centers have revised their approaches to regulating the industry and initiated studies to consider additional changes. Sites in Loudoun, Prince William, and Fairfax account for 80 percent of data centers in the state. Since 2019, all three localities have adopted changes to their ordinances or other policies relating to data centers. For example, all three localities added minimum requirements for data centers to their zoning ordinances. Additionally, all three localities began official studies of their data center policies, with Loudoun and Prince William planning votes in 2026 by their boards of supervisors in response to study findings. Table L-1 summarizes key changes by Fairfax, Loudoun, and Prince William related to data center planning and zoning processes since 2019.

**TABLE L-1**  
**Fairfax, Loudoun, and Prince William have updated data center policies since 2019**

| Locality       | Planning and zoning actions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Fairfax</b> | <p><b>Comprehensive zoning update with changes specific to data centers (effective 7/1/2021)</b></p> <ul style="list-style-type: none"> <li>Recognized data centers as distinct use instead of being considered a type of telecommunications facility</li> <li>Prohibited data centers in residential and certain commercial zones; requires special permit in certain commercial and industrial zones if exceeds specified size</li> <li>Established county's first design standard specific to data centers: requiring enclosure of equipment in certain zones</li> </ul> <p><b>Data center study (initiated 5/9/23)</b></p> <ul style="list-style-type: none"> <li>Process included public meetings and stakeholder interviews</li> <li>Produced two staff reports and a consultant report</li> </ul> <p><b>Zoning changes (effective 9/11/24)</b></p> <p>Board of Supervisors considered study's recommendations and implemented several rules to better manage data center development</p> <ul style="list-style-type: none"> <li>Prohibited data centers in additional zone; converted several zones from allowing data centers by right to allowing by special permit; expanded requirement for special permit if exceeding specified size to another industrial zone</li> <li>Required 200 feet between data center building and residential property; required 300 feet (or a building) between equipment and residential property</li> <li>Required 1 mile between data center and Metro station</li> <li>Required sound studies at two stages of new projects</li> <li>Required several architectural standards (e.g., façade differentiation) of by right development, with more flexibility but the same goals for special permit developments</li> </ul> |
| <b>Loudoun</b> | <p><b>Rewrite of comprehensive plan (adopted 6/20/2019)</b></p> <p>Items for priority future action included performance standards for data centers</p> <p><b>Series of meetings about data center policies by legislative committee (2022)</b></p> <p>Initiated to review county staff research and develop process for considering changes to data center policies</p> <p><b>Comprehensive zoning update includes changes specific to data centers (effective 12/13/2023)<sup>a</sup></b></p> <p>Goal to align zoning ordinances relevant to data centers with comprehensive plan</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

- Converted two zones from allowing data centers by right to allowing by special permit; permitted data center in an additional industrial zone
- Expanded applicability of data center standards (e.g., façade architecture, screening of mechanical equipment) from four zones to all locations
- Created standards for data centers regardless of location including windows, main entrance features, loading bay location, and proactive sound measuring
- Created standards for data centers adjacent to residential areas including separation of mechanical equipment, minimum 200-foot setback between buildings and property border, parking setbacks, time limits on generator testing, and acoustical barriers around mechanical equipment

**Study of potential changes to comprehensive plan and zoning ordinances for data centers and substations (initiated 2/6/2024)**

- First phase focusing on appropriate locations for data centers per the comprehensive plan and zoning ordinance, expected to conclude early 2025
- Second phase to focus on policies and zoning ordinances to implement data center standards (e.g., aesthetics, natural resources), expected to conclude 2026

**Prince William**

**Additional standards required in data center overlay district (adopted 6/18/2019)**

- Created requirements for data centers in the data center overlay district, including for building façade and fence design, screening mechanical equipment and substations near residential areas and certain roads, and buffer yards of data centers near residential areas
- To encourage data center development in the overlay, increased density allowed by right within the overlay
- Adjusted borders of data center overlay on map

**Comprehensive review of data center overlay (initiated 3/2/2021)**

- Scope included zoning ordinance, comprehensive plan, and other formal county policies
- Products included reports by county's economic development office and two consultants regarding data center industry trends, appropriate land in Prince William, and recommended standards for development
- Process included public meetings and stakeholder interviews

**Data center ordinance advisory workgroup (created 2/28/2023)**

Responsible for continuing review of county's data center policies. Draft timeline includes Board of Supervisors vote on noise ordinance amendments in spring 2025 and vote on policy changes relevant to other topics later in 2025.

**Expanded noise ordinance applicability to data centers (adopted 2/28/2023)**

- Limited exemption for nighttime cooling systems to residential homes
- Originally planned to sunset in a year but extended to provide time to "assess the noise impacts associated with data centers"

SOURCE: JLARC review of local ordinances, review of planning and zoning department documents, and interviews with local staff.

NOTE: Table describes significant changes since 2019 and is not a summary of current ordinances. Table focuses on planning and zoning processes and excludes changes to economic development and tax policy. Table excludes requirements limited to particular projects (e.g., rezoning commitments). "Special permit" is used for consistency, but the terminology for this process depends on the locality.

<sup>a</sup> Updates do not apply to certain parts of the county, which are administered under an older zoning ordinance.





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919 East Main Street Suite 2101 Richmond, VA 23219

December 9, 2024



# Data Centers in Virginia

# Study resolution

- Directs JLARC to review the impacts of data centers in Virginia and state and local policies regarding data centers
  - Projected growth of the data center industry in Virginia
  - Impact on energy consumption and infrastructure and customer costs
  - Impact on residents and natural and historic resources
  - State and local regulation of siting and construction
  - Impact on economy and tax revenues
  - State policies and incentives for data centers

Commission resolution (December 11, 2023)

# Primary research activities

- Over 300 interviews, including data center companies, utilities, local governments, state agencies, Virginia residents, and other stakeholders and experts
- Reviews of reports, state and local regulations, and other relevant documentation
- Analyses of data related to the size and distribution of data centers, environmental impacts, and economic and revenue impacts
- Forecast of future energy demand and modeling of energy infrastructure needs, costs, and rate impacts (Completed with assistance of consultants)

## In brief

- Data centers provide economic benefits and can generate substantial local tax revenues for localities that have them.
- Data center industry is driving immense increase in energy demand, and building enough new generation and transmission infrastructure to address demand will be difficult.
- Data centers are currently paying full cost of service, but growing energy demand will likely increase costs for other customers and create additional financial risks for utilities.



## In brief

- Data center backup generators emit pollutants, but their use is minimal, and existing regulations largely curb adverse impacts.
- Data center water use is currently sustainable, and state ensures future sustainability through regulation.
- Increasing number of data centers are being built close to residential areas and can negatively impact residents; some localities have taken steps to address this concern, but noise impacts can be difficult to resolve.

## In brief

- Virginia's sales tax exemption for data centers could be (1) extended to maintain data center growth and economic benefits, (2) allowed to expire to slow growth and reduce energy impacts, or (3) modified to balance these priorities.
- Sales tax exemption could also be changed to address policy concerns related to energy efficiency, natural and historic resources, and local residential impacts, but changes could make the exemption a less effective economic development tool.

# In this presentation

Background

Economic and Fiscal Impacts

Energy Impacts

Energy Costs

Natural and Historic Resource Impacts

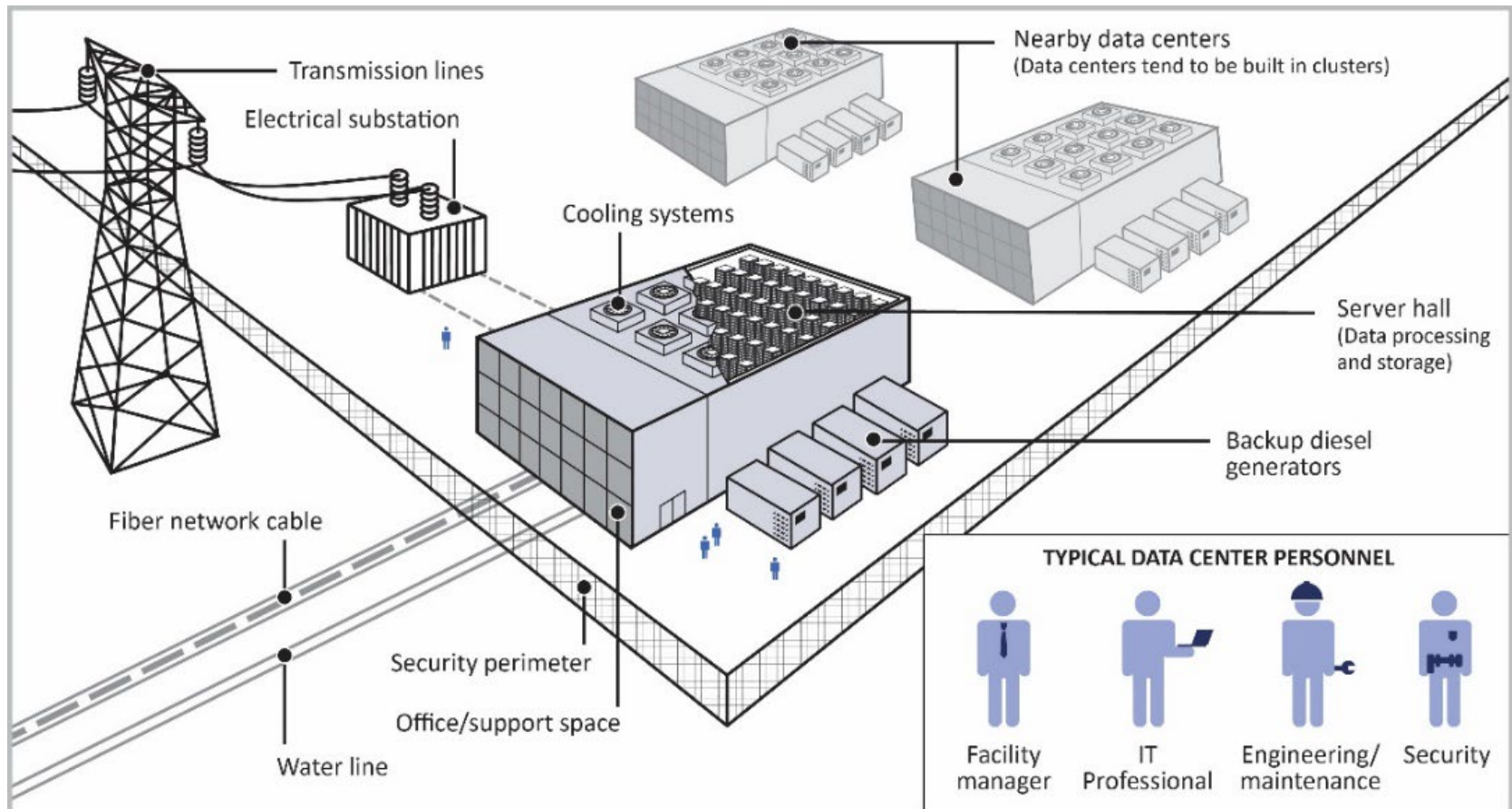
Local Residential Impacts

Using Data Center Exemption to Address Policy Concerns

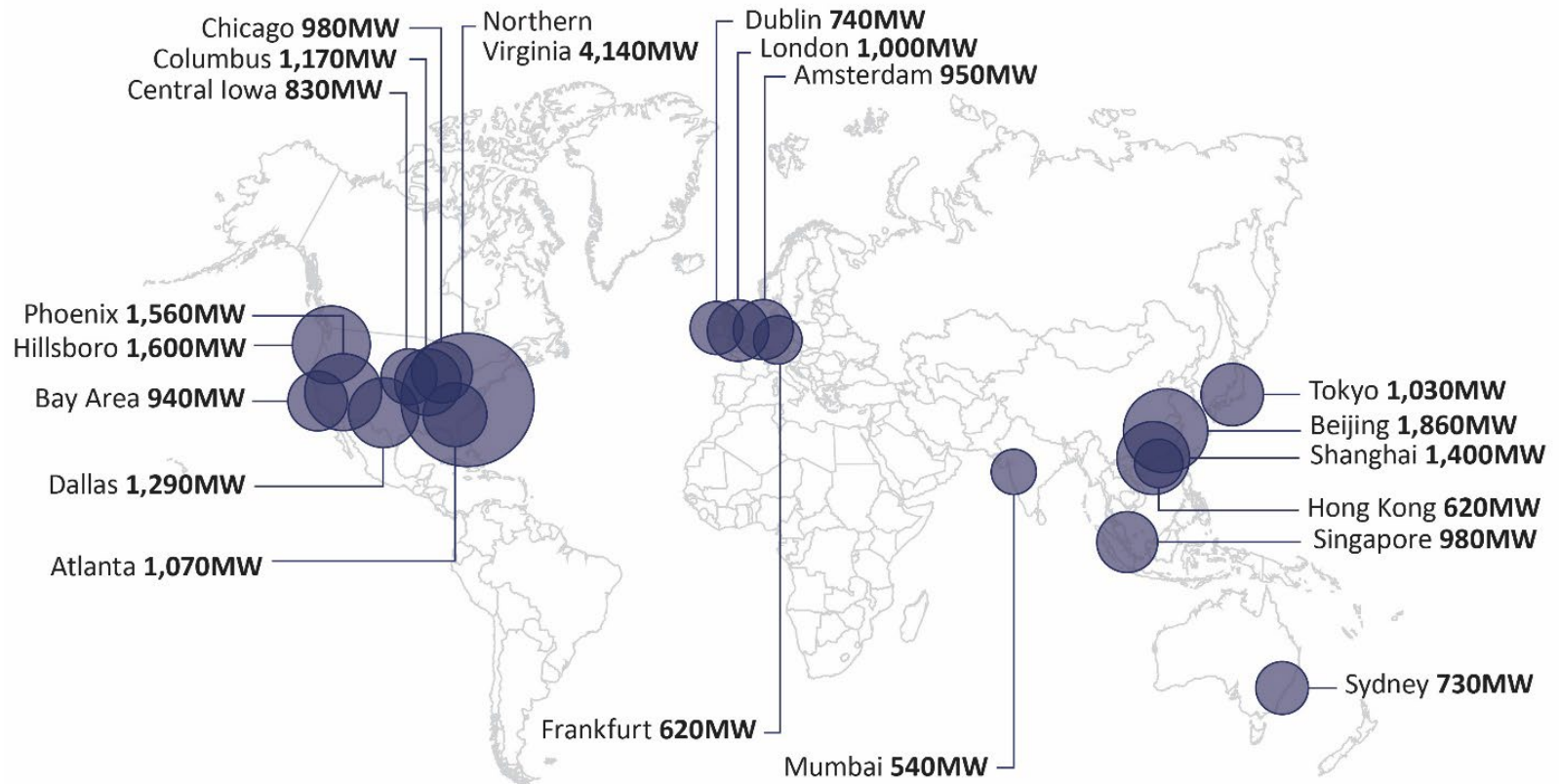
# Data centers are key hubs of world's digital infrastructure

- Enable modern digital services and economy
  - Internet, cloud services (business, personal), media streaming, apps, financial transactions
- Industry is growing rapidly, driven by a combination of established and emerging trends
  - Existing uses accelerated by COVID-19 pandemic
  - Emergence of artificial intelligence
- Dominated by a few large companies
  - Amazon Web Services, Google, Meta, Microsoft

# Modern data centers are large industrial buildings, increasingly located together on “campuses”

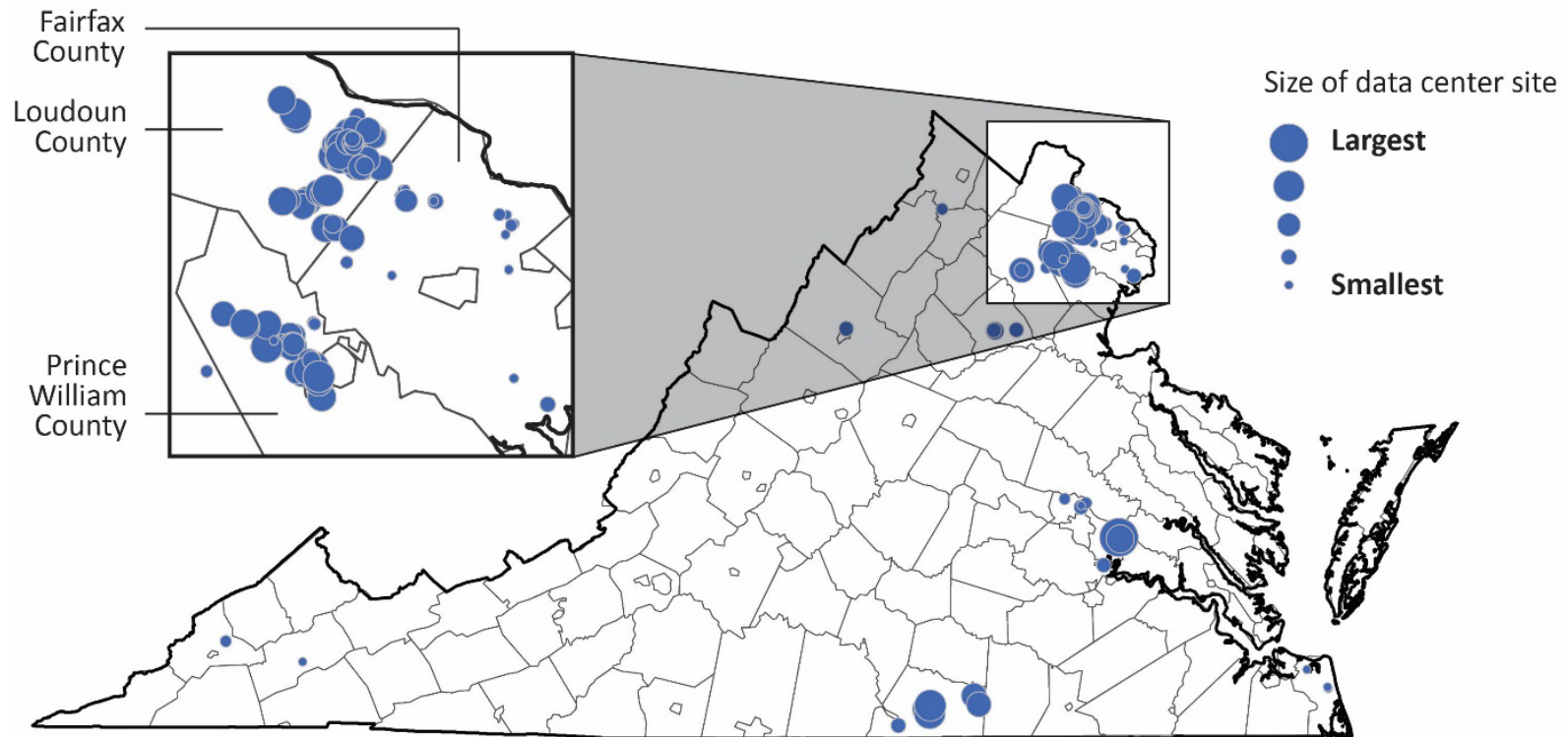


# Northern Virginia is the largest data center market in the world



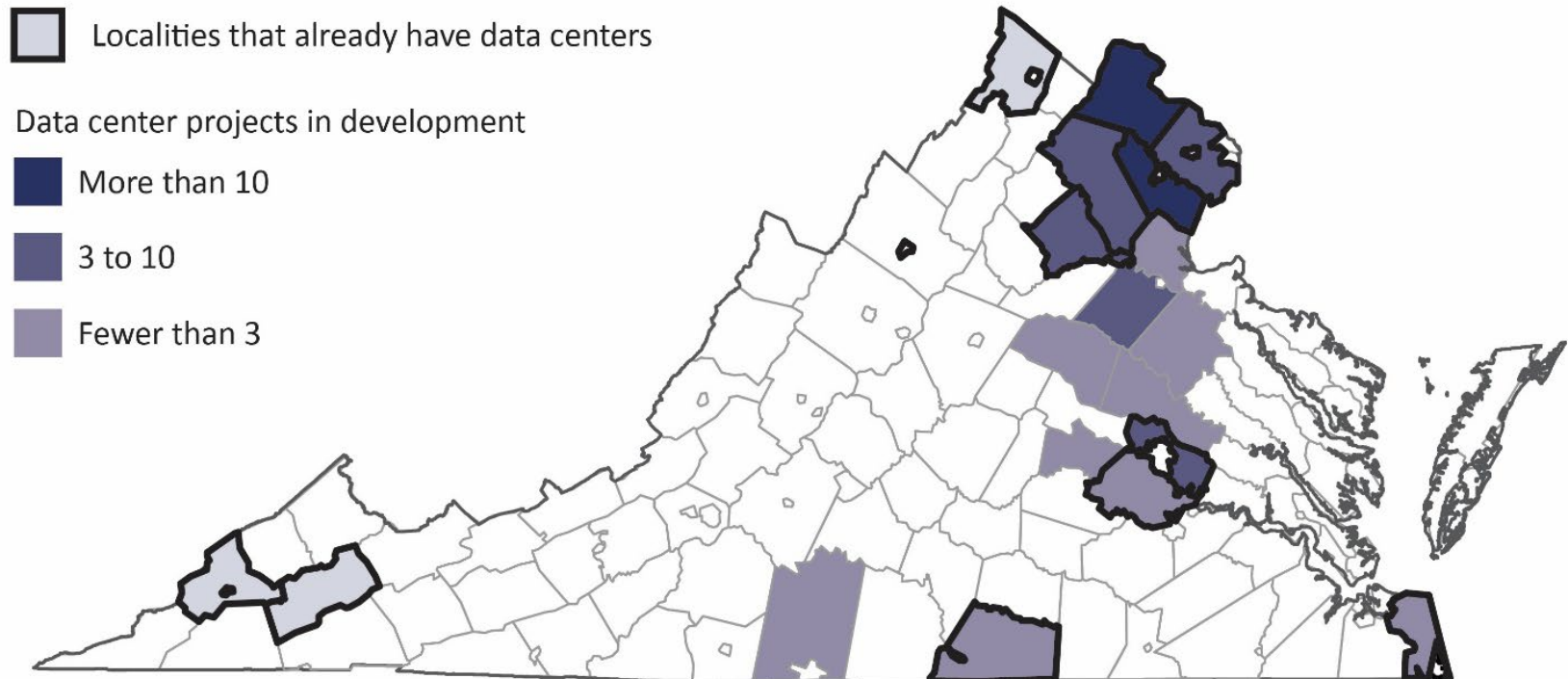
JLARC analysis of Cushman & Wakefield 2024 Global Data Center Market Comparison

# Most of Virginia's data center industry concentrated in Northern Virginia



Data center size is measured using operational capacity, given in megawatts of power.

# Virginia's data center industry is starting to expand into new localities, mostly along I-95 corridor





# In this presentation

Background

Economic and Fiscal Impacts

Energy Impacts

Energy Costs

Natural and Historic Resource Impacts

Local Residential Impacts

Using Data Center Exemption to Address Policy Concerns

# Finding

Data centers provide economic benefits, mostly during their initial construction.

# Data center industry has economic benefits, with most benefits occurring during construction

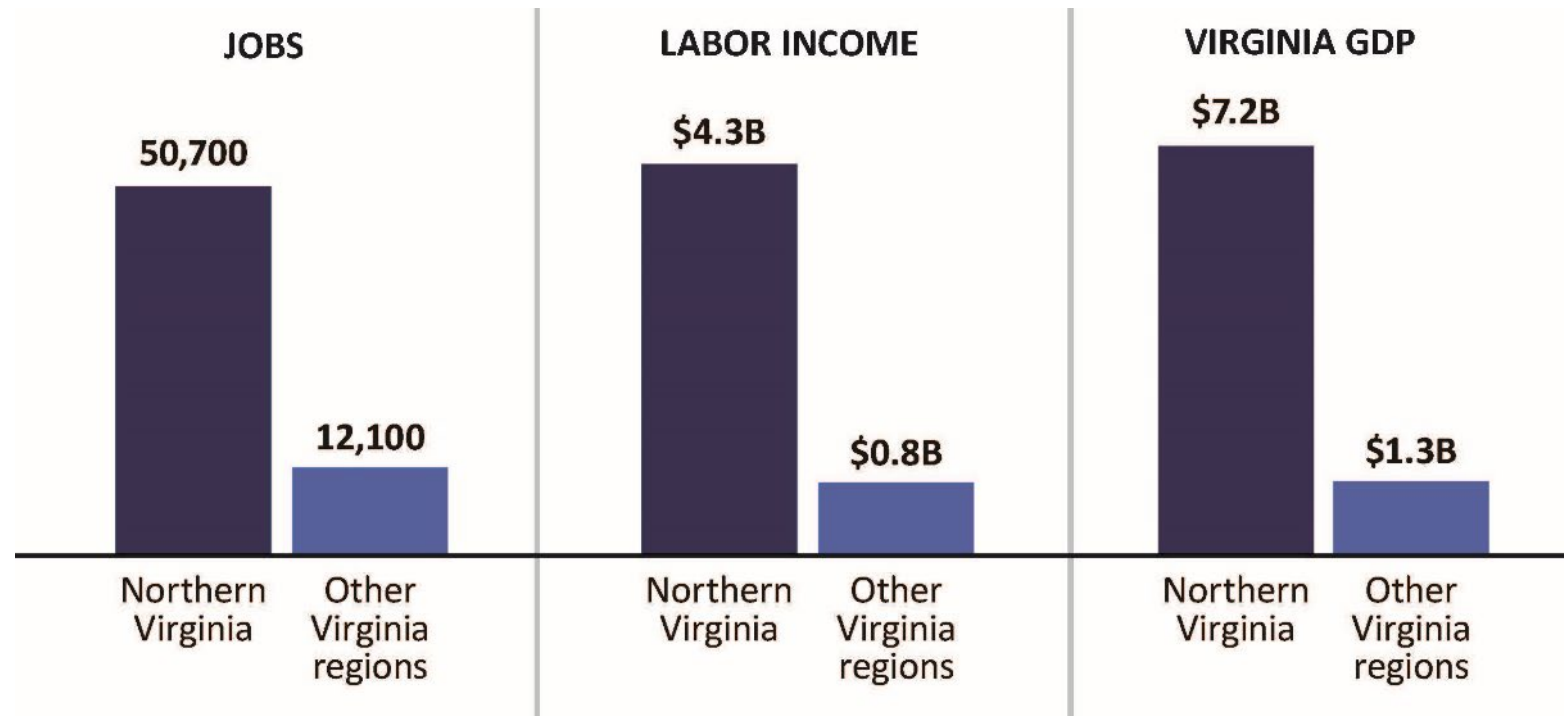
| Economic impact | Annual average* |             |              |
|-----------------|-----------------|-------------|--------------|
|                 | Construction    | Operations  | Total impact |
| Jobs            | 59,000 jobs     | 15,000 jobs | 74,000 jobs  |
| Labor income    | \$4.3B          | \$1.2B      | \$5.5B       |
| Virginia GDP    | \$6.4B          | \$2.7B      | \$9.1B       |

\*Direct and indirect economic effects, based on capital investment and related operation spending

# Data center industry creates jobs and is a significant source of capital investment in Virginia

- During construction, a data center site can employ up to 1,500 workers, including skilled construction and trades
- During operations, typically employ small number of workers relative to facility size (~50)
  - Facilities, engineers, IT, trades, security
  - Most jobs are relatively high-paying
- Significant source of capital investment (\$24B in FY23)
  - ~20% for construction, much of which stays in-state
  - Most computer & equipment investment to out-of-state companies

# Economic impact is concentrated in Northern Virginia



Totals for Northern Virginia and other Virginia regions do not sum to statewide totals shown in previous slide because the regional method of analysis does not account for impacts from activity in Northern Virginia occurring in other Virginia regions and vice versa.

# Finding

Data centers can generate substantial local tax revenues for localities that have them.

## Localities with data centers can collect substantial tax revenues from the industry

- Local tax revenues primarily from business personal property and real property (real estate) taxes
- Amount of local revenue depends on several factors, such as size of data center market and local tax rates
  - Some localities have greatly reduced rates to try and attract data centers, which greatly reduces potential revenue
- For localities with relatively mature data center markets, revenues ranged from <1% to 31% of total revenues
  - Loudoun \$733M (31%), Prince William \$110M (7%)\*

\*Cannot report totals for counties with small number of data centers to protect taxpayer confidentiality

## Localities in economically distressed areas could have difficulty attracting the industry

- To attract data centers, a locality must have access to transmission lines and large, flat areas of land
- Localities that are close to data center customers and population centers have historically had an advantage
  - Rural localities may be better able to compete for new data centers running artificial intelligence (AI) workloads
- Localities are more attractive if they have “shovel-ready” industrial sites suitable for data centers
  - VEDP’s Virginia Business Ready Sites Program provides grants for site development

VEDP = Virginia Economic Development Partnership



## Recommendation

VEDP should clarify that potential data center sites are eligible for grants under the Virginia Business Ready Sites Program.

# In this presentation

Background

Economic and Fiscal Impacts

**Energy Impacts**

Energy Costs

Natural and Historic Resource Impacts

Local Residential Impacts

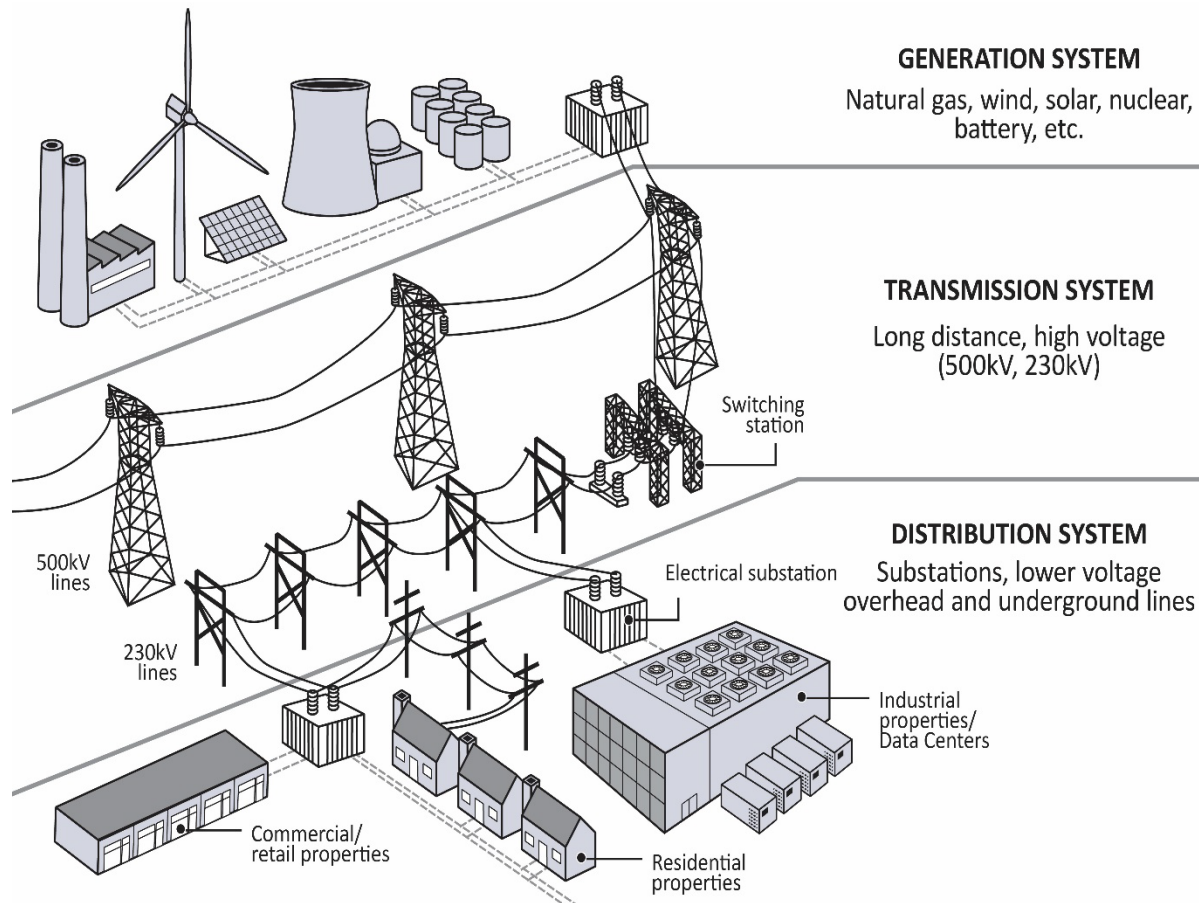
Using Data Center Exemption to Address Policy Concerns

# Modern data centers use substantially more energy than other commercial or industrial operations

- Small 18 MW data center power capacity is roughly equivalent to a mid-sized automobile assembly plant, 60 large commercial office buildings, or 4,500 homes
- Largest new data centers draw from 100 to over 200 MW, more than most industrial consumers
- Planned data center campuses are expected to consume well over 1,000 MW
  - More than the 950 MW generation capacity of Virginia's largest nuclear reactor

MW = megawatts of power used in an instant, which is the common metric for measuring data center size

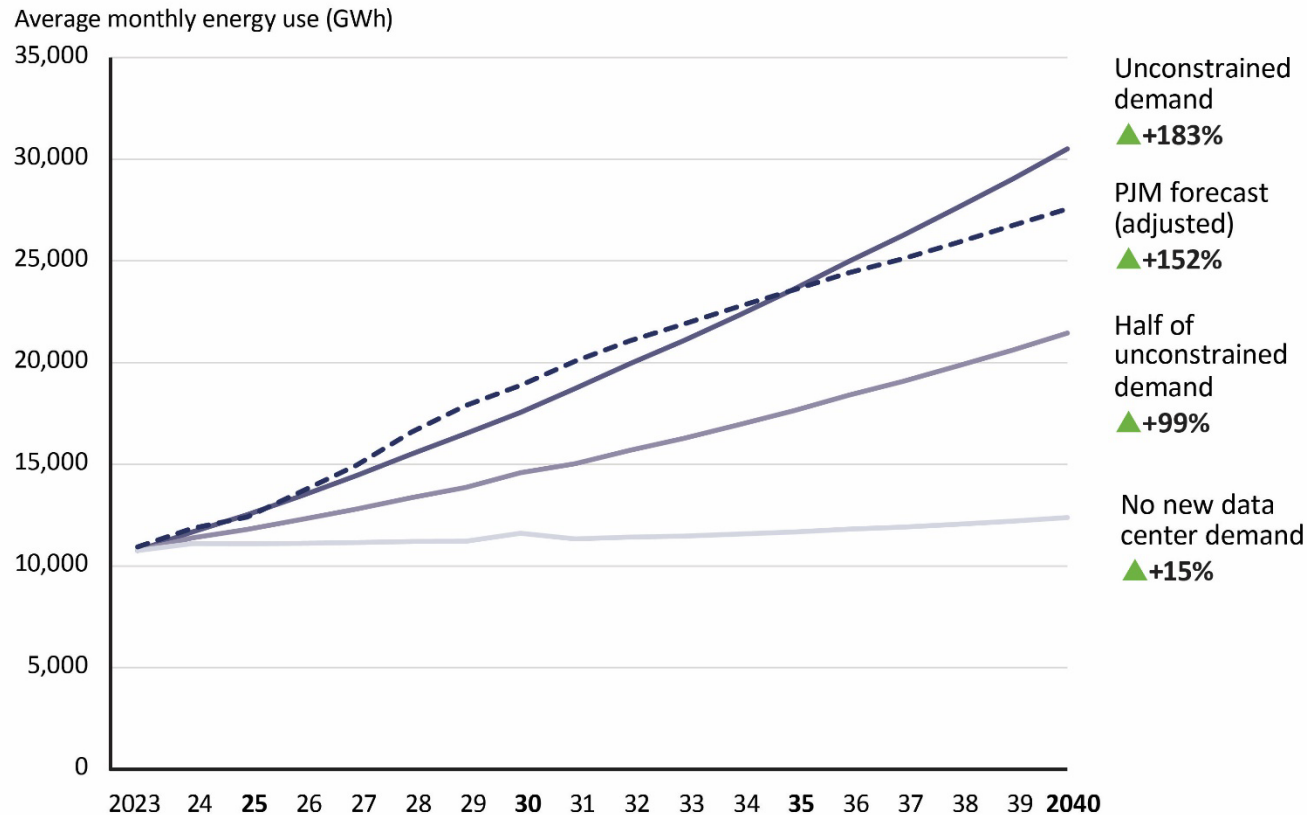
# Energy comes from a complex grid composed of generation, transmission, and distribution systems



## Finding

Data center industry is driving immense increase in energy demand, and building enough new generation and transmission infrastructure to address demand will be difficult.

# Data center industry is forecast to drive immense increase in Virginia's energy demand



PJM is the regional organization responsible for coordinating generation and transmission for Virginia and several other eastern and midwestern states

# New generation and transmission infrastructure will need to be built to help address energy demand

- New generation infrastructure needed includes
  - Renewable solar and wind facilities
  - Natural gas plants
  - Nuclear plants
  - Battery storage and “demand response” resources
- New transmission needed includes
  - “Interzonal” lines to bring power into and across Virginia
  - “Intrazonal” lines to disperse power to local distribution points
  - Transmission substations

# Addressing energy demand would require substantially increasing current system capacity and energy imports

Change from 2025 to 2040

|                            | Scenario 1:<br>Unconstrained demand | Scenario 2: Half<br>unconstrained demand |
|----------------------------|-------------------------------------|------------------------------------------|
| Generation (in-state)      | +150%                               | +90%                                     |
| Transmission (Interzonal)* | +40%                                | +35%                                     |
| Imported energy (net)      | +150%                               | +55%                                     |

Scenarios shown assume that Virginia Clean Economy Act (VCEA) renewable requirements are met.

\*Transmission capacity is only interzonal lines to and from the Dominion transmission zone, where most data centers are located and most growth is expected to occur.



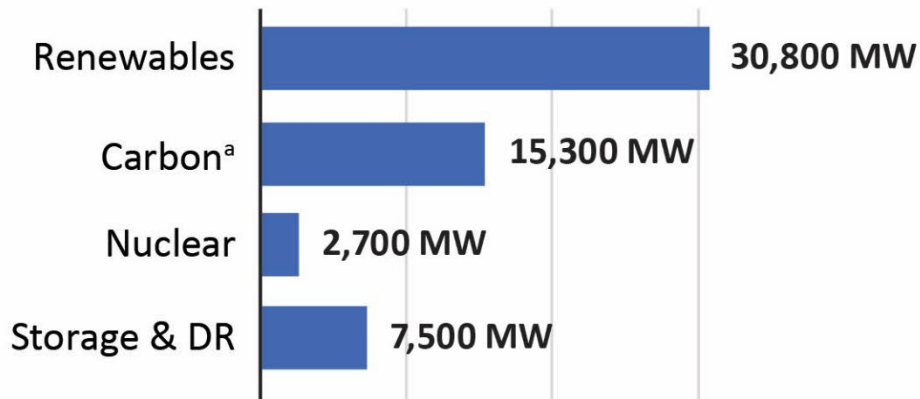
# Building enough infrastructure to meet growing data center demand will be difficult

- Scenario 1: Unconstrained demand very difficult to achieve
  - Solar added each year at 2x rate added in 2024
  - Large natural gas plant added almost every 1.5 years
  - Wind capacity exceeding all secured offshore capabilities
  - New nuclear plants using technologies not yet proven viable
- Scenario 2: Half of constrained demand difficult to achieve
  - Less new solar and natural gas, similar wind and nuclear
- Both scenarios would require many new transmission lines, especially in and around Northern Virginia, and could require new gas pipeline capacity

# Breakdown of generation capacity that would need to be added (2025 to 2040)

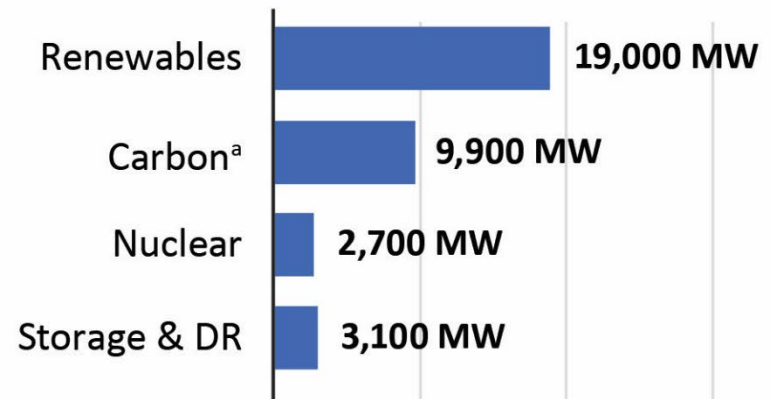
## SCENARIO 1: UNCONSTRAINED DEMAND

### VERY DIFFICULT TO ACHIEVE



## SCENARIO 2: HALF OF UNCONSTRAINED DEMAND

### DIFFICULT TO ACHIEVE



Scenarios shown assume that Virginia Clean Economy Act (VCEA) renewable requirements are met.

<sup>a</sup> Carbon generation is from natural gas baseload and peaker plants. However, starting in 2045 (not shown), grid model assumes natural gas plants would be converted to hydrogen fuel.

# Finding

Demand growth raises concerns about system capacity and reliability, but existing utility requirements and processes limit risks.

# Demand growth raises grid reliability concerns, and utilities are responsible for ensuring reliability

- Unprecedented pace of energy demand growth raises concerns
  - Availability of sufficient generation capacity
  - Ability of transmission system to reliably deliver power
- Utilities have obligation to serve new data center customers, but **foremost responsibility is to ensure grid reliability**
- Regulated by federal agency and international standards

The Federal Energy Regulatory Commission (FERC) oversees the nation's electrical grid.  
The North American Electrical Reliability Corporation (NERC) sets reliability standards for the grid.

# Regulatory requirements and planning reduce reliability risks from growing energy demand

- **Transmission** reliability concerns appear to be effectively addressed through existing planning processes
- **Generation** capacity concerns partially addressed through existing requirements, but some risk remains
  - Addition of new generation to regional grid not centrally planned
  - Demand could increase faster than new generation is added, regional *reserve* capacity projected to be insufficient by 2030
  - Issue must be addressed at federal & regional level
- Delaying addition of new data centers, as needed, would address risks

## Recommendation

The General Assembly may wish to consider clarifying that electric utilities have the authority to delay, but not deny, service to customers when the addition of customer load cannot be supported by the transmission system or available generation capacity.

# Finding

State could encourage or require data centers to take actions to help address their energy impacts, but actions would have small effect on demand.

# Data centers could take actions to help address energy impacts

- Data centers could invest more in renewable and other energy generation to help meet generation needs
  - Would not lower energy demand
  - Unclear if on-site generation would substantially reduce need for new grid infrastructure
- Participation in demand response programs could offset some energy demand and reduce infrastructure needs
- Improving data center efficiency (e.g., PUE) makes better use of energy but has marginal impact on total energy use

PUE = Power Usage Effectiveness ratio, which measures efficiency of cooling and other building systems, but not computing activity that makes up most data center energy use



## Recommendation

The General Assembly may wish to consider expanding Virginia's statutory Accelerated Renewable Buyers program, which effectively encourages large utility customers to invest in solar and wind projects, to include battery storage.

The General Assembly may wish to consider requiring utilities to establish demand response programs for large data center customers and requiring that these customers participate in those programs.

## Policy option

The General Assembly could consider requiring that, as a condition of receiving the sales tax exemption, data center companies meet and certify to an energy management standard.

Virginia's sales tax exemption for data centers is discussed in more detail in the last section of this presentation.

# In this presentation

Background

Economic and Fiscal Impacts

Energy Impacts

**Energy Costs**

Natural and Historic Resource Impacts

Local Residential Impacts

Using Data Center Exemption to Address Policy Concerns

# Finding

Data centers are currently paying full cost of service, but growing energy demand is likely to increase costs for other customers.

# Data centers are currently paying full cost of service

- Independent review of utility rate structures and cost allocations found costs incurred by data centers are currently being fully recovered from them
- **Generation and transmission** costs are either passed through to individual data center customers or allocated to customer classes that largely consist of data centers
- **Distribution** costs are directly charged to data center customers or collected through contractually obligated minimum payments

Review of current rates focused on three utilities that currently have large data centers: Dominion Energy, Mecklenburg Electric Cooperative (MEC), and Northern Virginia Electric Cooperative (NOVEC)

## Growing data center energy demand is likely to increase costs, including for other customers

- Generation and transmission costs could increase \$10B to \$18B by 2040, mostly because of data center demand
- Portion of “fixed costs” associated with new infrastructure would be billed to non-data center customers
- It would be difficult to provide enough energy supply to keep pace with growing demand, so energy prices would increase for all customers
- Utilities would need to import more power and could be more susceptible to spikes in energy market prices

Cost increases are for the unconstrained and half of unconstrained demand scenarios, assuming that Virginia Clean Economy Act (VCEA) renewable requirements are met.

# Example: projected increase in generation and transmission charges for residential customer

Typical monthly residential generation and transmission charges  
(Dominion Energy)

|                                                  | 2023 | 2030  | 2040  |
|--------------------------------------------------|------|-------|-------|
| <b>Scenario 1:<br/>Unconstrained demand</b>      | \$90 | +\$23 | +\$37 |
| <b>Scenario 2: Half<br/>unconstrained demand</b> | \$90 | +\$7  | +\$14 |

Typical monthly residential charges are the sum of the amount billed to Dominion Energy residential customers assuming typical use of 1,000 kWh. Dominion Energy is Virginia's largest electric utility and is responsible for providing generation and transmission to much of the state, including areas where most of the state's data center industry is concentrated. Charges shown assume that Virginia Clean Economy Act (VCEA) renewable requirements are met. Constant 2024 dollars.

## Utilities, under SCC regulation, could help insulate customers from systemwide cost increases

- Utility rates not designed to account for rapid cost increases to serve a small number of very large customers
- Utilities could help insulate non-data center customers by
  - Creating a separate data center customer class
  - Adopting new cost allocation methods
  - Adjusting rates more frequently
- Utility cost allocation and rate design are highly technical; practicality & legality of changes require detailed analysis
- SCC is in best position to address and has scheduled a technical conference on cost concerns for December 2024

SCC = Virginia State Corporation Commission, which regulates state electric utilities



# Finding

Data center growth creates additional financial risks to utilities and their customers.

# Data center growth creates additional financial risks to utilities due to sheer size of energy use

- Data center demand could drive infrastructure to be overbuilt, stranding costs with existing customers
- Data centers pose particular risks to electric co-ops
  - Could account for 80 percent or more of energy sales for some co-ops by 2030
  - Delayed or disputed payments from a single large customer could create substantial financial liabilities
- Data center company participation in retail choice program could shift generation costs to other customers

Electric cooperatives (co-ops) are not-for-profit electric utilities.

Retail choice is a statutorily established program that allows large electric customers to purchase energy through third-parties instead of their incumbent utility.

# Recommendation

The General Assembly may wish to consider directing Dominion Energy to develop a plan for addressing the risk of generation and transmission infrastructure costs being stranded with existing customers and file it with the SCC.

Dominion Energy is Virginia's largest electric utility and is responsible for providing generation and transmission to much of the state, including areas where most of the state's data center industry is concentrated.

## Policy options

The General Assembly could consider amending the Code of Virginia to allow electric cooperatives to create for-profit subsidiary companies to provide energy services to customers with load capacity of over 90 MW.

The General Assembly could consider amending the Code of Virginia to require that electric utilities establish caps on participation in retail choice, and that such caps be approved by the SCC.

# In this presentation

Background

Economic and Fiscal Impacts

Energy Impacts

Energy Costs

Natural and Historic Resource Impacts

Local Residential Impacts

Using Data Center Exemption to Address Policy Concerns

# Study examined data center industry impacts on natural and historic resources

- Impacts examined include
  - Air emissions from backup generators
  - Water use
  - Water quality
  - Land conservation
  - Electronic waste
  - Historic resource preservation
- Regulations are in place to help protect these resources

Water quality (stormwater runoff, protection of streams and wetlands, wastewater discharge), land conservation, electronic waste disposal, and historic resource preservation are discussed in the full JLARC report but are not included in this presentation.

# Finding

Data center backup generators emit pollutants, but their use is minimal, and existing regulations largely curb adverse impacts.

## Data centers rely on large number of diesel generators for backup power (average 54 per site)

- Emit several harmful air pollutants, such as nitrogen oxides, carbon monoxide, and particulate matter
- Regulated by DEQ using state and national standards
  - All backup generators permitted and monitored by DEQ
  - Limits use and allowable emissions to protect air quality
- Backup generators rarely run for prolonged periods
  - Routine maintenance (10-30 minutes per month)
  - Few actual power outages (operators reported 0 to 2 outages at their facilities in last two years, lasting from 1 to 5 hours)

DEQ = Virginia Department of Environmental Quality



## Backup generator emissions unlikely to harm regional air quality; localized effects under study

- Backup generators <4% of regional nitrogen oxides emissions and 0.1% of carbon monoxide and particulate matter
  - Emissions only 7 percent of what permits allowed (2023)
  - Regional air quality has improved while industry has grown
- A “worst-case” prolonged, large-scale *regional* outage could contribute to temporary air quality issues
  - Such outages are rare, and air quality would return to normal after the event
- To identify any *localized* concerns, DEQ launched study to monitor data center generator emissions in Northern Virginia

## Policy option

The General Assembly could consider requiring that, as a condition of receiving the sales tax exemption, all new data center developments in the Northern Virginia Ozone Nonattainment Area use only Tier 4 generators, Tier 2 generators with selective catalytic reduction systems, or generators with equivalent or lower emission rates.

Virginia's sales tax exemption for data centers is discussed in more detail in the last section of this presentation.

# Finding

Data center water use is currently sustainable, and state ensures future sustainability through regulation.

# Most data centers use the same amount of water (or less) as an average large office building

- Most data centers (83 percent) used the same amount of water as, or less than, an average large office building (2023)
- Water use varies depending on cooling system
- Data center water use accounted for
  - 2% to 21% of total water use at six water utilities
  - <0.5% of total state withdrawals

## State regulates sustainability of water withdrawals, but some localities should consider local impacts

- DEQ regulates water withdrawals and requires permits for large scale withdrawals (surface, groundwater)
  - DEQ models withdrawal impacts on water availability, flora, and fauna when permits are issued and renewed
- Virginia is relatively water rich, but some localities have limited water resources (e.g., lack direct access to surface waters or are in groundwater management areas)
- Localities should consider whether data center projects could affect ability to meet future residential demand or pursue other development opportunities

## Recommendation

The General Assembly may wish to consider expressly authorizing local governments to (i) require proposed data center developments to submit water use estimates and (ii) consider water use when making rezoning and special use permit decisions related to data center development

## Policy option

The General Assembly could consider requiring that, as a condition of receiving the sales tax exemption, data center companies meet and certify to an environmental management standard.

Virginia's sales tax exemption for data centers is discussed in more detail in the last section of this presentation.

# In this presentation

Background

Economic and Fiscal Impacts

Energy Impacts

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Local Residential Impacts

Using Data Center Exemption to Address Policy Concerns



# Local governments are responsible for managing land development in their jurisdictions

- Establish zoning ordinances for residential, commercial, and industrial development
- Approve development projects and exceptions or changes to zoning
  - By-right (staff)
  - Special permit (elected officials)
  - Rezoning (elected officials)

# Finding

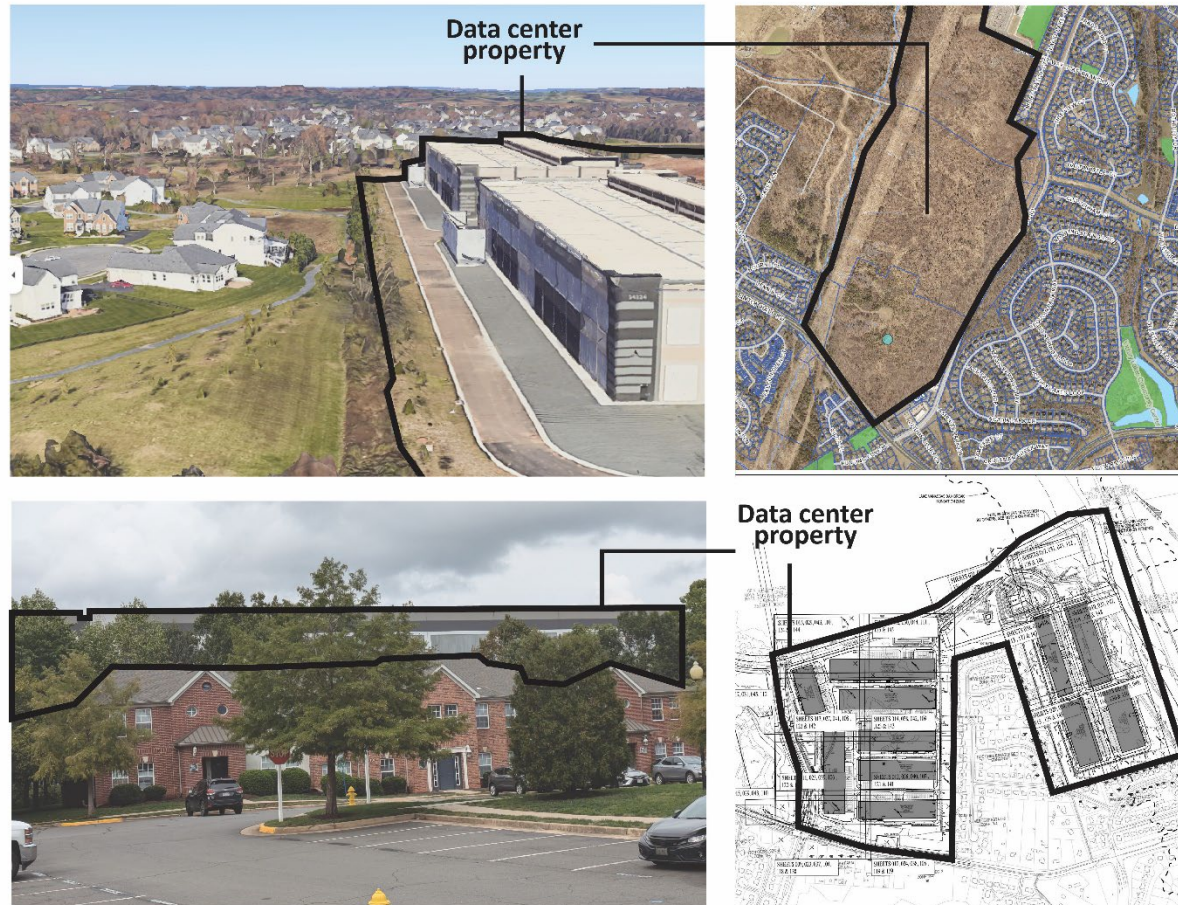
Growing number of data centers are being built close to residential areas, impacting nearby residents, and some localities have taken steps to minimize impacts.

