



CITY OF BALTIMORE
MAYOR BRANDON M. SCOTT

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| TO | The Honorable President and Members of the Baltimore City Council |
| FROM | Bob Cename, Deputy Finance Director <i>Bob C</i> |
| DATE | April 30 th , 2026 |
| SUBJECT | 26-0158 Data Centers – Moratorium |

The Honorable President and
Members of the City Council
City Hall, Room 400

Position: Does Not Oppose

The Department of Finance is herein reporting on City Council Bill 26-0158 Data Centers- Moratorium, the purpose of which is for establishing a data center as a prohibited use Citywide; defining certain terms; making conforming changes; providing for a special effective date; and providing for the termination of certain provisions of this Ordinance.

Background

This bill establishes a temporary (one year), citywide prohibition (moratorium) on the development and operation of data centers in the City. The bill adds “data centers” to the list of prohibited uses in all zoning districts across the City. The legislation defines a data center as a facility or a portion of a facility that is:

1. Used for remote storage, processing, and distribution of data, and
2. Capable of using 10 megawatts (MW) or more of electricity.

This definition is narrow but does not contradict with other commonly used definitions in the industry. For example, IBM defines a data center as a physical room, building or facility that houses IT infrastructure for building, running and delivering applications and services. It also stores and manages the data associated with those applications and services¹.

Fiscal Impact

This legislation would deter companies from developing data centers locally, thereby reducing potential tax revenues, including real property taxes, personal property taxes, and utility taxes.

Data centers with an electricity usage of 10MW are typically associated with the lower end of mid-scale data centers spanning between 20,000 to 100,000 square feet. These facilities, particularly when developed as new construction, can generate increased real and personal property tax revenues for the City. At this scale, data center developments support significant construction projects that create numerous short-term jobs, which could temporarily increase income tax revenue and broader economic activity. Once operational, data centers of this size would represent a stable source of personal property tax and utility tax, but they would require a relatively small permanent workforce, resulting in a limited long-term impact on

¹ [What Is a Data Center? | IBM](#)

income tax revenues.

Our research identified the following data centers within Baltimore City:

| Examples of Data Centers Located in the City - Associated Fiscal 2026 Property Taxes | | | | | | | |
|--|----------------------|-------------------|-------------------------|------------------------|-------------|---------------------|--------------------|
| Company | Address | Estimated Sq. Ft. | Personal Property Value | Personal Property Bill | Mw Capacity | Real Property Value | Real Property Bill |
| Tierpoint | 1401 Russell Street | 28,000 | \$654,560 | \$36,786 | 1 Mw | \$3,051,367 | \$68,595 |
| Data Bank | 300 West Lexington | 4,000 | \$518,280 | \$29,127 | 0.6 Mw | N/A | N/A |
| Ainet | 300 West Lexington | 200,000 | \$113,240 | \$6,364 | 80 Mw | \$17,446,633 | \$392,200 |
| Crown Castle Fiber | 111 Market Place | Unknown | \$26,807,690 | \$1,506,592 | N/A | N/A | N/A |
| Expedient | 1050 Hull Street | 23,000 | \$386,310 | \$21,711 | 1.5 Mw | N/A | N/A |
| Verizon Data Services | 323 N Charles Street | Unknown | \$357,330 | \$20,082 | 0.4 Mw | Unknown | Unknown |

The following table illustrates the estimated revenues impact in terms of property, personal, electricity and water/sewer taxes, that an average data center consuming at least 10 MW of electricity would generate in the City, which this legislation would potentially deter from locating here.

| City Council Bill 26-0158 - Data Centers - Revenue Impact | | |
|---|-------------|--------------------|
| | Units | Taxes |
| Electricity Consumption (MW) | 10 | |
| Facility Size (SF) | 75,000 | |
| Assessment (Per SF) | \$110 | |
| Property Taxes | | \$186,000 |
| Personal Property Assessment (Per SF) | \$25 | |
| Personal Property Assessment | \$1,875,000 | |
| Personal Property Taxes | | \$106,000 |
| Electricity Tax Rate (kWh) | 0.011204 | |
| Annual Electricity Taxes | | \$969,000 |
| Water/Sewer Consumption (Ccf - 4"-6" Meter) | 30,875 | |
| Water/Sewer Revenues | | \$641,000 |
| Total Potential Taxes | | \$1,902,000 |

