Hoosier Environmental Council

3951 N. Meridian, Ste. 100, Indianapolis, IN 46208
P 317.685.8800 F 317.686.4794

WWW.HECWEB.ORG

September 11, 2025

Via Email: EVWhite@idem.in.gov
Evan White, Project Manager
IDEM, Office of Water Quality and Permits Branch

RE: Public Comments of the Hoosier Environmental Council on the Isolated Wetland Permit for Phase II of Project Zodiac, IDEM ID # 2025-556-2-EJW-IWIP

Dear Evan,

Please accept these brief public comments on behalf of the Hoosier Environmental Council (HEC) and the undersigned organizations and individuals regarding the Application for a State Isolated Wetland Individual Permit (Application) submitted by Hatchworks LLC (Applicant) as part of its proposal to permanently impact a total of 2.44 acres of Class II wetlands to build multiple data centers and associated infrastructure for Phase II of Project Zodiac.

About Hoosier Environmental Council

Founded in 1983 as an Indiana not-for-profit organization, HEC works towards a healthy environment and sustainable economy for our state. To that end, one of HEC's core environmental initiatives is to track regulatory permits and petitions in the state of Indiana to promote the responsible development of our wetlands, rivers, streams, and forests, all of which are vital to sustaining water resources for people and wildlife.

Concerns

To date, Project Zodiac consists of two phases and encompasses over 1,400 acres of land. **Unfortunately, due to the fragmented approach that was pursued when permitting wetlands, the current Application does not effectively encompass the true scope of impacts that will occur.** According to the Indiana Department of Environmental Management (IDEM), approximately 33.27 acres of wetlands exist on the development site, with 8.51 acres of those wetlands being directly impacted through dredging and filling. This Permit will approve 2.44 acres of wetland impacts.

Wetlands are being lost without effective replacements

While it may seem unsubstantial, even this small amount of permitted wetland impacts adds up. Across the state, permits are being approved that consistently chip away at Indiana's remaining wetland resources. Meanwhile, the major mechanism responsible for remediating these wetland losses is, in fact, not replacing wetlands needed to protect our water quality at all.

This raises a serious concern with this Application, and all future permits issued by IDEM, where wetland loss is being remediated solely through the purchase of credits from Indiana's Stream and Wetland Mitigation Program (INSWMP).

According to the Indiana Wetlands Task Force Report[1] commissioned by the Legislature, the INSWMP has not succeeded in replacing wetlands in ways that adequately offset losses or improve water quality. The report further notes that this cumulative loss is having a "measurable negative impact on residents, particularly from a water quality standpoint." Relying exclusively on mitigation credits, without ensuring local, ecologically equivalent restoration, risks accelerating these impacts rather than reversing them.

Furthermore, **the ecological effectiveness of wetland restoration remains highly uncertain**, with many mitigation sites across the United States failing to achieve required ecological outcomes—such as improved water quality, habitat function, and biodiversity. This gap underscores the risk of relying on mitigation alone to replace lost wetlands, as the intended ecological benefits often fail to materialize.[2] Considering these facts, HEC respectfully requests a written response from IDEM regarding the following question:

- **How does this Permit ensure that wetlands will be replaced in a manner to protect Hoosiers from degraded water quality and guarantees no net loss?**

The consequences of continued wetland loss are both complex and broad ranging. They include increased flooding risk for communities, impaired water quality, diminished wildlife habitat and biodiversity, and disruptions to natural hydrologic cycles. **Until reliable measures are in place to fully offset these losses, HEC urges IDEM and the Applicant to take stronger conservation steps. This should include requiring a more stringent alternatives analysis and mandating that a detailed mitigation plan, with an identified site, be approved prior to any permit authorization.**

[1] Indiana Wetlands Task Force Final Report. Accessible at https://iga.in.gov/publications/agency_report/2022-indiana-wetlands-task-force-final-report.pdf.
[2] Ecological Effectiveness of Compensatory Mitigation, Environmental Law Institute. Accessible at https://www.eli.org/compensatory-mitigation/ecological-effectiveness-compensatory-mitigation.

The alternative analysis lacks thoughtful consideration

HEC recognizes that impacting 33.27 acres of wetlands through direct fill, encroachment, and fragmentation represents a substantial degradation of natural resources. While an alternatives analysis was conducted and IDEM has noted that 75 percent of those wetlands were avoided, **HEC remains concerned that this narrowly framed analysis does not fully capture the ecological consequences of the project.**

The fragmented approach to permitting fails to account for the direct, cumulative landscape-scale impacts, with a total of 8.51 acres being impacted – 2.44 of which are the subject of this permit. In addition, **the buildings are situated in such a way that the wetlands are effectively isolated from another through the construction of data centers and associated infrastructure, fragmenting the wetland habitats, and creating barriers for the movement and dispersal of wildlife. So, while wetlands are being spared from direct fill, their habitat quality is unfortunately substantially reduced.**

The Application dedicates only a single page to avoidance and minimization, emphasizing preservation of wetlands classified as "higher quality" while disproportionately sacrificing those labeled "lower quality". However, studies demonstrate that wetlands of all classifications contribute important functions, including nutrient retention, groundwater recharge, hydrologic regulation, and habitat connectivity, and their incremental loss produces measurables declines in water quality and ecosystem services.

