



Potential Kentucky Data Center Sites by Region
State & Local Economic & Fiscal Impact Analysis

Submitted To:
NetChoice

Submitted By:
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I. INTRODUCTION

Commonwealth Economics Partners (“CE”) was retained by NetChoice (the “Client” or “NetChoice”) to evaluate the expected economic and fiscal impacts of the proposed data center campuses (the “Projects”).

NetChoice is a U.S. trade association and nonprofit advocacy organization representing online businesses and technology platforms. The organization engages in public policy, legal, and regulatory matters affecting the internet and the broader digital economy.

Commonwealth Economics is a Lexington, Kentucky-based firm specializing in independent economic and financial analysis. The firm provides transparent, data-driven insights to help public and private stakeholders evaluate policy, investment, and development decisions.

This report estimates the potential economic and fiscal impacts of a hypothetical 400-megawatt hyperscale artificial intelligence (“AI”) data center campus under five alternative location scenarios across Kentucky. In each scenario, the analysis assumes one representative facility is located within a given region and models the impacts that would occur if such a project were developed. The representative facility analyzed in this study reflects a current standard, hyperscale AI data center with an estimated capacity of 400 megawatts (“MW”) and total capital investment of approximately \$4.0 billion.

This analysis estimates the Projects’ economic impacts at the regional and statewide levels, as well as their fiscal impacts on the host county and the Commonwealth of Kentucky.

I (A). KEY FINDINGS

- **Scale and Timeline:** \$4 billion multi-phase capital investment; two-year buildout to full operations
- **Local Tax Revenue (12-Year Total, County-Level Average)¹**
 - **Western Kentucky Region: \$338 million**
 - Local Public Schools: \$183 million
 - Other Local Taxing Districts: \$155 million
 - **Southwestern Kentucky Region: \$290 million**
 - Local Public Schools: \$167 million
 - Other Local Taxing Districts: \$123 million
 - **Central Kentucky Region: \$331 million**
 - Local Public Schools: \$206 million
 - Other Local Taxing Districts: \$125 million
 - **Northern Kentucky Region: \$435 million**
 - Local Public Schools: \$222 million
 - Other Local Taxing Districts: \$213 million
 - **Eastern Kentucky Region: \$369 million**
 - Local Public Schools: \$208 million
 - Other Local Taxing Districts: \$161 million
- **State Tax Revenue**
 - **Between \$227 – 232 million in state tax revenue generated in 12 years**
- **Employment & Wages (Ongoing)**
 - Ongoing Employment: Approximately **200 full-time direct jobs with an average annual wage of \$105,000**
 - An additional **213 – 330 indirect and induced jobs** supported throughout Kentucky’s economy
 - 2-Year Construction Employment: Approximately **2,800 – 3,400 temporary jobs annually**
- **Benchmarks from Other States:** Mature data-center markets report strong fiscal windfalls (e.g., ~26:1 local tax revenue-to-public service cost in Loudoun County, VA, ~13:1 in Prince William County, VA).

¹ Estimates cover a 12-year period (2 years construction, 10 years operations). Each region spans 6–9 counties. Each regional figure shows projected 12-year tax revenue to a representative county, based on averaged tax rates across relevant jurisdictions.