# Data centers are industrial facilities that are largely incompatible with residential uses





# One-third of data centers are near residential areas, and industry trends make future impacts more likely



## Some localities have allowed data centers near neighborhoods but are now taking steps to minimize future impacts

- Some localities have allowed data centers next to residential areas because of
  - Inadequate planning and zoning
  - Elected officials changing or granting exceptions to zoning requirements designed to reduce residential impacts
- Several Virginia localities have made or are considering zoning ordinance changes to reduce risk of residential impacts
- Effectiveness ultimately depends on elected officials

## Localities should implement several practices to minimize residential impacts

- Classify data centers as industrial use
- Revise zoning maps to prevent by-right data centers next to residential
- Ensure sufficient minimum requirements for data center developments are sufficient (setbacks, building heights)
- Designate optimal locations for data center development (away from residential, close to transmission)
- Require pre-development sound modeling and revise ordinances to better prevent and address noise conflicts

# Finding

In a few cases, noise from data centers has negatively affected nearby residents, and noise impacts can be difficult to resolve.

## Noise has been an issue for a minority of data centers but can negatively affect nearby residents

- Only some data centers audible past property line, and noise has only been a problem when close to residential
  - Noise is typically a low-frequency “drone” or “hum” and is not loud enough to damage hearing
- In a few cases, noise has been significant enough to affect well-being of nearby residents
- Resolution has been difficult because noise ordinances are ineffective at addressing complaints
- Localities can take steps to mitigate data center noise, but some are unsure of their authority to do so



## Recommendation

The General Assembly may wish to consider expressly authorizing local governments to require sound modeling studies for data center projects prior to approval.

The General Assembly may wish to consider authorizing local governments to establish and enforce maximum allowable sound levels for data center facilities, including (i) using alternative low frequency noise metrics and (ii) setting noise rules and enforcement mechanisms in their zoning ordinances, separate from existing noise ordinances.

## Policy option

The General Assembly could consider requiring that, as a condition of receiving the sales tax exemption, data center companies conduct a sound modeling study prior to the development of a proposed data center that is to be located within a certain distance of a residential area.

Virginia's sales tax exemption for data centers is discussed in more detail in the last section of this presentation.

# In this presentation

Background

Economic and Fiscal Impacts

Energy Impacts

Energy Costs

Natural and Historic Resource Impacts

Local Residential Impacts

Using Data Center Exemption to Address Policy Concerns

## Since 2010, Virginia has offered a sales tax exemption to attract large-scale data centers

- Qualifying data centers and tenants can purchase computers and other equipment without paying sales tax
- Exemption considered valuable by the industry
  - Provided \$928.6M savings in FY23 (by far Virginia's largest economic development incentive)
  - Used by 90% of industry (as measured in MW of power)
  - Industry indicates exemption is a key factor in location and expansion decisions
- Main policy lever state has for addressing concerns about data center industry

# Findings

Exemption could be (1) extended to maintain data center growth and economic benefits, (2) allowed to expire to slow growth and reduce energy impacts, or (3) modified to balance these priorities.

# Policy Options

General Assembly could change data center sales tax exemption in one of the following ways

- **Maintain industry growth and economic benefits** by extending exemption expiration date from 2035 to 2050
- **Slow industry growth and reduce future energy impacts** by allowing exemption to expire in 2035 (current statutory date)
- **Balance competing priorities** by extending a *partial* exemption from 2035 to 2050

Note: If a change is made, the General Assembly would need to determine how to treat the large subset of data centers that qualify for the special 2040 or 2050 extension. Extension currently pertains only to Amazon Web Services, but other companies may be interested in qualifying.

# Findings

Exemption could be changed to address policy concerns related to energy efficiency, natural and historic resources, and local residential impacts, but changes could make the exemption a less effective economic development tool.

## Policy Options

General Assembly could make eligibility for data center tax exemption contingent upon one or more of the following:

- Adopting energy and/or environmental management standards (*all* data centers)
- Using lower emission generators (*new* data centers in Northern Virginia)
- Conducting Phase 1 historic resource and viewshed studies (*new* data centers)
- Conducting sound modeling studies to identify potential noise issues (*new* data centers)

SCR = Selective Catalytic Reduction system



## JLARC staff for this report

Kimberly Sarte, Associate Director

Mark Gribbin, Project Leader

Sarah Berday-Sacks

Kate Hopkins

Ellen Miller

Scarlett Saunders

## Consulting support provided for this report

Energy + Environmental Economics – grid modeling and rate analysis

Weldon Cooper Center for Public Service – energy demand modeling and economic impact analysis



## PLANNING COMMISSION REGULAR MEETING

21 Main Street

Tuesday, May 20, 2025, at 7:00 PM

### MINUTES

Item B.

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**A REGULAR MEETING OF THE PLANNING COMMISSION OF THE TOWN OF WARRENTON, VIRGINIA,  
WAS HELD ON MAY 20, 2025, at 7:00 PM**

Regular Meeting

**PRESENT**

Mr. Ryan Stewart, Chair; Mr. Terry Lasher, Vice Chair; Ms. Darine Barbour, Secretary; Mr. Steve Ainsworth; Mr. James Lawrence; Mr. Rob Walton, Community Development Director; Heather Jenkins, Zoning Administrator; Patrick Corish, Associate Town Attorney

**ABSENT**

N/A

**The minutes laid out will be a brief recap of the agenda items. Please see recorded video for more in-depth information.**

#### **CALL TO ORDER AND ESTABLISHMENT OF A QUORUM.**

The meeting opened at 7:00 PM by Chair Stewart and declared a quorum present.

#### **ADOPTION OF MINUTES**

Commissioner Lawrence moved to approve the January 21, 2025 and April 22, 2025, with the correction of a misspelling of "work session." The motion was seconded by Commissioner Ainsworth. The motion passed 5-0.

#### **PUBLIC HEARING.**

**1. Zoning Ordinance Text Amendment - ZOTA-25-1 – A Text Amendment to Remove Data Centers as a Permissible Use within the Industrial District. On March 22, 2025, Town Council adopted a Resolution to initiate a text amendment to Articles 3, 9, and 12 of the Town of Warrenton Zoning Ordinance. This text amendment is for the purpose of removing Data Centers as a Permissible Use within the Industrial District, and therefore make Data Centers an impermissible Use within the Town of Warrenton.**

Ms. Heather Jenkins, Zoning Administrator, gave an overview of the March 11, 2025, Town Council initiated text amendment and the Planning Commission's work session from April 22, 2025.

Chair Stewart opened the floor up to questions of staff.

Commissioner Lawrence inquired the Zoning Ordinance Legislative Intent sections at the beginning of each District. Staff explained that the consideration is whether the proposed text amendment falls within the guidelines of the legislative intent of the Industrial District of the Zoning Ordinance and Plan Warrenton 2040.

Chair Stewart then opened the Public Hearing at 7:15 PM.

Ali Zarabi – 344 Richards Drive, Warrenton

Ken Alm – 194 Culpeper Street, Warrenton

David Gibson – 5485 Foxview Drive, Calverton

John McAuliffe – Chilton House, Culpeper Street, Warrenton

Denise Schaffer – 6080 Whipperwill Drive, Warrenton

Cindy Burbank – Barn Owl Court, Warrenton

Chair Stewart closed the Public Hearing at 7:33 PM

Commissioner Lawrence discussed that data centers were not contemplated in the comprehensive plan. Plan Warrenton 2040 took a lot of pride in being citizen driven. Data centers were not part of that discussion. Since its adoption in 2021, the community has been vocal about removing data centers as an approved use in Town. He stated he feels a personal responsibility to representative democracy to honor the wishes of the community.

Commissioner Ainsworth discussed the Planning Commission not serving as a rubber stamp for Town Council but to properly vet land use decisions. Data centers was discussed as a possible use in the Industrial District, which by-right allows for wholesale, distribution centers of similar structure size and form that are similar to data centers. The land is surrounded by car dealerships and strip malls. Stated he believes it is not very different from other allowable uses and is an integral part of utility infrastructure. He raised concerns about one group of elected officials finding the use to be reasonable with the strict requirements under a Special Use Permit process, which requires vetting through the Planning Commission and Town Council. At this time he does not see a driving force to remove the use from the Zoning Ordinance.

Secretary Barbour spoke to there is only being one parcel available for another data center and asked if this was a use they would want to contemplate based on the required time, expense, and staff resources for one potential applicant. She stated she is not interested in being part of that type of legislative application and the citizens have spoken that they do not want data centers. Secretary Barbour continued that she wants to protect Warrenton's unique character and listen to the citizens. She believes the Planning Commission is looking at the proposal and asking questions, not rubber stamping a Town Council initiation, by looking at studies and doing their research before making a recommendation. She takes pride in the Planning Commission's due diligence and hopes the community understands they have thought about the citizens no matter what decision is recommended.

Vice Chair Lasher thanked Commissioner Ainsworth, Commissioner Lawrence, and Secretary Barbour for all raising great points. However, from his standpoint he relies on Plan Warrenton 2040, which tried to bring all the viewpoints in the community into one guiding document and he does not see where data centers fit within it. He agreed the Town needs economic development opportunities to achieve a workable community. He found that when one decision takes up a large chunk that limits the Town's ability to have a workable community then it impacts having a livable community. He clarified his previously comments regarding cost and revenues by stating he was inferring the costs associated with

staff and decision makers time to revisit over and over. Wants a constructive dialogue and commends the community for coming out.

Chair Stewart stated that he stands by the original Planning Commission's recommendation for the original text amendment; however, believes that everyone has learned a lot since that time. A lot has been learned about the impact of data centers from a land use perspective and the impacts on communities, public processes, and the way residents relate to their Town. He stated he also was in agreement with Commissioner Lawrence about the previous comments about Plan Warrenton and the Character Districts. He went on to review the development of the Urban Development Areas to state he understands the intent that was developed behind all those guidelines. There is no defined area for data centers on a large scale, industrial facility like seen in Loudoun or Prince William counties. The road map of the comprehensive plan does not include the intent to have data centers. From a practical standpoint, data centers are limited to only a few sites in town and don't see how they match the intent or character in their current form. However, Chair Stewart did believe there may be opportunities for smaller scale data center footprints. If allowed for a computer warehouse that looked like a single family home that does not require any additional utilities or demand on the water system, then it might work as viable infill development for a diversity of uses in the Industrial District. However, the Town does not have anything on the books to promote this. As the Zoning Ordinance is being updated, this may be something the community might want to look at. The staff draft of the proposed Zoning Text Amendment appears to meet the intent of the Commission and the Town Council leading him to support it.

Chair Stewart concluded the Planning Commission discussion and asked for a motion.

Commissioner Lawrence moved to recommend to Town Council to approve ZOTA 20-01 to amend Articles 3, 9, and 12 with the Staff's draft to remove data center uses from the Industrial District of the Zoning Ordinance.

Secretary Barbour seconded the motion.

There was no further discussion.

The motion passed 4-1 (Ainsworth against).

### **NEW BUSINESS.**

Planning Commission Bylaws Update which had been reviewed over the course of several months was brought forward for adoption.

Secretary Barbour requested consistency with the wording of "Chair" over "Chairman."

Chair Stewart said he would prefer gender neutral wording of "Chair" over "Chairman."

Chair Stewart asked for a motion with this administrative modification.

Commissioner Lawrence moved to adopt the updated Planning Commission Bylaws as amended. Commissioner Ainsworth seconded the motion. The Planning Commission approved the updated Bylaws 5-0.

### **COMMENTS FROM THE COMMISSION.**

Secretary Barbour thanked staff and reminded everyone that next month is Juneteeth on June 14<sup>th</sup>. Asked to help get the word out to come celebrate.

Chair Stewart thanked staff for their hard work on the data center issue. It has been a long road for everyone involved. Also thanked the public for voicing their concerns on the issue.

#### **COMMENTS FROM THE STAFF.**

Ms. Heather Jenkins reviewed two land use applications that have been submitted, including a legislative waiver for street connectivity and a Special Use Permit for Home Depot for covered storage.

Director Walton advised there is nothing for the agenda next week.

Chair Stewart and the Planning Commission advised staff to cancel the Work Session the following week.

#### **ADJOURN.**

Commissioner Lawrence moved to adjourn the meeting; Commissioner Ainsworth seconded the motion. With no further business, the Chair Stewart adjourned at 7: 55 PM.

**I hereby certify that this is a true and exact record of actions taken by the Planning Commission of the Town of Warrenton on May 20, 2025.**

-----  
Darine Barbour, Secretary  
Planning Commission

DRAFT

## Article 3 Zoning Districts and Map

Amended by Town Council: March 11, 2008

February 12, 2013

April 12, 2016

June 14, 2016

August 9, 2016

December 11, 2018

August 11, 2020

August 10, 2021

April 12, 2022

September 13, 2022

XXXXX, 2025

### Contents (Sections)

#### 3-1 Zoning Districts Established

- 3-1.1 Base Districts
- 3-1.2 Overlay Districts

#### 3-2 Zoning Map

#### 3-3 Zoning District Boundaries

#### 3-4 Requirements for Base Zoning Districts

- 3-4.1 R-15 Residential District
- 3-4.2 R-10 Residential District
- 3-4.3 R-6 Residential District
- 3-4.4 RT Residential Townhouse District
- 3-4.5 RMF Residential Multifamily District
- 3-4.6 R-40 Residential District
- 3-4.7 R-E Residential District
- 3-4.8 RO Residential Office District
- 3-4.9 PSP Public-Semi-Public Institutional District
- 3-4.10 C Commercial District
- 3-4.11 CBD Central Business District
- 3-4.12 I Industrial District

#### 3-5 Requirements for Overlay Zoning Districts

- 3-5.1 FPD - Floodplain District
- 3-5.2 PUD - Planned Unit Development District
- 3-5.3 HD - Historic District

Updated ~~September 2022~~ XXXXX, 2025

**3-4.12 I Industrial District****3-4.12.3 Permissible Uses** (by special use permit upon approval of the Town Council)

- Automobile body shop
- Automobile and truck repair and service
- Commercial Kennels
- Contractor's storage yard
- ~~— Data Center~~
- Farm equipment, motorcycle, boat and sport trailer sales and service
- Fuel, coal, oil distribution storage yards
- Lumber and building supply with undercover storage.
- Maintenance and equipment shops with screened outside storage
- Outdoor storage of any kind
- Plumbing and electrical supply with undercover storage
- Restaurant or cafeteria, drive-thru or otherwise
- Self-service mini-warehouse
- Temporary fair and show grounds
- Tire and battery sales and service, tire recapping and retreading
- Transmission and receiving towers of height greater than one hundred twenty-five (125) feet.
- Treatment plants, water storage tanks, major transmission lines or pipelines, pumping or regulator stations, communications towers, storage yards and substations, and cable television facilities and accessory buildings

Updated ~~September 2022~~ XXXXX, 2025



Article 9     Supplemental Use Regulations

Amended by Town Council:    February 12, 2013  
                                              July 8, 2014  
                                              August 9, 2016  
                                              December 11, 2018  
                                              April 9, 2019  
                                              December 10, 2019  
                                              August 10, 2021  
                                              April 12, 2022  
                                              June 11, 2024  
                                              XXXXX, 2025

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| 9-2             | Additional Regulations Where a Grouping or More than One Use is Planned for a Tract |
| 9-3             | Affordable Dwelling Unit Provisions                                                 |
| 9-4             | Apartment Buildings, Special Regulations                                            |
| 9-5             | Bed and Breakfast Facilities                                                        |
| 9-6             | Cluster Development Provisions                                                      |
| 9-7             | Home Occupations and Home Businesses                                                |
| 9-8             | Lighting                                                                            |
| 9-9             | Manufacturing Buildings, Special Regulations                                        |
| 9-10            | Mobile Homes (Manufactured Homes)                                                   |
| 9-11            | Office and Other Business Buildings, Special Regulations                            |
| 9-12            | Open Space                                                                          |
| 9-13            | Outdoor Display                                                                     |
| 9-14            | Performance Standards for All Non-Residential Uses                                  |
| 9-15            | Recycling Facilities                                                                |
| 9-16            | Residential Use Limitations                                                         |
| 9-17            | Steep Slopes                                                                        |
| 9-18            | Telecommunications Facilities                                                       |
| 9-19            | Temporary Uses                                                                      |
| 9-20            | Traditional Neighborhood Development Option (TND)                                   |
| 9-21            | Utility Lots                                                                        |
| 9-22            | Yard and Garage Sales                                                               |
| 9-23            | Massage Therapy, Establishment of Provisions for Therapists and Businesses          |
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| 9-25            | Mixed-Use Development Option                                                        |
| <del>9-26</del> | <del>Data Centers</del>                                                             |

**~~9-26—Data Centers~~**

~~Data Centers, as defined in Article 12, are permissible in the Industrial (I) District, subject to the following requirements:~~

**~~9-26.1 Additional Standards~~**

- ~~A. Minimum Lot Size: 25 acres. Town Council may approve a data center on parcels less than 25 acres as part of the special use permit application.~~
- ~~B. The data center shall utilize recycled water or air chillers, in conjunction with using recycled water, for cooling purposes. Potable water shall not be used for cooling.~~
- ~~C. All electric service lines from the substation to the data center shall be placed underground.~~
- ~~D. Setbacks: Per Section 3-4.12.4 (“All principal manufacturing and processing uses in industrial parks”):~~
  - ~~1. Town Council may approve building heights greater than 35 feet during the review of the Special Use Permit. Buildings must be setback one (1) additional foot (horizontally) from the required setback line for each additional one (1) foot (vertically) greater than 35 feet. Building heights shall be in conformance with the Comprehensive Plan.~~
  - ~~2. The data center building shall be setback a minimum of one hundred (100) feet from property lines.~~
- ~~E. Parking: In accordance with “Assembly or Manufacturing Uses” per Section 7-7 of the Zoning Ordinance.~~
- ~~F. Building Facades:~~
  - ~~1. Building facades shall include at least two of the following design elements:~~
    - ~~a. Change in building height;~~
    - ~~b. Building step-backs or recesses;~~
    - ~~c. Fenestration (25% minimum);~~
    - ~~d. Change in building material, pattern, texture, or color;~~
    - ~~e. Use of accent materials.~~

Updated ~~June 2024~~ XXXXX, 2025

~~G. Mechanical Equipment:~~

- ~~1. Mechanical equipment shall be completely screened through the use of walls, fences or evergreen vegetation so that no part of the mechanical equipment can be seen from adjoining properties or right of ways.~~
- ~~2. All generators shall be equipped with mufflers to reduce emissions and noise.~~

~~H. Security:~~

- ~~1. The facility shall provide access to Town and County emergency services staff at all times.~~

~~I. Landscaping:~~

- ~~1. In addition to the landscape planting requirements of Article 8 of the Zoning Ordinance, any portion of the data center (including equipment) visible from a park or adjoining/across the street from a residential district shall be screened by vegetation consisting of a double staggered row of evergreen trees planted 15 feet on center. A minimum 3 foot berm planted with a double staggered row of evergreen shrubs planted 10 feet on center may be used in place of the double staggered row of evergreen trees required above.~~

~~J. Substations:~~

- ~~1. Substations associated with the data center shall be screened from adjacent properties and right of ways through the use of opaque fencing in addition to evergreen trees and shrubs.~~

## Article 12 Definitions

Amended by Town Council: February 12, 2013  
 June 14, 2016  
 August 9, 2016  
 December 11, 2018  
 April 9, 2019  
 September 10, 2019  
 December 10, 2019  
 March 10, 2020  
 December 13, 2020  
 August 10, 2021  
 April 12, 2022  
XXXXX, 2025

For the purpose of this Ordinance, certain words and terms are used in a limited or special sense as defined herein. Words used in the present tense include the future; the singular number includes plural and the plural singular; the word "structure" includes "building"; the word "used" includes arranges, designed, constructed, altered, converted, rented, leased, or intended to be used; and the word "shall" is mandatory and directory.

Any word, term or phrase used in this ordinance not defined below shall have the meaning ascribed to the word in the most recent edition of Webster's Unabridged Dictionary, unless in the opinion of the Zoning Administrator, established customs or practices of the Town of Warrenton justify a different or additional meaning.

A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | R | S | T | U | V | W | Y | Z

~~**Data Center:** A facility containing one or more large-scale computer systems used for data storage and processing for off-site users. Typical supporting equipment includes back-up batteries and power generators, electric substations, cooling units, fire suppression systems, and enhanced security features.~~

Updated ~~April 2022~~ XXXXX, 2025

## Heather Jenkins

---

**From:** Denise Harris  
**Sent:** Thursday, May 15, 2025 9:00 AM  
**To:** Heather Jenkins  
**Cc:** Rob Walton  
**Subject:** FW: Time to Speak Up -- if you want to prevent data centers in Warrenton

FYI

### Denise M. Harris, AICP

Planning Manager  
 Community Development Department



21 Main Street  
 Warrenton, VA 20186  
 (540) 347-1101 x145  
[warrentonva.gov](http://warrentonva.gov)

---

**From:** James Lawrence <jlawrence@warrentonva.gov>  
**Sent:** Thursday, May 15, 2025 8:43 AM  
**To:** Denise Harris <dharris@warrentonva.gov>  
**Subject:** Fwd: Time to Speak Up -- if you want to prevent data centers in Warrenton

Please add to citizen comments as part of next weeks Public Hearing.

Sent from my iPad

Begin forwarded message:

**From:** Cindy Burbank <[cindy.burbank@comcast.net](mailto:cindy.burbank@comcast.net)>  
**Date:** May 7, 2025 at 9:57:14 AM EDT  
**To:** PJ Leary <[pjleary1@gmail.com](mailto:pjleary1@gmail.com)>, [katybarber20186@gmail.com](mailto:katybarber20186@gmail.com), Kevin Ramundo <[ramundok@gmail.com](mailto:ramundok@gmail.com)>, Patricia Browne <[pbrowne319@gmail.com](mailto:pbrowne319@gmail.com)>, Juan Archilla <[jcarchil@gmail.com](mailto:jcarchil@gmail.com)>, Tim Hoffman - PowerlineFighterinFauq <[hftthoffman3@gmail.com](mailto:hftthoffman3@gmail.com)>, Christina Gagnon <[tinytina3@verizon.net](mailto:tinytina3@verizon.net)>, [keenanlori@gmail.com](mailto:keenanlori@gmail.com), Sam Mitchell <[smitchell4273@gmail.com](mailto:smitchell4273@gmail.com)>, [jamesedwardrich@aol.com](mailto:jamesedwardrich@aol.com), [suwaru47@gmail.com](mailto:suwaru47@gmail.com), Bob Lee <[gboblee@icloud.com](mailto:gboblee@icloud.com)>, WALDO WARD <[waldow53@comcast.net](mailto:waldow53@comcast.net)>, [autodidact1000@aol.com](mailto:autodidact1000@aol.com), Christopher Bonner <[bonner.chris@gmail.com](mailto:bonner.chris@gmail.com)>, [dcb11653@gmail.com](mailto:dcb11653@gmail.com), Geoff Grambo <[ggrambo@gmail.com](mailto:ggrambo@gmail.com)>, [dianemhayes79@gmail.com](mailto:dianemhayes79@gmail.com), Bernardine Connelly <[connellybj@gmail.com](mailto:connellybj@gmail.com)>, [karnay@yahoo.com](mailto:karnay@yahoo.com), Chuck Cross <[ccross7791@gmail.com](mailto:ccross7791@gmail.com)>, Mary Judkins <[maryjdkns@gmail.com](mailto:maryjdkns@gmail.com)>, Terence Nyhous <[tnyhous900@aol.com](mailto:tnyhous900@aol.com)>, Mark

Smith <[MarkRSmith@hotmail.com](mailto:MarkRSmith@hotmail.com)>, [dosnomads@comcast.net](mailto:dosnomads@comcast.net), Ken Alm <[moon5195@comcast.net](mailto:moon5195@comcast.net)>, [mkoko@segmentalwall.com](mailto:mkoko@segmentalwall.com), David Norden <[david@hsnaia.com](mailto:david@hsnaia.com)>, Mike Fultz <[mike.j.fultz@gmail.com](mailto:mike.j.fultz@gmail.com)>, Denise Schefer <[denise.schefer@gmail.com](mailto:denise.schefer@gmail.com)>, Dave Gibson <[davegibson3@gmail.com](mailto:davegibson3@gmail.com)>, Pat Ewing <[ewing.pat210@gmail.com](mailto:ewing.pat210@gmail.com)>, Peggy <[peggydivincenzo@gmail.com](mailto:peggydivincenzo@gmail.com)>, John McCarthy <[jmccarthy@pecva.org](mailto:jmccarthy@pecva.org)>, [Douglaslarson46@gmail.com](mailto:Douglaslarson46@gmail.com), [1aliZarabi1@gmail.com](mailto:1aliZarabi1@gmail.com), Lee Owsley <[latitudesfairtrade@gmail.com](mailto:latitudesfairtrade@gmail.com)>, [blairwlawrence71@gmail.com](mailto:blairwlawrence71@gmail.com), [Tandeowsley@gmail.com](mailto:Tandeowsley@gmail.com), Joanne Charles <[jcharles1331@gmail.com](mailto:jcharles1331@gmail.com)>, Cal Hickey <[tgteer@comcast.net](mailto:tgteer@comcast.net)>

**Subject: Time to Speak Up -- if you want to prevent data centers in Warrenton**

**[EXTERNAL EMAIL]** DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Friends in Warrenton and Fauquier -

Do you want to avoid more battles over data centers in Warrenton?

If so, now is the time to speak up. The 2021 data center zoning ordinance is still on the books. If you think it should be removed -- **if you think there is NO PLACE IN THE SMALL TOWN OF WARRENTON FOR A DATA CENTER -- you need to let the Warrenton Planning Commission know, because they are holding a hearing and a vote soon -- on Tuesday May 20 at 6:30 pm.**

Unfortunately, there are indications that some of the Planning Commission -- maybe a majority -- are thinking of recommending it be kept in place.

**Please email the Planning Commissioners now -- because they are forming their views now -- and please plan to attend and speak at the 5/20 hearing.**

Here are some messages you might consider sending and speaking -- but please use your own words!

- *Members of the Planning Commission: Please recommend revoking the 2021 data center zoning ordinance.*
- *Warrenton is a small historic town. There is no conceivable place for a data center within the 4 square miles of this special town.*
- *In 2022-2023, Town and County citizens erupted in anger over the proposal to approve a massive data center on the entrance to Town.*
- *Citizens were equally angry over the NDAs, the withheld FOIAs, the cozy relationship between Town staff and Amazon, and the secretive, "done deal" process behind the ordinance and the data center itself.*
- *In 2022-2023, citizens of the Town and County sent an overwhelming message of opposition to the Warrenton data center on Blackwell Road -- and opposition to ANY data center in the small town of Warrenton.*
- *The Town's own records show over 2,800 citizens went on record against the data center. Only 11 individuals went on record in support.*

- *Yet the 2023 Town Council voted 4-3 to approve the Amazon data center, after citizens packed Fauquier High School's auditorium on Valentine's Day 2023 and spoke into the late hours in opposition.*
- *If you are thinking of retaining the data center zoning amendment, go back to the recording of the Valentine's Day hearing to re-live what citizens said and what happened: <https://www.regionalwebtv.com/warrentontc>*
- *If the Planning Commission votes to recommend keeping the 2021 data center zoning ordinance, you are repudiating these citizens and this dark history.*
- *If you vote to keep the 2021 data center zoning ordinance, you are saying you think there is a place in Warrenton for a data center.*
- *[Please tell us exactly WHERE you think a data center would be allowable in Warrenton.](#)*
- *Vote to remove the data center zoning ordinance, to protect Warrenton from data centers, and to rebuke the process that played out in 2021-2023.*

Email addresses for Planning Commission:

|                          |                                                                            |
|--------------------------|----------------------------------------------------------------------------|
| Ryan Stewart, Chair      | <a href="mailto:rstewart@warrentonva.gov">rstewart@warrentonva.gov</a>     |
| Terry Lasher, Vice Chair | <a href="mailto:tlasher@warrentonva.gov">tlasher@warrentonva.gov</a>       |
| Darine Barbour           | <a href="mailto:dbarbour@warrentonva.gov">dbarbour@warrentonva.gov</a>     |
| James Lawrence           | <a href="mailto:jlawrence@warrentonva.gov">jlawrence@warrentonva.gov</a>   |
| Steve Ainsworth          | <a href="mailto:sainsworth@warrentonva.gov">sainsworth@warrentonva.gov</a> |

Notice of May 20 public hearing and Planning Commission vote, at 7:00 pm:

## TOWN OF WARRENTON NOTICE OF PUBLIC HEARING

Notice is hereby given that the Planning Commission of the Town of Warrenton will hold a Public Hearing on Tuesday, May 20, 2025, at 7:00 PM in the Warrenton Town Council Chambers (First Floor) located at 21 Main Street, Warrenton, Virginia. The following item(s):

**ZOTA-25-1** - A Zoning Ordinance Text Amendment to Remove Data Center Permissible Use in the Industrial District. As initiated by Town Council on May 1, 2025, this Zoning Ordinance Text Amendment will amend Articles 3, 9, and 10 of the Town of Warrenton Zoning Ordinance, for the purpose of removing Data Center Permissible Use within the Industrial District, and therefore make Data Center Impermissible Use Within the Town of Warrenton.

People having an interest in the above are invited to attend the hearing and express their opinion regarding the issues. The public may also choose to submit written comments through the Town's website or by emailing [citizencomment@warrentonva.gov](mailto:citizencomment@warrentonva.gov). The public comment period which will end at noon the day of the public hearing. The Planning Commission may make a recommendation to the Town Council, which may hold a public hearing at a later date. Information is available for viewing on the website [www.warrentonva.gov](http://www.warrentonva.gov). If there are any questions, please call 540-342-1234 or visit Town Hall located at 21 Main Street, Monday through Friday, 8:30 AM to 4:30 PM.

The Town of Warrenton desires to make its programs, services, facilities, and meetings accessible to persons with disabilities. If you need accommodations or services, please contact the Town as far in advance as possible.





May 20, 2025

To the Town of Warrenton Planning Commission:

Ryan Stewart, Chair  
Terry Lasher, Vice Chair  
Darine Barbour  
James Lawrence  
Steve Ainsworth

Subject: ZOTA-25-1

Dear Commisioners:

Citizens for Fauquier County (CFFC) is writing in support of the Town Council-initiated text amendment to remove data centers as a permissible use within the industrial district. CFFC respectfully requests that the Planning Commission approve text amendment ZOTA-25-1 for the following reasons:

1. As alleged in the pending lawsuit against the Town and Amazon filed by CFFC and 10 town residents, the Data Center Text Amendment approved in August 2021 was adopted in violation of state law, thus rendering the Data Center Text Amendment void *ab initio*. The trial on that issue is set for March, 2026. The Court ordered that until that trial concludes and the Court issues a decision, work on the Amazon data center cannot move forward. To prevent any further Town resources to be spent on other data center applications that may be filed in the future under the current zoning, the Town should eliminate that possibility by amending the zoning ordinance now.
2. Data centers are highly impactful industrial uses with extraordinary power demands. More data centers means more transmission lines, and according to Dominion Energy, with very rare exception, transmission lines are not buried underground but are placed above ground on large power towers often requiring additional right of way. (I bring to your attention that the Governor vetoed the Board of Supervisors initiated approved bill to bury portions of a transmission line within Fauquier County for a single project several years ago.) Data centers and the unsightly infrastructure they require are not appropriate in the quaint, historic town of Warrenton.



3. Data centers are not part of the vision for the Town of Warrenton under the Town's Comprehensive Plan. Plan Warrenton 2040, adopted after a two-and-a-half-year public process involving 13 public meetings and over 16,000 individual engagements, does not provide for data centers in town.

And if the reasons cited above are not persuasive enough, CFFC would encourage the Planning Commission to remember all the public hearings it and the Town Council held regarding the Amazon data center application. As expressed time and time again over numerous months by many hundreds of citizens, the vast majority were opposed to the data center.

CFFC encourages the Planning Commission to support the text amendment to remove data centers from the Zoning Ordinance as a permissible use.

Respectfully Submitted,

Kevin Ramundo  
President, Citizens for Fauquier County

## Heather Jenkins

---

**From:** Denise Harris  
**Sent:** Tuesday, May 13, 2025 3:19 PM  
**To:** Heather Jenkins  
**Subject:** FW: Please undo the 2021 Zoning Amendment mistake

### Denise M. Harris, AICP

Planning Manager  
 Community Development Department



21 Main Street  
 Warrenton, VA 20186  
 (540) 347-1101 x145  
[warrentonva.gov](http://warrentonva.gov)

---

**From:** Chuck Cross <ccross7791@gmail.com>  
**Sent:** Tuesday, May 13, 2025 2:38 PM  
**To:** Planning Department <Planning@warrentonva.gov>; Darine Barbour <dbarbour@warrentonva.gov>; Ryan Stewart <rstewart@warrentonva.gov>; Terry Lasher <tlasher@warrentonva.gov>; James Lawrence <jlawrence@warrentonva.gov>; Steve Ainsworth <sainsworth@warrentonva.gov>  
**Subject:** Please undo the 2021 Zoning Amendment mistake

**[EXTERNAL EMAIL]** DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Some people who received this message don't often get email from [ccross7791@gmail.com](mailto:ccross7791@gmail.com). [Learn why this is important](#)

May 12, 2025

Dear Warrenton Planning Commission,

Please recommend that the Town Council reverse the zoning amendment that allowed the Amazon data center application to move forward in Warrenton. You are likely aware of the overwhelming public outcry and legal process that ensued from the 2021 code amendment and subsequent Amazon data center application. Far from benefiting Warrenton, the singular decision to alter the zoning code in 2021 launched the town of Warrenton down a dark and extremely expensive path. I encourage you to now be part of the solution, rather than the continuance of the problem.

First, it is likely that the resolution of the court matter alleging that the 2021 rezoning was handled incorrectly under Virginia law will be resolved against the town and Amazon. The arguments are simple. Town staff, the Council, and Amazon rushed to amend the code and in so doing, failed to follow key state requirements. Consider that any future data center applied for or approved under the original flawed legal process will likely be presented with the same public challenges and costly battles.

Second, the concern of Warrenton citizens over the original zone change was and is so great it will not go away. As you know, it grew into a two-year fury that saw an entire turnover of the town Council. The only path to reconciliation with most local constituents is to reverse the wrong that originally allowed data centers to apply for an exception in the first place. I urge you to see this truth and make a recommendation to correct the matter.

Despite the Mayor's repeated assertions that there is a silent majority in favor of data centers, this is simply not true and not supported by the record. The record shows at least 2,000 against data centers and only 11 in favor. If there is any silent majority, logic tells us that these silent people are almost certainly against data centers not for them. Silent majorities still vote, and we have a new town Council majority that was elected from an anti-data center platform.

As part of the public and governmental decision-making process, you have the responsibility to consider the public will, the extensive cost and disruption the zoning change has had on this town, and whether that should continue. In other words, a decision by you to ignore the opportunity to begin correcting the problem will certainly result in:

- More legal cost and political anxiety for Warrenton.
- A major public battle each time a data center application is proposed.
- Continued public mistrust of process and a community divided against its town.

Please be bold and do your part to return Warrenton to where it was before the zoning mistake occurred.

Sincerely,

Chuck Cross  
Lees Ridge Rd  
Warrenton, VA

## Heather Jenkins

---

**From:** Denise Harris  
**Sent:** Friday, May 16, 2025 3:57 PM  
**To:** Heather Jenkins  
**Subject:** FW: Please undo the 2021 Zoning Amendment mistake

### Denise M. Harris, AICP

Planning Manager  
 Community Development Department



21 Main Street  
 Warrenton, VA 20186  
 (540) 347-1101 x145  
[warrentonva.gov](http://warrentonva.gov)

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**From:** Chuck Cross <ccross7791@gmail.com>  
**Sent:** Friday, May 16, 2025 3:55 PM  
**To:** Planning Department <Planning@warrentonva.gov>; Darine Barbour <dbarbour@warrentonva.gov>; Ryan Stewart <rstewart@warrentonva.gov>; Terry Lasher <tlasher@warrentonva.gov>; James Lawrence <jlawrence@warrentonva.gov>; Steve Ainsworth <sainsworth@warrentonva.gov>  
**Subject:** Re: Please undo the 2021 Zoning Amendment mistake

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Dear Warrenton Planning Commission:

Having just taken a moment to review the Planning Commission's minutes from the April 22 meeting, I feel compelled to amend my earlier comments. First, I'm dumbfounded at the current Planning Commission's understanding of the zoning amendment process that occurred, or more correctly, failed to occur in 2021. While my earlier comments stand as written, this addition addresses specific understandings or questions by the Planning Commission in the April minutes:

1. Questions were raised about the need for this undertaking and concerns about the necessity for reconsideration of the zoning amendment, that it feels arbitrary, and whether there was any basis for the change.

The Town Council, as a higher governmental body, has already determined the need for consideration of this matter. The Town Council passed a resolution to begin text amendments to the zoning ordinance. I do not believe the Town Council asked the Planning Commission to determine whether they were thinking clearly when they made this resolution. Rather, the Planning Commission has been tasked with considering text amendment language.

There is nothing arbitrary about this request or the desire to consider amending the ordinance. Anyone living in Warrenton for the last several years knows that this matter is the most contentious, damaging matter to come before the town in decades, possibly ever, and that it all ties back to the original text amendment in 2021. The matter has survived judicial review without being found arbitrary or without merit and the court has found that there is clearly a basis for that challenge.

2. Apparent concerns that this matter was not raised previously and that this current request is a result of “political winds.”

The political winds felt today are simply a residual breeze left behind by a several-year hurricane. The matter was raised previously. Over and over and over, with an ever-increasing intensity. It resulted in a lawsuit because the prior Town Council was too deaf to reverse its original change of the inappropriate amendment. I, along with many others stood in front of this Planning Commission and the Town Council in 2022 and 2023 challenging the ordinance change and everything that ensued from that change. This is not new. It is not arbitrary. Please review your own history before believing such.

3. The town needs to stand by its decision in order to provide predictable guidance to land owners.

No. The Town needs to acknowledge that it fell victim to deception, misrepresentation, and big corporate influence to the detriment of citizens. This is why the Town Council asked you to begin this undertaking. Why the Town Council is seeking to follow good process by including you in the mechanisms of government rather than excluding you and bypassing an important part of the system like the prior Council did in 2021 and 2022. Were you consulted on the zoning amendment brought forth in 2021? Nope.

4. The Town had conducted public hearings, vetted the matter and found the change to be in the best interests of the Town.

Again, no. The Town disguised the matter inside a consent agenda. Only one citizen even noticed that this was happening and appeared to raise voice. No one else, including council members at that time realized what they were approving.

*The term "consent agenda," sometimes called consent calender, refers to a specific section of a meeting agenda that groups **routine, non-controversial** items for quick approval. Instead of discussing and voting on each individual item separately, the group can approve all items on the consent agenda at once.*

The use of a consent agenda to sneak the amendment passed everyone and avoid discussion and debate was diabolical and intentional as evidenced by the town administrator's own statement to

Amazon's attorney that she had "slipped" it into a consent agenda. You know the rest of the story. She did this working hand in hand with Amazon. Then Town staff in response to specific questions, stated that there were no known interested data centers at the time; clearly false. And then once the amendment was passed allowing data centers, the Town administrator promptly accepted a position with Amazon.

There was no vetting of this matter other than how it might be snuck through the system unnoticed. In fact, the zoning amendment in 2021 was put forth in the consent agenda on the very day the Town Council approved the Planning Commission's recommendation of the Comprehensive Plan; a plan that did not even contemplate data centers inside Warrenton. If nothing else, this Commission should be so upset by that deception that you should be the first in line to explain why this now needs to happen.

Not only was there no vetting, no discussion, no debate, no consideration. There was no compliance with state law when the town amended the zoning ordinance (see lawsuit against the Town of Warrenton).

*Virginia Code 15.2-2486(A)(7): Whenever the public necessity, convenience, general welfare, or good zoning practice requires, the governing body may by ordinance amend, supplement, or change the regulations, district boundaries, or classifications of property.*

There was no consideration or showing of "*public necessity, convenience, general welfare, or good zoning practice*" in 2021. This Council is trying hard to follow correct process, follow law and do things the way they should have been done in 2021.

#### 5. The creation of precedence setting special rules for special processes.

Again no. The Town Council is trying to reverse a matter that resulted from "special rules" and "special processes" that benefitted some Town staff and Amazon in 2021. The precedence for dishonesty and avoidance of law was already established with this matter. The only precedence you risk setting here is that Warrenton "can" do things the right way.

#### 6. Concern that no other jurisdiction has disallowed data centers.

The more relevant concern should be whether any other jurisdiction has violated state law in amending a zoning ordinance under the cloak of darkness, obscured by the use of a consent agenda to the detriment of its own citizens.

#### 7. Concerns about revenue loss.

There should be greater concerns about the cost already expended by the Town in defending its improper and dishonest actions set in motion in 2021. Rather than the Town's future opportunity cost with no data centers, please consider the money the Town will save by no longer continuing to battle a situation that should have never occurred in the first place.

I am not arguing that you have an obligation to see things the way the majority of local citizens see them. I'm arguing that you have a responsibility to give your full consideration of a zoning text amendment as the Town Council has requested.

Sincerely,

Chuck Cross  
Lees Ridge Rd  
Warrenton, VA

On Tue, May 13, 2025 at 2:37 PM Chuck Cross <[ccross7791@gmail.com](mailto:ccross7791@gmail.com)> wrote:

May 12, 2025

Dear Warrenton Planning Commission,

Please recommend that the Town Council reverse the zoning amendment that allowed the Amazon data center application to move forward in Warrenton. You are likely aware of the overwhelming public outcry and legal process that ensued from the 2021 code amendment and subsequent Amazon data center application. Far from benefiting Warrenton, the singular decision to alter the zoning code in 2021 launched the town of Warrenton down a dark and extremely expensive path. I encourage you to now be part of the solution, rather than the continuance of the problem.

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- A major public battle each time a data center application is proposed.
- Continued public mistrust of process and a community divided against its town.



Please be bold and do your part to return Warrenton to where it was before the zoning mistake occurred.

Sincerely,

Chuck Cross  
Lees Ridge Rd  
Warrenton, VA

## Heather Jenkins

**From:** David Dobson <dobsondm@aol.com>  
**Sent:** Monday, April 28, 2025 2:25 PM  
**To:** Heather Jenkins  
**Subject:** Hi Heather - I hope this message finds you well, and enjoying a fine spring day. I enjoyed attending Last Tuesday evening's Planning Commission meeting, and hearing everyone's points on the Data Center text amendment issue. It was a good, smart discuss...

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You don't often get email from dobsondm@aol.com. [Learn why this is important](#)

Hi Heather - I hope this message finds you well, and enjoying a fine spring day. I enjoyed attending Last Tuesday evening's Planning Commission meeting, and hearing everyone's points on the Data Center text amendment issue. It was a good, smart discussion and I look forward to the Public Hearing on this. Technology is moving so very, very fast these days - fortunately with better, safer and much quieter cooling, recycling, Liquid Immersion Cooling/LIC, power efficiency and especially super low sewer & water use compared to the technology of 2021, four years ago, when the Data Center text was first adopted. Fortunately things are much different and better now, completely different now for the better. If only companies would always commit to using the very best technology.

On sewer & water for example, for planning for the future, things have greatly changed for the better in the Town. The Town has substantially invested in sewer & water improvements and continues to do so in this year's budget. This year's Town budget shows strong continued capital investment for improving Town sewer & water capacity. Our **current capacity is 3M GPD**, as recently confirmed publicly by Town Council Member Bill Semple in the March Town Council Meeting. To help even more, I have done much research to find simple, low-cost ways to easily increase Town sewer & water capacity. **The good thing is that the Town can dramatically increase its sewer & water capacity today with already well established, simple, super low-cost sewer & water conservation programs that can effectively add up to 1M more GPD by simply replacing older toilets, faucets and showerheads with [EPA WaterSense](#) products like dual flush toilets, low flow toilets, water efficient faucets, showerheads and rain barrels too. Dramatic, easy and super low-cost savings of Town sewer & water, yielding much, much more effective capacity. And it would be easy to begin this program with swapping out at Town and County government offices, schools, apartments, and hotel/motel units, and of course older homes.**

So I wanted to share what I have seen. Our neighbors in Charlottesville and Albemarle County have been **running water conservation programs for 20 years** very successfully! These are proven efforts that have contributed to their sewer & water capacity at super low cost and simple effort. Their water conservation is saving them **68.9 million gallons of water annually** (according to their 2022 Water Conservation Report: <https://www.charlottesville.gov/495/Water-Conservation>). These are very simple and super low-cost ways to conserve the Town's sewer & water - most notably their rebate program or Swap-Out Program for replacing older toilets, faucets and showerheads with more water-efficient [EPA WaterSense](#) products like dual flush toilets, low flow toilets, water efficient faucets, showerheads and rain barrels too.

The Charlottesville Sewer & Water Conservation Program Director, Jennifer Patterson, said it well from their experience, **"Just think, 1,161 old-fashion toilets replaced here in just the last two (2) years with a basic replacement rebate program of just \$150 per old-fashioned toilet and showerhead (and with no installation/removal help either!) - and each fixture replaced represents several houses saved on sewer & water use."** Here is Charlottesville & Albemarle's Water Conservation Program details:

**1) Toilet Rebate Program:** Provides a rebate of up to \$150 to any city or county water customer who purchases and installs a low flow WaterSense toilet to replace older high flow models. **Since its inception in 2003, the number of toilet rebates issued is 7,234, saving 68.9 million gallons of water a year!** A note about these rebates: Multi-unit properties and businesses also receive rebates and they will be on the hunt for ways to save money and water moving forward.

**2) Rain Barrel Rebate Program:** Provides up to 2 \$30 rebates for rain barrels purchased per water service address. This program encourages homeowners to use harvested rainwater for outside uses like washing cars, watering plants and irrigating landscapes. Since its inception in 2009, the City of Charlottesville has provided 873 rebates.

**3) Free Water Conservation Kits:** Kits to residents from the City's Utility Billing Office and passing them out at community events. Each kit includes these water saving devices:

- City of Charlottesville Rebate brochure (information on Toilet and Rain Barrel Rebate Programs)
- WaterSense labeled 1.5 gallon per minute faucet aerator, good for kitchen use
- WaterSense labeled 0.5 gallon per minute faucet aerator, good for bathroom use
- WaterSense labeled self-cleaning, massaging showerhead plus 1 roll of extra duty Teflon tape for installation
- 2 toilet leak detection dye tablets, to help with detecting a running toilet

**4) Fix A Leak Week:** A national campaign which seeks to inform the public on how to identify and fix leaks. Fix a Leak Home Scavenger Hunt with participants are entered to win a prize of \$50 gift card to a local gardening business. Also features a youth art contest to show why we must value and save water.

These ideas can work today for the Town of Warrenton for sewer & water conservation, and I have more resources which I will send. The Town has a sewer & water conservation advocate in me, and I have offered my support and assistance to Mayor Nevill; Town Manager Frank Cassidy; Town Council and to Town staff like Seth Cannonier, Superintendent of Public Utilities; Steven Friend, Director of Public Utilities; Paul Bernard, Director of Public Works; Rob Walton, Director of Community Development; and Denise Harris, Planning Manager. **I have even asked Mayor Nevill if the Town can form a simple Swap-Out Program to implement these savings to benefit our Town. We can effectively add up to another 1M more GPD to our 3M GPD current capacity by establishing a Swap-Out Program for the Town. All virtually at no cost!**

These are simple and super low-cost ways to help increase the Town's sewer & water capacity by large amounts - just like the successful programs used for 20 years in nearby Charlottesville and Albemarle. I will also send more details on the Town of Warrenton that I have been working on, and how we can do a Swap-Out Program here. It really will work well at super low cost and effort for Warrenton. **I will send you more ideas too as I keep working on this.** I think there are great easy and low-cost savings ahead. I look forward to seeing you at the next Planning Commission meeting. Best regards, David

David Dobson  
Premium Business Parks International, LLC  
Office: 540-937-7010  
Cell & Text: 540-229-7010  
Email: DobsonDM@aol.com

### **Toilet Rebates**

City of Charlottesville

<https://www.charlottesville.gov> ›

Toilet-Rebates A rebate of up to \$150 can be used to cover the cost of the toilet

### **Community embraces water conservation practices**

Jennifer Patterson, Project Manager of Charlottesville Water Conservation Program

Utilities Outreach Office, 434.970.3800, [waterconservation@charlottesville.gov](mailto:waterconservation@charlottesville.gov)

### **9 Steps To Curb NRW & Maintain Water & Sewer Systems**

Ground Penetrating Radar Systems

Leaks in pressurized water pipelines can lead to significant water loss and increased non-revenue water (NRW). Proactively utilizing industry-leading smart ...

### **Water Loss and Conservation for Small Utilities**

WaterOperator.org

Water loss is an unavoidable part of distribution systems, yet too much can stress the supply and efficiency of your utility

### **Understanding and Managing Losses in Distribution Networks**

Globally, water demand is rising and resources are diminishing, so water losses from distribution networks that can reach as high as 50% in some cities...

<https://www.epa.gov/watersense>

<https://serviceauthority.org/customerservices/water-conservation/>

<https://www.charlottesville.gov/501/Water-Rebates-Incentives>

# THE FACTS ON LEAKS

**10**

percent of homes have leaks that waste 90 gallons or more per day



## Did you know?

Minor water leaks account for nearly



**trillion gallons**

of wasted water each year and is equal to annual household water use in nearly



**million homes**



## Repair

leaks by checking faucet washers and gaskets for wear and replacing them if necessary



**Replace** old toilets with WaterSense models & save



**Homeowners**  
can save



**look for**





**Heather Jenkins**

---

**From:** Denise Harris  
**Sent:** Thursday, May 15, 2025 9:01 AM  
**To:** Heather Jenkins  
**Subject:** FW: Hi Jim - I hope this message finds you well, and coming off a nice weekend with your family.

**Denise M. Harris, AICP**

Planning Manager  
Community Development Department



21 Main Street  
Warrenton, VA 20186  
(540) 347-1101 x145  
[warrentonva.gov](http://warrentonva.gov)

---

**From:** James Lawrence <[jlawrence@warrentonva.gov](mailto:jlawrence@warrentonva.gov)>  
**Sent:** Thursday, May 15, 2025 8:44 AM  
**To:** Denise Harris <[dharris@warrentonva.gov](mailto:dharris@warrentonva.gov)>  
**Subject:** Fwd: Hi Jim - I hope this message finds you well, and coming off a nice weekend with your family.

Please add to citizen comments as part of next weeks Public Hearing.

Sent from my iPad

Begin forwarded message:

**From:** David Dobson <[dobsondm@aol.com](mailto:dobsondm@aol.com)>  
**Date:** May 12, 2025 at 1:18:38 PM EDT  
**To:** James Lawrence <[jlawrence@warrentonva.gov](mailto:jlawrence@warrentonva.gov)>  
**Subject:** Hi Jim - I hope this message finds you well, and coming off a nice weekend with your family.

**[EXTERNAL EMAIL]** DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.



Hi Jim - I hope this message finds you well, and coming off a nice weekend with your family. Tomorrow's Town Council Meeting will review the discussion I attended at the April 22 Planning Commission work session on amending Data Centers as a Permissible Use within the Town's Industrial Districts. My point - removing Data Centers as a potential Permissible Use seems premature and a bit hasty. Data Centers are now a really very normal part of our everyday life. They just need to use cutting edge technology, get quieter, look prettier and adopt the rapid improvements now available in the industry - with many more technical improvements arriving every month now. **Let's give technology and future Town Councils this chance and choice.** Technology keeps improving on Data Centers and technology is moving very fast - with better, safer and much quieter cooling, recycling, Liquid Immersion Cooling/LIC, power efficiency and especially super low sewer & water use compared to the Data Center technology of 2021, when the Data Center text was first adopted. Things are much better now, completely different now for the better. For sure we need the Data Center companies to commit to using the very best technology in our communities! In short, let's give better technology and future Town Councils a chance at deciding this.

Just as one example, a major improvement to provide very quiet, no-water and energy efficient Data Centers is the great new technology now being used - **Liquid Immersion Cooling/LIC**. It involves submerging electronic components, like servers, in a dielectric fluid (a non-conductive liquid) that efficiently absorbs and dissipates heat. This method offers super quiet, no vibration, superior cooling compared to traditional air or water cooling, allowing for increased server density and performance while greatly reducing energy consumption, noise and vibrations - helping to eliminate them for top "neighborliness". Technology is fast eliminating negatives - so the future gets much, much better every year.

LIC is now known as the industry's new standard for offering excellent cooling efficiency. I recently received a [flyer](#) (streamed below) from [nVent Data Solutions](#) for an [LTA Sidecar](#) liquid cooling solution for existing Data Centers. **The most remarkable note for this LTA Sidecar is that it completely bypasses public water systems! That means there are ways to cool Data Centers without even using the Town's sewer & water systems.** The LTA Sidecar is a completely integrated liquid-to-air heat rejection systems that enables up to **two racks of liquid cooled IT equipment with no public water**. The technology used for this device cools liquid by pulling air over coils and rejecting heat into the hot aisle. **This method avoids the complexities of facility water, reducing operational costs while maintaining high performance.** This new technology is like the difference between today's quiet EVs with no noise or vibrations running on clean batteries compared to an old rumbling Model T with no muffler using leaded gas!

The use of new technology can aid us in our new normal, allowing for more efficient use of resources. And this is just one example - just one example - of how Data Center technology is quickly changing for the better. The LTA Sidecar could help Warrenton decision makers, as just 20 of these devices will disconnect a major Data Center from public sewer & water use, and quiet things way, way down. Just wanted to share this exciting new development, and show how all this new technology today and tomorrow makes the Town's Data Center text amendment unnecessary. I have also streamed below several links that offer more information on LIC that help. Best regards, David

David Dobson  
Premium Business Parks International, LLC  
Office: 540-937-7010



### Liquid Cooling: A Year in Review

We'll examine some of the biggest updates in the Liquid Immersion Cooling industry and how these new innovations will impact your Data Center.

### The 2025 Outlook for Data Center Cooling

Rapidly increasing server rack densities and 24/7 uptime requirements will increase demand for liquid and hybrid cooling systems, including retrofits,...

### Data Centers Look to Immersion Cooling as a Path to Sustainability - and Lower Costs

Data Center usage is rapidly increasing, driven to a great degree by demand for artificial intelligence. This technology revolution could...

### Quiet of Immersion Cooling Improves Quality of Life

Data centers are **noisy places** – both inside and out. On the inside, high velocity fans on IT equipment and the HVAC system create an ...

### Immersion Cooling Solution for Data Centers - Gigabyte

The scalable, faster, and energy-efficient way to cool your **data center**, **immersion cooling** can save more for your business and is overall more reliable.

### Liquid Immersion Cooling for Data Centers | ICeraQ | GRC

GRC is the leader in **liquid immersion cooling** for **data centers**. Our ICeraQ™ micro-modular systems increase efficiency and lower CAPEX & OPEX by 50%.

### Immersion Cooling with 3M Fluids for Data Centers

**Immersion cooling** is a method for cooling **data center** IT hardware by directly immersing the hardware in a non-conductive liquid such as **3M™ Fluorinert™** ...

