Case Study

QTS DC-7
Wilmer/Lancaster, Texas (South Dallas Campus)

Executive Summary

QTS Data Centers is advancing its South Dallas campus with DC-7, a 363,500 sq ft, two-story Hyperscale Data Center building. This $290 million facility represents a key component of the Phase 2 expansion on the growing campus in southern Dallas County.

Scheduled to break ground on September 1, 2026, and target substantial completion by December 1, 2027, DC-7 will deliver flexible, high-density capacity for Hyperscalers, AI workloads, cloud providers, and enterprise customers (large or medium-sized corporation (or similar organization) that uses Data Center capacity primarily to support its own internal business operations and IT workloads). It builds on the success of earlier campus buildings (DC1–DC3 and others) and leverages QTS's proven "Freedom" platform architecture for rapid deployment, reliability, and scalability.

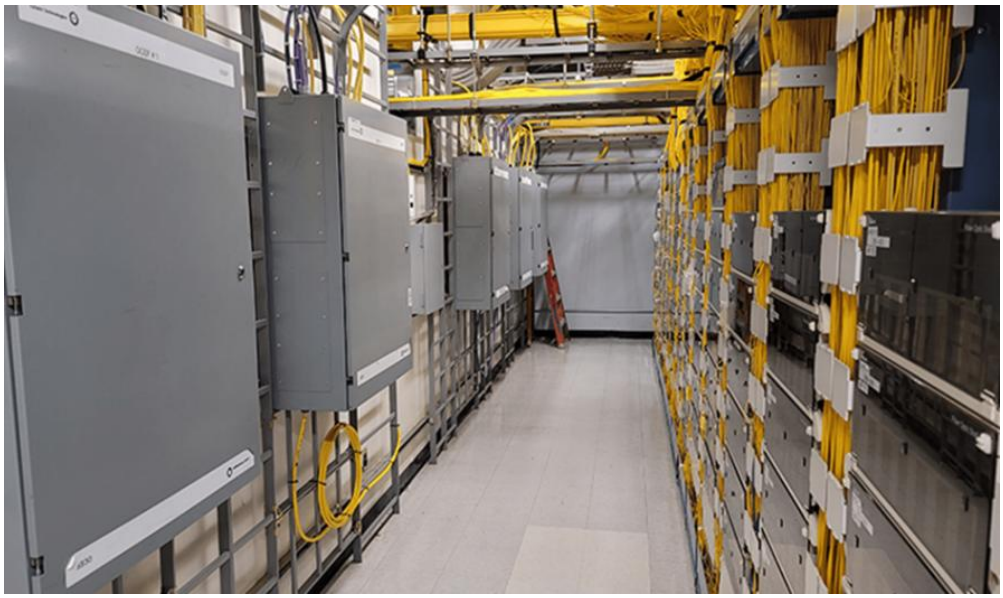
The Project reinforces QTS's (a Blackstone portfolio company) leadership in the Dallas-Fort Worth market while emphasizing sustainability through waterless cooling, community partnership, and responsible development.

Ted J. Pappas, Director of Operations

Project Background and Overview

The QTS South Dallas (DFW2) campus is QTS's newest major Texas development, located approximately 15 miles south of downtown Dallas near the Wilmer-Lancaster border. Following initial $650+ million investments in the first phase buildings, DC-7 marks a significant Phase 2 expansion, bringing the campus toward a total of at least seven ***Purpose-Built** Data Center structures.

QTS filed plans for DC-7 with the Texas Department of Licensing and Regulation (TDLR) in early 2026. The two-story design includes dedicated Data Halls, office/support space, and MEP (Mechanical, Electrical, Plumbing) infrastructure optimized for modern high-density computing. It continues QTS's strategy of delivering Carrier-Neutral colocation and Hyperscale solutions tailored to explosive demand driven by AI, cloud, and digital transformation.



Carrier Hotel for Carrier Neutral Data Center

*A purpose-built data center is a facility specifically designed and constructed from the ground up (a "greenfield" project) with the sole purpose of housing IT infrastructure such as servers, networking equipment, and storage systems.

Unlike retrofitted data centers (which convert existing buildings like old warehouses, factories, or offices), a purpose-built data center is engineered from the foundation onward to meet the unique demands of modern computing.

Strategic Location and Site Advantages

Address: 1341 Sunrise Road, Lancaster, TX (part of the broader WTX-1 campus near Wilmer)
Key Benefits:

- Excellent access to major transportation corridors (I-20, I-35E) and approximately 20 miles from DFW International Airport
- Proximity to robust fiber infrastructure from leading providers including AT&T, Lumen, and Zayo for low-latency connectivity
- Reliable power from Oncor Electric Delivery's grid with strong regional capacity
- Business-friendly Texas environment featuring Chapter 313 tax incentives, sales/use tax exemptions on equipment and energy, and streamlined permitting
- 52+ acre campus master plan allowing for future phased expansion while maintaining operational efficiency

This location positions customers in one of North America's fastest-growing Data Center markets with excellent logistics and network diversity.

Facility Design and Technical Specifications

DC-7 follows QTS's modular "Freedom" architecture, engineered for high-density deployments (supporting up to 50+ kW per rack in optimized configurations) and rapid scalability.

