

that AWS would be contributing \$400,000 in community funds within those four localities, which, together with bordering Fredericksburg, constitute an economic region: the Fredericksburg Area Association of Realtors service area.

What Youngkin called the largest single economic development investment in the history of the state didn't happen by accident. The Fredericksburg Regional Alliance (FRA) at the University of Mary Washington and other regional groups had together been paving the way for data center development since 2016, when they also focused on ensuring the facilities would be built away from residential areas or well-buffered if close to them.

"The reality is [that] this region is one of the [fastest-growing] areas in the Commonwealth. With growth comes the need for infrastructure and services that the area can [afford only] by attracting new revenue sources or raising taxes on local businesses and residents," stated Curry Roberts, president of the FRA, in a local op-ed. "To get ahead of this [need], leaders in our region have worked for over a decade to attract data centers and the tremendous local tax revenue they bring."

According to Roberts, the regional coalition began its quest by evaluating 50 sites to determine whether—based on zoning, transmission lines, and water access—they were compatible with data center use. The coalition eventually narrowed its list down to 15 locations across five localities, with each site exceeding 100 acres. This groundwork set the stage for an ambitious economic development plan aimed at attracting major industry players such as AWS.

Roberts emphasized the importance of getting information in front of the public proactively, rather than waiting for opposition to arise. Stafford County, for example, held several community meetings to educate people about data centers before any specific projects were proposed.

Stafford and Spotsylvania counties set the stage for evaporative cooling by engineering recycled wastewater systems for that purpose in data centers. These systems are now used by data centers, which pay for the service, thus creating additional revenue for the localities.

When AWS approached regional leaders in 2018 about a data center project, the FRA was able to act quickly. It coordinated with localities to harmonize tax rates and depreciation schedules on a parcel that straddled several jurisdictions, ensuring a straightforward fiscal environment for AWS.

Although the project stalled during the pandemic, by 2023 AWS had acquired and entitled approximately 2,500 acres (1,012 ha), paving the way for the development of 18 million to 19 million square feet (1.7 million–1.8 million sq m) of data center space.

Tax benefits from the investment are immense. According to Roberts, for every dollar of service demanded by a data center, the operator is paying \$13 in taxes.

Elk Grove Village's innovation district

Elk Grove Village, Illinois, a suburban community northwest of downtown Chicago, is located at a major fiber intersection. It intentionally attracted data center development through a combination of zoning code modifications, the promotion of strategic location advantages, and proactive communication with the development community.

Since its formation, the village has had unique zoning. The eastern half of the community, adjacent to O'Hare International Airport, is home to the largest contiguous industrial park in the United States and is zoned as such. The western half of the village is primarily residential and zoned to protect housing.

Matthew Roan, the village manager of Elk Grove Village, said the municipality updated its zoning code to spur redevelopment within its office park by creating a new "innovation and technology" zoning district that specifically permitted data centers as an approved use, thus inviting data center operators to fill unused space.

Additional modifications to the zoning code allow data centers to have greater building heights and front-yard fencing or screening that wouldn't normally be permitted for industrial uses. Other changes reduce parking requirements. All of these changes allow data center builders to get their projects off the ground more quickly, amid the certainty that the structures can be built and won't struggle in the approvals process—an uncertain phase that makes land acquisition too risky for some parties.

This proactive approach has attracted data center developers and hyperscalers, including Meta and Microsoft. Roan, who has served in various roles in village government since 2000, said it brought significant economic benefits to the region, including long-term development and permit fee revenues, financial assistance for local school districts and other taxing bodies, high-quality site aesthetics, and temporary construction jobs. The increased tax and fee revenue from data centers allowed the village to reinvest in infrastructure improvements and redevelopment projects, he said.

This strategic positioning of Elk Grove Village as a data center hub exemplifies how proactive municipal policies can drive growth and innovation—as well as stable economic returns. Once data centers make their large capital investments, Roan said, they tend to stay in the community long term, unlike more transient industrial users.