----- Forwarded Message -----

**From:** nVent Data Solutions <[datacenters@nvent.com](mailto:datacenters@nvent.com)>

**To:** "[dobsondm@aol.com](mailto:dobsondm@aol.com)" <[dobsondm@aol.com](mailto:dobsondm@aol.com)>

**Sent:** Thursday, May 8, 2025 at 10:18:25 AM EDT

**Subject:** Deploying Liquid Cooling without Facility Water - nVent LTA Sidecar



/ern'



the efficiency of existing data centers. The nVent Liquid-to-Air Sidecar Heat Rejection Unit is a completely integrated liquid-to-air heat rejection unit that is designed to be installed in a server rack and rejecting heat into the hot aisle. This method avoids the complexities of facility water, reducing operational costs while maintaining

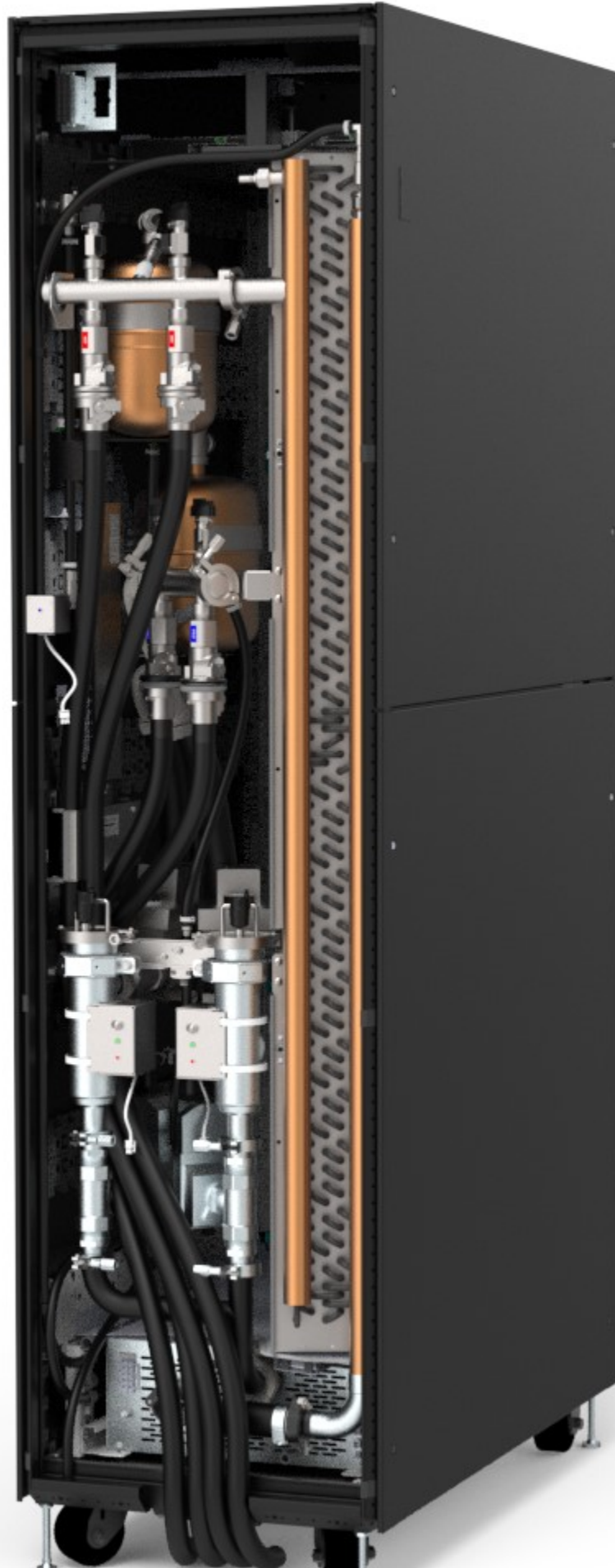
**Intelligent design:** The LTA Sidecar comes standard with 14 hot-swap fans in N+1 configuration, a reservoir pump unit with N+N hot-swap pumps, a hot-swap controller, a hot-swap concurrently maintainable redundant filtration system, 6 x N+N redundant power supplies, integrated leak detection, leak-free hose connections, and an LED Light Path status panel.

**Deploying liquid cooling:** colocation data centers can now deploy liquid cooling inside of existing data centers with minimal infrastructure changes.

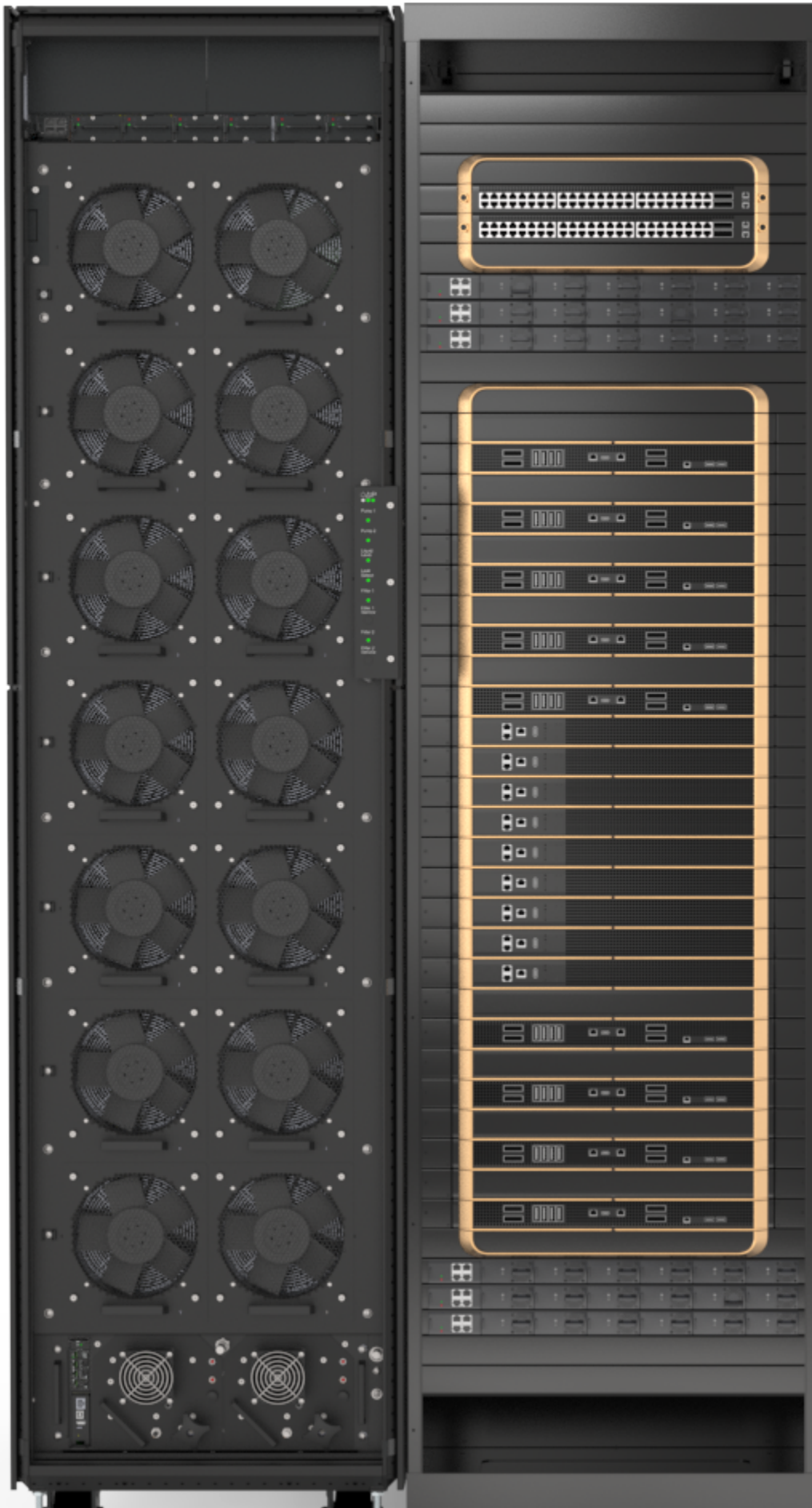
**Minimizing leaks and failures:** Integrated internal and external leak detection.

**Hot swap and serviceability:** toolless hot-swap, redundant pumps, fans power supplies, temperature and pressure sensors.

**Flexible** hose connections allowing installation flexibility.



Designed to enable up to two racks when  
is no Facility Water System



### Nvidia NVL36 Configuration

GB200 NVL36 rack supported by a single Sidecar HRU (1:1)





### [Nvidia NVL72 Configuration](#)

GB200 NVL72 rack supported by two Sidecar HRUs (2:1) in parallel

[\*\*Learn More!\*\*](#)

## Heather Jenkins

---

**From:** Denise Harris  
**Sent:** Wednesday, May 21, 2025 8:58 AM  
**To:** Heather Jenkins  
**Subject:** FW: Planning Commission Public Hearing May 20, 2025

### Denise M. Harris, AICP

Planning Manager  
 Community Development Department



21 Main Street  
 Warrenton, VA 20186  
 (540) 347-1101 x145  
[warrentonva.gov](http://warrentonva.gov)

---

**From:** dunaginp@icloud.com <dunaginp@icloud.com>  
**Sent:** Sunday, May 18, 2025 8:57 PM  
**To:** Ryan Stewart <rstewart@warrentonva.gov>; Terry Lasher <tlasher@warrentonva.gov>; Darine Barbour <dbarbour@warrentonva.gov>; James Lawrence <jlawrence@warrentonva.gov>; Steve Ainsworth <sainsworth@warrentonva.gov>; Planning Department <Planning@warrentonva.gov>; citizencomment <citizencomment@warrentonva.gov>  
**Subject:** Planning Commission Public Hearing May 20, 2025

**[EXTERNAL EMAIL]** DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Some people who received this message don't often get email from [dunaginp@icloud.com](mailto:dunaginp@icloud.com). [Learn why this is important](#)

Dear Planning Commissioners:

I am writing to urge you to vote to remove, reverse and nullify the data center zoning ordinance and protect Warrenton from data centers.

The citizens of Warrenton spoke back in 2021-2023, expressing our overwhelming disapproval of putting any data centers in Warrenton. Sadly though, the town staff, along with several town council members, violated the trust of the citizens by not listening to their constituents, not honoring FOIA requests or requests for transparency, signing NDAs and holding secretive meetings that resulted in a decision to approve the data center zoning.

Now that we have new town council members who more closely represent the will of the people, it's time to revisit this issue. Your loyalty to the town citizens demands that you provide transparency on every aspect of how this deal was made and how we can reverse any corrupt decisions made over the past several years.

I expect you to listen to the many citizens who will speak out against data centers on Tuesday night. I expect you to put this amendment up for a vote at the town council. Remember that you work for us, the citizens of Warrenton.

Thank you!

Percy Dunagin  
Ward 5

## Heather Jenkins

---

**From:** Denise Harris  
**Sent:** Wednesday, May 21, 2025 9:53 AM  
**To:** Heather Jenkins  
**Subject:** FW: Planning Commission Public Hearing May 20, 2025 - NO Data Centers

## Denise M. Harris, AICP

Planning Manager  
 Community Development Department



21 Main Street  
 Warrenton, VA 20186  
 (540) 347-1101 x145  
[warrentonva.gov](http://warrentonva.gov)

---

**From:** vernnb@aol.com <vernnb@aol.com>  
**Sent:** Monday, May 19, 2025 8:58 PM  
**To:** Ryan Stewart <rstewart@warrentonva.gov>; Terry Lasher <tlasher@warrentonva.gov>; Darine Barbour <dbarbour@warrentonva.gov>; James Lawrence <jlawrence@warrentonva.gov>; Steve Ainsworth <sainsworth@warrentonva.gov>; Planning Department <Planning@warrentonva.gov>; citizencomment <citizencomment@warrentonva.gov>; dunagin@icloud.com  
**Cc:** veronique Dunagin <vernnb@aol.com>  
**Subject:** Planning Commission Public Hearing May 20, 2025 - NO Data Centers

**[EXTERNAL EMAIL]** DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Some people who received this message don't often get email from [vernnb@aol.com](mailto:vernnb@aol.com). [Learn why this is important](#)

Dear Planning Commissioners:

**I am writing to urge you to vote to REMOVE, REVERSE and NUILLFY the data center zoning ordinance and protect Warrenton from data centers.**

So many citizens of Warrenton expressed their overall disapproval of putting ANY data centers in Warrenton but the town staff and several town councils members didn't listen to the citizens and not honoring FOIA requests -- no TRANSPARENCY -- and signed NDAs and held secret meetings where the decision to approve the data center. **SHAME on YOU!!**

We are blessed now to have new town councils members who are for the will of the people and it is time to revisit this issue.

I plan to come to the Tuesday night meeting to stand with all to put this amendment up for a vote.

Remember -- you work for me -- and all tax paying citizens of Warrenton.

Sincerely,

Veronique Dunagin  
Ward 5

## Heather Jenkins

---

**From:** Denise Harris  
**Sent:** Wednesday, May 21, 2025 9:33 AM  
**To:** Heather Jenkins  
**Subject:** FW: Comment for May 20 2025 Planning Commission Public Hearing RE: Zoning Ordinance Text Amendment - ZOTA-25-1 – A Text Amendment to Remove Data Centers as a Permissible Use within the Industrial District.

## Denise M. Harris, AICP

Planning Manager  
 Community Development Department



21 Main Street  
 Warrenton, VA 20186  
 (540) 347-1101 x145  
[warrentonva.gov](http://warrentonva.gov)

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**From:** Suzan Fultz <suzan.fultz@gmail.com>  
**Sent:** Monday, May 19, 2025 8:53 AM  
**To:** citizencomment <citizencomment@warrentonva.gov>; James Lawrence <jlawrence@warrentonva.gov>; Terry Lasher <tlasher@warrentonva.gov>; Darine Barbour <dbarbour@warrentonva.gov>; Ryan Stewart <rstewart@warrentonva.gov>; Steve Ainsworth <sainsworth@warrentonva.gov>; Planning Department <Planning@warrentonva.gov>  
**Subject:** Comment for May 20 2025 Planning Commission Public Hearing RE: Zoning Ordinance Text Amendment - ZOTA-25-1 – A Text Amendment to Remove Data Centers as a Permissible Use within the Industrial District.

**[EXTERNAL EMAIL]** DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Dear Planning Commissioners:

Thank you for your thoughtful deliberation over the removal of data centers as a permissible use within the Industrial District. Before finalizing your vote, please consider the following as comments for the Public Hearing tomorrow evening:

Consider that when the ZOTA was enacted, little was researched and considered about the detriments data center's pose to the quality of life in historic small Towns like Warrenton.

Consider there are no viable locations in Town far removed from residents, for a data center and the required substation and power line infrastructure along with acreage for generators that will be needed to support such an undertaking.

Consider the long years of construction; the permanent power lines; likely light pollution and noise from the data center being squeezed in and among your neighbors; the air and noise pollution from commercial-size diesel generators; the look and feel of a small town hosting data centers that may or may not directly benefit its residents; the downfalls to tourism and small businesses after the Town has been forever industrialized.

Consider that data centers require substations, and substations become the ‘dots’ that Dominion uses to connect to other substations in other counties via high tension transmission lines. The Town will not have jurisdiction over a substation’s use once built.

On February 14, 2023, Warrenton Town Residents filled the seats in their local High School and spoke their distaste for data centers in their Town, pleading with their Council Members to say “NO” to a data center in Town. Why would a governing official go against the Town’s peoples’ wishes and retain a zoning policy that will invite more of the same?

This past election season, Warrenton Town Residents spoke their distaste for data centers once again by voting-in Council Members who heard their pleas, and promised to safeguard their Town from falling into the blight of data centers.

Here is an opportunity to honor the Town’s people whom you represent. Please VOTE to STRIKE the data center ZOTA, keeping the legacy of rural Fauquier alive to thrive, for generations to come.

Thank you for your time and commitment to your community.

Respectfully,

Suzan Fultz  
7020 Beaconsfield Lane  
Warrenton, VA 20187

Sent from my iPad



**David Gibson**

7548 Foxview Drive

Warrenton VA 20186

[Davegibson3@gmail.com](mailto:Davegibson3@gmail.com)

540 216-3513

**May 18, 2025****Chair and Members of the Warrenton Planning Commission**

Town of Warrenton Planning Commission

21 Main Street

Warrenton, VA 20186

**RE: Formal Request to Repeal the Zoning Ordinance Permitting Data Centers in Warrenton**

Dear Chair and Members of the Planning Commission,

I write to formally request that the Planning Commission recommend the immediate repeal of the Zoning Ordinance currently permitting data centers within the Town of Warrenton.

This request addresses key concerns:

**(a) Overwhelming Public Opposition and Electoral Mandate**

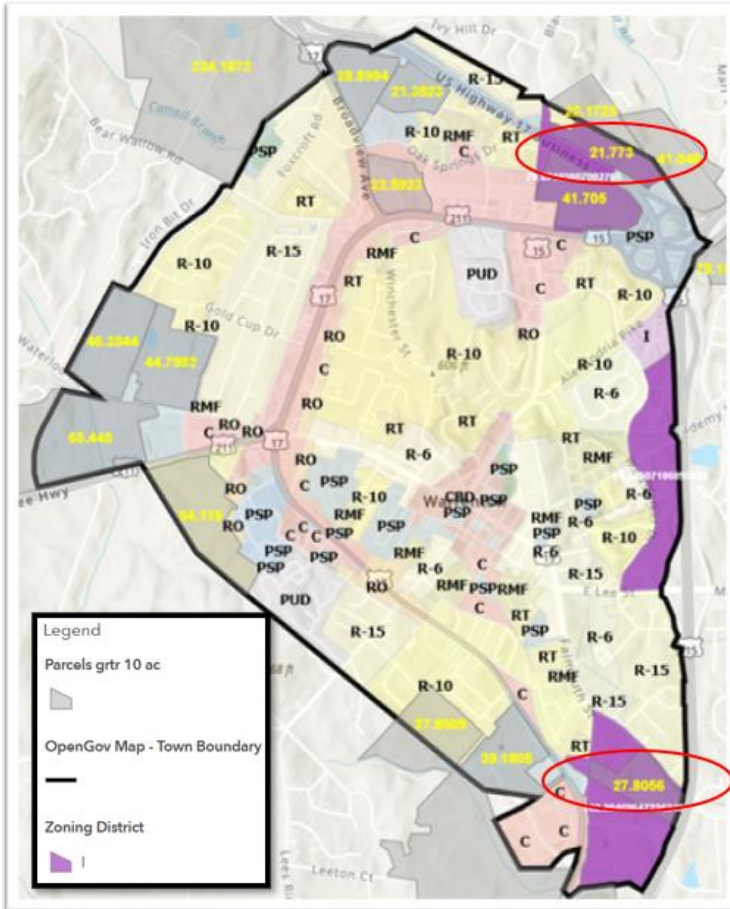
The residents of Warrenton have made their position unequivocally clear. Opposition to data center development has been expressed at every stage—from packed public hearings to organized advocacy to the sweeping electoral replacement of the Town Council. Even this Commission lost a member who resigned in protest, unwilling to live near a data center approved through a flawed process. The message from voters and residents alike is unambiguous: data centers are incompatible with the Town’s vision, scale, and priorities.

**(b) Commercial, Infrastructure, and Environmental Incompatibility**

Modern commercial data centers require 50 to 100+ acres of land, multi-building campuses with footprints exceeding one million square feet, 100–400 MW of dedicated transmission-level power, and substantial setbacks to buffer surrounding communities from vibration, and round-the-clock industrial noise. Warrenton lacks any industrially zoned parcel capable of meeting these requirements. Most available parcels are under 20 acres and directly border homes, schools, or public facilities.

There are precisely two parcels, both owned by a single developer, that meet the current (and flawed) physical requirements of the ZO (see below). Both adjoin residential properties either in the Town, County, or both. Warrenton also lacks the electrical infrastructure necessary to support even a single hyperscale facility, requiring Dominion Energy to construct new transmission corridors through residential and conservation land. Furthermore, data center operations generate continuous low-frequency mechanical noise from generators, cooling systems, and HVAC units—impacts that cannot be mitigated within the Town’s compact land base or narrow

permanent harm on its residents and environment.



### (c) Legal, Ethical, and Procedural Failures

The zoning amendment was adopted through a process that has since been discredited. Town staff concealed the identity of the applicant (and author of the amendment) during the 2021 hearings. The Town Manager, who advanced the project, subsequently accepted employment from the applicant. These failures are now subject to litigation and have permanently eroded public confidence in the Town's commitment to fair, transparent governance. Why would the PC do anything other than protect the Town and its environs, including those of us who live in Service Districts, and continue the myth of "silent majorities?"

#### (d) PC Statutory Responsibility

Under § 15.2-2210 of the Code of Virginia, local planning commissions are charged with promoting the “orderly development of the locality and advising the governing body in the public interest.” It is neither orderly nor responsible to retain a zoning ordinance that is unworkable, environmentally risky, ethically compromised, and wholly rejected by the community it affects.

I respectfully urge the Planning Commission to recommend the immediate repeal of the

Sincerely,

David Gibson

**CC: Warrenton Town Council**

**Heather Jenkins**

---

**From:** Shellenberger, Adam <Adam.Shellenberger@fauquiercounty.gov>  
**Sent:** Wednesday, April 30, 2025 10:25 AM  
**To:** Rob Walton  
**Cc:** Heather Jenkins  
**Subject:** FW: 2021 data center ZOTA.

**[EXTERNAL EMAIL]** DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Rob-

Please see below. It looks like this was intended for you all and not us.

-Adam

**ADAM SHELLENBERGER**  
**CHIEF OF PLANNING**

---



**FAUQUIER COUNTY**  
**COMMUNITY DEVELOPMENT**  
16 Courthouse Square Suite 100  
Warrenton, VA 20186  
[www.fauquiercounty.gov](http://www.fauquiercounty.gov)  
PH: 540-422-8200

---

**From:** Meixner, Meredith <meredith.meixner@fauquiercounty.gov>  
**Sent:** Wednesday, April 30, 2025 10:22 AM  
**To:** Shellenberger, Adam <Adam.Shellenberger@fauquiercounty.gov>  
**Subject:** FW: 2021 data center ZOTA.

**MEREDITH S. MEIXNER**  
**DEPUTY CLERK TO THE PLANNING COMMISSION**

---



**FAUQUIER COUNTY COMMUNITY DEVELOPMENT**  
16 Courthouse Square, Suite 100  
Warrenton, VA 20186  
[www.fauquiercounty.gov](http://www.fauquiercounty.gov)  
PH: 540-422-8200

---

**From:** Mary Judkins <[maryjdks@gmail.com](mailto:maryjdks@gmail.com)>  
**Sent:** Wednesday, April 30, 2025 10:15 AM  
**To:** Meixner, Meredith <[meredith.meixner@fauquiercounty.gov](mailto:meredith.meixner@fauquiercounty.gov)>  
**Subject:** 2021 data center ZOTA.

**CAUTION:** This email originated from outside of the organization. Do not follow instructions, click links, or open attachments unless you know the content is safe.

Please circulate to the Planning Commission members:

Shortly after they took office, the new Town Council asked the Planning Commission to reconsider the 2021 data center ZOTA. That was a great move -- **and should be an easy decision.. do not let the mayor influence you to cover up his past mistakes.**

Let us make intelligent Common Sense decisions for our future.

Mary Judkins  
Warrenton

**Heather Jenkins**

---

**From:** Florence Keenan <keenanlori@gmail.com>  
**Sent:** Wednesday, May 7, 2025 5:39 PM  
**To:** Ryan Stewart; Terry Lasher; Darine Barbour; James Lawrence; Steve Ainsworth  
**Subject:** ZOTA-25-1

Dear Planning Commissioners,

As a Fauquier resident for over a quarter century, I'm concerned about including data centers in the zoning for our county seat, Warrenton. Data centers are large, noisy, industrial complexes that should not be near any residential or mixed use area. They also require transmission lines and substations that reach beyond Warrenton into the surrounding county, taking by eminent domain private property for rights of way. In addition, all ratepayers currently pay for data centers' power infrastructure, to the detriment of our rising electric bills.

The legality of the prior ZOTA that included data centers as an acceptable use in Warrenton is an issue that is currently being litigated. That ZOTA was introduced by a flawed resolution on the same date as the Warrenton Comprehensive Plan's approval which explicitly stated that data centers are not appropriate in Warrenton. So why would you keep data centers as a potential use in Warrenton? There was and currently is a direct conflict between the Comprehensive Plan and that ZOTA. What was the Comprehensive Plan about if not good planning for Warrenton's future?

Warrenton's citizens have protested the Amazon data center and voted to expel those counsel people who supported that folly. Why would you, the Planning Commissioners vote to maintain such democratically rejected zoning? Data centers are not consistent with Warrenton's town character and should not be included as a possible use in Warrenton.

Please vote to remove data centers as a permissible use in Warrenton's industrial district.

Sincerely yours,

Florence Keenan  
Tax Paying Fauquier Resident

**Heather Jenkins**

---

**From:** Denise Harris  
**Sent:** Thursday, May 15, 2025 9:01 AM  
**To:** Heather Jenkins  
**Cc:** Rob Walton  
**Subject:** FW: Data Center Zoning Ordinance

**Denise M. Harris, AICP**

Planning Manager  
Community Development Department



21 Main Street  
Warrenton, VA 20186  
(540) 347-1101 x145  
[warrentonva.gov](http://warrentonva.gov)

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**From:** James Lawrence <[jlawrence@warrentonva.gov](mailto:jlawrence@warrentonva.gov)>  
**Sent:** Thursday, May 15, 2025 8:43 AM  
**To:** Denise Harris <[dharris@warrentonva.gov](mailto:dharris@warrentonva.gov)>  
**Subject:** Fwd: Data Center Zoning Ordinance

Please add to citizen comments as part of next weeks Public Hearing.

Sent from my iPad

Begin forwarded message:

**From:** PJ Leary <[pjleary1@gmail.com](mailto:pjleary1@gmail.com)>  
**Date:** May 7, 2025 at 10:29:41 AM EDT  
**To:** Steve Ainsworth <[sainsworth@warrentonva.gov](mailto:sainsworth@warrentonva.gov)>, Darine Barbour <[dbarbour@warrentonva.gov](mailto:dbarbour@warrentonva.gov)>, Ryan Stewart <[rstewart@warrentonva.gov](mailto:rstewart@warrentonva.gov)>, Terry Lasher <[tlasher@warrentonva.gov](mailto:tlasher@warrentonva.gov)>, James Lawrence <[jlawrence@warrentonva.gov](mailto:jlawrence@warrentonva.gov)>  
**Subject:** Data Center Zoning Ordinance

**[EXTERNAL EMAIL]** DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

To members of the Town of Warrenton Planning Commission:

Warrenton is no place for data centers. Surely you felt the pulse with the many who spoke out against the Amazon data center. There is no new information to change that position. In fact, thanks to nationally recognized industry experts and diligence of local organizations such as PEC, CFFC, Protect Fauquier and Protect Catlett along with on going reports from Loudon and Prince William, there are volumes of new and emerging information to give you and your constituents every reason to JUST SAY NO.

I became a Warrenton resident in 1962. I thought I'd seen the worst of it with residential and service area development. To even consider industrial use of large tracts within the Town of Warrenton is just plain ludicrous.

Please, remove the data center zoning ordinance and do not entertain industrial use of land nor attendant transmission lines, sub stations, along with their noise, pollution, water use that devalue the quality of life in small town Warrenton.

Thank you for considering my concerns.

PJ Leary

540-270-5205

Item B.





May 19, 2025

Town of Warrenton Planning Commission  
21 Main Street  
Warrenton, VA 20186

By EMAIL Only

Concerning: Zoning Ordinance Text Amendment - ZOTA-25-1

Dear Members of the Planning Commission:

The Piedmont Environmental Council supports the proposed text amendment ZOTA-25-1, which seeks to remove data centers as a permissible use within the Industrial District.

As Staff has noted, the Warrenton Plan 2040 does not reference data centers and emphasizes the desire to establish walkable, mixed-use developments. The Warrenton Plan 2040 also emphasizes connectivity between developments, preservation of existing community character, and the importance of public spaces - none of which the modern data center is apt to comply with or provide for.

For multiple reasons, data centers are isolated from the community with security fences and lighting, they cannot offer public space as part of their campus, and because they are buildings designed for machines rather than for people, they rarely fit with the existing character of the area. They are also extremely incompatible with residential areas as shown in the findings of the 2024 JLARC Report on Data Centers in Virginia, Chapter Six, Local Impacts.

Although the Plan 2040 does reference establishing a major employer, data centers are notorious for providing very few jobs relative to the amount of space they occupy. As we have noted in previous comments to the planning commission, even if a data center were to provide some employment, placing a data center on a parcel that could otherwise contribute to a mixed use area would also detract from virtually all of the Comprehensive Plan's Housing Goals and its stated need to diversify its housing stock (Housing Recommendations, page 26).

Removing data centers as a permissible use would not negate out any previously approved facilities. These facilities would instead become existing, non-conforming uses and allowed to operate under the conditions they had previously agreed to with the Town of Warrenton.

In conclusion, we urge the Commission to approve the proposed ZOTA-25-1 as in keeping with the Town of Warrenton's Comprehensive Plan, and in the best interests of the public health, safety and general welfare.

Respectfully,

A handwritten signature in black ink, appearing to read 'John W. McCarthy', is written over the typed name.

John W. McCarthy  
Senior Adviser and Director of Strategic Partnerships  
The Piedmont Environmental Council  
45 Horner Street  
Warrenton, VA 20186  
jmccarthy@pecva.org



May 19, 2025

Town of Warrenton Planning Commission  
21 Main Street  
Warrenton, VA 20186

By EMAIL Only

Concerning: Zoning Ordinance Text Amendment - ZOTA-25-1

Dear Members of the Planning Commission:

The Piedmont Environmental Council supports the proposed text amendment ZOTA-25-1, which seeks to remove data centers as a permissible use within the Industrial District.

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John W. McCarthy  
Senior Adviser and Director of Strategic Partnerships  
The Piedmont Environmental Council  
45 Horner Street  
Warrenton, VA 20186  
jmccarthy@pecva.org

## Heather Jenkins

---

**From:** Denise Harris  
**Sent:** Wednesday, May 21, 2025 9:52 AM  
**To:** Heather Jenkins  
**Subject:** FW: VOTE NO TO THE 2021 DATA CENTER ZONING ORDINANCE

### Denise M. Harris, AICP

Planning Manager  
 Community Development Department



21 Main Street  
 Warrenton, VA 20186  
 (540) 347-1101 x145  
[warrentonva.gov](http://warrentonva.gov)

---

**From:** DR.PLEICKHARDT <DR.PLEICKHARDT@protonmail.com>  
**Sent:** Monday, May 19, 2025 2:13 PM  
**To:** James Lawrence <jlawrence@warrentonva.gov>; Terry Lasher <tlasher@warrentonva.gov>; Darine Barbour <dbarbour@warrentonva.gov>; Ryan Stewart <rstewart@warrentonva.gov>; Steve Ainsworth <sainsworth@warrentonva.gov>; Planning Department <Planning@warrentonva.gov>  
**Subject:** VOTE NO TO THE 2021 DATA CENTER ZONING ORDINANCE

**[EXTERNAL EMAIL]** DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

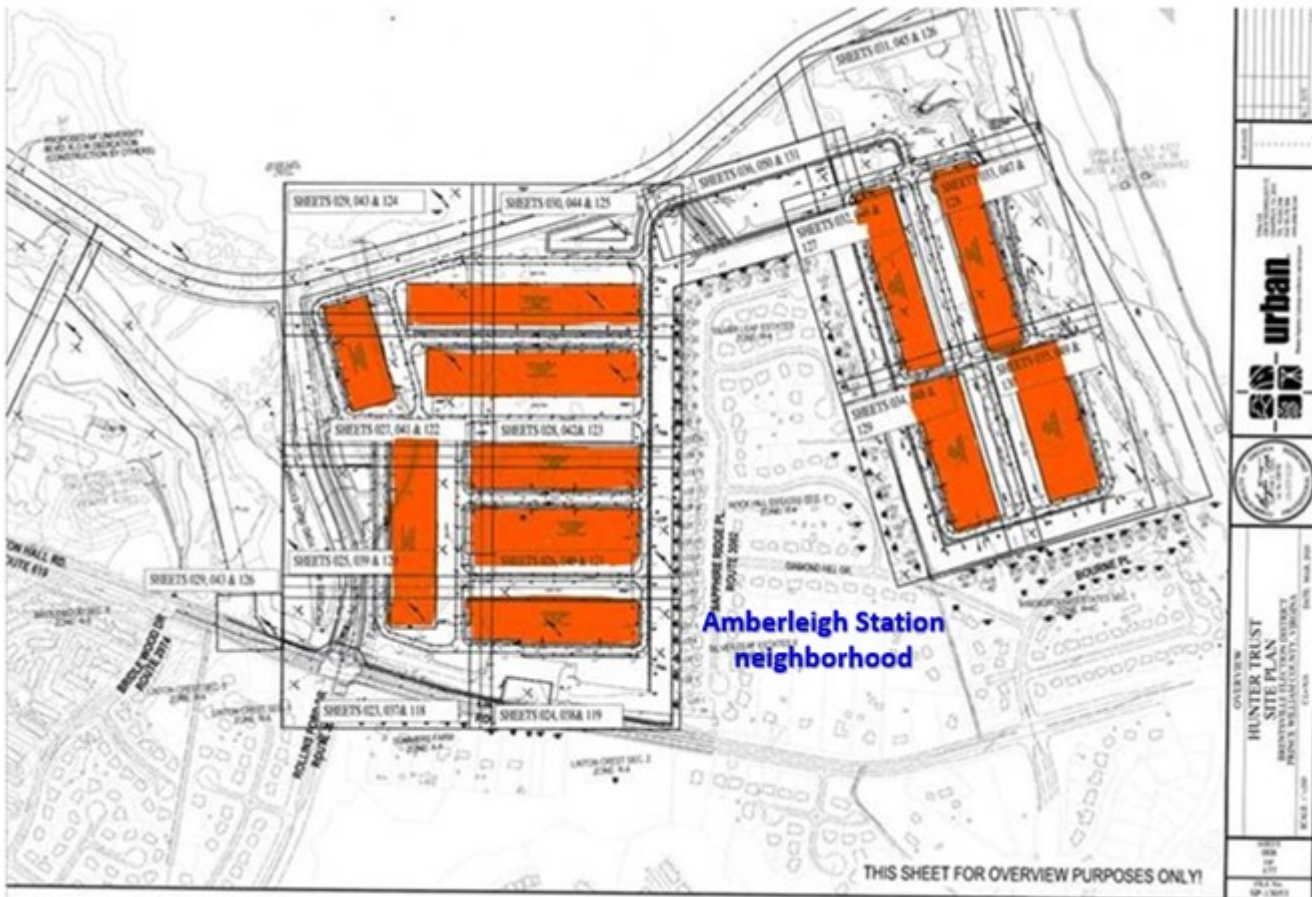
Some people who received this message don't often get email from [dr.pleickhardt@protonmail.com](mailto:dr.pleickhardt@protonmail.com). [Learn why this is important](#)

DON'T BECOME LIKE PWC- STOP THE MADNESS-

HERE IS THE SITE PLAN 100 FEET FROM OUR COMMUNITY IN BRISTOW- DON'T FALL FOR THE DATA CENTER COALITION PROPAGANDA. WE SIT OFF OF LINTON HALL ROAD AND BOURNE PLACE.

I AM MOVING TO FAUQUIER TO AVOID THIS!!!

DR. STEVE PLEICKHARDT



AMERICAN DENTAL CONSULTANTS  
 8735 Diamond Hill Drive  
 Bristow, VA 20136  
 571-276-7464



Sent with [Proton Mail](#) secure email.

## Heather Jenkins

---

**From:** Denise Harris  
**Sent:** Thursday, May 15, 2025 9:01 AM  
**To:** Heather Jenkins  
**Subject:** FW: 2021 Data Center Zoning Ordinance

### Denise M. Harris, AICP

Planning Manager  
 Community Development Department



21 Main Street  
 Warrenton, VA 20186  
 (540) 347-1101 x145  
[warrentonva.gov](http://warrentonva.gov)

---

**From:** James Lawrence <jlawrence@warrentonva.gov>  
**Sent:** Thursday, May 15, 2025 8:43 AM  
**To:** Denise Harris <dharris@warrentonva.gov>  
**Subject:** Fwd: 2021 Data Center Zoning Ordinance

Please add to citizen comments as part of next weeks Public Hearing.

Sent from my iPad

Begin forwarded message:

**From:** Denise Schefer <[denise.schefer@gmail.com](mailto:denise.schefer@gmail.com)>  
**Date:** May 7, 2025 at 10:54:13 AM EDT  
**To:** Ryan Stewart <[rstewart@warrentonva.gov](mailto:rstewart@warrentonva.gov)>, Terry Lasher <[tlasher@warrentonva.gov](mailto:tlasher@warrentonva.gov)>, Darine Barbour <[dbarbour@warrentonva.gov](mailto:dbarbour@warrentonva.gov)>, James Lawrence <[jlawrence@warrentonva.gov](mailto:jlawrence@warrentonva.gov)>, Steve Ainsworth <[sainsworth@warrentonva.gov](mailto:sainsworth@warrentonva.gov)>  
**Subject:** 2021 Data Center Zoning Ordinance

**[EXTERNAL EMAIL]** DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Good morning -

I am writing to you this morning to request that you remove/repeal the 2021 Data Center Zoning Ordinance. This ordinance came about under less than ideal circumstances, being proposed by Brandie Schaeffer who later left her Town of Warrenton position to go work for Amazon; and Amazon having played a role in the drafting of the provision. During 2022-2023, hundreds of Town of Warrenton residents/property owners made it abundantly clear over the course of several Planning Commission/Town Council public hearings that we were very concerned about the impacts of the Amazon data center and that we do not want to see additional data centers within the Town of Warrenton. Prior to that, several hundred local residents spent months creating the Warrenton 2040 Plan - their vision and plan for Warrenton over the next twenty plus years - and it did not include data centers. Now is the time to repeal this ordinance. THERE IS NO PLACE IN THE SMALL HISTORIC TOWN OF WARRENTON FOR A DATA CENTER.

Below is the link to the Town Council Feb 14th meeting in which the Fauquier High School gym was packed with Town residents, Town property owners and Fauquier County residents speaking out against the data center. I invite you to go back and watch the comments that were made that evening. <https://www.regionalwebtv.com/warrentontc>

Denise Schefer  
Highlands Townhome Owner  
Fauquier County Resident



## Heather Jenkins

---

**From:** Denise Harris  
**Sent:** Wednesday, May 21, 2025 8:58 AM  
**To:** Heather Jenkins  
**Subject:** FW: PLEASE repeal/re do the 2021 Data Center Ordinance and replace it with something better!

## Denise M. Harris, AICP

Planning Manager  
 Community Development Department



21 Main Street  
 Warrenton, VA 20186  
 (540) 347-1101 x145  
[warrentonva.gov](http://warrentonva.gov)

---

**From:** Deborah Williamson Skahill <gallentina@aol.com>  
**Sent:** Sunday, May 18, 2025 11:55 AM  
**To:** James Lawrence <jlawrence@warrentonva.gov>; Terry Lasher <tlasher@warrentonva.gov>; Darine Barbour <dbarbour@warrentonva.gov>; Ryan Stewart <rstewart@warrentonva.gov>; Steve Ainsworth <sainsworth@warrentonva.gov>; Planning Department <Planning@warrentonva.gov>  
**Subject:** PLEASE repeal/re do the 2021 Data Center Ordinance and replace it with something better!

**[EXTERNAL EMAIL]** DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Some people who received this message don't often get email from [gallentina@aol.com](mailto:gallentina@aol.com). [Learn why this is important](#)

Dear Planning Commission,

We have learned SO much about data centers and their negative impacts since 2021. It's time to update the ordinance to protect our beautiful county as much as we can!

Deborah Skahill  
 6435 Blantyre Rd.  
 Warrenton, VA 20187

**Heather Jenkins**

---

**From:** Steve Ainsworth  
**Sent:** Sunday, April 20, 2025 12:22 PM  
**To:** Heather Jenkins  
**Cc:** Denise Harris; Ryan Stewart; James Lawrence; Darine Barbour; Terry Lasher  
**Subject:** April 22nd PC Meeting

Heather,

I apologize for not being able to attend the April 22, 2025 Planning Commission meeting. My plans for travel in April were set when the only meeting listed on the online agenda for the month was on April 15th.

Regarding the proposed Zoning Ordinance Text Amendment change to remove Data Centers as a Permissible Use in the Industrial District, it appears that the basis for the requested is due to the opinion of new council members and not the introduction of new safety concern. This new opinion seems to disregard the fact that the meeting notices, agendas, online meeting broadcasts and emails relating to the town business is accessed through switches, servers and devices housed in data centers.

I liken these data centers to the older telephone exchange buildings that are placed in cities and towns so that residents living in the bygone era of "land line" telephones had the convenience of calling their local Council member from home. Verizon's building is still on W. Lee St and Comcast has a building on East St. Additionally, there is a data support building below the water tower on N. 4th St. for the antenna systems on the tower.

Today, just about all Town of Warrenton government utilizes the convenience (or necessity) of the internet and associated data centers to conduct business. Additionally, most town businesses and citizens utilize these systems to access information regarding government services, healthcare, news, finances, shopping, schools, recreation and a multitude of other services. In my opinion, to suggest that data centers and therefore the internet does not further the health, safety and welfare of the public nor promote public necessity and convenience is absurd.

The actions by the current Council seem arbitrary and counter to the previous council assessment of the value of Data Centers without any additional clarification or new concerns. This action is taken without consideration of the impact on previous decisions and considerations made based on the faith and trust in the town government. Therefore, I propose recommending that the Town Council rescind the direction to remove Data Centers as a Permissible Use as listed in the Zoning Ordinance until new information is provided regarding the impact on the health, safety and welfare as well as the necessity or convenience to the citizens if the Town of Warrenton.

Sincerely,  
Steven Ainsworth



Office of the Town Manager  
Frank Cassidy

## Warrenton Town Council

Carter Nevill, Mayor  
Roy Francis, Ward 1  
William Semple, Ward 2  
Larry Kovalik, Ward 3  
Michele O'Halloran, Ward 4  
Eric Gagnon, Ward 5  
Paul Mooney, At Large  
David McGuire, At Large

Item C.

# STAFF REPORT

|                                  |                                                                                                   |
|----------------------------------|---------------------------------------------------------------------------------------------------|
| <b>Council Meeting Date:</b>     | June 10, 2025                                                                                     |
| <b>Agenda Title:</b>             | Budget work session                                                                               |
| <b>Requested Action:</b>         | Consider the Fiscal Year 2026 Proposed Budget and 2026-2031 Capital Improvement Plan for adoption |
| <b>Department / Agency Lead:</b> | Finance                                                                                           |
| <b>Staff Lead:</b>               | Brooke Campbell, Budget Manager                                                                   |

## EXECUTIVE SUMMARY

The annual budget is typically adopted at the June Council meeting. A public hearing on the budget was duly advertised and held during the May Council meeting and the real estate tax and personal property tax rates were adopted for the calendar year. During the months of April and May there were several budget work sessions and a presentation from the Town's financial advisor, Davenport.

At the May 29<sup>th</sup> special meeting, the council discussed several cuts to the proposed budget. These changes are detailed below and represent a savings of **\$656,127** across all funds. These items are reflected in the newest budget scenario, scenario 9.

## BACKGROUND

| Scenario 9                             |                  |                                                     |
|----------------------------------------|------------------|-----------------------------------------------------|
| Description                            | Savings          | Note                                                |
| Cuts to outside agencies               | \$140,115        | See attachment for detail.                          |
| Legal fee update                       | \$46,000         | Per updated projections. See attachment for detail. |
| Insurance update                       | \$12,417         | Per renewal received from VRSA.                     |
| <b>Cuts to professional services</b>   | <b>\$114,336</b> | <b>Total</b>                                        |
| Community Development                  | \$48,936         | Planning professional services                      |
| Police Department                      | \$5,400          | PD professional services                            |
| Aquatic Center                         | \$1,000          | WARF professional services                          |
| Public Works                           | \$50,000         | Streets contractual services                        |
| Town Council Retreat                   | \$5,000          | Council retreat                                     |
| Planning Commission                    | \$2,500          | PC professional services                            |
| Architectural Review Board             | \$1,500          | ARB professional services                           |
| Defer Eva Walker Park project (PR-002) | \$230,000        | CIP.                                                |
| Remove PD motorcycle                   | \$38,259         | CARP.                                               |
| Reduce waterplay structure             | \$75,000         | CARP. Reduced from \$375 to \$300k.                 |

**\$656,127**

## STAFF RECOMMENDATION

Staff recommends that Council adopt the following ordinances and resolutions to adopt and appropriate the Fiscal Year 2026 Budget and to adopt the 2026-2031 Capital Improvement Program:

1. A Resolution to Adopt and Appropriate the Fiscal Year 2026 Budget and the Fiscal Year 2026 – 2031 Capital Improvement Program
2. A Resolution of the Town Council of the Town of Warrenton Establishing the Percentage Relief Granted to Qualifying Personal Use Vehicles Subject to the Town of Warrenton's Personal Property Tax for the 2025 Tax Year
3. An Ordinance to Establish Business, Professional and Occupational License Tax Rates for the Tax Year Beginning July 1, 2025
4. An Ordinance to Establish Water and Sewer Rates and Service Fees Effective July 1, 2025
5. An Ordinance to Warrenton Aquatic and Recreation Facility (WARF) Fees Effective July 1, 2025
6. An Ordinance to Establish Special Event Fees Effective July 1, 2025

### Service Level/Policy Impact

The proposed budget provides a roadmap for the capital improvements and continued service delivery that the Town provides for fiscal year 2026.

### Fiscal Impact

The total proposed budget under scenario 9 for FY26 is \$52.3 million, excluding interfund transfers, to fund governmental, stormwater, and water & sewer operations, and investment in the town's capital infrastructure.

### Legal Impact

- Code of Virginia Section 15.2-2503 requires that the local governing body approve the budget no later than the date on which the fiscal year begins.

## ATTACHMENTS

- Outside Agencies – 5.29.2025
- Legal Fee Update
- Scenario 9 Operating
- Scenario 9 Full
- Cuts by Fund

## Outside Agencies - 5/29 Work Session Cuts

Nondepartmental (page 122 of FY 2026 proposed budget)

| DESCRIPTION                                                            | FY 2025<br>ADOPTED | FY 2026<br>REQUESTED | 5/29 Work<br>Session | CUTS            |
|------------------------------------------------------------------------|--------------------|----------------------|----------------------|-----------------|
| Virginia Regional Transit (Circuit Rider)*                             | \$174,009          | \$185,927            | \$185,927            | -               |
| Main Street Program (Experience Old Town Warrenton)                    | 65,000             | 75,000               | 60,000               | 15,000          |
| VA Commission for the Arts (VCA)- Creative Community Partnership (CCP) | \$9,000            | \$9,000              | \$9,000              | -               |
| Warrenton Volunteer Fire Company                                       | 150,000            | 210,000              | 130,000              | 80,000          |
| VA Department of Fire Programs (VDFP) - Aid to Localities (ATL)        | 45,281             | 51,541               | 51,541               | -               |
|                                                                        | <b>\$443,290</b>   | <b>\$531,468</b>     | <b>\$436,468</b>     | <b>\$95,000</b> |

\*Formula-driven funding contribution.

Contributions (page 119 of FY 2026 proposed budget)

| DESCRIPTION                                             | FY 2025<br>ADOPTED | FY 2026<br>REQUESTED | 5/29 Work<br>Session | CUTS             |
|---------------------------------------------------------|--------------------|----------------------|----------------------|------------------|
| Afro American Historical Association of Fauquier County | -                  | \$10,000             | \$0                  | \$10,000         |
| Aging Together                                          | 4,250              | 5,000                | 4,000                | 1,000            |
| Boys & Girls Club of Fauquier                           | 7,650              | -                    | -                    | -                |
| Fauquier Community Action Committee                     | 7,650              | 7,500                | 7,000                | 500              |
| Fauquier Community Child Care                           | 3,443              | 7,500                | 3,000                | 4,500            |
| Fauquier Food Bank                                      | 2,869              | 5,000                | 2,500                | 2,500            |
| Fauquier County Youth Orchestra                         | -                  | -                    | -                    | -                |
| Fauquier Family Shelter Services                        | 5,126              | 8,000                | 5,000                | 3,000            |
| Fauquier Free Clinic                                    | 7,650              | 10,000               | 7,500                | 2,500            |
| Fauquier Habitat for Humanity, Inc.                     | -                  | 10,000               | -                    | 10,000           |
| Fauquier Historical Society                             | 7,650              | 11,500               | 7,500                | 4,000            |
| Hospice Support of Fauquier                             | 4,250              | 5,000                | 4,000                | 1,000            |
| Laurel Ridge Community College (LRCC)                   | 5,738              | 6,000                | 5,500                | 500              |
| Literacy Volunteers                                     | 1,913              | 2,500                | 1,900                | 600              |
| Piedmont Dispute Resolution Center                      | 765                | 765                  | 750                  | 15               |
| The Arc of North Central Virginia                       | -                  | 5,000                | -                    | 5,000            |
|                                                         | <b>\$58,954</b>    | <b>\$93,765</b>      | <b>\$48,650</b>      | <b>\$45,115</b>  |
|                                                         |                    |                      | <b>\$485,118</b>     | <b>\$140,115</b> |

The \$9,000 amount here is half funded by the Town and half funded by VCA (see pages 122-123 of proposed budget document). The Town would either need [1] to fund our half at \$4,500 or cut the program entirely for FY 2026. This version shows the program as funded. Cutting the program would result in net savings of \$4,500 in the General Fund.

[2] Council has expressed that this funding is contingent on receiving information requested from the fire department.

## Legal Expenses

### Budget Information

|                 | FY25 Adopted Budget | FY25 to Date  | FY25 Projected | FY26 Proposed | FY26 Revised  | Cuts         |
|-----------------|---------------------|---------------|----------------|---------------|---------------|--------------|
| Legal Services* | \$ 325,000.00       | \$ 335,589.23 | \$ 402,707.08  | \$ 466,000.00 | \$ 420,000.00 | \$ 46,000.00 |

FY25 projected figure is based on spending year to date.

\*Please note the legal services budget is split between the General Fund (75%) and the Water & Sewer Operating Fund (25%). The above figures represent the totals across both funds.

