



TOWN OF LANSING ZONING BOARD OF APPEALS

Administrative Appeal of CEO November 10, 2025 Zoning Interpretation

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

Date of Submission: November 12, 2025

Project Name: Cayuga Data Campus

Submitted by: TeraWulf Inc./Lake Hawkeye LLC and Cayuga Operating Company LLC

I. APPLICANT INFORMATION

Applicants: Cayuga Operating Company LLC (Property Owner)
TeraWulf Inc./ Lake Hawkeye LLC (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 Town Code § 270-62 and Town Law § 267-b(1) in response to the Code Enforcement Officer's written zoning interpretation dated November 10, 2025 (the "November 10 Determination"), which denied the Applicants' October 29, 2025 site plan review application (the "October 29 Application"). The Applicants respectfully appeal that determination and seek a finding that the proposed use is properly classified as a "General Processing" and/or "Warehouse / Storage of non-agricultural goods", each a permitted principal use within the IR District under the Town of Lansing Zoning Code.

The Applicants have also appealed the CEO's October 22, 2025 determination (the "October 22 Determination Appeal"), which is pending before the Zoning Board of Appeals. The underlying factual background for the Cayuga Data Campus, as set forth in the October 22 Determination Appeal, is the same for this appeal and is incorporated herein by reference. Because the November 10 Determination addresses related issues under the same project, this appeal is being submitted for review at the same meeting. This appeal concerns the distinct grounds raised in the October 29 Application but includes cross-references to the October 22 Determination Appeal where appropriate to promote consistency and avoid redundancy.

III. SEQR CLASSIFICATION

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

IV. BASIS FOR APPEAL

A. STANDARD OF REVIEW

New York courts have long recognized that zoning ordinances must be strictly construed because they restrict the common-law rights of property owners. Zoning restrictions “should not be extended by implication.” *Matter of Allen v. Adami*, 39 N.Y.2d 275, 277 (1976); *FGL & L Prop. Corp. v. City of Rye*, 66 N.Y.2d 111, 119 (1985). Any limitation on the use of land must therefore appear clearly in the ordinance’s text.

Because these principles protect fundamental property rights, the Zoning Board of Appeals (the “Board”) plays an essential role in ensuring that zoning provisions are applied according to their plain meaning, not expanded by implication or narrowed by inference. Undefined terms should be given their ordinary meaning; otherwise, a provision “provides no guidance as to the meaning” of a permitted use and risks being unconstitutionally vague. *E & B Realty, Inc. v. Zoning Bd. of Appeals*, 275 A.D.2d 779, 781 (2d Dep’t 2000).

While administrative interpretations are entitled to deference, that deference does not extend to readings that are “irrational, unreasonable, or inconsistent with the governing statute.” *Appelbaum v. Deutsch*, 66 N.Y.2d 975, 977 (1985).

Here, the November 10 Determination departs from these settled standards. It adds restrictions that appear nowhere in the ordinance, construes undefined terms contrary to their ordinary meaning, and reaches a result inconsistent with the structure and purpose of the I/R District. The Board has both the authority and the responsibility to correct that error. Applying the law as written, the proposed data center use falls within the permitted categories of “General Processing” and “Warehouse / Storage of non-agricultural goods” as set forth in Chapter 270 of the Town Code of the Town of Lansing, New York, and Schedule I thereto (“Schedule I”).

B. The Plain Language of Schedule I Permits This Use

Schedule I permits “General Processing” and “Warehouse / Storage of non-agricultural goods” in the IR District. Those terms are not defined in the Town Code. Under New York law, undefined zoning terms are given their ordinary dictionary meaning, and any ambiguity is resolved in favor of the property owner. *Matter of Waterways Dev. Corp. v. Town of Brookhaven*, 115 A.D.3d 1152, 1153 (2d Dep’t 2014) (citing *Allen* and *FGL & L*); *Payton Lane Homeowners Ass’n, Inc. v. Village of Head of the Harbor*, 144 A.D.3d 806, 808 (2d Dep’t 2016) (applying ordinary meaning in zoning interpretation).

In the October 29 Application, the Applicants provided the relevant Merriam-Webster definitions. Processing means “to subject to a series of operations or steps,” and Warehousing means “a place for the storage of goods.” The November 10 Determination recognized these definitions, but added a limitation not found in the Town Code, restricting processing and storage to tangible materials. The Town Code does not impose that limitation.

The word goods in “Warehouse / Storage of non-agricultural goods” is also undefined. Nothing in the Town Code confines goods to physical objects. In ordinary usage, goods include items of value,

whether tangible or intangible. Widely accepted industry and planning sources confirm that data is stored and processed in data centers, and that a data center is a physical facility for those functions. Interpreted according to ordinary meaning, data processing and data storage fall within “General Processing” and “Warehouse / Storage of non-agricultural goods,” so the proposed use is permitted by Schedule I.

