

Interview with Katie Myers Highlights

Katie: What do you guys want to share with what is going on with the data center?

City Manager Lahner: We have a letter of intent (LOI). Basically, what that says is that we're thinking about working together and we're going to talk to each-other about how we're going to get to a project if everything works out. The other things that I just want to make sure folks understand is that we will work as hard as we have to work to make sure that this is the best deal we can possibly get for the city, and if it's not, we'll walk away.

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Katie: One big question I've seen come up from my followers is that they feel like this is super rushed; can you explain from your point how this came about?

City Manager Lahner: We acquired the GM/JATCO site through a state statute process that is eminent domain because of blight. We had established with the City Council that we were going to develop an advisory board and then do a conceptual plan for that property. Shortly after we acquired the property, we started to get inquiries regarding data centers. Understanding that it was a big, emerging issue in the state, we went to the City Council and we said, "Look, it's not according to plan, but we're getting these calls, what do you want us to do?" The two things the City Council said are, yes, go forward and pursue it, but let the public know you're doing it. So, that's where we came up with the RFP Process

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Katie: You're actually taking more steps to be transparent than if it was a different kind of development?

City Manager Lahner: The things that actually make folks more frustrated is things like NDAs (non-disclosure agreements) and things like that. NDAs are a normal part of economic development. And so, it's very routine for us to do that in the early stages of any sort of development inquiry. But, I think one of the things that I think folks should understand is that as soon as we were able, we released more information than we were required to, to get more information out to the public. And the other things that we've committed along the way are to hold different community forums and discussions.

Economic Development Director Kuborn: We're going to continue with the planning redevelopment process. That RFQ, for the redevelopment process, they're going to work with the board, they're going to work with the community. They're going to have to come up with two plans, because we need to look at what's best for the community. So those plans will be, if a data center is feasible, and if it's not feasible.

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Katie: If this falls through at any stage, who is legally and financially responsible for environmental cleanup? Can you guarantee that taxpayers are not on the hook? Me, personally, from reading the 65 page document, they (Viridian) said several times that they would take the liability for any of the pollution, which was something that was attractive for me, because I don't know what that pollution means if we just leave it there.

City Manager Lahner: So, if the deal moves forward and we enter into an agreement with Viridian, then they are responsible for the environmental cleanup.

Katie: And they're paying \$10 million, correct?

City Manager Lahner: Yes, \$10 million for the land.

Katie: Is there anything we can do without cleaning that up?

Economic Development Director Kuborn: We can't break the dirt.

City Manager Lahner: The DNR categorizes it as a contaminated site, as closed, so that means that things can happen there with continuing obligations. But the reason it's closed is because it's capped. So the moment you touch any of that, you have to reopen it, and you have to have a plan for how you're going to deal with the contaminants with the DNR.

Economic Development Director Kuborn: When you're looking at a greenfield versus a brownfield, those are substantial costs that most business structures, when they're looking at their bottom line of *do we make that type of an investment*, it doesn't pencil out.

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Katie: Have there been other types of business that are considering or are interested in the site?

Economic Development Director Kuborn: The site does get inquiries because of its power and because of its rail service, and the proximity to I-90. There are inquiries, but once you get very slightly into the inquiry process, they look at the costs associated with the brownfield site and they move along.

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Katie: How much electricity will this facility require compared to GM at it's peak, and will resident's power bills or the emergency power grid be affected?

City Manager Lahner: Compared to GM, it's substantially more. GM was...

Economic Development Director Kuborn: 50 megawatt substation.

City Manager Lahner: This will be, if we agree to it, 800 megawatts. The thing that gets lost in the discussion, is a couple of things. One, the company has to pay for all of the infrastructure and all the power use. Those are not allowed to be socialized to the other users.

Katie: How is that Guaranteed?

City Manager Lahner: That is through a power agreement, that is between Alliant and the company. What that does, is it says Alliant, we (Viridian) are going to spend X amount to get power delivered from you, and the company pays for that, in this case Viridian, and then you have to take it when it's delivered. The other layer that we have in the state of Wisconsin is a public service commission. What is different in Wisconsin from what you see in other states when there are stories of, 'the data centers came in and my power rates went up,' is we are a regulated industry in Wisconsin. And they will not allow those companies to socialize the costs for specific projects onto the other ratepayers.

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Katie: What independent, third-party assessments has the City done of EMFs, noise, water usage, and environmental risk?

City Manager Lahner: We've been doing research on different things. We've spoken to and received the data on water usage from communities that actually have data centers today. EMFs, we're developing more information on that.

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Katie: How many permanent, local jobs will exist? Not remote jobs, offshore contractors, or one-off service techs.

City Manager Lahner: That number for permanent, onsite jobs is going to be in that 400 to 600 range. Viridian proposed 600 jobs. I believe in their proposal they counted some contractors that they know will be there on a regular basis, like electricians.

Katie: My sister works for one of the companies, that the construction workers go for two or three years to build it, and then they'll leave, really whatever industry we bring in, it's not going to be a lot of jobs, if there was a new GM, it'd mostly be automated, right?

Economic Development Director Kuborn: Anything we talk about is that we may not create the exact same number of jobs at this address. But if we have an economic opportunity like this, it enables the City to create jobs and economic development opportunities city-wide at more addresses.

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Katie: Why prioritize a data center over alternative uses that generate more jobs and economic Diversity?

City Manager Lahner: There are realities of how economic development works today, and the challenges with what projects need to be successful. If the value that's created through the taxable value alone is more impactful than anything that could be imagined today, there are very few industries that are in the world that are going to deliver a billion dollars to Janesville.

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Katie: Everyone is saying that the data center will last 10, 15, maybe 20 years. What is the plan after it's gone? Is there more remediation that's going to be needed? What's the plan there?

City Manager Lahner: I think that's inaccurate. I think it's going to last us longer than that. These are different kinds of data centers.

City Manager Lahner: We'll have class A office or light industrial buildings on a cleaned-up site, if it happens to be that the data center goes away.

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Katie: Is there any approval construction happening? Is there anything happening before we get through this 120 days? Will they sit, does the public get to approve that?

City Manager Lahner: No, there's nothing happening. What folks might see; they might see environmental investigation, so they might see folks on the site, popping holes in the soil, walking around doing surveys.

Economic Development Director Kuborn: And we've had consultants who are out there, responding to our request for qualifications (RFQ) on the planning process.

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Katie: In this 120-day period, can you explain, for transparency's sake, exactly what is happening on your end and what you guys are working on?

City Manager Lahner: Viridian and their officials, and the City, has to involve the DNR. They are going to be the regulatory agency for anything that comes to the contaminated soil.

Katie: So, it's not the City overseeing that? It's the DNR?

City Manager Lahner: The DNR has very strict regulations on brownfields. They're the ones that determine how a site gets opened, gets closed, all of the requirements for a site like that. The other piece of it is that Alliant, ATC, and the company are having conversations about engineering. The other piece that's happening at the same time is that we're starting to work on development agreement language.

Economic Development Director Kuborn: And the purchase and sale agreement.

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Katie: What protections are in place?

City Manager Lahner: I think one of the things that folks need to understand is that one of our primary goals is to protect the City. That's our primary mission. We want to create something that folks will ultimately be proud of, that will ultimately contribute to the City, and not detract from it.

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