## Scenario 9

- Outside agency cuts as agreed upon 5/29
  - Legal fee update presented 5/29
  - Insurance update presented 5/29
- Professional services cuts as presented 5/29
  - Capital reductions as discussed 5/29

## TOTAL APPROPRIATIONS

| Expenditures/Uses         | FY 2025<br>Adopted  | FY 2026<br>Proposed 5/29 | Variance<br>(\$) | Variance<br>(%) |
|---------------------------|---------------------|--------------------------|------------------|-----------------|
| General Government        | \$4,386,751         | \$4,608,078              | \$221,327        | 5%              |
| Public Safety             | 3,600,885           | 3,727,738                | 126,853          | 4%              |
| Public Works              | 5,351,953           | 5,567,925                | 215,972          | 4%              |
| Parks & Recreation        | 2,686,305           | 2,726,400                | 40,095           | 1%              |
| Community Development     | 1,328,781           | 1,350,265                | 21,484           | 2%              |
| Contributions             | 58,954              | 48,650                   | (10,304)         | (17%)           |
| Nondepartmental           | 443,290             | 436,468                  | (6,822)          | (2%)            |
| Debt Service              | 822,972             | 830,169                  | 7,197            | 1%              |
| <b>GENERAL FUND TOTAL</b> | <b>\$18,679,891</b> | <b>\$19,295,693</b>      | <b>\$615,802</b> | <b>3%</b>       |

|                           |             |             |             |      |
|---------------------------|-------------|-------------|-------------|------|
| Capital Projects          | \$1,584,002 | \$3,189,497 | \$1,605,495 | 101% |
| General Asset Replacement | 1,765,000   | 2,756,241   | 991,241     | 56%  |

|                   |          |
|-------------------|----------|
| Operating Surplus | \$80,387 |
|-------------------|----------|

|                                        |                    |
|----------------------------------------|--------------------|
| <b>FY25 Ending Unassigned</b>          | <b>\$9,704,942</b> |
| Move FY26 Budgeted Capital to Assigned | (\$5,283,177)      |
| Bond Proceeds                          | \$4,752,790        |
| FY26 Budgeted Operating Revenue        | \$19,826,080       |
| FY26 Budgeted Operating Expenditure    | (\$19,295,693)     |
| <b>FY26 Ending Unassigned</b>          | <b>\$9,704,942</b> |
|                                        | 50.30%             |

## TOTAL ESTIMATED REVENUE

| Revenue/Sources           | FY 2025<br>Adopted  | FY 2026<br>Proposed 5/29 | Variance<br>(\$) | Variance<br>(%) |
|---------------------------|---------------------|--------------------------|------------------|-----------------|
| General Property Taxes    | \$1,597,683         | \$2,010,395              | \$412,712        | 26%             |
| Other Local Taxes         | 11,402,606          | 11,613,330               | 210,724          | 2%              |
| Permits & Fees            | 185,132             | 244,250                  | 59,118           | 32%             |
| Fines & Forfeitures       | 77,500              | 77,500                   | -                | -               |
| Use of Money/Property     | 800,000             | 800,000                  | -                | -               |
| Charges for Services      | 1,085,018           | 1,075,500                | (9,518)          | (1%)            |
| Miscellaneous Revenue     | 186,845             | 192,445                  | 5,600            | 3%              |
| State Revenue             | 3,421,983           | 3,434,680                | 12,697           | 0%              |
| Transfers In              | 414,262             | 377,980                  | (36,282)         | (9%)            |
| <b>GENERAL FUND TOTAL</b> | <b>\$19,171,029</b> | <b>\$19,826,080</b>      | <b>\$655,051</b> | <b>3%</b>       |

|                           |             |             |             |      |
|---------------------------|-------------|-------------|-------------|------|
| Capital Projects          | \$1,584,002 | \$3,189,497 | \$1,605,495 | 101% |
| General Asset Replacement | 1,765,000   | 2,756,241   | 991,241     | 56%  |

## Scenario 9

- Outside agency cuts as agreed upon 5/29
  - Legal fee update presented 5/29
  - Insurance update presented 5/29
- Professional services cuts as presented 5/29
- Capital reductions as discussed 5/29

### TOTAL APPROPRIATIONS

|                                       | Expenditures/Uses         | FY 2025<br>Adopted   | FY 2026<br>Proposed 5/29 | Variance<br>(\$)     | Variance<br>(%) |
|---------------------------------------|---------------------------|----------------------|--------------------------|----------------------|-----------------|
| GENERAL FUND                          | General Government        | \$4,386,751          | \$4,608,078              | \$221,327            | 5%              |
|                                       | Public Safety             | 3,600,885            | 3,727,738                | 126,853              | 4%              |
|                                       | Public Works              | 5,351,953            | 5,567,925                | 215,972              | 4%              |
|                                       | Parks & Recreation        | 2,686,305            | 2,726,400                | 40,095               | 1%              |
|                                       | Community Development     | 1,328,781            | 1,350,265                | 21,484               | 2%              |
|                                       | Contributions             | 58,954               | 48,650                   | (10,304)             | (17%)           |
|                                       | Nondepartmental           | 443,290              | 436,468                  | (6,822)              | (2%)            |
|                                       | Debt Service              | 822,972              | 830,169                  | 7,197                | 1%              |
|                                       | Transfers to capital      | 3,349,002            | 5,283,177                | 1,934,175            | 58%             |
|                                       | <b>GENERAL FUND TOTAL</b> | <b>\$22,028,893</b>  | <b>\$24,578,870</b>      | <b>\$2,549,977</b>   | <b>12%</b>      |
| OTHER FUNDS                           | Capital Projects          | \$1,584,002          | \$3,189,497              | \$1,605,495          | 101%            |
|                                       | General Asset Replacement | 1,765,000            | 2,756,241                | 991,241              | 56%             |
|                                       | Water & Sewer Operating   | 9,530,463            | 10,578,819               | 1,048,356            | 11%             |
|                                       | Water & Sewer Capital     | 12,529,550           | 17,486,489               | 4,956,939            | 40%             |
|                                       | Stormwater Management     | 1,291,232            | 1,327,993                | 36,761               | 3%              |
|                                       | ARPA Fund                 | 164,467              | -                        | (164,467)            | (100%)          |
|                                       | <b>OTHER FUNDS TOTAL</b>  | <b>\$26,864,714</b>  | <b>\$35,339,039</b>      | <b>\$8,474,325</b>   | <b>32%</b>      |
| <b>TOTAL ALL FUNDS</b>                |                           | <b>\$48,893,607</b>  | <b>\$59,917,909</b>      | <b>\$11,024,302</b>  | <b>23%</b>      |
| <b>LESS TRANSFERS</b>                 |                           | <b>(\$5,027,621)</b> | <b>(\$7,656,806)</b>     | <b>(\$2,629,185)</b> | <b>52%</b>      |
| <b>TOTAL ESTIMATED APPROPRIATIONS</b> |                           | <b>\$43,865,986</b>  | <b>\$52,261,103</b>      | <b>\$8,395,117</b>   | <b>19%</b>      |

### TOTAL ESTIMATED REVENUE

|                                 | Revenue/Sources           | FY 2025<br>Adopted   | FY 2026<br>Proposed 5/29 | Variance<br>(\$)     | Variance<br>(%) |
|---------------------------------|---------------------------|----------------------|--------------------------|----------------------|-----------------|
| GENERAL FUND                    | General Property Taxes    | \$1,597,683          | \$2,010,395              | \$412,712            | 26%             |
|                                 | Other Local Taxes         | 11,402,606           | 11,613,330               | 210,724              | 2%              |
|                                 | Permits & Fees            | 185,132              | 244,250                  | 59,118               | 32%             |
|                                 | Fines & Forfeitures       | 77,500               | 77,500                   | -                    | -               |
|                                 | Use of Money/Property     | 800,000              | 800,000                  | -                    | -               |
|                                 | Charges for Services      | 1,085,018            | 1,075,500                | (9,518)              | (1%)            |
|                                 | Miscellaneous Revenue     | 186,845              | 192,445                  | 5,600                | 3%              |
|                                 | State Revenue             | 3,421,983            | 3,434,680                | 12,697               | 0%              |
|                                 | Transfers In              | 414,262              | 377,980                  | (36,282)             | (9%)            |
|                                 | Use of Fund Balance       | 2,857,864            | -                        | (2,857,864)          | (100%)          |
|                                 | Non-Revenue Receipts      | -                    | 4,752,790                | 4,695,695            | -               |
|                                 | <b>GENERAL FUND TOTAL</b> | <b>\$22,028,893</b>  | <b>\$24,578,870</b>      | <b>\$2,549,977</b>   | <b>12%</b>      |
| OTHER FUNDS                     | Capital Projects          | \$1,584,002          | \$3,189,497              | \$1,605,495          | 101%            |
|                                 | General Asset Replacement | 1,765,000            | 2,756,241                | 991,241              | 56%             |
|                                 | Water & Sewer Operating   | 9,530,463            | 10,578,819               | 1,048,356            | 11%             |
|                                 | Water & Sewer Capital     | 12,529,550           | 17,486,489               | 4,956,939            | 40%             |
|                                 | Stormwater Management     | 1,291,232            | 1,327,993                | 36,761               | 3%              |
|                                 | ARPA Fund                 | 164,467              | -                        | -                    | -               |
|                                 | <b>OTHER FUNDS TOTAL</b>  | <b>\$26,864,714</b>  | <b>\$35,339,039</b>      | <b>\$8,474,325</b>   | <b>32%</b>      |
| <b>TOTAL ALL FUNDS</b>          |                           | <b>\$48,893,607</b>  | <b>\$59,917,909</b>      | <b>\$11,024,302</b>  | <b>23%</b>      |
| <b>LESS TRANSFERS</b>           |                           | <b>(\$5,027,621)</b> | <b>(\$7,656,806)</b>     | <b>(\$2,629,185)</b> | <b>52%</b>      |
| <b>TOTAL ESTIMATED REVENUES</b> |                           | <b>\$43,865,986</b>  | <b>\$52,261,103</b>      | <b>\$8,395,117</b>   | <b>19%</b>      |

Operating Surplus \$80,387

**FY25 Ending Unassigned \$9,704,942**  
 Move FY26 Budgeted Capital to Assigned (\$5,283,177)  
 Bond Proceeds \$4,752,790  
 FY26 Budgeted Operating Revenue \$19,826,080  
 FY26 Budgeted Operating Expenditure (\$19,295,693)  
**FY26 Ending Unassigned \$9,704,942**  
 50.30%



|                            | General Fund | Water & Sewer Fund | CIP       | CARP      |
|----------------------------|--------------|--------------------|-----------|-----------|
| Outside agencies cuts      | \$140,115    |                    |           |           |
| Legal fee update           | \$34,500     | \$11,500           |           |           |
| Insurance update           | \$12,417     |                    |           |           |
| Professional services cuts | \$114,336    |                    |           |           |
| Defer EWP (PR-002)         |              |                    | \$230,000 |           |
| Remove PD motorcycle       |              |                    |           | \$38,259  |
| Reduce Waterplay Structure |              |                    |           | \$75,000  |
|                            | \$301,368    | \$11,500           | \$230,000 | \$113,259 |
|                            |              |                    |           | \$656,127 |



# STAFF REPORT

|                                  |                               |
|----------------------------------|-------------------------------|
| <b>Council Meeting Date:</b>     | June 10 <sup>th</sup> , 2025. |
| <b>Agenda Title:</b>             | Proffers Discussion           |
| <b>Requested Action:</b>         | Receive the information       |
| <b>Department / Agency Lead:</b> | Town Attorney                 |
| <b>Staff Lead:</b>               | Mr. Kovalik                   |

## EXECUTIVE SUMMARY

Councilmen Kovalik has requested a discussion on proffers especially the proffers of the Arrington Development.

## BACKGROUND

Questions from Mr. Kovalik include:

*What is the timeline for the proffers? When do they get paid and how do they get paid?*

*What are the restrictions on the applications of the proffers, especially the public safety proffer?*

*What is the timeline for the WVFD apparatuses and the discussions of the contributions by the Town. Would the proffers, if they're able to be applied, be able to assist with the timeline for the apparatuses if the service life were extended without detriment?*

## STAFF RECOMMENDATION

Consider the proffer discussion.

## Service Level/Collaborative Impact

N/A

## Policy Direction/Warrenton Plan 2040

N/A

## Fiscal Impact

Fiscal Analysis has not been completed.

**Legal Impact**

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Legal Analysis has not been completed.

**ATTACHMENTS**

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- 1.
- 2.
- 3.



# Town of Warrenton

## Fiscal Year 2026 Outside Organization Funding Request

**PLEASE TYPE – ONLY TYPED SUBMISSIONS WILL BE CONSIDERED**

### APPLICANT INFORMATION

|                                             |                                                                     |             |  |
|---------------------------------------------|---------------------------------------------------------------------|-------------|--|
| Organization Name                           | Warrenton Volunteer Fire Company                                    |             |  |
| Primary Contact Person                      | Scott Ross, Fire Chief                                              |             |  |
| Phone Number                                | (540) 878-6234                                                      |             |  |
| Email Address                               | scott.ross@warrentonfire.org                                        |             |  |
| Mailing Address                             | 167 W. Shirley Ave., Warrenton, VA 20186                            |             |  |
| Website                                     | warrentonfire.org                                                   |             |  |
| Executive Director                          | Board of Directors                                                  |             |  |
| Are you a 501(c)3?                          | Yes                                                                 |             |  |
| If you are not a 501(c)3, have you applied? |                                                                     |             |  |
| External Auditor or Financial Reviewer      | Robinson, Farmer, Cox Associates, PLLC Certified Public Accountants |             |  |
| Organization Fiscal Year                    | From: July 1                                                        | To: June 30 |  |

### FISCAL YEAR 2026 BUDGET

|                                                                                                                    |           |                                 |  |
|--------------------------------------------------------------------------------------------------------------------|-----------|---------------------------------|--|
| Total FY 2026 Budget for your organization                                                                         | \$880,360 |                                 |  |
| Amount Requested from Town of Warrenton                                                                            | \$210,000 |                                 |  |
| Amount Requested from Other Sources (please detail all sources and amounts; attach additional sheets if necessary) | \$535,217 | Fauquier County - Fire Tax Levy |  |
|                                                                                                                    | \$ 11,824 | Four For Life                   |  |
|                                                                                                                    | \$ 82,541 | Aid to Localities               |  |
|                                                                                                                    | \$ 8,000  | EMS1 Use Agreement              |  |

**ORGANIZATIONAL SERVICES INFORMATION**

| Please describe the services intended to be funded by the Town's contribution.          |                         | The funding for WVFC is intended to support a range of critical services and operations essential for protecting the community, including emergency response services and special event support. |
|-----------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>For each Fiscal Year listed below, please provide the number of citizens served:</b> |                         |                                                                                                                                                                                                  |
| Fiscal Year                                                                             | Total Town of Warrenton | Total Served                                                                                                                                                                                     |
| 2026*                                                                                   | 4,000                   | 8,000                                                                                                                                                                                            |
| 2025*                                                                                   | 4,000                   | 8,000                                                                                                                                                                                            |
| 2024                                                                                    | 2,810                   | 6,700                                                                                                                                                                                            |
| 2023                                                                                    | 5,319                   | 9,300                                                                                                                                                                                            |

\*Projected

**PRIOR YEAR FUNDING INFORMATION**

| <b>For each Fiscal Year listed below, please list the amount of outside funding:</b> |                           |                                                                                 |
|--------------------------------------------------------------------------------------|---------------------------|---------------------------------------------------------------------------------|
| Fiscal Year                                                                          | Town of Warrenton Funding | Other Outside Funding identified by Source – use additional sheets if necessary |
| 2025                                                                                 | \$150,000                 | \$670,360 - see Addendum 1                                                      |
| 2024                                                                                 | \$150,000                 | \$658,149 - see Addendum 1                                                      |
| 2023                                                                                 | \$150,000                 | \$652,069 - see Addendum 1                                                      |

**IMPORTANT REMINDERS:**

Please provide the following documentation in support of your request:

1. Cover Letter, including Mission Statement, description of services provided, and description of how any funds received from the Town of Warrenton were used in the prior year, including illustrations of successes with specificity.
2. Proposed FY 2026 Budget or most recent annual budget
3. Copy of IRS 501(c)3 Tax Exempt Status Determination
4. Current Listing of Board of Directors
5. Copy of prior year external audit; organizations with total funding less than \$750,000 may submit a prior year independent financial review.
6. Copy of most recent IRS Form 990
7. Copy of most recent annual report

This request is due by **December 31, 2024**. You may submit your request electronically to **bcampbell@warrentonva.gov**.

**Warrenton Volunteer Fire Company, Inc.**  
**Addendum 1**

Item D.

|                                             | FISCAL YEAR          |                      |                      |
|---------------------------------------------|----------------------|----------------------|----------------------|
|                                             | 2025*                | 2024                 | 2023                 |
| <b>Fauquier County Fire Tax Levy</b>        | <b>535,216.83</b>    | <b>535,216.83</b>    | <b>520,194.05</b>    |
| <b>Fauquier County Supplemental</b>         |                      |                      |                      |
| Station Maintenance & Upkeep                | 32,777.76            | 32,777.76            | 32,777.76            |
| Fleet Fuel Stipen                           | 0.00                 | 0.00                 | 15,000.00            |
| EMS Reimbursements                          | 0.00                 | 0.00                 | 0.00                 |
| Four for Life                               | 11,824.22 *          | 10,533.49            | 12,854.07            |
| Fire Programs -ATL                          | 31,000.00 *          | 26,339.45            | 24,892.70            |
| EMS 1 Use Agreement                         | 8,000.00             | 8,000.00             | 6,000.00             |
| Fauquier County Supplemental - Other        | 0.00                 | 0.00                 | 0.00                 |
| <b>Total Fauquier County Supplemental</b>   | <b>83,601.98</b>     | <b>77,650.70</b>     | <b>91,524.53</b>     |
| <b>Town of Warrenton General Fund</b>       | <b>210,000.00</b>    | <b>150,000.00</b>    | <b>150,000.00</b>    |
| <b>Town of Warrenton Supplemental</b>       |                      |                      |                      |
| Fire Programs -ATL                          | 51,541.00            | 45,281.00            | 40,350.00            |
| <b>Total Town of Warrenton Supplemental</b> | <b>51,541.00</b>     | <b>45,281.00</b>     | <b>40,350.00</b>     |
| <b>Total</b>                                | <b>\$ 880,359.81</b> | <b>\$ 808,148.53</b> | <b>\$ 802,068.58</b> |

|                              |                      |                      |                      |
|------------------------------|----------------------|----------------------|----------------------|
| <b>Total Outside Funding</b> | <b>\$ 670,359.81</b> | <b>\$ 658,148.53</b> | <b>\$ 652,068.58</b> |
|------------------------------|----------------------|----------------------|----------------------|

\*Projected

# Warrenton Volunteer Fire Company



## Town of Warrenton Funding Request

Fiscal Year 2025/2026

Prepared December 16, 2024  
by Fire Chief Scott Ross

## Executive Summary

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The Warrenton Volunteer Fire Company (WVFC) was formed over 130 years ago, but incorporated in 1924 as the present day organization. The fire company has grown over the years from a small mostly rural serving fire company, to an organization that provides suppression, emergency medical services, and technical rescue services to a first due area that covers over 90 square miles, approximately 50,000 residents, and the Town of Warrenton. Personnel responded to numerous working incidents throughout the county and neighboring jurisdictions, such as, Culpeper, Rappahanock, and Prince William Counties. Our last ISO rating was classified as a 3/10.

The WVFC operates two class A pumpers, one tanker, one heavy rescue squad, one ladder tower, two ALS ambulances, two command staff vehicles, two support vehicles and trailer, one ATV suppression/EMS vehicle, and one urban interface vehicle. The WVFC fleet is broken down into "light/small vehicles" which includes all staff cars, ambulances, Attack, and ATV. The "heavy vehicles" are classified as the pumpers, rescue squad, and ladder truck. The maintenance section of this document will define the procedures in place for our fleet maintenance program which ensures the constant reliability and readiness of our fleet.

The organization boasts over 100 membership roster responsible for 24/7/365 staffing coverage at the fire station to ensure suppression response and additional EMS coverage is provided to the Town of Warrenton and County of Fauquier. Additional staffing is achieved through the County's Department of Fire, Rescue and Emergency Management. Daily there are five career personnel staffing in Warrenton's two facilities. The membership provides thousands of hours annually to ensure sufficient staffing along with various public outreach activities such as public education events for school age children, fire and life safety inspections, home smoke alarm inspections and installations, and various other activities to support the community. The WVFC coordinates and supports several large special events such as the Town of Warrenton's Spring Festival which draws an estimated 30,000 visitors each year, and the Fauquier County Fair that occurs in late July annually and draws an estimated 50,000 people over its four day venue. We also work with other various organizations to ensure public safety support at special events in our first due along with other parts of the county.

The WVFC is broken down into several areas of responsibility known as divisions, which are classified under Suppression/Safety, Special Services, Training, and EMS. We have a Fire Chief and Assistant Fire Chief to oversee these divisions led by Captains, with Lieutenants and Sergeants distributed amongst them to handle the many roles and responsibilities needing attention to keep the organization functioning efficiently. There are several facilities in which we own and operate including the 167 West Shirley Avenue Fire Station, the 210 Hospital Drive EMS Station, and a central warehouse which allows us to house reserve apparatus, equipment, and adequate space for maintenance personnel to work on our apparatus.

This budget sets the example of how the WVFC operates, while also justifying the need for funding from the Town of Warrenton to continue the operational success and efficiency of the WVFC. We are counting on the Town of Warrenton to continue funding the apparatus loan payments. Currently the WVFC has two pieces of apparatus with outstanding loans. Both loans account for more than \$685,000 in debt services. In 2021 the Department started the process for the replacement of our aging 2003 Pierce tanker. Due to the call volume of our engines and pumpers the decision was made to purchase a new pumper and it will be delivered in 2025.



## Strategic Objectives

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1. Develop and deliver the highest quality medical, fire suppression, technical rescue, hazardous materials, water rescue, life safety education, and fire prevention services;
2. Maintain a leadership role in local, state, and national public safety initiatives;
3. Ensure membership readiness and leadership development by providing innovative education and training programs;
4. Ensure membership health and safety by developing and maintaining effective programs and policies; and
5. Reflect the community we serve by recruiting and retaining motivated and dedicated volunteer members.
6. Increase organizational effectiveness by developing and maintaining capacity of facilities, apparatus, equipment and technology; and improving internal processes.

## Mission Statement

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The mission of the Warrenton Volunteer Fire Company is to protect and serve the community by responding to emergencies, providing medical care, and mitigating fire related risks. Our goal is to ensure the safety and wellbeing of the public through proactive prevention, rapid response and compassionate assistance in times of crisis.

## WVFC Division Breakdowns

The following four divisions represent how the operations of the WVFC are managed, which helps account for budget and strategic planning.

### Engine Company (Suppression Division) Pumpers, Tanker, Attack



### Special Services Division Tower, Rescue Squad, Gator/ Support Trailer



### EMS Division



### Training Division



## **Supports**

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Though not a WVFC Division, our support units assist the company with the variety of needs required by each division.

### **Supports**

**Chief, Command, Support, Utility, Plow**

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## BUDGET TOTAL

| Category                         | FY26              | FY25              |
|----------------------------------|-------------------|-------------------|
| Fire Station 1                   | \$ 133,427        | \$ 116,996        |
| EMS Station 1                    | \$ 42,287         | \$ 42,076         |
| Warehouse                        | \$ 17,016         | \$ 15,568         |
| Fleet Maintenance                | \$ 217,371        | \$ 185,148        |
| Fleet Fuel                       | \$ 42,793         | \$ 37,882         |
| Chief's Budget                   | \$ 10,333         | \$ 9,841          |
| PPE & Uniforms                   | \$ 64,000         | \$ 64,760         |
| Training                         | \$ 26,500         | \$ 20,771         |
| Admin - IT                       | \$ 100,706        | \$ 91,056         |
| EMS Supplies & Equipment         | \$ 4,000          | \$ 3,164          |
| Hose/ Equipment/ Small Tools     | \$ 37,500         | \$ 37,528         |
| Equipment Safety Testing         | \$ 10,350         | \$ 9,580          |
| Special Operations               | \$ 3,000          | \$ 3,000          |
| Public Education                 | \$ 5,000          | \$ 4,744          |
| Canteen/ Incident Rehab Supplies | \$ 2,200          | \$ 2,156          |
| Payments                         | \$ 163,878        | \$ 163,878        |
| Capital Improvements             | \$ -              | \$ -              |
|                                  |                   |                   |
| <b>TOTAL COST</b>                | <b>\$ 880,360</b> | <b>\$ 808,148</b> |



# FIRE STATION 1



| Category                         | FY26              | FY25              |
|----------------------------------|-------------------|-------------------|
| 1000. Electricity                | \$ 31,172         | \$ 30,962         |
| 1001. Natural Gas                | \$ 8,000          | \$ 5,306          |
| 1002. Phone                      | \$ 5,000          | \$ 4,629          |
| 1003. Trash Collection           | \$ 2,500          | \$ 2,333          |
| 1004. Cable TV                   | \$ 2,300          | \$ 1,793          |
| 1005. Generator                  | \$ 4,000          | \$ 2,527          |
| 1006. Repairs/Building & Grounds | \$ 55,000         | \$ 45,878         |
| 1007. Elevator Maintenance       | \$ 3,500          | \$ 3,442          |
| 1008. Janitorial Supplies        | \$ 10,000         | \$ 9,473          |
| 1009. Internet                   | \$ 4,700          | \$ 4,188          |
| 1010. Fire Station Alerting      | \$ 5,946          | \$ 5,156          |
| 1011. Pest Control               | \$ 450            | \$ 450            |
| 1012. Stormwater Utility Fee     | \$ 859            | \$ 859            |
|                                  |                   |                   |
| <b>TOTAL COST</b>                | <b>\$ 133,427</b> | <b>\$ 116,996</b> |



# EMS STATION 1



| Category                          | FY26             | FY25             |
|-----------------------------------|------------------|------------------|
| 2000. Electricity                 | \$ 12,212        | \$ 11,709        |
| 2001. Natural Gas                 | \$ 3,565         | \$ 3,395         |
| 2002. Phone                       | \$ 1,888         | \$ 1,716         |
| 2003. Trash Collection            | \$ 2,041         | \$ 1,944         |
| 2004. Repairs Buildings & Grounds | \$ 15,921        | \$ 16,794        |
| 2005. Fire Station Alerting       | \$ 5,414         | \$ 5,156         |
| 2006. Pest Control                | \$ 450           | \$ 565           |
| 2007. Stormwater Utility Fee      | \$ 796           | \$ 796           |
|                                   |                  |                  |
| <b>TOTAL COST</b>                 | <b>\$ 42,287</b> | <b>\$ 42,076</b> |

# WAREHOUSE



| Category                         | FY26             | FY25             |
|----------------------------------|------------------|------------------|
| 3000. Electricity                | \$ 905           | \$ 520           |
| 3001. Propane                    | \$ 3,954         | \$ 3,766         |
| 3002. Forklift                   | \$ 500           | \$ -             |
| 3003. Repairs/Building & Grounds | \$ 2,368         | \$ 2,153         |
| 3004. Alarm                      | \$ 360           | \$ 360           |
| 3005. Pest Control               | \$ 450           | \$ 380           |
| 3006. Real Estate Taxes          | \$ 4,257         | \$ 4,167         |
| 3007. HOA Fees                   | \$ 4,221         | \$ 4,221         |
|                                  |                  |                  |
| <b>TOTAL COST</b>                | <b>\$ 17,016</b> | <b>\$ 15,568</b> |

# FLEET MAINTENANCE



| Fleet Maintenance          | FY26              | FY25              |
|----------------------------|-------------------|-------------------|
| 4000. Ambulance 1-B (2016) | \$ 8,683          | \$ 13,230         |
| 4002. Ambulance 1-C (2020) | \$ 8,683          | \$ 3,308          |
| 4004. Attack1              | \$ 7,000          | \$ 4,864          |
| 4005. Plow1                | \$ 2,800          | \$ 1,654          |
| 4006. Chief1               | \$ 2,205          | \$ 2,205          |
| 4008. Engine1-1(Pirsch)    | \$ 3,000          | \$ 2,622          |
| 4009. Engine1              | \$ 27,000         | \$ 23,451         |
| 4010. Gator/Trailer1       | \$ 1,000          | \$ 627            |
| 4011. Rescue1              | \$ 19,500         | \$ 15,381         |
| 4012. Command1             | \$ 3,100          | \$ 2,911          |
| 4013. Tanker1              | \$ 32,100         | \$ 28,057         |
| 4014. Tower1               | \$ 36,300         | \$ 32,546         |
| 4015. Utility1             | \$ 2,000          | \$ 1,255          |
| 4016. Wagon1               | \$ 34,500         | \$ 27,483         |
| 4017. The 46               | \$ 29,000         | \$ 25,329         |
| 4018. Tractor1             | \$ 500            | \$ 226            |
|                            |                   |                   |
| <b>TOTAL COST</b>          | <b>\$ 217,371</b> | <b>\$ 185,148</b> |



## FLEET FUEL

| Category         | FY26      | FY25      |
|------------------|-----------|-----------|
| 5000. Fleet Fuel | \$ 42,793 | \$ 37,882 |
|                  |           |           |
| TOTAL COST       | \$ 42,793 | \$ 37,882 |

## FIRE CHIEF

| Category             | FY26      | FY25     |
|----------------------|-----------|----------|
| 6000. Chief's Budget | \$ 10,333 | \$ 9,841 |
|                      |           |          |
| TOTAL COST           | \$ 10,333 | \$ 9,841 |

## PERSONAL PROTECTIVE EQUIPMENT & UNIFORMS



| Category               | FY26             | FY25             |
|------------------------|------------------|------------------|
| 8000. Structural PPE   | \$ 33,000        | \$ 33,000        |
| 8001. EMS PPE          | \$ 5,000         | \$ 3,400         |
| 8002. Station Uniforms | \$ 14,000        | \$ 13,788        |
| 8003. Class A Uniforms | \$ 12,000        | \$ 14,573        |
|                        |                  |                  |
| <b>TOTAL COST</b>      | <b>\$ 64,000</b> | <b>\$ 64,760</b> |

## TRAINING

| Category                      | FY26             | FY25             |
|-------------------------------|------------------|------------------|
| 9000. Fire Training           | \$ 20,000        | \$ 14,271        |
| 9001. EMS Training            | \$ 5,000         | \$ 5,000         |
| 9002. Administrative Training | \$ 1,500         | \$ 1,500         |
|                               |                  |                  |
| <b>TOTAL COST</b>             | <b>\$ 26,500</b> | <b>\$ 20,771</b> |

## ADMINISTRATION/IT

| Category                    | FY26              | FY25             |
|-----------------------------|-------------------|------------------|
| 10000. Professional Fees    | \$ 38,300         | \$ 35,058        |
| 10001. License & Permits    | \$ 1,933          | \$ 1,561         |
| 10002. Bank Fees            | \$ 100            | \$ 55            |
| 10003. Accounting Expenses  | \$ 2,983          | \$ 2,841         |
| 10004. Computer Equipment   | \$ 9,200          | \$ 6,746         |
| 10005. Postage & Delivery   | \$ 880            | \$ 752           |
| 10006. Office Supplies      | \$ 2,550          | \$ 2,281         |
| 10007. Subscriptions        | \$ 8,000          | \$ 8,062         |
| 10008. IT Professional Fees | \$ 33,660         | \$ 30,600        |
| 10009. Member Services      | \$ 3,100          | \$ 3,100         |
|                             |                   |                  |
| <b>TOTAL COST</b>           | <b>\$ 100,706</b> | <b>\$ 91,056</b> |

## EMS SUPPLIES & EQUIPMENT



| Category                    | FY26            | FY25            |
|-----------------------------|-----------------|-----------------|
| 11000. EMS Supplies - Other | \$ 4,000        | \$ 3,164        |
|                             |                 |                 |
| <b>TOTAL COST</b>           | <b>\$ 4,000</b> | <b>\$ 3,164</b> |



## SPECIAL OPERATIONS

| Category                  | FY26     | FY25     |
|---------------------------|----------|----------|
| 14000. Special Operations | \$ 3,000 | \$ 3,000 |
|                           |          |          |
| TOTAL COST                | \$ 3,000 | \$ 3,000 |

## PUBLIC EDUCATION

| Category                | FY26     | FY25     |
|-------------------------|----------|----------|
| 15000. Public Education | \$ 5,000 | \$ 4,744 |
|                         |          |          |
| TOTAL COST              | \$ 5,000 | \$ 4,744 |

## CANTEEN/ INCIDENT REHAB SUPPLIES

| Category       | FY26     | FY25     |
|----------------|----------|----------|
| 16000. Canteen | \$ 2,200 | \$ 2,156 |
|                |          |          |
| TOTAL COST     | \$ 2,200 | \$ 2,156 |

## PAYMENTS

| Category                     | FY26       | FY25       |
|------------------------------|------------|------------|
| 19000. Engine -Principal     | \$ 58,501  | \$ 56,354  |
| 19001. Engine - Interest     | \$ 12,316  | \$ 14,464  |
| 19002. Tower - Principal     | \$ 46,332  | \$ 44,566  |
| 19003. Tower - Interest      | \$ 11,456  | \$ 13,222  |
| 19004. Warehouse - Interest  | \$ 24,986  | \$ 24,986  |
| 19005. Warehouse - Principal | \$ 10,287  | \$ 10,287  |
|                              |            |            |
| TOTAL COST                   | \$ 163,878 | \$ 163,878 |

## CAPITAL IMPROVEMENTS

| Category                      | FY26 | FY25 |
|-------------------------------|------|------|
| 20000. Tanker1 - Replacement  | \$ - | \$ - |
| 20001. Chief1 - Replacement   | \$ - | \$ - |
| 20002. Command1 - Replacement | \$ - | \$ - |
|                               |      |      |
| TOTAL COST                    | \$ - | \$ - |



**Department of the Treasury**  
**Internal Revenue Service**  
**Tax Exempt and Government Entities**  
 P.O. Box 2508  
 Cincinnati, OH 45201

**WARRENTON VOLUNTEER FIRE COMPANY INC**  
**167 W SHIRLEY AVENUE**  
**WARRENTON, VA 20186**

**Date:**  
 11/16/2020  
**Employer ID number:**  
 54-1415798  
**Person to contact:**  
 Name: Mrs. S N Mayi  
 ID number: 31449  
 Telephone: 877-829-5500  
**Accounting period ending:**  
 June 30  
**Public charity status:**  
 170(b)(1)(A)(vi)  
**Form 990 / 990-EZ / 990-N required:**  
 Yes  
**Effective date of exemption:**  
 June 23, 2020  
**Contribution deductibility:**  
 Yes  
**Addendum applies:**  
 No  
**DLN:**  
 26053577004500

**Dear Applicant:**

We're pleased to tell you we determined you're exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Donors can deduct contributions they make to you under IRC Section 170. You're also qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106, or 2522. This letter could help resolve questions on your exempt status. Please keep it for your records.

Organizations exempt under IRC Section 501(c)(3) are further classified as either public charities or private foundations. We determined you're a public charity under the IRC Section listed at the top of this letter. Your exemption under IRC Section 501(c)(3) is effective as of the date listed at the top of this letter. You were exempt under Section 501(c)(4) prior to this date.

If we indicated at the top of this letter that you're required to file Form 990/990-EZ/990-N, our records show you're required to file an annual information return (Form 990 or Form 990-EZ) or electronic notice (Form 990-N, the e-Postcard). If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked.

If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

For important information about your responsibilities as a tax-exempt organization, go to [www.irs.gov/charities](http://www.irs.gov/charities). Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

Sincerely,



Stephen A. Martin  
Director, Exempt Organizations  
Rulings and Agreements



Warrenton Volunteer Fire Company governing body.

As of December 9, 2024

| <b>Title</b>   | <b>Name</b>      | <b>Term</b>       |
|----------------|------------------|-------------------|
| President      | Patricia Koglin  | 12/2023 – 12/2025 |
| Vice President | Roy Crane        | 12/2024 - 12/2026 |
| Secretary      | Kristina Zingaro | 04/2024 – 12/2025 |
| Treasurer      | Joseph Saffer    | 12/2024 – 12/2026 |
| Director (1)   | Kristi House     | 12/2024 - 12/2026 |
| Director (2)   | Kevin Barty      | 12/2023 – 12/2025 |
| Director (3)   | Michael O'Bannon | 12/2024 – 12/2026 |
| Director (4)   | Kevin Makely     | 12/2023 – 12/2025 |
| Chief          | C. Scott Ross    | 11/2024 – 11/2026 |

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**Communication with Those Charged with Governance**

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**To the Board of Directors of  
Warrenton Volunteer Fire Company, Inc.**

We have audited the cash basis financial statement of Warrenton Volunteer Fire Company, Inc. for the year ended December 31, 2023, and have issued our report thereon dated April 16, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 26, 2024. Professional standards also require that we communicate to you the following information related to our audit.

**Significant Audit Matters**

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Warrenton Volunteer Fire Company, Inc. are described in Note 1 to the financial statement. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by Warrenton Volunteer Fire Company, Inc. during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Our procedures disclosed no misstatements that required correction by management.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statement or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

We have requested certain representations from management that are included in the management representation letters dated April 16, 2024.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Organization’s financial statement or a determination of the type of auditor’s opinion that may be expressed on the statement, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Warrenton Volunteer Fire Company, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

*Robinson, Farmer, Cox Associates*

Fredericksburg, Virginia  
April 16, 2024

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**WARRENTON VOLUNTEER FIRE COMPANY**  
**FINANCIAL STATEMENT - CASH BASIS**  
**YEAR ENDED DECEMBER 31, 2023**

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**INDEPENDENT AUDITORS' REPORT**

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**TO THE BOARD OF DIRECTORS  
WARRENTON VOLUNTEER FIRE COMPANY  
WARRENTON, VIRGINIA**

**Opinion**

We have audited the accompanying statement of cash receipts, disbursements and balances of Warrenton Volunteer Fire Company (a nonprofit organization) for the year ended December 31, 2023, and the related notes to the financial statement.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts, disbursements and balances of Warrenton Volunteer Fire Company for the year ended December 31, 2023, in accordance with the cash basis of accounting as described in Note 1.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Warrenton Volunteer Fire Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Basis of Accounting**

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Responsibilities of Management for the Financial Statement**

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Warrenton Volunteer Fire Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Warrenton Volunteer Fire Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Robinson, Farmer, Cox Associates*

Fredericksburg, Virginia  
April 16, 2024

- Financial Statement -



WARRENTON VOLUNTEER FIRE COMPANY

Item D.

Statement of Cash Receipts, Disbursements and Balances  
Year Ended December 31, 2023

|                                     |                     |
|-------------------------------------|---------------------|
| <b>Balance, Beginning of Year</b>   | \$ 1,221,565        |
| <b>Receipts:</b>                    |                     |
| Contributions - Fauquier County     | \$ 604,128          |
| Contributions - Town of Warrenton   | 150,000             |
| Donations and other contributions   | 81,194              |
| Proceeds from the sale of assets    | 10,000              |
| Grants                              | 83,028              |
| Fundraising                         | 70,371              |
| Interest income                     | 14,476              |
| Miscellaneous                       | 1,260               |
| EMS user fees                       | 8,000               |
| <b>Total Receipts</b>               | <b>\$ 1,022,457</b> |
| <b>Disbursements:</b>               |                     |
| Banquet                             | \$ 29,148           |
| Chief budget                        | 6,603               |
| Computer equipment                  | 31,135              |
| Debt service - interest expense     | 27,686              |
| Debt service - principal            | 100,920             |
| EMS station repair and maintenance  | 16,716              |
| Fire and rescue equipment           | 198,597             |
| Fire house repair and maintenance   | 36,751              |
| Fleet maintenance                   | 129,201             |
| Fuel                                | 41,017              |
| Fundraising                         | 15,098              |
| Lease                               | 5,750               |
| Miscellaneous                       | 40,804              |
| Office supplies and expenses        | 1,817               |
| Professional services               | 45,853              |
| Protective equipment                | 70,596              |
| Public education                    | 4,052               |
| Safety testing                      | 8,235               |
| Small tools and equipment           | 46,842              |
| Special operations                  | 82                  |
| Supplies                            | 14,826              |
| Telephone                           | 6,263               |
| Training                            | 9,594               |
| Utilities and communications        | 74,405              |
| <b>Total Disbursements</b>          | <b>\$ 961,991</b>   |
| Excess (Deficiency) of              |                     |
| Receipts over (under) Disbursements | \$ 60,466           |
| <b>Balance, End of Year</b>         | <b>\$ 1,282,031</b> |

The accompanying notes to the financial statement are an integral part of this statement.

Notes to Financial Statement  
As of December 31, 2023

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:****Nature of Operations**

Warrenton Volunteer Fire Company, Inc. (the Company) is a private nonprofit organization dedicated to the purpose of providing emergency medical services, prevention and suppression of fires, and to provide public education to the citizens of Fauquier County, Virginia.

**Basis of Accounting**

The accounts and records of the Company are maintained on a cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, reflecting only cash received and disbursed. Therefore, receivables and payables, inventories, accrued income and expenses, equipment, and depreciation are not reflected in this statement. This statement does not present the overall financial position or results of operations of the Company.

**NOTE 2 - CASH:**

The Company maintains its cash balances in three financial institutions located in Virginia. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2023, the Company had \$1,045,870 in uninsured cash.

**NOTE 3 - LOANS PAYABLE:**

Details of loans payable are as follows:

|                                                                                                                                                                            |                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| \$595,000 loan payable to Virginia National Bank, issued March 26, 2020, payable in annual installments of \$70,818 including interest at 3.25%, maturing March 26, 2029   | \$ 379,003          |
| \$2,900,000 loan payable to Rural Development, issued March 12, 2007, payable in annual installments of \$152,453 including interest at 4.125%, maturing February 20, 2047 | 2,294,212           |
| \$985,000 loan payable to Rural Development, issued August 29, 2006, payable in annual installments of \$53,634 including interest at 4.375%, maturing February 20, 2048   | 805,457             |
| \$700,000 loan payable to Oak View Bank, issued December 6, 2016, payable in annual installments of \$57,788 including interest at 2.8%, maturing December 6, 2031         | 409,012             |
| Total                                                                                                                                                                      | \$ <u>3,887,684</u> |

Notes to Financial Statement  
As of December 31, 2023 (Continued)

**NOTE 3 - LOANS PAYABLE: (Continued)**

Summary of changes in debt:

|                           |    |                  |
|---------------------------|----|------------------|
| Balance January 1, 2023   | \$ | 4,061,754        |
| Loan payments             |    | (174,070) (A)    |
| Balance December 31, 2023 | \$ | <u>3,887,684</u> |

(A) Includes \$73,150 principal paid on the USDA loan by the County of Fauquier, Virginia. Payment for annual debt service is made by the County as a contribution to the Company; however, these contributions are not included in the statement of cash receipts, disbursements and balances as the statement is on the cash basis.

Annual requirements for maturities of long-term debt are as follows:

| Year<br>Ending<br>December 31, | Virginia National Bank |                  | Oak View Bank     |                  |
|--------------------------------|------------------------|------------------|-------------------|------------------|
|                                | Principal              | Interest         | Principal         | Interest         |
| 2024                           | \$ 58,501              | \$ 12,317        | \$ 46,332         | \$ 11,456        |
| 2025                           | 60,402                 | 10,416           | 47,630            | 10,158           |
| 2026                           | 62,365                 | 8,453            | 48,963            | 8,825            |
| 2027                           | 64,392                 | 6,426            | 50,334            | 7,454            |
| 2028                           | 66,485                 | 4,333            | 51,743            | 6,045            |
| 2029                           | 66,858                 | 3,960            | 53,192            | 4,596            |
| 2030                           | -                      | -                | 54,681            | 3,107            |
| 2031                           | -                      | -                | 56,137            | 1,507            |
| Totals                         | \$ <u>379,003</u>      | \$ <u>45,905</u> | \$ <u>409,012</u> | \$ <u>53,148</u> |

Notes to Financial Statement  
As of December 31, 2023 (Continued)

**NOTE 3 - LOANS PAYABLE: (Continued)**

| Year<br>Ending<br>December 31, | Rural Development   |                     |                   |                   |
|--------------------------------|---------------------|---------------------|-------------------|-------------------|
|                                | Principal           | Interest            | Principal         | Interest          |
| 2024                           | \$ 57,817           | \$ 94,636           | \$ 18,395         | \$ 35,239         |
| 2025                           | 60,202              | 92,251              | 19,200            | 34,434            |
| 2026                           | 62,685              | 89,768              | 20,040            | 33,594            |
| 2027                           | 65,271              | 87,182              | 20,917            | 32,717            |
| 2028                           | 67,963              | 84,490              | 21,832            | 31,802            |
| 2029                           | 70,767              | 81,686              | 22,787            | 30,847            |
| 2030                           | 73,686              | 78,767              | 23,784            | 29,850            |
| 2031                           | 76,725              | 75,728              | 24,825            | 28,809            |
| 2032                           | 79,890              | 72,563              | 25,911            | 27,723            |
| 2033                           | 83,186              | 69,267              | 27,044            | 26,590            |
| 2034                           | 86,617              | 65,836              | 28,227            | 25,407            |
| 2035                           | 90,190              | 62,263              | 29,462            | 24,172            |
| 2036                           | 93,910              | 58,543              | 30,751            | 22,883            |
| 2037                           | 97,784              | 54,669              | 32,097            | 21,537            |
| 2038                           | 101,818             | 50,635              | 33,501            | 20,133            |
| 2039                           | 106,018             | 46,435              | 34,967            | 18,667            |
| 2040                           | 110,391             | 42,062              | 36,496            | 17,138            |
| 2041                           | 114,945             | 37,508              | 38,093            | 15,541            |
| 2042                           | 119,686             | 32,767              | 39,760            | 13,874            |
| 2043                           | 124,623             | 27,830              | 41,499            | 12,135            |
| 2044                           | 129,764             | 22,689              | 43,315            | 10,319            |
| 2045                           | 135,117             | 17,336              | 45,210            | 8,424             |
| 2046                           | 140,690             | 11,763              | 47,188            | 6,446             |
| 2047                           | 144,467             | 5,959               | 49,252            | 4,382             |
| 2048                           | -                   | -                   | 50,904            | 2,227             |
| Totals                         | \$ <u>2,294,212</u> | \$ <u>1,362,633</u> | \$ <u>805,457</u> | \$ <u>534,890</u> |

**WARRENTON VOLUNTEER FIRE COMPANY****Notes to Financial Statement  
As of December 31, 2023 (Continued)**

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**NOTE 4 - ECONOMIC DEPENDENCY:**

The Company receives a substantial amount of its support from Fauquier County, Virginia. Any interruption in the level of this support would have a significant effect on the Company's programs and activities.

**NOTE 5 - DATE OF MANAGEMENT'S REVIEW:**

In preparing this financial statement, management of the Company has evaluated events and transactions for potential recognition or disclosure through April 16, 2024, the date the financial statement was available to be issued.

Return of Organization Exempt From Income Tax  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)Do not enter social security numbers on this form as it may be made public.  
Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

A For the 2022 calendar year, or tax year beginning 07/01/22, and ending 06/30/23

B Check if applicable:

- ☐ Address change  
☐ Name change  
☐ Initial return  
☐ Final return/terminated  
☐ Amended return  
☐ Application pending

C Name of organization

WARRENTON VOLUNTEER FIRE COMPANY,  
INC.

Doing business as

Number and street (or P.O. box if mail is not delivered to street address)

167 WEST SHIRLEY AVENUE

Room/suite

City or town, state or province, country, and ZIP or foreign postal code

WARRENTON

VA 20186

D Employer identification number

54-1415798

E Telephone number

540-347-4094

G Gross receipts \$ 3,748,189

F Name and address of principal officer:

GEOFFREY GRAMBO

167 WEST SHIRLEY AVENUE

WARRENTON

VA 20186

H(a) Is this a group return for subordinates? ☐ Yes ☒ NoH(b) Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. See instructions.

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: WARRENTONFIRE.ORG

H(c) Group exemption number

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation: 1924

M State of legal domicile: VA

## Part I Summary

|                             |                                                                                                                                           |                                        |                           |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------|
| Activities & Governance     | 1 Briefly describe the organization's mission or most significant activities:<br><b>SEE SCHEDULE O</b>                                    |                                        |                           |
|                             | 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. |                                        |                           |
|                             | 3 Number of voting members of the governing body (Part VI, line 1a)                                                                       | 3                                      | 9                         |
|                             | 4 Number of independent voting members of the governing body (Part VI, line 1b)                                                           | 4                                      | 9                         |
|                             | 5 Total number of individuals employed in calendar year 2022 (Part V, line 2a)                                                            | 5                                      | 0                         |
|                             | 6 Total number of volunteers (estimate if necessary)                                                                                      | 6                                      | 87                        |
|                             | 7a Total unrelated business revenue from Part VIII, column (C), line 12                                                                   | 7a                                     | 0                         |
|                             | 7b Net unrelated business taxable income from Form 990-T, Part I, line 11                                                                 | 7b                                     | 0                         |
| Revenue                     | 8 Contributions and grants (Part VIII, line 1h)                                                                                           | Prior Year<br>1,175,484                | Current Year<br>1,034,359 |
|                             | 9 Program service revenue (Part VIII, line 2g)                                                                                            |                                        | 0                         |
|                             | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)                                                                          | 346,696                                | 527,021                   |
|                             | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)                                                               | 71,139                                 | 55,099                    |
|                             | 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)                                                     | 1,593,319                              | 1,616,479                 |
| Expenses                    | 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)                                                                       |                                        | 0                         |
|                             | 14 Benefits paid to or for members (Part IX, column (A), line 4)                                                                          |                                        | 0                         |
|                             | 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)                                                      |                                        | 0                         |
|                             | 16a Professional fundraising fees (Part IX, column (A), line 11e)                                                                         |                                        | 0                         |
|                             | b Total fundraising expenses (Part IX, column (D), line 25)                                                                               | 0                                      |                           |
|                             | 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)                                                                           | 1,192,394                              | 1,282,685                 |
|                             | 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)                                                              | 1,192,394                              | 1,282,685                 |
|                             | 19 Revenue less expenses. Subtract line 18 from line 12                                                                                   | 400,925                                | 333,794                   |
| Net Assets or Fund Balances | 20 Total assets (Part X, line 16)                                                                                                         | Beginning of Current Year<br>8,959,833 | End of Year<br>9,499,231  |
|                             | 21 Total liabilities (Part X, line 26)                                                                                                    | 4,129,233                              | 4,334,837                 |
|                             | 22 Net assets or fund balances. Subtract line 21 from line 20                                                                             | 4,830,600                              | 5,164,394                 |

## Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer

GEOFFREY GRAMBO

TREASURER

Date 1/15/23

Type or print name and title

Paid

Print/Type preparer's name

WILLIAM T. PATCHETT, JR.

Preparer's signature

Date 1/17/23

Check ☐ if self-employed PTIN P01264713

Preparer Use Only

Firm's name SCHEULEN, PATCHETT &amp; EDWARDS, P.C.

Firm's EIN 54-1934818

98 ALEXANDRIA PIKE, SUITE 22

Firm's address WARRENTON, VA 20186

Phone no. 540-347-1040

May the IRS discuss this return with the preparer shown above? See instructions

☒ Yes

For Paperwork Reduction Act Notice, see the separate instructions.

COPY FOR CLIENT  
Scheulen, Patchett & Edwards, P.C.

Form 9 368

**Part III** Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☒**1** Briefly describe the organization's mission:**SEE SCHEDULE O****2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

**4a** (Code: ) (Expenses \$ **1,183,782** including grants of \$ ) (Revenue \$ )  
**LOCAL VOLUNTEER FIRE AND RESCUE PROTECTION TO RURAL COMMUNITY. THE COMPANY RESPONDED TO 3,739 CALLS IN 2022.**

**4b** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )  
**N/A**

**4c** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )  
**N/A**

**4d** Other program services (Describe on Schedule O.)

(Expenses \$ including grants of \$ ) (Revenue \$ )

**4e** Total program service expenses **1,183,782**

**Part IV Checklist of Required Schedules**

|                                                                                                                                                                                                                                                                                                             | Yes      | No       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A                                                                                                                                                                         | <b>X</b> |          |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors? See instructions                                                                                                                                                                                                           | <b>X</b> |          |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I                                                                                                                      |          | <b>X</b> |
| 4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II                                                                                                       |          | <b>X</b> |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? If "Yes," complete Schedule C, Part III                                                                                      |          | <b>X</b> |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I                                                    |          | <b>X</b> |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II                                                                                            |          | <b>X</b> |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III                                                                                                                                                         |          | <b>X</b> |
| 9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV            |          | <b>X</b> |
| 10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? If "Yes," complete Schedule D, Part V                                                                                                                               |          | <b>X</b> |
| 11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.                                                                                                                                                         |          |          |
| a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI                                                                                                                                                                       | <b>X</b> |          |
| b Did the organization report an amount for investments—other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII                                                                                                    |          | <b>X</b> |
| c Did the organization report an amount for investments—program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII                                                                                                    |          | <b>X</b> |
| d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX                                                                                                                     |          | <b>X</b> |
| e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X                                                                                                                                                                                     | <b>X</b> |          |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X                                                            |          | <b>X</b> |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII                                                                                                                                                        |          | <b>X</b> |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional                                                                           |          | <b>X</b> |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E                                                                                                                                                                                                        |          | <b>X</b> |
| 14a Did the organization maintain an office, employees, or agents outside of the United States?                                                                                                                                                                                                             |          | <b>X</b> |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV |          | <b>X</b> |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV                                                                                                           |          | <b>X</b> |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV                                                                                                     |          | <b>X</b> |
| 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I. See instructions                                                                                             |          | <b>X</b> |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II                                                                                                                           | <b>X</b> |          |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III                                                                                                                                                     |          | <b>X</b> |
| 20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H                                                                                                                                                                                                             |          | <b>X</b> |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?                                                                                                                                                                                              |          |          |
| 21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II                                                                                            |          | <b>X</b> |



**Part IV Checklist of Required Schedules (continued)**

|                                                                                                                                                                                                                                                                                                                                                                                                    | Yes      | No       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i>                                                                                                                                                                                        |          | <b>X</b> |
| <b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i>                                                                                                                             |          | <b>X</b> |
| <b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a.</i>                                                                                                  |          | <b>X</b> |
| <b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?                                                                                                                                                                                                                                                                                         |          |          |
| <b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?                                                                                                                                                                                                                                                |          |          |
| <b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?                                                                                                                                                                                                                                                                                   |          |          |
| <b>25a</b> <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i>                                                                                                                                                               |          | <b>X</b> |
| <b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i>                                                                                                               |          | <b>X</b> |
| <b>26</b> Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II.</i>                                                       |          | <b>X</b> |
| <b>27</b> Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III.</i> |          | <b>X</b> |
| <b>28</b> Was the organization a party to a business transaction with one of the following parties (see the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions):                                                                                                                                                                                       |          |          |
| <b>a</b> A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV.</i>                                                                                                                                                                                                                              |          | <b>X</b> |
| <b>b</b> A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV.</i>                                                                                                                                                                                                                                                                                   |          | <b>X</b> |
| <b>c</b> A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? <i>If "Yes," complete Schedule L, Part IV.</i>                                                                                                                                                                                                                                      |          | <b>X</b> |
| <b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i>                                                                                                                                                                                                                                                                         |          | <b>X</b> |
| <b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i>                                                                                                                                                                                                         |          | <b>X</b> |
| <b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>                                                                                                                                                                                                                                                               |          | <b>X</b> |
| <b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i>                                                                                                                                                                                                                                             |          | <b>X</b> |
| <b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i>                                                                                                                                                                                             | <b>X</b> |          |
| <b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1.</i>                                                                                                                                                                                                                                         | <b>X</b> |          |
| <b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)?                                                                                                                                                                                                                                                                                                 |          | <b>X</b> |
| <b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i>                                                                                                                                                                 |          |          |
| <b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i>                                                                                                                                                                                                  |          | <b>X</b> |
| <b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i>                                                                                                                                                    |          | <b>X</b> |
| <b>38</b> Did the organization complete Schedule O and provide explanations on Schedule O for Part VI, lines 11b and 19? <b>Note:</b> All Form 990 filers are required to complete Schedule O.                                                                                                                                                                                                     | <b>X</b> |          |

**Part V Statements Regarding Other IRS Filings and Tax Compliance**Check if Schedule O contains a response or note to any line in this Part V ☐

|                                                                                                                                                                   | Yes       | No        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| <b>1a</b> Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable                                                                            | <b>1a</b> | <b>17</b> |
| <b>b</b> Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable                                                                          | <b>1b</b> | <b>0</b>  |
| <b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | <b>1c</b> | <b>X</b>  |

**Part V Statements Regarding Other IRS Filings and Tax Compliance** (continued)

Yes No

|            |                                                                                                                                                                                                                                            |            |   |  |  |          |
|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|---|--|--|----------|
| <b>2a</b>  | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return                                                              | <b>2a</b>  | 0 |  |  |          |
| <b>b</b>   | If at least one is reported on line 2a, did the organization file all required federal employment tax returns?                                                                                                                             | <b>2b</b>  |   |  |  |          |
| <b>3a</b>  | Did the organization have unrelated business gross income of \$1,000 or more during the year?                                                                                                                                              | <b>3a</b>  |   |  |  | <b>X</b> |
| <b>b</b>   | If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O                                                                                                                                | <b>3b</b>  |   |  |  |          |
| <b>4a</b>  | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | <b>4a</b>  |   |  |  | <b>X</b> |
| <b>b</b>   | If "Yes," enter the name of the foreign country<br>See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).                                                                     |            |   |  |  |          |
| <b>5a</b>  | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?                                                                                                                                      | <b>5a</b>  |   |  |  | <b>X</b> |
| <b>b</b>   | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?                                                                                                                           | <b>5b</b>  |   |  |  | <b>X</b> |
| <b>c</b>   | If "Yes" to line 5a or 5b, did the organization file Form 8886-T?                                                                                                                                                                          | <b>5c</b>  |   |  |  |          |
| <b>6a</b>  | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?                                    | <b>6a</b>  |   |  |  | <b>X</b> |
| <b>b</b>   | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?                                                                                              | <b>6b</b>  |   |  |  |          |
| <b>7</b>   | <b>Organizations that may receive deductible contributions under section 170(c).</b>                                                                                                                                                       |            |   |  |  |          |
| <b>a</b>   | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?                                                                                            | <b>7a</b>  |   |  |  |          |
| <b>b</b>   | If "Yes," did the organization notify the donor of the value of the goods or services provided?                                                                                                                                            | <b>7b</b>  |   |  |  |          |
| <b>c</b>   | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?                                                                                                       | <b>7c</b>  |   |  |  |          |
| <b>d</b>   | If "Yes," indicate the number of Forms 8282 filed during the year                                                                                                                                                                          | <b>7d</b>  |   |  |  |          |
| <b>e</b>   | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?                                                                                                                            | <b>7e</b>  |   |  |  |          |
| <b>f</b>   | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?                                                                                                                               | <b>7f</b>  |   |  |  |          |
| <b>g</b>   | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?                                                                                                           | <b>7g</b>  |   |  |  |          |
| <b>h</b>   | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?                                                                                                         | <b>7h</b>  |   |  |  |          |
| <b>8</b>   | <b>Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?                                             | <b>8</b>   |   |  |  |          |
| <b>9</b>   | <b>Sponsoring organizations maintaining donor advised funds.</b>                                                                                                                                                                           |            |   |  |  |          |
| <b>a</b>   | Did the sponsoring organization make any taxable distributions under section 4966?                                                                                                                                                         | <b>9a</b>  |   |  |  |          |
| <b>b</b>   | Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?                                                                                                                                          | <b>9b</b>  |   |  |  |          |
| <b>10</b>  | <b>Section 501(c)(7) organizations.</b> Enter:                                                                                                                                                                                             |            |   |  |  |          |
| <b>a</b>   | Initiation fees and capital contributions included on Part VIII, line 12                                                                                                                                                                   | <b>10a</b> |   |  |  |          |
| <b>b</b>   | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities                                                                                                                                                | <b>10b</b> |   |  |  |          |
| <b>11</b>  | <b>Section 501(c)(12) organizations.</b> Enter:                                                                                                                                                                                            |            |   |  |  |          |
| <b>a</b>   | Gross income from members or shareholders                                                                                                                                                                                                  | <b>11a</b> |   |  |  |          |
| <b>b</b>   | Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)                                                                                                              | <b>11b</b> |   |  |  |          |
| <b>12a</b> | <b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?                                                                                                                          | <b>12a</b> |   |  |  |          |
| <b>b</b>   | If "Yes," enter the amount of tax-exempt interest received or accrued during the year                                                                                                                                                      | <b>12b</b> |   |  |  |          |
| <b>13</b>  | <b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>                                                                                                                                                                    |            |   |  |  |          |
| <b>a</b>   | Is the organization licensed to issue qualified health plans in more than one state?<br><b>Note:</b> See the instructions for additional information the organization must report on Schedule O.                                           | <b>13a</b> |   |  |  |          |
| <b>b</b>   | Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans                                                                                  | <b>13b</b> |   |  |  |          |
| <b>c</b>   | Enter the amount of reserves on hand                                                                                                                                                                                                       | <b>13c</b> |   |  |  |          |
| <b>14a</b> | Did the organization receive any payments for indoor tanning services during the tax year?                                                                                                                                                 | <b>14a</b> |   |  |  | <b>X</b> |
| <b>b</b>   | If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O                                                                                                                                  | <b>14b</b> |   |  |  |          |
| <b>15</b>  | Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?<br>If "Yes," see instructions and file Form 4720, Schedule N.                   | <b>15</b>  |   |  |  | <b>X</b> |
| <b>16</b>  | Is the organization an educational institution subject to the section 4968 excise tax on net investment income?<br>If "Yes," complete Form 4720, Schedule O.                                                                               | <b>16</b>  |   |  |  | <b>X</b> |
| <b>17</b>  | <b>Section 501(c)(21) organizations.</b> Did the trust, any disqualified or other person engage in any activities that would result in the imposition of an excise tax under section 4951, 4952 or 4953?<br>If "Yes," complete Form 6069.  | <b>17</b>  |   |  |  |          |

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions. Check if Schedule O contains a response or note to any line in this Part VI ☒

**Section A. Governing Body and Management**

|                                                                                                                                                                                                                                                                                                                    | Yes                                 | No                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>1a</b> Enter the number of voting members of the governing body at the end of the tax year<br>If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O. | 9                                   |                                     |
| <b>b</b> Enter the number of voting members included on line 1a, above, who are independent                                                                                                                                                                                                                        | 9                                   |                                     |
| <b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?                                                                                                                                     |                                     | <input checked="" type="checkbox"/> |
| <b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?                                                                                         |                                     | <input checked="" type="checkbox"/> |
| <b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?                                                                                                                                                                                          |                                     | <input checked="" type="checkbox"/> |
| <b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets?                                                                                                                                                                                                |                                     | <input checked="" type="checkbox"/> |
| <b>6</b> Did the organization have members or stockholders?                                                                                                                                                                                                                                                        |                                     | <input checked="" type="checkbox"/> |
| <b>7a</b> Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?                                                                                                                                                       |                                     | <input checked="" type="checkbox"/> |
| <b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?                                                                                                                                                 |                                     | <input checked="" type="checkbox"/> |
| <b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:                                                                                                                                                                         |                                     |                                     |
| <b>a</b> The governing body?                                                                                                                                                                                                                                                                                       | <input checked="" type="checkbox"/> |                                     |
| <b>b</b> Each committee with authority to act on behalf of the governing body?                                                                                                                                                                                                                                     | <input checked="" type="checkbox"/> |                                     |
| <b>9</b> Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O.                                                                                             |                                     | <input checked="" type="checkbox"/> |

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

|                                                                                                                                                                                                                                                                                                       | Yes | No                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------------------------------|
| <b>10a</b> Did the organization have local chapters, branches, or affiliates?                                                                                                                                                                                                                         |     | <input checked="" type="checkbox"/> |
| <b>b</b> If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?                                                                   |     |                                     |
| <b>11a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?                                                                                                                                                                |     | <input checked="" type="checkbox"/> |
| <b>b</b> Describe on Schedule O the process, if any, used by the organization to review this Form 990.                                                                                                                                                                                                |     |                                     |
| <b>12a</b> Did the organization have a written conflict of interest policy? If "No," go to line 13                                                                                                                                                                                                    |     | <input checked="" type="checkbox"/> |
| <b>b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?                                                                                                                                                          |     |                                     |
| <b>c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done                                                                                                                                           |     |                                     |
| <b>13</b> Did the organization have a written whistleblower policy?                                                                                                                                                                                                                                   |     | <input checked="" type="checkbox"/> |
| <b>14</b> Did the organization have a written document retention and destruction policy?                                                                                                                                                                                                              |     | <input checked="" type="checkbox"/> |
| <b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?                                                                        |     |                                     |
| <b>a</b> The organization's CEO, Executive Director, or top management official                                                                                                                                                                                                                       |     | <input checked="" type="checkbox"/> |
| <b>b</b> Other officers or key employees of the organization                                                                                                                                                                                                                                          |     | <input checked="" type="checkbox"/> |
| If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions.                                                                                                                                                                                                                    |     |                                     |
| <b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?                                                                                                                                      |     | <input checked="" type="checkbox"/> |
| <b>b</b> If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? |     |                                     |

**Section C. Disclosure**

**17** List the states with which a copy of this Form 990 is required to be filed **NONE**

**18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
☐ Own website ☒ Another's website ☐ Upon request ☐ Other (explain on Schedule O)

**19** Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

**20** State the name, address, and telephone number of the person who possesses the organization's books and records

**GEOFFREY GRAMBO**  
**WARRENTON**

**167 WEST SHIRLEY AVENUE**

**VA 20186**

**540-347-2222**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Check if Schedule O contains a response or note to any line in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
  - List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
  - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
  - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
  - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- See the instructions for the order in which to list the persons above.

