William Turner
Managing Director, Capacity LLC
12355 Sunrise Valley Drive, Suite 120
Reston, VA 20191

February 27, 2026

Steven Salander
Mayor, City of Oregon
5330 Seaman Road
Oregon, Ohio 43616

Subject: Responses to Additional Citizen Questions

Mayor Salander:

I am writing in response to the additional requests for information submitted to your office regarding the data center project. Those requests have been categorized and answered below:

Environmental: Wetlands/Wildlife

Wetland avoidance preferred; mitigation proposed if avoidance not feasible.

Our preference remains to avoid impacting the 5.34-acre wooded wetlands on the site. If any impact is necessary, the data center will follow standard practice by purchasing wetlands credits from a wetlands bank in the local watershed at a ratio of 2.5:1. Purchasing credits aids in habitat preservation by concentrating management into larger areas, creating deeper wildlife refuges.

Bird habitat impacts acknowledged; potential future wetland creation discussed but not committed.

Separate from any potential wetland mitigation by the data center, Capacity LLC has proposed the creation of new wetlands and/or wildlife habitats in the City of Oregon to local officials. Please see the Oregon Nature Park proposal enclosed below for details.

Antidegradation analysis for Lake Erie Watershed.

An antidegradation analysis would only be required for new (or modified existing) NPDES permitted point source discharges into surface waters. Closed loop systems discharge water from the non-coolant portion of usage to a wastewater treatment plant (WWTP). The Oregon WWTP will require the data center to become a permitted industrial user and to be a part of the City's Pretreatment program.

Comprehensive wildlife impact study.

This is only a requirement of a Section 404 wetland fill permit and related Section 401 Ohio EPA water quality certification for that fill. If the onsite wetlands need to be impacted, this would require the investigation of any endangered species within the impact area and corresponding mitigation measures.

Regulation, Monitoring, and Enforcement

Noise enforcement acknowledged without monitoring specifics.

Monitoring and enforcement within the City of Oregon are local government functions. Noise will be discussed during Economic Development Agreement (EDA) negotiations.

Coolant disposal compatibility with wastewater treatment.
Hazardous waste streams and governing regulations.

Closed loop systems involve two water loops that are isolated from each other. The coolant loop is physically separated from the non-coolant loop that connects to the municipal system. Heat drawn from the servers via the closed-off coolant loop is typically transferred to the chilled non-coolant loop water via a heat exchange plate in cooling distribution units before being chilled and reused. This ensures that coolants cannot mix with the municipal water system.

Furthermore, the data center will be a permitted user in the Oregon WWTP Pretreatment industrial user permitting program. OCO 927.04 adopts the US EPA General Discharge Prohibitions that prohibit the discharge of pollutants that will cause interference or pass through at the plant. No coolant will be permitted to be discharged to the Oregon WWTP. The data center will be responsible for proper disposal of any coolant removed from the loops for maintenance or any other reasons, similar to refineries and other industrial users in the City.

The data center will also adhere to hazardous waste stream regulations governed by the US Federal Resource Conservation and Recovery Act (RCRA) and the US EPA. The data center has great familiarity with these laws from operating several locations throughout the United States.

Monitoring and public reporting of actual water and energy usage.

Monitoring of actual water usage will be through the City of Oregon's water department. Monitoring of actual power usage will be through Toledo Edison / First Energy. It is the responsibility of these entities to manage usage in ways that do not impact other users, as well as to report any issues with their respective systems.

Energy

Full cost-benefit analysis including resident utility impacts. Utility rate protections for residents.

Managing power rates for all is the responsibility of Toledo Edison / First Energy. Several factors across their entire network go into their pricing calculations. A First Energy spokesperson, Jennifer Young, recently shed light to the Toledo Blade on how they account for data centers:

> "Before we factor any project into our plans, we complete a detailed load study and signed customer agreement," Ms. Young continued. "When we do build to support growth, we already add protections to contracts with large customers like data centers so others aren't stuck with extra costs if the project isn't completed or uses less energy than expected." *(https://www.toledoblade.com/local/politics/2026/02/05/ohio-utilities-not-data-centers-cause-electric-bill-hikes/stories/20260205111)*

In that article, John Seryak of Go Sustainable Energy further noted, "Electric monopoly utilities make their profit based on how much money they spend to build their infrastructure, not how much electricity eventually moves through that infrastructure." This reflects my comments at the Town Hall meeting in November that transmission infrastructure largely drives costs.