C. Restrictions Not Found in the Text Should Not Be Implied

The November 10 Determination raises several concerns that do not appear in Schedule I. Established canons caution against extending zoning restrictions by implication. See *Suburban Club of Larkfield, Inc. v. Town of Huntington*, 56 Misc. 2d 715, 720, 289 N.Y.S.2d 813, 826 (Sup 1968).

1. Scale and Intensity

The Determination states that the project’s 138 MW scale, with potential expansion to 400 MW, exceeds the I/R District’s “light manufacturing” intent. Purpose statements aid interpretation but cannot add enforceable limits where the text imposes none. Town Code § 270-5(H) describes the I/R District as accommodating light manufacturing, fabrication, assembly or research, mining and power generation or utilities. The inclusion of power generation or utilities reflects that the District anticipates large-scale infrastructure in appropriate locations. Schedule I does not include megawatt caps, employment thresholds, or other quantitative limits for General Processing or Warehouse / Storage. The former use of the site as a 108 MW power plant also indicates that the proposed use represents reduced external impacts compared to historic operations.

2. The “Data Center” Label

The Determination emphasizes that “data center” is not listed as a separate use. That does not end the analysis. The Town Code requires the Board to determine whether the proposed activities fall within listed categories, regardless of the industry label. As explained in the October 29 Application, the project involves the processing of research data through continuous computational operations and the storage of that data within enclosed facilities. Those activities correspond directly to the ordinary meaning of “General Processing” and “Warehouse / Storage of non-agricultural goods,” both of which are expressly permitted in the IR District.

Courts applying New York zoning law classify uses by what the facility does, not by how it is named. *Bonded Concrete, Inc. v. Zoning Bd. of Appeals of Town of Saugerties*, 268 A.D.2d 771 (3d Dep’t 2000). The Applicants are not asking the Board to recognize a new, unlisted use. The Applicants seek a determination that the proposed use is permitted under categories already present in Schedule I. No separate listing for “data center” is required when the proposed activities fit existing permitted uses.

This interpretation does not invite an open-ended expansion of permitted uses. Each application must demonstrate that its activities align with Schedule I’s listed categories. The October 29 Application establishes that this facility’s purpose, scale, and infrastructure conform to the permitted uses of the IR District. Approval on that basis would not alter the ordinance’s scope, but simply apply it as written.

3. The “Inconsistency” Claim

The November 10 Determination reads a conflict between describing the facility as General Processing and Data Warehouse and as a modern research and technology campus. These phrases describe different aspects of the same facility, the zoning classification on the one hand and the purpose and function on the other. Modern research facilities frequently have overlapping characteristics, and these descriptors are complementary. Processing data, the means, and conducting research, the purpose, are aligned.

4. Building Code Definitions

The November 10 Determination cites Building Code definitions of Data Center and Information Technology Equipment. The Building Code regulates construction and safety. The Zoning Code regulates land use. Courts do not import definitions from unrelated statutes with different purposes unless the legislature directs otherwise. See *Appelbaum v. Deutsch*, 66 N.Y.2d 975, 977 (1985). Even if considered, those definitions do not change the ordinary meaning of processing in the Town Code.

D. Laboratory Classification and Coordination with the October 22 Determination Appeal

In the alternative, as articulated in the October 22 Determination Appeal, the proposed facility satisfies the Town Code definition of Laboratory in § 270-3, facilities for research, investigation, testing, or experimentation. Where a proposed use reasonably fits within more than one permitted category, interpretation should favor the property owner. *C. DeMasco Scrap Iron & Metal Corp. v. Zirk*, 62 A.D.2d 92, 98 (2d Dep’t 1978), *aff’d*, 46 N.Y.2d 864 (1979). The Board may rely on the October 22 Determination Appeal for the full Laboratory analysis without repeating the same arguments here.

E. Consistency with the Town’s Comprehensive Plan

The 2018 Comprehensive Plan encourages redevelopment or retrofitting of aging or abandoned industrial sites, and infill projects that make use of existing infrastructure. The Cayuga Data Campus implements these goals by transforming a retired power plant into a non-emitting research facility with closed-loop cooling, located within a continuous industrial and utility corridor. This policy context reinforces the reasonableness of interpreting Schedule I according to its ordinary meaning.

V. FINDINGS AND JUSTIFICATION

The Town Code permits General Processing and Warehouse / Storage of non-agricultural goods in the I/R District. Those undefined terms should be applied according to their ordinary meaning, and no additional limitations should be implied. As demonstrated in the October 29 Application, the proposed activities involve data processing and storage that align with these categories. Alternatively, and as detailed in the October 22 Determination Appeal, the use satisfies the Laboratory definition under § 270-3, as addressed in the October 22 Determination Appeal.

