

# Prince William Times

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Covering Prince William County and surrounding communities, including Gainesville, Haymarket, Dumfries, Occoquan, Quantico and the cities of Manassas and Manassas Park.



## Data center tax revenue can be hard to predict

Lessons from Loudoun:  
Incorrect estimate left a \$60 million  
budget shortfall in 2021

By Peter Cary  
PIEDMONT JOURNALISM FOUNDATION

As argument swirls around proposed data centers in Prince William and Fauquier counties, both proponents and opponents can agree on one thing: They generate a ton of tax revenue.

See pages 4-5 for Tracking the spread of data centers:  
A countywide map of existing data centers and those under development.

But exactly how much revenue would come from the proposed Prince William Digital Gateway in Prince William's "rural crescent," or the 220,000-square-foot-Amazon center proposed in Warrenton, is the subject of serious debate.

Tax analyses, public documents and interviews with officials in Northern Virginia suggest that the

tax revenue generated by the proposed data centers may be either significantly less than expected – or, at best, unpredictable. In counties that depend on data center taxation, officials are finding that estimating that revenue is a fuzzy business.

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PHOTO BY DOUG STROUD

Yesli Vega, the Republican nominee for Congress in Virginia's 7th District, rallies in Dumfries on Monday, Oct. 24, with Gov. Glenn Youngkin and Sen. Ted Cruz, R-Texas. Vega represents the Coles District on the county board and is vying to unseat incumbent Rep. Abigail Spanberger (D).

## Youngkin, Vega rally with hundreds of supporters in Dumfries

By Collin Cope  
CONTRIBUTING WRITER

In support of her effort to flip Virginia's 7th District congressional seat, Yesli Vega was joined Monday night by Gov. Glenn Youngkin and Sen. Ted Cruz in a rally outside Montclair Tabernacle Church in Dumfries.

Opening with a prayer and the Pledge of Allegiance, the speakers addressed a crowd of about 500, appealing to conservative values and offering scathing criticisms of Democratic leadership.

See VEGA, page 2

## Supervisors tap Baltimore administrator for county executive post

By Jill Palermo  
TIMES STAFF WRITER

City of Baltimore City Administrator Christopher Shorter will be Prince William County's next county executive as of Jan. 3.

The Prince William Board of County Supervisors held a brief meeting Tuesday morning during which it voted 6-2 to hire Shorter, 44, to take the reins from acting-County Executive Elijah Johnson.

Johnson, a deputy Prince William County executive, had been filling in as county executive since Christopher Martino retired at the end of 2021. The county executive is the top unelected post in Prince William County and oversees all county staff and operations.

Shorter holds a master's degree in public administration from the University of Pittsburgh's Graduate School of Public & International Affairs and a bachelor's degree in economics from FAMU, or Florida Agricultural & Mechanical University, in Tallahassee, Florida.



COURTESY OF CITY OF BALTIMORE  
Christopher Shorter

He will be paid \$350,000 annually when he joins the Prince William County staff early next year, according to a county news release.

The county supervisors chose Shorter after "an extensive nationwide search," according to Board of Supervisors Chair Ann Wheeler, who welcomed Shorter in brief remarks during the Oct. 25 meeting.

Wheeler, D-At Large, said the county is embarking on significant changes in the coming years and looks forward to working with both Shorter and Johnson, who was apparently in the running for the permanent post.

See SHORTER, page 2



RESIDENTIAL CUSTOMER



Manassas City Council elections preview, page 3



Cemetery tours, ghost walks, costume parades, see Lifestyles, page 13



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# Tracking the spread of data centers

This map highlights the growing footprint of data centers in Prince William County as the board of supervisors weighs a controversial proposal to create the 2,100-acre Prince William Digital Gateway. The corridor, adjacent to the Manassas National Battlefield Park and in the protected rural crescent, could make the county the largest data center hub in the United States, surpassing Loudoun County. The board is scheduled to vote Nov. 1 on a comprehensive plan amendment that would allow the digital gateway to move forward.

