KVN PARTNERS
SEEING SYSTEMS. SHAPING POSSIBILITIES.

A WHITE PAPER · DATA CENTER POLICY · EASTERN SHORE, MARYLAND

The Bargain Beneath the Data Center

What host communities have negotiated,
and what the Eastern Shore of Maryland can ask for

Kate Van Name
Consultant · KVN Partners
Chestertown, Maryland

kvnpartners.com

AUGUST 2026

CONTENTS

What This Paper Holds

Publication Note 3

Executive Summary 4

Purpose of This Paper 6

Scope, Methodology, and Evidence 7

PART I. EASTERN SHORE POLICY AND REGULATORY CONTEXT 8

01 Current Data Center Activity on the Eastern Shore 9

02 Maryland's Legal and Regulatory Framework 11

03 Water Supply and Groundwater Constraints 14

04 Distinguishing Project Costs from Community Benefits 16

05 Local Approval Authority and the Sequence of Decisions 17

PART II. NATIONAL PRECEDENTS AND NEGOTIATED AGREEMENTS 19

06 Case Studies from Other Host Communities 20

07 Findings and Lessons from the Case Studies 30

PART III. A NEGOTIATING FRAMEWORK FOR EASTERN SHORE JURISDICTIONS 32

08 Recommended Actions During the First 60 Days 33

09 Recommended Negotiating Terms 35

10 Key Questions for Applicants and Decision Makers 38

11 Risks and Mitigations in Community Benefit Commitments 39

12 Findings and Recommendations for Eastern Shore Jurisdictions 41

PART IV. RESEARCH NOTES AND SUPPORTING INFORMATION 43

13 Research Limitations and Outstanding Verification Items 44

Glossary of Terms 45

Sources and References 46

THE OPENING

Publication Note

This white paper is independent research. It was not commissioned, sponsored, or funded by any client, county, municipality, utility, developer, industry association, or state agency, and it was prepared for public decision support on Maryland's Eastern Shore.

The paper separates required mitigation, contractual obligations, publicly negotiated commitments, and voluntary corporate programs. Evidence grades describe the public record reviewed for each case. They are not legal opinions, and they do not replace review of the controlling agreement, ordinance, permit, court order, tax instrument, utility filing, or statute.

The source record was checked in August 2026, and the research date is August 25, 2026. Every figure here is an example of what a source held on the date the research reached it. The paper takes no position on whether any source is current. Section 13 lists the open verification items. Readers should confirm time-sensitive facts and executed terms before quoting them in a public proceeding or relying on them in a negotiation.

THE OPENING

Executive Summary

Data centers typically require action from local governments across several areas, including land use, electric service, water and sewer capacity, tax treatment, public infrastructure, and sometimes public land. Each decision gives a host community an opportunity to establish terms. Communities are in the strongest position when they identify their priorities early, distinguish project costs from community benefits, and make sure that significant commitments are enforceable.

That is the central finding of this paper. Community size does not decide negotiating strength. Preparation, timing, adopted plans, retained approval gates, and a clear account of public value matter more. A township of about 2,200 people in Michigan secured farmland protections and restoration terms that many larger jurisdictions have not. A town of fewer than 3,000 people in New York wrote an indexed payment structure that begins when real construction begins. Lancaster, Pennsylvania assembled money, operating standards, financial security, successor obligations, and remedies in one public agreement.

Maryland has already moved part of the electricity question to the state. The local work that remains is still substantial. Counties and towns decide land use, water and sewer plan changes, service area boundaries, capacity reservations, local tax reductions, public land transfers, easements, road access, phase approvals, and operating conditions within their authority. On the Eastern Shore, confined aquifers, agricultural land, modest public service capacity, municipal and cooperative utilities, and a shared regional labor and housing market make those decisions unusually consequential.

The practical rule is straightforward. Before a community gives up something a project needs, it should know the full cost the project creates, the public value being transferred, what return will remain locally, who is responsible, when payment or performance is due, what secures the promise, and what happens if the project changes hands or does not perform.

What this paper finds

1. **Preparation matters more than size.** Small communities have secured strong terms when their plans, procedures, and negotiating authority were in place before a project arrived.
2. **Mitigation is not a community benefit.** Roads, pipes, substations, emergency equipment, staff time, and monitoring required by the project are project costs. The community benefit begins after those costs are covered.
3. **Timing creates position.** Rezoning, water and sewer actions, utility commitments, tax relief, land transfers, bonds, and later construction phases each provide a decision point. Each completed approval reduces what remains to negotiate.

4. **Maryland's state protections do not replace local terms.** The large load tariff and registry address part of the electricity picture. Local governments still control disclosure, siting, water and sewer decisions, tax reductions, operating conditions, and many phase gates.
5. **The strongest bargains survive change.** Payment floors, escalation, financial security, audit rights, successor liability, phase gates, remedies, and decommissioning obligations matter more than a large announced number by itself.
6. **The Eastern Shore has room to lead.** No negotiated data center community benefits agreement in Maryland was located for this paper. A Shore jurisdiction could set the state's first model, particularly on farmland preservation, housing pressure, regional spillovers, and public transparency.

THE OPENING

Purpose of This Paper

Data centers are being approved across the United States right now, and the decisions that approve them are made locally. They arrive through rezonings, conditional use permits, tax agreements, industrial revenue bonds, utility contracts, development agreements, court settlements, and occasionally a signed community benefits agreement. These are decisions that outlast the people making them.

No single registry ties those documents together. Companies often use project code names and single purpose companies. The records sit in meeting packets, planning files, utility dockets, and tax authority files, in a hundred different places. Some agreements are covered by nondisclosure agreements, so the size of a project and what it will draw on a community can stay out of view until fairly late in the process.

That scattering is why this paper was assembled. What follows is a working record of bargains that could be traced in public documents, sorted by what the host community received and by whether the promise can be enforced. It was built for the nine Eastern Shore counties, of Maryland's twenty-four counties and Baltimore City, and for the towns inside them. The purpose is narrow. Before a jurisdiction gives up something a project needs, it helps to know what comparable places asked for and what they received.

The nine are Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester. They do not share a utility, a tax base, a zoning code, a water source, or a set of priorities. Nothing here suggests they should ask for the same package. A rezoning, a water and sewer plan amendment, a capacity reservation, a public easement, a tax reduction, or a piece of land is worth something to a project, and the moment before one is granted is worth more than any moment after.

One further point belongs at the front. The communities in this paper did not all get what they wanted. Several secured a great deal, and those were not the biggest or the richest. A township of 2,200 people in Michigan holds terms that Loudoun County, Virginia does not. A town of fewer than 3,000 in western New York wrote a payment structure a Shore town could use tomorrow. Preparation matters more than size, and that is good news for the Shore.

One idea runs underneath the whole record. The strongest agreements keep two things apart that often get added together. When a developer pays for the road, the pipe, the substation, and the fire truck that its own project requires, the developer is covering costs the project brought with it. The community benefit is whatever comes on top of that.

THE OPENING

Scope, Methodology, and Evidence

On places. Every location is named the same way. A town or a city gets its county and its state. A county gets its state. Full form at first mention, short form after that. The convention lets a reader place an unfamiliar example against their own jurisdiction without stopping to look it up.

On promises. Public records rarely keep a clean negotiating transcript, so each item is labeled by what kind of promise it is. A required condition sits in zoning, a permit, site plan approval, an ordinance, or an environmental approval. A contractual obligation sits in a development agreement, a community benefits agreement, a tax agreement, a bond agreement, a court settlement, or a utility contract. A publicly negotiated commitment is one a government announced as a term it secured, where the executed document could not be obtained for this paper. Developer funded mitigation is the applicant paying for an effect its own project creates, which is not counted here as a community benefit. A voluntary program is a grant, a donation, or a corporate initiative not tied to approval, which a company can change on its own.

On evidence. Each case carries a grade describing the record reviewed. An "A" means an executed agreement, an ordinance, a permit condition, an official meeting record, or a detailed government project page was reviewed. A "B" means an official government summary supports the terms and the signed document was not reviewed. A "C" means a reliable news or research source fills in the record, and those points are described as reported rather than treated as contractual. Some cases carry two grades because different parts rest on different evidence.

On scope. This is not a comprehensive survey of data center agreements in the United States. It reports what the research found, at the bodies it went to, on the date it looked. Section 13 states the open verification items, so a reader knows the limits of the record before relying on it in a public proceeding.