Figure ES-1

Regional Summaries Modern AI Data Center Campus – 400 MW Total State & Local Fiscal Impact										
Tax Revenues	Construction Year 1	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 10	12-Year Total
Western Kentucky Region										
Local Taxes	\$2,552,362	\$6,906,322	\$42,776,668	\$37,109,390	\$31,734,498	\$26,326,674	\$24,025,321	\$42,469,126	\$25,493,937	\$338,495,907
State Taxes	\$4,025,748	\$4,386,248	\$23,990,157	\$22,321,070	\$20,760,830	\$19,197,883	\$18,711,445	\$25,363,888	\$20,881,291	\$227,979,321
Southwestern Kentucky Region										
Local Taxes	\$3,400,964	\$7,366,355	\$36,342,226	\$31,528,314	\$26,962,776	\$22,369,269	\$20,414,562	\$36,081,864	\$21,663,071	\$290,331,794
State Taxes	\$3,904,957	\$4,265,457	\$24,219,403	\$22,557,193	\$21,004,038	\$19,448,387	\$18,969,463	\$25,629,647	\$21,180,406	\$230,365,790
Central Kentucky Region										
Local Taxes	\$4,824,144	\$8,710,142	\$41,128,564	\$35,734,040	\$30,618,650	\$25,472,165	\$23,288,468	\$40,888,607	\$24,749,028	\$331,157,266
State Taxes	\$4,147,575	\$4,508,075	\$24,290,477	\$22,630,399	\$21,079,440	\$19,526,051	\$19,049,458	\$25,712,041	\$21,273,141	\$231,665,808
Northern Kentucky Region										
Local Taxes	\$4,389,593	\$9,929,591	\$56,413,721	\$48,384,398	\$40,760,959	\$33,088,289	\$29,757,358	\$55,439,202	\$31,198,820	\$435,360,868
State Taxes	\$3,781,628	\$4,142,128	\$24,163,193	\$22,499,297	\$20,944,405	\$19,386,965	\$18,906,199	\$25,564,484	\$21,107,065	\$229,474,749
Eastern Kentucky Region										
Local Taxes	\$1,666,619	\$6,965,668	\$48,485,301	\$41,520,623	\$34,907,116	\$28,250,631	\$25,353,834	\$47,582,379	\$26,535,803	\$369,019,438
State Taxes	\$3,306,777	\$3,667,277	\$24,037,724	\$22,370,063	\$20,811,294	\$19,249,861	\$18,764,982	\$25,419,031	\$20,943,355	\$227,086,679

II. DATA CENTER OVERVIEW

This section provides an overview of the hypothetical Project modeled in this analysis, detailing its assumed scope, anticipated expenses, and visual representations. The Project reflects a representative 400 MW AI data center campus used for scenario analysis across alternative Kentucky regions. This section considers the conceptual economic impacts of the Project and how its ongoing operations would be expected to impact the state and local area under the assumptions outlined in this report.

II (A). EXPENDITURES & RENDERINGS

A modern, 400 MW AI data center campus is estimated to require approximately \$4.0 billion in total capital investment, including construction and equipment. Such a development would typically consist of multiple buildings encompassing approximately one to two million square feet of interior space. Construction is expected to occur over an approximately two-year period. The figures below provide representative aerial and interior views illustrating the scale and design characteristics typical of modern AI data center campuses.

