The Economic & Fiscal Impacts of Data Center Development in Prince George's County

November 2025

SAGE | policy group

Executive Summary

This analysis considers the economic and fiscal benefits associated with an 800,000 square foot, 300 megawatt data center development in Prince George's County, Maryland. Construction of the facility will support more than 4,800 jobs, $328 million in employee compensation, and $1 billion in economic activity. The construction phase will support $2.5 million in tax revenues for Prince George's County, a figure that does not include permitting fees, and approximately $20 million for the State.

Once steady state operations have been attained, the facility will support approximately 310 statewide jobs, more than 250 of which will be performed in Prince George's County. Critically, those jobs will help stem the County's ongoing job losses—Prince George's County's employed population has declined by over 8,500 persons over the past 12 months and remains approximately 47,000 persons lower than at the start of 2020.

Summary of Economic and Fiscal Impacts (millions $2025)

Impact Category	Construction Phase (duration of project)	Operating Phase (Annual, Ongoing)
Jobs	4,807	309
Labor Income	$328.4	$21.0
Economic Activity	$1,022.1	$88.8
Prince George's County Tax Revenues	$2.5	$19.9
State Tax Revenues	$20.0	$16.6

Those jobs will be associated with $21 million in statewide compensation, about $17.5 million of which will be earned by work performed in Prince George's County. Operations will support nearly $90 million in economic output each year, and that activity will generate approximately $20 million in annual tax revenues for Prince George's County and $17 million for the State.

These revenues will aid the County's efforts to address its projected $92 million FY 2027 budget deficit; consider that the data center will generate an estimated $8 million in annual real property taxes for the County, more than would be supported by 1,800 median priced Prince George's County homes. The total $19.9 million in Prince George's County revenues is enough to cover the total first year compensation costs of 158 firefighters or 175 police officers each year. Alternatively, it is equivalent to the aggregate average total compensation of 176 Prince George's County public school teachers.

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INTRODUCTION

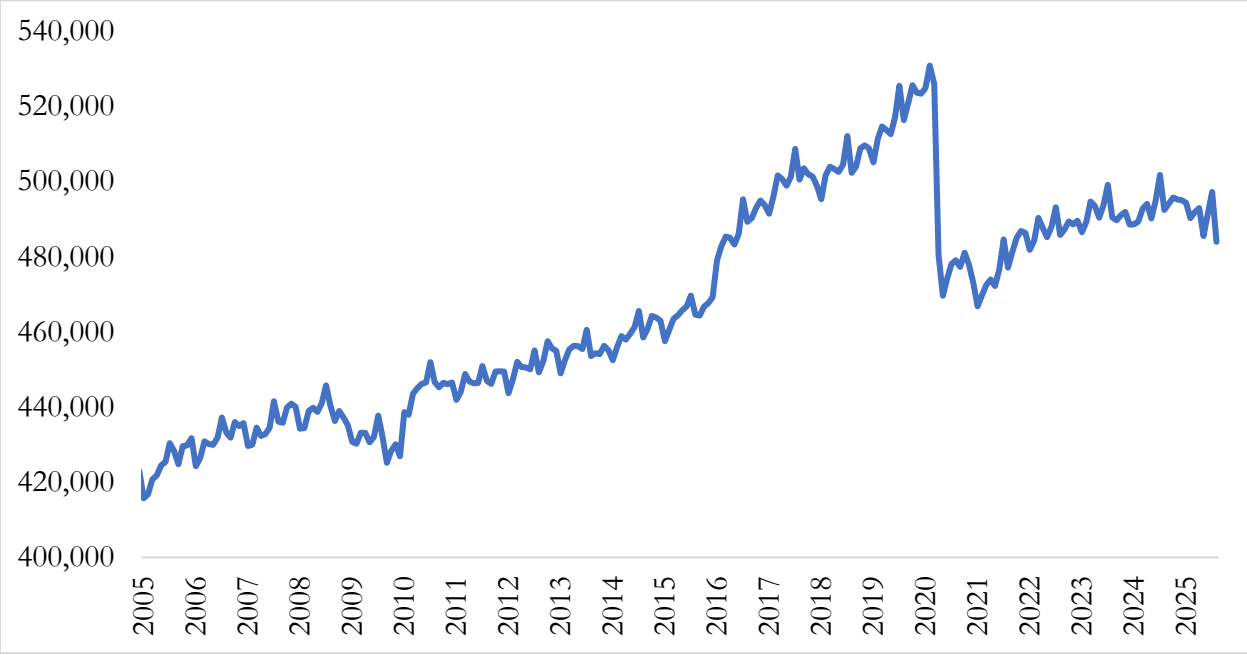
This analysis examines the potential economic and fiscal impacts of an 800,000 square foot, 300 megawatt Prince George's County data center development. The development will have economic and fiscal benefits for the county, supporting jobs, both on a temporary basis during the construction phase and on an ongoing basis once the facility is operational, augmented spending in the local economy, and significant tax revenues.

