PRINCE GEORGE'S COUNTY COUNCIL

COMMITTEE REPORT

2025 Legislative Session

Reference No.: CR-016-2025

Draft No.: 2

Committee: PLANNING, HOUSING, AND ECONOMIC DEVELOPMENT

Date: 3/20/2025

Action: FAVORABLE (A)

REPORT: Committee Vote: Favorable as amended, 4-0 (In favor: Council Members Dernoga, Hawkins, Ivey, and Olson)

The Planning, Housing, and Economic Development (PHED) Committee met on March 20, 2025, to consider CR-016-2025. The PHED Committee Director summarized the purpose of the legislation and informed the Committee of written comments received on referral.

As introduced on Tuesday, February 18, 2025, Draft-1 of the resolution is for the purpose of creating a Qualified Data Center Task Force to study the potential risks, community benefits, and revenue potential of Qualified Data Center uses in Prince George's County, to develop potential location and procedural policies for the siting of Qualified Data Center uses; to specify appointment qualifications for membership of the Task Force; to set forth reporting requirements for the Task force; and to provide for the administrative support of its work.

Vice-Chair Burroughs, the resolution sponsor, discussed that CR-014-2025 (the resolution requiring the Planning Department to prepare a study of data center buildings and uses and their impact on the County) language was added into CR-016-2025 to create one (1) comprehensive resolution.

Council Member Ivey explained that she had discussed the Planning Department's revised resolution with Director Hull and agreed with the amendments.

PHED Committee Chair Dernoga expressed concern about the large number of task force members and entities that have not agreed to participate and the ability to have a quorum. He asked why higher education was included. Ms. Hull explained that some institutions of higher education have data centers on-site.

Vice-Chair Burroughs had additional amendments to the Planning Department's proposed draft two of the resolution. The amendments are as follows:

On page 2, line 8, remove the word "Vice Chair" and replace it with the title "Chair" of the County Council.

Next, on 11, add "Appointed by the Chair of the County" before the two (2) representatives from the County Council. The amendment permits the Chair of the County Council to appoint two

County Council members to serve as the Chair and Vice Chair of the task force. The Division on Budget and Policy's policy analysis outlined that this resolution states that adoption of CR-016-2025 is not likely to have any indirect or direct fiscal impact.

Qualified Data Centers (QDC) are energy-intensive and can hurt local ecosystems, water resources, and the land they are built on. One example of this is Northern Virginia, where the rapid expansion of data centers has raised concerns about degradation and increased noise pollution⁶. However, they can significantly boost local economies through tax revenues and the creation of jobs.

In a report released by the Data Center Coalition (DCC) and conducted by PwC, national employment grew from 2.9 million jobs in 2017 to 3.5 million jobs in 2021, an increase of 20 percent⁷. The creation of a data center in the County will be costly before any benefits and incentives are seen.

The Maryland Chamber Foundation used a "hypothetical large data center" model based on information published by the U.S. Chamber of Commerce. In that large data center model, Prince George's County would require about 20 Megawatts (MW), or 20 million watts (W), of electrical power capacity and a \$215 million investment in construction, exclusive of the cost of the server computing equipment. They assume that \$13.4 million would be spent on the acquisition of 20 acres of land plus the costs of permitting and site preparation; \$45.0 million on the construction of the shell of the building; and \$156.3 million would be spent for interior construction, cooling and control equipment (plus the installation, customization, and calibration of the equipment). The building would accommodate about 165,000 square feet of computing space. Construction of a data center of this scale would typically take 18 to 24 months.

Creating a Qualified Data Center Task Force would be a step in the right direction to understand the impacts a data center's development may have on the County. Should the Council adopt CR-014-2025, the Task Force may also consider the policy recommendations of the Planning Board's study on data centers once it is released around September 1, 2025. 10

The Planning Department staff submitted a memorandum recommending combining the two resolutions to create a task force staffed by the Prince George's County Planning Department, allocating funds for a consultant-led study, and completing the Task Force and report by November 2025.

In addition, Ms. Lakisha Hull, the Planning Director, discussed the Planning Department comments amendments and the proposed draft of the resolution submitted

The amendments are as follows:

On page 1, line 16, add the words "require large amounts of water for cooling, and potentially contribute to noise pollution while also offering economic benefits like job creation and tax revenue;" This statement gives additional information on the impacts of Qualified Data Centers.

On lines 17 through 20, delete "WHEREAS there is a need to study the potential community risks, along with energy and space needs, along with the respective revenue potential of the use, in order to evaluate the community benefits, for the purpose of developing appropriate policies and procedures for the location of QDC uses in the County;"

Add "WHEREAS, the Mid-Atlantic Region of the United States is experiencing significant data center growth driven by robust fiber infrastructure, proximity to Washington, D.C., and high demand from major tech companies; and" This clause clarified that Qualified Data Centers are essential in the Washington, DC metropolitan area.

On page two, line 5, there are two technical amendments. First, delete the word "develop" behind the words "Prince George's County" and add the word "recommend." Next, delete the word "procedural" in front of "policies."

On line 9, amend the number of task force members from eleven (11) to seventeen (17).

There were amendments to the listed organizations that would serve on the task force. They are as follows:

On line 13, remove one (1) representative from the Office of Law and replace it with one representative from the Department of Permitting, Inspections, and Enforcement, designated by the County Executive or their designee.

Next, on line 14, remove one (1) representative from the County Health Department and replace it with one (1) representative from the Washington Suburban Sanitary Commission.

In line 18, amend the language to require the two (2) business community task force members to be business professionals in the building construction industry.

Lastly, the resolution added two (2) representatives from the data center community, one (1) representative from Work Force Development, and one representative from a higher education institution in the County.

Ms. Sakinda Skinner, County Council Liaison to the County Executive's Office, requested amendments to proposed draft two.

The amendments are as follows: on line 12, add the words "Appointed by the County Executive or their designee" in front of the words "one (1) representative from the Office of the County Executive."

The second amendment, on line 13, adds the words "Appointed by the County Executive or their designee" in front of the words "one (1) representative from the Department of Permitting, Inspections and Enforcement."

Lastly, add the "word "Permitting" into the name Department of Permitting, Inspections and Enforcement.

The Office of Law submitted a memorandum stating that DR-1 of the resolution is in proper legislative form and has no legal impediments to its adoption.

Under a revised motion of Council Member Olson, seconded by Council Member Hawkins, the PHED Committee voted 4-0 favorably on CR-016-2025 as amended.