Freedom Design is a Standardized and Modular Approach to the Data Center Drives Big Results In an increasingly complex and rapidly growing digital business environment, Hyperscalers and enterprises are looking for every opportunity to improve efficiencies, control costs,

Key Specs:

- Total Building Size: 363,500 sq ft (two stories)
- Configuration: Dedicated white space for Data Halls, administrative/office areas, and dedicated MEP galleries
- Design Standards: Hyperscale-ready with multi-tier redundancy options (N+1 / 2N configurations for critical systems)
- Flexibility: Supports both colocation and dedicated enterprise/hyperscale deployments with modular fit-out capabilities

The building is designed for **future-proofing**, enabling customers to deploy dense AI and GPU workloads alongside traditional IT infrastructure.

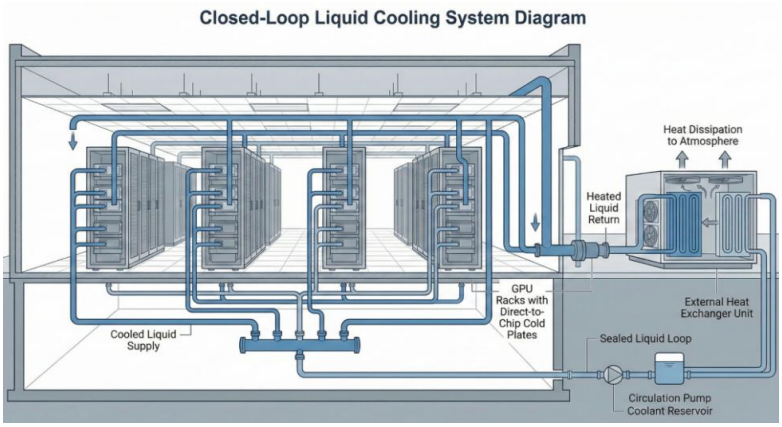
Power and Cooling Infrastructure

Power:

- Utility service from Oncor with multiple redundant feeds
- Diesel generator backup and UPS systems for seamless failover
- Critical IT load capacity designed to align with campus standards for high-density compute (comparable buildings on the campus support tens of MW; exact DC-7 allocation will be confirmed during detailed engineering)

Cooling:

- Advanced closed-loop, water-free air-based cooling systems (consistent with campus-wide implementation that saves nearly 1.5 billion gallons of water annually)



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- High-efficiency air handlers and potential for liquid cooling integration
- Target PUE (Power Usage Effectiveness) well below industry averages through optimized design and smart building management systems

Sustainability and Environmental Stewardship

Sustainability is a core pillar of the QTS campus and DC-7:

- **Waterless cooling technology** eliminates operational water consumption for cooling
- Facilities designed to LEED standards with pursuit of Energy Star Building Certification
- Commitment to renewable energy procurement and carbon-free energy strategies
- Environmental protections including independent wetlands/biological/habitat studies, tree replacement programs (replanting more trees than removed), and construction timing to protect wildlife
- Energy-efficient systems, LED lighting, and smart controls throughout

These features support ESG-focused tenants while minimizing the facility's environmental footprint.

Connectivity and Network Access

As a **Carrier-Neutral** facility, DC-7 will offer:

- Diverse fiber entry points (Carrier Hotel) and redundant pathways
- Access to multiple Tier 1 and regional carriers
- Low-latency connectivity ideal for AI training/inference, cloud interconnection, and enterprise hybrid environments

Security and Compliance

QTS maintains industry-leading security standards across its portfolio:

- 24/7 on-site security with biometric access controls, CCTV, and perimeter protection
- Layered physical and logical security
- Compliance certifications typical of QTS facilities (SOC 1 Type II, SOC 2, ISO 27001, PCI DSS, and others as applicable)

Economic and Community Impact

The QTS campus expansion, including DC-7, delivers meaningful local benefits:

- Hundreds of construction and trade jobs during the build phase
- Dozens of permanent high-tech operations, engineering, and facilities roles
- Workforce development partnerships with local colleges, veteran transition programs, and data center training initiatives
- Increased tax revenues supporting Wilmer, Lancaster, and Dallas County
- Ongoing supplier and vendor opportunities for the regional economy
- Community engagement through local giving, volunteerism, and support for education/nonprofits

Timeline

- **Permitting/Filing**: Completed April 2026
- **Groundbreaking**: September 1, 2026
- **Targeted Substantial Completion**: December 1, 2027
- **Leasing Availability**: Anticipated shortly after completion

Conclusion

DC-7 on the QTS WTX-1 Phase 2 Campus exemplifies QTS's ability to deliver scalable, sustainable, and reliable digital infrastructure at speed. Positioned in the dynamic Dallas-Fort Worth market, it provides customers with the power density, connectivity, and operational excellence needed to support next-generation workloads while aligning with strong environmental and community values.

As part of QTS's broader Texas footprint (alongside Fort Worth, Irving, and other sites), WTX-1 DC-7 strengthens the company's position as a trusted partner for Hyperscalers and enterprises navigating explosive data growth.