What data centers can do to minimize their impacts is to be efficient in siting for transmission infrastructure. The Oregon site meets this best practice through close proximity to the 345 kV transmission line. The data center is also offsetting costs for its electric infrastructure and that of Toledo Edison / First Energy to support the project.

If transmission is sited responsibly as in Oregon, then data centers may even help to reduce electricity rates for residents. For example, Indiana Michigan Power announced on February 24, 2026 that it is filing to reduce base rates. They explained, "This rate decrease is made possible by the load growth and increased revenue it is experiencing from large customers including data centers." (https://www.indianamichiganpower.com/company/news/view?releaseID=10776)

Furthermore, due to the fiscal benefits of data centers, communities with them do often offset the overall cost of living for their residents by translating data center tax revenue into lower taxes. In Loudoun County, VA, for example, data center revenue has enabled officials to lower the county's real property tax rate from $1.285 per $100 assessed value in tax year 2008 to $0.805 today. Loudoun County also continues to lower the tax rate on vehicles, dropping from a rate of $4.15 per $100 assessed in tax year 2025 to $3.09 in tax year 2026.

Duration and limits of on-site power generation. Long-term natural gas transition planning.

Data centers prefer long-term connection to the power grid to access a diversity of power generation sources. Onsite natural gas power generation is meant to be a bridging solution that eventually becomes either backup facilities or dispatchable assets for the utility in the future.

With the abundance of generation facilities now being added locally and across PJM's area, it is critical to identify when grid power will be available to serve the project to not overbuild gas generation assets onsite. Providing adequate time to confirm grid and equipment timelines to right-size onsite bridging assets was the primary purpose of the third amendment City Council passed at the February 9, 2026 meeting.

Economic Development Agreement (EDA)

Final site buildout plan and square footage.
Guaranteed community benefits beyond the land sale.

Data center project assessments proceed in three phases:

1) Utility & site feasibility
2) Engineering & site planning
3) Economic development negotiations

Developers such as Capacity LLC handle the first and longest phase that includes environmental and legal due diligence, load studies, and rezonings. The purpose of this phase is to prove to the data center that a site is viable. That phase is nearing completion in Oregon as the data center now has enough information to perform utility engineering and site planning specific to their intended use of the property. Once the data center has drafted its design for the site, they can complete EDA negotiations with city officials. Out of this final phase will come public site plans and agreed upon community benefits for the City of Oregon.

The purpose of this approach is so the data center can finalize EDA negotiations with the most information possible in order for the community to make a fully informed decision.

Thank you,

Will Turner

Cc: Paul Roman, Director of Public Service
Paul Drake, President of City Council
Steve Hornyak, Councilman
Kathleen Pollauf, Councilwoman
Paul J. Gibbs Sr., Councilman
Dennis Walendzak, Councilman
Beth Ackerman, Councilwoman
Dave Andrus, Councilman

Oregon Nature Park

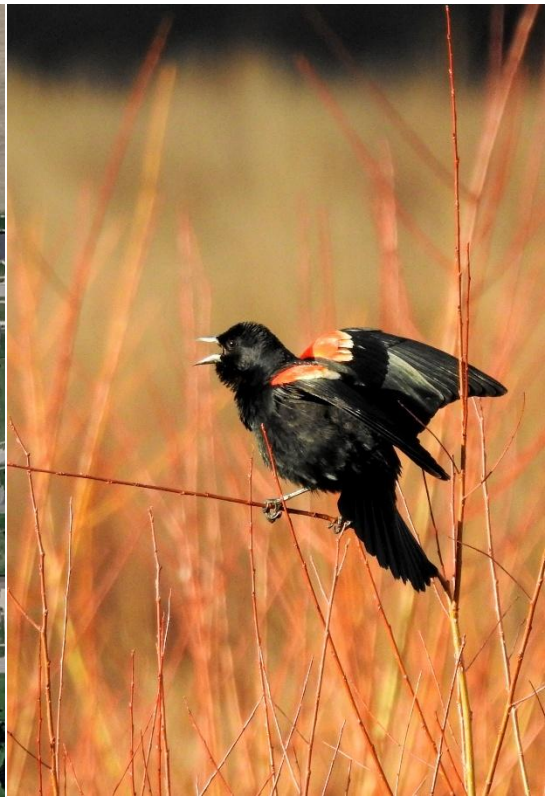
Development involves reshaping land for human use. Everyone who has ever done this, whether for data center, housing, or farming, has acted as a developer. Often times, this leads to the loss of animal habitats, but nature itself is a land use developers can choose.