PART I

Eastern Shore Policy and Regulatory Context

What the Eastern Shore holds now, and where local authority remains.

PART I

01 • Current Data Center Activity on the Eastern Shore

The question is already in front of Shore jurisdictions. Between June and August of 2026, six of them acted.

Worcester County, Maryland passed a one year moratorium covering data centers and cable landing sites, citing effects on the environment, energy demand, water, and the look of the county. Caroline County passed a one year moratorium in July covering the unincorporated parts of the county. Federalsburg, an incorporated town in Caroline County, Maryland, sits outside that county pause, and after a proposed facility drew a long public hearing the town approved a three year moratorium of its own in early August. Wicomico County took up a moratorium on August 4 and approved one. Dorchester County met the same night on a possible one year pause. Somerset County reported that no project had been proposed there, that its zoning code does not yet address data centers, and that staff had begun work on that.

At several of those meetings, elected officials raised the possibility that the state could preempt local limits. Whether or not that comes to pass, it is a condition the jurisdictions are working inside, and it belongs in any plan they make.

Two Shore questions have no match anywhere else in this paper. Worcester's moratorium covers subsea cable landing stations along with data centers, which is a coastal siting question inland communities do not face. And the developer behind the contested proposal in Charles County, Maryland is headquartered in Easton, in Talbot County. Shore firms and Shore money are inside this industry as well as on the receiving end of it, which is worth remembering when the conversation gets shorthanded into "us" and "them."

What a moratorium does and does not do

A moratorium buys time. By itself it does not produce anything. If the year ends with the same code, the same unmeasured capacity, and the same unanswered questions, the pause has produced a delay.

A jurisdiction using its pause well finishes a short list before the clock runs out.

- **A definition.** What counts as a data center, at what size, and what counts as an accessory use, so a campus is not split into pieces that each fall below review. Substations, on site generation, batteries, and fuel storage each need naming.
- **A review path.** For large electric loads this generally means conditional or special use approval rather than approval by right.

- **A siting map.** Which industrial and previously developed sites are preferred, and which areas near homes, schools, hospitals, farms, conservation land, historic landscapes, and constrained water or grid nodes are excluded.
- **A disclosure rule,** adopted before any named project arrives, covering ultimate owner, operator, tenants where the law allows, electric load by phase, water demand, generators and fuels, construction workforce, and each public benefit requested.
- **A policy on nondisclosure agreements,** protecting narrow security and trade secret material and little else. Spotlight PA reported in August of 2026 that township supervisors, county commissioners, and a state cabinet secretary in Pennsylvania had signed nondisclosure agreements with data center developers, and that the agreements came to light through a public records request.
- **A capacity picture drawn from records the jurisdiction already keeps.** The water and sewer plan holds capacity. The comprehensive plan holds the land use posture. The hazard mitigation plan and the fire and emergency medical service budgets hold the response picture. Most first round answers are already on file, and assembling them costs an afternoon.

A jurisdiction that finishes that list has turned a pause into a position.

PART I

02 • Maryland's Legal and Regulatory Framework

Three parts of Maryland law changed recently, and each bears directly on what a Shore jurisdiction can and cannot do.

What the state incentive does

The Maryland Department of Commerce runs a sales and use tax exemption on qualified data center personal property. A business qualifies by creating at least five qualified positions and investing at least two million dollars in a Tier 1 area, or at least five million anywhere else in the state, within three years of applying. Qualified positions have to be full time, newly created, filled for twelve months, and paid at least 150 percent of the state minimum wage. The benefit period runs ten years, renewed annually, and extends to twenty years for a business investing at least 250 million dollars within the first ten. Electricity purchases stay taxable. The exemption covers equipment.

A Tier 1 area means a Tier 1 county under the Economic Development Article, or an Opportunity Zone. Six Shore counties appear on the Tier 1 county list: Caroline, Dorchester, Kent, Somerset, Wicomico, and Worcester. The other three, Cecil, Queen Anne's, and Talbot, are not on that list, and may contain qualifying Opportunity Zones.

This is a recruitment threshold set in Annapolis, and it sits outside anything a local jurisdiction negotiates. Five permanent positions is a low employment floor against the capital, land, water, and electric load a modern campus carries. Knowing what the state has already put on the table tells a local government what a company holds before any local offer is made.

Local tax authority runs in one direction

Maryland law lets a county or a municipality reduce or eliminate the assessment of qualified data center personal property. That reduction is a local choice, separate from the state program, and a direct bargaining point. It is not automatic because a project qualifies in Annapolis.

The other direction is closed at present. In the 2026 session, House Bill 1595 and Senate Bill 427 would have let counties and Baltimore City create a separate personal property subclass for qualified data centers and set a special rate for it, proposed at up to two and a half times the real property rate. The Maryland Association of Counties supported the bill. It did not pass.

Maryland local governments can therefore reduce or eliminate the personal property assessment for a data center, and cannot currently impose a higher rate on that property. That makes a negotiated payment structure especially important. Any agreement should establish a minimum payment and provide for increases over time, since the tax code will not supply either one.

The electricity question moved to Annapolis

The Next Generation Energy Act of 2025 established that new large electric loads pay a higher price through a tariff meant to cover the costs they place on the grid. It set the large load threshold at 100 megawatts and an 80 percent utilization rate.

The Utility RELIEF Act, passed on the last day of the 2026 session, went further. It lowered that threshold to 25 megawatts and 60 percent utilization, so smaller projects are captured. It created a large load registry at the Public Service Commission, which makes Maryland the first state to require these customers to register. It requires large load customers to pay for transmission, distribution, interconnection, and new capacity. It sets a charge of at least a thousand dollars per megawatt, split between the Electric Universal Service Program and low income energy programs. And it creates a voluntary clean capacity rating, with gold and platinum designations for projects bringing new clean capacity equal to 80 or 100 percent of peak demand, which can unlock faster state permitting and the right to build substations. Close to thirty data center bills were introduced that session. Most did not pass on their own, and the surviving policy was folded into this one.

Three consequences follow for a local government.

1. **Ratepayer protection is largely a state instrument now.** The local task is to confirm that the tariff, the registry entry, and the cost allocation are in place before local approval becomes final, and then to negotiate what state law does not reach.
2. **The transparency picture is narrower than it sounds.** The Public Service Commission aggregates and anonymizes the registry data before releasing it, and project level detail becomes available through a Public Information Act request after a project is operating. Disclosure of owner, tenant, load by phase, and water demand before a vote has to be required locally, as a condition of local approval.
3. **The clean capacity tiers are available as a condition.** An applicant can be asked to commit to a platinum rating. The request costs the jurisdiction nothing, and the measurement is done elsewhere.

Which utility is across the table

The Shore is served by more than one kind of utility, and the difference shows up in what can be negotiated. An investor owned utility serves most of the region. An electric cooperative, owned by its members, serves much of the rural territory. At least two Shore towns run municipal electric systems.

A cooperative member and a municipal customer have standing that an investor owned utility's customer does not, and a town owned system can write terms into a service agreement that a county cannot write into a zoning approval.

That changes which examples in this paper apply where. Piqua, Miami County, Ohio, described in Section 6, is a municipal utility case. On the Shore it maps to the towns with their own systems rather than to the investor owned territory around them.

One further electric condition should be confirmed locally. At the Dorchester County meeting in August of 2026, a county official said the lower Shore does not have the transmission capacity to support a large data center, described the existing lines as already full, and said a project would likely have to arrive with its own generation and storage. That statement appears here as it was made at a public meeting and should be confirmed with the serving utility and the regional grid operator. If it holds, the opening question becomes what would have to be built first, who pays for it, and who is left holding it afterward.

PART I

03 • Water Supply and Groundwater Constraints

Much of the national conversation treats water as something a community negotiates. On the Eastern Shore the tighter constraint is state law, and it is stricter than what a local government would be likely to request. A ceiling that already exists is a ceiling a jurisdiction does not have to win.

Nearly all public water supply on the Shore comes from confined Coastal Plain aquifers. Depending on location that means the Piney Point, the Aquia, the Magothy, the Choptank, the Calvert, or the Patapsco. These are not surface intakes. Water drawn from them is not replaced on a human timescale, which is why much of the national language about drought stages and reclaimed water applies here only in part.

