

Virginia, Amazon announce \$35 billion data center plan

January 21 2023, by Matthew Barakat



Virginia Gov. Glenn Youngkin delivers his State of the Commonwealth address to a joint session of the Virginia legislature in the House chamber in Richmond, Va., Jan. 11, 2023. Amazon Web Services plans to invest \$35 billion in new data centers in Virginia under a deal with the state, Youngkin announced Friday, Jan. 20, 2023. Credit: AP Photo/John C. Clark, File

Amazon Web Services plans to invest \$35 billion in new data centers in Virginia under a deal with the state, Gov. Glenn Youngkin announced Friday.

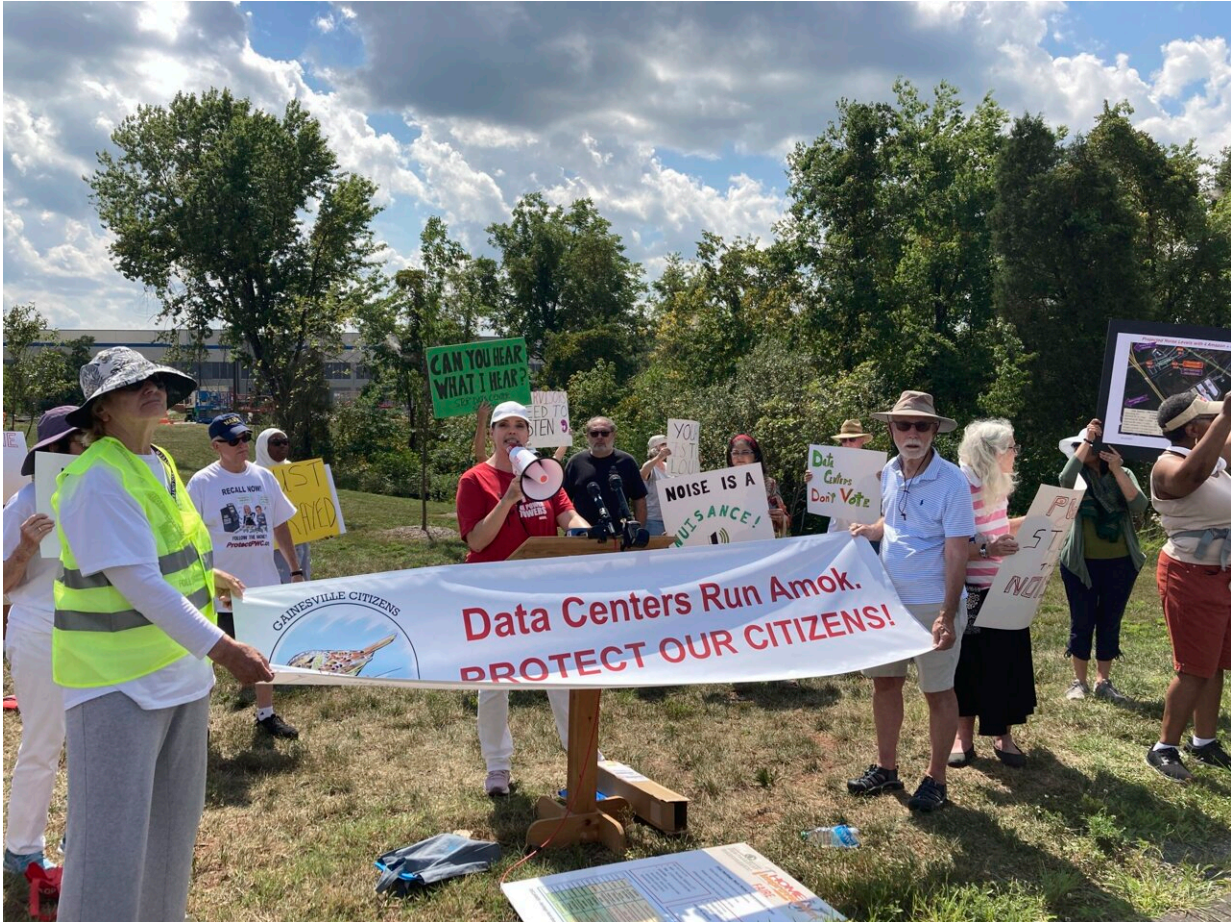
Millions of dollars in incentives to close the deal still require legislative approval, but General Assembly leaders in both parties expressed support in a news release issued by Youngkin's office.