In that spirit, Capacity LLC is proposing to fund the construction of a nature park in the City of Oregon to include new wooded wetlands that will provide a habitat for birds and other wildlife. The mechanism will be a $500,000 donation to Streams and Wetlands Foundation made by Capacity within 30 days of Closing on the Oregon property. This offer is contingent upon Closing.

Funds will be dispersed at the direction of the mayor of Oregon and City Council for completion of a nature park or other tree planting and habitat restoration within the City of Oregon.

Attached is a budget that was prepared for constructing PFO wooded wetlands and other improvements on Parcel ID 4410727, which is already owned by the City. This 11.74-acre property is ideal because it sits immediately north of the most natural section of Pearson Metropark. The vision is for the nature park to act as an extension of that larger park.

Aerial Image of Proposed Location for Nature Park



Streams and Wetlands Foundation (S+W) is a non-profit corporation based in Lancaster, Ohio that has great experience with constructing wetlands and managing them within the City of Oregon, including Pearson Metropark. PFO is a classification of wooded wetlands that includes trees which grow taller than twenty feet. This process will, of course, take time for the trees to reach a mature height, but as the proverb says, “The best time to plant a tree was 20 years ago. The second-best time is now.”

The following images show separate projects that S+W has worked on which convey how the landscape may change over time.

Capacity and S+W believe the proposed site is well-suited to this project, but we also want to allow for city officials to ultimately decide when, where, and how these funds are spent on the intended purpose within the City, not necessarily on this site. Our intent is to give city leaders the most flexibility for making such decisions after Closing has occurred.

For the avoidance of doubt, this offer does not mean the wooded wetlands on the data center site will be impacted. That remains an independent consideration for the data center user, with preference to avoid. Capacity would like to thank the City of Oregon for the collaboration and partnership to deliver the data center project and the nature park to the City of Opportunity.

Concept Plan

Budget

Activity	Unit Cost	Unit	Frequency	Annual Cost
Wetland Creation (Earthwork, Seeding, Planting	$30000.00/ac	7.2 ac	Once	$216,000.00
Forested Upland Creation (Earthwork, Seeding, Planting)	$15000.00/ac	1.9 ac	Once	$28,500.00
Heckman Ditch Relocation	$90.00/ft	950 ft	Once	$85,500.00
Permitting/Environmental Studies (Phase 1 Archaeology, NWP 27, ESA, etc.)	$30,000.00		Once	$30,000.00
Park Infrastructure (Sign, Benches, Viewing Platform/Boardwalk)	$35,000.00		Once	$35,000.00
Project Management	$200.00/hr	100 hr	Once	$20,000.00
			Project Total	**$415,000.00**

Maintenance Trail (NRCS 647-1 Mowing)	$268.56/ac	0.7 ac	Annual	$187.99
Invasive Vegetation Control (NRCS 315-1 Spot Treatment)	$40.59/ac	10.1 ac	Annual	$409.96
Boundary Signage (NRCS Component 231)	$38.64/hr	8 hr	5 years	$61.82
			Annual Sub-Total	$659.78
			10% Contingency	$65.98
			Annual Total	**$725.75**
			Capitalization Rate	3.0%
			Long-Term Management Fund	**$24,191.75**
			Total Fund	**$439,191.75**