The Applicants respectfully defer to the Zoning Board of Appeals’ determination as to which of the permitted use classifications most appropriately applies, and seek a text-based interpretation consistent with the Town Code.

VI. RELIEF REQUESTED

1. Reverse the Code Enforcement Officer's November 10, 2025 determination.
2. Determine that the proposed use qualifies as General Processing and/or Warehouse / Storage of non-agricultural goods, each a permitted principal use in the IR District.
3. Alternatively, determine that the proposed use qualifies as a Scientific Research Laboratory, a permitted principal use in the IR District.
4. Confirm that the project may proceed to site plan review as a permitted principal use without a variance.

VII. EXHIBITS SUBMITTED

Exhibit 1: Code Enforcement Officer Zoning Interpretation (November 10, 2025)

Exhibit 2: Zoning Map and Parcel Identification

Exhibit 3: Project Renderings

Exhibit 1

Code Enforcement Officer Zoning Interpretation (November 10, 2025)

(attached)



TOWN of LANSING

"Home of Industry, Agriculture and Scenic Beauty"

ZONING, PLANNING AND CODE ENFORCEMENT

Box 186

Lansing, NY 14882

E-mail: tolcodes@lansingtown.com

Fred DelFavero
Project Manager, Terawulf
228 Cayuga Drive
Lansing, NY 14882

10 Nov 2025

Dear Mr. DelFavero

This letter is issued in response to your application dated October 29, 2025, for a site plan review from the Town of Lansing Planning Board.

Request Summary:

According to the October 29, 2025, site plan review application, you have applied for a site plan review from the Town of Lansing Planning Board for an industrial use involving General Processing and a Data Warehouse, as well as a data center. The project is proposed to be located at a 228 Cayuga Drive, Lansing NY, TPN 11.-1-3.211. This project is located within the IR – Industrial/Research Zoning District. The type of development listed within Project Information is described as a “modern research and technology campus” and a “next generation research and technology campus”. The primary use listed in the Non-Residential Use Building Information portion of the application is “General Processing and Data Warehousing”.

An email narrative submitted on 18 Oct 2025 by Fred DelFavero, Project Manager, further describes the project:

“The core purpose of the project is scientific and educational research, enabled through high-performance computing. The facility will provide infrastructure for research, investigation, testing, and experimentation — including AI model development, institutional research workloads, and scientific/engineering simulations such as energy and grid modeling. There is no manufacturing or commercial production component.

High-performance computing is widely recognized as the modern research environment used by universities and scientific institutions. Google, for example, operates its HPC platform specifically for these purposes through the Google Cloud Research Credits Program, which provides compute to university researchers for experimentation and model development. HPC is not commercial hosting — it is the research infrastructure itself. As you may know, TeraWulf is partnered with Google at our Lake Mariner campus in Niagara County, and regional academic institutions — including Cornell and TC3 — have expressed interest in a regional innovation and research hub with Lake Mariner and the Cayuga campus serving as anchors.

Importantly, zoning classification is determined by the primary function of the facility, and in this case the primary function is data processing, not commercial hosting or manufacturing. The Town Code defines a laboratory as “facilities for research, investigation, testing or experimentation,” and this definition is purpose-based and technology-neutral — it does not limit research to wet-lab settings. The facility also fits within any common or dictionary definition of scientific research laboratory...”

Zoning Ordinance Review:

The IR -Industrial/Research district is defined in § 270-5.H of the Town’s Zoning Code.

§ 270-5.H Industrial-Research (IR) District. The intent of the IR District is to designate areas where some form of light manufacturing, fabrication, assembly or research, mining and power generation/utilities are appropriate and desired land uses. These areas will become small employment centers that could contain a variety of land use activities. To achieve the type of development that will be compatible with the surroundings, it is appropriate to consider each proposal individually. Site planning concerns relate to accessibility, impact on nearby neighborhoods, parking and safe traffic movement, landscaping, buffers, environmental factors, lighting, size, location and such other elements as may be reasonably related to health, safety, property value and the general welfare of the Town.

Schedule I: Schedule of Land Use or Activities permits several land uses through various review processes, such as site plan review, under the general category of Industrial/Research. Schedule I has already been provided.

§ 270-8 Uses not listed as permitted are not allowed.

Any land use not specifically permitted under this chapter shall be disallowed uses unless a use variance therefore shall be properly obtained, unless such use is a lawful pre-existing, non-conforming use, or unless such use is permitted in any newly created zone, such as (but not limited to) planned development zones. As to preexisting, nonconforming uses, this chapter shall be interpreted and applied so as to eliminate the same as soon as legally practicable.