This report uses IMPLAN economic modeling software, an industry-standard platform for input-output analysis, as well as proprietary fiscal impact modeling methods that use data from the Census Bureau and the Office of the Maryland Comptroller, to estimate the jobs, labor income, economic activity, and tax revenues supported by this development. Details regarding this analysis's methods and assumptions can be found in Appendix A on page 9.

BACKGROUND

The economic impacts supported by the construction and operation of a data center should be viewed in the context of the County's current economic environment, one presently defined by ongoing job losses. There are nearly 47,000 fewer employed people living in Prince George's County than there were at the start of the pandemic. While the County was recovering jobs from 2020 to 2024, job losses have accelerated over the past year; the number of employed people living in Prince George's County has fallen by nearly 8,500 over the past 12 months.

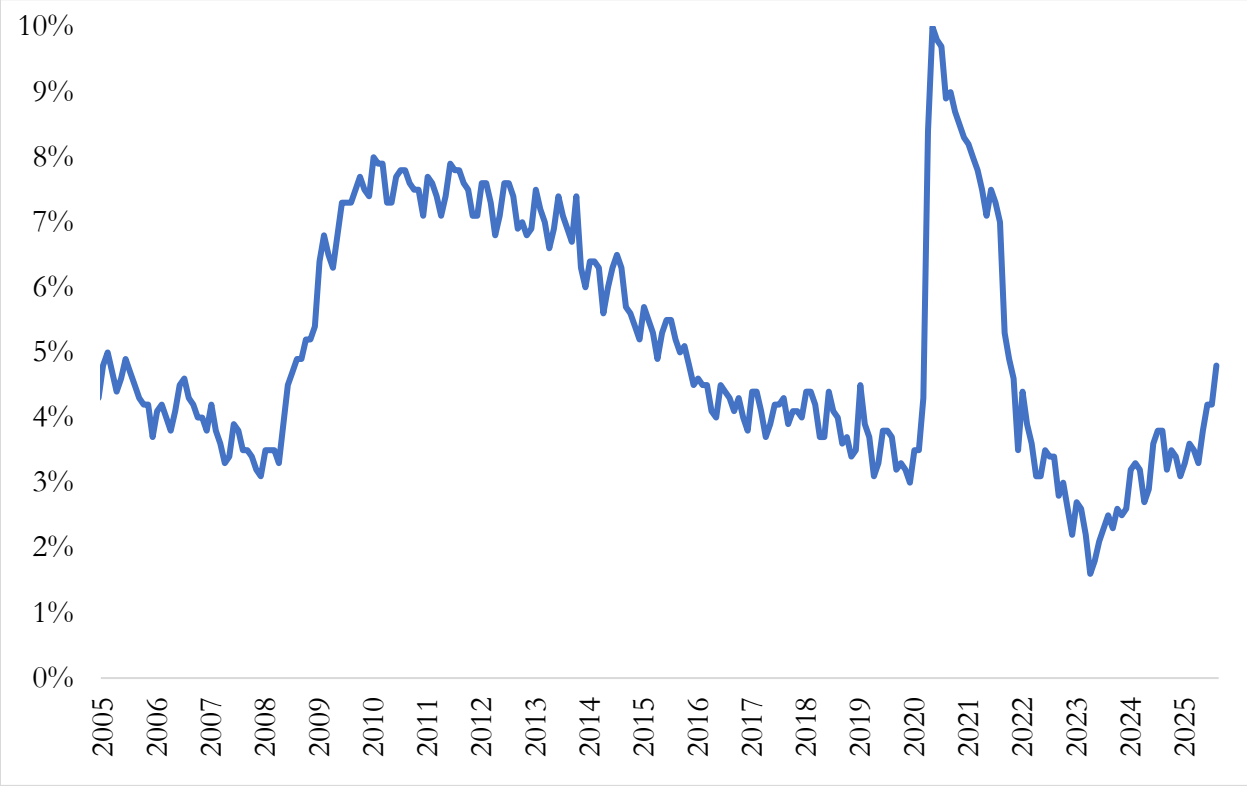
Exhibit 1: Employed Persons Living in Prince George's County



Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

These job losses have caused a precipitous rise in the County's unemployment rate. Since reaching an all-time low of 1.6 percent in April 2023, the County's unemployment rate has surged to 4.8 percent. Most of that increase has occurred during 2025, with federal government and federal government contractor job losses causing a particularly sharp increase in Prince George's County unemployment.

Exhibit 2: Prince George's County Unemployment Rate



Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

This decrease in employment has led to fiscal difficulties for Prince George's County, which has seen expenses rise at a significantly faster pace than revenues. As a result, the County projects a budget shortfall in the range of $91.6 million for FY 2027, growing to $157.9 million by FY 2032.[1] That shortfall provides critical context for the fiscal impacts discussed in this analysis.

CONSTRUCTION PHASE IMPACTS

Construction of the powered core and shell—the physical structure of the data center but not the equipment inside the building—is expected to cost $720 million. This figure reflects a conservative estimate of per square foot construction costs that is based on a review of real data center project costs as well as industrywide parameters.

[1] Prince George's County Office of Management and Budget, *FY 2027 Spending Affordability Committee Letter* (Prince George's County, MD: October 1, 2025), accessed October 31, 2025, https://www.princegeorgescountymd.gov/sites/default/files/media-document/FY%202027%20SAC%20Letter%20October%202025.pdf

The development phase of this project will support approximately 3,400 construction jobs, with a job defined as one full- or part-time position that lasts for one year, and those jobs will average approximately $72,000 in annual compensation, which includes both wages and benefits.

Secondary effects—additional activity driven by spending related to the project and the augmented incomes of the directly employed workers, will support more than 1,400 additional jobs across the state. Including those secondary positions, the construction phase will support more than 4,800 jobs across the state, about 4,300 of which will be performed in Prince George's County. The project will augment statewide labor income by approximately $330 million, which includes both wages and benefits.

In total, construction of the data center will support more than $1.0 billion in statewide economic activity (the sum of goods and services sold in state as a result of the project). More detailed economic impacts can be viewed in Appendix B on page 12, and more information on how to interpret economic impacts can be found in Appendix C on page 14.

Exhibit 3: Construction Phase Total Economic Impacts

	Jobs	Labor Income (Millions $2025)	Economic Output (Millions $2025)
Prince George's County			
Direct effects	3,365	$241.5	$720.0
Secondary effects	959	$54.2	$191.3
Total	**4,324**	**$295.7**	**$911.3**
Remainder of Maryland (only secondary impacts)			
Total	**482**	**$32.7**	**$110.8**
Statewide			
Total	**4,807**	**$328.4**	**$1,022.1**

Source: Sage, IMPLAN *Totals may not add due to rounding

The construction phase will generate significant tax revenues at both the state and local levels. After adjusting the $295 million in Prince George's County-based employee compensation to reflect only wages earned by Prince George's County residents, the project will generate an estimated $1.7 million in income tax revenues for the County. The project will also generate an estimated $800,000 in permitting fees, a figure derived from conversations with experienced Prince George's County developers.

