

Estimating Industry Impacts

Or Sorry, Another Data Center Discussion

A Presentation for:
REMI Users Group

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The Genesis of this Research

The Toledo Regional Growth Partnership (RGP) did four seminars in the Spring of 2026 for electeds and appointeds on data centers and their local “impacts.”

- Presenters included a national site consultant working with hyper-scalers, an attorney who specialized in real estate law in Ohio, an RGP SVP/COO, and me.
- The goal was not to advocate for a position on DCs but rather an opportunity to present facts and data as well as answer questions.
- The meeting was closed to the public (although they tried).

The Genesis of this Research

The goal of the seminars was to inform officials on the implications of different types of development at the local level.

The RGP asked for data on two types of local impacts:

- Fiscal impacts.
- Economic impacts.

And how they differed in their response to:

- Types of land use.
- Types of industries.

A Little Bit of Context

The RGP:

- Is part of JobsOhio.
- Is the regional EDO Northwest Ohio their service delivery area includes 17 Ohio counties and two in Southeast Michigan.



Expenditures by local government per \$1.00 in revenue

Study Group	Macro	Macro	Macro	East Nottingham Township (PA)
	American Farmland Trust	American Farmland Trust	Kotchen & Schulte	Brandywine Conservancy
Land Use	2025	2016	2009	2025
Business	\$0.30	\$0.30	\$0.44	\$0.01
Agriculture	\$0.37	\$0.37	\$0.50	\$0.02
Residential	\$1.16	\$1.16	\$1.18	\$1.09

Cost of Community Services (COCS): Cites

Conclusion: COCS studies typically show that residential land costs more in services than it brings in through revenue, while commercial, industrial, and farm/open land typically provide a net gain.

2025: <https://farmlandinfo.org/wp-content/uploads/sites/2/2019/09/cost-of-community-services-fact-sheet.pdf>

2016: https://www.communitypreservation.org/sites/g/files/vyhlf4646/f/uploads/cost_of_community_services_studies_-_american_farmland_trust_2016.pdf

2009: <https://resources.environment.yale.edu/kotchen/pubs/COCS.pdf>

2025 local: <https://www.brandywine.org/sites/default/files/2025-07/Cost%20of%20Community%20Services%20Technical%20Bulletin.pdf>

How do Local Units of Government Spend Money?

Nationally in 2022

Category	Expenditure (USD Billions)	Share	Uses
K-12 Education	\$790	42.0%	Dominated by school districts.
Public Safety	\$220	11.7%	Police is the largest component; fire mostly municipal/township.
Health & Hospitals	\$210	11.2%	Local hospitals and public health departments.
Transportation	\$200	10.6%	Local roads, bridges, transit agencies.
Utilities	\$190	10.1%	Enterprise-funded utilities and special districts.
Housing & Community Development	\$75	4.0%	Housing authorities and redevelopment.
Parks Recreation Libraries	\$60	3.2%	Park districts and library systems.
General Government Administration	\$55	2.9%	Executive legislative judicial financial admin.
Social Services	\$45	2.4%	Local-level welfare programs.
Other Miscellaneous	\$35	1.9%	Environment natural resources interest on debt.
Total U.S.	\$1,880	100.0%	
All segments	\$700	37.2%	
Mostly residents	\$1,180	62.8%	

How do Local Units of Government Spend Money?

Ohio in 2022

Category	Expenditure (USD Billions)	Share	Uses
K-12 Education	\$25.4	43.4%	Driven by Ohio's 665 public school systems
Public Safety	\$7.1	12.1%	Police, fire/EMS, local corrections.
Health & Hospitals	\$6.3	10.8%	Hospitals, health & mental health
Transportation	\$5.2	8.9%	County engineers & transit auth.
Utilities	\$6.8	11.6%	Municipal utilities & special dist
Housing & Community Development	\$1.4	2.4%	Housing & redevelopment,
Parks Recreation Libraries	\$1.9	3.2%	Parks & library systems.
General Government Administration	\$2.3	3.9%	Executive legislative judicial financial admin.
Social Services	\$1.1	1.9%	County programs, child & elder services.
Other Miscellaneous	\$1.0	1.7%	Environment, natural resources, interest on debt.
Total Ohio	\$58.5	100.0%	
All segments	\$22.4	38.3%	
Mostly residents	\$36.1	61.7%	

Returns from 100 Jobs: Employment multipliers

Agriculture Multipliers are Similar to Retail

Industry	RGP	State of Ohio
Data processing, hosting, and related services	2.88	3.25
Fabricated Metal Manufacturing	1.83	2.09
Motor vehicles, bodies and trailers, and parts manufacturing	2.95	3.43
Professional, scientific, and technical services	1.95	2.09
Retail Trade	1.67	1.79

Returns from 100 Jobs: Gross Domestic Product

In Millions\$

Industry	RGP	State of Ohio
Data processing, hosting, and related services	\$36.0	\$39.7
Fabricated Metal Manufacturing	\$16.3	\$19.2
Motor vehicles, bodies and trailers, and parts manufacturing	\$30.4	\$35.7
Professional, scientific, and technical services	\$18.3	\$19.8
Retail Trade	\$12.5	\$13.9

Returns from 100 Jobs: Personal Income

In Millions

Industry	RGP	State of Ohio
Data processing, hosting, and related services	\$17.8	\$20.4
Fabricated Metal Manufacturing	\$10.1	\$11.9
Motor vehicles, bodies and trailers, and parts manufacturing	\$19.1	\$22.3
Professional, scientific, and technical services	\$11.2	\$12.2
Retail Trade	\$7.0	\$7.9

A Few Thoughts

- Outside of the construction/build out, data centers are (generally) not big job creators
 - Place matters on how much this creates impacts: see Michigan versus Ohio
 - Assuming 200 employees at \$100K per year:
 - In Ohio with a local wage tax of an average of 2.5% = \$500,000 increase in the local tax base
 - In Michigan, most places do not have a local wage tax: \$0
- Place matters depending on how the local government is financed
 - The returns for most jurisdictions are through real property taxes.
- From the hyper-scaler site selector: “If you have seen one data center, you have seen one data center.”
- Most other uses of land cross-subsidize residential development.
- Thanks to Chris Judson and REMI for helping me with these data.
- While used extensively, no AI (Copilot) was harmed in this research and we are still on friendly and talking terms.
 - REM: the proper pronoun for Copilot is “it.”

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