The county said Prince William had 33 existing data centers and 13 under construction as of Aug. 23. Most of the existing are in the Data Center Opportunity Zone Overlay District, designated in 2016 to allow the growth in suitable areas. An additional 13 centers outside the Overlay District have been approved or are under consideration,

according to the county. The Gateway, by far the largest project, is not included in these numbers.

Locating the centers is not an exact science. Some may be undisclosed federal properties. Some sites have multiple buildings. And the county is not always aware of private land deals that haven't reached rezoning or permitting stages.

Fauquier County may be the next target for development. Amazon wants to build a 220,000-square-foot data center in Warrenton at Blackwell Road and Lee Highway.

This would be in addition to these existing sites:

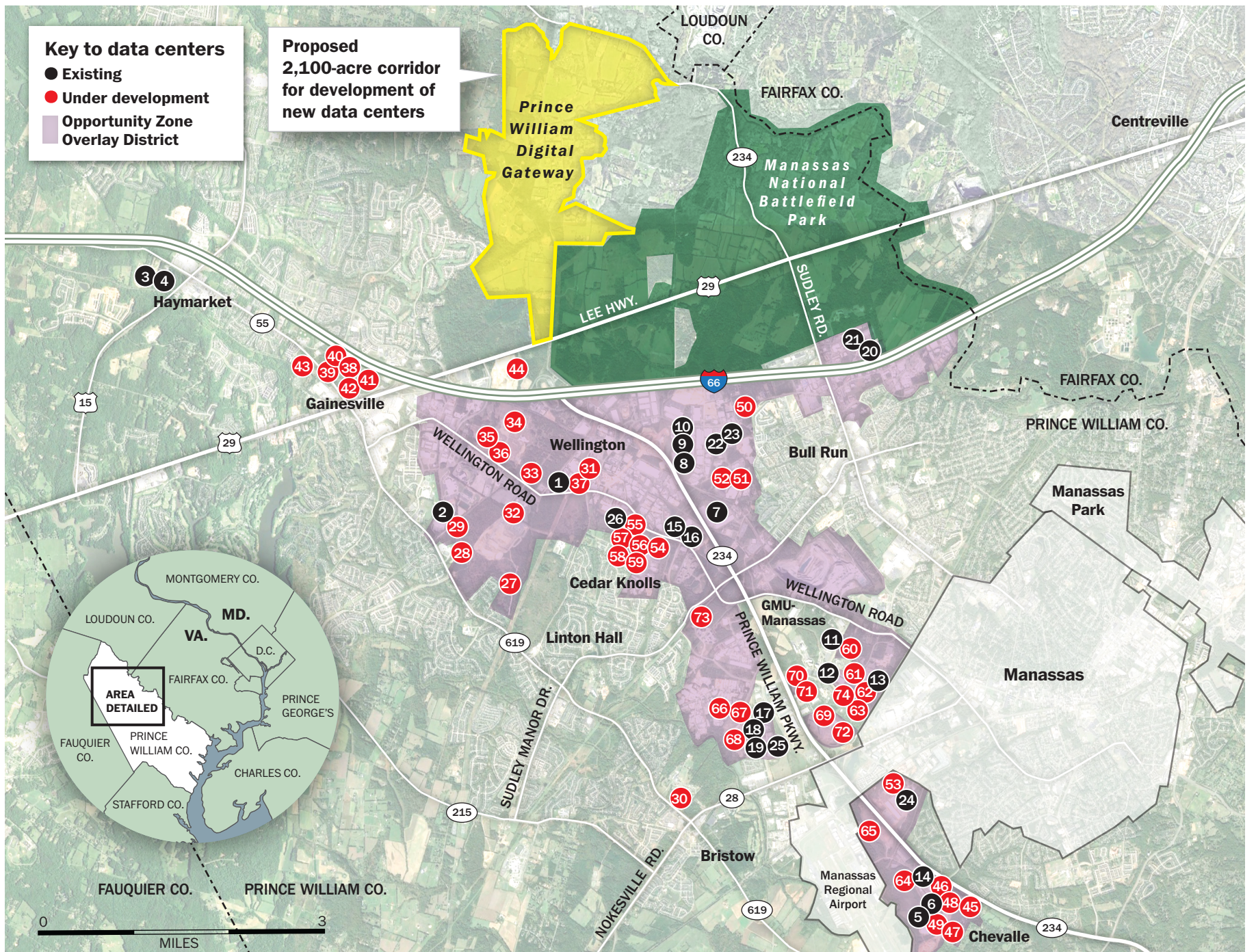
- OVH US Vint Hill, 80,000 square feet at 6872 Watson Court, Warrenton.
- Two centers at the Warrenton Training Center, a federal property. One is run by Vadata, a subsidiary of Amazon. Operator of the second is kept secret, but Wikipedia says it is Amazon also.