Maryland regulation sets the ceiling. Under the water appropriation rules, the Department of the Environment may not issue an appropriation from a confined aquifer if the withdrawal, by itself or combined with existing appropriations, would exceed the sustained yield of that aquifer. The regional water level in a confined aquifer may not be drawn below 80 percent of the drawdown available between the top of the aquifer and the historic level before pumping began. The Department has directed industrial users toward deeper aquifers to protect municipal supply. Withdrawals above ten thousand gallons a day on average are large permits, and new applications at that scale are noticed publicly.

Two local conditions tighten it further. Use of the Choptank aquifer is limited in parts of the lower Shore by brackish water. And a water appropriation generally requires local land use approval and consistency with the county water and sewer plan before it proceeds, which places a plan amendment, a service area change, or a capacity reservation inside local authority.

That produces a sequence a jurisdiction can defend in public.

1. Ask what source, what aquifer, and what daily and annual volume, at full build and on the hottest day rather than on an average day.
2. Ask whether the appropriation the project needs can be issued at all under the sustained yield rule, given the existing permits drawing on that same aquifer.
3. Treat any requested water and sewer plan amendment, capacity reservation, service area change, or public extension as the decision point, because it comes before the state permit and it is a local decision.
4. Require closed loop or air cooling, a cap on any use of the public system, metering, and public reporting as conditions of that local decision, rather than as promises made afterward.

Handled that way, water is a limit that already exists, that the state has to apply, and that the local government reaches first.

PART I

04 • Distinguishing Project Costs from Community Benefits

A jurisdiction that negotiates well asks two questions and keeps the answers apart.

The first question is whether the project is covering the costs it creates. Each added capital and operating cost the project causes should be identified, funded, secured, and adjusted over time. Water, wastewater, roads, bridges, substations, transmission, emergency equipment, responder training, inspection, monitoring, independent review, staff time, construction damage, restoration. Deposits, letters of credit, surety, parent guarantees, minimum utility bills, and phased security are what keep those commitments real. Future tax revenue should not be used to repay costs the project creates today.

The second question is what return stays locally. Beyond reimbursement, what does the community receive. Tax revenue above public cost. Money residents direct. Training that leads to employment inside and outside the campus. Farmland and habitat that stays what it is. Broadband that reaches houses. Protections that survive a sale, a new tenant, or a change in technology.

The first question is the floor. If a project does not fully cover the costs it creates, community benefits should not be used to make up that shortfall. Only after those costs are covered should a community consider what additional benefits it wants to negotiate. In the cases reviewed for this paper, those additional benefits were often the easiest to give away, because nothing required anyone to ask for them.

PART I

05 • Local Approval Authority and the Sequence of Decisions

The most useful idea in this paper is a moment rather than a number. It is the last point at which a jurisdiction can still state what it needs.

Each approval a project requires is a decision point, and once it passes the community holds less. Among the cases traced for this paper, communities that negotiated before land use approval, utility commitment, annexation, bond issuance, land transfer, or tax relief became final generally kept control of cost and long term risk. Communities that treated approval as the end of the process generally received tax revenue, philanthropy, and assurances, and kept fewer tools for what came after.

The Lancaster agreement is the fullest single document located for this paper, and it still shows the cost of a late start. Reviewers note it was negotiated after zoning opinions had been issued and after demolition had begun, and that its gaps line up with that weaker position. There are no specific local hiring targets, no independent community board, and no independent air monitoring.

Decision	Last responsible moment to raise it
Confidentiality and disclosure rules	Before a named project arrives
Site suitability and exclusion areas	Before a site is effectively promised
Water source and volume	Before a water and sewer plan amendment, service area change, capacity reservation, or appropriation application
Wastewater capacity	Before plan amendment and before any public extension
Electric cost allocation and tariff	Before local approval becomes unconditional and before capacity is reserved
Roads, haul routes, and repair security	Before grading and road permits, and before each phase is released
Fire, emergency medical, and hazardous materials capacity	Before site plan approval and before certificate of occupancy
Noise, light, and neighborhood protection	Before rezoning or conditional use approval
Farmland, habitat, and viewshed	Before comprehensive plan change, rezoning, or annexation

Decision	Last responsible moment to raise it
Housing and construction workforce pressure	Before rezoning and before each construction phase
Tax treatment, payments in lieu of taxes, and floors	Before any property tax action, bond authorization, tax increment financing, land sale, or first building permit
Community directed funds	Before the principal entitlement, with further payments before later phases
Decommissioning and reuse	Before the development agreement becomes unconditional

Two practices protect those moments. Keep several gates rather than collapsing everything into one vote. And make later phases conditional on completed payments, finished infrastructure, verified compliance, and accurate reporting from the phase before.

PART II

National Precedents and Negotiated Agreements

What communities elsewhere secured, how they secured it, and which terms travel.

PART II

06 · Case Studies from Other Host Communities

One finding about the national record shapes everything in this section. The Federation of American Scientists spent the first half of 2026 searching for executed data center community benefits agreements, including through public records requests, and reported in August of 2026 that one fully executed and publicly posted agreement was located. Seven others mentioning community benefits were found, several of which surfaced through records requests. Good Jobs First reports that of the thirty-six states with data center subsidy programs, eleven disclose which companies receive the benefits, and that operating data centers employ an average of roughly 157 permanent workers.

That is the condition every host community is working inside, and it cuts two ways. There is little precedent to copy. There is also little standing in the way of a well prepared jurisdiction writing a stronger agreement than the ones that exist. The first Maryland jurisdiction to negotiate one will be setting the state's example rather than following someone else's.

The one executed agreement

Lancaster, Lancaster County, Pennsylvania. *Evidence grade A. Legally binding community benefits agreement, plus zoning.*

The Lancaster City Council approved this agreement six to one on November 20, 2025, covering two campuses on former printing plant sites.

The terms are the fullest located for this paper. About twenty million dollars, split between a fund for economic development and a fund for sustainable development and clean energy, paid in installments tied to construction and operating milestones building by building, with an initial two hundred fifty thousand to fund the strategy that decides how the economic development money is spent. A cap of twenty thousand gallons a day of city water per campus. Closed loop cooling. A 100 percent clean electricity requirement backed by tiered penalties reported at two and a half to ten million dollars per building. The obligation secured by a letter of credit or a corporate guarantee from an entity with substantial net worth. Noise limits tied to conditions measured before construction. Emergency responder training. A local hiring plan. Obligations that pass to any new owner. Remedies that reach as far as discontinuance after notice and a chance to cure. No city tax break of any kind. And the agreement itself designated a public record under Pennsylvania's open records law.

Two cautions travel with it. Reviewers note that much of the substance is left to plans submitted later, and that a small committee without a direct community representative decides how part of the money is used. And the project's financing has been unsettled. Payments are tied to construction financing milestones, the first payment slipped past its expected date, reporting in February of 2026 said lenders had passed on financing, and a later account states the city received the full amount. A jurisdiction citing Lancaster as a model, and it merits citing, should confirm the current payment status with the city.

What travels from it: money, operating standards, financial security, and remedies written into one instrument, with payments tied to milestones rather than to an announcement.

Communities comparable in size to the Eastern Shore

This is the part of the record that most resembles Shore conditions. It is thin, and in one case it is the most instructive material located for this paper.

Saline Township, Washtenaw County, Michigan. Population about 2,200. *Evidence grade A and C. Consent judgment settling litigation.*

A farming township of corn and soybeans, silos and grain elevators, with an annual budget of roughly a million dollars. Related Digital, working with Oracle, OpenAI, Blackstone, and Walbridge, proposed what became a sixteen billion dollar campus on about 575 acres of farmland.

In September of 2025 the township board voted four to one to deny the rezoning, citing its master plan's emphasis on farmland and rural character. Two days later the developer and the landowners sued, alleging exclusionary zoning. Facing litigation the township's attorneys described as hard to win, the board voted four to one the other way and settled. A consent judgment was entered in Washtenaw County Circuit Court in October of 2025.

What the township secured, as reported, comes to about fourteen million dollars in one time payments, described in one breakdown as eight million for fire services, four million for farmland preservation, and two million for a community investment fund. There are continuing annual contributions while the facility operates, reported at roughly 1.6 million to the township and eight million to local schools, though some coverage describes the township figure as projected tax revenue rather than a contractual payment, so the judgment itself should be read before either number is quoted. Development is limited to about 250 acres of the 575, with roughly 200 acres kept in agricultural use and a conservation easement on about 47.5 acres of wetlands. There is an agreement not to expand the facility, a noise limit, restrictions on water use, and a prohibition on water intensive evaporative cooling. There is a commitment not to sell the property to a tax exempt entity, which protects the tax base if a public body or a university later wants the land. And there is a requirement to restore the site as a natural area if the facility is decommissioned.

