



The Economic & Fiscal Impact of Three Development Scenarios at the Nexus at Frederick Commerce Center

June 2026

Executive Summary

This analysis considers the economic and fiscal benefits associated with three hypothetical development scenarios in the City of Frederick at Nexus at Frederick Commerce Center.

Scenario 1: eight two-story data center buildings (each approximately 220,000 square feet), totaling approximately 1.8 million square feet, with a total electric load of 864 megawatts.

Scenario 2: four two-story data center buildings (each 220,000 square feet) and approximately 915,000 square feet of warehouse/logistics space, totaling 1.8 million square feet of space.

Scenario 3: over 1.9 million square feet of warehouse/logistics space.

The scenarios that include data center development deliver substantially larger economic and fiscal impacts than the warehouse-only alternative. During the construction phase, Scenario 1 would support 6,542 jobs and generate \$2.2 billion in statewide economic activity, while Scenario 2 would support 3,686 jobs and \$1.2 billion in activity. By contrast, Scenario 3 would support 876 construction jobs and \$291 million in economic activity. Construction phase tax revenues follow a similar pattern: Scenarios 1 and 2 would generate \$3.2 million and \$1.8 million in Frederick County tax revenues, respectively, compared to just \$400,000 under Scenario 3.

Once steady state operations are attained, Scenario 3 would support the most jobs (1,143) due to the labor-intensive nature of warehouse/logistics operations, though at lower average wages. Despite supporting the fewest ongoing jobs (576), Scenario 1 would by far generate the greatest fiscal benefits: approximately \$13.7 million annually for the City of Frederick and \$19.9 million for Frederick County, driven primarily by higher assessed property values and the resulting real property tax revenues. This compares to \$8.2 million and \$12.1 million under Scenario 2, and \$2.7 million and \$4.4 million under Scenario 3. In total, annual local tax revenues under Scenario 1 would approach \$34 million, nearly five times the \$7 million generated under Scenario 3 (the warehouse-only scenario).

Comparative Impacts (millions \$2026)

Construction Phase			
Impact Category	Scenario 1	Scenario 2	Scenario 3
Jobs	6,542	3,686	876
Labor Income	\$451.9	\$254.6	\$60.5
Economic Activity	\$2,176.3	\$1,226.1	\$291.4
Frederick City Tax Revenues	\$0.1	\$0.1	\$0.02
Frederick County Tax Revenues	\$3.2	\$1.8	\$0.4
State Tax Revenues	\$33.2	\$18.7	\$4.4
Operating Phase (Annual, Ongoing)			
Impact Category	Scenario 1	Scenario 2	Scenario 3
Jobs	576	830	1,143
Labor Income	\$50.3	\$53.5	\$59.8
Economic Activity	\$212.1	\$165.6	\$125.6
Frederick City Tax Revenues	\$13.7	\$8.2	\$2.7
Frederick County Tax Revenues	\$19.9	\$12.1	\$4.4
State Tax Revenues	\$46.3	\$24.9	\$3.8

Source: Sage

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INTRODUCTION

This analysis considers the economic and fiscal impacts of three development scenarios at the Nexus at Frederick Commerce Center (two sites totaling approximately 230 acres in the City of Frederick). This report uses IMPLAN economic modeling software, an industry-standard platform for input-output analysis, as well as proprietary fiscal impact modeling methods that utilize data from the U.S. Census Bureau, the Office of the Maryland Comptroller, and the relevant local governments to estimate the jobs, labor income, economic activity, and tax revenues supported by each development scenario.

Scenario 1: eight two-story data center buildings (each approximately 220,000 square feet), totaling approximately 1.8 million square feet, with a total electric load of 864 megawatts.

Scenario 2: four two-story data center buildings (each 220,000 square feet) and approximately 915,000 square feet of warehouse/logistics space, totaling 1.8 million square feet of space.

Scenario 3: over 1.9 million square feet of warehouse/logistics space.

Economic impact estimates are provided for Frederick County and the remainder of Maryland—more geographically granular modeling is not possible—while fiscal impacts are provided for the City of Frederick, Frederick County, and the State. Details regarding the methods and assumptions used in this analysis can be found in Appendix A on page 13. More information on how to interpret economic impacts can be found in Appendix B on page 16.

Note that all personal property is currently exempt from the City of Frederick’s personal property tax of \$1.55 per \$100 of assessed value. Were that to change, the data center scenarios considered in this analysis would generate millions of additional dollars in City of Frederick tax revenues each year.