Definitions Town Code 270-3

LABORATORY A building or group of buildings within which are located facilities for research, investigation, testing or experimentation, but not facilities for manufacturing or selling of products except as may be necessary for prototype development or as incidental to the main purpose of the laboratory.”

MANUFACTURING ESTABLISHMENT An establishment, the principal use of which is manufacturing, fabricating, processing, assembly, repairing, storing, cleaning, servicing or testing of materials, goods or products.

NYS 2025 Building Code Definition DATA CENTER. A room or building, or portions thereof, used primarily to house information technology equipment (ITE) and serving a total ITE load greater than 10kW and 20 W/ft² (215 W/m²) of conditioned floor area.

NYS 2025 Building Code Definition INFORMATION TECHNOLOGY EQUIPMENT (ITE).
Computers, data storage, servers and network communications equipment.

NYS 2025 Building Code Definition INFORMATION TECHNOLOGY EQUIPMENT FACILITIES (ITEF). Data centers and computer rooms used primarily to house information technology equipment.

The American Planning Association (APA) defines a “data center” as “a physical facility that houses servers, storage, and networking infrastructure to support digital applications and services.”

Merriam Webster Dictionary Definitions

Warehouse - a structure or room for the storage of merchandise or commodities

Commodities - an economic good: such as

a: a product of agriculture or mining

b: an article of commerce especially when delivered for shipment

c: a mass-produced unspecialized product

Research –noun

1: studious inquiry or examination especially: investigation or experimentation aimed at the discovery and interpretation of facts, revision of accepted theories or laws in the light of new facts, or practical application of such new or revised theories or laws

2: the collecting of information about a particular subject

3: careful or diligent search

transitive verb

1: to search or investigate exhaustively - research a problem

2: to do research for -research a book

intransitive verb

: to engage in research

Interpretation:

After reviewing the September 9, 2025, site plan application submitted, the October 29, 2025, site plan application submittal, the Terawulf webpage, all allowed uses in the I/R Zoning District, all applicable sections of the Town Ordinance, and reputable locations on the internet, it is my determination that:

The proposed use is a data collection campus which is not defined by the Town of Lansing Zoning Code and is not on the list of allowed uses in the I/R Zoning District. Per § 270-8 of the Town Zoning Code disallows uses not specifically permitted. Therefore, the proposed use in the current application of “**General Processing and Data Warehouse**” as found in the October 29, 2025, site plan application project description, or “**modern research and technology campus**” as stated in the October 29, 2025, site plan application are not uses consistent with the September 9, 2025, application, the multiple references in the current application calling out the structures as data centers which contradicts the General Processing and Data Warehouse use, and is inconsistent with the information provided on the Terawulf website. In addition, the Town definition of the Industrial / Research District specifically calls out the intent being light manufacturing, fabrication, assembly or research. The determination by the Zoning Officer after an exhaustive review is that the primary use of the proposed project at 228 Cayuga Drive are three (3) data collection centers of 138 MW (with mention of plans to expand to 400MW), and that use is not meeting any of the permitted uses in the I /R District

and, more importantly not meeting the definition of the Industrial/Research District (I/R District) with the magnitude of the proposed project.

Conclusion:

Based on the above, the project at 228 Cayuga Drive, TPN 11.-1-3.211, as proposed, is not permitted in the I / R District as none of the proposed uses meets any of the allowed uses in the I/R District specifically with the intensity of the primary use of the proposed project. Engaging in such a use without appropriate zoning relief (e.g., rezoning or ordinance amendment) may be subject to enforcement action under Article X of the Zoning Code.

This interpretation is issued pursuant to the authority granted to the Code Enforcement Officer under § 270-62 of the Town of Lansing Zoning Ordinance. Should you disagree with this determination, you have the right to appeal to the Board of Zoning Appeals. You may also have the right to petition the Town Board for a change of zoning or the formation of a Planned Development Area per § 270-32 of the Zoning Code.

Please contact our office if you have further questions or require assistance with the appeal or application process.

Sincerely,



Scott Russell
Code Enforcement Officer

Sworn to me this 10th
day of November, 2025
Ashley P. Workman
Notary

ASHLEY P. WORKMAN
Notary Public, State of New York
No. 01WO0012974
Qualified in Tompkins County
Commission Expires Aug. 30, 2027

Exhibit 2
Zoning Map and Parcel Identification
(attached)

Exhibit 3
Project Renderings
(attached)

Exhibit 4
Cayuga Data Campus Renderings — Aerial and Lakeside Views
November 2025



Aerial view — with former stack.



Aerial view — after stack removal.



Lakeside aerial view — with former stack.



Lakeside aerial view — after stack removal.



Lakeside ground-level view — with former stack.



Lakeside ground-level view — after stack removal.