The farmland preservation money is the term no other case located for this paper contains. Roughly four million dollars reportedly directed toward preservation agreements and conservation easements, potentially reaching around a thousand acres. Where a comprehensive plan rests on agricultural preservation, as most Shore plans do, that is the most portable item in this document.

It is important to consider the scale from both perspectives. Fourteen million dollars is more than ten times the township's annual operating budget. Against a sixteen billion dollar project it is close to a rounding error. Both figures belong in the same discussion.

The structural lesson carries further than the money. The benefits arrived after a lawsuit. The board's denial rested on its own adopted master plan, which is what gave the township a defensible position, and the settlement is what turned that position into terms. Opponents have since challenged the settlement in court on open meetings grounds, and residents were blocked from a referendum. Read together, the case says three things. A denial resting on an adopted plan is a strong position for a small board. The negotiating table can turn out to be a courtroom. And a community is better served by deciding in advance who is authorized to settle and on what terms.

Richland Parish, Louisiana. Population about 20,000. A parish is Louisiana's equivalent of a county. *Evidence grade B and C. State and local incentives, an existing local tax, and voluntary programs.*

Meta's Hyperion campus, reported at twenty-seven billion dollars, is under construction near Holly Ridge, in Richland Parish. The construction spending produced a striking local result. In 2026, certified school employees received bonuses of about 50,935 dollars and classified employees about 17,472, against 10,200 and 3,323 the year before. The parish collected roughly 42.9 million in sales and use tax in the first nine months of the fiscal year, more than double the prior year, and the company made a separate payment of about 22.4 million in May of 2026 equal to one percent of qualifying purchases.

The mechanism explains the result. A 1968 parish ordinance lets the school board levy a one percent sales tax dedicated to employee bonuses. The parish did not negotiate that. It already held it, and construction filled it. That suggests one of the most valuable things a jurisdiction can do before a project arrives is understand the collection tools already on its books.

The company also reports more than 1.6 billion in contracts to Louisiana businesses since breaking ground in December of 2024, more than a billion in local infrastructure improvements including roads, water, and wastewater tied to an expansion, equipment funding for the sheriff's office and the Holly Ridge fire district, and a five million dollar gift to Louisiana Delta Community College creating full scholarships in data center trades for Richland Parish high school graduates starting with the class of 2026. More than a thousand roles are projected once the campus is operating.

The planning point sits in the timing. Sales tax on construction materials at the site was reduced to one percent, and a thirty year property tax break through a payment in lieu of taxes begins at certificate of occupancy. The construction windfall and the operating bargain point in opposite directions. Collections are expected to run high for three to five years and then fall back. A jurisdiction in that position can turn the construction period into reserves, capital projects, or recurring commitments that outlast the construction workforce, rather than into recurring operating costs that remain after the revenue falls.

Doña Ana County, New Mexico. County seat Las Cruces, project site near Santa Teresa, both in Doña Ana County. *Evidence grade A and B. Industrial revenue bond, payments in lieu of taxes, and project commitments.*

The county approved an industrial revenue bond ordinance in September of 2025 for Project Jupiter, with Oracle as the tenant. County and company materials describe a closed loop system averaging twenty thousand gallons a day, fifty million dollars for water and wastewater infrastructure, roughly 360 million in direct support for schools, infrastructure, and local services, a dedicated on site power solution using fuel cells, local hiring and vendor terms, a staffing floor, and a thirty year property tax abatement offset by payments in lieu of taxes.

A separate 6.9 million dollar package covers community programs, itemized publicly as about four million for workforce development and education, 1.5 million toward the Boys and Girls Club of Las Cruces, in Doña Ana County, a million for habitat restoration, 250 thousand for desalination and clean drinking water access, and 150 thousand for community college connectivity.

Delivery has begun, which is what makes the case useful. As of late July of 2026 the project reported roughly eighty million in state and county tax revenue delivered, 80 percent of the fifty million dollar water commitment funded, about 700 New Mexico residents working on site, and the full 1.5 million Boys and Girls Club payment completed. A regional food pantry has received about four hundred thousand from project affiliates, and the company has funded scholarships and community college programs.

What travels: a named capital contribution to an existing community priority, paid early, is worth more than a flexible fund whose uses are decided later. That youth facility payment is the clearest completed example located for this paper. The caution is that the largest figure in the package, the roughly 360 million for schools and services, is the one least described in public documents, and a jurisdiction copying this structure should ask what form it takes and what secures it.

Mecklenburg County, Virginia. A rural Southside county. *Evidence grade B and C. Tax revenue directed by the county.*

Mecklenburg lost tobacco in the 1990s and manufacturing after that, and took data centers early because of its location near the North Carolina research corridor. Data center revenue built a new combined middle and high school. As of spring 2026, county officials described a proposed 31 cent real estate tax rate, a proposed reduction of the personal property rate to 80 cents, an expectation that every public school in the county would be rebuilt by 2030 without the one percent sales tax referendum neighboring localities adopted, new attention to emergency services, and reserves sufficient to avoid significant debt service.

This is what the revenue supported in a rural county over about a decade. It is a county decision about revenue rather than a negotiated obligation. Nothing here was required of the developer, and the county decided what the money would do.

Pittsylvania County, Virginia. A rural county, with roughly two thousand acres proposed. *Evidence grade C. Proffered zoning conditions.*

A developer sought to rezone about two thousand acres of agricultural and rural land for a data center campus with gas fired generation. Proffers, which in Virginia are binding commitments attached to a rezoning, included funding a new fire station. Planning commission members said the proffers reached them the day before their vote, leaving no time to evaluate them. The commission recommended refusal.

A benefit offered too late to price cannot be weighed by the body voting on it. One procedural rule closes that gap. No proffer, benefit term, or draft agreement is considered unless it is filed and public a fixed number of days before the hearing, with the record held open long enough for the public to read it. The rule costs nothing to adopt in advance and is difficult to add once a project is pending.

Athens County, Ohio, and neighboring Appalachian Ohio counties. *Evidence grade C. Tax agreement only.*

Several Appalachian Ohio counties have no county zoning, which leaves the tax agreement as the principal tool commissioners hold. In a July 2026 meeting an Athens County commissioner said that whether the county agreed to an abatement, a payment in lieu of taxes, or nothing at all, he did not see a way the county could stand in the way of the development. Reporting describes a consultant invoice contemplating a thirty year, one hundred percent abatement under a community reinvestment area, land already purchased, wetland permits filed for twelve buildings, and a utility filing suggesting a very large electric load by 2032.

A land use ordinance that does not define a data center leaves a jurisdiction closer to that position, and Somerset County, Maryland has stated publicly that its code does not yet address the use. Definitions and a conditional use path do substantial work. They are the difference between holding a decision and holding a tax rate.

Morrow County, Oregon, and Crook County, Oregon. *Evidence grade C. Enterprise zone agreements and later county rules.*

Two long running rural cases worth reading side by side. In Morrow County, after years of enterprise zone agreements, county leaders concluded that hosting a major taxpayer had not resolved groundwater, road, and public service burdens. They retained outside counsel and pursued stronger contributions, and county rules now describe school support fees in later abatement years. A later package drew criticism for its size and for thin public notice. In Crook County, whose seat is Prineville, reporting at the time described a 2015 long term agreement with a fifteen year exemption tied to at least two hundred million dollars of investment, at least ten jobs paid at 150 percent of the county average wage, and annual community payments reported around 190 thousand dollars.

Both cases point the same two directions. Low permanent job floors can sit alongside large exemptions. And a community can reopen a bargain later, at a cost. Together they argue for indexing any community payment, accounting separately for water, power, and emergency costs, and obtaining an independent valuation of the whole incentive package before the vote.

Hillsboro, Washington County, Oregon. *Evidence grade B. Enterprise zone community service fee.*

Hillsboro is not a rural jurisdiction, and its instrument is one a rural county could adopt. Enterprise zone participation carries a community service fee, and the city has documented that fee funding workforce training, English language instruction, on the job and certified production training, and scholarship and student support, including three hundred thousand dollars for community college support serving 150 local high school students. Several participating companies are data centers, and the program covers a wider set of firms.