SCENARIO 1 IMPACTS

The first scenario considers the impact of building 1.8 million square feet of data center facilities totaling 864 megawatts in the City of Frederick.

CONSTRUCTION PHASE

Construction of the powered core and shells—the physical data center structure but not the equipment inside of the building—is expected to cost nearly \$1.6 billion. Those massive costs will support more

than 4,000 direct construction jobs and another 2,500 positions in other industries.¹ Those jobs will be associated with roughly \$450 million in labor income, and statewide economic activity will be boosted by nearly \$2.2 billion over the duration of the project.

Exhibit 1: Construction Phase Economic Impacts, Scenario 1

	Jobs	Labor Income (Millions \$2026)	Economic Output (Millions \$2026)
<i>Frederick County</i>			
Direct effects	4,077	\$274.0	\$1,587.2
Secondary effects	1,750	\$126.7	\$416.1
Total	5,827	\$400.7	\$2,003.2
<i>Remainder of Maryland (only secondary impacts)</i>			
Total	715	\$51.2	\$173.1
<i>Statewide</i>			
Total	6,542	\$451.9	\$2,176.3

Source: Sage, IMPLAN

*Totals may not add due to rounding

The construction phase will generate significant tax revenues at both the state and local levels. After adjusting the \$400 million in Frederick County-based employee compensation to reflect only wages earned by Frederick County residents, the project will generate an estimated \$3.2 million in income tax revenues for the County and more than \$100,000 in income tax revenues for the City.

Exhibit 2: Construction Phase Fiscal Impacts, Scenario 1

Tax Category	Revenues (Millions \$2026)
<i>City of Frederick</i>	
Income	\$0.1
Total	\$0.1
<i>Frederick County</i>	
Income	\$3.2
Total	\$3.2
<i>State of Maryland</i>	
Sales (other than electricity)	\$20.5
Income	\$12.7
Total	\$33.2

Source: Sage

*Totals may not add due to rounding

At the state level, the construction phase will bolster tax revenues by approximately \$33 million through augmented sales and income tax revenues. Note that the state-level sales tax estimates do not include the cost of the personal property that will be installed inside the facility, as qualified data center

¹ Note that construction phase jobs refer to one full- or part-time position that lasts for one year. For instance, if one worker is on site for five years, that would count as five construction jobs.

equipment is exempt from sales tax in Maryland, while the local tax revenues do not include permitting fees, which will represent millions of dollars for the City.

IMPACTS UPON FULL BUILD OUT

Upon full build-out, the data center will support an estimated 220 direct positions with average wages for those jobs approaching \$100,000 per annum. These jobs will be filled by a wide range of professionals across several disciplines including security, engineering, management, and IT and network operations. Many of these opportunities, including high-paying technician positions, will be accessible to workers without four-year college degrees, including those with two-year technical degrees and other relevant certifications.

Operational expenditures by the data center and spending by the facility's employees will support more than 350 secondary statewide jobs, about 260 of which will be performed in Frederick County. Those secondary jobs include various positions in industries like finance and insurance, consulting, legal services, real estate, courier services, and computer system design services, among several others.

Exhibit 3: Operating Phase Economic Impacts, Scenario 1

	Jobs	Labor Income (Millions \$2026)	Economic Output (Millions \$2026)
<i>Frederick County</i>			
Direct effects	220	\$25.6	\$143.4
Secondary effects	257	\$17.8	\$48.7
Total	477	\$43.4	\$192.1
<i>Remainder of Maryland (only secondary impacts)</i>			
Total	100	\$6.9	\$20.1
<i>Statewide</i>			
Total	576	\$50.3	\$212.1

Source: Sage, IMPLAN

*Totals may not add due to rounding

In total, in Scenario 1 the data center's operations will annually support 576 jobs, \$50 million in annual employee compensation, and \$212 million in annual economic activity. Each year, the data center will support approximately \$14 million in tax revenues for the City of Frederick, \$20 million for Frederick County, and \$46 million for the State.

