The Public Should Not Underwrite the Data Center Rush

By Jeff A Pierson

Audience: General newspaper readers, taxpayers, ratepayers, neighboring landowners, and public officials.

Purpose: Present the case for ending discretionary data center recruitment subsidies and adopting enforceable community protections.

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The investment announcement and the public bill

A data center developer announces a large investment. Public officials celebrate the number. Residents are then asked to provide tax breaks, public infrastructure, water, power capacity, or favorable land terms. The order of the conversation is wrong. Before government advertises the investment, it should disclose the public bill.

I oppose discretionary public subsidies for principal commercial data centers. Legislatures should also end special data center tax preferences for future projects through a lawful transition. A company that expects to earn a return from computing should finance the facilities that make its business possible. The public is entitled to decide whether an industrial proposal belongs in its community without paying the applicant to arrive.

That position does not require denying real benefits. Data centers can generate construction work and tax revenue. Virginia’s legislative audit documented both. The same report examined utility growth risks and noise complaints. A responsible argument considers the full account rather than choosing the half that fits a recruitment brochure (Joint Legislative Audit and Review Commission [JLARC], 2024).

Capital investment is the cost of the developer’s assets. It is not the amount deposited in the local treasury. Permanent employees are different from temporary construction workers. A tax estimate before exemptions is different from taxes collected

after them. Public infrastructure may remain a public obligation long after a press release has disappeared.

Announcement

Public question

A large investment

How much remains locally and what will the public finance

Hundreds of jobs

Which are temporary, permanent, direct, contracted, and locally filled

Major tax revenue

What will be collected after every preference and public cost

Efficient technology

What are the maximum water, power, fuel, and land demands

A good corporate neighbor

Which signed conditions can the community enforce

A building full of computers is an industrial decision

The proposed model caps the complete related campus at 250 MW of maximum designed simultaneous operating demand. A principal facility at or below 5 MW may seek conditional approval only in a specifically designated commercial or industrial district; above 5 through 20 MW, only in a designated industrial or heavy industrial district; and above 20 through 250 MW, only in heavy industrial. Every principal facility requires the applicable conditional review and the same protective performance standards. A principal facility below 1 MW is still covered. Related phases, parcels, leases, and affiliates are measured together, and backup capacity is not counted twice as a simultaneous load.

A commercial computing campus may include substations, cooling systems, diesel engines or gas turbines, fuel tanks, batteries, security lighting, and a round-the-clock mechanical operation. Calling the building a warehouse does not make those systems disappear.

The model zoning ordinance requires a specific review for principal data centers, confines them to designated industrial districts, and evaluates the related campus as a whole. It protects genuine incidental computing in schools, hospitals, farms, and offices. It also requires the applicant to disclose the largest operation it seeks permission to run.

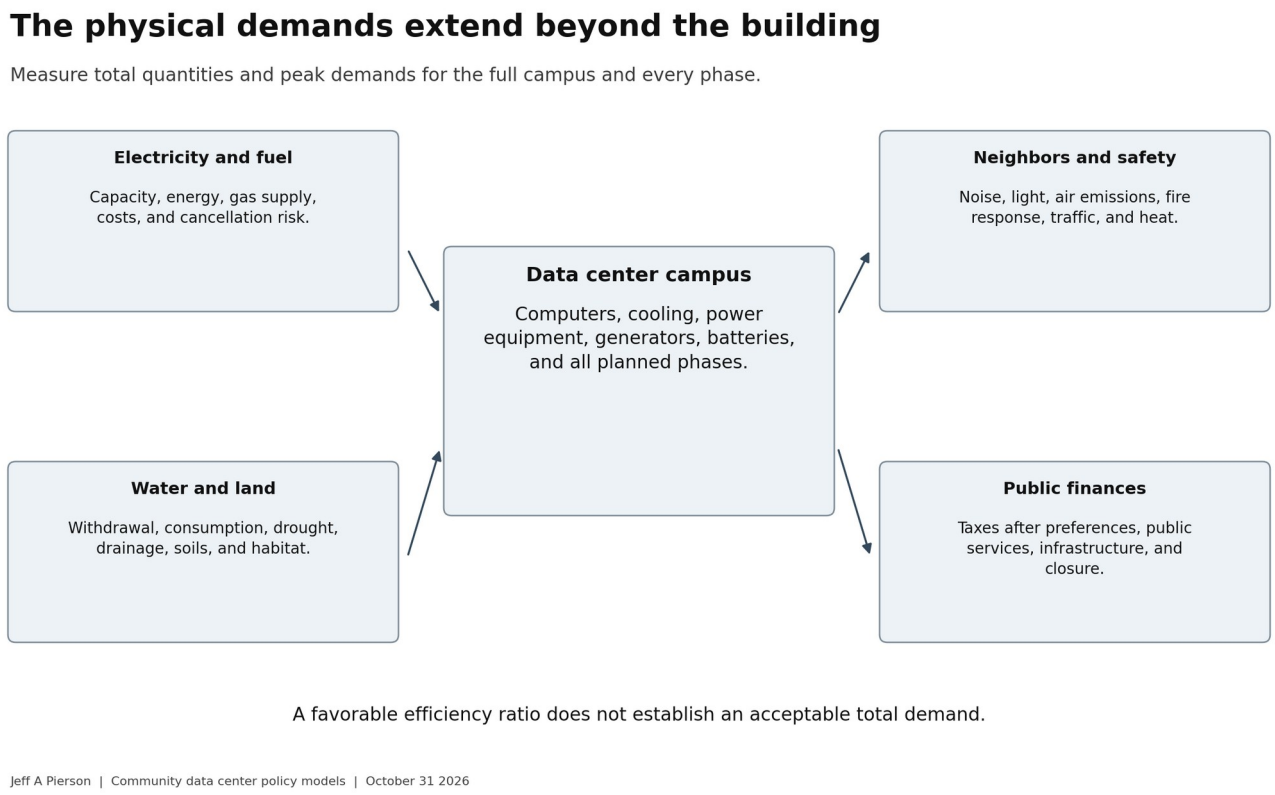
The proposed model includes a 1,000-foot separation from specified sensitive uses, a 200-foot vegetated buffer, and a one-story 24-foot building limit. It proposes sound limits of 40 dBA during the day and 35 dBA at night under its defined measurement rules. It also proposes zero uplight, warm lighting at no more than 2,200 K, and a 0.01 foot-candle limit on incremental vertical light at protected boundaries.