☒ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

| (A)<br>Name and title          | (B)<br>Average hours per week (list any hours for related organizations below dotted line) | (C)<br>Position<br>(do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/ 1099-MISC/ 1099-NEC) | (E)<br>Reportable compensation from related organizations (W-2/ 1099-MISC/ 1099-NEC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------|---------|--------------|------------------------------|--------|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
|                                |                                                                                            | Individual trustee or director                                                                               | Institutional trustee | Officer | Key employee | Highest compensated employee | Former |                                                                                 |                                                                                      |                                                                                               |
| (1) <b>KEVIN BARTY</b>         | 0.00                                                                                       |                                                                                                              |                       |         |              |                              |        |                                                                                 |                                                                                      |                                                                                               |
| <b>PRESIDENT</b>               | 0.00                                                                                       | X                                                                                                            |                       | X       |              |                              |        | 0                                                                               | 0                                                                                    | 0                                                                                             |
| (2) <b>KEVIN MAKELY</b>        | 0.00                                                                                       |                                                                                                              |                       |         |              |                              |        |                                                                                 |                                                                                      |                                                                                               |
| <b>VICE PRESIDENT</b>          | 0.00                                                                                       | X                                                                                                            |                       | X       |              |                              |        | 0                                                                               | 0                                                                                    | 0                                                                                             |
| (3) <b>GEORGIA SCARBOROUGH</b> | 0.00                                                                                       |                                                                                                              |                       |         |              |                              |        |                                                                                 |                                                                                      |                                                                                               |
| <b>SECRETARY</b>               | 0.00                                                                                       | X                                                                                                            |                       | X       |              |                              |        | 0                                                                               | 0                                                                                    | 0                                                                                             |
| (4) <b>GEOFFREY GRAMBO</b>     | 0.00                                                                                       |                                                                                                              |                       |         |              |                              |        |                                                                                 |                                                                                      |                                                                                               |
| <b>TREASURER</b>               | 0.00                                                                                       | X                                                                                                            |                       | X       |              |                              |        | 0                                                                               | 0                                                                                    | 0                                                                                             |
| (5) <b>MICHAEL O'BANNON</b>    | 0.00                                                                                       |                                                                                                              |                       |         |              |                              |        |                                                                                 |                                                                                      |                                                                                               |
| <b>DIRECTOR</b>                | 0.00                                                                                       | X                                                                                                            |                       |         |              |                              |        | 0                                                                               | 0                                                                                    | 0                                                                                             |
| (6) <b>BRANDON PHELPS</b>      | 0.00                                                                                       |                                                                                                              |                       |         |              |                              |        |                                                                                 |                                                                                      |                                                                                               |
| <b>DIRECTOR</b>                | 0.00                                                                                       | X                                                                                                            |                       |         |              |                              |        | 0                                                                               | 0                                                                                    | 0                                                                                             |
| (7) <b>JOSEPH SAFFER</b>       | 0.00                                                                                       |                                                                                                              |                       |         |              |                              |        |                                                                                 |                                                                                      |                                                                                               |
| <b>DIRECTOR</b>                | 0.00                                                                                       | X                                                                                                            |                       |         |              |                              |        | 0                                                                               | 0                                                                                    | 0                                                                                             |
| (8) <b>PATRICIA KOGLIN</b>     | 0.00                                                                                       |                                                                                                              |                       |         |              |                              |        |                                                                                 |                                                                                      |                                                                                               |
| <b>DIRECTOR</b>                | 0.00                                                                                       | X                                                                                                            |                       |         |              |                              |        | 0                                                                               | 0                                                                                    | 0                                                                                             |
| (9) <b>KEVIN SWAIN</b>         | 0.00                                                                                       |                                                                                                              |                       |         |              |                              |        |                                                                                 |                                                                                      |                                                                                               |
| <b>CHIEF</b>                   | 0.00                                                                                       | X                                                                                                            |                       | X       |              |                              |        | 0                                                                               | 0                                                                                    | 0                                                                                             |
| (10)                           |                                                                                            |                                                                                                              |                       |         |              |                              |        |                                                                                 |                                                                                      |                                                                                               |
| (11)                           |                                                                                            |                                                                                                              |                       |         |              |                              |        |                                                                                 |                                                                                      |                                                                                               |

*Item D.*

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 0

3 Did the organization list any **former** officer, director, trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? *If "Yes," complete Schedule J for such individual*

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*

|   | Yes | No       |
|---|-----|----------|
| 3 |     | <b>X</b> |
| 4 |     | <b>X</b> |
| 5 |     | <b>X</b> |

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization

**Part VIII****Statement of Revenue**Check if Schedule O contains a response or note to any line in this Part VIII ☐

|                                                                   |                                   |                                                                                                                             |                                              | (A)<br>Total revenue                                                            | (B)<br>Related or exempt<br>function revenue | (C)<br>Unrelated<br>business revenue | (D)<br>Revenue excluded<br>from tax under<br>sections 512-514 |
|-------------------------------------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------------------------------------------|----------------------------------------------|--------------------------------------|---------------------------------------------------------------|
| <b>Contributions, Gifts, Grants<br/>and Other Similar Amounts</b> | 1a                                | Federated campaigns                                                                                                         | 1a                                           |                                                                                 |                                              |                                      |                                                               |
|                                                                   | b                                 | Membership dues                                                                                                             | 1b                                           |                                                                                 |                                              |                                      |                                                               |
|                                                                   | c                                 | Fundraising events                                                                                                          | 1c                                           |                                                                                 |                                              |                                      |                                                               |
|                                                                   | d                                 | Related organizations                                                                                                       | 1d                                           |                                                                                 |                                              |                                      |                                                               |
|                                                                   | e                                 | Government grants (contributions)                                                                                           | 1e                                           | 973,310                                                                         |                                              |                                      |                                                               |
|                                                                   | f                                 | All other contributions, gifts, grants,<br>and similar amounts not included above                                           | 1f                                           | 61,049                                                                          |                                              |                                      |                                                               |
|                                                                   | g                                 | Noncash contributions included in<br>lines 1a-1f                                                                            | 1g                                           | \$                                                                              |                                              |                                      |                                                               |
|                                                                   | <b>h Total. Add lines 1a-1f</b>   |                                                                                                                             |                                              |                                                                                 | <b>1,034,359</b>                             |                                      |                                                               |
| <b>Program Service<br/>Revenue</b>                                |                                   |                                                                                                                             |                                              | Business Code                                                                   |                                              |                                      |                                                               |
|                                                                   | 2a                                |                                                                                                                             |                                              |                                                                                 |                                              |                                      |                                                               |
|                                                                   | b                                 |                                                                                                                             |                                              |                                                                                 |                                              |                                      |                                                               |
|                                                                   | c                                 |                                                                                                                             |                                              |                                                                                 |                                              |                                      |                                                               |
|                                                                   | d                                 |                                                                                                                             |                                              |                                                                                 |                                              |                                      |                                                               |
|                                                                   | e                                 |                                                                                                                             |                                              |                                                                                 |                                              |                                      |                                                               |
|                                                                   | f                                 | All other program service revenue                                                                                           |                                              |                                                                                 |                                              |                                      |                                                               |
|                                                                   | <b>g Total. Add lines 2a-2f</b>   |                                                                                                                             |                                              |                                                                                 |                                              |                                      |                                                               |
| <b>Other Revenue</b>                                              | 3                                 |                                                                                                                             |                                              | Investment income (including dividends, interest, and<br>other similar amounts) | 345,013                                      |                                      | 345,013                                                       |
|                                                                   | 4                                 |                                                                                                                             |                                              | Income from investment of tax-exempt bond proceeds                              |                                              |                                      |                                                               |
|                                                                   | 5                                 |                                                                                                                             |                                              | Royalties                                                                       |                                              |                                      |                                                               |
|                                                                   | 6a                                | Gross rents                                                                                                                 | 6a                                           |                                                                                 |                                              |                                      |                                                               |
|                                                                   | b                                 | Less: rental expenses                                                                                                       | 6b                                           |                                                                                 |                                              |                                      |                                                               |
|                                                                   | c                                 | Rental inc. or (loss)                                                                                                       | 6c                                           |                                                                                 |                                              |                                      |                                                               |
|                                                                   | d                                 |                                                                                                                             |                                              | Net rental income or (loss)                                                     |                                              |                                      |                                                               |
|                                                                   | 7a                                | Gross amount from<br>sales of assets<br>other than inventory                                                                | 7a                                           | (i) Securities<br>2,103,662                                                     | (ii) Other<br>201,374                        |                                      |                                                               |
|                                                                   | b                                 | Less: cost or other<br>basis and sales exps.                                                                                | 7b                                           | 2,123,028                                                                       |                                              |                                      |                                                               |
|                                                                   | c                                 | Gain or (loss)                                                                                                              | 7c                                           | -19,366                                                                         | 201,374                                      |                                      |                                                               |
|                                                                   | d                                 |                                                                                                                             |                                              | Net gain or (loss)                                                              | 182,008                                      | 200,000                              | -17,992                                                       |
|                                                                   | 8a                                | Gross income from fundraising events<br>(not including \$<br>of contributions reported on line<br>1c). See Part IV, line 18 | 8a                                           | 63,384                                                                          |                                              |                                      |                                                               |
|                                                                   | b                                 | Less: direct expenses                                                                                                       | 8b                                           | 8,682                                                                           |                                              |                                      |                                                               |
|                                                                   | c                                 |                                                                                                                             |                                              | Net income or (loss) from fundraising events                                    | 54,702                                       |                                      | 54,702                                                        |
|                                                                   | 9a                                | Gross income from gaming<br>activities. See Part IV, line 19                                                                | 9a                                           |                                                                                 |                                              |                                      |                                                               |
|                                                                   | b                                 | Less: direct expenses                                                                                                       | 9b                                           |                                                                                 |                                              |                                      |                                                               |
|                                                                   | c                                 |                                                                                                                             |                                              | Net income or (loss) from gaming activities                                     |                                              |                                      |                                                               |
|                                                                   | 10a                               | Gross sales of inventory, less<br>returns and allowances                                                                    | 10a                                          |                                                                                 |                                              |                                      |                                                               |
| b                                                                 | Less: cost of goods sold          | 10b                                                                                                                         |                                              |                                                                                 |                                              |                                      |                                                               |
| c                                                                 |                                   |                                                                                                                             | Net income or (loss) from sales of inventory |                                                                                 |                                              |                                      |                                                               |
| <b>Miscellaneous<br/>Revenue</b>                                  |                                   |                                                                                                                             |                                              | Business Code                                                                   |                                              |                                      |                                                               |
|                                                                   | 11a                               | OTHER                                                                                                                       |                                              | 1,000                                                                           | 1,000                                        |                                      |                                                               |
|                                                                   | b                                 | WARRENTON VOL FIRE PROP LC                                                                                                  |                                              | -603                                                                            |                                              |                                      | -603                                                          |
|                                                                   | c                                 |                                                                                                                             |                                              |                                                                                 |                                              |                                      |                                                               |
|                                                                   | d                                 | All other revenue                                                                                                           |                                              |                                                                                 |                                              |                                      |                                                               |
|                                                                   | <b>e Total. Add lines 11a-11d</b> |                                                                                                                             |                                              |                                                                                 | <b>397</b>                                   |                                      |                                                               |
| <b>12 Total revenue. See instructions</b>                         |                                   |                                                                                                                             |                                              | <b>1,616,479</b>                                                                | <b>201,000</b>                               | <b>0</b>                             | <b>381,120</b>                                                |



**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☒**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

|                                                                                                                                                                                                                                                  | (A)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------|----------------------------------------|-----------------------------|
| <b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21                                                                                                                                    |                       |                                 |                                        |                             |
| <b>2</b> Grants and other assistance to domestic individuals. See Part IV, line 22                                                                                                                                                               |                       |                                 |                                        |                             |
| <b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16                                                                                                        |                       |                                 |                                        |                             |
| <b>4</b> Benefits paid to or for members                                                                                                                                                                                                         |                       |                                 |                                        |                             |
| <b>5</b> Compensation of current officers, directors, trustees, and key employees                                                                                                                                                                |                       |                                 |                                        |                             |
| <b>6</b> Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)                                                                                            |                       |                                 |                                        |                             |
| <b>7</b> Other salaries and wages                                                                                                                                                                                                                |                       |                                 |                                        |                             |
| <b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)                                                                                                                                      |                       |                                 |                                        |                             |
| <b>9</b> Other employee benefits                                                                                                                                                                                                                 |                       |                                 |                                        |                             |
| <b>10</b> Payroll taxes                                                                                                                                                                                                                          |                       |                                 |                                        |                             |
| <b>11</b> Fees for services (nonemployees):                                                                                                                                                                                                      |                       |                                 |                                        |                             |
| <b>a</b> Management                                                                                                                                                                                                                              | 14,100                |                                 | 14,100                                 |                             |
| <b>b</b> Legal                                                                                                                                                                                                                                   | 4,500                 |                                 | 4,500                                  |                             |
| <b>c</b> Accounting                                                                                                                                                                                                                              | 2,490                 |                                 | 2,490                                  |                             |
| <b>d</b> Lobbying                                                                                                                                                                                                                                |                       |                                 |                                        |                             |
| <b>e</b> Professional fundraising services. See Part IV, line 17                                                                                                                                                                                 |                       |                                 |                                        |                             |
| <b>f</b> Investment management fees                                                                                                                                                                                                              | 13,392                |                                 | 13,392                                 |                             |
| <b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)                                                                                                                            | 32,240                |                                 | 32,240                                 |                             |
| <b>12</b> Advertising and promotion                                                                                                                                                                                                              |                       |                                 |                                        |                             |
| <b>13</b> Office expenses                                                                                                                                                                                                                        | 2,774                 |                                 | 2,774                                  |                             |
| <b>14</b> Information technology                                                                                                                                                                                                                 |                       |                                 |                                        |                             |
| <b>15</b> Royalties                                                                                                                                                                                                                              |                       |                                 |                                        |                             |
| <b>16</b> Occupancy                                                                                                                                                                                                                              | 93,888                | 93,888                          |                                        |                             |
| <b>17</b> Travel                                                                                                                                                                                                                                 | 124                   | 124                             |                                        |                             |
| <b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials                                                                                                                                         |                       |                                 |                                        |                             |
| <b>19</b> Conferences, conventions, and meetings                                                                                                                                                                                                 |                       |                                 |                                        |                             |
| <b>20</b> Interest                                                                                                                                                                                                                               | 169,459               | 169,459                         |                                        |                             |
| <b>21</b> Payments to affiliates                                                                                                                                                                                                                 |                       |                                 |                                        |                             |
| <b>22</b> Depreciation, depletion, and amortization                                                                                                                                                                                              | 533,973               | 523,220                         | 10,753                                 |                             |
| <b>23</b> Insurance                                                                                                                                                                                                                              |                       |                                 |                                        |                             |
| <b>24</b> Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)                                      |                       |                                 |                                        |                             |
| <b>a</b> FLEET MAINTENANCE                                                                                                                                                                                                                       | 107,383               | 107,383                         |                                        |                             |
| <b>b</b> REPAIRS & MAINTENANCE                                                                                                                                                                                                                   | 95,800                | 95,800                          |                                        |                             |
| <b>c</b> PROTECTIVE GEAR                                                                                                                                                                                                                         | 43,879                | 43,879                          |                                        |                             |
| <b>d</b> FUEL                                                                                                                                                                                                                                    | 33,688                | 33,688                          |                                        |                             |
| <b>e</b> All other expenses                                                                                                                                                                                                                      | 134,995               | 116,341                         | 18,654                                 |                             |
| <b>25</b> Total functional expenses. Add lines 1 through 24e                                                                                                                                                                                     | 1,282,685             | 1,183,782                       | 98,903                                 | 0                           |
| <b>26</b> Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) |                       |                                 |                                        |                             |

**Part X Balance Sheet**Check if Schedule O contains a response or note to any line in this Part X. ☐

|                                                                     |                                                                                                                                                                                                                   | (A)<br>Beginning of year |           | (B)<br>End of year |
|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----------|--------------------|
| <b>Assets</b>                                                       | 1 Cash—non-interest-bearing                                                                                                                                                                                       | 223,202                  | 1         | 180,807            |
|                                                                     | 2 Savings and temporary cash investments                                                                                                                                                                          | 1,475,762                | 2         | 870,138            |
|                                                                     | 3 Pledges and grants receivable, net                                                                                                                                                                              |                          | 3         |                    |
|                                                                     | 4 Accounts receivable, net                                                                                                                                                                                        | 1,050                    | 4         |                    |
|                                                                     | 5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons |                          | 5         |                    |
|                                                                     | 6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)                                                               |                          | 6         |                    |
|                                                                     | 7 Notes and loans receivable, net                                                                                                                                                                                 |                          | 7         |                    |
|                                                                     | 8 Inventories for sale or use                                                                                                                                                                                     |                          | 8         |                    |
|                                                                     | 9 Prepaid expenses and deferred charges                                                                                                                                                                           |                          | 9         |                    |
|                                                                     | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D                                                                                                                           | 10a 13,784,294           |           |                    |
|                                                                     | b Less: accumulated depreciation                                                                                                                                                                                  | 10b 6,785,172            | 5,889,787 | 10c 6,999,122      |
|                                                                     | 11 Investments—publicly traded securities                                                                                                                                                                         | 1,323,391                | 11        | 1,349,732          |
|                                                                     | 12 Investments—other securities. See Part IV, line 11                                                                                                                                                             |                          | 12        |                    |
|                                                                     | 13 Investments—program-related. See Part IV, line 11                                                                                                                                                              |                          | 13        |                    |
|                                                                     | 14 Intangible assets                                                                                                                                                                                              | 32,280                   | 14        | 35,674             |
|                                                                     | 15 Other assets. See Part IV, line 11                                                                                                                                                                             | 14,361                   | 15        | 63,758             |
| 16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 33) | 8,959,833                                                                                                                                                                                                         | 16                       | 9,499,231 |                    |
| <b>Liabilities</b>                                                  | 17 Accounts payable and accrued expenses                                                                                                                                                                          | 21,148                   | 17        | 13,702             |
|                                                                     | 18 Grants payable                                                                                                                                                                                                 |                          | 18        |                    |
|                                                                     | 19 Deferred revenue                                                                                                                                                                                               |                          | 19        |                    |
|                                                                     | 20 Tax-exempt bond liabilities                                                                                                                                                                                    |                          | 20        |                    |
|                                                                     | 21 Escrow or custodial account liability. Complete Part IV of Schedule D                                                                                                                                          |                          | 21        |                    |
|                                                                     | 22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons     |                          | 22        |                    |
|                                                                     | 23 Secured mortgages and notes payable to unrelated third parties                                                                                                                                                 | 4,105,689                | 23        | 4,318,739          |
|                                                                     | 24 Unsecured notes and loans payable to unrelated third parties                                                                                                                                                   |                          | 24        |                    |
|                                                                     | 25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D                                          | 2,396                    | 25        | 2,396              |
|                                                                     | 26 <b>Total liabilities.</b> Add lines 17 through 25                                                                                                                                                              | 4,129,233                | 26        | 4,334,837          |
| <b>Net Assets or Fund Balances</b>                                  | <b>Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.</b>                                                                              |                          |           |                    |
|                                                                     | 27 Net assets without donor restrictions                                                                                                                                                                          | 4,830,600                | 27        | 5,164,394          |
|                                                                     | 28 Net assets with donor restrictions                                                                                                                                                                             |                          | 28        |                    |
|                                                                     | <b>Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.</b>                                                                                       |                          |           |                    |
|                                                                     | 29 Capital stock or trust principal, or current funds                                                                                                                                                             |                          | 29        |                    |
|                                                                     | 30 Paid-in or capital surplus, or land, building, or equipment fund                                                                                                                                               |                          | 30        |                    |
|                                                                     | 31 Retained earnings, endowment, accumulated income, or other funds                                                                                                                                               |                          | 31        |                    |
|                                                                     | 32 <b>Total net assets or fund balances</b>                                                                                                                                                                       | 4,830,600                | 32        | 5,164,394          |
| 33 <b>Total liabilities and net assets/fund balances</b>            | 8,959,833                                                                                                                                                                                                         | 33                       | 9,499,231 |                    |

Form 990 (2022)



**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response or note to any line in this Part XI ☐

|    |                                                                                                                |    |           |
|----|----------------------------------------------------------------------------------------------------------------|----|-----------|
| 1  | Total revenue (must equal Part VIII, column (A), line 12)                                                      | 1  | 1,616,479 |
| 2  | Total expenses (must equal Part IX, column (A), line 25)                                                       | 2  | 1,282,685 |
| 3  | Revenue less expenses. Subtract line 2 from line 1                                                             | 3  | 333,794   |
| 4  | Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))                      | 4  | 4,830,600 |
| 5  | Net unrealized gains (losses) on investments                                                                   | 5  |           |
| 6  | Donated services and use of facilities                                                                         | 6  |           |
| 7  | Investment expenses                                                                                            | 7  |           |
| 8  | Prior period adjustments                                                                                       | 8  |           |
| 9  | Other changes in net assets or fund balances (explain on Schedule O)                                           | 9  |           |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B)) | 10 | 5,164,394 |

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response or note to any line in this Part XII ☐

- 1 Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other \_\_\_\_\_  
If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant? ☐ Yes ☒ No  
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:  
☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis
- b Were the organization's financial statements audited by an independent accountant? ☐ Yes ☒ No  
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:  
☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? ☐ Yes ☒ No  
If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Uniform Guidance, 2 C.F.R. Part 200, Subpart F? ☐ Yes ☒ No
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits

|    | Yes | No |
|----|-----|----|
| 2a |     | X  |
| 2b |     | X  |
| 2c |     |    |
| 3a |     | X  |
| 3b |     |    |

Form 990 (2022)

SCHEDULE A  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

Attach to Form 990 or Form 990-EZ.

Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

Item D.

2022

Open to Public  
Inspection

Name of the organization

WARRENTON VOLUNTEER FIRE COMPANY,  
INC.

Employer identification number

54-1415798

Part I Reason for Public Charity Status. (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 ☐ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990).)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: \_\_\_\_\_
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: \_\_\_\_\_
- 10 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box on lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
- f Enter the number of supported organizations
- g Provide the following information about the supported organization(s).

| (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1–10 above (see instructions)) | (iv) Is the organization listed in your governing document? |    | (v) Amount of monetary support (see instructions) | (vi) Amount of other support (see instructions) |
|------------------------------------|----------|-------------------------------------------------------------------------------|-------------------------------------------------------------|----|---------------------------------------------------|-------------------------------------------------|
|                                    |          |                                                                               | Yes                                                         | No |                                                   |                                                 |
| (A)                                |          |                                                                               |                                                             |    |                                                   |                                                 |
| (B)                                |          |                                                                               |                                                             |    |                                                   |                                                 |
| (C)                                |          |                                                                               |                                                             |    |                                                   |                                                 |
| (D)                                |          |                                                                               |                                                             |    |                                                   |                                                 |
| (E)                                |          |                                                                               |                                                             |    |                                                   |                                                 |
| Total                              |          |                                                                               |                                                             |    |                                                   |                                                 |

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990) 2022

**Part II****Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

| Calendar year (or fiscal year beginning in)                                                                                                                                                                  | (a) 2018 | (b) 2019 | (c) 2020  | (d) 2021  | (e) 2022  | (f) Total |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|-----------|-----------|-----------|-----------|
| <b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")                                                                                                  |          |          | 688,004   | 727,696   | 536,156   | 1,951,856 |
| <b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf                                                                                                     |          |          | 447,788   | 447,788   | 498,203   | 1,393,779 |
| <b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge                                                                                             |          |          |           |           |           |           |
| <b>4</b> <b>Total.</b> Add lines 1 through 3                                                                                                                                                                 |          |          | 1,135,792 | 1,175,484 | 1,034,359 | 3,345,635 |
| <b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) |          |          |           |           |           | 2,931,317 |
| <b>6</b> <b>Public support.</b> Subtract line 5 from line 4                                                                                                                                                  |          |          |           |           |           | 414,318   |

**Section B. Total Support**

| Calendar year (or fiscal year beginning in)                                                                                              | (a) 2018 | (b) 2019 | (c) 2020  | (d) 2021  | (e) 2022  | (f) Total |
|------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|-----------|-----------|-----------|-----------|
| <b>7</b> Amounts from line 4                                                                                                             |          |          | 1,135,792 | 1,175,484 | 1,034,359 | 3,345,635 |
| <b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources |          |          | 34,985    | 21,039    | 66,638    | 122,662   |
| <b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on                              |          |          | 63,650    | 217,500   | 331,474   | 612,624   |
| <b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)                                |          |          |           |           |           |           |
| <b>11</b> <b>Total support.</b> Add lines 7 through 10                                                                                   |          |          |           |           |           | 4,080,921 |
| <b>12</b> Gross receipts from related activities, etc. (see instructions)                                                                |          |          |           |           | 12        | 1,575     |

**13** **First 5 years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☒

**Section C. Computation of Public Support Percentage**

|                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>14</b> Public support percentage for 2022 (line 6, column (f) divided by line 11, column (f))                                                                                                                                                                                                                                                                                                                                       | <b>14</b> | % |
| <b>15</b> Public support percentage from 2021 Schedule A, Part II, line 14                                                                                                                                                                                                                                                                                                                                                             | <b>15</b> | % |
| <b>16a</b> <b>33 1/3% support test—2022.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization <input type="checkbox"/>                                                                                                                                                                       |           |   |
| <b>b</b> <b>33 1/3% support test—2021.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization <input type="checkbox"/>                                                                                                                                                                    |           |   |
| <b>17a</b> <b>10%-facts-and-circumstances test—2022.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization <input type="checkbox"/>    |           |   |
| <b>b</b> <b>10%-facts-and-circumstances test—2021.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization <input type="checkbox"/> |           |   |
| <b>18</b> <b>Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/>                                                                                                                                                                                                                                                           |           |   |

Schedule A (Form 990) 2022

**Part III****Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II.

If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

| Calendar year (or fiscal year beginning in)                                                                                                                                       | (a) 2018 | (b) 2019 | (c) 2020 | (d) 2021 | (e) 2022 | (f) Total |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|-----------|
| <b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")                                                                       |          |          |          |          |          |           |
| <b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose |          |          |          |          |          |           |
| <b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513                                                                             |          |          |          |          |          |           |
| <b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf                                                                          |          |          |          |          |          |           |
| <b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge                                                                  |          |          |          |          |          |           |
| <b>6</b> Total. Add lines 1 through 5                                                                                                                                             |          |          |          |          |          |           |
| <b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons                                                                                                |          |          |          |          |          |           |
| <b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year           |          |          |          |          |          |           |
| <b>c</b> Add lines 7a and 7b                                                                                                                                                      |          |          |          |          |          |           |
| <b>8</b> Public support. (Subtract line 7c from line 6.)                                                                                                                          |          |          |          |          |          |           |

**Section B. Total Support**

| Calendar year (or fiscal year beginning in)                                                                                                                                                                   | (a) 2018 | (b) 2019 | (c) 2020 | (d) 2021 | (e) 2022 | (f) Total |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|-----------|
| <b>9</b> Amounts from line 6                                                                                                                                                                                  |          |          |          |          |          |           |
| <b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources                                                                    |          |          |          |          |          |           |
| <b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975                                                                                              |          |          |          |          |          |           |
| <b>c</b> Add lines 10a and 10b                                                                                                                                                                                |          |          |          |          |          |           |
| <b>11</b> Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on                                                                         |          |          |          |          |          |           |
| <b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)                                                                                                     |          |          |          |          |          |           |
| <b>13</b> Total support. (Add lines 9, 10c, 11, and 12.)                                                                                                                                                      |          |          |          |          |          |           |
| <b>14</b> First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/> |          |          |          |          |          |           |

**Section C. Computation of Public Support Percentage**

|                                                                                                   |           |   |
|---------------------------------------------------------------------------------------------------|-----------|---|
| <b>15</b> Public support percentage for 2022 (line 8, column (f), divided by line 13, column (f)) | <b>15</b> | % |
| <b>16</b> Public support percentage from 2021 Schedule A, Part III, line 15                       | <b>16</b> | % |

**Section D. Computation of Investment Income Percentage**

|                                                                                                        |           |   |
|--------------------------------------------------------------------------------------------------------|-----------|---|
| <b>17</b> Investment income percentage for 2022 (line 10c, column (f), divided by line 13, column (f)) | <b>17</b> | % |
| <b>18</b> Investment income percentage from 2021 Schedule A, Part III, line 17                         | <b>18</b> | % |

- 19a 33 1/3% support tests—2022.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ☐
- b 33 1/3% support tests—2021.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ☐
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

**Part IV Supporting Organizations**

(Complete only if you checked a box on line 12 on Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Yes | No |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| <b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in <b>Part VI</b> how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.                                                                                                                                                                                                                     |     |    |
| <b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in <b>Part VI</b> how the organization determined that the supported organization was described in section 509(a)(1) or (2).                                                                                                                                                                                                                                                  |     |    |
| <b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer lines 3b and 3c below.                                                                                                                                                                                                                                                                                                                                                                                               |     |    |
| <b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in <b>Part VI</b> when and how the organization made the determination.                                                                                                                                                                                                                                                                |     |    |
| <b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in <b>Part VI</b> what controls the organization put in place to ensure such use.                                                                                                                                                                                                                                                                                                         |     |    |
| <b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.                                                                                                                                                                                                                                                                                                                                            |     |    |
| <b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in <b>Part VI</b> how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.                                                                                                                                                                                                             |     |    |
| <b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in <b>Part VI</b> what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.                                                                                                                                                                                |     |    |
| <b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in <b>Part VI</b> , including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document). |     |    |
| <b>b</b> <b>Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?                                                                                                                                                                                                                                                                                                                                                                       |     |    |
| <b>c</b> <b>Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?                                                                                                                                                                                                                                                                                                                                                                                                                              |     |    |
| <b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in <b>Part VI</b> .                                                              |     |    |
| <b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990).                                                                                                                                                                                                          |     |    |
| <b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? If "Yes," complete Part I of Schedule L (Form 990).                                                                                                                                                                                                                                                                                                                                                                    |     |    |
| <b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in <b>Part VI</b> .                                                                                                                                                                                                                                         |     |    |
| <b>b</b> Did one or more disqualified persons (as defined on line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in <b>Part VI</b> .                                                                                                                                                                                                                                                                                                                              |     |    |
| <b>c</b> Did a disqualified person (as defined on line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in <b>Part VI</b> .                                                                                                                                                                                                                                                                                                   |     |    |
| <b>10a</b> Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer line 10b below.                                                                                                                                                                                                                                                          |     |    |
| <b>b</b> Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)                                                                                                                                                                                                                                                                                                                                                               |     |    |

**Part IV Supporting Organizations** (continued)

|                                                                                                                                                                                    | Yes | No |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| <b>11</b> Has the organization accepted a gift or contribution from any of the following persons?                                                                                  |     |    |
| <b>a</b> A person who directly or indirectly controls, either alone or together with persons described on lines 11b and 11c below, the governing body of a supported organization? |     |    |
| <b>11a</b>                                                                                                                                                                         |     |    |
| <b>b</b> A family member of a person described on line 11a above?                                                                                                                  |     |    |
| <b>11b</b>                                                                                                                                                                         |     |    |
| <b>c</b> A 35% controlled entity of a person described on line 11a or 11b above? If "Yes" to line 11a, 11b, or 11c, provide detail in <b>Part VI</b> .                             |     |    |
| <b>11c</b>                                                                                                                                                                         |     |    |

**Section B. Type I Supporting Organizations**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Yes | No |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| <b>1</b> Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? If "No," describe in <b>Part VI</b> how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year. |     |    |
| <b>1</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |     |    |
| <b>2</b> Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in <b>Part VI</b> how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.                                                                                                                                                                                                                                                                                                                                                                         |     |    |
| <b>2</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |     |    |

**Section C. Type II Supporting Organizations**

|                                                                                                                                                                                                                                                                                                                                                                                      | Yes | No |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| <b>1</b> Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in <b>Part VI</b> how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s). |     |    |
| <b>1</b>                                                                                                                                                                                                                                                                                                                                                                             |     |    |

**Section D. All Type III Supporting Organizations**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Yes | No |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| <b>1</b> Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided? |     |    |
| <b>1</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     |    |
| <b>2</b> Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in <b>Part VI</b> how the organization maintained a close and continuous working relationship with the supported organization(s).                                                                                                                       |     |    |
| <b>2</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     |    |
| <b>3</b> By reason of the relationship described on line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in <b>Part VI</b> the role the organization's supported organizations played in this regard.                                                                                |     |    |
| <b>3</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     |    |

**Section E. Type III Functionally Integrated Supporting Organizations**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| <b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).                                                                                                                                                                                                                                                                                                                                                                                              |  |  |
| <b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete <b>line 2</b> below.                                                                                                                                                                                                                                                                                                                                                                                                                         |  |  |
| <b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete <b>line 3</b> below.                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
| <b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in <b>Part VI</b> how you supported a governmental entity (see instructions).                                                                                                                                                                                                                                                                                                                                                              |  |  |
| <b>2</b> Activities Test. Answer lines 2a and 2b below.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
| <b>a</b> Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in <b>Part VI</b> identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities. |  |  |
| <b>2a</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |  |
| <b>b</b> Did the activities described on line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in <b>Part VI</b> the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.                                                                                                                  |  |  |
| <b>2b</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |  |
| <b>3</b> Parent of Supported Organizations. Answer lines 3a and 3b below.                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |  |
| <b>a</b> Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? If "Yes" or "No," provide details in <b>Part VI</b> .                                                                                                                                                                                                                                                                                                             |  |  |
| <b>3a</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |  |
| <b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in <b>Part VI</b> the role played by the organization in this regard.                                                                                                                                                                                                                                                                                   |  |  |
| <b>3b</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |  |

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

- 1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in **Part VI**). See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

| Section A – Adjusted Net Income |                                                                                                                                                                                                          | (A) Prior Year | (B) Current Year<br>(optional) |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------------------|
| 1                               | Net short-term capital gain                                                                                                                                                                              | 1              |                                |
| 2                               | Recoveries of prior-year distributions                                                                                                                                                                   | 2              |                                |
| 3                               | Other gross income (see instructions)                                                                                                                                                                    | 3              |                                |
| 4                               | Add lines 1 through 3.                                                                                                                                                                                   | 4              |                                |
| 5                               | Depreciation and depletion                                                                                                                                                                               | 5              |                                |
| 6                               | Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions) | 6              |                                |
| 7                               | Other expenses (see instructions)                                                                                                                                                                        | 7              |                                |
| 8                               | <b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)                                                                                                                                      | 8              |                                |

| Section B – Minimum Asset Amount |                                                                                                                                 | (A) Prior Year | (B) Current Year<br>(optional) |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------------------|
| 1                                | Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year): |                |                                |
| a                                | Average monthly value of securities                                                                                             | 1a             |                                |
| b                                | Average monthly cash balances                                                                                                   | 1b             |                                |
| c                                | Fair market value of other non-exempt-use assets                                                                                | 1c             |                                |
| d                                | <b>Total</b> (add lines 1a, 1b, and 1c)                                                                                         | 1d             |                                |
| e                                | <b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):                                   |                |                                |
| 2                                | Acquisition indebtedness applicable to non-exempt-use assets                                                                    | 2              |                                |
| 3                                | Subtract line 2 from line 1d.                                                                                                   | 3              |                                |
| 4                                | Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).                                  | 4              |                                |
| 5                                | Net value of non-exempt-use assets (subtract line 4 from line 3)                                                                | 5              |                                |
| 6                                | Multiply line 5 by 0.035.                                                                                                       | 6              |                                |
| 7                                | Recoveries of prior-year distributions                                                                                          | 7              |                                |
| 8                                | <b>Minimum Asset Amount</b> (add line 7 to line 6)                                                                              | 8              |                                |

| Section C – Distributable Amount |                                                                                                                               |   | Current Year |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------|---|--------------|
| 1                                | Adjusted net income for prior year (from Section A, line 8, column A)                                                         | 1 |              |
| 2                                | Enter 0.85 of line 1.                                                                                                         | 2 |              |
| 3                                | Minimum asset amount for prior year (from Section B, line 8, column A)                                                        | 3 |              |
| 4                                | Enter greater of line 2 or line 3.                                                                                            | 4 |              |
| 5                                | Income tax imposed in prior year                                                                                              | 5 |              |
| 6                                | <b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions). | 6 |              |

- 7 ☐ Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).

Schedule A (Form 990) 2022



**Part V** Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

| Section D – Distributions |                                                                                                                                            | Current Year |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| 1                         | Amounts paid to supported organizations to accomplish exempt purposes                                                                      | 1            |
| 2                         | Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity      | 2            |
| 3                         | Administrative expenses paid to accomplish exempt purposes of supported organizations                                                      | 3            |
| 4                         | Amounts paid to acquire exempt-use assets                                                                                                  | 4            |
| 5                         | Qualified set-aside amounts (prior IRS approval required—provide details in Part VI)                                                       | 5            |
| 6                         | Other distributions (describe in Part VI). See instructions.                                                                               | 6            |
| 7                         | <b>Total annual distributions.</b> Add lines 1 through 6.                                                                                  | 7            |
| 8                         | Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions. | 8            |
| 9                         | Distributable amount for 2022 from Section C, line 6                                                                                       | 9            |
| 10                        | Line 8 amount divided by line 9 amount                                                                                                     | 10           |

| Section E – Distribution Allocations (see instructions)                                                                                                                   | (i)<br>Excess Distributions | (ii)<br>Underdistributions<br>Pre-2022 | (iii)<br>Distributable<br>Amount for 2022 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------------------|-------------------------------------------|
| 1 Distributable amount for 2022 from Section C, line 6                                                                                                                    |                             |                                        |                                           |
| 2 Underdistributions, if any, for years prior to 2022 (reasonable cause required—explain in Part VI). See instructions.                                                   |                             |                                        |                                           |
| 3 Excess distributions carryover, if any, to 2022                                                                                                                         |                             |                                        |                                           |
| a From 2017                                                                                                                                                               |                             |                                        |                                           |
| b From 2018                                                                                                                                                               |                             |                                        |                                           |
| c From 2019                                                                                                                                                               |                             |                                        |                                           |
| d From 2020                                                                                                                                                               |                             |                                        |                                           |
| e From 2021                                                                                                                                                               |                             |                                        |                                           |
| f Total of lines 3a through 3e                                                                                                                                            |                             |                                        |                                           |
| g Applied to underdistributions of prior years                                                                                                                            |                             |                                        |                                           |
| h Applied to 2022 distributable amount                                                                                                                                    |                             |                                        |                                           |
| i Carryover from 2017 not applied (see instructions)                                                                                                                      |                             |                                        |                                           |
| j Remainder. Subtract lines 3g, 3h, and 3i from line 3f.                                                                                                                  |                             |                                        |                                           |
| 4 Distributions for 2022 from Section D, line 7: \$                                                                                                                       |                             |                                        |                                           |
| a Applied to underdistributions of prior years                                                                                                                            |                             |                                        |                                           |
| b Applied to 2022 distributable amount                                                                                                                                    |                             |                                        |                                           |
| c Remainder. Subtract lines 4a and 4b from line 4.                                                                                                                        |                             |                                        |                                           |
| 5 Remaining underdistributions for years prior to 2022, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions. |                             |                                        |                                           |
| 6 Remaining underdistributions for 2022. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.                        |                             |                                        |                                           |
| 7 Excess distributions carryover to 2023. Add lines 3j and 4c.                                                                                                            |                             |                                        |                                           |
| 8 Breakdown of line 7:                                                                                                                                                    |                             |                                        |                                           |
| a Excess from 2018                                                                                                                                                        |                             |                                        |                                           |
| b Excess from 2019                                                                                                                                                        |                             |                                        |                                           |
| c Excess from 2020                                                                                                                                                        |                             |                                        |                                           |
| d Excess from 2021                                                                                                                                                        |                             |                                        |                                           |
| e Excess from 2022                                                                                                                                                        |                             |                                        |                                           |



**Part VI**

**Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

**Schedule B  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

Attach to Form 990 or Form 990-PF.  
Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. **Item D.**

**2022**

Name of the organization

**WARRENTON VOLUNTEER FIRE COMPANY,  
INC.**

Employer identification number

**54-1415798**

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☒ 501(c)( **3** ) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

- ☐ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

**Special Rules**

- ☒ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33<sup>1</sup>/<sub>3</sub>% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000; or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.

- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year \$ .....

**Caution:** An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990).

For Paperwork Reduction Act Notice, see the instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990) (2022)

Name of organization

WARRENTON VOLUNTEER FIRE COMPANY,

Employer identification number

54-1415798

**Part I** Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

| (a)<br>No. | (b)<br>Name, address, and ZIP + 4                        | (c)<br>Total contributions | (d)<br>Type of contribution                                                                                                                                         |
|------------|----------------------------------------------------------|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1          | COUNTY OF FAUQUIER<br>P.O. BOX 677<br>WARRENTON VA 20188 | \$ 782,960                 | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| 2          | TOWN OF WARRENTON<br>P.O. BOX 341<br>WARRENTON VA 20188  | \$ 190,350                 | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
|            |                                                          | \$                         | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |
|            |                                                          | \$                         | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |
|            |                                                          | \$                         | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |
|            |                                                          | \$                         | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |
|            |                                                          | \$                         | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |

**SCHEDULE D  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

Complete if the organization answered "Yes" on Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.  
Attach to Form 990.

Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No.

Item D.

**2022**

Open to Public  
Inspection

Name of the organization

**WARRENTON VOLUNTEER FIRE COMPANY,  
INC.**

Employer identification number

**54-1415798**

**Part I**

**Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

|                                                                                                                                                                                                                                                                       | (a) Donor advised funds | (b) Funds and other accounts                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------------------------------------------|
| 1 Total number at end of year                                                                                                                                                                                                                                         |                         |                                                          |
| 2 Aggregate value of contributions to (during year)                                                                                                                                                                                                                   |                         |                                                          |
| 3 Aggregate value of grants from (during year)                                                                                                                                                                                                                        |                         |                                                          |
| 4 Aggregate value at end of year                                                                                                                                                                                                                                      |                         |                                                          |
| 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?                                                            |                         | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? |                         | <input type="checkbox"/> Yes <input type="checkbox"/> No |

**Part II**

**Conservation Easements.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

|                                                                                                                                                                                                                                                                                                               |                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| 1 Purpose(s) of conservation easements held by the organization (check all that apply).                                                                                                                                                                                                                       |                                                                             |
| <input type="checkbox"/> Preservation of land for public use (for example, recreation or education)                                                                                                                                                                                                           | <input type="checkbox"/> Preservation of a historically important land area |
| <input type="checkbox"/> Protection of natural habitat                                                                                                                                                                                                                                                        | <input type="checkbox"/> Preservation of a certified historic structure     |
| <input type="checkbox"/> Preservation of open space                                                                                                                                                                                                                                                           |                                                                             |
| 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.                                                                                                                                         |                                                                             |
| a Total number of conservation easements                                                                                                                                                                                                                                                                      | 2a                                                                          |
| b Total acreage restricted by conservation easements                                                                                                                                                                                                                                                          | 2b                                                                          |
| c Number of conservation easements on a certified historic structure included in (a)                                                                                                                                                                                                                          | 2c                                                                          |
| d Number of conservation easements included in (c) acquired after July 25, 2006, and not on a historic structure listed in the National Register                                                                                                                                                              | 2d                                                                          |
| 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year                                                                                                                                                                       |                                                                             |
| 4 Number of states where property subject to conservation easement is located                                                                                                                                                                                                                                 |                                                                             |
| 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?                                                                                                                                  | <input type="checkbox"/> Yes <input type="checkbox"/> No                    |
| 6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year                                                                                                                                                                   |                                                                             |
| 7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year                                                                                                                                                                         |                                                                             |
| 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?                                                                                                                                                               | <input type="checkbox"/> Yes <input type="checkbox"/> No                    |
| 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements. |                                                                             |

**Part III**

**Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

|                                                                                                                                                                                                                                                                                                                                                                                  |    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items. |    |
| b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:                                                     |    |
| (i) Revenue included on Form 990, Part VIII, line 1                                                                                                                                                                                                                                                                                                                              | \$ |
| (ii) Assets included in Form 990, Part X                                                                                                                                                                                                                                                                                                                                         | \$ |
| 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:                                                                                                                                                         |    |
| a Revenue included on Form 990, Part VIII, line 1                                                                                                                                                                                                                                                                                                                                | \$ |
| b Assets included in Form 990, Part X                                                                                                                                                                                                                                                                                                                                            | \$ |

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):

- a ☐ Public exhibition  
 b ☐ Scholarly research  
 c ☐ Preservation for future generations  
 d ☐ Loan or exchange program  
 e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

**Part IV Escrow and Custodial Arrangements.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

- c Beginning balance  
 d Additions during the year  
 e Distributions during the year  
 f Ending balance

|    | Amount |
|----|--------|
| 1c |        |
| 1d |        |
| 1e |        |
| 1f |        |

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

**Part V Endowment Funds.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

|                                                  | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|--------------------------------------------------|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance                     |                  |                |                    |                      |                     |
| b Contributions                                  |                  |                |                    |                      |                     |
| c Net investment earnings, gains, and losses     |                  |                |                    |                      |                     |
| d Grants or scholarships                         |                  |                |                    |                      |                     |
| e Other expenditures for facilities and programs |                  |                |                    |                      |                     |
| f Administrative expenses                        |                  |                |                    |                      |                     |
| g End of year balance                            |                  |                |                    |                      |                     |

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment %  
 b Permanent endowment %  
 c Term endowment %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) Unrelated organizations  
 (ii) Related organizations

|        | Yes | No |
|--------|-----|----|
| 3a(i)  |     |    |
| 3a(ii) |     |    |
| 3b     |     |    |

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

| Description of property  | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--------------------------|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land                  |                                      | 62,200                          |                              | 62,200         |
| b Buildings              |                                      | 6,236,912                       | 2,532,862                    | 3,704,050      |
| c Leasehold improvements |                                      |                                 |                              |                |
| d Equipment              |                                      | 7,485,182                       | 4,252,310                    | 3,232,872      |
| e Other                  |                                      |                                 |                              |                |

**Total.** Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) 6,999,122

**Part VII Investments – Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

| (a) Description of security or category<br>(including name of security)   | (b) Book value | (c) Method of valuation:<br>Cost or end-of-year market value |
|---------------------------------------------------------------------------|----------------|--------------------------------------------------------------|
| (1) Financial derivatives                                                 |                |                                                              |
| (2) Closely held equity interests                                         |                |                                                              |
| (3) Other                                                                 |                |                                                              |
| (A)                                                                       |                |                                                              |
| (B)                                                                       |                |                                                              |
| (C)                                                                       |                |                                                              |
| (D)                                                                       |                |                                                              |
| (E)                                                                       |                |                                                              |
| (F)                                                                       |                |                                                              |
| (G)                                                                       |                |                                                              |
| (H)                                                                       |                |                                                              |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 12.) |                |                                                              |

**Part VIII Investments – Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

| (a) Description of investment                                             | (b) Book value | (c) Method of valuation:<br>Cost or end-of-year market value |
|---------------------------------------------------------------------------|----------------|--------------------------------------------------------------|
| (1)                                                                       |                |                                                              |
| (2)                                                                       |                |                                                              |
| (3)                                                                       |                |                                                              |
| (4)                                                                       |                |                                                              |
| (5)                                                                       |                |                                                              |
| (6)                                                                       |                |                                                              |
| (7)                                                                       |                |                                                              |
| (8)                                                                       |                |                                                              |
| (9)                                                                       |                |                                                              |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 13.) |                |                                                              |

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

| (a) Description                                                           | (b) Book value |
|---------------------------------------------------------------------------|----------------|
| (1)                                                                       |                |
| (2)                                                                       |                |
| (3)                                                                       |                |
| (4)                                                                       |                |
| (5)                                                                       |                |
| (6)                                                                       |                |
| (7)                                                                       |                |
| (8)                                                                       |                |
| (9)                                                                       |                |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) |                |

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

| 1. (a) Description of liability                                           | (b) Book value |
|---------------------------------------------------------------------------|----------------|
| (1) Federal income taxes                                                  |                |
| (2) FIREHALL DEPOSITS                                                     | 1,624          |
| (3) DUE TO CO MEMBERS                                                     | 772            |
| (4)                                                                       |                |
| (5)                                                                       |                |
| (6)                                                                       |                |
| (7)                                                                       |                |
| (8)                                                                       |                |
| (9)                                                                       |                |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) | 2,396          |

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII

**Part XI      Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

|          |                                                                                                |           |           |  |
|----------|------------------------------------------------------------------------------------------------|-----------|-----------|--|
| <b>1</b> | Total revenue, gains, and other support per audited financial statements                       |           | <b>1</b>  |  |
| <b>2</b> | Amounts included on line 1 but not on Form 990, Part VIII, line 12:                            |           |           |  |
| <b>a</b> | Net unrealized gains (losses) on investments                                                   | <b>2a</b> |           |  |
| <b>b</b> | Donated services and use of facilities                                                         | <b>2b</b> |           |  |
| <b>c</b> | Recoveries of prior year grants                                                                | <b>2c</b> |           |  |
| <b>d</b> | Other (Describe in Part XIII.)                                                                 | <b>2d</b> |           |  |
| <b>e</b> | Add lines <b>2a</b> through <b>2d</b>                                                          |           | <b>2e</b> |  |
| <b>3</b> | Subtract line <b>2e</b> from line <b>1</b>                                                     |           | <b>3</b>  |  |
| <b>4</b> | Amounts included on Form 990, Part VIII, line 12, but not on line 1:                           |           |           |  |
| <b>a</b> | Investment expenses not included on Form 990, Part VIII, line 7b                               | <b>4a</b> |           |  |
| <b>b</b> | Other (Describe in Part XIII.)                                                                 | <b>4b</b> |           |  |
| <b>c</b> | Add lines <b>4a</b> and <b>4b</b>                                                              |           | <b>4c</b> |  |
| <b>5</b> | Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.) |           | <b>5</b>  |  |

## Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

|                                                                                           |           |           |  |
|-------------------------------------------------------------------------------------------|-----------|-----------|--|
| <b>1</b> Total expenses and losses per audited financial statements                       |           | <b>1</b>  |  |
| <b>2</b> Amounts included on line 1 but not on Form 990, Part IX, line 25:                |           |           |  |
| <b>a</b> Donated services and use of facilities                                           | <b>2a</b> |           |  |
| <b>b</b> Prior year adjustments                                                           | <b>2b</b> |           |  |
| <b>c</b> Other losses                                                                     | <b>2c</b> |           |  |
| <b>d</b> Other (Describe in Part XIII.)                                                   | <b>2d</b> |           |  |
| <b>e</b> Add lines 2a through 2d                                                          |           | <b>2e</b> |  |
| <b>3</b> Subtract line 2e from line 1                                                     |           | <b>3</b>  |  |
| <b>4</b> Amounts included on Form 990, Part IX, line 25, but not on line 1:               |           |           |  |
| <b>a</b> Investment expenses not included on Form 990, Part VIII, line 7b                 | <b>4a</b> |           |  |
| <b>b</b> Other (Describe in Part XIII.)                                                   | <b>4b</b> |           |  |
| <b>c</b> Add lines 4a and 4b                                                              |           | <b>4c</b> |  |
| <b>5</b> Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.) |           | <b>5</b>  |  |

## Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**Part XIII** Supplemental Information (continued)

Supplemental information area with multiple horizontal lines for text entry.



