

Rubix, Gateway reps have town hall

BY AARON SNYDER
THE DAILY INDEPENDENT

ASHLAND As it did about three months ago for the City of Russell, a data center company conducted a town hall for Boyd County on Monday.

Chris Honstain and Doug Mitchell, of Gateway City Consulting, and Amy Jaballah, of Rubix community engagement, presented details of the potential project to about 25 attendees at The Delta by Marriott.

Rubix is a privately held company of the Submer Group. It is working to finalize an acquisition to purchase property formerly known as AK Steel Ashland Works from Cleveland-Cliffs. Rubix intends to construct and operate a 2-gigawatt facility at the brownfield site, which has been vacant with no serious suitors since 2019.

The breakdown of the acreage is as follows: 255 in Russell, 149 in Ashland and 115 in unincorporated Boyd County.

The City of Ashland has already approved tight restrictions regarding data centers. Russell and Boyd County are both currently under data center construction moratoriums, which, Honstain said, is the “only thing holding us up.”

Honstain said Rubix is willing to spend between \$50 million

and \$200 million to clean up the site.

Matt Runyon, of Tri-State Industrial Supply, asked why Rubix would be willing to handle such a steep cost in order to locate here.

“Truth is, all the infrastructure exists here,” Honstain said. “It really just comes down to the infrastructure — power, water and people.”

At full campus buildout, Rubix is projecting \$50 million or more in tax revenue for Boyd County alone.

“Tax revenues are a huge potential benefit for the community,” Honstain said.

Commissioner Jeremy Holbrook attended Monday’s meeting. He missed the July town hall because he was out of town.

While Holbrook said Gateway City representatives have been diligent in providing information and communicating, he is still apprehensive until he sees “raw data and absolute certainties.”

If the Boyd County Fiscal Court was to vote on lifting its moratorium today, Holbrook was be in opposition, he said. He would like to see community benefits agreement in writing, he said.

“Unless it’s on a contract, I’m not doing this because it sounds good,” Holbrook said.

As for the details supplied in the town hall, Holbrook said, “I hope they could pull that off but I can’t say yes unless everything is absolutely defined.”

Honstain said Rubix would comply with regulations in Russell’s zoning proposal if and when it is finalized. That includes a 1,500-foot residential setback, 800,000 square feet per building, generator testing only on weekdays between 9 a.m. and 5 p.m., a 70-decibel noise level at the property boundary, a 75-foot height limit and other perimeter protections.

The projected demand for water at full operation is 100,000 to 150,000 gallons per day in a closed-loop cooling system. The planned approach minimizes cooling discharge. Sanitary wastewater, stormwater and any process discharge must be addressed separately.

The memorandum of understanding assigns directly attributable power infrastructure costs under applicable (large-load) tariffs and Public Service Commission requirements. The campus demand would be 2,000 megawatts at full buildout.

Honstain assured Rubix would not be the cause of any potential utility bill hikes, but he could not answer for Kentucky Power, he said. Kentucky Power representatives have

stated data centers should provide relief to individual consumers.

As for backup power, generators are planned for outages, testing and life-safety support under the current design approach. Batteries may provide short-duration backup. Generator quantities, emissions controls, testing and operating limits require final design and permitting.

Rubix would be required to comply with EPA regulations. Known brownfield conditions require agency oversight, qualified studies and operating controls.

Boyd County does not have planning and zoning authority. It does not currently administer planning and zoning applicable to this property. Judge-Executive Eric Chaney and the fiscal court negotiated a contractual role in reviewing development plans, according to Honstain.

Lifting the moratorium would not mean final project approval, Honstain said. The MOU requires a development agreement before formal county site-plan submission.

When the MOU is duly authorized and effective, process obligations — such as development agreement, construction and operation standards, reimbursement of eligible county

costs, county review prior to permits, qualified studies and fiscal analysis, and quarterly updates and coordination — become binding.

John Holbrook, of Tri-State Building and Construction Trades Council, is actively advocating for the project as Rubix has strongly indicated it will use local labor primarily. The project would entail thousands of construction jobs over the course of several years.