A standing local policy that attaches a fee to a benefit, applied to each qualifying company, is easier to defend and easier to administer than a fresh negotiation with every applicant. It also removes pressure from any single vote.

Host community agreements from wind and solar development

These are not data center agreements. They are the closest rural analogue with executed, public, model quality language, they were signed by towns the size of Shore towns, and the Sabin Center at Columbia Law School has collected them in a public database. A jurisdiction looking for language it could put in front of a town attorney will find more of it here than in the data center record.

Town of Byron, Genesee County, New York. Population under 3,000. *Evidence grade A. Host community benefit agreement, 2021.*

For a 280 megawatt facility, the town negotiated annual payments beginning at 1,006,522 dollars and rising two percent each year for twenty years, an expected total of about 24.46 million.

Two structural features are worth copying. The agreement sets an annual ceiling on the town's total payments from all sources related to the project, and it counts special district charges, assessments, and agricultural exemption revenue toward that ceiling. That addresses the double counting problem from the town's side of the table. And payment begins within thirty business days of the start of construction, with the agreement defining the start of construction as the beginning of continuous work rather than a ceremonial groundbreaking.

Town of Riverhead, Suffolk County, New York. *Evidence grade A. Community benefits agreement, 2021, amended 2023.*

A smaller facility and a smaller sum. A million and a half dollars, paid in two installments, the first within five days of signing and the second within five days of a temporary certificate of occupancy. The money is itemized inside the agreement: 350 thousand for community health and welfare, 350 thousand for emergency services, 250 thousand for protection of agriculture and open space, 250 thousand for environment, 150 thousand for education, and 150 thousand for workforce development.

This is what naming the uses in the agreement looks like on paper. Six line items and two payment triggers, in a town, with no later discretionary process required for the money to do what it was promised to do.

Larger jurisdictions, for the negotiating mechanics

These cases are included for the devices they demonstrate rather than as matches for Shore conditions.

Joliet, Will County, Illinois. *Evidence grade A and B.* The city council approved a conditional annexation eight to one on March 19, 2026 for roughly 795 acres, covering 24 two story buildings in four phases, about 1.8 gigawatts, with a substation for each phase. The city provided no incentives and no tax abatement. Its own staff memorandum describes a hundred million dollar community benefit contribution, with twenty million payable within thirty days of closing on the property and a required proportional payment before each later phase. The city projects hundreds of millions in property and utility taxes over thirty years, with the largest share to the high school district, and reports 700 permanent jobs and seven to ten thousand construction jobs as estimates. In May of 2026 three residents sued to void the annexation and related approvals on procedural grounds. What travels: a phase gated payment schedule written into an annexation agreement, and the reminder that a thin procedural record can put an approval at risk long after the vote.

Piqua, Miami County, Ohio. *Evidence grade A.* A small city using its municipal utility and its tax authority together. A 735 thousand dollar annual payment in lieu of taxes for each completed building during a fifteen year abatement, protection of school revenue, a requirement that the developer pay the full attributable utility and infrastructure cost, full escrow before public construction contracts are let, a prohibition on passing project costs to local ratepayers, and required closed loop cooling. What travels: escrow before public money is committed, and payments that arrive building by building.

Cedar Rapids, Linn County, Iowa. *Evidence grade A and B.* Two separate campuses under separate agreements, each tied to investment and job commitments, with community betterment funds owned and controlled by the city rather than by the companies, and water free cooling in one case. What travels: the public entity holds and directs the fund.

Stillwater, Payne County, Oklahoma. *Evidence grade A and B.* An economic development framework tying annual payments in lieu of taxes, community betterment payments, and franchise revenue to completed phases, with escalation over time. What travels: a multi building campus does not have to be approved as one irreversible bargain when benefits can be triggered building by building.

St. Louis, Missouri, an independent city that sits in no county. *Evidence grade A and B.* Conditional use permit conditions covering closed loop cooling and air cooled chillers, a large load water rate, developer funded hydraulic analysis, certified electronic waste handling, a renewable supply requirement phased over five years, an efficiency ceiling, and generator, battery, noise, and reporting conditions. A broader community benefits framework was described publicly, and the executed instrument was not located for this paper. What travels: permit conditions can carry operating standards where no separate agreement exists.

Port Washington, Ozaukee County, Wisconsin. *Evidence grade A and B.* A city of roughly thirteen thousand used annexation, a development agreement, design review, and continuing construction authority to obtain a public document repository, local supplier access, design and environmental review, work hour limits, and road protections. A separate watershed restoration pledge remains voluntary unless it is written into a binding instrument. What travels: a small city keeps negotiating after the principal agreement if it retains its regulatory authority, and voluntary pledges belong in their own column.

Fort Wayne, Allen County, Indiana. *Evidence grade B.* A paid skilled trades pathway with a local college, grants, wetland mitigation, and neighborhood investment funded from city land sale proceeds. What travels: identify who funds each benefit. Public land sale proceeds are public asset value rather than a corporate contribution.

Huntsville, Madison County, Alabama. *Evidence grade B.* A project agreement in which the company funded 2.5 million of a 2.8 million dollar sewer extension and committed to add fifty jobs paying at least eighty thousand excluding benefits, with the city funding road work it had already budgeted. What travels: a wage floor written as a number, and a public account of who paid for what.

Goodyear, Maricopa County, Arizona. *Evidence grade C.* A development agreement amendment reported to include thirty-six million from the company toward a ninety million dollar wastewater plant expansion, five million of sewer financial assurance, funding for a city project coordinator, reserved treatment capacity, and air cooling for two specific buildings rather than for every future facility. What travels: financial assurance, and building specific rather than campus wide commitments.

El Paso, El Paso County, Texas. *Evidence grade A and B.* A property tax rebate conditioned on investment and job thresholds, a full build water allocation cap, and developer funding for specific road work, with a broader community framework considered after the principal deal. What travels: quantify the entire incentive stack before land transfer.

DeKalb, DeKalb County, Illinois. *Evidence grade A and B.* Meeting records describing a waterless closed loop design, private internal roads, dark sky lighting, developer funded engineering, and attributable infrastructure upgrades. What travels: state incentives are a floor, and the local agreement still has to allocate utilities, roads, noise, emergency response, and monitoring.

Abilene, Taylor County, Texas, and Taylor County itself. *Evidence grade A and C.* An 85 percent abatement of eligible new value for ten years, with two consecutive abatements possible per site. Public reporting documents rapid housing and service pressure along with valuation disputes. What travels: guaranteed minimum payments, housing measures, and appraisal dispute protection, so public receipts do not fall while service costs rise.

New Albany, Franklin and Licking Counties, Ohio, and Loudoun County and Chesterfield County, Virginia. *Evidence grade A and B.* A mature cluster with project specific abatements and local operating rules. Loudoun ended the principal by right pathway in March of 2025 and now requires special exception review for most new data centers in specified industrial districts, with grandfathering for earlier applications. Chesterfield's approved zoning materials prohibit private well water for equipment cooling and impose proffered site, buffering, utility, and operational conditions. What travels: land use proffers bind the land and future owners without a separate agreement, and a cluster needs cumulative accounting for power, water, land, and noise rather than project by project review.

Eagle Mountain, Utah County, Utah, and Kansas City, Missouri, which sits mainly in Jackson County. *Evidence grade C and B.* Two cases where infrastructure spending and company reported outcomes are visible and the underlying local bargain is not. What travels: compare infrastructure mitigation against the full value and duration of tax relief, and treat construction headcount and voluntary grants separately from verified operating job, tax, and benefit obligations.

Directing data center revenue to a public purpose

Henrico County, Virginia. *Evidence grade A and B. County appropriation.*

Henrico reduced its data center equipment tax rate to forty cents per hundred dollars of assessed value in 2017, and the revenue followed. In 2024 the county appropriated sixty million dollars of previously unbudgeted data center revenue to start an Affordable Housing Trust Fund, administered by a regional housing nonprofit and aimed at first time buyers earning between 60 and 120 percent of area median income. The trust holds the land in perpetuity, so a buyer purchases the dwelling rather than the lot, which brings the mortgage down.

The results are measurable rather than projected. As of August 19, 2026 the county reported 38.9 million contributed, 87 closings in two years, grants averaging eighty to ninety thousand dollars, more than 470 additional homes approved, and a five year goal of 750 homes. Henrico has also declined new data center proposals while continuing to spend revenue from the ones already operating.