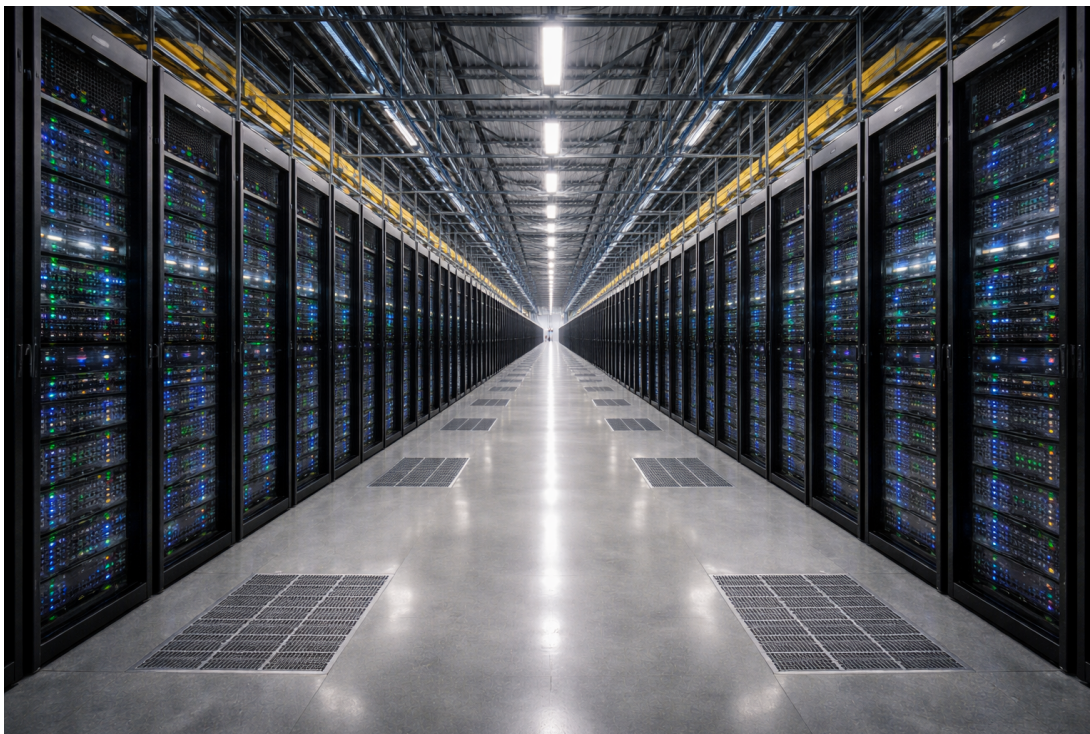
Figure 1

Modern AI Data Center Campus – 400 MW Estimated Expenditures		
Expenditures Category	Description	
Real Property	<i>Building construction, electrical work, pavement</i>	\$700,000,000
Tangible Property	<i>AI and storage chips, computer hardware, cooling systems, batteries, supporting equipment, electrical systems</i>	\$2,450,000,000
Soft Costs	<i>Financing, engineering, architecture, systems design, etc.</i>	\$850,000,000
Total		\$4,000,000,000

Figure 2-4



Figure 5



II (B). DATA CENTER INDUSTRY OVERVIEW

Modern data centers are specialized facilities designed to house and operate large networks of computer servers that power cloud computing, enterprise software, streaming platforms, and increasingly, artificial intelligence (“AI”) applications. Hyperscale AI data centers function as critical infrastructure: they are engineered to operate continuously under highly controlled conditions, including precise management of power quality, temperature, humidity, and physical security. Even brief service interruptions can affect thousands of businesses, government operations, and consumers simultaneously.

From an economic and fiscal perspective, data centers differ materially from traditional industrial developments. They are highly capital-intensive, requiring substantial upfront investment in buildings, electrical systems, and computing equipment. These facilities generate significant assessed value per acre and typically involve large-scale construction activity. Once operational, they employ fewer permanent workers than comparably sized manufacturing facilities. The jobs created are generally technical in nature and command above-average wages.

For policymakers and local communities, the benefits are distinct. Data centers can significantly expand the property tax base and stimulate short-term construction employment, while placing comparatively modest long-term demands on schools and social services due to their limited on-site, ongoing workforce.

Kentucky is well-positioned to compete for data center investment given several key advantages, including relatively low electricity costs, availability of large developable sites, a technically capable workforce and water availability.

What a Modern Hyperscale AI Data Center Does

A data center is sometimes described as a “digital factory,” but the output is not a physical product. Instead, the product is reliable computing: the ability to store data, process transactions, run AI models, and move large volumes of information quickly and securely. In practice, a hyperscale campus typically contains multiple buildings, each filled with server racks, networking gear, and specialized equipment to maintain the conditions those systems require.

How the Facility Operates

- **Employees’ Daily Work:** On-the-ground employees at a modern hyperscale AI data center spend their days making sure thousands of computers keep running without interruption. They install and replace servers, check cables, monitor cooling systems and power equipment, walk the facility floor to inspect machines, and quickly fix problems, like a failed hard drive or overheating unit, so the building full of computers stays online and usable for customers across the country.
- **Electricity and Redundancy:** Servers require stable, high-quality power. Data centers therefore use layered redundancy: utility feeds, switchgear and transformers, uninterruptible power supply systems, and standby generators. A key design goal is that routine maintenance or a single equipment failure does not interrupt service.
- **Cooling:** Nearly all electrical energy delivered to IT equipment ultimately becomes heat. Cooling systems remove that heat to keep equipment within safe operating ranges. Cooling configurations vary by site and technology platform: some facilities use evaporative or chilled-water approaches; others use closed-loop or direct-to-chip liquid cooling for very high-density AI systems.
- **Fiber Connectivity:** Data centers rely on high-capacity, low-latency connections, often with multiple carriers and diverse routes, to link the campus to customers and to the broader internet. The “supply chain” is digital: most delivery is through fiber, not trucks.

- **Security:** Security practices typically resemble those used for utility-grade or critical infrastructure sites: controlled access zones, credentialing, extensive logging, and continuous monitoring.
- **Staffing:** The day-to-day workforce at a modern hyperscale AI data center is significantly smaller than is often assumed for an industrial facility of comparable scale. Core systems are highly automated and continuously monitored through centralized control platforms, and servers do not require hands-on operators in the way manufacturing lines do. As a result, routine on-site staffing needs are relatively modest. For a 400 MW AI data center campus, a reasonable estimate is roughly 100 full-time equivalent (FTE) employees dedicated to monitoring and maintaining IT systems, electrical infrastructure, and cooling equipment, with an additional 100 FTEs supporting security, major repairs and renovations, and facilities and grounds management.