Exhibit 4: Ongoing, Annual Fiscal Impacts, Scenario 1

Tax Category	Revenues (Millions \$2026)
<i>City of Frederick</i>	
Real Property	\$13.7
Total	\$13.7
<i>Frederick County</i>	
Real Property	\$19.5
Income	\$0.4
Total	\$19.9
<i>State of Maryland</i>	
Electricity (sales & franchise)	\$41.0
Sales (other than electricity)	\$1.7
Real Property	\$2.2
Income	\$1.5
Total	\$46.3

Source: Sage

*Totals may not add due to rounding

SCENARIO 2 IMPACTS

The second scenario considers the impact of building 882,000 square feet of data centers and 914,800 square feet of warehouse/logistics space in the City of Frederick, totaling 1.8 million square feet of space.

CONSTRUCTION PHASE IMPACTS

The construction phase of this scenario would support about 3,700 statewide jobs. Those jobs would earn about \$255 million in labor income, and statewide economic activity would be bolstered by approximately \$1.2 billion over the duration of the project.

Exhibit 5: Construction Phase Economic Impacts, Scenario 2

	Jobs	Labor Income (Millions \$2026)	Economic Output (Millions \$2026)
<i>Frederick County</i>			
Direct effects	2,297	\$154.3	\$894.2
Secondary effects	986	\$71.4	\$234.4
Total	3,283	\$225.7	\$1,128.6
<i>Remainder of Maryland (only secondary impacts)</i>			
Total	403	\$28.9	\$97.5
<i>Statewide</i>			
Total	3,686	\$254.6	\$1,226.1

Source: Sage, IMPLAN

*Totals may not add due to rounding

The development phase would generate approximately \$100,000 in tax revenues for the City of Frederick, \$1.8 million for Frederick County, and nearly \$19 million for the State. Note that this estimate does not include permitting fees.

Exhibit 6: Construction Phase Fiscal Impacts, Scenario 2

Tax Category	Revenues (Millions \$2026)
<i>City of Frederick</i>	
Income	\$0.1
Total	\$0.1
<i>Frederick County</i>	
Income	\$1.8
Total	\$1.8
<i>State of Maryland</i>	
Sales (other than electricity)	\$11.5
Income	\$7.2
Total	\$18.7

Source: Sage

*Totals may not add due to rounding

IMPACTS UPON FULL BUILD OUT

Once complete, this scenario would support an estimated 745 jobs in Frederick County. Those jobs would average approximately \$64,000 in annual labor income, which includes both wages and benefits. This development would augment statewide economic activity by approximately \$166 million each year.

Exhibit 7: Operating Phase Economic Impacts, Scenario 2

	Jobs	Labor Income (Millions \$2026)	Economic Output (Millions \$2026)
<i>Frederick County</i>			
Direct effects	522	\$33.3	\$107.2
Secondary effects	223	\$14.6	\$41.3
Total	745	\$47.9	\$148.5
<i>Remainder of Maryland (only secondary impacts)</i>			
Total	85	\$5.6	\$17.1
<i>Statewide</i>			
Total	830	\$53.5	\$165.6

Source: Sage, IMPLAN

*Totals may not add due to rounding

Including secondary impacts, this scenario will support annual tax revenues of \$8.2 million for the City of Frederick, \$12.1 million for Frederick County, and \$25 million for the State.

Exhibit 8: Ongoing, Annual Fiscal Impacts, Scenario 2

Tax Category	Revenues (Millions \$2026)
<i>City of Frederick</i>	
Real Property	\$8.2
Total	\$8.2
<i>Frederick County</i>	
Real Property	\$11.7
Income	\$0.4
Total	\$12.1
<i>State of Maryland</i>	
Electricity (sales & franchise)	\$20.5
Sales (other than electricity)	\$1.5
Real Property	\$1.3
Income	\$1.5
Total	\$24.9

Source: Sage

*Totals may not add due to rounding

SCENARIO 3 IMPACTS

The third scenario considers the impact of building 1.931 million square feet of warehouse/logistics space in the City of Frederick.

CONSTRUCTION PHASE IMPACTS

The construction phase of this scenario will support approximately 780 jobs in Frederick County and another 100 across the remainder of the state. Those jobs will be associated with \$61 million in labor income, and statewide economic activity will be bolstered by more than \$290 million.

Exhibit 9: Construction Phase Economic Impacts, Scenario 3

	Jobs	Labor Income (Millions \$2026)	Economic Output (Millions \$2026)
<i>Frederick County</i>			
Direct effects	546	\$36.7	\$212.5
Secondary effects	234	\$17.0	\$55.7
Total	780	\$53.6	\$268.2
<i>Remainder of Maryland (only secondary impacts)</i>			
Total	96	\$6.9	\$23.2
<i>Statewide</i>			
Total	876	\$60.5	\$291.4

Source: Sage, IMPLAN

*Totals may not add due to rounding

The development phase of this scenario will generate an estimated \$20,000 in City of Frederick tax revenues, \$400,000 in Frederick County tax revenues, and \$4.4 million in state-level tax revenues. Note

that this does not include permitting fees, which will exceed \$2 million based on estimates supplied by the developer.