Both Amazon and Microsoft pay county taxes on the computer equipment there; Microsoft may pay because it leases equipment to Amazon there.

- Remington Technology Park-Point One, at Lucky Hill Road and Old Grassdale Road, Remington. This site was approved in 2018 for up to six data center buildings — up to 1.8 million square feet. However, nothing has been built there yet.

The data for this map was derived from research conducted by two Prince William residents, Bill Wright and Bob Weir, who have tracked data center development for several years and are critics of the Gateway. The Piedmont Journalism Foundation confirmed their information by reviewing county documents and published reports.

— CHRISTOPHER STERN  
Piedmont Journalism Foundation



SOURCE: BOB WEIR, BILL WRIGHT AND PRINCE WILLIAM COUNTY PROPERTY RECORDS. SATELLITE IMAGE: GOOGLE EARTH  
MAP BY CHRIS STERN AND LAURA STANTON FOR THE PIEDMONT JOURNALISM FOUNDATION

## Data center tax revenue can be hard to predict

REVENUE, from page 1

And estimating revenue from data centers not yet approved, much less built and operating, is, as one finance official put it, an exercise in futility.

Loudoun County, which has 115 data centers that are forecast to generate \$576 million in county taxes in 2023, about one-third of its property tax stream, learned this lesson last year. The county was expecting several data centers to replenish their equipment, but either due to pan-

demic-related problems or data center overbuilding, or both, they did not. Since new equipment generates the most tax revenue, the county found itself \$60 million short in its \$2 billion general fund and had to scramble to fill the hole.

Because of this uncertainty over how fast a data center will add new equipment, "It's difficult to project for budgeting purposes," said Loudoun's commissioner of the revenue, Bob Wertz, in an interview. "It's a big challenge because it's such a significant portion of our revenue base."

### Depreciation factor

Data center revenue is squishy in other ways. Computer equipment is not assessed until Jan. 1 after it is purchased. So, if a data center buys equipment in February of one year, it will not be assessed on it for 11 months.

Even then, in its first year, the equipment is assessed only at about half of its cost: In Prince William County, taxable computer equipment