Still, data centers have become a politically volatile topic, particularly in northern Virginia, where the structures are increasingly common and where neighbors are voicing noise and [environmental concerns](#).

Data centers house the computer servers and hardware required to support modern internet use, and demand continues to increase. But the data centers require high-powered fans and extensive cooling capacity that can generate noise. They also consume huge amounts of electricity that can require construction of high-voltage transmission lines to support them.

Bills proposed in the legislature this year would increase regulate where centers could be located.

The governor's office said the locations of the data centers, to be built by 2040, will be determined at a later date. But [tech companies](#) prefer northern Virginia because it is close to the historical backbone of the internet, and proximity to those connection points provides nanoseconds of advantage that are of importance to tech companies that rely on the servers to support [financial transactions](#), gaming technology and other time-sensitive applications.



Spencer Snakard, president of Protect Fauquier, speaks Aug. 29, 2022, at a rally near Manassas, Va., protesting a newly built data center for Amazon Web Services. AWS plans to invest \$35 billion in new data centers in Virginia under a deal with the state, Youngkin announced Friday, Jan. 20, 2023. Credit: AP Photo/Matthew Barakat, File

Bill Wright, a Prince William County resident who opposed a massive data center expansion recently approved by the county's Board of Supervisors over [considerable community opposition](#), said Friday's announcement shows that "the influence of big tech money has become intoxicating to our politicians."

He said that he does not object to data centers in and of themselves and hopes that the state will place them in areas that don't harm the environment, and in rural areas where jobs are needed. But he expressed skepticism that the state is willing to stand up to tech companies that want the centers in northern Virginia.

"Northern Virginia is being overwhelmed by these things," Wright said. "We may as well start calling ourselves the Commonwealth of Amazon."

Suzanne Clark, a spokeswoman for the Virginia Economic Development Partnership, said Amazon Web Services is exploring several site locations "in collaboration with the Commonwealth" but did not specify any sites.

Northern Virginia has been a tech hub since the formation of the internet, and now hosts more data centers than the next five largest U.S. markets combined, according to the Northern Virginia Technology Council. They have also proven to be a cash cow for [local governments](#) that embrace them—data centers now provide for more than 30 percent of the general fund budget of Loudoun County, a suburb of the nation's capital with more than 400,000 residents.

Another data center opponent, Elena Schlossberg with the Coalition to Protect Prince William County, expressed dismay that Youngkin felt emboldened to announce a data center deal in a year when state and local officials are all on the election ballot in Virginia—and as community concern over data centers is growing.



Amazon Web Services CEO Andy Jassy discusses a new initiative during AWS re:Invent 2019 on Dec. 5, 2019, in Las Vegas. AWS plans to invest \$35 billion in new data centers in Virginia under a deal with the state, Virginia Gov. Glenn Youngkin announced Friday, Jan. 20, 2023. Credit: Isaac Brekken/AP Images for NFL, File

"That is just mind-boggling that he does not see that communities are uniting" in opposition to data centers, she said.

In a tweet, Youngkin spokeswoman Macaulay Porter said \$35 billion represents the largest capital investment in Virginia history. In terms of jobs, the governor's office said it is expected to generate more than 1,000 jobs across the state. That pales in comparison to the 25,000 jobs associated with Amazon's decision in 2018 to build a second headquarters in Arlington County.

The deal calls for Amazon to receive incentives from a new Mega Data Center Incentive Program, as well as a grant of up to \$140 million for workforce development site improvements and other costs. Both will require legislative approval.

The exact amount of the grant under the incentive program will depend on how many jobs are created, according to the enabling legislation under consideration by the General Assembly. It will also include temporary exemptions from a sales and use tax levied on data centers in Virginia.

State Sen. Chap Petersen, D-Fairfax, is sponsoring legislation that would restrict the placement of data centers near natural or historic resources. Petersen said Virginia risks being overwhelmed by data centers if protections aren't put in place.

"In my opinion, the data centers are short-term financial gains with long-term environmental consequences. Industrial buildings with no actual workers are not the economy of the future," he said. "In fact, they may well be obsolete in a decade. Meanwhile, we are losing valuable farmland and historic sites."

An Amazon Web Services spokesman declined to comment on the record over how many [data centers](#) are planned and Amazon's preferences for where to locate them.

© 2023 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: Virginia, Amazon announce \$35 billion data center plan (2023, January 21) retrieved 20 April 2024 from <https://techxplore.com/news/2023-01-virginia-amazon-billion-center.html>

study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.