**SCHEDULE G  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**Supplemental Information Regarding Fundraising or Gaming Activities**

Complete if the organization answered "Yes" on Form 990, Part IV, line 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. *Item D.*

**2022**

Open to Public  
Inspection

**WARRENTON VOLUNTEER FIRE COMPANY,  
INC.**

Employer identification number

**54-1415798**

**Part I Fundraising Activities.** Complete if the organization answered "Yes" on Form 990, Part IV, line 17.  
Form 990-EZ filers are not required to complete this part.

**1** Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a** ☐ Mail solicitations      **e** ☐ Solicitation of non-government grants  
**b** ☐ Internet and email solicitations      **f** ☐ Solicitation of government grants  
**c** ☐ Phone solicitations      **g** ☐ Special fundraising events  
**d** ☐ In-person solicitations

**2a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees, or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

**b** If "Yes," list the 10 highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

| (i) Name and address of individual<br>or entity (fundraiser) | (ii) Activity | (iii) Did fundraiser have custody or control of contributions? |    | (iv) Gross receipts<br>from activity | (v) Amount paid to<br>(or retained by)<br>fundraiser listed in<br>col. (i) | (vi) Amount paid to<br>(or retained by)<br>organization |
|--------------------------------------------------------------|---------------|----------------------------------------------------------------|----|--------------------------------------|----------------------------------------------------------------------------|---------------------------------------------------------|
|                                                              |               | Yes                                                            | No |                                      |                                                                            |                                                         |
| <b>1</b>                                                     |               |                                                                |    |                                      |                                                                            |                                                         |
| <b>2</b>                                                     |               |                                                                |    |                                      |                                                                            |                                                         |
| <b>3</b>                                                     |               |                                                                |    |                                      |                                                                            |                                                         |
| <b>4</b>                                                     |               |                                                                |    |                                      |                                                                            |                                                         |
| <b>5</b>                                                     |               |                                                                |    |                                      |                                                                            |                                                         |
| <b>6</b>                                                     |               |                                                                |    |                                      |                                                                            |                                                         |
| <b>7</b>                                                     |               |                                                                |    |                                      |                                                                            |                                                         |
| <b>8</b>                                                     |               |                                                                |    |                                      |                                                                            |                                                         |
| <b>9</b>                                                     |               |                                                                |    |                                      |                                                                            |                                                         |
| <b>10</b>                                                    |               |                                                                |    |                                      |                                                                            |                                                         |
| <b>Total</b>                                                 |               |                                                                |    |                                      |                                                                            |                                                         |

**3** List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

**Part II Fundraising Events.** Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

|                                                                 | (a) Event #1<br><b>PHOTO FUNDRAISE</b><br>(event type) | (b) Event #2<br>(event type) | (c) Other events<br><b>NONE</b><br>(total number) | (d) Total events<br>(add col. (a) through col. (c)) |
|-----------------------------------------------------------------|--------------------------------------------------------|------------------------------|---------------------------------------------------|-----------------------------------------------------|
| <b>Revenue</b>                                                  |                                                        |                              |                                                   |                                                     |
| 1 Gross receipts                                                | 63,384                                                 |                              |                                                   | 63,384                                              |
| 2 Less: Contributions                                           |                                                        |                              |                                                   |                                                     |
| 3 Gross income (line 1 minus line 2)                            | 63,384                                                 |                              |                                                   | 63,384                                              |
| <b>Direct Expenses</b>                                          |                                                        |                              |                                                   |                                                     |
| 4 Cash prizes                                                   |                                                        |                              |                                                   |                                                     |
| 5 Noncash prizes                                                |                                                        |                              |                                                   |                                                     |
| 6 Rent/facility costs                                           |                                                        |                              |                                                   |                                                     |
| 7 Food and beverages                                            |                                                        |                              |                                                   |                                                     |
| 8 Entertainment                                                 |                                                        |                              |                                                   |                                                     |
| 9 Other direct expenses                                         | 8,682                                                  |                              |                                                   | 8,682                                               |
| 10 Direct expense summary. Add lines 4 through 9 in column (d)  |                                                        |                              |                                                   | 8,682                                               |
| 11 Net income summary. Subtract line 10 from line 3, column (d) |                                                        |                              |                                                   | 54,702                                              |

**Part III Gaming.** Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

|                                                                      | (a) Bingo                                                  | (b) Pull tabs/instant bingo/progressive bingo              | (c) Other gaming                                           | (d) Total gaming (add col. (a) through col. (c)) |
|----------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------|
| <b>Revenue</b>                                                       |                                                            |                                                            |                                                            |                                                  |
| 1 Gross revenue                                                      |                                                            |                                                            |                                                            |                                                  |
| <b>Direct Expenses</b>                                               |                                                            |                                                            |                                                            |                                                  |
| 2 Cash prizes                                                        |                                                            |                                                            |                                                            |                                                  |
| 3 Noncash prizes                                                     |                                                            |                                                            |                                                            |                                                  |
| 4 Rent/facility costs                                                |                                                            |                                                            |                                                            |                                                  |
| 5 Other direct expenses                                              |                                                            |                                                            |                                                            |                                                  |
| 6 Volunteer labor                                                    | <input type="checkbox"/> Yes <input type="checkbox"/> No % | <input type="checkbox"/> Yes <input type="checkbox"/> No % | <input type="checkbox"/> Yes <input type="checkbox"/> No % |                                                  |
| 7 Direct expense summary. Add lines 2 through 5 in column (d)        |                                                            |                                                            |                                                            |                                                  |
| 8 Net gaming income summary. Subtract line 7 from line 1, column (d) |                                                            |                                                            |                                                            |                                                  |

9 Enter the state(s) in which the organization conducts gaming activities:

a Is the organization licensed to conduct gaming activities in each of these states?

☐ Yes ☐ No

b If "No," explain:

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year?

☐ Yes ☐ No

b If "Yes," explain:

- 11 Does the organization conduct gaming activities with nonmembers? ☐ Yes ☐ No
- 12 Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13 Indicate the percentage of gaming activity conducted in:
- |                               |     |   |
|-------------------------------|-----|---|
| a The organization's facility | 13a | % |
| b An outside facility         | 13b | % |
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name

Address

- 15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No
- b If "Yes," enter the amount of gaming revenue received by the organization \$ and the amount of gaming revenue retained by the third party \$
- c If "Yes," enter name and address of the third party:

Name

Address

## 16 Gaming manager information:

Name

Gaming manager compensation \$

Description of services provided

☐ Director/officer
 ☐ Employee
 ☐ Independent contractor

## 17 Mandatory distributions:

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No
- b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year \$

**Part IV** **Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions.

**SCHEDULE O  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

Attach to Form 990 or Form 990-EZ.

Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2022**

Open to Public  
Inspection

Name of the organization **WARRENTON VOLUNTEER FIRE COMPANY,  
INC.**

Employer identification number  
**54-1415798**

**FORM 990 - ORGANIZATION'S MISSION**

THE MISSION OF THIS ORGANIZATION SHALL BE TO PREVENT AND EXTINGUISH  
FIRES, TO MAINTAIN A MODERN AND EFFICIENT FIRE COMPANY AT ALL TIMES FOR  
THE PROTECTION OF LIFE AND PROPERTY, PROVIDE EMERGENCY MEDICAL SERVICES  
IN ACCORDANCE WITH CURRENT VIRGINIA OFFICE OF EMERGENCY MEDICAL  
SERVICES LICENSURE, AND TO PROVIDE TECHNICAL RESCUE AND HAZARDOUS MATERIALS  
SUPPORT IN PART OF COOPERATION WITH OTHER AGENCIES AND JURISDICTIONS,  
WHILE ALSO HELPING COMMUNITY, CITIZENS, AND VISITORS DURING THEIR TIME OF  
NEED.

FORM 990, PART VI, LINE 11B - ORGANIZATION'S PROCESS TO REVIEW FORM 990  
THE 990 IS REVIEWED BY THE TREASURER AND PRESIDENT PRIOR TO FILING AND A  
COPY IS PROVIDED TO THE BOARD MEMBER FOR THEIR REVIEW.

FORM 990, PART VI, LINE 19 - GOVERNING DOCUMENTS DISCLOSURE EXPLANATION  
GOVERNING DOCUMENTS ARE MADE AVAILABLE TO THE PUBLIC UPON REQUEST.

**FORM 990, PART IX, LINE 24E - OTHER EXPENSES**

**DESCRIPTION**

**TOT/PROG SERVICE**

**MGT & GENERAL**

**FUNDRAISING**

**IT EXPENSES**

\$ 15,904

\$ 15,905

\$ 0

**SUPPLIES**

\$ 21,490

\$ 0

\$ 0

**BANQUET**

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990) 2022

Name of the organization

Employer identification number

**WARRENTON VOLUNTEER FIRE COMPANY,****54-1415798**

|    |        |    |   |    |   |
|----|--------|----|---|----|---|
| \$ | 15,502 | \$ | 0 | \$ | 0 |
|----|--------|----|---|----|---|

**UNIFORMS**

|    |        |    |   |    |   |
|----|--------|----|---|----|---|
| \$ | 13,846 | \$ | 0 | \$ | 0 |
|----|--------|----|---|----|---|

**ALERT SYSTEM**

|    |        |    |   |    |   |
|----|--------|----|---|----|---|
| \$ | 10,313 | \$ | 0 | \$ | 0 |
|----|--------|----|---|----|---|

**TRAINING**

|    |       |    |   |    |   |
|----|-------|----|---|----|---|
| \$ | 8,594 | \$ | 0 | \$ | 0 |
|----|-------|----|---|----|---|

**PUBLIC RELATIONS**

|    |       |    |   |    |   |
|----|-------|----|---|----|---|
| \$ | 8,066 | \$ | 0 | \$ | 0 |
|----|-------|----|---|----|---|

**COMMUNICATIONS**

|    |       |    |   |    |   |
|----|-------|----|---|----|---|
| \$ | 6,663 | \$ | 0 | \$ | 0 |
|----|-------|----|---|----|---|

**SUBSCRIPTIONS**

|    |       |    |   |    |   |
|----|-------|----|---|----|---|
| \$ | 4,898 | \$ | 0 | \$ | 0 |
|----|-------|----|---|----|---|

**TRASH REMOVAL**

|    |       |    |   |    |   |
|----|-------|----|---|----|---|
| \$ | 4,277 | \$ | 0 | \$ | 0 |
|----|-------|----|---|----|---|

**EQUIPMENT SAFETY TESTING**

|    |       |    |   |    |   |
|----|-------|----|---|----|---|
| \$ | 3,718 | \$ | 0 | \$ | 0 |
|----|-------|----|---|----|---|

**MEMBER SERVICES**

|    |       |    |   |    |   |
|----|-------|----|---|----|---|
| \$ | 3,070 | \$ | 0 | \$ | 0 |
|----|-------|----|---|----|---|

**LICENSES & PERMITS**

|    |   |    |       |    |   |
|----|---|----|-------|----|---|
| \$ | 0 | \$ | 1,326 | \$ | 0 |
|----|---|----|-------|----|---|

**FIRE HALL EXPENSES**

|    |   |    |       |    |   |
|----|---|----|-------|----|---|
| \$ | 0 | \$ | 1,291 | \$ | 0 |
|----|---|----|-------|----|---|

**BANK SERVICE CHARGES**

|    |   |    |    |    |   |
|----|---|----|----|----|---|
| \$ | 0 | \$ | 80 | \$ | 0 |
|----|---|----|----|----|---|

**OTHER**

|    |   |    |    |    |   |
|----|---|----|----|----|---|
| \$ | 0 | \$ | 52 | \$ | 0 |
|----|---|----|----|----|---|

Name of the organization

Employer identification number

WARRENTON VOLUNTEER FIRE COMPANY,

54-1415798

**TOTAL**

\$ 116,341 \$ 18,654 \$ 0

**Related Organizations and Unrelated Partnerships**

OMB No. 1545-0047

**2022**

Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
Attach to Form 990.

Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Department of the Treasury  
Internal Revenue Service

**Open to Public Inspection**

Name of the organization

**WARRENTON VOLUNTEER FIRE COMPANY, INC.**

Employer identification number

**54-1415798**

**Part I Identification of Disregarded Entities.** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

|     | (a)<br>Name, address, and EIN (if applicable) of disregarded entity                       | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Total income | (e)<br>End-of-year assets | (f)<br>Direct controlling entity |
|-----|-------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------|---------------------|---------------------------|----------------------------------|
| (1) | <b>WFEC PROPERTIES I.C.C.</b><br><b>167 WEST SHIRLEY AVE</b><br><b>WARRENTON VA 20186</b> | <b>LOW INCOME</b>       | <b>VA</b>                                        | <b>304,304</b>      | <b>2,135,827</b>          | <b>N/A</b>                       |
| (2) |                                                                                           |                         |                                                  |                     |                           |                                  |
| (3) |                                                                                           |                         |                                                  |                     |                           |                                  |
| (4) |                                                                                           |                         |                                                  |                     |                           |                                  |
| (5) |                                                                                           |                         |                                                  |                     |                           |                                  |

**Part II Identification of Related Tax-Exempt Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

|     | (a)<br>Name, address, and EIN of related organization | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Exempt Code section | (e)<br>Public charity status (if section 501(c)(3)) | (f)<br>Direct controlling entity | (g)<br>Section 512(b)(13) controlled entity? |
|-----|-------------------------------------------------------|-------------------------|--------------------------------------------------|----------------------------|-----------------------------------------------------|----------------------------------|----------------------------------------------|
|     |                                                       |                         |                                                  |                            |                                                     |                                  | Yes No                                       |
| (1) |                                                       |                         |                                                  |                            |                                                     |                                  |                                              |
| (2) |                                                       |                         |                                                  |                            |                                                     |                                  |                                              |
| (3) |                                                       |                         |                                                  |                            |                                                     |                                  |                                              |
| (4) |                                                       |                         |                                                  |                            |                                                     |                                  |                                              |
| (5) |                                                       |                         |                                                  |                            |                                                     |                                  |                                              |

**Part III** Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

| (a)<br>Name, address, and EIN of<br>related organization                                         | (b)<br>Primary activity | (c)<br>Legal<br>domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Predominant<br>income (related,<br>unrelated,<br>excluded from<br>tax under<br>sections 512-514) | (f)<br>Share of total<br>income | (g)<br>Share of end-of-<br>year assets | (h)<br>Dispro-<br>portionate<br>alloc.? <div>Yes No</div> |  | (i)<br>Code V—UBI<br>amount in box 20<br>of Schedule K-1<br>(Form 1065) | (j)<br>General or<br>managing<br>partner? <div>Yes No</div> |   | (k)<br>Percentage<br>ownership |
|--------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------------------|-------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------------|-----------------------------------------------------------|--|-------------------------------------------------------------------------|-------------------------------------------------------------|---|--------------------------------|
|                                                                                                  |                         |                                                              |                                     |                                                                                                         |                                 |                                        |                                                           |  |                                                                         |                                                             |   |                                |
| (1) WARRENTON VOLUNTEER FIRE COMPANY<br>167 WEST SHIRLEY AVE<br>WARRENTON VA 20186<br>20-3816107 | LOW INCOME              | VA                                                           | N/A                                 | UNRELATED                                                                                               | 1,201,271                       | 7,898,289                              |                                                           |  | N/A                                                                     |                                                             | X | 100.00                         |
| (2)                                                                                              |                         |                                                              |                                     |                                                                                                         |                                 |                                        |                                                           |  |                                                                         |                                                             |   |                                |
| (3)                                                                                              |                         |                                                              |                                     |                                                                                                         |                                 |                                        |                                                           |  |                                                                         |                                                             |   |                                |
| (4)                                                                                              |                         |                                                              |                                     |                                                                                                         |                                 |                                        |                                                           |  |                                                                         |                                                             |   |                                |

**Part IV** Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

| (a)<br>Name, address, and EIN of related organization | (b)<br>Primary activity | (c)<br>Legal domicile<br>(state or<br>foreign country) | (d)<br>Direct controlling<br>entity | (e)<br>Type of entity<br>(C corp, S corp,<br>or trust) | (f)<br>Share of total<br>income | (g)<br>Share of<br>end-of-year assets | (h)<br>Percentage<br>ownership | (i)<br>Section<br>512(b)(13)<br>controlled<br>entity? <div>Yes No</div> |  |
|-------------------------------------------------------|-------------------------|--------------------------------------------------------|-------------------------------------|--------------------------------------------------------|---------------------------------|---------------------------------------|--------------------------------|-------------------------------------------------------------------------|--|
|                                                       |                         |                                                        |                                     |                                                        |                                 |                                       |                                |                                                                         |  |
| (1)                                                   |                         |                                                        |                                     |                                                        |                                 |                                       |                                |                                                                         |  |
| (2)                                                   |                         |                                                        |                                     |                                                        |                                 |                                       |                                |                                                                         |  |
| (3)                                                   |                         |                                                        |                                     |                                                        |                                 |                                       |                                |                                                                         |  |
| (4)                                                   |                         |                                                        |                                     |                                                        |                                 |                                       |                                |                                                                         |  |



**Part V Transactions With Related Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?**a** Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity**b** Gift, grant, or capital contribution to related organization(s)**c** Gift, grant, or capital contribution from related organization(s)**d** Loans or loan guarantees to or for related organization(s)**e** Loans or loan guarantees by related organization(s)**f** Dividends from related organization(s)**g** Sale of assets to related organization(s)**h** Purchase of assets from related organization(s)**i** Exchange of assets with related organization(s)**j** Lease of facilities, equipment, or other assets to related organization(s)**k** Lease of facilities, equipment, or other assets from related organization(s)**l** Performance of services or membership or fundraising solicitations for related organization(s)**m** Performance of services or membership or fundraising solicitations by related organization(s)**n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)**o** Sharing of paid employees with related organization(s)**p** Reimbursement paid to related organization(s) for expenses**q** Reimbursement paid by related organization(s) for expenses**r** Other transfer of cash or property to related organization(s)**s** Other transfer of cash or property from related organization(s)**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

|         | (a)<br>Name of related organization | (b)<br>Transaction<br>type (a-s) | (c)<br>Amount involved | (d)<br>Method of determining amount involved |
|---------|-------------------------------------|----------------------------------|------------------------|----------------------------------------------|
| (1)     |                                     |                                  |                        |                                              |
| (2)     |                                     |                                  |                        |                                              |
| (3)     |                                     |                                  |                        |                                              |
| (4)     |                                     |                                  |                        |                                              |
| (5)     |                                     |                                  |                        |                                              |
| Item D. |                                     |                                  |                        |                                              |

**Part VI** **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

| (a)<br>Name, address, and EIN of entity | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Predominant income (related, unrelated, excluded from tax under sections 512-514) | (e)<br>Are all partners section 501(c)(3) organizations? |    | (f)<br>Share of total income | (g)<br>Share of end-of-year assets | (h)<br>Disproportionate allocations? |    | (i)<br>Code V—UBI amount in box 20 of Schedule K-1 (Form 1065) | (j)<br>General or managing partner? |    | (k)<br>Percentage ownership |
|-----------------------------------------|-------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------------------------|----|------------------------------|------------------------------------|--------------------------------------|----|----------------------------------------------------------------|-------------------------------------|----|-----------------------------|
|                                         |                         |                                                  |                                                                                          | Yes                                                      | No |                              |                                    | Yes                                  | No |                                                                | Yes                                 | No |                             |
| (1) .....                               |                         |                                                  |                                                                                          |                                                          |    |                              |                                    |                                      |    |                                                                |                                     |    |                             |
| (2) .....                               |                         |                                                  |                                                                                          |                                                          |    |                              |                                    |                                      |    |                                                                |                                     |    |                             |
| (3) .....                               |                         |                                                  |                                                                                          |                                                          |    |                              |                                    |                                      |    |                                                                |                                     |    |                             |
| (4) .....                               |                         |                                                  |                                                                                          |                                                          |    |                              |                                    |                                      |    |                                                                |                                     |    |                             |
| (5) .....                               |                         |                                                  |                                                                                          |                                                          |    |                              |                                    |                                      |    |                                                                |                                     |    |                             |
| (6) .....                               |                         |                                                  |                                                                                          |                                                          |    |                              |                                    |                                      |    |                                                                |                                     |    |                             |
| (7) .....                               |                         |                                                  |                                                                                          |                                                          |    |                              |                                    |                                      |    |                                                                |                                     |    |                             |
| (8) .....                               |                         |                                                  |                                                                                          |                                                          |    |                              |                                    |                                      |    |                                                                |                                     |    |                             |
| (9) .....                               |                         |                                                  |                                                                                          |                                                          |    |                              |                                    |                                      |    |                                                                |                                     |    |                             |
| (10) .....                              |                         |                                                  |                                                                                          |                                                          |    |                              |                                    |                                      |    |                                                                |                                     |    |                             |
| (11) .....                              |                         |                                                  |                                                                                          |                                                          |    |                              |                                    |                                      |    |                                                                |                                     |    |                             |

**Part VII****Supplemental Information.**

Provide additional information for responses to questions on Schedule R. See instructions.

2024 ANNUAL REPORT  
COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

Item D.



1. CORPORATION NAME:

Warrenton Volunteer Fire Company, Inc.

DUE DATE: 11/30/24

2. VA REGISTERED AGENT NAME AND OFFICE ADDRESS: ATTY.

HENRY DAY  
32 WATERLOO ST STE 101  
WARRENTON, VA 20186-0000

SCC ID NO.: 0095116-0

5. TOTAL NUMBER OF AUTHORIZED  
SHARES:

3. CITY OR COUNTY OF VA REGISTERED OFFICE: 061-FAUQUIER COUNTY

4. STATE OR COUNTRY OF INCORPORATION: VA-Virginia

DO NOT ATTEMPT TO ALTER THE INFORMATION ABOVE. Carefully read the enclosed instructions. Type or print in black only.

6. PRINCIPAL OFFICE ADDRESS:

|                                                                                     |                                                                                                       |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Mark this box if address shown below is correct | If the block to the left is blank or contains incorrect data please add or correct the address below. |
| ADDRESS: 167 W Shirley Ave                                                          | ADDRESS:                                                                                              |
| CITY/ST/ZIP Warrenton, VA 20186-3119                                                | CITY/ST/ZIP                                                                                           |

7. DIRECTORS AND PRINCIPAL OFFICERS:

All directors and principal officers must be listed.  
An individual may be designated as both a director and an officer.

|                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mark appropriate box unless area below is blank:<br><input type="checkbox"/> Information is correct <input checked="" type="checkbox"/> Information is incorrect <input type="checkbox"/> Delete information        | If the block to the left is blank or contains incorrect data, please mark appropriate box and enter information below:<br><input checked="" type="checkbox"/> Correction <input type="checkbox"/> Addition <input type="checkbox"/> Replacement |
| <del>OFFICER</del> <input checked="" type="checkbox"/> DIRECTOR <input checked="" type="checkbox"/><br>NAME: KEVIN BARTY<br>TITLE: President<br>ADDRESS: 167 W Shirley Ave<br>CITY/ST/ZIP: Warrenton, VA 20186-3119 | OFFICER <input type="checkbox"/> DIRECTOR <input checked="" type="checkbox"/><br>NAME:<br>TITLE: NO TITLE / LEAVE BLANK<br>ADDRESS:<br>CITY/ST/ZIP:                                                                                             |

I affirm that the information contained in this report is accurate and complete as of the date below and that the person signing is authorized to sign the annual report.

SIGNATURE OF AUTHORIZED PERSON

PRINTED NAME

DATE

It is a Class 1 misdemeanor for any person to sign a document that is false in any material respect with intent that the document be delivered to the Commission for filing.

# 2024 ANNUAL REPORT CONTINUED

Item D.

CORPORATION NAME:

Warrenton Volunteer Fire Company, Inc.

DUE DATE: 11/30/24

SCC ID NO.: 0095116-0

## 7. DIRECTORS AND PRINCIPAL OFFICERS: (continued)

All directors and principal officers must be listed.

An individual may be designated as both a director and an officer.

|                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Mark appropriate box unless area below is blank:</p> <p><input type="checkbox"/> Information is correct <input type="checkbox"/> Information is incorrect <input checked="" type="checkbox"/> Delete information</p> | <p>If the block to the left is blank or contains incorrect data, please mark appropriate box and enter information below: <input type="checkbox"/> Correction <input checked="" type="checkbox"/> Addition <input checked="" type="checkbox"/> Replacement</p> |
| <p>OFFICER <input type="checkbox"/> DIRECTOR <input checked="" type="checkbox"/></p> <p>NAME: BRANDON PHELPS</p> <p>TITLE:</p> <p>ADDRESS: 167 W Shirley Ave</p> <p>CITY/ST/ZIP: Warrenton, VA 20186-3119</p>           | <p><u>NEW:</u> OFFICER <input type="checkbox"/> DIRECTOR <input checked="" type="checkbox"/></p> <p>NAME: ROY CRANE</p> <p>TITLE: VICE PRESIDENT</p> <p>ADDRESS: 167 W. SHIRLEY AVE.</p> <p>CITY/ST/ZIP: WARRENTON, VA 20186</p>                               |
| <p>Mark appropriate box unless area below is blank:</p> <p><input checked="" type="checkbox"/> Information is correct <input type="checkbox"/> Information is incorrect <input type="checkbox"/> Delete information</p> | <p><del>If the block to the left is blank or contains incorrect data, please mark appropriate box and enter information below:</del> <input type="checkbox"/> Correction <input checked="" type="checkbox"/> Addition <input type="checkbox"/> Replacement</p> |
| <p>OFFICER <input type="checkbox"/> DIRECTOR <input checked="" type="checkbox"/></p> <p>NAME: JOSEPH SAFFER</p> <p>TITLE:</p> <p>ADDRESS: 167 W Shirley Ave</p> <p>CITY/ST/ZIP: Warrenton, VA 20186-3119</p>            | <p><u>NEW:</u> OFFICER <input type="checkbox"/> DIRECTOR <input checked="" type="checkbox"/></p> <p>NAME: KRISTINA ZINGARO</p> <p>TITLE: SECRETARY</p> <p>ADDRESS: 167 W. SHIRLEY AVE.</p> <p>CITY/ST/ZIP: WARRENTON, VA 20186</p>                             |
| <p>Mark appropriate box unless area below is blank:</p> <p><input checked="" type="checkbox"/> Information is correct <input type="checkbox"/> Information is incorrect <input type="checkbox"/> Delete information</p> | <p><del>If the block to the left is blank or contains incorrect data, please mark appropriate box and enter information below:</del> <input type="checkbox"/> Correction <input checked="" type="checkbox"/> Addition <input type="checkbox"/> Replacement</p> |
| <p>OFFICER <input type="checkbox"/> DIRECTOR <input checked="" type="checkbox"/></p> <p>NAME: MICHAEL O'BANNON</p> <p>TITLE:</p> <p>ADDRESS: 167 W Shirley Ave</p> <p>CITY/ST/ZIP: Warrenton, VA 20186-3119</p>         | <p><u>NEW:</u> OFFICER <input type="checkbox"/> DIRECTOR <input checked="" type="checkbox"/></p> <p>NAME: C. SCOTT ROSS</p> <p>TITLE: FIRE CHIEF</p> <p>ADDRESS: 167 W. SHIRLEY AVE.</p> <p>CITY/ST/ZIP: WARRENTON, VA 20186</p>                               |
| <p>Mark appropriate box unless area below is blank:</p> <p><input type="checkbox"/> Information is correct <input checked="" type="checkbox"/> Information is incorrect <input type="checkbox"/> Delete information</p> | <p>If the block to the left is blank or contains incorrect data, please mark appropriate box and enter information below: <input type="checkbox"/> Correction <input checked="" type="checkbox"/> Addition <input type="checkbox"/> Replacement</p>            |
| <p>OFFICER <input type="checkbox"/> DIRECTOR <input checked="" type="checkbox"/></p> <p>NAME: PATRICIA KOGLIN</p> <p>TITLE:</p> <p>ADDRESS: 167 W Shirley Ave</p> <p>CITY/ST/ZIP: Warrenton, VA 20186-3119</p>          | <p>OFFICER <input type="checkbox"/> DIRECTOR <input type="checkbox"/></p> <p>NAME:</p> <p>TITLE: PRESIDENT</p> <p>ADDRESS:</p> <p>CITY/ST/ZIP:</p>                                                                                                             |

0002398



# Capital Improvement Program

Item D.

| FY 2026-2030 Adopted Capital Improvement Plan  |                    |                    |                    |                     |                     |                     |                       |                     |                     |
|------------------------------------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|
| Department/Project                             | Prior Years        | Planning Period    |                    |                     |                     |                     | FY 2026-2030<br>Total | Future Years        | CIP Total           |
|                                                |                    | FY 2026            | FY 2027            | FY 2028             | FY 2029             | FY 2030             |                       |                     |                     |
| <b>Environmental Services</b>                  |                    |                    |                    |                     |                     |                     |                       |                     |                     |
| Marshall Convenience Site Improvements         | \$348,274          | \$-                | \$-                | \$-                 | \$-                 | \$-                 | \$-                   | \$500,000           | \$848,274           |
| <b>Sub-total, Environmental Services</b>       | <b>\$348,274</b>   | <b>\$-</b>         | <b>\$-</b>         | <b>\$-</b>          | <b>\$-</b>          | <b>\$-</b>          | <b>\$-</b>            | <b>\$500,000</b>    | <b>\$848,274</b>    |
| <b>Fire Rescue System</b>                      |                    |                    |                    |                     |                     |                     |                       |                     |                     |
| Bealeton Fire & Rescue Station                 | \$300,000          | \$-                | \$-                | \$778,050           | \$10,708,653        | \$4,589,423         | \$16,076,126          | \$-                 | \$16,376,126        |
| Fire Rescue Training Facility                  | -                  | -                  | -                  | -                   | -                   | -                   | \$-                   | 17,000,000          | \$17,000,000        |
| Marshall Volunteer Fire & Rescue               | -                  | -                  | -                  | -                   | 778,050             | 12,865,151          | \$13,643,201          | -                   | \$13,643,201        |
| Southern Fire & Rescue Station                 | 300,000            | -                  | -                  | -                   | -                   | -                   | \$-                   | 16,000,000          | \$16,300,000        |
| The Plains Volunteer Fire Rescue Company       | -                  | -                  | -                  | -                   | -                   | -                   | \$-                   | 2,500,000           | \$2,500,000         |
| Upperville Fire & Rescue Station               | -                  | -                  | -                  | -                   | -                   | -                   | \$-                   | 12,000,000          | \$12,000,000        |
| <b>Sub-total, Fire Rescue System</b>           | <b>\$600,000</b>   | <b>\$-</b>         | <b>\$-</b>         | <b>\$778,050</b>    | <b>\$11,486,703</b> | <b>\$17,454,574</b> | <b>\$29,719,327</b>   | <b>\$47,500,000</b> | <b>\$77,819,327</b> |
| <b>Judicial Administration</b>                 |                    |                    |                    |                     |                     |                     |                       |                     |                     |
| Judicial Center                                | \$750,000          | \$1,750,000        | \$5,250,000        | \$39,375,000        | \$23,625,000        | \$-                 | \$70,000,000          | \$-                 | \$70,750,000        |
| <b>Sub-total, Judicial Administration</b>      | <b>\$750,000</b>   | <b>\$1,750,000</b> | <b>\$5,250,000</b> | <b>\$39,375,000</b> | <b>\$23,625,000</b> | <b>\$-</b>          | <b>\$70,000,000</b>   | <b>\$-</b>          | <b>\$70,750,000</b> |
| <b>Library</b>                                 |                    |                    |                    |                     |                     |                     |                       |                     |                     |
| Central Library                                | \$506,190          | \$-                | \$-                | \$-                 | \$-                 | \$-                 | \$-                   | \$21,500,000        | \$22,006,190        |
| Vint Hill Library                              | 444,679            | -                  | -                  | -                   | -                   | -                   | \$-                   | 5,961,342           | \$6,406,021         |
| <b>Sub-total, Library</b>                      | <b>\$950,869</b>   | <b>\$-</b>         | <b>\$-</b>         | <b>\$-</b>          | <b>\$-</b>          | <b>\$-</b>          | <b>\$-</b>            | <b>\$27,461,342</b> | <b>\$28,412,211</b> |
| <b>Parks &amp; Recreation</b>                  |                    |                    |                    |                     |                     |                     |                       |                     |                     |
| Crockett Park Dock                             | \$-                | \$-                | \$-                | \$-                 | \$-                 | \$-                 | \$-                   | \$1,183,894         | \$1,183,894         |
| Kettle Run/Greenville Connector Trail          | -                  | -                  | -                  | -                   | -                   | -                   | \$-                   | 4,846,764           | \$4,846,764         |
| Laurel Ridge Community College Connector Trail | 2,674,576          | -                  | 1,249,128          | 1,249,128           | -                   | -                   | \$2,498,256           | -                   | \$5,172,832         |
| Northern Swimming Pool                         | 52,293             | -                  | -                  | -                   | -                   | -                   | \$-                   | 10,000,000          | \$10,052,293        |
| Remington Pool                                 | 35,000             | -                  | -                  | -                   | -                   | -                   | \$-                   | 6,000,000           | \$6,035,000         |
| Southern Fauquier Recreation Complex           | -                  | 200,000            | -                  | -                   | -                   | -                   | \$200,000             | 15,000,000          | \$15,200,000        |
| Vint Hill Village Green Master Plan            | 123,000            | -                  | -                  | -                   | -                   | -                   | \$-                   | 13,000,000          | \$13,123,000        |
| <b>Sub-total, Parks &amp; Recreation</b>       | <b>\$2,884,869</b> | <b>\$200,000</b>   | <b>\$1,249,128</b> | <b>\$1,249,128</b>  | <b>\$-</b>          | <b>\$-</b>          | <b>\$2,698,256</b>    | <b>\$50,030,658</b> | <b>\$55,613,783</b> |

# Capital Improvement Program

Item D.

| Department/Project                           | Prior Years         | Planning Period     |                     |                     |                     |                     | FY 2026-2030<br>Total | Future Years         | CIP Total            |
|----------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|----------------------|----------------------|
|                                              |                     | FY 2026             | FY 2027             | FY 2028             | FY 2029             | FY 2030             |                       |                      |                      |
| <b>School Division</b>                       |                     |                     |                     |                     |                     |                     |                       |                      |                      |
| Future Elementary School Expansion           | \$-                 | \$-                 | \$-                 | \$-                 | \$-                 | \$-                 | \$-                   | \$3,100,000          | \$3,100,000          |
| Future High School Expansion                 | -                   | -                   | -                   | -                   | -                   | -                   | \$-                   | 3,800,000            | \$3,800,000          |
| Future Middle School Expansion               | -                   | -                   | -                   | -                   | -                   | -                   | \$-                   | 9,939,809            | \$9,939,809          |
| School Capital Maintenance                   | 6,517,905           | 500,000             | 500,000             | 500,000             | 500,000             | 500,000             | \$2,500,000           | 500,000              | \$9,517,905          |
| Taylor Middle School Renovation/Expansion    | 43,216,523          | 16,171,578          | 21,743,706          | =                   | =                   | =                   | \$37,915,284          | =                    | \$81,131,807         |
| <b>Sub-total, School Division</b>            | <b>\$49,734,428</b> | <b>\$16,671,578</b> | <b>\$22,243,706</b> | <b>\$500,000</b>    | <b>\$500,000</b>    | <b>\$500,000</b>    | <b>\$40,415,284</b>   | <b>\$17,339,809</b>  | <b>\$107,489,521</b> |
| <b>Sheriff's Office</b>                      |                     |                     |                     |                     |                     |                     |                       |                      |                      |
| Future Range Development                     | \$-                 | \$-                 | \$-                 | \$-                 | \$-                 | \$-                 | \$-                   | \$4,500,000          | \$4,500,000          |
| School Repeaters                             | =                   | =                   | =                   | =                   | =                   | =                   | \$-                   | 6,000,000            | \$6,000,000          |
| <b>Sub-total, Sheriff's Office</b>           | <b>\$-</b>          | <b>\$-</b>          | <b>\$-</b>          | <b>\$-</b>          | <b>\$-</b>          | <b>\$-</b>          | <b>\$-</b>            | <b>\$10,500,000</b>  | <b>\$10,500,000</b>  |
| <b>Utilities/Infrastructure</b>              |                     |                     |                     |                     |                     |                     |                       |                      |                      |
| Midland Service District Improvements        | \$-                 | \$200,000           | \$-                 | \$-                 | \$-                 | \$-                 | \$200,000             | \$5,000,000          | \$5,200,000          |
| <b>Sub-total, Utilities/Infrastructure</b>   | <b>\$-</b>          | <b>\$200,000</b>    | <b>\$-</b>          | <b>\$-</b>          | <b>\$-</b>          | <b>\$-</b>          | <b>\$200,000</b>      | <b>\$5,000,000</b>   | <b>\$5,200,000</b>   |
| <b>Warrenton-Fauquier Airport</b>            |                     |                     |                     |                     |                     |                     |                       |                      |                      |
| Airport Capital Improvement Projects         | \$-                 | \$125,300           | \$1,763,334         | \$6,500             | \$136,445           | \$84,863            | \$2,116,442           | \$651,110            | \$2,767,552          |
| Airport Hangar Development                   | 1,035,947           | =                   | =                   | =                   | =                   | =                   | \$-                   | =                    | \$1,035,947          |
| <b>Sub-total, Warrenton-Fauquier Airport</b> | <b>\$1,035,947</b>  | <b>\$125,300</b>    | <b>\$1,763,334</b>  | <b>\$6,500</b>      | <b>\$136,445</b>    | <b>\$84,863</b>     | <b>\$2,116,442</b>    | <b>\$651,110</b>     | <b>\$3,803,499</b>   |
| <b>CIP TOTAL</b>                             | <b>\$56,304,387</b> | <b>\$18,946,878</b> | <b>\$30,506,168</b> | <b>\$41,908,678</b> | <b>\$35,748,148</b> | <b>\$18,039,437</b> | <b>\$145,149,309</b>  | <b>\$158,982,919</b> | <b>\$360,436,615</b> |
| <b>CASH FUNDED</b>                           | <b>\$20,386,918</b> | <b>\$1,700,300</b>  | <b>\$2,705,747</b>  | <b>\$4,646,718</b>  | <b>\$4,147,615</b>  | <b>\$2,330,320</b>  | <b>\$15,530,700</b>   | <b>\$15,898,292</b>  | <b>\$51,815,910</b>  |
| <b>DEBT FUNDED</b>                           | <b>\$35,917,469</b> | <b>\$17,246,578</b> | <b>\$27,800,421</b> | <b>\$37,261,960</b> | <b>\$31,600,533</b> | <b>\$15,709,116</b> | <b>\$129,618,609</b>  | <b>\$143,084,627</b> | <b>\$308,620,705</b> |

**BENEFIT ANALYSIS**  
**FAUQUIER COUNTY/TOWN OF WARRENTON BLA**

|                                  | ARRINGTON DEVELOPMENT         |                                                                |                                                                                                                                                                          |
|----------------------------------|-------------------------------|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                  | COUNTY                        | TOWN                                                           | BLA COMMUNITY BENEFIT                                                                                                                                                    |
| <b>Infrastructure</b>            |                               |                                                                |                                                                                                                                                                          |
| Sanitary Sewer System            | Private Onsite System         | Connect to Existing Town System                                | Environmental Betterment - Reduces Any Potential Impacts to Turkey Run and the Occoquan Watershed                                                                        |
| Taylor Pump Station              | Not Required                  | Construct new pump station and force main improvements         | \$ 5.4 Million                                                                                                                                                           |
| Sanitary Sewer Availability Fees |                               |                                                                |                                                                                                                                                                          |
| Residential                      | None                          | \$2,916,000                                                    | \$ 2,916,000 Plus \$ 300,000 to \$ 500,000 to Town W/S Budget                                                                                                            |
| Commercial                       | None                          | \$ 300,000 to \$ 500,000 - Use Based                           |                                                                                                                                                                          |
| Alwington Boulevard              | Maintain & Extend as 2-lane   | Upgrade 2-lane Portion to 4-lanes and extend 4-lanes northward | \$ 2 Million Betterment - Reduce Traffic Congestion Associated with Relocation of Taylor Parent Drop-Off to Access From Alwington Blvd                                   |
| <b>Proffers</b>                  |                               |                                                                |                                                                                                                                                                          |
| <b>School</b>                    |                               |                                                                |                                                                                                                                                                          |
| Brumfield Elementary             | Construct Access Improvements | Construct Access Improvements                                  | Separate Parent Drop Off from Bus Loop                                                                                                                                   |
| Capital Contribution             | \$ 723,612 to County          | \$ 846,993 to County                                           | \$ 123,381 Increase Funding                                                                                                                                              |
| Parks & Recreation               | \$ 174,605 to County          | \$ 204,376 to Town                                             | \$ 204,376 Direct Benefit to Town Recreational Programs                                                                                                                  |
| <b>Emergency Services</b>        |                               |                                                                |                                                                                                                                                                          |
| Fire & Rescue Training Facility  | \$ 19,068 to County           | \$ 22,319 to County                                            | \$ 306,376 Increase in Funding to Support County Emergency Services                                                                                                      |
| New Fire & Rescue Station        | \$ 667,674 to County          | \$ 781,517 to County                                           |                                                                                                                                                                          |
| Public Safety Building           | \$ 211,896 to County          | \$ 248,026 to County                                           |                                                                                                                                                                          |
| TOTAL                            | \$ 1,796,855 to County        | \$ 2,103,232 to County                                         |                                                                                                                                                                          |
| <b>Housing Units</b>             |                               |                                                                |                                                                                                                                                                          |
| <b>Market-Rate</b>               |                               |                                                                |                                                                                                                                                                          |
| Single Family Detached           | 217                           | 161                                                            | Net Increase of Only 37 Units with Diversification of Housing Options to Meet Changing Community Demographics                                                            |
| Townhomes                        | 0                             | 93                                                             |                                                                                                                                                                          |
| Total                            | 217                           | 254                                                            |                                                                                                                                                                          |
| Affordable Housing               | NONE                          | 16                                                             | 16 Units of Affordable Housing                                                                                                                                           |
| Commercial Development           | NONE                          | Restaurant, Hotel, + 25 Acres Zoned Commercial (C)             | Significantly Increase Town Revenue - In 2023, \$9M+ of Total Local Revenue (70%+) Derived From Businesses. Additional Real Estate Tax Base for County at Minimal Costs. |





Office of the Town Manager  
Frank Cassidy

## Warrenton Town Council

Carter Nevill, Mayor  
Roy Francis, Ward 1  
William Semple, Ward 2  
Larry Kovalik, Ward 3  
Michele O'Halloran, Ward 4  
Eric Gagnon, Ward 5  
Paul Mooney, At Large  
David McGuire, At Large

Item E.

# STAFF REPORT

|                                  |                               |
|----------------------------------|-------------------------------|
| <b>Council Meeting Date:</b>     | June 10 <sup>th</sup> , 2025. |
| <b>Agenda Title:</b>             | Tiffany Estates               |
| <b>Requested Action:</b>         | Receive the information       |
| <b>Department / Agency Lead:</b> | Town Attorney                 |
| <b>Staff Lead:</b>               | Town Attorney                 |

## EXECUTIVE SUMMARY

The applicant for Tiffany Estates has submitted a request to Fauquier County to amend the Tri-Party Agreement to allow public water service. On February 9, 2016, Warrenton's Town Council voted to approve the request. The purpose of the work session is to ask Town Council to consider re-affirmation of the approval due to the lapse of time since the approval.

## BACKGROUND

Tiffany Estates is a proposed development. On February 9, 2016, Warrenton's Town Council voted to approve the request to amend the Tri-Party Agreement to provide Water to the development.

## STAFF RECOMMENDATION

Receive the information.

## Service Level/Collaborative Impact

N/A

## Policy Direction/Warrenton Plan 2040

N/A

## Fiscal Impact

Fiscal Analysis has not been completed.

## Legal Impact

Legal Analysis has not been completed.

**ATTACHMENTS**

---

- 1.
- 2.
- 3.



# Motion for Convening a Closed Session

**Council Meeting Date:**

**Agenda Title:**

I move that the Council convene in closed session to discuss the following:

- ☒ As permitted by Virginia Code § 2.2-3711 (A)(1), a personnel matter involving:  
     \_\_\_\_\_ Discussion, consideration or interviews of prospective candidates for employment or appointment; OR  
     \_\_\_\_\_ assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of the Town;  
     specifically dealing with **Mr. Whit Robinson, Special Council Appointment.** *[Give department, job title(s), or job category].*
- \_\_\_\_\_ As permitted by Virginia Code § 2.2-3711 (A)(3), a matter involving:  
     \_\_\_\_\_ discussion or consideration of the acquisition of real property for a public purpose; OR  
     \_\_\_\_\_ disposition of publicly held real property  
     specifically involving \_\_\_\_\_ *[Give location of property]*, because discussion in an open meeting would adversely affect the City's bargaining position or negotiating strategy.
- \_\_\_\_\_ As permitted by Virginia Code § 2.2-3711 (A)(4), a matter requiring the protection of the privacy of individuals in personal matters not involving the public business.
- \_\_\_\_\_ As permitted by Virginia Code § 2.2-3711 (A)(7), consultation with legal counsel or briefing by staff members or consultants pertaining to:  
     \_\_\_\_\_ probable litigation involving \_\_\_\_\_ *[Give subject]*; OR  
     \_\_\_\_\_ the pending case of \_\_\_\_\_ *[Give case name]*,  
     where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the City.
- \_\_\_\_\_ As permitted by Virginia Code § 2.2-3711 (A)(8), consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel, relating to  
     \_\_\_\_\_ *[Give nature of matter]*.
- \_\_\_\_\_ As permitted by Virginia Code § 2.2-3711 (A)(29), discussion of the award of a public contract for  
     \_\_\_\_\_ *[Give nature of the contract]* involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the City Council.
- \_\_\_\_\_ As permitted by Virginia Code § \_\_\_\_\_, a matter involving:  
     \_\_\_\_\_

[IDENTIFY THE APPLICABLE PARAGRAPH OF § 2.2-3711(A) OR OTHER LAW AND GIVE THE SUBJECT MATTER AND PURPOSE FOR THE CLOSED SESSION.]

Votes:

Ayes:

Nays:

Absent from Vote: None

**CERTIFICATION MOTION AFTER RECONVENING IN PUBLIC SESSION:**

(requires a recorded roll call vote)

I move that the Council certify that, in the closed session just concluded, nothing was discussed except the matter or matters (1) specifically identified in the motion to convene in closed session and (2) lawfully permitted to be discussed in a closed session under the provisions of the Virginia Freedom of Information Act as cited in that motion.

