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Loudoun welcomes them and reaps prosperity, while Nimby attitudes prevail in nearby Prince William.



CROSS COUNTRY

Two Virginia Counties Diverge on AI Data Centers

The future of America's artificial intelligence economy isn't unfolding only in California or Washington but in local zoning boards and courthouses across the country. Nowhere is that clearer than in Virginia, where two neighboring counties, Loudoun and Prince William, offer starkly different visions.

For decades, Loudoun County has welcomed data centers, and the results speak for themselves. According to City Journal, data centers generate nearly half of the county's tax revenue, often without burdening residents. In 2027 alone, data centers are expected to bring in nearly \$1.3 billion in taxes, accounting for about 45% of the county's total. That means essential services like police, libraries, parks, and fire and rescue, are effectively funded by the digital economy.

Loudoun County has been able to cut its residential property-tax rate by roughly 30% over the past decade, leaving it significantly lower than neighboring jurisdictions like Fairfax County and the city of Alexandria. As Loudoun County's chief of economic development, Buddy Rizer, put it, data centers are "a perfect industry" because they generate significant revenue without placing heavy demands on public services. Note

This success wasn't accidental. Loudoun's leaders made a conscious choice early on to treat data centers as an opportunity rather than a threat. A key zoning decision in 2000 allowed data centers to be built "by right" in commercial areas, creating certainty for investors. That decision helped attract companies like Amazon Web Services, which built its first facilities in the county in 2006. The result is what many now call "Data Center Alley," a global hub of digital infrastructure.

To the south, Prince William County tells a different story. A massive data-center project, approved in 2023, has effectively collapsed. A Virginia appeals court ruling halted the project, and local officials have declined to stand up for it. In the aftermath, key developers, including Compass Datacenters, have withdrawn, pointing to legal uncertainty and regulatory hurdles, even though the company invested tens of millions of dollars in the effort. The project's apparent demise reflects a broader pattern of resistance that has slowed or stopped data-center develop-

ment. The result is that billions in potential investment, along with thousands of jobs and long-term tax revenue, has vanished.

The contrast between Loudoun and Prince William couldn't be clearer. One county embraced growth and built a durable economic engine. The other hesitated, and opportunity slipped away. This divergence carries important lessons for policymakers nationwide. Data centers are the backbone of the modern economy, powering everything from telehealth and banking to AI. The economic upside is significant. The rise of AI infrastructure is creating a new category of high-paying jobs that blur the line between blue-collar and white-collar work. Data-center technicians earn a median salary of around \$75,000, with experienced workers making more than \$100,000. Compensation for these roles has jumped more than 40% over three years. Nationwide, the industry already supports roughly half a million jobs, and demand continues to grow as companies invest billions in computing capacity.

West Virginia offers a compelling example of a state that is succeeding in attracting data-center investment. Through the 2025 Power Generation and Consumption Act and subsequent legislation, the state has created one of the country's most

targeted frameworks for attracting large-scale AI and datacenter investment. Qualifying projects can receive major tax exemptions and other incentives tied to job creation and the use of West Virginia-generated electricity. The state has also streamlined permits and land-use approvals to accelerate project timelines. Under the legislation, a portion of the new tax revenues generated by these projects is dedicated to the state's Personal Income Tax Reduction Fund, while additional revenue supports local governments and other public priorities.

AI is accelerating demand for computing infrastructure at an unprecedented pace. The data centers being built today will determine where the next generation of innovation, jobs and economic growth occurs. The choice facing communities across America isn't whether the digital economy will grow, but whether they will be part of it. For those willing to learn from Virginia's tale of two counties, the path forward is clear.

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