Impact from Existing Data Centers in the City

Real Property Tax Revenue

Our research identified only one data center within Baltimore City with a capacity exceeding 10 MW. AiNET, located at 300 W Lexington Street, operates in a 200,000-square-foot facility with an 80 MW capacity and is currently upgrading to 280 MW. This facility is not fully occupied since it operates as a “Collocation”, which concept is explained later in this response. For Fiscal 2026, the property generated \$392K in City real property taxes based on an assessed value of \$17.4M. This data center would continue to operate if 26-0158 Data Centers – Moratorium passes.

In comparison, a smaller sized facility such as a TierPoint at 1401 Russell Street, has a 1 MW capacity within a 28,000-square-foot building. In Fiscal 2026, this property had an assessed value of \$3.1M and paid \$68K in real property taxes. Facilities of this scale are representative of most data centers currently operating within the City.

While future data center construction offers the potential for increased real property tax revenues due to high-value infrastructure improvements, these benefits must be weighed against the significant land footprint required by large-scale facilities.

Personal Property Tax Revenue

Currently, there are data centers within Baltimore City assessed and paying personal property taxes on tangible business assets such as computer equipment, vehicles and machinery. Notable companies that operate solely as data centers, with power capacities below the 10 MW threshold outlined in this bill, include:

- **TierPoint:** Assessed at \$654,560 in personal property in Fiscal Year 2026 and paying \$37K in taxes. The company reports an approximate power capacity of 1 MW. This facility received the Enterprise Zone Tax Credit from Fiscal Years 2007 through 2016.
- **Data Bank:** In Fiscal Year 2026, this facility has a personal property assessment of \$518K, resulting in a personal property tax liability of \$29K. This facility reports an approximate power capacity of 0.6 MW.
- **Expedient:** Referred to as “Tidepoint”, had a Fiscal Year 2026 personal property assessment of \$386K, resulting in a personal property tax liability of \$22K. Expedient reports a 1.5 MW power capacity.

Energy Tax Revenue

Mid-scale data centers require large amounts of electricity to power their operations, as well as substantial water usage for cooling. Because businesses pay taxes to the City based on the consumption of these utilities, new facilities of this scale could yield significant increases in revenues. For example, it is estimated that a facility demanding an average of 10MW would pay about \$1M a year in electricity taxes. However, in many other jurisdictions, data center developers typically negotiate incentive agreements with municipalities to secure tax exemptions. It remains unclear how many facilities exceeding 10 MW the City could attract without offering similar tax incentives.

Other Considerations

There are other businesses in the City that serve as a “colocations”, which means that a space is shared with businesses renting space, power, and cooling to house their own servers and network hardware. An example of a “colocation” in the City is Ainet, which leases space to data centers such as Data Bank. Ainet reports having a power capacity up to 80MW and are currently expanding to create a potential MW output of 280.

It is also believed that there are businesses within the City that maintain large server networks that do not operate as traditional data centers. Hospitals, for example, typically have a significant server presence to support patient data, medical systems, and administrative functions. These facilities are often referred to as “enterprise data centers,” as they are located on-site and dedicated exclusively to a single organization. The City currently lacks a method to identify whether these organizations operate data centers or to determine their current MW capacity.

Conclusion

The bill would impose a ban on development of new datacenters in Baltimore City with power capacities of 10 MW or greater. Baltimore only hosts one large-scale data center, and it is unclear whether the City could attract such facilities in the absence of competitive incentives offered by other jurisdictions. This legislation may cause the City to forego future revenues particularly real property, personal property, and utility taxes. Ultimately, the fiscal impact of the bill will depend on the extent to which it deters potential investment and whether the City would otherwise have been able to attract mid-scale data center development.

For the reasons stated above, the Department of Finance does not oppose City Council Bill 26-0158.

cc: Michael Mocksten
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