Votes:

Ayes:

Nays:

Absent from Vote: None

For Information:

Town Clerk

Effective date:

Stephen Clough, Town Recorder

---

June 10, 2025  
Town Council  
Regular Meeting  
RES-25-06-01

**A RESOLUTION TO ADOPT AND APPROPRIATE THE FISCAL YEAR 2026 BUDGET AND THE  
FISCAL YEAR 2026– 2031 CAPITAL IMPROVEMENT PROGRAM**

**WHEREAS** Code of Virginia §15.2-2503 requires that the Town Manager submit a proposed budget to the Town Council on or before the first day of April each year, and that the Council approve the budget no later than the date on which the fiscal year begins; and

**WHEREAS**, Section 15-1 of the Code of Ordinances of the Town of Warrenton requires that the Town Council adopt a tax rate for all real estate and for tangible personal property no later than the fourteenth day of May of each calendar year; and

**WHEREAS**, the Town Manager submitted the Fiscal Year 2026 Proposed Budget to the Town Council on April 1, 2025 and work sessions were held by the Council during April and May 2025 to discuss the Proposed Budget and any changes thereto; and

**WHEREAS**, a duly advertised Public Hearing was held on May 13, 2025 to receive public comment and the tax rates for all real estate and tangible personal property were adopted on that date; and

**NOW, THEREFORE BE IT RESOLVED**, that the Fiscal Year 2026-2031 Capital Improvement Program for the Town of Warrenton is hereby adopted; and be it

**RESOLVED FURTHER**, that the update to the Budget and Expenditure Control Policy, is hereby adopted; and be it

**RESOLVED FURTHER**, that all outstanding encumbrances as of June 30, 2025 are hereby re-appropriated to FY 2026 to the same department or account for which they are encumbered in FY 2025, as approved by the Town Manager; and be it

**RESOLVED FURTHER**, that appropriations designated for capital projects and asset replacement projects that are unexpended as of June 30, 2025 are hereby re-appropriated to FY 2026 to the same projects; and be it

**RESOLVED FURTHER**, that all unencumbered FY 2025 appropriations lapse for budget items other than capital projects, asset replacement projects, contracts and grants, unless otherwise authorized by the Town Manager; and be it

**RESOLVED FURTHER**, that the Town Manager, or designee, may approve necessary accounting or budget transfers between funds to enable the proper accounting for capital projects, asset replacement projects, or other appropriations as authorized by the Town Manager; and be it

**RESOLVED FURTHER**, that the Fiscal Year 2026 Budget for the Town of Warrenton is hereby adopted and the amounts summarized below are hereby appropriated for the Fiscal Year Beginning July 1, 2025:

**TOWN OF WARRENTON, VIRGINIA**  
**PROPOSED BUDGET FOR FISCAL YEAR 2025-2026**

| General Fund                    | Adopted<br>FY 2025 | Proposed<br>FY 2026 |
|---------------------------------|--------------------|---------------------|
| <u>Revenues</u>                 |                    |                     |
| Real Estate Taxes               | \$ 824,266         | \$ 1,215,395        |
| Personal Property Taxes         | 730,000            | 750,000             |
| Other Property Taxes            | 43,417             | 45,000              |
| Motor Vehicle License Taxes     | 220,000            | 220,000             |
| Local Sales Taxes               | 1,050,000          | 1,080,000           |
| BPOL Taxes                      | 2,300,000          | 2,400,000           |
| Meals Taxes                     | 5,500,000          | 5,500,000           |
| Lodging Taxes                   | 280,000            | 300,000             |
| Cigarette Taxes                 | 319,000            | 300,000             |
| Consumer Utility Taxes          | 480,330            | 520,330             |
| Utility Franchise Taxes         | 53,276             | 53,000              |
| Bank Franchise Taxes            | 1,200,000          | 1,240,000           |
| Licenses, Permits & Fees        | 185,132            | 244,250             |
| Fines & Forfeitures             | 77,500             | 77,500              |
| Use of Money & Property         | 800,000            | 800,000             |
| Charges for Services            | 1,085,018          | 1,075,500           |
| Miscellaneous Revenue           | 186,845            | 192,445             |
| State Revenue                   | 3,421,983          | 3,434,680           |
| Transfers                       | 414,262            | 377,980             |
| Non-Revenue Receipts            | -                  | 4,752,790           |
| <u>Use of Fund Balance</u>      | 2,857,864          | -                   |
| Total General Fund Revenues     | \$ 22,028,893      | \$ 24,578,870       |
| <br>                            |                    |                     |
| <u>Expenditures</u>             |                    |                     |
| General Government              | \$ 4,386,751       | 4,608,078           |
| Public Safety                   | 3,600,885          | 3,727,738           |
| Public Works                    | 5,351,953          | 5,567,925           |
| Parks and Recreation            | 2,686,305          | 2,726,400           |
| Community Development           | 1,328,781          | 1,350,265           |
| Contributions                   | 58,954             | 48,650              |
| Non-departmental                | 443,290            | 436,468             |
| Debt Service                    | 822,972            | 830,169             |
| <u>Transfer to Capital</u>      | 3,349,002          | 5,283,177           |
| Total General Fund Expenditures | \$ 22,028,893      | \$ 24,578,870       |

Other Funds

|                                |                      |                      |
|--------------------------------|----------------------|----------------------|
| General Capital Project Fund   | \$ 1,584,002         | \$ 3,189,497         |
| General Asset Replacement Fund | 1,765,000            | 2,756,241            |
| Water and Sewer Operating Fund | 9,530,463            | 10,578,819           |
| Water and Sewer Capital Fund   | 12,529,550           | 17,486,489           |
| Stormwater Management Fund     | 1,291,232            | 1,327,993            |
| <u>ARPA</u>                    | <u>164,467</u>       | <u>-</u>             |
| Total Other Funds              | \$ 26,864,714        | \$ 35,339,039        |
| Less Interfund Transfers       | (5,027,621)          | (7,656,806)          |
| Total Estimated Appropriations | \$ <u>43,865,986</u> | \$ <u>52,261,103</u> |

Votes:

Ayes:

Nays:

Absent from Meeting:

**For Information:**

Budget Manager

ATTEST: \_\_\_\_\_  
Town Recorder

June 10, 2025  
Town Council  
Regular Meeting  
RES-25-06-01

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FISCAL YEAR 2026– 2031 CAPITAL IMPROVEMENT PROGRAM**

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**WHEREAS**, Section 15-1 of the Code of Ordinances of the Town of Warrenton requires that the Town Council adopt a tax rate for all real estate and for tangible personal property no later than the fourteenth day of May of each calendar year; and

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**WHEREAS**, a duly advertised Public Hearing was held on May 13, 2025 to receive public comment and the tax rates for all real estate and tangible personal property were adopted on that date; and

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**RESOLVED FURTHER**, that all unencumbered FY 2025 appropriations lapse for budget items other than capital projects, asset replacement projects, contracts and grants, unless otherwise authorized by the Town Manager; and be it

**RESOLVED FURTHER**, that the Town Manager, or designee, may approve necessary accounting or budget transfers between funds to enable the proper accounting for capital projects, asset replacement projects, or other appropriations as authorized by the Town Manager; and be it

**RESOLVED FURTHER**, that the Fiscal Year 2026 Budget for the Town of Warrenton is hereby adopted and the amounts summarized below are hereby appropriated for the Fiscal Year Beginning July 1, 2025:



**TOWN OF WARRENTON, VIRGINIA**  
**PROPOSED BUDGET FOR FISCAL YEAR 2025-2026**

| General Fund                    | Adopted<br>FY 2025 | Proposed<br>FY 2026 |
|---------------------------------|--------------------|---------------------|
| <u>Revenues</u>                 |                    |                     |
| Real Estate Taxes               | \$ 824,266         | \$ 1,215,395        |
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| Fines & Forfeitures             | 77,500             | 77,500              |
| Use of Money & Property         | 800,000            | 800,000             |
| Charges for Services            | 1,085,018          | 1,075,500           |
| Miscellaneous Revenue           | 186,845            | 192,445             |
| State Revenue                   | 3,421,983          | 3,434,680           |
| Transfers                       | 414,262            | 377,980             |
| Non-Revenue Receipts            | -                  | 4,754,148           |
| <u>Use of Fund Balance</u>      | 2,857,864          | -                   |
| Total General Fund Revenues     | \$ 22,028,893      | \$ 24,580,228       |
| <br><u>Expenditures</u>         |                    |                     |
| General Government              | \$ 4,386,751       | 4,609,436           |
| Public Safety                   | 3,600,885          | 3,727,738           |
| Public Works                    | 5,351,953          | 5,567,925           |
| Parks and Recreation            | 2,686,305          | 2,726,400           |
| Community Development           | 1,328,781          | 1,350,265           |
| Contributions                   | 58,954             | 48,650              |
| Non-departmental                | 443,290            | 436,468             |
| Debt Service                    | 822,972            | 830,169             |
| <u>Transfer to Capital</u>      | 3,349,002          | 5,283,177           |
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Other Funds

|                                |                      |                      |
|--------------------------------|----------------------|----------------------|
| General Capital Project Fund   | \$ 1,584,002         | \$ 3,189,497         |
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| Water and Sewer Operating Fund | 9,530,463            | 10,578,819           |
| Water and Sewer Capital Fund   | 12,529,550           | 17,486,489           |
| Stormwater Management Fund     | 1,291,232            | 1,327,993            |
| <u>ARPA</u>                    | <u>164,467</u>       | <u>-</u>             |
| Total Other Funds              | \$ 26,864,714        | \$ 35,339,039        |
| Less Interfund Transfers       | (5,027,621)          | (7,656,806)          |
| Total Estimated Appropriations | \$ <u>43,865,986</u> | \$ <u>52,262,461</u> |

Votes:

Ayes:

Nays:

Absent from Meeting:

**For Information:**

Budget Manager

ATTEST: \_\_\_\_\_  
Town Recorder

June 10, 2025  
Town Council  
Regular Meeting  
RES-25-06-02

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WARRENTON ESTABLISHING THE PERCENTAGE RELIEF GRANTED TO QUALIFYING PERSONAL USE VEHICLES, SUBJECT TO THE TOWN OF WARRENTON'S PERSONAL PROPERTY TAX, FOR THE 2025 TAX YEAR**

**WHEREAS**, the Personal Property Tax Relief Act of 1998, Virginia Code §58.1- 3253 et seq. ("PPTRA"), has been substantially modified by the enactment of Chapter 1 of the Acts of Assembly, 2004 Special Session I (Senate Bill 5005), and the provisions of Item 503 of Chapter 951 of the 2005 Acts of Assembly (the 2005 revisions to the 2004-06 Appropriations Act, hereinafter cited as the "2005 Appropriations Act"); and

**WHEREAS**, these legislative enactments require the Town of Warrenton to take affirmative steps to implement these changes, and to provide for the computation and allocation of relief provided pursuant to the Personal Property Tax Relief Act as revised; and

**WHEREAS**, these legislative enactments provide for the appropriation to the Town of Warrenton, of a fixed sum to be used exclusively for the provision of tax relief to owners of qualifying personal use vehicles that are subject to the personal property tax on such vehicles.

**NOW, THEREFORE, BE IT RESOLVED** by the Town Council of the Town of Warrenton, Virginia that:

Qualifying vehicles obtaining situs within the Town of Warrenton during tax year 2025, shall receive personal property tax relief in the following manner:

- Personal use vehicles valued at \$20,000 or less will be eligible for 100% tax relief;
- Personal use vehicles valued at \$20,001 or more shall only receive 100% tax relief on the first \$20,000 of value; and
- All other vehicles which do not meet the definition of "qualifying" (business use vehicles, farm use vehicles, motor homes, etc.) will not be eligible for any form of tax relief under this program.

**Votes:**

**Ayes:**

**Nays:**

**Absent from Meeting:**

**For Information:**

Budget Manager

**ATTEST:** \_\_\_\_\_  
Town Recorder

Ordinance 2025-06

June 10, 2025  
 Town Council  
 Public Hearing  
 Ordinance 2025-06

**AN ORDINANCE TO ESTABLISH BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX  
 RATES FOR THE TAX YEAR BEGINNING JULY 1, 2025**

BE IT ORDAINED by the Council of the Town of Warrenton, Virginia, that the following Business, Professional and Occupational License Tax Rates are hereby levied for the tax year beginning July 1, 2025:

|                                                  |                                            |
|--------------------------------------------------|--------------------------------------------|
| Amusements                                       | \$0.10 per \$100 Gross Receipts            |
| Contractors, Builders or Developers              | \$0.085 per \$100 Gross Receipts           |
| Business, Personal or Repair Service Occupations | \$0.1683 per \$100 Gross Receipts          |
| Financial or Real Estate Services                | \$0.2678 per \$100 Gross Receipts          |
| Professional Occupations                         | \$0.2678 per \$100 Gross Receipts          |
| Retail Merchants                                 | \$0.10 per \$100 Gross Receipts            |
| Vending Machine Operators                        | \$200 plus \$0.10 per \$100 Gross Receipts |
| Wholesale Merchants                              | \$0.0425 per \$100 Gross Purchases         |
| Public Utilities (Telephone & Telegraph)         | ½ of 1% of Gross Receipts                  |

The license tax is the greater of \$30.00 or the tax computed on gross receipts. Flat fees apply to certain businesses as follows:

|                                                                  |                                                                                                                                                       |
|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fortune tellers, Clairvoyants & Practitioners of Palmistry       | \$1,000.00 per year                                                                                                                                   |
| Carnivals, Circuses and Speedways                                | \$1,000.00 per performance                                                                                                                            |
| Itinerant Merchants                                              | \$500.00 per year                                                                                                                                     |
| Peddlers                                                         | \$250.00 per year                                                                                                                                     |
| Photographers (as defined in §58.1-3727 of the Code of Virginia) | \$30.00 per year                                                                                                                                      |
| Savings and Loan Associations and Credit Unions                  | \$50.00 per year                                                                                                                                      |
| Direct Sellers                                                   | (Total annual sales greater than<br>\$4,000.00) \$0.10 per \$100 Total Annual<br>Retail Sales -Or- \$0.0425 per \$100 Total<br>Annual Wholesale Sales |

Alcoholic Beverages (special license tax provision in addition to gross receipts tax):

|                                                            |         |
|------------------------------------------------------------|---------|
| Wholesale Beer License                                     | \$75.00 |
| Wholesale Wine Distributor                                 | \$50.00 |
| Retail On-Premises Wine & Beer - Hotel, Restaurant or Club | \$37.50 |
| Retail Off-Premises Wine & Beer                            | \$37.50 |
| Retail On-Premises Wine - Hotel, Restaurant or Club        | \$25.00 |
| Retail Off-Premises Beer                                   | \$25.00 |

**Votes:**

**Ayes:**

**Nays:**

**Absent from Meeting:**

**For Information:**  
Budget Manager

**ATTEST:** \_\_\_\_\_  
Town Recorder

## Ordinance 2025-07

June 10, 2025  
Town Council  
Public Hearing  
Ordinance 2025-07

**AN ORDINANCE TO ESTABLISH WATER AND SEWER RATES AND SERVICE FEES  
EFFECTIVE JULY 1, 2025**

WHEREAS, the Town of Warrenton charges certain fees and rates for usage pursuant to Article 2 of Chapter 17 of the Code of the Town of Warrenton (hereinafter referred to as the "Town Code") as authorized by Section 15.2-2119 of the Code of Virginia, 1950, as amended; now therefore

BE IT ORDAINED by the Council of the Town of Warrenton, Virginia, that the following water and sewer rates and fees are hereby effective beginning July 1, 2025:

Base Charge (for usage <2,000 gallons):

| IN TOWN RATES |          |          |          | OUT OF TOWN RATES |          |          |
|---------------|----------|----------|----------|-------------------|----------|----------|
| Meter Size    | Water    | Sewer    | Total    | Water             | Sewer    | Total    |
| 5/8           | \$12.56  | \$22.80  | \$35.36  | \$18.84           | \$34.20  | \$53.04  |
| 3/4           | 18.85    | 34.21    | 53.06    | 28.28             | 51.31    | 79.59    |
| 1             | 31.41    | 57.01    | 88.42    | 47.12             | 85.52    | 132.64   |
| 1 1/2         | 62.81    | 114.01   | 176.82   | 94.22             | 171.01   | 265.23   |
| 2             | 100.50   | 182.41   | 282.91   | 150.75            | 273.62   | 424.37   |
| 3             | 219.85   | 399.04   | 618.89   | 329.78            | 598.56   | 928.34   |
| 4             | 395.73   | 718.26   | 1,113.99 | 593.59            | 1,077.39 | 1,670.98 |
| 6             | 816.56   | 1,482.12 | 2,298.68 | 1,224.84          | 2,223.18 | 3,448.02 |
| 8             | 1,005.00 | 1,824.14 | 2,829.14 | 1,507.50          | 2,736.22 | 4,243.72 |

Commodity Rate, per 1,000 gallons:

| Usage   | Water   | Sewer   | Total   | Water   | Sewer   | Total   |
|---------|---------|---------|---------|---------|---------|---------|
| > 2,000 | \$13.93 | \$18.29 | \$32.22 | \$20.89 | \$27.43 | \$48.32 |

Bulk Water Rates

|                                                    |         |
|----------------------------------------------------|---------|
| Base charge (<2,000 gallons)                       | \$47.29 |
| Commodity rate (>2,000 gallons, per 1,000 gallons) | \$20.89 |

Flat Sewer Rates

|                        |          |
|------------------------|----------|
| In Town                | \$61.21  |
| Out of Town            | \$91.80  |
| Out of Town Commercial | \$298.10 |

Recreational Vehicle Wastewater Disposal

|          |         |
|----------|---------|
| Flat Fee | \$10.00 |
|----------|---------|

**Votes:**  
**Ayes:**  
**Nays:**  
**Absent from Meeting:**

**For Information:**  
Budget Manager

**ATTEST:** \_\_\_\_\_  
Town Recorder

Ordinance 2025-08

June 10, 2025  
Town Council  
Public Hearing  
Ordinance 2025-08

**AN ORDINANCE TO ESTABLISH WARRENTON AQUATIC & RECREATION FACILITY (WARF) FEES  
EFFECTIVE JULY 1, 2025**

BE IT ORDAINED by the Council of the Town of Warrenton, Virginia, that the following Warrenton Aquatic & Recreation Facility (WARF) Fees are hereby effective beginning July 1, 2025:

| <b>WARRENTON AQUATIC &amp; RECREATION FACILITY (WARF)</b> |                    |                     |
|-----------------------------------------------------------|--------------------|---------------------|
| <b>DESCRIPTION</b>                                        | <b>CURRENT FEE</b> | <b>PROPOSED FEE</b> |
| <b>ANNUAL MEMBERSHIP</b>                                  |                    |                     |
| Town Resident, Adult                                      | \$385              | \$425               |
| Town Resident, Senior/Youth                               | \$299              | \$330               |
| County Resident, Adult                                    | \$485              | \$535               |
| County Resident, Senior/Youth                             | \$385              | \$425               |
| Non-Resident, Adult                                       | \$585              | \$645               |
| Non-Resident, Senior/Youth                                | \$485              | \$535               |
| Family, Youth                                             | \$245              | \$270               |
| Family, Town Resident Adult                               | \$345              | \$380               |
| Family, County Resident Adult                             | \$435              | \$480               |
| Family, Non-Resident Adult                                | \$525              | \$580               |
| <b>MONTHLY MEMBERSHIP</b>                                 |                    |                     |
| Town Resident, Adult                                      | \$54               | \$60                |
| Town Resident, Senior/Youth                               | \$49               | \$55                |
| County Resident, Adult                                    | \$65               | \$70                |
| County Resident, Senior/Youth                             | \$54               | \$60                |
| Non-Resident, Adult                                       | \$75               | \$85                |
| Non-Resident, Senior/Youth                                | \$65               | \$70                |
| Family, Youth                                             | \$38.50            | \$40                |
| Family, Town Resident Adult                               | \$49               | \$55                |
| Family, County Resident Adult                             | \$54               | \$60                |
| Family, Non-Resident Adult                                | \$65               | \$70                |



|                                       |          |       |
|---------------------------------------|----------|-------|
| <b>25 VISIT PASS</b>                  |          |       |
| Town Resident, Adult                  | \$115.50 | \$130 |
| Town Resident, Senior/Youth           | \$92.50  | \$100 |
| County Resident, Adult                | \$155    | \$170 |
| County Resident Senior/Youth          | \$126    | \$140 |
| Non-Resident, Adult                   | \$190    | \$210 |
| Non-Resident, Senior/Youth            | \$145    | \$160 |
| <b>DAY PASS</b>                       |          |       |
| Town Resident, Adult                  | \$5.50   | \$6   |
| Town Resident, Senior/Youth           | \$4.50   | \$5   |
| County Resident, Adult                | \$7.50   | \$8   |
| County Resident Senior/Youth          | \$6.00   | \$7   |
| Non-Resident, Adult                   | \$8.50   | \$9   |
| Non-Resident, Senior/Youth            | \$6.50   | \$7   |
| <b>OTHER PASSES</b>                   |          |       |
| Group Fitness 15 Class Pass           | \$135    | \$150 |
| Group Visit-Youth                     | \$3.50   | \$4   |
| Group Visit-Adult                     | \$5      | \$5   |
| <b>PERSONAL TRAINING, MEMBERS</b>     |          |       |
| One (1) 30-minute session             | \$35     | \$40  |
| Five (5) 30-minute sessions           | \$165    | \$180 |
| Ten (10) 30-minute sessions           | \$310    | \$340 |
| One (1) 50-minute session             | \$60     | \$65  |
| Five (5) 50-minute sessions           | \$285    | \$315 |
| Ten (10) 50-minute sessions           | \$540    | \$595 |
| <b>PERSONAL TRAINING, NON-MEMBERS</b> |          |       |
| One (1) 30-minute session             | \$40     | \$45  |
| Five (5) 30-minute sessions           | \$190    | \$210 |
| Ten (10) 30-minute sessions           | \$350    | \$385 |
| One (1) 50-minute session             | \$65     | \$70  |
| Five (5) 50-minute sessions           | \$310    | \$340 |
| Ten (10) 50-minute sessions           | \$590    | \$650 |
| <b>SWIM LESSONS, GROUP</b>            |          |       |
| Eight (8) 30-minute lessons           | \$89     | \$100 |
| Eight (8) 45-minute lessons           | \$133    | \$145 |
| <b>SWIM LESSONS, SEMI-PRIVATE</b>     |          |       |
| One (1) 30-minute lesson              | \$23     | \$25  |
| Five (5) 30-minute lessons            | \$110    | \$120 |
| Ten (10) 30-minute lessons            | \$210    | \$230 |
| One (1) 45-minute lesson              | \$34     | \$40  |
| Five (5) 45-minute lessons            | \$165    | \$180 |
| Ten (10) 45-minute lessons            | \$315    | \$345 |
| <b>SWIM LESSONS, PRIVATE</b>          |          |       |
| One (1) 30-minute lesson              | \$36     | \$40  |
| Five (5) 30-minute lessons            | \$165    | \$180 |
| Ten (10) 30-minute lessons            | \$300    | \$330 |
| One (1) 45-minute lesson              | \$54     | \$60  |
| Five (5) 45-minute lessons            | \$250    | \$275 |
| Ten (10) 45-minute lessons            | \$450    | \$495 |

| BIRTHDAY PARTY PACKAGES, WARF |       |       |
|-------------------------------|-------|-------|
| Party Room                    | \$195 | \$235 |
| Aqua Studio                   | \$195 | \$215 |

**Votes:**

Ayes:

Nays:

Absent from Meeting:

**For Information:**

Budget Manager

ATTEST: \_\_\_\_\_  
Town Recorder

Ordinance 2025-09

June 10, 2025  
Town Council  
Public Hearing  
Ordinance 2025-09

**AN ORDINANCE TO ESTABLISH SPECIAL EVENT FEES  
EFFECTIVE JULY 1, 2025**

BE IT ORDAINED by the Council of the Town of Warrenton, Virginia, that the following Special Event Fees are hereby effective beginning July 1, 2025:

| <b>SPECIAL EVENTS</b>                         |                    |                     |
|-----------------------------------------------|--------------------|---------------------|
| <b>DESCRIPTION</b>                            | <b>CURRENT FEE</b> | <b>PROPOSED FEE</b> |
| <b>SPECIAL EVENT APPLICATION FEE</b>          |                    |                     |
| Application Fee                               | \$100              | \$100               |
| <b>TOWN OF WARRENTON STAFF TIME, PER HOUR</b> |                    |                     |
| Police, Officer                               | \$40               | \$45                |
| Police, Corporal and above                    | \$50               | \$55                |
| Building Official                             | \$39               | \$40                |
| Fire Marshal                                  | \$34               | \$35                |
| Inspector                                     | \$29               | \$30                |
| Public Works                                  | \$32               | \$35                |
| Manager on Duty                               | \$32               | \$25                |
| Customer Service Specialist                   | \$20               | \$20                |
| <b>AMUSEMENT DEVICES, FLAT FEE</b>            |                    |                     |
| Small Mechanical                              | \$55               | \$55                |
| Circular or Flat Ride Less Than 20' High      | \$75               | \$75                |
| Spectacular Ride                              | \$100              | \$100               |
| Coaster < 30'                                 | \$200              | \$200               |
| All Other Devices                             | \$55               | \$55                |
| <b>MISCELLANEOUS</b>                          |                    |                     |
| Cone or Barricade Rental, Flat Fee            | \$30               | \$30                |
| "No Parking" Sign Placement, Per Hour         | \$20               | \$20                |
| Hard Barrier Fee, Per Vehicle                 | \$-                | \$10                |
| Street Sweeper, Per Hour                      | \$-                | \$97                |

| PARK FACILITY FEES                   |             |              |
|--------------------------------------|-------------|--------------|
| DESCRIPTION                          | CURRENT FEE | PROPOSED FEE |
| <b>PARK PAVILION RENTAL</b>          |             |              |
| Half Day                             | \$75        | \$75         |
| Full Day                             | \$95        | \$95         |
| <b>PARK AMENITY RENTAL, PER HOUR</b> |             |              |
| Sand Volleyball Court                | \$25        | \$25         |
| Basketball Court                     | \$25        | \$25         |
| Pickleball Court                     | \$25        | \$25         |
| Field Rental                         | \$25        | \$25         |

**Votes:**

Ayes:

Nays:

Absent from Meeting:

**For Information:**

Budget Manager

ATTEST: \_\_\_\_\_

Town Recorder

Scenario 9

- Outside agency cuts as agreed upon 5/29
  - Legal fee update presented 5/29
  - Insurance update presented 5/29
- Professional services cuts as presented 5/29
  - Capital reductions as discussed 5/29
- Add \$1,358 for Fauquier Chamber of Commerce membership

TOTAL APPROPRIATIONS

|                                | Expenditures/Uses         | FY 2025<br>Adopted | FY 2026<br>Proposed 5/29 | Variance<br>(\$) | Variance<br>(%) |
|--------------------------------|---------------------------|--------------------|--------------------------|------------------|-----------------|
| GENERAL FUND                   | General Government        | \$4,386,751        | \$4,609,436              | \$222,685        | 5%              |
|                                | Public Safety             | 3,600,885          | 3,727,738                | 126,853          | 4%              |
|                                | Public Works              | 5,351,953          | 5,567,925                | 215,972          | 4%              |
|                                | Parks & Recreation        | 2,686,305          | 2,726,400                | 40,095           | 1%              |
|                                | Community Development     | 1,328,781          | 1,350,265                | 21,484           | 2%              |
|                                | Contributions             | 58,954             | 48,650                   | (10,304)         | (17%)           |
|                                | Nondepartmental           | 443,290            | 436,468                  | (6,822)          | (2%)            |
|                                | Debt Service              | 822,972            | 830,169                  | 7,197            | 1%              |
|                                | Transfers to capital      | 3,349,002          | 5,283,177                | 1,934,175        | 58%             |
|                                | GENERAL FUND TOTAL        | \$22,028,893       | \$24,580,228             | \$2,551,335      | 12%             |
| OTHER FUNDS                    | Capital Projects          | \$1,584,002        | \$3,189,497              | \$1,605,495      | 101%            |
|                                | General Asset Replacement | 1,765,000          | 2,756,241                | 991,241          | 56%             |
|                                | Water & Sewer Operating   | 9,530,463          | 10,578,819               | 1,048,356        | 11%             |
|                                | Water & Sewer Capital     | 12,529,550         | 17,486,489               | 4,956,939        | 40%             |
|                                | Stormwater Management     | 1,291,232          | 1,327,993                | 36,761           | 3%              |
|                                | ARPA Fund                 | 164,467            | -                        | (164,467)        | (100%)          |
|                                | OTHER FUNDS TOTAL         | \$26,864,714       | \$35,339,039             | \$8,474,325      | 32%             |
| TOTAL ALL FUNDS                |                           | \$48,893,607       | \$59,919,267             | \$11,025,660     | 23%             |
| LESS TRANSFERS                 |                           | (\$5,027,621)      | (\$7,656,806)            | (\$2,629,185)    | 52%             |
| TOTAL ESTIMATED APPROPRIATIONS |                           | \$43,865,986       | \$52,262,461             | \$8,396,475      | 19%             |

TOTAL ESTIMATED REVENUE

|                          | Revenue/Sources           | FY 2025<br>Adopted | FY 2026<br>Proposed 5/29 | Variance<br>(\$) | Variance<br>(%) |
|--------------------------|---------------------------|--------------------|--------------------------|------------------|-----------------|
|                          | General Property Taxes    | \$1,597,683        | \$2,010,395              | \$412,712        | 26%             |
|                          | Other Local Taxes         | 11,402,606         | 11,613,330               | 210,724          | 2%              |
|                          | Permits & Fees            | 185,132            | 244,250                  | 59,118           | 32%             |
|                          | Fines & Forfeitures       | 77,500             | 77,500                   | -                | -               |
|                          | Use of Money/Property     | 800,000            | 800,000                  | -                | -               |
|                          | Charges for Services      | 1,085,018          | 1,075,500                | (9,518)          | (1%)            |
|                          | Miscellaneous Revenue     | 186,845            | 192,445                  | 5,600            | 3%              |
|                          | State Revenue             | 3,421,983          | 3,434,680                | 12,697           | 0%              |
|                          | Transfers In              | 414,262            | 377,980                  | (36,282)         | (9%)            |
|                          | Use of Fund Balance       | 2,857,864          | -                        | (2,857,864)      | (100%)          |
|                          | Non-Revenue Receipts      | -                  | 4,754,148                | 4,695,695        | -               |
|                          | GENERAL FUND TOTAL        | \$22,028,893       | \$24,580,228             | \$2,551,335      | 12%             |
|                          |                           |                    |                          |                  |                 |
|                          | Capital Projects          | \$1,584,002        | \$3,189,497              | \$1,605,495      | 101%            |
|                          | General Asset Replacement | 1,765,000          | 2,756,241                | 991,241          | 56%             |
|                          | Water & Sewer Operating   | 9,530,463          | 10,578,819               | 1,048,356        | 11%             |
|                          | Water & Sewer Capital     | 12,529,550         | 17,486,489               | 4,956,939        | 40%             |
|                          | Stormwater Management     | 1,291,232          | 1,327,993                | 36,761           | 3%              |
|                          | ARPA Fund                 | 164,467            | -                        | -                | -               |
|                          | OTHER FUNDS TOTAL         | \$26,864,714       | \$35,339,039             | \$8,474,325      | 32%             |
| TOTAL ALL FUNDS          |                           | \$48,893,607       | \$59,919,267             | \$11,025,660     | 23%             |
| LESS TRANSFERS           |                           | (\$5,027,621)      | (\$7,656,806)            | (\$2,629,185)    | 52%             |
| TOTAL ESTIMATED REVENUES |                           | \$43,865,986       | \$52,262,461             | \$8,396,475      | 19%             |

|                                        |                |
|----------------------------------------|----------------|
| Operating Surplus                      | \$79,029       |
| FY25 Ending Unassigned                 | \$9,704,942    |
| Move FY26 Budgeted Capital to Assigned | (\$5,283,177)  |
| Bond Proceeds                          | \$4,754,148    |
| FY26 Budgeted Operating Revenue        | \$19,826,080   |
| FY26 Budgeted Operating Expenditure    | (\$19,297,051) |
| FY26 Ending Unassigned                 | \$9,704,942    |
|                                        | 50.29%         |

| Organization                    | Budgeted membership cost |
|---------------------------------|--------------------------|
| VIRGINIA MUNICIPAL LEAGUE (VML) | 8,100.00                 |
| VA INSTITUTE OF GOVERNMENT      | 500.00                   |
| FAUQUIER CHAMBER OF COMMERCE    | 1,358.00                 |
|                                 | <b>9,958.00</b>          |



Office of the Town Manager  
Frank Cassidy

## Warrenton Town Council

Carter Nevill, Mayor  
Roy Francis, Ward 1  
William Semple, Ward 2  
Larry Kovalik, Ward 3  
Michele O'Halloran, Ward 4  
Eric Gagnon, Ward 5  
Paul Mooney, At Large  
David McGuire, At Large

Item a.

# STAFF REPORT

|                                  |                                                                |
|----------------------------------|----------------------------------------------------------------|
| <b>Council Meeting Date:</b>     | June 10, 2025                                                  |
| <b>Agenda Title:</b>             | VDOT SGR Funds (Alexandria Pike, Falmouth Street, Main Street) |
| <b>Requested Action:</b>         | Appropriate VDOT Grant Funding                                 |
| <b>Department / Agency Lead:</b> | Finance                                                        |
| <b>Staff Lead:</b>               | Brooke Campbell, Budget Manager                                |

## EXECUTIVE SUMMARY

The Town has been awarded and accepted \$628,659 from the VDOT State of Good Repair (SGR) Fund for the resurfacing of Falmouth Street from Falmouth Court to Main Street, Main Street from Falmouth Street to Alexandria Pike, and Alexandria Pike from Main Street to Old Alexandria Pike.

## BACKGROUND

There is no cost to the Town for resurfacing of these roadways. Today's resolution is to appropriate the VDOT funding so we can begin the necessary work.

## STAFF RECOMMENDATION

Staff recommends that the Council adopt the following resolution to appropriate the SGR funds:

1. A Resolution to Amend the Fiscal Year 2025 Adopted Budget to Appropriate Virginia Department of Transportation Grant Funding in the Amount of \$628,659 to Fund Resurfacing of Roadways within Town Limits

## ATTACHMENTS

June 10, 2025  
Town Council  
Regular Meeting  
RES-25-06-03

**A RESOLUTION TO AMEND THE FISCAL YEAR 2025 ADOPTED BUDGET TO APPROPRIATE VIRGINIA  
DEPARTMENT OF TRANSPORTATION GRANT FUNDING IN THE AMOUNT OF \$628,659 TO FUND  
RESURFACING OF ROADWAYS WITHIN TOWN LIMITS**

**WHEREAS**, the Warrenton Town Council is charged by the Code of Virginia with the preparation of an annual budget for the Town of Warrenton; and

**WHEREAS**, on June 11, 2024, the Town Council adopted the Town of Warrenton Fiscal Year 2025 Budget; and

**WHEREAS**, during the fiscal year, certain events occur that necessitate amending the budget; and

**WHEREAS**, the Town has been approved by the Department of Transportation to receive \$609,659 of grant revenue funds for the resurfacing of Falmouth Steet from Falmouth Court to Main Street, Main Street from Falmouth Street to Alexandria Pike, and Alexandria Pike from Main Street to Old Alexandria Pike; and

**NOW, THEREFORE, BE IT RESOLVED**, that the Warrenton Town Council Hereby amends the Fiscal Year 2025 Adopted Budget to appropriate \$628,659 of grant revenue to implement the resurfacing of roadways within Town limits.

**Votes:**

**Ayes:**

**Nays:**

**Absent from Meeting:**

**For Information:**

Budget Manager

**ATTEST:** \_\_\_\_\_  
Town Recorder





Office of the Town Manager  
Frank Cassidy

## Warrenton Town Council

Carter Nevill, Mayor  
Roy Francis, Ward 1  
William Semple, Ward 2  
Larry Kovalik, Ward 3  
Michele O'Halloran, Ward 4  
Eric Gagnon, Ward 5  
Paul Mooney, At Large  
David McGuire, At Large

Item b.

# STAFF REPORT

|                                  |                                        |
|----------------------------------|----------------------------------------|
| <b>Council Meeting Date:</b>     | June 10, 2025                          |
| <b>Agenda Title:</b>             | VDOT Revenue Share Funds - Main Street |
| <b>Requested Action:</b>         | Appropriate VDOT Grant Funding         |
| <b>Department / Agency Lead:</b> | Finance                                |
| <b>Staff Lead:</b>               | Brooke Campbell, Budget Manager        |

## EXECUTIVE SUMMARY

The Town has been awarded and accepted \$735,563 from the VDOT Revenue Sharing Program for improvements to Main Street, as outlined in project TC-008 of the CIP.

## BACKGROUND

On August 10, 2019, the Town Council approved a resolution for staff to apply for a VDOT Revenue Share project on Main Street. Town Staff applied for the project on October 1, 2019. In May 2020, VDOT awarded the Town with the funds to construct the Main Street Improvement project. The original scope was from Courthouse Square to Calhoun Street. With the increase in construction costs the limits of the project scope/limits had to be revised. On July 3, 2024, Town Staff and VDOT came to an agreement on the scope and cost estimate. On July 31, 2024, VDOT sent Town Staff with an agreement to sign.

Today's resolution is to appropriate the portion of VDOT funding related to FY 2025. The remainder of the funding will be appropriated via the FY 2026 budget.

## STAFF RECOMMENDATION

Staff recommends that the Council adopt the following resolution to appropriate the VDOT revenue share funds:

1. A Resolution to Amend the Fiscal Year 2025 Adopted Budget to Appropriate Virginia Department of Transportation Reimbursable Grant Funding in the Amount of \$73,002 to Fund Improvements to Main Street

## ATTACHMENTS

June 10, 2025  
Town Council  
Regular Meeting  
RES-25-06-04

**A RESOLUTION TO AMEND THE FISCAL YEAR 2025 ADOPTED BUDGET TO APPROPRIATE VIRGINIA  
DEPARTMENT OF TRANSPORTATION REIMBURSABLE GRANT FUNDING IN THE AMOUNT OF  
\$73,002 TO FUND IMPROVEMENTS TO MAIN STREET**

**WHEREAS**, the Warrenton Town Council is charged by the Code of Virginia with the preparation of an annual budget for the Town of Warrenton; and

**WHEREAS**, on June 11, 2024, the Town Council adopted the Town of Warrenton Fiscal Year 2025 Budget; and

**WHEREAS**, during the fiscal year, certain events occur that necessitate amending the budget; and

**WHEREAS**, the Town has been approved by the Virginia Department of Transportation to receive \$73,002 of reimbursable grant revenue funds for the Improvements to Main Street project (TC-008); and

**NOW, THEREFORE, BE IT RESOLVED**, that the Warrenton Town Council Hereby amends the Fiscal Year 2025 Adopted Budget to appropriate \$73,002 of grant revenue to implement the Improvements to Main Street project.

**Votes:**

**Ayes:**

**Nays:**

**Absent from Meeting:**

**For Information:**

Budget Manager

**ATTEST:** \_\_\_\_\_

**Town Recorder**



Office of the Town Manager  
Frank Cassidy

## Warrenton Town Council

Carter Nevill, Mayor  
Roy Francis, Ward 1  
William Semple, Ward 2  
Larry Kovalik, Ward 3  
Michele O'Halloran, Ward 4  
Eric Gagnon, Ward 5  
Paul Mooney, At Large  
David McGuire, At Large

Item c.

# STAFF REPORT

|                                  |                                 |
|----------------------------------|---------------------------------|
| <b>Council Meeting Date:</b>     | June 10, 2025                   |
| <b>Agenda Title:</b>             | DEQ SLAF funding – Pond C       |
| <b>Requested Action:</b>         | Appropriate DEQ Grant Funding   |
| <b>Department / Agency Lead:</b> | Finance                         |
| <b>Staff Lead:</b>               | Brooke Campbell, Budget Manager |

## EXECUTIVE SUMMARY

The Stormwater Local Assistance Fund (SLAF) provides matching grants to local governments for the planning, design, and implementation of stormwater best management practices (BMPs) that address cost efficiency and commitments related to reducing water quality pollutant loads.

## BACKGROUND

The Town has applied for and received SLAF funding from DEQ for the Pond C Retrofit project. As detailed in the attached agreement, DEQ has agreed to reimburse the Town for 50% of the project costs up to \$325,096. Today's resolution is to accept and appropriate the grant funding. The Town manager will then sign the attached agreement.

## STAFF RECOMMENDATION

Staff recommends that the Council adopt the following resolution to appropriate the SLAF funds:

1. A Resolution to Amend the Fiscal Year 2025 Adopted Budget to Appropriate Virginia Department of Environmental Quality Reimbursable Grant Funding in the Amount of \$325,096 to Fund Pond C Retrofit

## ATTACHMENTS

**STORMWATER LOCAL ASSISTANCE FUND  
GRANT AGREEMENT  
SLAF Grant No.: 25-13**

---

THIS AGREEMENT is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2025 by and between the Virginia Department of Environmental Quality (the “Department”), and the Town of Warrenton, Virginia (the “Grantee”).

Pursuant to Item 360 in Chapter 860 of the 2013 Acts of Assembly (the Commonwealth’s 2013-14 Budget) (the “Act”), the General Assembly created the Stormwater Local Assistance Fund (the “Fund”). The Department is authorized, pursuant to Item 365 C in Chapter 2 of the 2024 Acts of Assembly, Special Session I, to provide matching grants to local governments for the planning, design, and implementation of stormwater best management practices that address cost efficiency and commitments related to reducing water quality pollutant loads.

The Grantee has been approved by the Department to receive a Grant from the Fund subject to the terms and conditions herein to finance fifty percent (50%) of the cost of the Eligible Project, which consists of the planning, design and implementation of best management practices for stormwater control as described herein. The Grantee will use the Grant to finance that portion of the Eligible Project Costs not being paid for from other sources as set forth in the Total Project Budget in Exhibit B to this Agreement. Such other sources may include, but are not limited to, the Virginia Water Facilities Revolving Fund, Chapter 22, Title 62.1 of the Code of Virginia (1950), as amended.

This Agreement provides for payment of the Grant, design and construction of the Eligible Project, and development and implementation by the Grantee of provisions for the long-term responsibility and maintenance of the stormwater management facilities and other techniques installed under the Eligible Project. This Agreement is supplemental to the State Water Control Law, Chapter 3.1, Title 62.1 of the Code of Virginia (1950), as amended, and it does not limit in any way the other water quality restoration, protection and enhancement, or enforcement authority of the State Water Control Board (the “Board”) or the Department.

**ARTICLE I  
DEFINITIONS**

1. The capitalized terms contained in this Agreement shall have the meanings set forth below unless the context requires otherwise:

(a) “Agreement” means this Stormwater Local Assistance Fund Grant Agreement between the Department and the Grantee, together with any amendments or supplements hereto.

(b) “Authorized Representative” means any member, official or employee of the Grantee authorized by resolution, ordinance or other official act of the governing body of the Grantee to perform the act or sign the document in question.

(c) “Capital Expenditure” means any cost of a type that is properly chargeable to a capital account (or would be so chargeable with (or but for) a proper election or the application of the definition of “placed in service” under Treasury Regulation Section 1.150-2(c)) under general federal income tax principles, determined at the time the expenditure is paid.

(d) “Eligible Project” means all grant eligible items of the particular stormwater project described in Exhibit A to this Agreement to be designed and constructed by the Grantee with,

Town of Warrenton, Virginia (SLAF # 25-13)

among other monies, the Grant, with such changes thereto as may be approved in writing by the Department and the Grantee.

(e) “Eligible Project Costs” means costs of the individual items comprising the Eligible Project as permitted by the Act with such changes thereto as may be approved in writing by the Department and the Grantee. All Eligible Project Costs shall be Capital Expenditures and no Eligible Project Costs shall be Working Capital Expenditures.

(f) “Extraordinary Conditions” means unforeseeable or exceptional conditions resulting from causes beyond the reasonable control of the Grantee such as, but not limited to fires, floods, strikes, acts of God, and acts of third parties that singly or in combination cause material breach of this Agreement.

(g) “Grant” means the particular grant described in Section 4.0 of this Agreement, with such changes thereto as may be approved in writing by the Department and the Grantee.

(h) “Total Eligible Project Budget” means the sum of the Eligible Project Costs as set forth in Exhibit B to this Agreement, with such changes thereto as may be approved in writing by the Department and the Grantee.

(i) “Total Project Budget” means the sum of the Eligible Project Costs (with such changes thereto as may be approved in writing by the Department and the Grantee) plus any ineligible costs that are solely the responsibility of the Grantee, as set forth in Exhibit B to this Agreement.

(j) “Project Engineer” means the Grantee’s engineer who must be a licensed professional engineer registered to do business in Virginia and designated by the Grantee as the Grantee’s engineer for the Eligible Project in a written notice to the Department.

(k) “Project Schedule” means the schedule for the Eligible Project as set forth in Exhibit C to this Agreement, with such changes thereto as may be approved in writing by the Department and the Grantee. The Project Schedule assumes timely approval of adequate plans and specifications and timely reimbursement in accordance with this Agreement by the Department.

(l) “Working Capital Expenditure” means any cost that is not a Capital Expenditure. Generally, current operating expenses are Working Capital Expenditures.

(m) “VPBA” means the Virginia Public Building Authority, a political subdivision of the Commonwealth of Virginia.

(n) “VPBA Bonds” means (i) the Virginia Public Building Authority Public Facilities Revenue Bonds, Series 2013A, which were issued by VPBA on February 21, 2013, (ii) any other bonds issued by VPBA, the proceeds of which are used in whole or in part to provide funds for the making of the Grant, and (iii) any refunding bonds related thereto.

## **ARTICLE II**

### **SCOPE OF PROJECT**

2. The Grantee will cause the Eligible Project to be designed, constructed and placed in operation as described in Exhibit A to this Agreement.

## **ARTICLE III**

## SCHEDULE

3. The Grantee will cause the Eligible Project to be designed, constructed and placed in operation in accordance with the Project Schedule in Exhibit C to this Agreement. The Grantee agrees that the Grant may only be used to cover costs incurred and expended during the period beginning **April 1, 2025**, and ending **June 30, 2026**.

## ARTICLE IV COMPENSATION

4.0. Grant Amount. The total Grant award from the Fund under this Agreement is up to **\$325,096.00** and represents the Commonwealth's fifty percent (50%) share of the Total Eligible Project Budget. Any material changes made to the Eligible Project after execution of this Agreement, which alters the Total Eligible Project Budget, will be submitted to the Department for review of grant eligibility. The amount of the Grant award set forth herein may be modified from time to time by agreement of the parties to reflect changes to the Eligible Project or the Total Eligible Project Budget.

4.1 Project Budget Changes. Project Budget changes that exceed the lesser of \$100,000 or 10% of the Project Budget total must be approved in advance in writing by the Department through a formal Agreement modification issued in accordance with Section 7.3. The Grantee must notify the Department in advance via email of any Project Budget changes that do not exceed this threshold. This threshold is cumulative of all Project Budget changes made over time. Any Project Budget changes must be otherwise in accordance with this Agreement. The Department is under no obligation to reimburse any expenses that do not satisfy this provision.

4.2. Payment of Grant. Disbursement for professional services (planning and design) can commence upon execution of the Grant, with reimbursement available for expenses up to twenty-five (25%) of physical construction costs. Disbursement for the remaining reimbursable costs can commence once the final project budget, based on as-bid or contractual costs, is approved and a grant modification is executed. The Department will notify the Grantee when the eligibility to submit reimbursement requests has been approved. Disbursement of the Grant will be conducted in accordance with the payment provisions set forth in Section 4.2 herein and the eligibility determinations made in the Total Project Budget (Exhibit B).

4.3. Disbursement of Grant Funds. Disbursement requests shall be submitted no less than once every forty-five (45) calendar days while the project is incurring eligible expenses specific to the grant referenced herein. Any alternative schedule request must be received in writing and approved by the Department prior to the disbursement request receipt deadline. The Department will disburse the Grant to the Grantee no more frequently than once per calendar month for approved eligible reimbursements, with a minimum reimbursement amount of ten thousand (\$10,000.00) dollars (excluding initial professional services payments and the final payment), upon receipt by the Department of the following:

(a) A requisition for approval by the Department, signed by the Authorized Representative and containing all receipts, vouchers, statements, invoices or other evidence that costs in the Total Eligible Project Budget, including the applicable local share for the portion of the Eligible Project covered by such requisition, have been incurred or expended and all other information called for by, and otherwise being in the form of, Exhibit D to this Agreement.

(b) If any requisition includes an item for payment for labor or to contractors, builders or material men, a certificate, signed by the Project Engineer, stating that such work was actually

performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Eligible Project.

Upon receipt of each such requisition and accompanying certificate(s) and schedule(s), the Department shall request disbursement of the Grant to the Grantee in accordance with such requisition to the extent approved by the Department.

Except as may otherwise be approved by the Department, disbursements shall be held at ninety-five percent (95%) of the total Grant amount to ensure satisfactory completion of the Eligible Project. Satisfactory completion includes the submittal to the Department the Responsibilities & Maintenance Plan required by Section 5.1 herein. Upon receipt from the Grantee of the certificate specified in Section 4.5 and a final requisition detailing all retainage to which the Grantee is then entitled, the Department, subject to the provisions of this section and Section 4.3 herein, shall request disbursement to the Grantee of the final payment from the Grant.

4.4. Application of Grant Funds. The Grantee agrees to apply the Grant solely and exclusively to the reimbursement of Eligible Project Costs. The Grantee represents and warrants that the average reasonably expected economic life of the assets to be financed with the Grant is set forth in Exhibit E attached hereto.

4.5. Agreement to Complete Project. The Grantee agrees to cause the Eligible Project to be designed and constructed, as described in Exhibit A to this Agreement, and in accordance with (i) the schedule in Exhibit C to this Agreement and (ii) plans and specifications prepared by the Project Engineer and approved by the Department.

4.6. Notice of Substantial Completion. When the Eligible Project has been completed, the Grantee shall promptly deliver to the Department a certificate signed by the Authorized Representative and by the Project Engineer stating (i) that the Eligible Project has been completed substantially in accordance with the approved plans and specifications and addenda thereto, and in substantial compliance with all material applicable laws, ordinances, rules, and regulations; (ii) the date of such completion; (iii) that all certificates of occupancy and operation necessary for start-up for the Eligible Project have been issued or obtained; and (iv) the amount, if any, to be released for payment of the final Eligible Project Costs.

4.7. Source of Grant Funds; Reliance. The Grantee represents that it understands that the Grant funds are derived from the proceeds of the VPBA Bonds, the interest on which must remain excludible from gross income for federal income tax purposes (that is, "tax- exempt") pursuant to contractual covenants made by VPBA for the benefit of the owners of the VPBA Bonds. The Grantee further represents that (a) the undersigned Authorized Representative of the Grantee has been informed of the purpose and scope of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended, as they relate to the VPBA Bonds and the Grant, and (b) the representations and warranties contained in this Agreement can be relied on by VPBA and bond counsel to VPBA in executing certain documents and rendering certain opinions in connection with the VPBA Bonds.

## **ARTICLE V**

### **RESPONSIBILITIES AND MAINTENANCE PLAN**

5.0 Plan Submittal. No later than thirty (30) days from the date of the Notice of Substantial Completion, the Grantee shall submit to the Department a Responsibilities and Maintenance Plan for the Eligible Project.

5.1 Plan Elements. The plan required by Section 5.0 shall include a description of the project type, a recommended schedule of inspection and maintenance, and the identification of a person, persons or position within an organization responsible for administering and maintaining the plan for the useful service life of the installed facilities. If the Eligible Project includes construction on private property, the plan shall document the Grantee's right to access the Eligible Project for purposes of implementing the plan required by Section 5.0.

5.2 Recordation. Long-term responsibility and maintenance requirements for stormwater management facilities located on private property shall be set forth in an instrument recorded in the local land records and shall be consistent with 9VAC25-875-130 of the Virginia Erosion and Stormwater Management Regulation.

5.3 Project Verification Process. Upon completion of the Project's first full year of operation, the Department shall complete a Verification Inspection of the project to document any deficiencies warranting repair. If the Verification Inspection indicates deficiencies warranting repair exist, the Department will provide notice of such deficiencies to the Grantee.

(a) The Grantee may elect to either correct the deficiencies and provide the Department evidence of the correction or repay the entirety of the Grant funds.

(b) If the Grantee elects to correct the deficiencies, the deficiency repair shall commence no later than 30 days after the notice of deficiency by the Department and shall be completed within 120 days of the notice of deficiency, or in compliance with a plan and schedule approved by the Department.

(c) Upon completion of the deficiency repair, the Department shall complete a Final Inspection of the deficiency repair. The Department may elect to conduct a Verification Inspection one year(s) following completion of the deficiency repair. If the Verification Inspection indicates deficiencies warranting repair exist, the Department will provide notice of such deficiencies to the Grantee, and the Grantee and the Department will proceed through actions pursuant to Section 5.3(a) through 5.3(c) until completion of the Project is approved by the Department.

(d) Noncompliance with the deadlines described in Section 5.3(b) may result in a material breach as described in Section 6.0.

## **ARTICLE VI** **MATERIAL BREACH**

6.0. Material Breach. Any failure or omission by the Grantee to perform its obligations under this Agreement, unless excused by the Department, is a material breach.

6.1. Notice of Material Breach. If at any time the Grantee determines that it is unable to perform its obligations under this Agreement, the Grantee shall promptly provide written notification to the Department. This notification shall include a statement of the reasons it is unable to perform, any actions to be taken to secure future performance and an estimate of the time necessary to do so.

6.2. Monetary Assessments for Breach. In no event shall total Monetary Assessments for Breach pursuant to this Agreement exceed the grant amount. In case of Material Breach, Grant funds will be re-paid into the State Treasury and credited to the Fund. Within 90 days of receipt of written demand from the Department, the Grantee shall re-pay the Grant funds for the corresponding material breaches of this Agreement unless the Grantee asserts a defense pursuant to the requirements of Section 6.3 herein.



(a) Noncompliance with deadlines established pursuant to Section 5.3 shall result in a monetary assessment of \$500 per day for the first 10 days of noncompliance, and \$1,000 for each day of noncompliance thereafter.

6.3 Extraordinary Conditions. The Grantee may assert, and it shall be a defense to any action by the Department to collect Grant funds or otherwise secure performance of this Agreement that the alleged non-performance was due to Extraordinary Conditions, provided that the Grantee:

(a) takes reasonable measures to effect a cure or to minimize any non-performance with the Agreement, and

(b) provides written notification to the Department of the occurrence of Extraordinary Conditions, together with an explanation of the events or circumstances contributing to such Extraordinary Conditions, no later than 10 days after the discovery of the Extraordinary Conditions.

If the Department disagrees that the events or circumstances described by the Grantee constitute Extraordinary Conditions, the Department must provide the Grantee with a written objection within sixty (60) days of Grantee's notice under paragraph 6.3(b), together with an explanation of the basis for its objection.

6.4 Resolution and Remedy. If no resolution is reached by the parties, the Department may immediately bring an action in the Circuit Court of the City of Richmond to recover part or all of the Grant funds. In any such action, the Grantee shall have the burden of proving that the alleged noncompliance was due to Extraordinary Conditions. The Grantee agrees to venue to any such action in the Circuit Court of the City of Richmond, either north or south of the James River in the option of the Department.

6.5 Indemnification. To the extent permitted by law and subject to legally available funds, the Grantee shall indemnify and hold the Department, the Fund, VPBA and the owners of the VPBA Bonds, and their respective members, directors, officers, employees, attorneys and agents (the "Indemnitees"), harmless against any and all liability, losses, damages, costs, expenses, penalties, taxes, causes of action, suits, claims, demands and judgments of any nature arising from or in connection with any misrepresentation, breach of warranty, noncompliance or default by or on behalf of the Grantee under this Agreement, including, without limitation, all claims or liability (including all claims of and liability to the Internal Revenue Service) resulting from, arising out of or in connection with the loss of the excludability from gross income of the interest on all or any portion of the VPBA Bonds that may be occasioned by any cause whatsoever pertaining to such misrepresentation, breach, noncompliance or default, such indemnification to include the reasonable costs and expenses of defending itself or investigating any claim of liability and other reasonable expenses and attorneys' fees incurred by any of the Indemnitees in connection therewith. This paragraph shall not constitute an express or implied waiver of any applicable immunity afforded the Grantee.

## **ARTICLE VII** **GENERAL PROVISIONS**

7.0. Effect of the Agreement on Permits. This Agreement shall not be deemed to relieve the Grantee of its obligations to comply with the terms of its Virginia Pollutant Discharge Elimination System (VPDES) and/or Virginia Water Protection (VWP) permit(s) issued by the Board. This Agreement does not obviate the need to obtain, where required, any other State or Federal permit(s).

7.1. Disclaimer. Nothing in this Agreement shall be construed as authority for either party to make commitments which will bind the other party beyond the covenants contained herein.

7.2. Non-Waiver. No waiver by the Department of any one or more defaults by the Grantee in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults of whatever character.

7.3. Integration and Modification. This Agreement constitutes the entire Agreement between the Grantee and the Department. No alteration, amendment or modification of the provisions of this Agreement shall be effective unless reduced to writing, signed by both the parties and attached hereto. This Agreement may be modified by agreement of the parties for any purpose.

7.4. Collateral Agreements. Where there exists any inconsistency between this Agreement and other provisions of collateral contractual agreements which are made a part of this Agreement by reference, the provisions of this Agreement shall control.

7.5. Non-Discrimination. In the performance of this Agreement, the Grantee warrants that it will not discriminate against any employee, or other person, on account of race, color, sex, religious creed, ancestry, age, national origin or other non-job related factors. The Grantee agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

7.6. Conflict of Interest. The Grantee warrants that it has fully complied with the Virginia Conflict of Interest Act as it may apply to this Agreement.

7.7. Applicable Laws. This Agreement shall be governed in all respects whether as to validity, construction, capacity, performance or otherwise, by the laws of the Commonwealth of Virginia. The Grantee further agrees to comply with all laws and regulations applicable to the Grantee's performance of its obligations pursuant to this Agreement.

7.8. Records Availability. The Grantee agrees to maintain complete and accurate books and records of the Eligible Project Costs, and further, to retain all books, records, and other documents relative to this Agreement for three (3) years after the final Verification Inspection. The Department, its authorized agents, and/or State auditors will have full access to and the right to examine any of said materials during said period. Additionally, the Department and/or its representatives will have the right to access work sites during normal business hours, after reasonable notice to the Grantee, for the purpose of ensuring that the provisions of this Agreement are properly carried out.

7.9. Severability. Each paragraph and provision of this Agreement is severable from the entire Agreement; and if any provision is declared invalid, the remaining provisions shall nevertheless remain in effect.

7.10. Notices. All notices given hereunder shall be in writing and shall be sent by United States certified mail, return receipt requested, postage prepaid, and shall be deemed to have been received at the earliest of: (a) the date of actual receipt of such notice by the addressee, (b) the date of the actual delivery of the notice to the address of the addressee set forth below, or (c) five (5) days after the sender deposits it in the mail properly addressed. All notices required or permitted to be served upon either party hereunder shall be directed to:

Department: Virginia Department of Environmental Quality  
 Clean Water Financing and Assistance Program  
 P.O. Box 1105  
 Richmond, VA 23218  
 Attn: CWFAP Deputy Director

Grantee: Town of Warrenton  
 P.O. Box 341  
 Warrenton, Virginia 20188  
 Attn: Kelly Wharton, Stormwater Administrator  
[kwharton@warrentonva.gov](mailto:kwharton@warrentonva.gov)

7.11. Successors and Assigns Bound. This Agreement shall extend to and be binding upon the parties hereto, and their respective legal representatives, successors and assigns.

7.12. Exhibits. All exhibits to this Agreement are incorporated herein by reference.

### **ARTICLE VIII** **COUNTERPARTS**

8. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

### **ARTICLE IX** **CREDIT GENERATION**

9. Any land area generating stream or wetland mitigation credits from the Eligible Project is not eligible for the generation of any other environmental credits, including credits associated with nonpoint source nutrient banks, either upon completion of the project or anytime thereafter. Any project designs approved by the Department under the Grant may not meet the design requirements for approval from other State or Federal water programs. The Grantee is responsible for obtaining information on design and permit requirements for the type of environmental credit they are seeking.