See REVENUE, page 5



**EXISTING**

	ACRES	SQ. FT.	OWNER	
<b>BRISTOW</b>				
1	8000 Gainsford Ct.	8.23	33,312	New Skies Networks Inc
2	8217 Linton Hall Rd.	31.9	227,465	Porpoise Ventures
<b>HAYMARKET/GAINESVILLE</b>				
3	15435 John Marshall Hwy.	38.5	294,374	Amazon Data Services
4	15395 John Marshall Hwy.	28.27	236,082	DC 11 DE
<b>MANASSAS</b>				
5	10880 Airman Ave.	27.6	396,567	Abteen Ventures
6	10900 Airman Ave.	9.78	161,000	Manuchehr Ventures
7	8170 Bethlehem Rd.	62.13	719,742	COPT DC 19
8	11800 Brewers Spring Rd.	7.85	123,534	BRE Foxtrot 11800 Brewers Spring LLC, C/O Property Tax - Gateway Industrial
9	11801 Brewers Spring Rd.	10.05	115,600	Amazon Data Services Inc, Attn: Property Tax
10	7600 Doane Dr.	7.93	127,700	BRE Foxtrot 7600 Doane Drive LLC, C/O Property Tax - Gateway Industrial
11	9000 Freedom Center Blvd.	18.75	409,252	Manassas NCP
12	9301 Freedom Center Blvd.	22.72	305,510	QTS Investment Properties
13	9400 Godwin Dr.	12.4	127,000	QTS Investments Properties Manassas LLC
14	10100 Harry J Parrish Blvd.	23.22	347,876	Bourzou Ventures
15	11650 Hayden Rd.	53.2	221,578	KH Data Capital Development Land C/O Iron Mountain Global Real Estate
16	11680 Hayden Rd.	12	165,230	KH Data Capital Development Land C/O Iron Mountain Global Real Estate
17	9651 Hornbaker Rd.	19.5	247,608	Powerloft @ Innovation I
18	9720 Hornbaker Rd.	12.44	224,652	9604 Hornbaker Road Prime C/O Tim Hughes
19	9750 Hornbaker Rd.	12.57	113,431	SI NVA02 LLC C/O Tim Hughes
20	7400 Infantry Ridge Rd.	7.31	109,800	VDC I
21	7777 Infantry Ridge Rd.	20.33	227,465	MCI Communication Services Verizon Global Real Estate
22	7510 Mason King Ct.	9.51	150,000	GI TC 7510 Mason King Ct LLC
23	7505 Mason King Ct.	7.66	109,543	Manassas Technology Partners C/O Menlo Equities
24	10201 Tanner Way	82.58	426,813	Amazon Data Services
25	11120 Thomasson Barn Rd.	21.14	352,030	COPT DC Innovation
26	7056 Wellington Rd.	23.5	311,198	DC 12 14 DE