Exhibit 4: Construction Phase Fiscal Impacts

Tax Category	Revenues (Millions $2025)
Prince George's County	
Permitting Fees	$0.8
Income	$1.7
Total	**$2.5**
State of Maryland	
Sales	$10.9
Income	$9.1
Total	**$20.0**

Source: Sage

At the state level, the construction phase will bolster tax revenues by $20 million through augmented sales and income tax revenues. Note that these estimates do not include the cost of the personal property that will be installed inside the facility, as qualified data center equipment is exempt from sales tax in Maryland.

IMPACTS UPON FULL BUILD OUT

Upon full build out, the data center will support an estimated 100 direct positions related to management, engineering, and security. Compensation for those jobs will approach $100,000 per annum.

Operational expenditures by the data center and spending by the facility's employees will support more than 209 additional statewide jobs beyond those directly employed at the data center, about 156 of which will be performed in Prince George's County. Those secondary jobs include at least one position in 45 distinct industry sectors.

Exhibit 5: Operational Economic Impacts, Full Build Out

Annual, Ongoing	Jobs	Labor Income (Millions $2025)	Economic Output (Millions $2025)
Prince George's County			
Direct effects	100	$9.8	$52.7
Secondary effects	156	$7.7	$24.8
Total	**256**	**$17.5**	**$77.5**
Remainder of Maryland (only secondary impacts)			
Total	**53**	**$3.5**	**$11.2**
Statewide			
Total	**309**	**$21.0**	**$88.8**

Source: Sage, IMPLAN *Totals may not add due to rounding

In total, the data center's operations will support more than 300 jobs, $21 million in employee compensation, and $88 million in economic activity annually.

Including secondary impacts, the data center will support nearly $20 million in tax revenues for Prince George's County each year and approximately $17 million for the State. To put those figures into context, the $8 million in annual real property taxes supported by the data center development is more than would be supported by 1,800 median priced Prince George's County homes.[2] The total $19.9 million in Prince George's County revenues is enough to cover the total first year compensation costs of 158 firefighters or 175 police officers each year. Alternatively, it is equivalent to the aggregate average compensation of 176 teachers.[3]

Exhibit 6: Total Ongoing, Annual Fiscal Impacts

Tax Category	Revenues (Millions $2025)
Prince George's County	
Personal property	$11.8
Real property	$8.0
Income	$0.1
Total	**$19.9**
State of Maryland	
Electricity (sales & franchise)	$14.2
Sales (other than electricity)	$0.9
Real property	$0.9
Income	$0.6
Total	**$16.6**

Source: Sage *Totals may not add due to rounding

These estimates do not account for a potential tax credit on personal property tax that data centers could be eligible for in Prince George's County.[4] Because all 27 of Prince George's County's municipal governments levy a real property tax, any data center development in an incorporated place would generate more local real property tax revenues. Nearly all of the County's municipalities levy a personal property tax—25 out of 27, with only Laurel and Eagle Harbor abstaining—meaning that a data center could potentially provide massive tax revenues for certain Prince George's County's localities.

Note that the data center would also produce an estimated $2.4 million in real property tax revenue and $3.5 million in personal property tax revenue for the Maryland-National Capital Park and Planning Commission each year.

[2] This calculation assumes the assessed value of the median priced home in Maryland is equivalent to the median 2024 sales price (data sourced from Maryland REALTORS® 2024 annual housing statistics).
[3] Data regarding police, firefighter, and teacher compensation is sourced from Prince George's County, encompasses both salary and benefits, and pertains to 2026.
[4] "The governing body of a county or municipal corporation may reduce or eliminate, by law, the percentage of the assessment of any qualified data center personal property used in a qualified data center that is subject to the county or municipal corporation property tax under [Md. Code, Tax-Prop. § 7-248]."

CONCLUSION

Construction of an 800,000 square foot, 300 megawatt data center in Prince George's County will support more than 4,800 jobs, $328 million of labor income, and $1 billion of statewide economic activity over the two-plus year duration. That activity will generate an estimated $2.5 million in Prince George's County tax revenues.

Once steady state operations are attained, the facility itself will employ an estimated 100 people with average annual compensation approaching $100,000. Including secondary impacts, the data center will support an estimated 309 jobs collectively earning approximately $21 million each year across the entirety of Maryland. As a result, statewide economic activity will be bolstered by more than $88 million each year. This economic activity will generate nearly $20 million in annual tax revenues for Prince George's County, a figure that includes the full estimated value of personal property taxes, and $17 million for the State.

