

# The LOUDOUN Newsletter

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## Board Considers Reductions to Density, Transportation Contributions at Waterside North Data Center Site

Board approval appears likely next month for Corporate Office Properties Trust's (COPT) request to halve the approved density and scale back proffered road improvements at the Waterside North data center campus after a public hearing this month.

The applicant is offering to split the projected \$48 million cost to widen Old Ox Road with the county—the “best option” available, according to Broad Run Supervisor Sylvia Glass, given the likelihood that the road improvement would go unbuilt if the ZCPA request is denied.

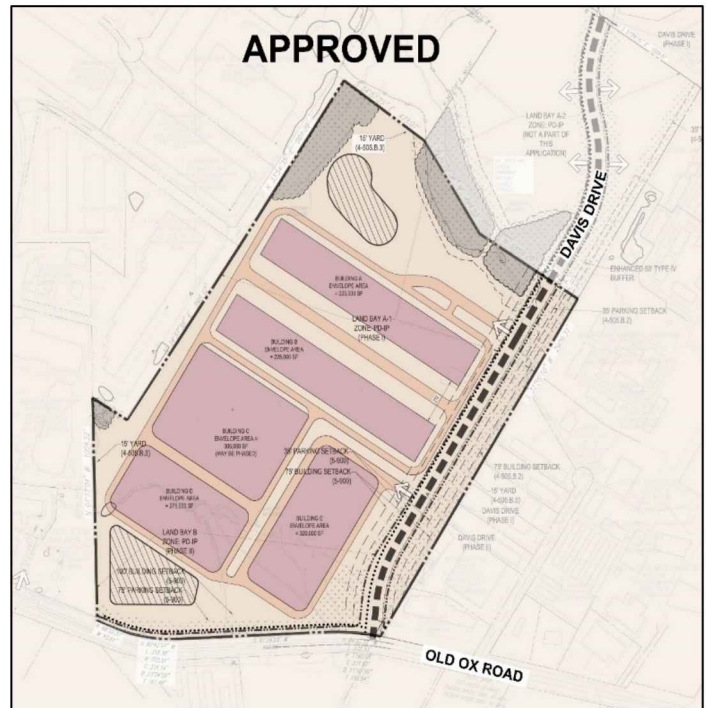


**Waterside North ZCPA; Site Map**

Source: ZCPA-2020-0014 Staff Report (11/10/2021)

“While it is concerning that the county will be responsible for taking on a proffered road improvement, I see this as truly an exceptional situation,” she said at the November 10<sup>th</sup> public hearing.

The 74-acre subject site was rezoned (to PD-IP) in 2019 to permit the development of 1.93 million-square feet of data center uses across five buildings. To date, the applicant has constructed two data center buildings on the northern half of the site, as well as the \$16 million construction of Davis Drive along the eastern edge of the property.



**Waterside North ZCPA; Approved CDP**

Source: ZCPA-2020-0014 Staff Report (11/10/2021)

COPT originally envisioned topping out at 1.3 million square feet, attorney Antonio Calabrese (DLA Piper) told the board; however, in recent years it was determined that the fifth data center building was no longer necessary. The 1.03-million-square-foot redesign shows two additional data center buildings (560,000 square feet combined) rising two stories along Old Ox Road, with a new electrical substation tucked away at the center and the stormwater pond no longer located along the primary road frontage.

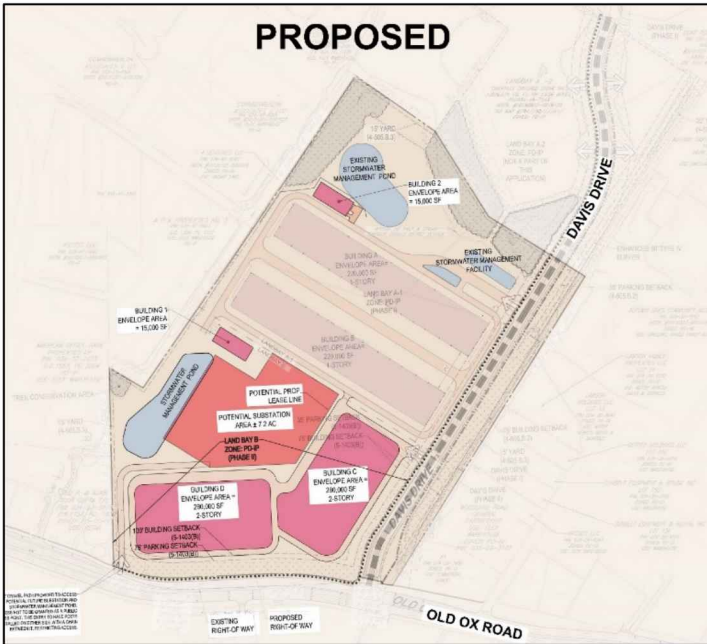
Between the reduced development potential and runaway road costs—the projections for the Old Ox Road improvements have more than tripled from the original county estimate of \$15 million—the applicant is now

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unable to cover the full cost of the widening project, Calabrese explained.

“For four data centers, it is just not economically viable,” he told the board.



**Waterside North ZCPA; Proposed CDP**

Source: ZCPA-2020-0014 Staff Report (11/10/2021)

Sterling Supervisor Koran Saines asked the applicant what would happen if the board denied the application. Calabrese explained that the applicant would not complete the fourth data center, which would result in a final square footage amount that would not trigger the proffer conditions related to the Old Ox Road widening.

“That would be an unfortunate result,” he continued. “We know this is a big ask and we know this is unusual—we are not overjoyed to be here.”

The board did commend the applicant for coming to the county with the cost-sharing proposal, whereby the COPT would contribute half of the projected \$48 million construction cost, with the first \$9.67 million due shortly after the approval of the ZCPA and the remainder paid no later than December 2023. Under the existing proffer conditions, Dulles Supervisor Matthew Letourneau noted, the applicant could have “walked away and we would not get anything.”

“I actually give them some credit for coming forward like this and trying to work something out with us,” he added.

“It is the best thing we can do in this situation.”

Before the December 7<sup>th</sup> vote, Letourneau did ask county staff and the applicant to add language that would allow the \$24 million contribution to be used elsewhere in the area, given that the Old Ox widening is not currently in the CIP.

“There may be an opportunity to use this money sooner and do something else,” he said.

## Board Approval Uncertain for Data Center Rezoning Proposed in Arcola

The fate of JK Land Holdings’ proposed data center site in Arcola is less clear, with several board members expressing concern over the potential impact on adjacent residential uses after several homeowners voiced opposition to the proposal at the November public hearing.

“I am probably going to vote no on this in January,” said Algonkian Supervisor Julie Briskman at the November 10<sup>th</sup> public hearing.



**JK Technology Park #2; Site Map**

Source: ZCPA-2019-0015 Staff Report (11/10/2021)

“I just don't think it is right to sandwich those homes between data centers.”

The applicant is requesting a rezoning and a special exception to increase both the maximum FAR (from 0.60 to 1.0) and lot coverage ratio (from 0.45 to 0.60) to permit up to 868,900-square feet of PD-IP uses. The 20-acre site sits amid a tract of undeveloped forest and farmland north of Route 50, much of which has been earmarked for data center development under the Suburban Employment place type.