Holbrook pointed to an abundance of apprenticeship opportunities as a major plus.

“There are a lot more pros than cons,” Holbrook said. “Let’s do this.”

Gunner Crawford, of Tri-State Industrial, said utilizing local labor is a must.

“Let’s not sell out,” he said.

Brandon Robertson agreed with Holbrook about educational opportunities connected to both Rubix and TeraWulf, which is the data center facility coming to EastPark Industrial Park. Robertson says it will provide avenues for students to keep them in the area.

The town-hall forum lasted about two hours. Representatives stuck around to answer additional questions and address concerns one on one with members of the public.

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In the mean time, Russell’s city council and mayor have asked a long list of questions, conducted public meetings, visited data centers and consulted with legal experts to craft a zoning proposal.

The amendments will now go before the Greenup County Joint Planning Commission, which will meet on Tuesday, Nov. 17. That will also be a public hearing during which members of the community may comment. Once the commission reviews it and approves it, it will send back recommendations to the Russell City Council for final approval.

“This is not the final draft,” councilman Steve Hines said.

City Attorney Mitch Hall said any prospective data center company must also sign a development agreement with the

city.

“You can put a lot of things in a development agreement,” Hall said, referring to any stipulations Russell sees fit to implement.

The City of Russell annexed the property four years ago, but it does not currently have zoning restrictions.

Russell resident Paul Craft expressed concerns about the proposal, which leaves “gray area” regarding diesel generators and power regulations, in his view.

Hines said the council members have thought and prayed long and hard about this decision, factoring every possible piece of information they could think of.

The brownfield site has not attracted any serious suitors since AK Steel shut down in 2019.

Gateway City Consulting representatives, who have been speaking on behalf of Rubix in multiple town halls and have communicated with city

officials, have said they will pay between \$50 million and \$200 million just to clean up the site to pave the way for their project.

“These provisions we’re doing with zoning and things were doing will protect us,” Hines said. “So, do we continue to go on with a blank piece of land sitting there that’s doing nothing and just hope down the road someone else comes in? Do we do that? Or do we look at the best opportunity possible that we have to be able to get something in there to provide revenue, jobs and such to the area?”

Councilman Don Fraley said without these restrictions, Cleveland-Cliffs “could themselves today say, you know what, data centers are so popular, we’re going to go ahead and put one in, and there’s absolutely nothing the city of Russell can do to prevent that. There are no restrictions in place.

It’s not zoned. ... Our hands would be tied, and it would be a major battle to try to stop them.”

Councilman Butch Meadows clarified a comment from Hines about Kentucky Power bills.

“I’m sure they (Rubix) meant, bills would not go up on account of the data center,” Meadows said, “because our electric bill has been going up, quite often.”

Hines agreed that is the correct point.

Councilwoman Alice Kay Thompson said she and Meadows visited the Meta Data Center in New Albany, Ohio, and they knocked on doors. She said they encountered just one complaint — traffic picked up heavily during construction.

Councilman Ryan Biederman accounted for the lone vote in opposition.

“My biggest concern is the square footage of the server buildings because I think that property’s just so valuable econom-

ically where it’s got rail and the river, if there are manufacturers that can produce a tangible product, that is the spot for them,” Biederman told *The Daily Independent*. “While data centers have a place, that spot is just suited for tangible products to be made. There’s a lack of jobs, long term, that come with data centers.

“My long-term vision of that property would be as many jobs as possible in that area of land, and I think we can do better than just a data center. If you’ve seen the plans, that data center, it would take up the whole place. That’s why I was adamant about the square footage of the buildings.”

Councilman Vincenzo Fressola said “what we’re approving today has been four months of work. What we just heard tonight (from Craft) are two very excellent points to include in the next revised, edited edition, which will be coming.

What we have to do is follow the statute and regulations at this point, which is to punt this draft to the joint planning commission for review and recommendations.”

He said there will be advertised notices, by law, published at the site, in newspapers and online. Public hearings are upcoming.

“We are just following procedures,” Fressola said.

The draft is accessible at russellky.gov.

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