Exhibit 10: Construction Phase Fiscal Impacts, Scenario 3

Tax Category	Revenues (Millions \$2026)
<i>City of Frederick</i>	
Income	\$0.02
Total	\$0.02
<i>Frederick County</i>	
Income	\$0.4
Total	\$0.4
<i>State of Maryland</i>	
Sales (other than electricity)	\$2.7
Income	\$1.7
Total	\$4.4

Source: Sage

*Totals may not add due to rounding

IMPACTS UPON FULL BUILD OUT

Once completed, the warehouse/logistics space would support approximately 870 direct jobs and another 275 secondary positions, 200 of which would be based in Frederick County. Statewide, those jobs will command nearly \$60 million in annual labor income—with compensation per worker nearing \$50,000 per annum—and generate more than \$125 million in annual economic activity.

Exhibit 11: Operating Phase Economic Impacts, Scenario 3

	Jobs	Labor Income (Millions \$2026)	Economic Output (Millions \$2026)
<i>Frederick County</i>			
Direct effects	869	\$43.2	\$74.8
Secondary effects	200	\$12.0	\$35.7
Total	1,069	\$55.2	\$110.6
<i>Remainder of Maryland (only secondary impacts)</i>			
Total	74	\$4.6	\$15.0
<i>Statewide</i>			
Total	1,143	\$59.8	\$125.6

Source: Sage, IMPLAN

*Totals may not add due to rounding

At full build out, the development will support \$2.7 million in City of Frederick revenues, \$4.4 million in Frederick County revenues, and \$3.8 million for the State government each year.

Exhibit 12: Ongoing, Annual Fiscal Impacts, Scenario 3

Tax Category	Revenues (Millions \$2026)
<i>City of Frederick</i>	
Real Property	\$2.7
Total	\$2.7
<i>Frederick County</i>	
Real Property	\$3.9
Income	\$0.5
Total	\$4.4
<i>State of Maryland</i>	
Sales (Including electricity & franchise taxes)	\$1.6
Real Property	\$0.4
Income	\$1.7
Total	\$3.8

Source: Sage

*Totals may not add due to rounding

CONCLUSION & COMPARITIVE IMPACTS

Due to vastly greater development costs, Scenarios 1 and 2—both of which contain data center space—will support substantially larger economic and fiscal impacts than the third scenario.² At the county level, for instance, Scenario 1 would generate approximately eight times more in construction phase tax revenues. Notably, that’s before considering permitting fees, which will also be significantly larger under the first two scenarios.

Exhibit 13: Comparative Impacts (millions \$2026)

Construction Phase			
Impact Category	Scenario 1	Scenario 2	Scenario 3
Jobs	6,542	3,686	876
Labor Income	\$451.9	\$254.6	\$60.5
Economic Activity	\$2,176.3	\$1,226.1	\$291.4
City of Frederick Tax Revenues	\$0.1	\$0.1	\$0.02
Frederick County Tax Revenues	\$3.2	\$1.8	\$0.4
State Tax Revenues	\$33.2	\$18.7	\$4.4
Operating Phase (Annual, Ongoing)			
Impact Category	Scenario 1	Scenario 2	Scenario 3
Jobs	576	830	1,143
Labor Income	\$50.3	\$53.5	\$59.8
Economic Activity	\$212.1	\$165.6	\$125.6
City of Frederick Tax Revenues	\$13.7	\$8.2	\$2.7
Frederick County Tax Revenues	\$19.9	\$12.1	\$4.4
State Tax Revenues	\$46.3	\$24.9	\$3.8

Source: Sage

² Note that this analysis uses extremely conservative assumptions for data center construction costs and a high-end estimate for warehouse construction costs. As a result, the difference between the construction phase impacts for the two types of developments are likely understated.

Once full build-out and steady state operations are attained, the third scenario will support the most jobs. While those jobs are associated with substantially lower average labor income (40% below Scenario 1 and 11% below Scenario 2), total supported labor income is still highest under Scenario 3.