This is a county decision about revenue rather than an obligation negotiated from a developer. It is the clearest demonstration located for this paper that data center revenue can be directed at housing, and the closest thing to a template for a jurisdiction that ends up with the revenue and has to decide what it is for.

PART II

07 · Findings and Lessons from the Case Studies

Across the cases in this paper, the requests communities made fall into ten groups. Other categories matter, and a jurisdiction will know its own. These are the ten this paper works through, each with the approach that appeared to work.

Electricity and ratepayers. Communities asked for a dedicated large load rate, full recovery of interconnection and generation cost, minimum bills, collateral and exit fees, no cross subsidy, and reliability reporting. Local land use agreements are often quiet on this because utility authority sits elsewhere. In Maryland much of it now sits in state law, which makes the local task confirmation rather than invention. The approach that works is to make executed utility protection a condition that has to be satisfied before zoning or tax benefits take effect.

Water and wastewater. Closed loop or air cooling, caps on use of the public system, reclaimed water, metering, disclosure, hydraulic and source capacity studies, and developer funded plant and line upgrades. Controls of this kind appear in Lancaster, St. Louis, Goodyear, Piqua, and Doña Ana County, through different vehicles and with different evidence behind them. The approach that works is to negotiate maximum daily and annual consumption at full build rather than average withdrawal, and to settle who is curtailed first.

Roads, traffic, and construction. Haul routes, road and bridge upgrades, repair security, work hour limits, dust and mud control, and traffic management. Common in the record, with cost allocation varying widely. The approach that works is to survey road condition before construction, bond the repair, gate the phases, and require restoration afterward.

Fire, hazardous materials, and emergency response. Facility specific response plans, responder access and training, battery and chemical hazard planning, apparatus and station capacity, annual drills, and inspection reimbursement. This usually sits inside fire code review rather than in a benefit agreement, which is part of why it often goes unfunded. Saline Township is the exception, where fire services carry the largest share of the settlement. The approach that works is an independent service cost study, funded by the applicant, covering both equipment and recurring staffing.

Noise, light, air, and neighborhood protection. Property line and receptor limits, tonal and low frequency analysis, continuous monitoring, generator testing schedules, cleaner backup, setbacks, buffering, dark sky lighting, and a complaint and cure process. Lancaster and St. Louis carry operating commitments, and Virginia proffers increasingly specify them. The approach that works is to measure at the nearest home as well as at the industrial property line, and to attach remedies that escalate.

Taxes and fiscal stability. No abatement or a limited term, a payment floor, school compensation, escalation, treatment of equipment replacement, audit rights, appraisal dispute protection, clawbacks, and successor liability. Joliet's decision to provide no local incentive is unusual in this record. Piqua, Stillwater, Cedar Rapids, and Doña Ana use structured substitute payments. The approach that works is to publish a thirty year net fiscal model with downside cases, showing each taxing body separately.

Jobs, labor, and local business. Project labor agreements, prevailing wage, apprenticeships, local hiring, permanent job and wage floors, local procurement, and verification. Joliet includes labor structure, Cedar Rapids ties relief to jobs and wages, Fort Wayne funds a paid pathway, and Richland Parish has scholarships tied to specific trades. The approach that works is to report construction job years separately from permanent positions, and to require reporting at the tenant level.

Housing and community capacity. Temporary worker housing plans, rent monitoring, school and health and public safety surge planning, and anti displacement funds. This is rare in the agreements reviewed. Abilene shows the pressure that arrives without it, and Henrico shows what a county can do with the revenue afterward. The approach that works is to require a construction population impact assessment for any large campus, and to treat housing as a condition rather than a later question.

Land, farmland, and habitat. Priority for previously developed sites, farmland and viewshed buffers, stormwater and nutrient controls, habitat or watershed restoration, and enforceable decommissioning. Saline Township is the case located for this paper with dedicated farmland preservation money. Port Washington's watershed pledge is voluntary. Chesterfield's proffers bind the land. The approach that works is to put preservation dollars and conservation easements inside the agreement, and to require restoration if the facility closes.

Community directed value. Upfront or annual funds, neighborhood projects, schools, parks, broadband, resilience, and digital skills. Strongest where a public body or a designated community institution controls the money, as in Cedar Rapids and Lancaster, and where the uses are itemized in the document, as in Riverhead. The approach that works is to set the amount by project scale and by the public value transferred, and to name the first round of uses in the agreement.

Transparency, monitoring, and exit. Limits on nondisclosure agreements, resource forecasts, annual reporting, independent audits, advisory committees, complaint channels, remedies, decommissioning security, and reuse plans. Newer agreements are stronger on monitoring. Exit terms are the thinnest area in the record reviewed, which also makes them the easiest place for a jurisdiction to be ahead. The approach that works is one public dashboard, and preserved rights to suspend, cure, recover damages, and claw back.

PART III

A Negotiating Framework for Eastern Shore Jurisdictions

What to do before an application, during review, and before any approval becomes final.

PART III

08 · Recommended Actions During the First 60 Days

Everything before this section is framework. This section is a working checklist for the sixty days after an application arrives.

Week one

- ☐ Confirm what has actually been filed, and make it public.
- ☐ Identify each approval the project needs from the county, the towns, the state, and the utility, with the date each is expected.
- ☐ Request in writing the ultimate owner, the operator, any known tenants, electric load by phase, water source and volume at full build, cooling technology, generator and fuel inventory, construction workforce peak, and a list of each public benefit requested.
- ☐ Decline any nondisclosure agreement covering cost, resource demand, incentives, ownership, or the existence of negotiations.
- ☐ State publicly what has been asked and what has not yet been answered.

Week two

- ☐ Pull water and sewer plan capacity, and identify any amendment the project would need.
- ☐ Pull the comprehensive plan language governing the site.
- ☐ Check land use ordinance definitions, including whether a data center is a named use.
- ☐ Pull school capacity charts.
- ☐ Pull fire and emergency medical service budgets and response times.
- ☐ Pull the hazard mitigation plan.

Week three

- ☐ Retain independent advisers, funded by the applicant and directed by the jurisdiction: at minimum a hydrogeologist, a utility and rate analyst, a fiscal analyst, and an acoustical consultant. Applicant cost recovery is ordinary practice in permitting and utility proceedings.
- ☐ Set ground rules in writing before substantive talks begin, covering timeline, information sharing, who speaks for the jurisdiction, and how disputes are handled.

Weeks four through six

- ☐ Adopt a filing deadline for any proffer, benefit term, or draft agreement, far enough ahead of the hearing that the public can read it.
- ☐ Adopt a rule keeping the record open.
- ☐ Adopt a definition of the use and a conditional use path if the code lacks one.
- ☐ State which approvals will be treated as gates.

Weeks seven through nine

- ☐ Prepare two columns. In the first, each cost the project causes and how it is funded and secured. In the second, what stays locally beyond that, with a dollar figure, a due date, a decision maker, and a remedy attached to each item.
- ☐ Publish both columns before the hearing.

Throughout

- ☐ State plainly, early, and more than once that no decision has been made. A community that has not decided is negotiating. A community that has decided is drafting.

PART III

09 · Recommended Negotiating Terms

This is a negotiating checklist rather than legal advice, and counsel should adapt it to state enabling law, utility authority, public finance rules, and the ownership structure of the project.

Identity and disclosure. Parent company, single purpose entities, operator, tenants to the extent the law allows, financiers, utility counterparties, capacity by phase, cooling system, generator fleet, fuels, batteries, and each form of public assistance requested.

No public cost shift. The developer pays all added capital and operating costs, including independent review, staff time, roads, water, wastewater, grid work, emergency response, inspection, monitoring, remediation, and construction effects.

Electricity. A tariff or contract based on who causes the cost, interconnection security, minimum bill, demand charges, recovery of generation and transmission cost, curtailment and demand response rules, a stranded asset and exit payment, and a public summary of the protections.

Water. Binding daily and annual consumption caps at full build, a prohibition or a strict hierarchy on use of the public potable system, drought stages, monthly public reporting, a source and cumulative impact study, a leak and emergency plan, and no priority over essential community use.

Wastewater and stormwater. Capacity verification, pretreatment, temperature and chemical limits, developer funded expansion, discharge metering, containment, spill reporting, and long term maintenance of the assets.

On site energy and generators. Emissions limits specific to the technology, best available controls, limited test windows, cleaner fuel and battery feasibility, monitoring, public incident notice, and no routine off grid generation without separate approval.