\*Square footage calculated by Bill Wright and Bob Weir

**UNDER DEVELOPMENT (identified as a future site for a data center)**

	ACRES	SQ. FT.*	OWNER	
<b>BRISTOW</b>				
27	13301 Casey Ln.	67.2	3,684,958	LHR Gainesville
28	8613 Linton Hall Rd.	112.48	4,756,752	LHR Gainesville
29	8223 Linton Hall Rd.	16.01	(With above)	LHR Gainesville
30	10145 Linton Hall Rd.	28.88	637,282	YFT Lot 7 (Youth For Tomorrow)
31	7745 Piney Branch Ln.	2	200,000	Microsoft
32	13001 Rollins Ford Rd.	253.92	2,502,270	Nova Mango Farms
33	6201 Wellington Rd.	181.29	10,200,000	Sharpless Enterprises
34	13490 University Blvd.	117.29	(With above)	41992 John Marshall Highway
35	5845 Wellington Rd.	58.53	(With above)	Amazon Data Services
36	5945 Wellington Rd.	58.54	(With above)	Amazon Data Services
37	6651 Wellington Rd.	9.12	200,000	Microsoft
<b>HAYMARKET/GAINESVILLE</b>				
38	7150 Catharpin Rd.	12.23	494,842	CTP-II
39	14372 John Marshall Hwy.	1.84	(With above)	Gainesville Sixty Six L C (John Marshall Commons)
40	14392 John Marshall Hwy.	8.34	(With above)	Gainesville Sixty Six L C (John Marshall Commons)
41	14300 John Marshall Hwy.	96.95	2,957,680	Southview 66 (I-66 And Route 29 Technology Park)
42	14210 John Marshall Hwy.	5	(With above)	NTT Global Data Centers Va10 (I-66 And Route 29 Technology Park)
43	14403 John Marshall Hwy.	45.46	1,188,143	CTP-I
44	13700 University Blvd.	129.75	3,000,000	GDCD Purchaser C/O Kandle Shared Services
<b>MANASSAS</b>				
45	10740 Airman Ave.	24.39	220,715	Unicorn Interests
46	10850 Airman Ave.	7.23	TBD	Unicorn Hotel C/O Dupont Fabros Development
47	10910 Airman Ave.	11.41	225,585	Manuchehr Ventures Two C/O Cloud HQ
48	10849 Airman Ave.	16.56	TBD	Unicorn Interests
49	10940 Airman Ave.	35.6	369,600	Unicorn Interests
50	11314 Balls Ford Rd.	40.47	531,737	Microsoft
51	7816 Bethlehem Rd.	22.4	990,150	Manassas DC Operating
52	7812 Bethlehem Rd.	14.79	(With above)	Julius Branscome Inc.
53	10000 Brickyard Way.	61.47	880,000	Digital Second Manassas
54	8240 Buckeye Timber Dr.	6.3	530,000	South Point Phase II
55	8300 Buckeye Timber Dr.	2.44	(With above)	South Point Phase II
56	8350 Buckeye Timber Dr.	3.74	(With above)	South Point Phase II
57	8400 Buckeye Timber Dr.	2.35	(With above)	South Point Phase II
58	8500 Buckeye Timber Dr.	3.91	(With above)	South Point Phase II
59	8550 Buckeye Timber Dr.	3.48	(With above)	South Point Phase II
60	9101 Freedom Center Blvd.	34.12	602,000	Stack Infrastructure NVA13
61	9420 Godwin Dr.	10	174,719	QTS Investment Properties
62	9480 Godwin Dr.	33.03	270,834	QTS Investment Properties
63	9540 Godwin Dr.	11.02	309,000	QTS Manassas DC-5
64	10101 Harry J Parrish Blvd.	22.33	1,082,231	Unicorn Retail
65	10400 Harry J Parrish Blvd.	85.4	800,000	Cashvad Ventures
66	9530 Hornbaker Rd.	30.81	546,416	Stack NVA 16
67	9590 Hornbaker Rd.	25.62	281,000	SI NVA 04
68	9650 Hornbaker Rd.	31.69	TBD	Stack NVA 15
69	9700 Innovation Dr.	15.92	213,320	Stack Innovation Holdings
70	9720 Innovation Dr.	15.54	213,320	Stack Innovation Holdings
71	9740 Innovation Dr.	15.84	213,320	Stack Innovation Holdings
72	10675 University Blvd.	13.59	(With above)	Stack Innovation Holdings
73	11951 Sudley Manor Dr.	51.21	389,425	Amazon Data Services
74	10680 University Blvd.	20.04	310,065	QTS Manassas DC-5

**Want more detail?**

To see photos and real estate information, explore our interactive map at [fauquier.com](http://fauquier.com) or [princewilliamtimes.com](http://princewilliamtimes.com)

**REVENUE**, from page 4

is assessed at only 50% the first year and then depreciates annually to 35%, 25%, 15% and 5% in subsequent years. Loudoun's depreciation rate runs from 50% the first year to 40%, 30%, 20% and 10%. Fauquier County's is a bit slower at 55%, 45%, 35%, and then 25% for the fourth and fifth years.

Using Prince William's depreciation schedules, John Lyver, a former NASA engineer with a Ph.D. in computational mathematics, has challenged the estimated revenue from the Prince William Digital Gateway, which he opposes. The PW Digital Gateway, as it is known, is a plan to open 2,133 acres in Prince William's rural crescent to allow up to 27 million square feet of new data center development. The Board of Super-

visors is scheduled to vote Nov. 1 on a comprehensive plan amendment that would allow the change.

Proponents of the Gateway, many of whom are landowners who hope to sell their property to data centers for between \$350,000 and \$950,000 an acre, have touted the project as likely to bring in \$700 million annually to the county – money they say will improve schools and boost teacher and first-responder salaries. (In 2021, the county took in nearly \$80 million in tax revenue from more than 30 data centers, a 24% hike from 2020. About 40% of that came from real estate taxes and the rest from taxes on computer equipment.)

But in February, deputy finance director Tim Leclerc published a model that showed that the Gateway's revenue would more likely be \$400 million annually at the end of 20 years.

Even so, Lyver contends that Leclerc did not account enough for the county's depreciation scale. He says the revenue after 20 years could be more like \$242 million annually toward the county's \$1.48 billion budget. That's still a lot of money, but it's only a third of what the proponents originally estimated.