Computer Lifecycles & Tax Implications

Data centers are not “build once and forget” assets. Operators continuously replace failed components, upgrade networking equipment, and periodically refresh servers and specialized computing hardware to maintain performance, reliability, and energy efficiency. In high-performance computing and AI environments, hardware refresh cycles are often measured in a few years rather than decades, reflecting rapid improvements in chip capability and power efficiency.

This ongoing reinvestment has important fiscal implications. In states and localities where servers and related equipment are subject to tangible personal property tax, regular hardware refreshes can help sustain or expand the taxable base over time. In states such as Kentucky, where tangible personal property tax rates are often comparable to or higher than real property tax rates, the high value and recurring replacement of computing equipment can generate substantial revenue for local governments, including cities, counties, school districts, and fire departments. In some jurisdictions, this revenue not only supports infrastructure and public services but also enables property tax relief for residents and businesses; for example, Loudoun County, Virginia has reduced residential property tax rates in each of the last ten years due to revenue generated by data centers.

Impacts on the Local Community

- **Water Consumption:** Data centers are often criticized for their water consumption, particularly in drought-prone regions. In Kentucky, however, many counties benefit from relatively abundant freshwater resources. At the same time, modern cooling technologies are significantly reducing water demand. New approaches such as direct-to-chip liquid cooling, immersion cooling, and rear-door heat exchangers remove heat more efficiently and rely less on traditional evaporative cooling. Many operators are also adopting closed-loop, dry, or hybrid cooling systems that recirculate water or minimize freshwater withdrawals, while improved monitoring and the use of reclaimed water further reduce pressure on local supplies.

As a result, current generations of data centers generally use far less water than earlier designs. Even so, counties seeking to attract data center development should work with local water utilities to assess system capacity, long-term demand, and any infrastructure upgrades needed to ensure additional industrial load can be accommodated without affecting existing users.

- **Energy Consumption:** Data centers are often criticized for their high electricity consumption and potential effects on power prices. Large facilities can require hundreds of megawatts of capacity, increasing regional demand, particularly in markets where generation or transmission infrastructure is constrained.

However, these concerns should be evaluated within the broader structure of wholesale electricity markets, where prices are primarily driven by fuel costs, generation mix, regulatory frameworks, and system-wide demand. Additionally, data centers often fund the construction of new power plants, substations, and transmission upgrades to meet their electricity demand.

As a result, the addition of a 400 MW data center would likely have only a minimal effect on local electricity prices. However, policymakers are taking additional steps to ensure that large new electricity demand does not impose costs on existing ratepayers. For example, the Kentucky Public Service Commission approved a data-center tariff for East Kentucky Power Cooperative

that establishes dedicated rates and contractual requirements for large loads to prevent existing customers from subsidizing new demand.²

Regulatory analyses emphasize that the ultimate impact on ratepayers depends on policy design and cost allocation. A study by the Virginia Joint Legislative Audit and Review Commission found that, while rapid data center growth may require additional grid investment, regulatory tools and cost-allocation policies can significantly influence whether those costs are borne by the new data centers or shared with other customers.³

Together with emerging federal policy discussions around ratepayer protection commitments⁴, targeted tariffs, negotiated agreements, and regulatory oversight can reduce the risk that residential and small-business customers subsidize large new electricity demand. That said, state and local officials should coordinate closely with their electric utility and regional transmission operator to assess capacity, transmission constraints, and any necessary system upgrades.

- **Noise:** Noise levels at data center facilities depend primarily on cooling system design, site layout, and noise mitigation measures. Facilities of this type are typically designed with noise mitigation features, such as acoustic screening and insulated equipment enclosures, and are generally expected to operate within applicable sound standards. In similar suburban or semi-rural settings, modern AI data center campuses are also commonly designed with landscaped buffers, including perimeter tree lines, to further separate the facilities from adjacent properties. However, state and local officials should work with developers through negotiation and/or regulation to ensure facilities maintain acceptable noise levels.

² East Kentucky Power Cooperative. “Kentucky Utility Regulators Approve EKPC’s Proposal for Data Center Power Tariff.” 31 Oct. 2025.