Noise and light. A measured baseline before construction, modeled and measured limits at property lines and at the nearest homes, penalties for tonal and low frequency sound, continuous monitoring where homes are close, dark sky fixtures, a complaint response process, and a required cure.

Transportation and construction. Approved haul routes and hours, a road and bridge condition survey, a repair bond, dust and mud and vibration and idling controls, worker transportation, a temporary housing plan, and a neighborhood liaison.

Fire and safety. An independent service capacity study, apparatus and station contributions where needed, responder training and annual drills, site access, a battery and fuel and chemical inventory, inspection fees, and mutual aid reimbursement.

Taxes and incentives. Full valuation disclosure, a guaranteed minimum payment regardless of appraisal appeal, escalation, school and special district compensation, treatment of equipment refresh, clawbacks, audited compliance, and no stacking of benefits without disclosure.

Labor and jobs. Prevailing wage where lawful, paid apprenticeships, local hiring goals with a good faith process and reporting, a permanent employment and compensation floor, contractor and tenant data, a workforce fund, and clawbacks tied to verified shortfalls.

Community fund. An upfront payment before construction, a payment before each expansion, and annual indexed payments. Community controlled uses, named in the agreement for at least the first round. An independent audit. And a statement that the fund is not credited against mitigation, taxes, fees, or ordinary philanthropy. Riverhead's six itemized line items are a usable model, and Byron's cap on total payments from all sources keeps the arithmetic honest.

Land, farmland, and environment. Priority for previously developed sites, farmland and habitat and wetland avoidance, dedicated preservation funding and conservation easements along the lines of Saline Township, replacement beyond the legal minimum where effects remain, tree canopy and buffers, a heat and waste heat plan, certified electronic waste handling, and carbon and renewable reporting.

Monitoring and governance. An annual third party audit, a public dashboard, an advisory group that includes residents, a complaint log, incident reporting, audit and inspection access, and a public hearing before any expansion or incentive renewal.

Security and remedies. A parent guarantee, letter of credit, or bond. Phased release only after verified performance. Cure periods and stated damages. Suspension of approvals and incentives. Successor liability. And no assignment without assumption of the obligations.

End of life. A minimum operating period, an early exit payment, decommissioning and demolition security, equipment and fuel removal, contamination remediation, disposition of utility assets, and a reuse option the community has approved.

Sizing the request

A single lump sum is difficult to defend and easy to reduce. A structure that holds up has five parts.

1. Full dollar for dollar mitigation of the costs the project creates.
2. An upfront community payment tied to the approvals, land, and incentive value being transferred.
3. An annual payment per megawatt or per square foot, indexed to inflation.

4. A payment before each additional building or block of capacity.
5. A guaranteed revenue floor for each affected taxing body.

Then test the structure against delay, partial buildout, tenant turnover, appraisal appeals, falling equipment values, and early closure, and see what still holds.

PART III

10 • Key Questions for Applicants and Decision Makers

1. What is the maximum electric load by phase, and who pays for each generation, transmission, substation, and distribution asset it requires?
2. What happens to residential and small business rates if the project is delayed, uses less power than forecast, closes early, or disputes its bill?
3. How many gallons will be withdrawn, consumed, and discharged on the hottest day, in a normal year, and in drought, at full build?
4. Which aquifer serves the project, what else draws on it, can the appropriation be issued under the sustained yield rule, and who is curtailed first?
5. What is the actual construction population, where will those workers live, and what does that do to rent, traffic, schools, emergency services, and shelter demand?
6. How many permanent positions are employees rather than contractors, at what wages, for how long, and who verifies?
7. What is the thirty year present value of each tax break, fee waiver, land discount, bond, utility concession, and piece of infrastructure supplied by the public?
8. What is the guaranteed revenue, rather than the projected revenue, to each school system, county, town, and fire district?
9. What is the enforceable noise limit at the nearest home, including low frequency sound, and what happens after a violation?
10. How many generators, batteries, and fuel tanks are planned, how often will they run, and who funds the emergency capacity to cover them?
11. Which obligations bind the tenant, the owner, and any successor if the campus is sold or leased?
12. Which promises are contractual, which are permit conditions, which are voluntary, and which can the company end on its own?
13. Who controls any community fund, who audits it, and can mitigation costs be counted against it?
14. What triggers a new public review? More megawatts, a new cooling system, a different fuel, more buildings, a new tenant, or a change in the work the facility does?
15. What is the decommissioning plan, the security amount, the early exit payment, and the reuse strategy?

PART III

11 · Risks and Mitigations in Community Benefit Commitments

The strength of a community benefit commitment depends on how it is drafted, timed, and secured. None of the conditions below indicates a poor project. Each indicates a term that is not yet doing what it appears to do. The table pairs the recurring failure modes with the correction that restores each one, and most can be resolved by asking.

Condition to watch for	How to resolve it
Benefits described in a press release or on a company web page, with no executed document behind them.	Require every commitment to appear in a signed, recorded agreement, and treat unrecorded promises as absent.
Average resource use figures with no maximum day, seasonal, drought, or full buildout limits.	Require load, water, and cooling values at each phase and at full build, and set binding maximums with monthly public reporting.
Infrastructure spending presented as a contribution when it exists to serve the project.	Separate project cost from community benefit in the term sheet, and count only what stays locally beyond what the project itself needs.
Construction jobs counted as permanent employment, or counted again in each phase.	Require an employee headcount floor, distinct from contractor and construction counts, with wage bands and independent verification.
Tax projections that omit the value of exemptions, depreciation, appraisal appeals, or stacked incentives.	Require full valuation disclosure, a guaranteed minimum payment regardless of appraisal appeal, and a public thirty year present value of every incentive.
A community fund controlled by the developer, or limited to uses that carry the company's name.	Place fund uses under community control, name them in the agreement for at least the first round, and require an independent audit.
No parent guarantee, because the contracting party is a single purpose company with limited assets.	Require a parent or affiliate guarantee, a letter of credit, or a bond sized to the obligation, with phased release only after verified performance.
An agreement signed after entitlements, land transfer, capacity reservation, and incentives are settled.	Set phase gates so the community benefit agreement is executed before rezoning, annexation, capacity reservation, or tax action takes effect.

Condition to watch for	How to resolve it
Noise measured at an industrial property line, far from the nearest house.	Set modeled and measured limits at the nearest homes, including low frequency sound, with continuous monitoring and a required cure.
Water replenishment credits offered in place of local physical supply and drought reliability.	Require binding daily and annual consumption caps at full build, a drought curtailment hierarchy, and no priority over essential community use.
Renewable energy claims resting on annual certificates while local peak demand and grid upgrades go unaddressed.	Require who pays for each generation, transmission, substation, and distribution asset the project causes, and a public summary of the protections.
Promises that do not bind tenants, affiliates, assignees, and future owners.	Require successor liability, no assignment without assumption of the obligations, and disclosure of tenants to the extent the law allows.
No automatic review when computing density or power demand rises inside the same building.	Make capacity, cooling, fuel, generator runtime, water consumption, tenants, and workload each trigger disclosure and a renewed review.
A remedy that amounts to another meeting and another promise.	Require cure periods, stated damages, suspension of approvals and incentives, and monetary remedies with force behind them.
Terms delivered to the deciding body too late for it to evaluate them, as occurred in Pittsylvania County.	Adopt a filing deadline for any proffer, benefit term, or draft agreement, far enough ahead of the hearing that the public can read it.

PART III

12 · Findings and Recommendations for Eastern Shore Jurisdictions

The largest check is not always the strongest bargain. Joliet's hundred million dollar commitment is unusual in this record. A smaller agreement can be worth more where it also prevents ratepayer subsidy, protects water in drought, funds emergency capacity, binds successors, and carries real remedies. Saline Township's fourteen million is small against the project and large against the township, and the terms that may matter most there are the acreage limits, the easements, and the restoration requirement. Score the whole risk adjusted package.

Self containment stops at the fence. A dedicated microgrid or closed loop cooling addresses part of a system. Fuel supply, air emissions, replacement generation, transmission reliability, workforce housing, road wear, mutual aid, wastewater, and stranded infrastructure remain community questions. On site does not mean without effect.

