



## **TOWN OF LANSING ZONING BOARD OF APPEALS**

Administrative Appeal of CEO Zoning Interpretation

Pursuant to Town Code §270-62 and Town Law §267-b(1)

**Date of Submission:** November 5, 2025

**Project Name:** Cayuga Data Campus

**Submitted by:** TeraWulf Inc. and Cayuga Operating Company LLC (the “Applicants”)

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### **I. Applicant Information**

Applicants: Cayuga Operating Company LLC (Property Owner)  
Lake Hawkeye LLC / TeraWulf Inc. (Lessee/Developer)

Subject Property: 228 Cayuga Drive, Lansing, NY 14882

Tax Parcel No.: 11.-1-3.211

Zoning District: IR – Industrial / Research

### **II. Nature of Appeal**

This administrative appeal is submitted pursuant to §270-62 of the Town Code and Town Law §267-b(1) in response to the Code Enforcement Officer’s (CEO) written zoning interpretation dated October 22, 2025 (see Exhibit 1). In that interpretation, the CEO determined that the proposed high-performance computing (“HPC”) research facility is not a permitted principal use in the IR District.

The Applicants respectfully appeal that determination and seek a finding that the proposed use is properly classified as a “Scientific Research Laboratory”, a permitted principal use within the IR District under the Town of Lansing Zoning Code.

### **III. SEQR Classification**

This administrative appeal constitutes a Type II action under 6 NYCRR 617.5(c)(37), as it involves a zoning interpretation only and no approval of physical development or land disturbance.

### **IV. Project Background and Context**

The subject parcel at 228 Cayuga Drive is the site of the former Cayuga coal-fired generating station, which permanently retired in 2019. The property has remained continuously zoned

IR (Industrial/Research) and has long been identified for industrial and research-oriented reuse.

The Applicants propose to redevelop the site as the Cayuga Data Campus, a HPC research facility supporting scientific, engineering, and data-intensive research applications. The project will utilize the existing industrial infrastructure on-site and transform the former coal facility site into a modern research campus.

Key characteristics include:

- No combustion, no emissions, and no process discharge.
- A fully closed-loop cooling system with no lake withdrawals or thermal discharge.
- Non-adjacency to any residentially zoned parcels.
- Location within a continuous industrial and utility corridor.
- Demolition of the coal plant stack and replacement with a non-emitting, low-impact research facility.

This redevelopment represents a significant environmental improvement and directly advances the objectives of the Town’s 2018 Comprehensive Plan, which encourages adaptive reuse of former industrial lands for research, technology, and clean-energy-oriented economic development.

## **V. Basis for Appeal**

### **A. The Proposed Use Meets the Definition of “Laboratory”**

The Applicants respectfully request that the Board interpret the zoning ordinance in accordance with established New York law. Because zoning regulations restrict the common-law right to use property freely, they must be strictly construed, with any ambiguity resolved in favor of the property. See *FGL & L Prop. Corp. v. City of Rye*, 66 N.Y.2d 111, 119 (1985) (holding that zoning ordinances, like statutes, should be construed according to their plain and ordinary meaning and to avoid constitutional infirmities). Accordingly, zoning provisions must be interpreted in their ordinary sense and as a whole to ascertain legislative intent.

The CEO’s determination improperly treats “data center” as a distinct, unlisted use. The relevant inquiry is not whether the term “data center” appears in the permitted use schedule, but whether the proposed use meets the Code’s defined category of a permitted use. The Town Code defines “Laboratory” (§270-3) as:

*“Facilities for research, investigation, testing or experimentation.”*

When a permitted use is defined, specific subcategories need not be separately enumerated. Medical, chemical, and computational laboratories are all “laboratories” under the ordinary meaning of the term. The Code does not restrict the definition to a particular scientific field, methodology, or type of equipment.

According to Merriam-Webster, a data center is:

*“a facility used to house computer systems and associated components, such as telecommunications and storage systems.”*

By its nature, such a facility supports the processing, storage, and analysis of data—activities integral to research, investigation, testing, and experimentation. Therefore, under the plain language of §270-3, a data center used for research computing clearly qualifies as a laboratory.

The Cayuga Data Campus is designed to provide high-performance computing infrastructure that enables:

- Scientific simulation and modeling
- Algorithm development and testing
- Machine learning research and experimentation
- Data-intensive computational research
- Engineering analysis and investigation

Each of these activities constitutes “research” within the meaning of §270-3. As further supported by a letter from an existing research tenant at a comparable TeraWulf facility (Exhibit 2), the infrastructure is used exclusively for dedicated research computing, including model training, scientific simulation, and data-driven experimentation.

For these reasons, the Applicants respectfully request that the Board interpret “Laboratory” in accordance with its plain meaning. A computational research facility—such as the proposed Data Campus—clearly satisfies the definition of a laboratory under §270-3.

#### B. Alignment with the IR District Purpose

The IR (Industrial/Research) District is expressly intended to accommodate “light manufacturing, fabrication, assembly or research, mining and power generation/utilities.” (Town Code §270-5(H)).

Schedule I of Permitted Uses further authorizes: “Scientific research laboratory” (P\*)

The Cayuga Data Campus satisfies both the letter and the spirit of these provisions. Its primary function is to provide the computational infrastructure necessary for research, modeling, and data-driven experimentation—modern equivalents of the same research activity long contemplated by the IR District’s permitted use categories.

#### C. Conclusion

Because the term “data center” is not defined in the Town Code, its ordinary meaning applies. Under that meaning, and consistent with the Town’s definition of “laboratory,” the proposed Cayuga Data Campus is properly classified as a Scientific Research Laboratory, a permitted principal use within the IR District.

## **VI. Findings and Justification**

1. The proposed use’s principal function is scientific research, investigation, modeling, and experimentation conducted through high-performance computing systems. These activities meet the definition of a “laboratory” in §270-3.

Note: The Applicants have provided a letter of support from an existing tenant at TeraWulf’s Lake Mariner campus (Fluidstack Ltd.), confirming that the HPC data centers are used exclusively for dedicated research compute, including model training, scientific simulation, and other data-intensive research workloads (see Exhibit 2).

2. Schedule I expressly permits both “scientific research laboratory” and “industrial or educational research,” encompassing modern research and computational infrastructure.
3. The project is situated within an established industrial and utility corridor, consistent with the surrounding land use pattern and the IR District’s intent.
4. The redevelopment eliminates the legacy smokestack and replaces heavy industrial operations with a non-emitting, lower-impact research use.
5. The project advances the Town’s Comprehensive Plan objectives by supporting sustainable economic growth and the reuse of legacy industrial property.

## **VII. Relief Requested**

Based on the foregoing, the Applicants request that the Zoning Board of Appeals:

1. Reverse the Code Enforcement Officer’s October 22, 2025 interpretation.
2. Determine that the proposed use qualifies as a “scientific research laboratory”, a permitted principal use in the IR District.
3. Confirm that the project is a permitted principal use under the Town of Lansing Zoning Code and may proceed to Site Plan Review without the need for a variance.

## **VIII. Exhibits Submitted**

1. Code Enforcement Officer Zoning Interpretation (October 22, 2025)
2. Letter of Support from Research Tenant (Fluidstack Ltd., Lake Mariner Campus, October 27, 2025)
3. Zoning Map and Parcel Identification
4. Project Renderings