³ Patel, Kush, et al. *Virginia Data Center Study: Electric Infrastructure and Customer Rate Impacts*. Energy and Environmental Economics, Inc., Dec. 2024. Prepared for the Virginia Joint Legislative Audit and Review Commission.

⁴ The White House. “Fact Sheet: President Donald J. Trump Advances Energy Affordability with the Ratepayer Protection Pledge.” 4 Mar. 2026.

- **Improved Local Connectivity:** The development of data centers typically requires substantial investment in advanced fiber-optic infrastructure. These upgrades can enhance local network capacity, reduce latency, and improve overall bandwidth availability. As a result, businesses, schools, and households may experience more reliable video conferencing, faster data transfers, and smoother streaming services. Additionally, expanded network infrastructure can help reduce congestion during periods of peak demand, contributing to more stable and consistent internet performance across the broader community.
- **Local Tax Revenue:** Modern hyperscale data centers are highly capital-intensive facilities, often representing investments of billions of dollars in equipment and infrastructure. As a result, they can generate significant property tax revenues for host communities. In many cases, particularly in small- and medium-sized counties, the data center becomes the largest individual taxpayer in the jurisdiction. This expanded tax base can provide a stable source of revenue to support schools, public safety, infrastructure, and other essential local services, and in some jurisdictions has also enabled property tax relief for residents and businesses.

Insights from Other States

Virginia

Virginia has the highest concentration of data center capacity in the world, measured in megawatts, making it an important example for analyzing the industry's broader economic and fiscal effects. Most of this infrastructure is clustered in Northern Virginia, particularly in Loudoun, Fairfax, and Prince William counties.

According to a study commissioned by the economic development authorities in these three counties, the local data center sector delivers significant economic and fiscal advantages. Workers employed in data centers earn far more than the statewide average, with estimated annual pay around \$134,308, more than twice Virginia's average income of \$62,250. Over the past twenty years, this gap has widened as wages in the data center industry have grown at a faster pace than overall state earnings. The study also estimates that each direct job within a data center supports an additional 3.5

jobs elsewhere in the economy through indirect and induced effects, highlighting the sector's wider employment footprint.

The fiscal returns to local governments are also substantial. The report found that for every dollar Loudoun County spends providing public services to data centers, it receives approximately \$26 in local tax revenue, while Prince William County receives about \$13 per dollar spent. In 2022, Virginia's data centers collectively generated roughly \$1 billion in local tax revenue and an additional \$640 million in state tax revenue.⁵ Additionally, the data centers have enabled Loudoun County to reduce the real property tax rate for homeowners every year for the last decade.⁶

Texas

Commercial data centers are a major and growing fiscal contributor in Texas. As of year-end 2024, the state had approximately 40.9 million square feet of operating data center capacity supporting an estimated \$49 billion in real property and \$98 billion in taxable equipment on local tax rolls. In 2024 alone, data centers generated roughly \$1.61 billion in state tax revenue and \$1.60 billion in local tax revenue, driven primarily by property taxes on buildings and frequently refreshed computing equipment, sales taxes on equipment and electricity, franchise taxes, and taxes associated with operational spending. Planned expansion, totaling approximately 116.5 million additional square feet, could generate an estimated \$3.77 billion in additional annual state revenue and \$4.91 billion in additional annual local and school revenue once fully operational. While data centers are relatively capital-intensive rather than labor-intensive, the report highlights both construction-phase employment effects and ongoing operational jobs and spending that produce additional indirect and induced economic and fiscal impacts statewide.⁷

⁵ Zorn, D., Parson, W., Amado, K., Stern, L., Mangum, A.F. 2024. The Impact of Data Centers on Virginia's State and Local Economies 5th Biennial Report. Mangum Economics, Glen Allen, Virginia.

⁶ Loudoun County, Virginia. "Data Centers – Tax Revenues and the County Budget." **Loudoun County Government**, <https://www.loudoun.gov/m/faq?cat=241#question-1793>.

⁷ Mangum Economics, LLC. *Texas State and Local Tax Revenues from Data Centers*. Prepared for the Data Center Coalition, Feb. 2025.

Georgia

Georgia is home to roughly 100 data center facilities and ranks among the leading states in total capacity measured by megawatts. Much of this development has been concentrated in the Atlanta metropolitan area, which has become a central hub for industry expansion. To assess the sector's economic significance, the Georgia Chamber of Commerce Foundation, Metro Atlanta Chamber, Data Center Coalition, and Technology Association of Georgia commissioned a comprehensive study.