About Sage Policy Group

Sage Policy Group is an economic and policy consulting firm headquartered in Baltimore, MD. Dr. Anirban Basu, Sage's chairman and CEO, founded the firm in 2004. Sage has created a client base that encompasses more than forty states and seven countries and includes Fortune 500 companies, NFL teams, aquariums and zoos, state and local governments, insurance companies, banks, brokerage houses, major medical systems, trade organizations, and law firms, among others.

The company is especially well known for its analytical capabilities in economic and fiscal impact estimation, economic development, forecasting, legislative analyses, litigation support, environmental economics, and industry outlooks.

In addition to leading Sage, Dr. Basu has emerged as one of the nation's most recognizable economists. He serves as the chief economist to Associated Builders and Contractors, the Maryland Bankers Association, and the International Food Distributors Association and as the chief economic adviser to the Construction Financial Management Association. He chaired the Maryland Economic Development Commission from 2014 to 2021 and currently chairs the Baltimore County Economic Advisory Committee.

Dr. Basu's lectures in economics are delivered to audiences across the U.S. and abroad. He has lectured at Johns Hopkins University and is presently the Distinguished Economist in Residence at Goucher College, where he teaches History of Economic Thought.

Appendix A: Methods & Assumptions

CONSTRUCTION PHASE ECONOMIC IMPACTS

Construction of the powered core and shell is estimated to cost $720 million, or approximately $900 per square foot, a figure based on publicly available data and a Sage analysis of financial information from several recent data center projects in the Mid-Atlantic region. Notably, this is a conservative parameter that likely understates the realized construction cost, especially given recent tariff-related increases in construction materials prices.

These parameters served as inputs to the custom IMPLAN model used to estimate the construction phase impacts. Specifically, the model used multi-regional input-output analysis, a technique that allows direct impacts to be confined to a certain geography (Prince George's County) while capturing secondary impacts in a broader area (the remainder of Maryland).

OPERATING PHASE ECONOMIC IMPACTS

Based on an estimate of one employee per 8,000 square feet, the data center will employ approximately 100 people once steady state operations are attained with estimated average annual compensation approaching $100,000. Economic activity related to operations was determined implicitly within IMPLAN, which has sectoral-specific parameters pertaining to data centers. The model of operating phase economic impacts also uses multi-regional input-output analysis to produce geographically granular impact estimates.

CONSTRUCTION-RELATED INCOME TAXES

Compensation presented in the economic impact section of this report encompasses wages and benefits. According to the U.S. Bureau of Labor Statistics, wages account for 67.1 percent of private construction compensation (the only portion of compensation subject to income tax). Accordingly, construction will support approximately $417 million in taxable income among Maryland residents (including secondary effects). Based on an estimated effective State income tax rate of 4.1 percent for state residents—calculated using data from Maryland's FY 2024 Annual Comprehensive Financial Report—construction will support $9.1 million in State income tax collections during development.

Some construction jobs will be held by residents of other states. Moreover, not every job held by a Marylander will be held by a Prince George's County resident. Based on inflow/outflow data from the U.S. Census Bureau, 33.9 percent of jobs in Prince George's County are filled by Prince George's County residents. Using that parameter and an estimated effective local income tax rate of 2.5 percent, Sage estimates that the construction phase will support $1.7 million in income tax revenue for Prince George's County.

CONSTRUCTION-RELATED SALES TAXES

To determine the sales tax impact of the construction phase, this study uses the same custom IMPLAN model used to produce economic impacts. Servers, which represent a significant portion of the overall capital expenditure associated with this development, are exempt from Maryland sales and use taxes. Based on Sage's modeling, the construction phase will support $10.9 million in sales taxes—including those related to secondary purchasing—over the period of development.

PERMITTING FEES

This analysis estimates that the development will generate approximately $800,000 in permitting fees for Prince George's County, a figure based on conversations with multiple developers who have worked within the County.