Despite supporting the fewest jobs, Scenario 1 will support the greatest fiscal impacts; significantly higher construction costs translate into larger assessed values and real property taxes. At the local level (i.e., the City of Frederick and Frederick County), Scenario 1 will generate nearly \$34 million in annual revenues. That compares favorably to the \$20 million generated under Scenario 2 and the \$7 million under Scenario 3.

About Sage Policy Group

Sage Policy Group is an economic and policy consulting firm headquartered in Baltimore, MD. Dr. Anirban Basu, Sage's chairman and CEO, founded the firm in 2004. Sage has created a client base that encompasses more than forty states and seven countries and includes Fortune 500 companies, NFL teams, aquariums and zoos, state and local governments, insurance companies, banks, brokerage houses, major medical systems, trade organizations, and law firms, among others.

The company is especially well known for its analytical capabilities in economic and fiscal impact estimation, economic development, forecasting, legislative analyses, litigation support, environmental economics, and industry outlooks.

In addition to leading Sage, Dr. Basu has emerged as one of the nation's most recognizable economists. He serves as the chief economist to Associated Builders and Contractors, the Maryland Bankers Association, and the International Food Distributors Association and as the chief economic adviser to the Construction Financial Management Association. He chaired the Maryland Economic Development Commission from 2014 to 2021 and currently chairs the Baltimore County Economic Advisory Committee.

Dr. Basu's lectures in economics are delivered to audiences across the U.S. and abroad. He has lectured at Johns Hopkins University and is presently the Distinguished Economist in Residence at Goucher College, where he teaches History of Economic Thought.

Appendix A: Methods & Assumptions

CONSTRUCTION PHASE ECONOMIC IMPACTS

Construction of a data center's powered core and shell is estimated to cost approximately \$900 per square foot, a figure based off of publicly available data and a Sage analysis of project-specific financial information from several recent data center developments in Maryland. Notably, this is a conservative parameter that likely understates the realized construction costs, especially given recent tariff-related increases in construction materials prices.

Construction of warehouse/distribution space is estimated to cost approximately \$110 per square foot. This figure is higher than prevalent estimates of warehouse construction costs—like those published in the Cushman and Wakefield 2025 Industrial Construction Cost Guide—due to ongoing increases in construction input costs and a desire to show the most conservative comparison between data center and warehouse/logistics economic and fiscal impacts.

These parameters served as inputs to the custom IMPLAN model used to estimate the construction phase impacts. Specifically, the model used multi-regional input-output analysis, a technique that allows direct impacts to be confined to a certain geography (Frederick County) while capturing secondary impacts in a broader area (the remainder of Maryland).

OPERATING PHASE ECONOMIC IMPACTS

Data center space is estimated to support approximately one job per 8,000 square feet once steady state operations are attained with estimated average annual compensation approaching \$100,000. Direct jobs for the warehouse scenario were estimated at 2,222 square feet per worker, a parameter sourced from the Energy Information Administration's Commercial Building Energy Consumption Survey.

Economic activity related to steady state operations was determined implicitly within IMPLAN, which has sectoral-specific parameters pertaining to data centers. The model of operating phase economic impacts also uses multi-regional input-output analysis to produce geographically granular impact estimates.

CONSTRUCTION-RELATED INCOME TAXES

Compensation presented in the economic impact section of this report encompasses wages and benefits. According to the U.S. Bureau of Labor Statistics, wages account for 67.1 percent of private construction compensation (the only portion of compensation subject to income tax), and that figure was used to isolate the taxable wages supported by the construction phase. An estimated effective State income tax rate of 4.2 percent for state residents—calculated using data from Maryland's FY 2024 Annual Comprehensive Financial Report—was used to estimate supported income tax revenues.

Some construction jobs will be held by residents of other states. Moreover, not every job held by a Marylander will be held by a Frederick County resident. Based on inflow/outflow data from the U.S. Census Bureau, 45.5 percent of jobs in Frederick County are filled by Frederick County residents. That parameter and an estimated effective local income tax rate of 2.6 percent were applied to the isolated wages of each scenario to produce Frederick County income tax estimates.

The City of Frederick receives the greater of either: 1) 17 percent of the County income tax liability of City residents; or 2) 0.37 percent of the Maryland taxable income of those residents. Over the past five years for which data are available, that has equaled 4.3 percent of Frederick County income tax collections based on an analysis of City and County comprehensive annual financial reports. City of Frederick income tax revenues are therefore estimated at 4.3 percent of estimated Frederick County income tax revenues. To avoid tax revenue double-counting, the share of County taxes to be prospectively distributed to the City is not included in estimates for Frederick County.