The report estimates that data centers in Georgia directly support about 3,480 full-time positions, generating approximately \$276 million each year in wages and benefits. It also finds strong spillover effects: for every direct operations job within a data center, about five additional jobs are supported elsewhere in the state's economy, demonstrating the sector's broad multiplier impact.⁸

Wage growth in the industry has also outpaced the broader private sector. Between 2010 and 2020, average pay in Georgia's data center sector rose by 64%, increasing from \$78,500 to \$128,700. Over the same decade, average private-sector wages statewide grew by 35%. The rapid expansion of data centers may also have contributed to the strengthening of Georgia's overall technology workforce. In 2010, the state's share of tech workers was roughly 20% below the national average; by 2020, it stood about 40% above the national benchmark. Although this shift cannot be attributed solely to data center growth, the industry likely played a meaningful supporting role.

⁸ Zorn, D., Arel, M., Mangum, A.F. 2021. The Impact of Data Centers on the Georgia Economy. Mangum Economics, Glen Allen, Virginia.

III. IMPACT METHODOLOGY & ASSUMPTIONS

The Projects are expected to generate substantial economic and fiscal benefits for the host county during both the construction phase and ongoing operations. Construction activity would deliver a one-time infusion of jobs, labor income, and tax revenues as spending on labor, materials, and services flows to local and regional businesses.

Upon completion, the data center campuses would continue to support sustained annual economic activity through operations, with employee compensation, vendor contracts, and maintenance expenditures circulating throughout the local economy.

This section describes the assumptions and methodology used to estimate these impacts, capturing both the immediate effects associated with construction and the longer-term ripple effects of ongoing operations on employment, earnings, and tax revenues.

III (A). ECONOMIC IMPACT METHODOLOGY

Economic impact reflects the “ripple effect” or “multiplying effect” from initial transactions, or “direct spending,” that occurs as a direct result of a project being developed. In the context of the Projects, direct spending includes employee compensation, payments to contractors, and expenditures on maintenance and repairs. The resulting economic ripples from these transactions include the following:

- **Indirect Spending:** Represents the business-to-business purchases within the supply chain in the region that result from the initial industry activity. This includes the spending by businesses directly impacted by the Projects on goods and services from their suppliers, which generates additional economic activity in the region.
- **Induced Spending:** Reflects the economic activity resulting from household spending of incomes earned by employees whose jobs are supported directly or indirectly by the Projects. For example, electricians or plumbers working on the data centers spend part of their earnings on local goods and services, such as groceries, housing, or entertainment, contributing to the regional economy.

- **Increased Earnings:** Represents the overall increase in household income within the region, driven by employment opportunities created by the Projects. This includes wages and salaries earned by workers whose jobs are directly or indirectly tied to the Projects' economic activity.
- **Increased Employment:** Measures the total change in the number of jobs supported throughout the region as a result of the Projects. This includes direct jobs created by the Projects, as well as jobs generated through supply chain activities (indirect effects) and household spending (induced effects).

Indirect, induced, increased earnings, and employment impacts were estimated using multipliers derived from the IMPLAN input-output modeling system. IMPLAN is an industry-leading economic impact software widely used by economists, governments, and research institutions. It is built on detailed county-level data from federal sources, including the Bureau of Economic Analysis and Bureau of Labor Statistics, allowing for precise regional and statewide impact analysis.

Input-output models trace how spending flows through an economy, capturing supply chain effects (indirect impacts) and household spending effects (induced impacts). For this study, IMPLAN's Multi-Regional Input-Output (MRIO) framework was used to model each data center's impact within its respective 6–9 county region in Kentucky and to measure how those regional effects contribute to the broader statewide economy. The MRIO approach accounts for trade flows and linkages between regions, ensuring impacts are accurately estimated without double-counting.

III (B). TAX RATE ASSUMPTIONS

The annual fiscal impact would include real property tax from the Project, tangible property tax from the computers and other taxable hardware, state and local income taxes, state sales tax on utilities, and the insurance premium tax on the Project's insurance expenditures.

Regional Tax Rate Averaging Methodology

For each region (comprising between six and nine counties), a representative composite tax rate was averaged to estimate projected tax revenues. Because tax structures vary across counties, and in some cases within counties, the analysis standardizes rates through a multi-step averaging process.