OPERATIONAL INCOME TAXES

Once operational, the data center will support an estimated $21 million in statewide employee compensation. To determine the income tax paid on that total, that figure must be adjusted to include only wages, which on average represent 69.0 percent of total compensation. Based on that parameter and an effective state level tax rate of 4.1 percent, the development will support an estimated $600,000 in State-level income tax revenues each year once steady state operations are achieved.

At full build out the jobs supported in Prince George's County will support an estimated $17.5 million in total labor income. After adjusting that figure to reflect only wages (69.0%) and to include only the workers who live in Prince George's County (33.9%), approximately $4.1 million in income will be subject to Prince George's County's income tax. Based on an effective income tax rate of 2.5 percent, the development will support $104,000 in income tax revenue for Prince George's County each year once full build out is achieved.

REAL PROPERTY TAXES

Prince George's County levies a real property tax of $1.00 per $100 of assessed value. The State of Maryland levies a real property tax of $0.112 per $100 of assessed value. Using projected construction costs related to only the powered core and shell and the projected value of the land upon full build out, the assessed real property valuation of the development is estimated to be $800 million (constant 2025 dollars). Based on these parameters, the development will support approximately $8 million in annual real property tax revenues for Prince George's County and $900,000 for the State.

The Maryland-National Capital Parks and Planning Commission assesses a real property tax on Prince George's County property at a rate of $0.294 per $100 of assessed value and a personal property tax of $0.7350 per $100 of assessed value. That will produce approximately $2.4 million in annual real property tax revenues and $3.5 million in annual personal property tax revenues.

OPERATIONS-RELATED SALES TAX (EXCLUDING ON ELECTRICITY)

To determine the sales tax revenue supported by steady state operations, this study uses the same custom IMPLAN model used to produce economic impacts. Based on Sage's modeling, the facility's operations will support approximately $900,000 in State sales taxes—including those related to secondary purchasing—each year. This figure excludes sales tax collected on the direct purchase of electricity, an estimate of which is discussed below.

FRANCHISE & SALES TAX ON ELECTRICITY USAGE

Maryland levies a franchise tax applicable to public service companies calculated as 2 percent of gross receipts plus a charge of $0.00062 per kilowatt-hour delivered. Given the data center's expected power use at steady state, the franchise tax will generate nearly $4.8 million in annual revenues for the State while the per kilowatt-hour charge will generate an additional $9.5 million from power utilization.

Appendix B: Detailed Economic Impacts

Exhibit 7: Detailed Construction Phase Economic Impacts

	Jobs	Labor Income (Millions $2025)	Economic Output (Millions $2025)
Prince George's County			
Direct effects	3,365	$241.5	$720.0
Indirect effects	477	$31.3	$108.4
Induced effects	482	$22.9	$82.9
Total	**4,324**	**$295.7**	**$911.3**
Remainder of Maryland			
Indirect effects	111	$9.0	$39.6
Induced effects	371	$23.7	$71.3
Total	**482**	**$32.7**	**$110.8**
Statewide			
Total	**4,807**	**$328.4**	**$1,022.1**

Source: Sage, IMPLAN *Totals may not add due to rounding

Exhibit 8: Secondary Jobs by Sector, Construction Phase

Sector	Indirect	Induced	Total
Other real estate	72	3	75
Full-service restaurants	46	14	60
Limited-service restaurants	52	6	58
Architectural, engineering, and related services	30	19	49
Hospitals	2	47	49
Transit and ground passenger transportation	3	37	40
Offices of physicians	0	36	36
Retail - Food and beverage stores	0	33	33
Retail - Nonstore retailers	0	29	29
Personal care services	18	10	28
Wholesale - Other durable goods merchant wholesalers	26	1	28
Automotive repair and maintenance, except car washes	1	25	26
Retail - General merchandise stores	2	21	23
All other food and drinking places	2	19	22
Landscape and horticultural services	7	14	21
Truck transportation	14	6	21
Retail - Building material and garden equipment and supplies stores	0	19	19
Employment services	13	6	19
Advertising, public relations, and related services	14	5	19
Private households	3	15	18
Retail - Miscellaneous store retailers	0	18	18
Child day care services	13	5	18
Couriers and messengers	1	16	17
Securities and commodity contracts intermediation and brokerage	0	16	16
Other	268	431	700
Total	**588**	**853**	**1,441**