In Maryland, the utility question has moved upstream. Land use conditions control location and nuisance. On their own they do not keep households from carrying generation and transmission cost. Maryland has built much of that protection into state law, which changes the local task from inventing the instrument to confirming it applies, and to knowing which kind of utility is across the table.

Timing creates position. The strongest moments come before rezoning, land sale, annexation, bond authorization, tax action, water commitment, interconnection, and each new phase. Lancaster negotiated the fullest agreement located for this paper and still shows the marks of starting late. Saline Township had little position until its own adopted plan supplied one.

The next generation of agreements has to anticipate change. Computing density can rise inside the same building without visible expansion. An agreement written around acreage and square footage will age badly. Capacity, cooling, fuel, generator runtime, water consumption, tenants, and workload should each trigger disclosure, and where the change is significant, a renewed review.

Recommendations

Adopt a definition, a conditional use path, and a full disclosure application before entering any project specific conversation. Retain independent utility, water, fiscal, acoustical, emergency response, and housing advisers, funded by the applicant and directed by the jurisdiction. Publish a consolidated term sheet before the public hearing, showing public contributions and developer obligations in separate columns. Require proof of the state large load tariff, registry entry, and infrastructure security before local approval takes effect. Ask for the two commitments least represented in the national record, which are a farmland preservation contribution with conservation easements and a housing commitment. Use phase gates, escalation, successor liability, independent audits, and remedies with force behind them.

And coordinate regionally. A campus in one county draws workers who live, rent, and call for an ambulance in the next one. Shore counties share a labor market, a housing market, a mutual aid network, and in places a utility. Whichever county hosts, the neighboring counties carry part of the load and none of the revenue. That is a regional conversation the Shore is positioned to hold for itself.

PART IV

Research Notes and Supporting Information

What remains uncertain, how terms are defined, and which sources support the record.

PART IV

13 • Research Limitations and Outstanding Verification Items

This paper reports what the research found, at the bodies it went to, on the date it looked, and it takes no position on whether any source is current.

The cases in Section 6 rest on the sources listed at the back, checked in August of 2026. Lancaster, Joliet, Doña Ana County, Richland Parish, Henrico County, Saline Township, Byron, Riverhead, Pittsylvania County, Mecklenburg County, and Athens County were reviewed directly for this edition. The remaining cases carry evidence grades from earlier research and should be reopened against their cited sources, with the date of the check recorded, before any figure from them is quoted in a public proceeding.

Four items are open.

1. The current payment status of the Lancaster agreement, given the reported financing difficulty.
2. Whether the Saline Township annual figures are contractual contributions or projected tax revenue, which requires reading the consent judgment.
3. The form and security behind the roughly 360 million described in the Doña Ana County package.
4. The transmission capacity position on the lower Eastern Shore, which appears here as a county official described it at a public meeting and should be confirmed with the serving utility and the regional grid operator.

Three findings publish as gaps rather than as facts. No case was located for this paper in which a data center developer was obligated to fund housing units or a housing fund. No reviewed data center agreement was located with an independent community board holding enforcement authority. And no negotiated data center community benefit agreement was located anywhere in Maryland.

That third gap is an opening. Whichever Shore jurisdiction negotiates the first one will be writing Maryland's first example, and the jurisdictions that follow will read it.

REFERENCE

Glossary of Terms

Community benefits agreement. A negotiated written agreement in which a developer commits to specified community benefits. The name alone does not make it enforceable. What matters is the parties, the signed document, the payment dates, the remedies, the financial security, and whether the obligations pass to a new owner.

Conditional use or special exception. An approval a local government grants case by case, with conditions attached, rather than allowing a use by right.

Consent judgment. A settlement of a lawsuit entered as a court order. It binds the parties and can carry substantive terms, as it did in Saline Township.

Enterprise zone. A designated area where qualifying investment receives tax relief, sometimes paired with a required community service fee.

Host community agreement. A payment and benefit agreement between a town or county and a large facility, common in wind and solar development.

Industrial revenue bond. A financing instrument issued or authorized through a public body for a private project, with the borrower generally responsible for repayment.

Large load customer. Under Maryland law, an electric customer above a stated size, now 25 megawatts at 60 percent utilization, subject to a dedicated tariff and registration with the Public Service Commission.

Payment in lieu of taxes. A negotiated payment made instead of some or all ordinary property taxes. The agreement should state the amount, escalation, duration, allocation among taxing bodies, audit rights, and treatment of later phases and valuation disputes.

Proffer. In Virginia, a binding commitment a developer attaches to a rezoning request. It runs with the land.

Sustained yield. The rate at which water can be drawn from an aquifer without exceeding what the aquifer can support. In Maryland it is the legal limit on new appropriations from confined aquifers.

Tax increment financing. A public finance method that uses part of the anticipated growth in property tax revenue inside a designated area to pay eligible project or district costs.

REFERENCE

Sources and References

Sources were checked in August of 2026. Primary government records were preferred. News and policy sources were used where the official record is fragmentary, and those points are described as reported.

Maryland. Maryland Department of Commerce, Data Center Maryland Sales and Use Tax Exemption Incentive Program. Maryland Code, Tax General, section 11-239. Maryland Economic Development Article, section 1-101, Tier 1 counties. Maryland General Assembly, House Bill 1595 and Senate Bill 427, 2026 session. Maryland Association of Counties, 2026 end of session summary on taxes and revenues. Next Generation Energy Act of 2025. Utility RELIEF Act of 2026, with provision summaries from Maryland Energy Talk and the Chesapeake Climate Action Network Action Fund, and coverage from The Daily Record, The Baltimore Banner, and Data Center Dynamics. Data Center Alliance of Maryland, 2026 session report. Code of Maryland Regulations 26.17.06.06, criteria for approval of water appropriation permits. Maryland Department of the Environment, water appropriations and use permits, and county water and sewer plan consistency materials. Maryland Geological Survey, Coastal Plain aquifers and groundwater use.

Eastern Shore. WMDT, July 28, 2026, on county moratoriums. WBOC, August 2026, on Wicomico and Dorchester. The Baltimore Sun, August 6, 2026, on Wicomico and Federalsburg. Caroline County moratorium notice. Government Technology, July 2026, on Shore zoning gaps. Bay Journal and Southern Maryland Chronicle, July 2026, on the Charles County proposal.

National overview. Federation of American Scientists, How We Found Eight Data Center Community Benefit Agreements and Why It Matters, August 11, 2026, and Empowering Communities through Community Benefit Agreements in AI Fueled Data Center Development, June 10, 2026. Sabin Center for Climate Change Law, Columbia Law School, Community Benefits Agreements Database, and Community Benefits Agreements and Data Center Development, May 28, 2026. Brookings Institution, The local implications of data centers for rural communities in the United States, March 2026, and Why community benefit agreements are necessary for data centers, January 2026. Good Jobs First, on subsidy disclosure and employment. Spotlight PA, August 2026, on nondisclosure agreements. Pennsylvania Department of Community and Economic Development, Data Center Planning Toolkit. Virginia Joint Legislative Audit and Review Commission, Data Centers in Virginia. Illinois Department of Commerce and Economic Opportunity, 2024 Data Center Investment Program report.

Cases. City of Lancaster community benefits agreement and summary, and LancasterOnline, November 2025 and February 2026. City of Joliet news release and community development memorandum, March 2026, and Data Center Watch project tracker. City of Cedar Rapids and Cedar

Rapids Economic Development. City of Piqua data center project page. City of Stillwater data center project page. City of Port Washington document repository. City of Fort Wayne project page. City of Huntsville. City of El Paso. City of DeKalb meeting records. City of Abilene. City of New Albany. Chesterfield County zoning case materials. Loudoun County 2025 zoning amendments. Doña Ana County Project Jupiter pages, Oracle announcements of July 2026, and Searchlight New Mexico, August 2026. Louisiana Economic Development and Meta newsroom, July 2026, with Shreveport Bossier City Advocate and Wall Street Journal reporting on Richland Parish, June 2026. Henrico County news release, August 2026, WWBT, August 19, 2026, and Urban Institute. Inside Climate News and Michigan Advance, October 2025, ClickOnDetroit, January 2026, Concentrate Media, January 2026, Fortune, May 2026, and Data Center Dynamics, on Saline Township. Chatham Star Tribune, April 2026, and WVTF, March 2025, on Mecklenburg and Pittsylvania Counties. Athens County Independent, August 2026. City of Hillsboro enterprise zone materials. Morrow County enterprise zone pages and Oregon Public Broadcasting.