Those are policy choices for adoption through a lawful local record. They are not a claim that every site using those figures is safe or that no community has a more restrictive rule. The full model explains the low-frequency measurements, corrections, testing locations, operating conditions, and emergency provisions needed to make the numbers useful.

Efficiency does not settle the resource question

An efficiency ratio can improve while total consumption rises. A data center can use less electricity per unit of computing and still require a major new power supply. A cooling system can recirculate water and still consume water through evaporation. Residents should ask for total quantities and peak demands, not accept a technical label as a substitute for an answer.

National research shows why the issue deserves attention. Berkeley Lab's 2026 report projects substantial growth in data center electricity use. Its national scenarios cannot establish the demand of an unidentified local facility. That requires the project's own engineering plans and the utility's analysis (Smith et al., 2026).



The systems a community must examine before approval

An off-grid proposal raises another set of questions. Gas-fired generation still requires gas. Pipelines, air emissions, water, roads, and emergency response remain public concerns. A project-specific claim about household gas prices requires rate and supply evidence. The absence of a grid connection does not answer the resource question.

Promises need a payer and an enforcement clause

The permit should state the authorized buildings and operating limits. It should identify who measures compliance, who pays for independent review, who responds to complaints, and what happens when the operator fails. Generator tests, water use, sound, light, fire protection, and expansion should be covered by conditions the public can read and an agency can enforce.

Closure requires money that survives the operator. A future promise to remove equipment is inadequate when a project can be sold, reorganized, or abandoned. Financial assurance must have an identified amount, responsible party, usable instrument, update schedule, and lawful claim procedure.

The same discipline belongs in economic development policy for every industry. All assistance should be disclosed. Costs should be assigned to the party creating them where law allows. Exceptions should receive a

separate public vote under clear authority. A community donation does not purchase permission to violate a zoning rule.

Government must answer to the people who live there

A locality should not buy or subsidize mass surveillance or commercial exploitation of sensitive personal data. The state should prohibit the underlying practices with exact definitions, and federal authorities should address foreign-government and adversary access to critical facilities and sensitive data. The wholesale operator should identify direct tenants and disclosed physical subtenants and disclose mining on the premises each year. Trying to ban remote lawful expression through a zoning permit would risk the broader protections the community is trying to defend.

A state legislature, county, city, utility commission, environmental agency, and public landowner do not have identical powers. Officials should explain their own decisions and identify the other approvals a project requires. An agency should not use fragmented jurisdiction as an excuse to leave the public with a fragmented account.

Residents have work to do as well. Get the records. Check the map. Separate projections from commitments. Ask for the exact rule and the written finding. Organize before the hearing and continue after it. If a project is approved, somebody must read the reports and insist on correction. If it is denied, somebody must watch for the revised application.

The public does not owe an industrial developer a subsidy. It does deserve an honest account of the costs, a lawful voice in the decision, and protections that remain enforceable after construction ends.

Glossary

Abatement: A reduction in an otherwise applicable tax under a specific law or agreement.

Capital investment: Spending on assets such as land, buildings, and equipment. It is not the same as public revenue.

Colocation: A business supplying space, power, cooling, and related services for customer computer equipment.

Conditional review: A process requiring specified findings before a use can be approved under local rules.

Construction employment: Work associated with building a project, reported separately from ongoing operating jobs.

Consumption: Water not returned to the relevant supply under a stated accounting method.

Cumulative review: Assessment of related buildings, phases, and shared system effects together.

dBA: A measure of sound using A-weighting, meaningful only with its measurement location, duration, and procedure.

Depreciation: A reduction in recognized asset value under a stated tax or accounting method.

Discretionary subsidy: A public benefit a government may lawfully choose whether to award.

Financial assurance: Secured money or an instrument intended to fund a required obligation if the operator fails.

Foot-candle: A unit of light reaching a surface. A boundary limit must state how and where it is measured.

Industrial district: A mapped area where specified industrial uses may occur under the zoning rules.

Kelvin: The unit used to state lamp color temperature, not the amount of light reaching a property.

Low-frequency sound: Sound at lower frequencies that may not be adequately described by one overall A-weighted value.

Operating limit: A binding maximum or condition governing authorized activity.

Permanent employment: Ongoing positions distinguished from construction work and with the contractor distinction disclosed.

Principal data center: A site whose main business is computing or related commercial data center services under the model definition.

Public preference: A special fiscal or other benefit for a recipient or category of activity.

Ratepayer: A person or business paying utility charges.

Recirculation: Reusing fluid within a system. Some fluid may still be lost and require replacement.

Setback: A minimum separation measured between specified features.

Tax exemption: A legal exclusion from tax under the conditions established by the legislature.

Uplight: Artificial light emitted above the horizontal plane under the applicable measurement definition.

Utility commission: An authority regulating designated utilities within the scope of state law.

Written finding: An explanation showing how the evidence supports a decision on a required criterion.

Zoning ordinance: A local law governing uses and development of land under authority granted by the state.

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