WITNESS the following signatures, all duly authorized.

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

By: **Edwards Alvie** Digitally signed by: Edwards Alvie  
xqp92569  
DN: CN = Edwards Alvie xqp92569  
OU = COV-Users, End-Users, DEQ  
Date: 2025.05.28 12:15:31 -04'00' **xqp92569** Date: \_\_\_\_\_

Alvie Edwards  
Director of Administration  
(804) 898-9883  
alvie.edwards@deq.virginia.gov

**TOWN OF WARRENTON, VIRGINIA**

By: \_\_\_\_\_ Date: \_\_\_\_\_

Frank Cassidy  
Town Manager  
(540) 347-1101  
[fcassidy@warrentonva.gov](mailto:fcassidy@warrentonva.gov)

**EXHIBIT A****ELIGIBLE PROJECT DESCRIPTION**

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Grantee: Town of Warrenton, Virginia

SLAF Grant No.: 25-13

Pond C Retrofit: The conversion, enhancement, and retrofit of Pond C will provide Phosphorous, Nitrogen, and Total Suspended Solid removal capabilities that will help improve water quality in the Cedar Run-Mill Run watershed and assist the Town in meeting the pollutant load reduction requirements set forth in their MS4 permit and Chesapeake Bay TMDL Action Plan. The retrofit, although anticipated to help more with nutrient reductions, will include features that are anticipated to assist in reducing waterfowl presence at this site and thus will assist in helping address the fecal coliform Local TMDL for the Cedar Run watershed.

Town of Warrenton, Virginia (SLAF # 25-13)

**EXHIBIT B****TOTAL PROJECT BUDGET**

Grantee: Town of Warrenton, Virginia

SLAF Grant No.: 25-13

The following budget reflects the estimated costs associated with eligible cost categories of the project.

| <b>Project Category / Project Name</b> | <b>Project Cost</b> | <b>SLAF Eligible</b> | <b>Grant %</b> | <b>Grant Amount</b> |
|----------------------------------------|---------------------|----------------------|----------------|---------------------|
| <b>Design Engineering</b>              |                     |                      |                |                     |
| Pond C Retrofit                        | \$70,000.00         | \$70,000.00          | 50.00%         | \$35,000.00         |
|                                        |                     |                      |                |                     |
|                                        |                     |                      |                |                     |
| <b>Sub-Total</b>                       | <b>\$70,000.00</b>  | <b>\$70,000.00</b>   |                | <b>\$35,000.00</b>  |
| <b>Construction</b>                    |                     |                      |                |                     |
| Pond C Retrofit                        | \$580,192.00        | \$580,192.00         | 50.00%         | \$290,096.00        |
|                                        |                     |                      |                |                     |
|                                        |                     |                      |                |                     |
| <b>Sub-Total</b>                       | <b>\$580,192.00</b> | <b>\$580,192.00</b>  |                | <b>\$290,096.00</b> |
| <b>Other</b>                           |                     |                      |                |                     |
| Pond C Retrofit                        |                     |                      |                |                     |
|                                        | \$0.00              | \$0.00               | 50.00%         | \$0.00              |
|                                        | \$0.00              | \$0.00               | 50.00%         | \$0.00              |
|                                        | \$0.00              | \$0.00               | 50.00%         | \$0.00              |
|                                        |                     |                      |                |                     |
|                                        |                     |                      |                |                     |
| <b>Sub-Total</b>                       | <b>\$0.00</b>       | <b>\$0.00</b>        |                | <b>\$0.00</b>       |
| <b>TOTALS</b>                          | <b>\$650,192.00</b> | <b>\$650,192.00</b>  |                | <b>\$325,096.00</b> |

Town of Warrenton, Virginia (SLAF # 25-13)

## EXHIBIT C

### PROJECT SCHEDULE

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Grantee: Town of Warrenton, Virginia

SLAF Grant No.: 25-13

The Grantee has proposed the following schedule of key activities/milestones as a planning tool which may be subject to change. Unless authorized by a grant modification, it is the responsibility of the Grantee to adhere to the anticipated schedule for the Eligible Project as follows:

| Project Name    | Project Description / Milestone | Schedule / Timeline |
|-----------------|---------------------------------|---------------------|
| Pond C Retrofit | Start Planning                  | April 2025          |
|                 | Complete Planning               | September 2025      |
|                 | Start Construction              | December 2025       |
|                 | Complete Construction           | June 2026           |

Town of Warrenton, Virginia (SLAF # 25-13)

The Grantee has proposed the following estimates for the grant funds for which it will request reimbursement:

| <b>Quarter</b>                 | <b>Estimated Amount of Grant Funds to be Requested for Reimbursement</b> |
|--------------------------------|--------------------------------------------------------------------------|
| <b>April – June 2025</b>       |                                                                          |
| <b>July – September 2025</b>   |                                                                          |
| <b>October – December 2025</b> |                                                                          |
| <b>January – March 2026</b>    |                                                                          |
| <b>April – June 2026</b>       |                                                                          |
| <b>July – September 2026</b>   |                                                                          |
| <b>October – December 2026</b> |                                                                          |
| <b>January – March 2027</b>    |                                                                          |
| <b>April – June 2027</b>       |                                                                          |
| <b>July – September 2027</b>   |                                                                          |
| <b>October – December 2027</b> |                                                                          |



**EXHIBIT D****REQUISITION FOR REIMBURSEMENT**  
(To be on Grantee's Letterhead)

Department of Environmental Quality  
 Clean Water Financing and Assistance Program  
 P.O. Box 1105  
 Richmond, VA 23218  
 Attn.: CWFAP Deputy Director

RE: **Stormwater Local Assistance Fund Grant**

SLAF Grant No.: 25-13  
 Pond C Retrofit

Dear Deputy Director:

This requisition, Number \_\_\_\_, is submitted in connection with the referenced Grant Agreement, dated as of *[insert date of grant agreement]* between the Virginia Department of Environmental Quality and \_\_\_\_\_. Unless otherwise defined in this requisition, all capitalized terms used herein shall have the meaning set forth in Article I of the Grant Agreement. The undersigned Authorized Representative of the Grantee hereby requests disbursement of grant proceeds under the Grant Agreement in the amount of \$\_\_\_\_\_, for the purposes of payment of the Eligible Project Costs as set forth on Schedule I attached hereto.

Copies of invoices relating to the items for which payment is requested are attached.

The undersigned certifies that the amounts requested by this requisition will be applied solely and exclusively to the reimbursement of the Grantee for the payment of Eligible Project Costs that are Capital Expenditures.

This requisition includes (if applicable) an accompanying Certificate of the Project Engineer as to the performance of the work.

Sincerely,

\_\_\_\_\_  
 (Authorized Representative of the Grantee) Date: \_\_\_\_\_

Town of Warrenton, Virginia (SLAF # 25-13)

CERTIFICATE OF THE PROJECT ENGINEER  
FORM TO ACCOMPANY REQUEST FOR REIMBURSEMENT

Grantee: Town of Warrenton, Virginia

SLAF Grant No.: 25-13

This Certificate is submitted in connection with Requisition Number \_\_\_\_\_, dated \_\_\_\_\_, 20\_\_, submitted by the \_\_\_\_\_ (the "Grantee") to the Virginia Department of Environmental Quality. Capitalized terms used herein shall have the same meanings set forth in Article I of the Grant Agreement referred to in the Requisition.

The undersigned Project Engineer for \_\_\_\_\_ hereby certifies that insofar as the amounts covered by this Requisition include payments for labor or to contractors, builders or material men, such work was actually performed or such materials, supplies, or equipment were actually furnished to or installed in the Eligible Project.

\_\_\_\_\_  
(Project Engineer)

\_\_\_\_\_  
(Date)

**SCHEDULE 1**  
**STORMWATER LOCAL ASSISTANCE FUND**  
**FORM TO ACCOMPANY REQUEST FOR REIMBURSEMENT**

**REQUISITION #** \_\_\_\_\_ **DATE:** \_\_\_\_\_ **TITLE:** \_\_\_\_\_  
**Grantee:** Town of Warrenton  
**SLAF Grant No.:** 25-13 **CERTIFYING SIGNATURE:** \_\_\_\_\_

| Cost Category             | Total Project Budget       | SLAF Eligible Project Budget | SLAF Grant Budget          | Eligible Expenditures This Period | Current Grant Payment      | Previous Grant Disbursements | Total Grant Payments to Date | SLAF Grant Balance         |
|---------------------------|----------------------------|------------------------------|----------------------------|-----------------------------------|----------------------------|------------------------------|------------------------------|----------------------------|
| <b>Design Engineering</b> |                            |                              |                            |                                   |                            |                              |                              |                            |
| Pond C Retrofit           | \$70,000.00                | \$70,000.00                  | \$35,000.00                | \$0.00                            | \$0.00                     | \$0.00                       | \$0.00                       | \$35,000.00                |
| <b>Sub-Total</b>          | \$70,000.00                | \$70,000.00                  | \$35,000.00                | \$0.00                            | \$0.00                     | \$0.00                       | \$0.00                       | \$35,000.00                |
| <b>Construction</b>       |                            |                              |                            |                                   |                            |                              |                              |                            |
| Pond C Retrofit           | \$580,192.00               | \$580,192.00                 | \$290,096.00               | \$0.00                            | \$0.00                     | \$0.00                       | \$0.00                       | \$290,096.00               |
| <b>Sub-Total</b>          | \$580,192.00               | \$580,192.00                 | \$290,096.00               | \$0.00                            | \$0.00                     | \$0.00                       | \$0.00                       | \$290,096.00               |
| <b>Other</b>              |                            |                              |                            |                                   |                            |                              |                              |                            |
| Pond C Retrofit           | \$0.00<br>\$0.00<br>\$0.00 | \$0.00<br>\$0.00<br>\$0.00   | \$0.00<br>\$0.00<br>\$0.00 | \$0.00<br>\$0.00<br>\$0.00        | \$0.00<br>\$0.00<br>\$0.00 | \$0.00<br>\$0.00<br>\$0.00   | \$0.00<br>\$0.00<br>\$0.00   | \$0.00<br>\$0.00<br>\$0.00 |
| <b>Sub-Total</b>          | \$0.00                     | \$0.00                       | \$0.00                     | \$0.00                            | \$0.00                     | \$0.00                       | \$0.00                       | \$0.00                     |
| <b>Totals</b>             | <b>\$650,192.00</b>        | <b>\$650,192.00</b>          | <b>\$325,096.00</b>        | <b>\$0.00</b>                     | <b>\$0.00</b>              | <b>\$0.00</b>                | <b>\$0.00</b>                | <b>\$325,096.00</b>        |

**Total Grant Amount:** \$325,096.00  
**Previous Disbursements:** \$0.00  
**This Request:** \$0.00  
**Grant Proceeds Remaining:** \$325,096.00

## EXHIBIT E

**DETERMINATION OF AVERAGE REASONABLY  
EXPECTED ECONOMIC LIFE OF PROJECT ASSETS**

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Grantee: Town of Warrenton, Virginia

SLAF Grant No.: 25-13

The Internal Revenue Code of 1986, as amended, limits the length of average maturity for certain tax-exempt bonds, such as the VPBA Bonds, to no more than 120% of the average reasonably expected economic life of the assets being financed with the proceeds of such bonds. This life is based on Revenue Procedure 62-21 as to buildings and Revenue Procedures 83-35 and 87-56 as to equipment and any other assets. In this Exhibit, the Grantee will certify as to the average reasonably expected economic life of the assets being financed by the Grant.

Please complete the attached chart as follows:

**Step 1.** Set forth in Column II the corresponding total cost of each type of asset to be financed with the Grant.

**Step 2.** Set forth in Column III the economic life of each type of asset listed in accordance with the following:

*Land.* Exclude the acquisition of any land financed with a portion of the Grant funds from the economic life calculation.

*Land Improvements.* Land improvements (i.e., depreciable improvements made directly to or added to land) include sidewalks, roads, canals, waterways, site drainage, stormwater retention basins, drainage facilities, sewers (excluding municipal sewers), wharves and docks, bridges, fences, landscaping, shrubbery and all other general site improvements, not directly related to the building. Buildings and structural components are specifically excluded. 20 years is the economic life for most stormwater projects.

*Buildings.* Forty years is the economic life for most buildings.

*Equipment.* Please select an Asset Depreciation Range (“ADR”) midpoint or class life for each item of equipment to be financed. The tables of asset guideline classes, asset guideline periods and asset depreciation ranges included in IRS Revenue Procedures 83-35 and 87-56 may be used for reference. To use the tables, you should first determine the asset guideline class in which each item of equipment falls. General business assets fall into classes 00.11 through 00.4 to the extent that a separate class is provided for them. Other assets, to the extent that a separate class is provided, fit into one or more of classes 01.1 through 80.0. Subsidiary assets (jigs, dies, molds, patterns, etc.) are in the same class as are the other major assets in an industry activity unless the subsidiary assets are classified separately for that industry. Each item of equipment should be classified according to the activity in which it is primarily used. If the equipment is not described in any asset guideline class, its estimated economic life must be determined on a case by case basis.

*Contingency.* Any amounts shown on the Project Budget as “contingency” should be assigned to the shortest-lived asset. For example, contingency for a stormwater project should likely be given an economic life of 20 years.

**Step 3.** Set forth in Column IV the date each asset is expected to be placed in service. An asset  
Town of Warrenton, Virginia (SLAF # 25-13)

is first placed in service when it is first placed in a condition or state of readiness and available for a specifically assigned function. For example, the placed in service date for a stormwater project is likely the project's expected completion date.

**Step 4.** Determine the adjusted economic life of the asset in Column V by adding the amount of time between February 21, 2013 (the earliest date upon which the VPBA Bonds were issued) and the specified placed in service date from Column IV. For example, if a stormwater project with an economic life of 20 years will be placed in service 2 years after February 21, 2013, then the adjusted economic life for such stormwater project should be 22.

**Step 5.** For Column VI, multiply the Total Costs Financed with the Grant from Column II by the Adjusted Economic Life from Column V for each type of asset.

**Step 6.** Total all the entries in Column II and in Column VI.

**Step 7.** Divide the total of Column VI by the total of Column II. The quotient is the average reasonable expected economic life of the assets to be financed with the Grant.

#### AVERAGE REASONABLY EXPECTED ECONOMIC LIFE OF PROJECT ASSETS

| Column I          | Column II                                     | Column III               | Column IV                                   | Column V                              | Column VI                       |
|-------------------|-----------------------------------------------|--------------------------|---------------------------------------------|---------------------------------------|---------------------------------|
| <u>Asset</u>      | <u>Total Cost<br/>Financed with<br/>Grant</u> | <u>Economic<br/>Life</u> | <u>Date Asset<br/>Placed in<br/>Service</u> | <u>Adjusted<br/>Economic<br/>Life</u> | <u>Column II x<br/>Column V</u> |
| Land Improvements |                                               |                          |                                             |                                       |                                 |
| Building          |                                               |                          |                                             |                                       |                                 |
| Equipment         |                                               |                          |                                             |                                       |                                 |
| Contingency       |                                               |                          |                                             |                                       |                                 |
| TOTAL             | \$ _____                                      |                          |                                             |                                       | \$ _____                        |

Average Reasonably Expected Economic Life: Total of Column VI ÷ Total of Column II = \_\_\_\_\_

June 10, 2025  
Town Council  
Regular Meeting  
RES-25-06-05

**A RESOLUTION TO AMEND THE FISCAL YEAR 2025 ADOPTED BUDGET TO APPROPRIATE VIRGINIA  
DEPARTMENT OF ENVIRONMENTAL QUALITY REIMBURSABLE GRANT FUNDING IN THE AMOUNT  
OF \$325,096 TO FUND POND C RETROFIT**

**WHEREAS**, the Warrenton Town Council is charged by the Code of Virginia with the preparation of an annual budget for the Town of Warrenton; and

**WHEREAS**, on June 11, 2024, the Town Council adopted the Town of Warrenton Fiscal Year 2025 Budget; and

**WHEREAS**, during the fiscal year, certain events occur that necessitate amending the budget; and

**WHEREAS**, the Town has been approved by the Department of Environmental Quality to receive \$325,096 of reimbursable grant revenue funds for the conversion, enhancement, and retrofit of Pond C; and

**NOW, THEREFORE, BE IT RESOLVED**, that the Warrenton Town Council Hereby directs staff to sign the agreement for Grant No. 25-13 and amends the Fiscal Year 2025 Adopted Budget to appropriate \$325,096 of reimbursable grant revenue to implement the Pond C Retrofit.

**Votes:**

**Ayes:**

**Nays:**

**Absent from Meeting:**

**For Information:**

Budget Manager

**ATTEST:** \_\_\_\_\_

**Town Recorder**



Office of the Town Manager  
Frank Cassidy

## Warrenton Town Council

Carter Nevill, Mayor  
Roy Francis, Ward 1  
William Semple, Ward 2  
Larry Kovalik, Ward 3  
Michele O'Halloran, Ward 4  
Eric Gagnon, Ward 5  
Paul Mooney, At Large  
David McGuire, At Large

Item d.

# STAFF REPORT

|                                  |                                                 |
|----------------------------------|-------------------------------------------------|
| <b>Council Meeting Date:</b>     | June 10, 2025                                   |
| <b>Agenda Title:</b>             | DEQ SLAF funding – Rady Park Stream Restoration |
| <b>Requested Action:</b>         | Appropriate DEQ Grant Funding                   |
| <b>Department / Agency Lead:</b> | Finance                                         |
| <b>Staff Lead:</b>               | Brooke Campbell, Budget Manager                 |

## EXECUTIVE SUMMARY

The Stormwater Local Assistance Fund (SLAF) provides matching grants to local governments for the planning, design, and implementation of stormwater best management practices (BMPs) that address cost efficiency and commitments related to reducing water quality pollutant loads.

## BACKGROUND

The Town has applied for and received SLAF funding from DEQ for the Rady Park Stream Restoration project. As detailed in the attached agreement, DEQ has agreed to reimburse the Town for 50% of the project costs up to \$479,701. Today's resolution is to accept and appropriate the grant funding. The Town manager will then sign the attached agreement.

## STAFF RECOMMENDATION

Staff recommends that the Council adopt the following resolution to appropriate the SLAF funds:

1. A Resolution to Amend the Fiscal Year 2025 Adopted Budget to Appropriate Virginia Department of Environmental Quality Reimbursable Grant Funding in the Amount of \$479,701 to Rady Park stream restoration

## ATTACHMENTS

**STORMWATER LOCAL ASSISTANCE FUND  
GRANT AGREEMENT  
SLAF Grant No.: 25-18**

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THIS AGREEMENT is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2025 by and between the Virginia Department of Environmental Quality (the “Department”), and the Town of Warrenton, Virginia (the “Grantee”).

Pursuant to Item 360 in Chapter 860 of the 2013 Acts of Assembly (the Commonwealth’s 2013-14 Budget) (the “Act”), the General Assembly created the Stormwater Local Assistance Fund (the “Fund”). The Department is authorized, pursuant to Item 365 C in Chapter 2 of the 2024 Acts of Assembly, Special Session I, to provide matching grants to local governments for the planning, design, and implementation of stormwater best management practices that address cost efficiency and commitments related to reducing water quality pollutant loads.

The Grantee has been approved by the Department to receive a Grant from the Fund subject to the terms and conditions herein to finance fifty percent (50%) of the cost of the Eligible Project, which consists of the planning, design and implementation of best management practices for stormwater control as described herein. The Grantee will use the Grant to finance that portion of the Eligible Project Costs not being paid for from other sources as set forth in the Total Project Budget in Exhibit B to this Agreement. Such other sources may include, but are not limited to, the Virginia Water Facilities Revolving Fund, Chapter 22, Title 62.1 of the Code of Virginia (1950), as amended.

This Agreement provides for payment of the Grant, design and construction of the Eligible Project, and development and implementation by the Grantee of provisions for the long-term responsibility and maintenance of the stormwater management facilities and other techniques installed under the Eligible Project. This Agreement is supplemental to the State Water Control Law, Chapter 3.1, Title 62.1 of the Code of Virginia (1950), as amended, and it does not limit in any way the other water quality restoration, protection and enhancement, or enforcement authority of the State Water Control Board (the “Board”) or the Department.

**ARTICLE I  
DEFINITIONS**

1. The capitalized terms contained in this Agreement shall have the meanings set forth below unless the context requires otherwise:

(a) “Agreement” means this Stormwater Local Assistance Fund Grant Agreement between the Department and the Grantee, together with any amendments or supplements hereto.

(b) “Authorized Representative” means any member, official or employee of the Grantee authorized by resolution, ordinance or other official act of the governing body of the Grantee to perform the act or sign the document in question.

(c) “Capital Expenditure” means any cost of a type that is properly chargeable to a capital account (or would be so chargeable with (or but for) a proper election or the application of the definition of “placed in service” under Treasury Regulation Section 1.150-2(c)) under general federal income tax principles, determined at the time the expenditure is paid.

(d) “Eligible Project” means all grant eligible items of the particular stormwater project described in Exhibit A to this Agreement to be designed and constructed by the Grantee with,

Town of Warrenton, Virginia (SLAF # 25-18)



among other monies, the Grant, with such changes thereto as may be approved in writing by the Department and the Grantee.

(e) “Eligible Project Costs” means costs of the individual items comprising the Eligible Project as permitted by the Act with such changes thereto as may be approved in writing by the Department and the Grantee. All Eligible Project Costs shall be Capital Expenditures and no Eligible Project Costs shall be Working Capital Expenditures.

(f) “Extraordinary Conditions” means unforeseeable or exceptional conditions resulting from causes beyond the reasonable control of the Grantee such as, but not limited to fires, floods, strikes, acts of God, and acts of third parties that singly or in combination cause material breach of this Agreement.

(g) “Grant” means the particular grant described in Section 4.0 of this Agreement, with such changes thereto as may be approved in writing by the Department and the Grantee.

(h) “Total Eligible Project Budget” means the sum of the Eligible Project Costs as set forth in Exhibit B to this Agreement, with such changes thereto as may be approved in writing by the Department and the Grantee.

(i) “Total Project Budget” means the sum of the Eligible Project Costs (with such changes thereto as may be approved in writing by the Department and the Grantee) plus any ineligible costs that are solely the responsibility of the Grantee, as set forth in Exhibit B to this Agreement.

(j) “Project Engineer” means the Grantee’s engineer who must be a licensed professional engineer registered to do business in Virginia and designated by the Grantee as the Grantee’s engineer for the Eligible Project in a written notice to the Department.

(k) “Project Schedule” means the schedule for the Eligible Project as set forth in Exhibit C to this Agreement, with such changes thereto as may be approved in writing by the Department and the Grantee. The Project Schedule assumes timely approval of adequate plans and specifications and timely reimbursement in accordance with this Agreement by the Department.

(l) “Working Capital Expenditure” means any cost that is not a Capital Expenditure. Generally, current operating expenses are Working Capital Expenditures.

(m) “VPBA” means the Virginia Public Building Authority, a political subdivision of the Commonwealth of Virginia.

(n) “VPBA Bonds” means (i) the Virginia Public Building Authority Public Facilities Revenue Bonds, Series 2013A, which were issued by VPBA on February 21, 2013, (ii) any other bonds issued by VPBA, the proceeds of which are used in whole or in part to provide funds for the making of the Grant, and (iii) any refunding bonds related thereto.

## **ARTICLE II**

### **SCOPE OF PROJECT**

2. The Grantee will cause the Eligible Project to be designed, constructed and placed in operation as described in Exhibit A to this Agreement.

## **ARTICLE III**

## SCHEDULE

3. The Grantee will cause the Eligible Project to be designed, constructed and placed in operation in accordance with the Project Schedule in Exhibit C to this Agreement. The Grantee agrees that the Grant may only be used to cover costs incurred and expended during the period beginning **April 1, 2025** and ending **April 1, 2027**.

## ARTICLE IV COMPENSATION

4.0. Grant Amount. The total Grant award from the Fund under this Agreement is up to **\$479,701.00** and represents the Commonwealth's fifty percent (50%) share of the Total Eligible Project Budget. Any material changes made to the Eligible Project after execution of this Agreement, which alters the Total Eligible Project Budget, will be submitted to the Department for review of grant eligibility. The amount of the Grant award set forth herein may be modified from time to time by agreement of the parties to reflect changes to the Eligible Project or the Total Eligible Project Budget.

4.1 Project Budget Changes. Project Budget changes that exceed the lesser of \$100,000 or 10% of the Project Budget total must be approved in advance in writing by the Department through a formal Agreement modification issued in accordance with Section 7.3. The Grantee must notify the Department in advance via email of any Project Budget changes that do not exceed this threshold. This threshold is cumulative of all Project Budget changes made over time. Any Project Budget changes must be otherwise in accordance with this Agreement. The Department is under no obligation to reimburse any expenses that do not satisfy this provision.

4.2. Payment of Grant. Disbursement for professional services (planning and design) can commence upon execution of the Grant, with reimbursement available for expenses up to twenty-five (25%) of physical construction costs. Disbursement for the remaining reimbursable costs can commence once the final project budget, based on as-bid or contractual costs, is approved and a grant modification is executed. The Department will notify the Grantee when the eligibility to submit reimbursement requests has been approved. Disbursement of the Grant will be conducted in accordance with the payment provisions set forth in Section 4.2 herein and the eligibility determinations made in the Total Project Budget (Exhibit B).

4.3. Disbursement of Grant Funds. Disbursement requests shall be submitted no less than once every forty-five (45) calendar days while the project is incurring eligible expenses specific to the grant referenced herein. Any alternative schedule request must be received in writing and approved by the Department prior to the disbursement request receipt deadline. The Department will disburse the Grant to the Grantee no more frequently than once per calendar month for approved eligible reimbursements, with a minimum reimbursement amount of ten thousand (\$10,000.00) dollars (excluding initial professional services payments and the final payment), upon receipt by the Department of the following:

(a) A requisition for approval by the Department, signed by the Authorized Representative and containing all receipts, vouchers, statements, invoices or other evidence that costs in the Total Eligible Project Budget, including the applicable local share for the portion of the Eligible Project covered by such requisition, have been incurred or expended and all other information called for by, and otherwise being in the form of, Exhibit D to this Agreement.

(b) If any requisition includes an item for payment for labor or to contractors, builders or material men, a certificate, signed by the Project Engineer, stating that such work was actually

performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Eligible Project.

Upon receipt of each such requisition and accompanying certificate(s) and schedule(s), the Department shall request disbursement of the Grant to the Grantee in accordance with such requisition to the extent approved by the Department.

Except as may otherwise be approved by the Department, disbursements shall be held at ninety-five percent (95%) of the total Grant amount to ensure satisfactory completion of the Eligible Project. Satisfactory completion includes the submittal to the Department the Responsibilities & Maintenance Plan required by Section 5.1 herein. Upon receipt from the Grantee of the certificate specified in Section 4.5 and a final requisition detailing all retainage to which the Grantee is then entitled, the Department, subject to the provisions of this section and Section 4.3 herein, shall request disbursement to the Grantee of the final payment from the Grant.

4.4. Application of Grant Funds. The Grantee agrees to apply the Grant solely and exclusively to the reimbursement of Eligible Project Costs. The Grantee represents and warrants that the average reasonably expected economic life of the assets to be financed with the Grant is set forth in Exhibit E attached hereto.

4.5. Agreement to Complete Project. The Grantee agrees to cause the Eligible Project to be designed and constructed, as described in Exhibit A to this Agreement, and in accordance with (i) the schedule in Exhibit C to this Agreement and (ii) plans and specifications prepared by the Project Engineer and approved by the Department.

4.6. Notice of Substantial Completion. When the Eligible Project has been completed, the Grantee shall promptly deliver to the Department a certificate signed by the Authorized Representative and by the Project Engineer stating (i) that the Eligible Project has been completed substantially in accordance with the approved plans and specifications and addenda thereto, and in substantial compliance with all material applicable laws, ordinances, rules, and regulations; (ii) the date of such completion; (iii) that all certificates of occupancy and operation necessary for start-up for the Eligible Project have been issued or obtained; and (iv) the amount, if any, to be released for payment of the final Eligible Project Costs.

4.7. Source of Grant Funds; Reliance. The Grantee represents that it understands that the Grant funds are derived from the proceeds of the VPBA Bonds, the interest on which must remain excludible from gross income for federal income tax purposes (that is, "tax- exempt") pursuant to contractual covenants made by VPBA for the benefit of the owners of the VPBA Bonds. The Grantee further represents that (a) the undersigned Authorized Representative of the Grantee has been informed of the purpose and scope of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended, as they relate to the VPBA Bonds and the Grant, and (b) the representations and warranties contained in this Agreement can be relied on by VPBA and bond counsel to VPBA in executing certain documents and rendering certain opinions in connection with the VPBA Bonds.

## **ARTICLE V**

### **RESPONSIBILITIES AND MAINTENANCE PLAN**

5.0 Plan Submittal. No later than thirty (30) days from the date of the Notice of Substantial Completion, the Grantee shall submit to the Department a Responsibilities and Maintenance Plan for the Eligible Project.

5.1 Plan Elements. The plan required by Section 5.0 shall include a description of the project type, a recommended schedule of inspection and maintenance, and the identification of a person, persons or position within an organization responsible for administering and maintaining the plan for the useful service life of the installed facilities. If the Eligible Project includes construction on private property, the plan shall document the Grantee's right to access the Eligible Project for purposes of implementing the plan required by Section 5.0.

5.2 Recordation. Long-term responsibility and maintenance requirements for stormwater management facilities located on private property shall be set forth in an instrument recorded in the local land records and shall be consistent with 9VAC25-875-130 of the Virginia Erosion and Stormwater Management Regulation.

5.3 Project Verification Process. Upon completion of the Project's third full year of operation, the Department shall complete a Verification Inspection of the project to document any deficiencies warranting repair. If the Verification Inspection indicates deficiencies warranting repair exist, the Department will provide notice of such deficiencies to the Grantee.

(a) The Grantee may elect to either correct the deficiencies and provide the Department evidence of the correction or repay the entirety of the Grant funds.

(b) If the Grantee elects to correct the deficiencies, the deficiency repair shall commence no later than 30 days after the notice of deficiency by the Department and shall be completed within 120 days of the notice of deficiency, or in compliance with a plan and schedule approved by the Department.

(c) Upon completion of the deficiency repair, the Department shall complete a Final Inspection of the deficiency repair. The Department may elect to conduct a Verification Inspection three year(s) following completion of the deficiency repair. If the Verification Inspection indicates deficiencies warranting repair exist, the Department will provide notice of such deficiencies to the Grantee, and the Grantee and the Department will proceed through actions pursuant to Section 5.3(a) through 5.3(c) until completion of the Project is approved by the Department.

(d) Noncompliance with the deadlines described in Section 5.3(b) may result in a material breach as described in Section 6.0.

## **ARTICLE VI**

### **MATERIAL BREACH**

6.0. Material Breach. Any failure or omission by the Grantee to perform its obligations under this Agreement, unless excused by the Department, is a material breach.

6.1. Notice of Material Breach. If at any time the Grantee determines that it is unable to perform its obligations under this Agreement, the Grantee shall promptly provide written notification to the Department. This notification shall include a statement of the reasons it is unable to perform, any actions to be taken to secure future performance and an estimate of the time necessary to do so.

6.2. Monetary Assessments for Breach. In no event shall total Monetary Assessments for Breach pursuant to this Agreement exceed the grant amount. In case of Material Breach, Grant funds will be re-paid into the State Treasury and credited to the Fund. Within 90 days of receipt of written demand from the Department, the Grantee shall re-pay the Grant funds for the corresponding material breaches of this Agreement unless the Grantee asserts a defense pursuant to the requirements of Section 6.3 herein.

(a) Noncompliance with deadlines established pursuant to Section 5.3 shall result in a monetary assessment of \$500 per day for the first 10 days of noncompliance, and \$1,000 for each day of noncompliance thereafter.

6.3 Extraordinary Conditions. The Grantee may assert, and it shall be a defense to any action by the Department to collect Grant funds or otherwise secure performance of this Agreement that the alleged non-performance was due to Extraordinary Conditions, provided that the Grantee:

(a) takes reasonable measures to effect a cure or to minimize any non-performance with the Agreement, and

(b) provides written notification to the Department of the occurrence of Extraordinary Conditions, together with an explanation of the events or circumstances contributing to such Extraordinary Conditions, no later than 10 days after the discovery of the Extraordinary Conditions.

If the Department disagrees that the events or circumstances described by the Grantee constitute Extraordinary Conditions, the Department must provide the Grantee with a written objection within sixty (60) days of Grantee's notice under paragraph 6.3(b), together with an explanation of the basis for its objection.

6.4 Resolution and Remedy. If no resolution is reached by the parties, the Department may immediately bring an action in the Circuit Court of the City of Richmond to recover part or all of the Grant funds. In any such action, the Grantee shall have the burden of proving that the alleged noncompliance was due to Extraordinary Conditions. The Grantee agrees to venue to any such action in the Circuit Court of the City of Richmond, either north or south of the James River in the option of the Department.

6.5 Indemnification. To the extent permitted by law and subject to legally available funds, the Grantee shall indemnify and hold the Department, the Fund, VPBA and the owners of the VPBA Bonds, and their respective members, directors, officers, employees, attorneys and agents (the "Indemnitees"), harmless against any and all liability, losses, damages, costs, expenses, penalties, taxes, causes of action, suits, claims, demands and judgments of any nature arising from or in connection with any misrepresentation, breach of warranty, noncompliance or default by or on behalf of the Grantee under this Agreement, including, without limitation, all claims or liability (including all claims of and liability to the Internal Revenue Service) resulting from, arising out of or in connection with the loss of the excludability from gross income of the interest on all or any portion of the VPBA Bonds that may be occasioned by any cause whatsoever pertaining to such misrepresentation, breach, noncompliance or default, such indemnification to include the reasonable costs and expenses of defending itself or investigating any claim of liability and other reasonable expenses and attorneys' fees incurred by any of the Indemnitees in connection therewith. This paragraph shall not constitute an express or implied waiver of any applicable immunity afforded the Grantee.

## **ARTICLE VII** **GENERAL PROVISIONS**

7.0. Effect of the Agreement on Permits. This Agreement shall not be deemed to relieve the Grantee of its obligations to comply with the terms of its Virginia Pollutant Discharge Elimination System (VPDES) and/or Virginia Water Protection (VWP) permit(s) issued by the Board. This Agreement does not obviate the need to obtain, where required, any other State or Federal permit(s).

7.1. Disclaimer. Nothing in this Agreement shall be construed as authority for either party to make commitments which will bind the other party beyond the covenants contained herein.

7.2. Non-Waiver. No waiver by the Department of any one or more defaults by the Grantee in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults of whatever character.

7.3. Integration and Modification. This Agreement constitutes the entire Agreement between the Grantee and the Department. No alteration, amendment or modification of the provisions of this Agreement shall be effective unless reduced to writing, signed by both the parties and attached hereto. This Agreement may be modified by agreement of the parties for any purpose.

7.4. Collateral Agreements. Where there exists any inconsistency between this Agreement and other provisions of collateral contractual agreements which are made a part of this Agreement by reference, the provisions of this Agreement shall control.

7.5. Non-Discrimination. In the performance of this Agreement, the Grantee warrants that it will not discriminate against any employee, or other person, on account of race, color, sex, religious creed, ancestry, age, national origin or other non-job related factors. The Grantee agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

7.6. Conflict of Interest. The Grantee warrants that it has fully complied with the Virginia Conflict of Interest Act as it may apply to this Agreement.

7.7. Applicable Laws. This Agreement shall be governed in all respects whether as to validity, construction, capacity, performance or otherwise, by the laws of the Commonwealth of Virginia. The Grantee further agrees to comply with all laws and regulations applicable to the Grantee's performance of its obligations pursuant to this Agreement.

7.8. Records Availability. The Grantee agrees to maintain complete and accurate books and records of the Eligible Project Costs, and further, to retain all books, records, and other documents relative to this Agreement for three (3) years after the final Verification Inspection. The Department, its authorized agents, and/or State auditors will have full access to and the right to examine any of said materials during said period. Additionally, the Department and/or its representatives will have the right to access work sites during normal business hours, after reasonable notice to the Grantee, for the purpose of ensuring that the provisions of this Agreement are properly carried out.

7.9. Severability. Each paragraph and provision of this Agreement is severable from the entire Agreement; and if any provision is declared invalid, the remaining provisions shall nevertheless remain in effect.

7.10. Notices. All notices given hereunder shall be in writing and shall be sent by United States certified mail, return receipt requested, postage prepaid, and shall be deemed to have been received at the earliest of: (a) the date of actual receipt of such notice by the addressee, (b) the date of the actual delivery of the notice to the address of the addressee set forth below, or (c) five (5) days after the sender deposits it in the mail properly addressed. All notices required or permitted to be served upon either party hereunder shall be directed to:

Department: Virginia Department of Environmental Quality  
Clean Water Financing and Assistance Program  
P.O. Box 1105  
Richmond, VA 23218  
Attn: CWFAP Deputy Director

Grantee: Town of Warrenton  
P.O. Box 341  
Warrenton, Virginia 20186  
Attn: Kelly Wharton, Stormwater Administrator  
[kwharton@warrentonva.gov](mailto:kwharton@warrentonva.gov)

7.11. Successors and Assigns Bound. This Agreement shall extend to and be binding upon the parties hereto, and their respective legal representatives, successors and assigns.

7.12. Exhibits. All exhibits to this Agreement are incorporated herein by reference.

## **ARTICLE VIII** **COUNTERPARTS**

8. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

## **ARTICLE IX** **CREDIT GENERATION**

9. Any land area generating stream or wetland mitigation credits from the Eligible Project is not eligible for the generation of any other environmental credits, including credits associated with nonpoint source nutrient banks, either upon completion of the project or anytime thereafter. Any project designs approved by the Department under the Grant may not meet the design requirements for approval from other State or Federal water programs. The Grantee is responsible for obtaining information on design and permit requirements for the type of environmental credit they are seeking.

WITNESS the following signatures, all duly authorized.

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

Digitally signed by: Edwards Alvie  
 xqp92569  
 DN: CN = Edwards Alvie xqp92569  
 OU = COV-Users, End-Users, DEQ  
 Date: 2025.05.28 14:55:55 -04'00'

By: \_\_\_\_\_ Date: \_\_\_\_\_

Alvie Edwards  
 Director of Administration  
 (804) 898-9883  
[alvie.edwards@deq.virginia.gov](mailto:alvie.edwards@deq.virginia.gov)

**TOWN OF WARRENTON, VIRGINIA**

By: \_\_\_\_\_ Date: \_\_\_\_\_

Frank Cassidy  
 Town Manager  
 (540) 347-1101  
[fcassidy@warrentonva.gov](mailto:fcassidy@warrentonva.gov)



**EXHIBIT A****ELIGIBLE PROJECT DESCRIPTION**

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Grantee: Town of Warrenton, Virginia

SLAF Grant No.: 25-18

Rady Park Cattail Branch Stream Restoration: The Rady Park Cattail Branch Stream Restoration Project proposes to restore approximately 600 linear feet of Cattail Branch within the Town of Warrenton, Virginia. This portion of Cattail Branch flows from southwest to northeast through Rady Park.

Town of Warrenton, Virginia (SLAF # 25-18)

**EXHIBIT B****TOTAL PROJECT BUDGET**

Grantee: Town of Warrenton, Virginia

SLAF Grant No.: 25-18

The following budget reflects the estimated costs associated with eligible cost categories of the project.

| Project Category / Project Name             | Project Cost        | SLAF Eligible       | Grant % | Grant Amount        |
|---------------------------------------------|---------------------|---------------------|---------|---------------------|
| <b>Design Engineering</b>                   |                     |                     |         |                     |
| Rady Park Cattail Branch Stream Restoration | \$200,000.00        | \$200,000.00        | 50.00%  | \$100,000.00        |
|                                             |                     |                     |         |                     |
|                                             |                     |                     |         |                     |
| <b>Sub-Total</b>                            | \$200,000.00        | \$200,000.00        |         | \$100,000.00        |
| <b>Construction</b>                         |                     |                     |         |                     |
| Rady Park Cattail Branch Stream Restoration | \$723,240.00        | \$723,240.00        | 50.00%  | \$361,620.00        |
|                                             |                     |                     |         |                     |
|                                             |                     |                     |         |                     |
| <b>Sub-Total</b>                            | \$723,240.00        | \$723,240.00        |         | \$361,620.00        |
| <b>Other</b>                                |                     |                     |         |                     |
| Rady Park Cattail Branch Stream Restoration |                     |                     |         |                     |
| Construction Contingency                    | \$36,162.00         | \$36,162.00         | 50.00%  | \$18,081.00         |
|                                             | \$0.00              | \$0.00              | 50.00%  | \$0.00              |
|                                             | \$0.00              | \$0.00              | 50.00%  | \$0.00              |
|                                             |                     |                     |         |                     |
|                                             |                     |                     |         |                     |
| <b>Sub-Total</b>                            | \$36,162.00         | \$36,162.00         |         | \$18,081.00         |
| <b>TOTALS</b>                               | <b>\$959,402.00</b> | <b>\$959,402.00</b> |         | <b>\$479,701.00</b> |

Town of Warrenton, Virginia (SLAF # 25-18)

## EXHIBIT C

### PROJECT SCHEDULE

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Grantee: Town of Warrenton, Virginia

SLAF Grant No.: 25-18

The Grantee has proposed the following schedule of key activities/milestones as a planning tool which may be subject to change. Unless authorized by a grant modification, it is the responsibility of the Grantee to adhere to the anticipated schedule for the Eligible Project as follows:

| Project Name                                | Project Description / Milestone | Schedule / Timeline |
|---------------------------------------------|---------------------------------|---------------------|
| Rady Park Cattail Branch Stream Restoration | Start Planning                  | April 2025          |
|                                             | Complete Planning               | July 2026           |
|                                             | Start Construction              | September 2026      |
|                                             | Complete Construction           | April 2027          |

Town of Warrenton, Virginia (SLAF # 25-18)

The Grantee has proposed the following estimates for the grant funds for which it will request reimbursement:

| <b>Quarter</b>                 | <b>Estimated Amount of Grant Funds to be Requested for Reimbursement</b> |
|--------------------------------|--------------------------------------------------------------------------|
| <b>April – June 2025</b>       |                                                                          |
| <b>July – September 2025</b>   |                                                                          |
| <b>October – December 2025</b> |                                                                          |
| <b>January – March 2026</b>    |                                                                          |
| <b>April – June 2026</b>       |                                                                          |
| <b>July – September 2026</b>   |                                                                          |
| <b>October – December 2026</b> |                                                                          |
| <b>January – March 2027</b>    |                                                                          |
| <b>April – June 2027</b>       |                                                                          |
| <b>July – September 2027</b>   |                                                                          |
| <b>October – December 2027</b> |                                                                          |

Town of Warrenton, Virginia (SLAF # 25-18)

**EXHIBIT D****REQUISITION FOR REIMBURSEMENT**  
(To be on Grantee's Letterhead)

Department of Environmental Quality  
 Clean Water Financing and Assistance Program  
 P.O. Box 1105  
 Richmond, VA 23218  
 Attn.: CWFAP Deputy Director

**RE: Stormwater Local Assistance Fund Grant**

SLAF Grant No.: 25-18  
 Rady Park Cattail Branch Stream Restoration

Dear Deputy Director:

This requisition, Number \_\_\_\_, is submitted in connection with the referenced Grant Agreement, dated as of *[insert date of grant agreement]* between the Virginia Department of Environmental Quality and \_\_\_\_\_. Unless otherwise defined in this requisition, all capitalized terms used herein shall have the meaning set forth in Article I of the Grant Agreement. The undersigned Authorized Representative of the Grantee hereby requests disbursement of grant proceeds under the Grant Agreement in the amount of \$\_\_\_\_\_, for the purposes of payment of the Eligible Project Costs as set forth on Schedule I attached hereto.

Copies of invoices relating to the items for which payment is requested are attached.

The undersigned certifies that the amounts requested by this requisition will be applied solely and exclusively to the reimbursement of the Grantee for the payment of Eligible Project Costs that are Capital Expenditures.

This requisition includes (if applicable) an accompanying Certificate of the Project Engineer as to the performance of the work.

Sincerely,

\_\_\_\_\_  
 (Authorized Representative of the Grantee) Date: \_\_\_\_\_

Town of Warrenton, Virginia (SLAF # 25-18)

CERTIFICATE OF THE PROJECT ENGINEER  
FORM TO ACCOMPANY REQUEST FOR REIMBURSEMENT

Grantee: Town of Warrenton, Virginia

SLAF Grant No.: 25-18

This Certificate is submitted in connection with Requisition Number \_\_\_\_\_, dated \_\_\_\_\_, 20\_\_, submitted by the \_\_\_\_\_ (the "Grantee") to the Virginia Department of Environmental Quality. Capitalized terms used herein shall have the same meanings set forth in Article I of the Grant Agreement referred to in the Requisition.

The undersigned Project Engineer for \_\_\_\_\_ hereby certifies that insofar as the amounts covered by this Requisition include payments for labor or to contractors, builders or material men, such work was actually performed or such materials, supplies, or equipment were actually furnished to or installed in the Eligible Project.

\_\_\_\_\_  
(Project Engineer)

\_\_\_\_\_  
(Date)

**SCHEDULE 1**  
**STORMWATER LOCAL ASSISTANCE FUND**  
**FORM TO ACCOMPANY REQUEST FOR REIMBURSEMENT**

**REQUISITION #** \_\_\_\_\_ **DATE:** \_\_\_\_\_ **TITLE:** \_\_\_\_\_  
**Grantee:** Town of Warrenton  
**SLAF Grant No.:** 25-18 **CERTIFYING SIGNATURE:** \_\_\_\_\_

| Cost Category                                                           | Total Project Budget            | SLAF Eligible Project Budget    | SLAF Grant Budget               | Eligible Expenditures This Period | Current Grant Payment      | Previous Grant Disbursements | Total Grant Payments to Date | SLAF Grant Balance              |
|-------------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|----------------------------|------------------------------|------------------------------|---------------------------------|
| <b>Design Engineering</b>                                               |                                 |                                 |                                 |                                   |                            |                              |                              |                                 |
| Rady Park Cattail Branch Stream Restoration                             | \$200,000.00                    | \$200,000.00                    | \$100,000.00                    | \$0.00                            | \$0.00                     | \$0.00                       | \$0.00                       | \$100,000.00                    |
| <b>Sub-Total</b>                                                        | <b>\$200,000.00</b>             | <b>\$200,000.00</b>             | <b>\$100,000.00</b>             | <b>\$0.00</b>                     | <b>\$0.00</b>              | <b>\$0.00</b>                | <b>\$0.00</b>                | <b>\$100,000.00</b>             |
| <b>Construction</b>                                                     |                                 |                                 |                                 |                                   |                            |                              |                              |                                 |
| Rady Park Cattail Branch Stream Restoration                             | \$723,240.00                    | \$723,240.00                    | \$361,620.00                    | \$0.00                            | \$0.00                     | \$0.00                       | \$0.00                       | \$361,620.00                    |
| <b>Sub-Total</b>                                                        | <b>\$723,240.00</b>             | <b>\$723,240.00</b>             | <b>\$361,620.00</b>             | <b>\$0.00</b>                     | <b>\$0.00</b>              | <b>\$0.00</b>                | <b>\$0.00</b>                | <b>\$361,620.00</b>             |
| <b>Other</b>                                                            |                                 |                                 |                                 |                                   |                            |                              |                              |                                 |
| Rady Park Cattail Branch Stream Restoration<br>Construction Contingency | \$36,162.00<br>\$0.00<br>\$0.00 | \$36,162.00<br>\$0.00<br>\$0.00 | \$18,081.00<br>\$0.00<br>\$0.00 | \$0.00<br>\$0.00<br>\$0.00        | \$0.00<br>\$0.00<br>\$0.00 | \$0.00<br>\$0.00<br>\$0.00   | \$0.00<br>\$0.00<br>\$0.00   | \$18,081.00<br>\$0.00<br>\$0.00 |
| <b>Sub-Total</b>                                                        | <b>\$36,162.00</b>              | <b>\$36,162.00</b>              | <b>\$18,081.00</b>              | <b>\$0.00</b>                     | <b>\$0.00</b>              | <b>\$0.00</b>                | <b>\$0.00</b>                | <b>\$18,081.00</b>              |
| <b>Totals</b>                                                           | <b>\$959,402.00</b>             | <b>\$959,402.00</b>             | <b>\$479,701.00</b>             | <b>\$0.00</b>                     | <b>\$0.00</b>              | <b>\$0.00</b>                | <b>\$0.00</b>                | <b>\$479,701.00</b>             |

**Total Grant Amount:** \$479,701.00  
**Previous Disbursements:** \$0.00  
**This Request:** \$0.00  
**Grant Proceeds Remaining:** \$479,701.00

## EXHIBIT E

**DETERMINATION OF AVERAGE REASONABLY  
EXPECTED ECONOMIC LIFE OF PROJECT ASSETS**

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Grantee: Town of Warrenton, Virginia

SLAF Grant No.: 25-18

The Internal Revenue Code of 1986, as amended, limits the length of average maturity for certain tax-exempt bonds, such as the VPBA Bonds, to no more than 120% of the average reasonably expected economic life of the assets being financed with the proceeds of such bonds. This life is based on Revenue Procedure 62-21 as to buildings and Revenue Procedures 83-35 and 87-56 as to equipment and any other assets. In this Exhibit, the Grantee will certify as to the average reasonably expected economic life of the assets being financed by the Grant.

Please complete the attached chart as follows:

**Step 1.** Set forth in Column II the corresponding total cost of each type of asset to be financed with the Grant.

**Step 2.** Set forth in Column III the economic life of each type of asset listed in accordance with the following:

*Land.* Exclude the acquisition of any land financed with a portion of the Grant funds from the economic life calculation.

*Land Improvements.* Land improvements (i.e., depreciable improvements made directly to or added to land) include sidewalks, roads, canals, waterways, site drainage, stormwater retention basins, drainage facilities, sewers (excluding municipal sewers), wharves and docks, bridges, fences, landscaping, shrubbery and all other general site improvements, not directly related to the building. Buildings and structural components are specifically excluded. 20 years is the economic life for most stormwater projects.

*Buildings.* Forty years is the economic life for most buildings.

*Equipment.* Please select an Asset Depreciation Range (“ADR”) midpoint or class life for each item of equipment to be financed. The tables of asset guideline classes, asset guideline periods and asset depreciation ranges included in IRS Revenue Procedures 83-35 and 87-56 may be used for reference. To use the tables, you should first determine the asset guideline class in which each item of equipment falls. General business assets fall into classes 00.11 through 00.4 to the extent that a separate class is provided for them. Other assets, to the extent that a separate class is provided, fit into one or more of classes 01.1 through 80.0. Subsidiary assets (jigs, dies, molds, patterns, etc.) are in the same class as are the other major assets in an industry activity unless the subsidiary assets are classified separately for that industry. Each item of equipment should be classified according to the activity in which it is primarily used. If the equipment is not described in any asset guideline class, its estimated economic life must be determined on a case by case basis.

*Contingency.* Any amounts shown on the Project Budget as “contingency” should be assigned to the shortest-lived asset. For example, contingency for a stormwater project should likely be given an economic life of 20 years.

**Step 3.** Set forth in Column IV the date each asset is expected to be placed in service. An asset  
Town of Warrenton, Virginia (SLAF # 25-18)



is first placed in service when it is first placed in a condition or state of readiness and available for a specifically assigned function. For example, the placed in service date for a stormwater project is likely the project's expected completion date.

**Step 4.** Determine the adjusted economic life of the asset in Column V by adding the amount of time between February 21, 2013 (the earliest date upon which the VPBA Bonds were issued) and the specified placed in service date from Column IV. For example, if a stormwater project with an economic life of 20 years will be placed in service 2 years after February 21, 2013, then the adjusted economic life for such stormwater project should be 22.

**Step 5.** For Column VI, multiply the Total Costs Financed with the Grant from Column II by the Adjusted Economic Life from Column V for each type of asset.

**Step 6.** Total all the entries in Column II and in Column VI.

**Step 7.** Divide the total of Column VI by the total of Column II. The quotient is the average reasonable expected economic life of the assets to be financed with the Grant.

#### AVERAGE REASONABLY EXPECTED ECONOMIC LIFE OF PROJECT ASSETS

| Column I          | Column II                                     | Column III               | Column IV                                   | Column V                              | Column VI                       |
|-------------------|-----------------------------------------------|--------------------------|---------------------------------------------|---------------------------------------|---------------------------------|
| <u>Asset</u>      | <u>Total Cost<br/>Financed with<br/>Grant</u> | <u>Economic<br/>Life</u> | <u>Date Asset<br/>Placed in<br/>Service</u> | <u>Adjusted<br/>Economic<br/>Life</u> | <u>Column II x<br/>Column V</u> |
| Land Improvements |                                               |                          |                                             |                                       |                                 |
| Building          |                                               |                          |                                             |                                       |                                 |
| Equipment         |                                               |                          |                                             |                                       |                                 |
| Contingency       |                                               |                          |                                             |                                       |                                 |
| TOTAL             | \$ _____                                      |                          |                                             |                                       | \$ _____                        |

Average Reasonably Expected Economic Life: Total of Column VI ÷ Total of Column II = \_\_\_\_\_

June 10, 2025  
Town Council  
Regular Meeting  
RES-25-06-06

**A RESOLUTION TO AMEND THE FISCAL YEAR 2025 ADOPTED BUDGET TO APPROPRIATE VIRGINIA  
DEPARTMENT OF ENVIRONMENTAL QUALITY REIMBURSABLE GRANT FUNDING IN THE AMOUNT  
OF \$479,701 TO FUND RADY PARK STREAM RESTORATION**

**WHEREAS**, the Warrenton Town Council is charged by the Code of Virginia with the preparation of an annual budget for the Town of Warrenton; and

**WHEREAS**, on June 11, 2024, the Town Council adopted the Town of Warrenton Fiscal Year 2025 Budget; and

**WHEREAS**, during the fiscal year, certain events occur that necessitate amending the budget; and

**WHEREAS**, the Town has been approved by the Department of Environmental Quality to receive \$479,701 of reimbursable grant revenue funds for the restoration of the stream at Rady Park; and

**NOW, THEREFORE, BE IT RESOLVED**, that the Warrenton Town Council Hereby directs staff to sign the agreement for Grant No. 25-18 and amends the Fiscal Year 2025 Adopted Budget to appropriate \$479,701 of reimbursable grant revenue to implement the Rady Park Stream Restoration.

**Votes:**

**Ayes:**

**Nays:**

**Absent from Meeting:**

**For Information:**

Budget Manager

**ATTEST:** \_\_\_\_\_

**Town Recorder**