Source: Sage, IMPLAN *Totals may not add due to rounding

Exhibit 9: Detailed Operational Economic Impacts, Full Build Out

Annual, Ongoing	Jobs	Labor Income (Millions $2025)	Economic Output (Millions $2025)
Prince George's County			
Direct effects	100	$9.8	$52.7
Indirect effects	130	$6.5	$20.4
Induced effects	26	$1.2	$4.4
Total	**256**	**$17.5**	**$77.5**
Remainder of Maryland			
Indirect effects	22	$1.5	$5.3
Induced effects	31	$2.0	$5.9
Total	**53**	**$3.5**	**$11.2**
Statewide			
Total	**309**	**$21.0**	**$88.8**

Source: Sage, IMPLAN *Totals may not add due to rounding

Exhibit 10: Secondary Jobs by Sector, Operating Phase (annual, ongoing)

Sector	Indirect	Induced	Total
Other real estate	23	1	24
Management consulting services	20	1	21
Employment services	10	1	11
Transit and ground passenger transportation	6	2	8
Full-service restaurants	6	0	6
Couriers and messengers	6	0	6
Advertising, public relations, and related services	5	1	6
Computer systems design services	5	1	6
Investigation and security services	4	0	5
Services to buildings	4	0	4
Warehousing and storage	1	3	4
Scenic and sightseeing transportation	4	0	4
Limited-service restaurants	3	0	3
Environmental and other technical consulting services	3	0	3
Legal services	3	0	3
Postal service	2	0	3
All other food and drinking places	2	0	3
Commercial sports except racing	1	1	3
Office administrative services	2	0	2
Accounting, tax preparation, bookkeeping, and payroll services	2	0	2
Automotive repair and maintenance, except car washes	0	2	2
Landscape and horticultural services	0	2	2
Management of companies and enterprises	2	1	2
Hospitals	2	0	2
Other	36	37	73
Total	**153**	**56**	**209**

Source: Sage, IMPLAN *Totals may not add due to rounding

Appendix C: How to Interpret Economic Impact Estimates

To quantify the economic impacts of this development, Sage used IMPLAN economic modeling software and its embodied multipliers to generate estimates of employment, labor income, and output. Below is an abbreviated glossary of terms that may prove helpful in interpreting analytical findings.

EMPLOYMENT

As defined by IMPLAN, a job that lasts twelve months equals one job, two jobs that last six months equal one job, three jobs that last four months equal one job, etc. Based on this, **job-years** represents a useful term. For instance, an endeavor that supports 200 jobs for a six-month period would be considered to support 100 jobs measured in job-years. Note that IMPLAN jobs are not quite the same thing as full-time equivalents (FTEs). Each of IMPLAN's 536 unique industries has a different conversion rate between jobs and FTEs, although for almost every industry one job is equal to less than one FTE.

OUTPUT (BUSINESS ACTIVITY, ECONOMIC ACTIVITY)

Output equals the value of industry production or service provision. It might be easier to conceptualize this as total business sales or economic activity. For retail industries, it is the gross margin (not gross sales). For manufacturing, output is the quantity of total sales plus/minus the change in inventories. For the service sector, output is directly equal to sales. This is summarized by the following equation:

Output = (Manufacturing sales +/- change in inventories) + (service sector sales) + (gross margin for wholesale and retail trade)

LABOR INCOME

Worker compensation is comprised of wages, benefits, and proprietor income (money accruing to owners of businesses).

Worker Compensation = all forms of employee compensation (wages/benefits) + proprietor income

DIRECT EFFECTS

Direct effects are impacts tightly aligned with the endeavor under consideration. In this instance, direct effects are produced by construction of the data center as well as the facility's steady state operations.

INDIRECT EFFECTS

Indirect effects stem from business-to-business spending activity within the study area that occurs as a result of the direct effects. These can also be considered broader supply chain effects. This is a form of **secondary** effect.

INDUCED EFFECTS

Induced effects relate to household spending that occurs due to expanded levels of labor/household income. This is also a form of **secondary** effect.