CONSTRUCTION-RELATED SALES TAXES

To determine the sales tax impact of the construction phase, this study uses the same custom IMPLAN model used to produce economic impacts. Servers, which represent a significant portion of the overall capital expenditure associated with this development, are exempt from Maryland sales and use taxes.

PERMITTING & IMPACT FEES & RECORDATION & TRANSFER TAXES

This analysis does not endeavor to estimate permitting fees to be paid as a result of these development scenarios, although those fees will represent millions of dollars for the County, nor does it endeavor to estimate any transfer or recordation fees related to the development phase.

OPERATIONAL INCOME TAXES

Operational income taxes were estimated using the same methods and parameters used to estimate the construction phase income tax impacts. Note that all three scenarios will generate annual, ongoing income tax revenue for the City of Frederick. Because of the size of those income tax collections, which range from approximately \$16,000 per annum under the first scenario to nearly \$20,000 under the third scenario, they are not included in the fiscal impacts section of this report.

REAL PROPERTY TAXES

Frederick County levies a tax of \$1.0079 per \$100 of assessed value on real property in the City of Frederick, while the City levies a real property tax of \$0.7055 per \$100 of assessed value. The State of Maryland levies a real property tax of \$0.112 per \$100 of assessed value. These rates were applied to the estimated assessed values, which were based on projected construction costs related to only the

powered core and shell and the projected data center space, the full value of the warehouse/industrial space, and the land upon full build out.

OPERATIONS-RELATED SALES TAX (EXCLUDING ON ELECTRICITY)

To determine the sales tax revenue supported by steady state operations, this study uses the same custom IMPLAN model used to produce economic impacts. This parameter excludes sales taxes collected on the direct purchase of electricity, the estimate of which is discussed below.

FRANCHISE & SALES TAX ON ELECTRICITY USAGE

Maryland levies a franchise tax applicable to public service companies calculated as 2 percent of gross receipts plus a charge of \$0.00062 per kilowatt-hour delivered. Note that this analysis only endeavors to estimate these revenues for the scenarios that include data centers.

Appendix B: How to Interpret Economic Impact Estimates

To quantify the economic impacts of the data center and warehouse/logistics developments, Sage used IMPLAN economic modeling software and its embodied multipliers to generate estimates of employment, labor income, and output. Below is an abbreviated glossary of terms that may prove helpful in interpreting analytical findings.

EMPLOYMENT

As defined by IMPLAN, a job that lasts twelve months equals one job, two jobs that last six months equal one job, three jobs that last four months equal one job, etc. Based on this, **job-years** represents a useful term. For instance, an endeavor that supports 200 jobs for a six-month period would be considered to support 100 jobs measured in job-years. Note that IMPLAN jobs are not quite the same thing as full-time equivalents (FTEs). Each of IMPLAN's 536 unique industries has a different conversion rate between jobs and FTEs, although for almost every industry one job is equal to less than one FTE.

OUTPUT (BUSINESS ACTIVITY, ECONOMIC ACTIVITY)

Output equals the value of industry production or service provision. It might be easier to conceptualize this as total business sales or economic activity. For retail industries, it is the gross margin (not gross sales). For manufacturing, output is the quantity of total sales plus/minus the change in inventories. For the service sector, output is directly equal to sales. This is summarized by the following equation:

$$\text{Output} = (\text{Manufacturing sales} + / - \text{change in inventories}) + (\text{service sector sales}) + (\text{gross margin for wholesale and retail trade})$$

LABOR INCOME

Worker compensation is comprised of wages, benefits, and proprietor income (money accruing to owners of businesses).

$$\text{Worker Compensation} = \text{all forms of employee compensation (wages/benefits)} + \text{proprietor income}$$

DIRECT EFFECTS

Direct effects are impacts tightly aligned with the endeavor under consideration. In this instance, direct effects are produced by construction of the data center/warehouse as well as the facility's steady state operations.

INDIRECT EFFECTS

Indirect effects stem from business-to-business spending activity within the study area that occurs as a result of the direct effects. These can also be considered broader supply chain effects. This is a form of **secondary** effect.

INDUCED EFFECTS

Induced effects relate to household spending that occurs due to expanded levels of labor/household income. This is also a form of **secondary** effect.