First, for each county, tax rates were identified by taxing jurisdiction, including: **Schools, City, County, Fire Department, Libraries, Health, Extension, Ambulance, and Other/Special Tax Districts**. Where a county contains multiple school districts or other sub-county taxing jurisdictions, those rates were averaged within the county to produce a single representative county-level rate for that category.

Second, for each taxing category, the resulting county-level rates were averaged across all counties within the region. This produced a regional average rate for each individual taxing jurisdiction (e.g., a regional average school property tax rate, regional average city property tax rate, regional average county occupational license tax rate, etc.). Finally, these composite rates were then applied to the modeled tax base to estimate the tax revenues for a representative county within the region, assuming the data center is located in that county.

These fiscal estimates assume the PVA does not undervalue the Project's real and tangible property, that no change occurs in state or local tax law or policy affecting data centers, that any self-reported tangible property values accurately reflect fair value, and that the Project operates for the full analysis period with tangible property refreshed per Kentucky's depreciation schedule. Actual results may vary materially if these assumptions do not hold. Below is a breakdown of the local taxes used to estimate the fiscal impacts of the Project. Tax rates are based on the most current information available from Kentucky and the counties.

State Taxes

Kentucky Real Property Tax.....	\$0.1030 per \$100 of assessed value
Kentucky Tangible Property Tax.....	\$0.4500 per \$100 of assessed value
Kentucky Income Tax (Average Effective Rate) ⁹	3.39% of incomes
Kentucky Sales Tax	6.00% of sales

Local Taxes

Western Kentucky Region

Schools Real Property Tax	\$0.5523 per \$100 of assessed value
City Real Property Tax	\$0.2992 per \$100 of assessed value
County Real Property Tax	\$0.1233 per \$100 of assessed value
Fire Dept. Real Property Tax	\$0.0721 per \$100 of assessed value
Libraries Real Property Tax.....	\$0.0393 per \$100 of assessed value
Health Real Property Tax.....	\$0.0353 per \$100 of assessed value
Extension Real Property Tax	\$0.0364 per \$100 of assessed value
Ambulance Real Property Tax	\$0.0193 per \$100 of assessed value
Other/Special Real Property Tax	\$0.0666 per \$100 of assessed value
Schools Tangible Property Tax	\$0.5568 per \$100 of assessed value
City Tangible Property Tax	\$0.3396 per \$100 of assessed value
County Tangible Property Tax.....	\$0.1478 per \$100 of assessed value
Fire Dept. Tangible Property Tax	\$0.0725 per \$100 of assessed value
Libraries Tangible Property Tax	\$0.0501 per \$100 of assessed value
Health Tangible Property Tax.....	\$0.0375 per \$100 of assessed value
Extension Tangible Property Tax	\$0.0577 per \$100 of assessed value
Ambulance Tangible Property Tax	\$0.0199 per \$100 of assessed value
Other/Special Tangible Property Tax.....	\$0.0275 per \$100 of assessed value

⁹ **NOTE:** In 2022, House Bill 8 established a formula to phase out Kentucky's individual income tax. Each June 30, if both General Fund revenues and the Budget Reserve Trust Fund meet statutory conditions, the tax rate drops by 0.5% the following January 1. The conditions were met in FY 2023, lowering the rate to 4.0% in 2024, and again in FY 2024. The General Assembly enacted the resulting reduction to 3.5% in House Bill 1 of the 2025 Regular Session, effective for taxable years beginning on or after January 1, 2026. This report applies the 3.5% rate.

County & City Occupational License Tax	1.232% of incomes
Schools Utility Tax	3.000% of sales
Insurance Premium Tax	0.817% of premiums

Southwestern Kentucky Region

Schools Real Property Tax	\$0.5744 per \$100 of assessed value
City Real Property Tax	\$0.2155 per \$100 of assessed value
County Real Property Tax	\$0.1111 per \$100 of assessed value
Fire Dept. Real Property Tax	\$0.0143 per \$100 of assessed value
Libraries Real Property Tax	\$0.0610 per \$100 of assessed value
Health Real Property Tax	\$0.0287 per \$100 of assessed value
Extension Real Property Tax	\$0.0337 per \$100 of assessed value
Ambulance Real Property Tax	\$0.0179 per \$100 of assessed value
Other/Special Real Property Tax	\$0.0764 per \$100 of assessed value