Leclerc says his estimate is in a good place—midway between the proponents' \$700 million and Lyver's \$242 million.

Lyver also totals up \$1.7 billion in infrastructure needed to serve the development. He notes that the first three rezoning applications for the PW Digital Gateway, submitted in March by QTS and Compass data centers, propose about 10 million square feet of development. If only

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## Data center tax revenue can be hard to predict

REVENUE, from page 5

those projects are built -- Lyver argues, using his depreciation model -- the tax revenue would not exceed the cost needed for infrastructure and bond interest.

Leclerc said he has talked to Lyver but has not studied his model. "I think he was taking the right approach, but I don't think he has enough information to go down the path that he went down," he said.

In addition, Leclerc said Lyver is making a mistake by attributing all infrastructure costs to the county, since developers can be made to pay for most of those expenses.

Still, regarding his own model, Leclerc acknowledged it is based on guesstimates on how the PW Digital Gateway would be built out: "This was kind of an exercise in futility for everybody because you just don't have enough information to be accurate," he said.

Leclerc said he based his model on existing Prince William data centers, using their mix of new and old equipment, with depreciation built into the tax revenue estimates. But he said even that "is fraught with possible errors."

In the end, he said, "Quite frankly, none of us have enough information to value the tax revenue" from a not-yet-built project.

### Data centers self-report taxable computer equipment

Leclerc also noted that it's the data centers themselves that report the cost of their taxable equipment. As a check, county staff may turn to federal and state tax returns, where data centers report as much expenditures as they can.

On the other hand, Leclerc said, "They want to report as little as they can to us so that they don't get dinged with large business tangible bills."

In Fauquier County last year, officials also relied on data center data to estimate potential tax income. There, Amazon sought to provide estimates of what it might pay in taxes on its proposed data center in Warrenton. The company told county revenue commissioner Eric Maybach how much it intended to spend on new computer equipment, and Maybach provided the company with tax revenue estimates.

Amazon apparently gave that data to then-Town Manager Brandie Schaeffer and Community Development Director Rob Walton, because they sent tax estimates to town council members in emails, later obtained by the Piedmont Envi-



PHOTO BY ROGER SNYDER

This Abteen Ventures LLC data center at 10880 Airman Avenue, near the Manassas Airport, was built on 27.5 acres in 2018 and is one of the largest in Prince William County at 396,567 square feet.

ronmental Council through Freedom of Information Act requests.

Walton said Amazon potentially could pay the town \$4.6 million and the county \$10.6 million in tax revenue over five years; Schaeffer provided similar estimates. If the town and county tax rates stay the same, Amazon could also pay \$282,480 to the county and \$12,544 to the town annually in real estate taxes.

But as officials contemplated the potential millions in new revenue, the news of Loudoun's budget shortfall sent cautionary shudders. Schaeffer emailed county officials on Aug. 11, 2021, saying she would recommend to the town council that data center revenue be used only to pay for one-time capital improvements or other town assets, "having seen the impact the reliance is causing on others in the general fund."

Maybach responded that he, too, advises against "allowing the county to become operationally dependent on this revenue." He said last week that he still feels that way.

### Tax incentives

Further clouding the picture is what effect county and town incentives might have on data center tax revenue. Both Fauquier County and Warrenton offer three years of rebates on 100% of computer taxes paid by tech companies opening or expanding in their areas. Prince William does not offer similar tax rebates. If Amazon qualifies for such incentives in Fauquier, millions in tax dollars could be rebated.

Activists who oppose the Amazon data center proposed for Warrenton say the tax incentive laws seriously diminish the attractiveness of data

centers. "So the lure of tax revenues to the town and county is shot full of holes," said Cindy Burbank, who once oversaw real estate programs for the Federal Highway Administration and is now a leader of Protect Fauquier.

