

January 12, 2026

Delaware Department of Natural Resources and Environmental Control
Coastal Zone Act Program
100 W. Water St., Suite 7B
Dover, DE 19904

RE: Starwood Digital Ventures Coastal Zone Act Status Decision Application

To Whom it May Concern:

We, Delaware Contractors Association are writing this letter in support of the Starwood Digital Ventures (Starwood) Coastal Zone Status Decision application (Project CZA-448SD) and the position taken by Starwood is that the proposed Data Center clearly does not meet the CZA definition of a heavy industry or a manufacturing facility. In addition, the primary activities associated with the operation of the Data Center are specifically exempted under the CZA and its associated regulations.

Why the project is not regulated under the CZA

The proposed Data Center project is not regulated under Delaware's Coastal Zone Act (CZA). As described in the application the Data Center is not manufacturing. The CZA defines manufacturing as "the mechanical or chemical transformation of organic or inorganic substances into new products, characteristically using power-driven machines and materials handling equipment, and including establishments engaged in assembling component parts of manufactured products, provided the new product is not a structure or other fixed improvement." The Data Center will not produce new products by mechanical or chemical equipment but rather will store and convey electronic data that is vital to today's local, national and international economy.

In addition, the primary activities of the proposed Data Center are specifically not regulated under the CZA regulation.

- "Warehouses or other storage facilities" – Data storage is a key function of the Data Center and as such is not regulated. By comparison, nearby logistics and storage warehouses that are located in the Coastal Zone are also not regulated under the CZA and regulations.
- "Back-up emergency and stand-by source of power generation" – Starwood is proposing to utilize electrical generators on site that will only be used in the event of the loss of power that is provided by regulated utilities.
- "Facilities used in transmitting, distributing, transforming, switching, and otherwise transporting and converting electrical energy" – A key activity of the Data Center will be to transform, switch and convert high voltage electrical energy into a form suitable for use by the facility's data storage and management equipment.

Why the project minimizes environmental impact and is in the appropriate location

Although we agree with Starwood that the proposed project is not regulated under the CZA and regulations, the Status Decision Application includes information regarding potential environmental impacts that is worth noting including:

- The proposed project is consistent with the New Castle County land use plan and the proposed facility infrastructure adheres to New Castle County setback requirements
- Potential impacts from utility installations are avoided through the use of directional drilling under any wetlands and subaqueous lands
- The majority of the proposed property is already cleared as it has historically been used for agricultural crop production which will minimize any impacts to woodland habitats
- Investigation required by other state/federal regulation indicate no evidence of rare or endangered species
- Starwood is proposing to utilize a closed loop system for infrastructure cooling in order to minimize water use
- There will be no onsite wastewater discharge or water withdraw as both services will be supplied by public, regulated utilities
- Stormwater generated from impervious surfaces will be collected and infiltrated on-site according to New Castle County and State of Delaware requirements
- Minimal air emissions from the operation of the Data Center are expected as on-site generators will only be used during testing and maintenance and emergencies when power is not available from public utilities. Applicable air permits will be sought through DNREC
- The site provides excellent access to high voltage energy supply

Why the proposed project is important to Delaware

The CZA recognizes the economic contributions from activities in the Coastal Zone and the Status Decision Application includes information regarding the positive economic benefits that will come from the construction and operation of the proposed Data Center. A Data Center will assist in diversifying Delaware's economy and will also include the following benefits:

- With nearly \$10 billion in total economic output during construction, the Data Center development is estimated to bring 3,500 annual construction jobs and \$2.5 billion in construction wages to Delaware.
- Once operational the Data Center will add approximately 700 permanent positions with average salaries of over \$100,000.

We support Starwood's Coastal Zone Act Status Decision application and believe that the proposed Data Center is not regulated under the Act and associated regulations.

Thank you for your attention in this important matter.

Sincerely,