Moreover, the scale of the project underscores the feasibility of a true total wetland avoidance alternative. The site encompasses 1,400 acres of developable land, with wetlands accounting for just 33.27 acres, or roughly 2 percent of the total land area. From a planning perspective, this proportion indicates that wetlands could be entirely avoided without undermining the project's stated purpose of developing a data center. Yet, the Application dismisses this option with a single statement, that "meeting the project purpose and completely avoiding water resources was not feasible", without offering supporting analysis or technical justification.

In conservation development, infrastructure can be sited in ways that both meet development goals and preserve natural areas. Under such approaches, buildings are clustered to avoid wetlands, forests, and riparian areas, with at least 40 percent of the land area being protected as open space.[3] Given that wetlands comprise only 2 percent of the project area, a thoughtful application of these principles would allow for complete wetland avoidance while still providing sufficient buildable land to achieve project objectives.

[3] Conservation Development, Balanced Growth Ohio. Accessible at https://balancedgrowth.ohio.gov/wps/wcm/connect/gov/28e83492-4e34-4cab-857f-c5040f980705/Chapter+4+Conservation+Development+20150414.pdf?MOD=AJPERES&CONVERT_TO=url&CACHEID=ROOTWORKSPACE.Z18_K9I401S01H7F40QBNJU3SO1F56-28e83492-4e34-4cab-857f-c5040f980705-o2GcVII.

For these reasons, HEC urges IDEM to reconsider whether the alternatives analysis meets the spirit and intent of state and federal requirements. A total avoidance option is both scientifically defensible and logistically feasible in this case, and its absence raises serious concerns about the adequacy of the permitting process.

Comprehensive Plan for Allen County and the City of Fort Wayne recommends wetland preservation

Notably, the Comprehensive Plan that guides development for Allen County and the City of Fort Wayne sets a clear vision for wetland preservation in the area:

*"Promote collaboration among environmental organizations, utility providers, governmental entities, and community stakeholders to **conserve wetlands** and other natural areas, protect flood-prone areas, manage stormwater, and improve water quality in the community's waterways."*[4]

Throughout the plan, wetland preservation and conservation is widely encouraged. However, the Applicant states that because their Primary Development Plan (PDP) was approved by both Allen County and the City of Fort Wayne, this approval is enough to satisfy the requirement for demonstrating that impacting wetlands is necessary, which contradicts recommendations in the plan. Given these facts, HEC respectfully requests a written response from the Applicant regarding the following question:

- **Did either the City of Fort Wayne or Allen County explicitly state in their approvals that the wetland activity is without reasonable alternative to achieve the intended use of the data center?**

Conclusion

Wetland preservation is more than just a suggestion or legal requirement – it is a moral obligation. HEC does not aim to prevent development; rather, we work to encourage responsible and sustainable development of our treasured natural resources. Isolated wetland permits are intended to protect Indiana's remaining wetland resources and water quality. However, HEC is concerned that wetlands are being lost without timely or functionally equivalent replacements, and that the alternative analysis presented in this Application lacks thoughtful consideration that the law requires.

The scientific consensus is clear: even small, isolated wetlands play critical roles. Their cumulative loss exacerbates water quality challenges, as confirmed by the Indiana Wetlands

[4] Page 37, All in Allen Comprehensive Plan. Accessible at https://allinallen.org.

Task Force Report and numerous scientific studies. Given that wetlands comprise only 2 percent of the total project area, the feasibility of total wetland avoidance should be revisited.

HEC therefore respectfully urges IDEM to require a stronger, science-based approach to avoidance, minimization, and mitigation that ensures no net loss of wetlands. This includes requiring a comprehensive alternatives analysis, ensuring that local and ecologically equivalent mitigation will occur, and other proactive measures to prioritize long-term ecological performance over administrative compliance.

We hope that these public comments are useful and open a constructive dialogue between IDEM, HEC, and the Applicant on how to move forward with the development that is not only economically viable but also environmentally responsible and aligned with the interests of Indiana communities. By pursuing a development design that protects wetlands and water quality, IDEM and the Applicant can demonstrate leadership in balancing economic growth with the protection of Indiana's natural heritage.

Thank you for considering HEC's concerns. We look forward to your response.

Sincerely,

Susie McGovern

Susie McGovern
Water Science and Sustainability Specialist
Hoosier Environmental Council