Maybach, Fauquier County's tax commissioner, says he interprets the law to mean that a new company can apply for incentives, that is, three consecutive years of tax rebates in its first five years of operation. But to get those rebates, a company must tightly comply with the ordinance -- apply before it opens for business, spend more than \$500,000 and create at least 10 new jobs -- and the rebates must be approved by the Fauquier Board of County Supervisors.

Moreover, Maybach has proposed to the supervisors that the law be changed from a 100% rebate to a declining scale. He said he would also ask that the law be clarified to avoid misinterpretation. A public hearing may come as soon as November.

### Tax rates

Meanwhile, the town and counties could also change their tax rates. This year, Fauquier hiked its computer tax rate from \$2.30 to \$3.45 per \$100 of valuation. One result: The estimates of county revenue from an Amazon center calculated last year may now be low.

Prince William's tax rate on computer property is much lower than both Fauquier and Loudoun's at \$1.65 per \$100 in assessed valuation. The supervisors raised the rate from \$1.50 as of July 1 and have pledged to slowly increase it to \$2 by 2025.

Even in Loudoun County, which has had data centers since the mid-1990s, taxation questions linger. One big one is why data centers spent 10% less on new equipment in 2021 than the county predicted. It is possible that supply chain shortages or chip shortages were to blame, or even personnel shortages due to the pandemic. Or it may be that the industry in Loudoun is now building with part-empty server racks in anticipation of future need, said Wertz, Loudoun's tax commissioner.

So it may be getting harder for Loudoun to predict data centers' equipment buy rate, and thus accurately predict future tax revenue.

That said, the growth in Loudoun has been phenomenal: More than 25% a year, year after year, since 2016. "We love data centers here in Loudoun County," said Wertz.

Reach Peter Cary at [news@fauquier.com](mailto:news@fauquier.com)

## Affordable housing, education, taxes top issues in Manassas race

CANDIDATES, from page 3

He said he will work to enhance public safety services to make Manassas "even safer" and more livable. He also said that "strengthening public services to better meet the needs of Manassas residents," would be a priority.

Vasquez Luna, 40, is serving her second term as business manager at the Laborers' International Union of North America, LIUNA Local 572, which represents public service employees. Vasquez Luna said she will prioritize investing in infrastructure to expand local transportation options to reduce congestion.

Vasquez Luna is an immigrant from El Salvador and said ensuring city government is accessible to and represents all residents will be a priority.

"I am committed to fight for the

rights of all and to make our government inclusive and responsive to the needs of all residents," she said.

### GOP candidates seek to reduce taxes, increase transparency

Both incumbents Ellis, 61, and Greene as well as Bookwalter, 62, who says he is a "fiscal conservative," center fiscal responsibility in their campaign platforms. Ellis said she's committed to fighting increased taxes and excess spending, while Greene said: "Taxpayers cannot afford, nor do they want, every project that is presented."

The Republican slate also cited transparency as a priority. Both Greene and Bookwalter said they promote transparency in governance and believe in balance on the council and holding elected officials accountable. Ellis said she supports "election integrity that is

fair and transparent."

Ellis spent more than 30 years as a healthcare professional manager and operated a small business with her husband in Manassas. As an entrepreneur and a small business owner, Ellis said she will continue to support "strong economic development and redevelopment" policies that will attract "quality businesses, jobs and a workforce for increased revenue" to the city.

Greene, a project manager for a global consulting firm, says she is "still focused on community engagement, responsible growth and transparency."

Greene said she also wants to protect the city's "charm" and will focus on community engagement and inclusion.

"Ensuring that our public hearing process captures the will of the people is one of my top priorities,"

she said.

Bookwalter served in the U.S. Navy for 10 years as a pilot and has flown for a major commercial airline for more than 30 years.

"Public safety is the top priority of our local government," he said, adding that he "will work to ensure our first responders have the leadership and resources to maintain their excellence."

Bookwalter also voiced concern about the city's school system and said he'll work with the city school board "to eliminate faddish ideologies, empower our teachers and get back to basics."

Early voting has already begun at 9025 Center St. in Manassas. The last day for in-person early voting is Saturday, Nov. 5. Election Day is Tuesday, Nov. 8.

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