Schools Tangible Property Tax	\$0.5780 per \$100 of assessed value
City Tangible Property Tax	\$0.2472 per \$100 of assessed value
County Tangible Property Tax	\$0.1157 per \$100 of assessed value
Fire Dept. Tangible Property Tax	\$0.0000 per \$100 of assessed value
Libraries Tangible Property Tax	\$0.0824 per \$100 of assessed value
Health Tangible Property Tax	\$0.0287 per \$100 of assessed value
Extension Tangible Property Tax	\$0.0409 per \$100 of assessed value
Ambulance Tangible Property Tax	\$0.0179 per \$100 of assessed value
Other/Special Tangible Property Tax	\$0.0014 per \$100 of assessed value

County & City Occupational License Tax	1.149% of incomes
Schools Utility Tax	2.143% of sales
Insurance Premium Tax	3.173% of premiums

Central Kentucky Region

Schools Real Property Tax	\$0.6599 per \$100 of assessed value
City Real Property Tax	\$0.1376 per \$100 of assessed value
County Real Property Tax	\$0.0777 per \$100 of assessed value
Fire Dept. Real Property Tax	\$0.0484 per \$100 of assessed value

Libraries Real Property Tax	\$0.0611 per \$100 of assessed value
Health Real Property Tax	\$0.0405 per \$100 of assessed value
Extension Real Property Tax	\$0.0346 per \$100 of assessed value
Ambulance Real Property Tax	\$0.0133 per \$100 of assessed value
Other/Special Real Property Tax	\$0.0373 per \$100 of assessed value
Schools Tangible Property Tax	\$0.6754 per \$100 of assessed value
City Tangible Property Tax	\$0.2114 per \$100 of assessed value
County Tangible Property Tax	\$0.1202 per \$100 of assessed value
Fire Dept. Tangible Property Tax	\$0.0484 per \$100 of assessed value
Libraries Tangible Property Tax	\$0.0796 per \$100 of assessed value
Health Tangible Property Tax	\$0.0408 per \$100 of assessed value
Extension Tangible Property Tax	\$0.0509 per \$100 of assessed value
Ambulance Tangible Property Tax	\$0.0153 per \$100 of assessed value
Other/Special Tangible Property Tax	\$0.0067 per \$100 of assessed value
County & City Occupational License Tax	1.795% of incomes
Schools Utility Tax	3.000% of sales
Insurance Premium Tax	3.167% of premiums

Northern Kentucky Region

Schools Real Property Tax	\$0.7370 per \$100 of assessed value
City Real Property Tax	\$0.3118 per \$100 of assessed value
County Real Property Tax	\$0.1731 per \$100 of assessed value
Fire Dept. Real Property Tax	\$0.1046 per \$100 of assessed value
Libraries Real Property Tax	\$0.0883 per \$100 of assessed value
Health Real Property Tax	\$0.0476 per \$100 of assessed value
Extension Real Property Tax	\$0.0548 per \$100 of assessed value
Ambulance Real Property Tax	\$0.0283 per \$100 of assessed value
Other/Special Real Property Tax	\$0.0373 per \$100 of assessed value
Schools Tangible Property Tax	\$0.7576 per \$100 of assessed value
City Tangible Property Tax	\$0.4914 per \$100 of assessed value
County Tangible Property Tax	\$0.2103 per \$100 of assessed value
Fire Dept. Tangible Property Tax	\$0.0970 per \$100 of assessed value
Libraries Tangible Property Tax	\$0.1156 per \$100 of assessed value

Health Tangible Property Tax.....	\$0.0476 per \$100 of assessed value
Extension Tangible Property Tax	\$0.0787 per \$100 of assessed value
Ambulance Tangible Property Tax	\$0.0283 per \$100 of assessed value
Other/Special Tangible Property Tax.....	\$0.0049 per \$100 of assessed value
County & City Occupational License Tax	1.291% of incomes
Schools Utility Tax	3.000% of sales
Insurance Premium Tax	4.286% of premiums

Eastern Kentucky Region

Schools Real Property Tax	\$0.7832 per \$100 of assessed value
City Real Property Tax	\$0.2219 per \$100 of assessed value
County Real Property Tax	\$0.1694 per \$100 of assessed value
Fire Dept. Real Property Tax	\$0.0471 per \$100 of assessed value
Libraries Real Property Tax.....	\$0.0959 per \$100 of assessed value
Health Real Property Tax.....	\$0.0593 per \$100 of assessed value
Extension Real Property Tax	\$0.0606 per \$100 of assessed value
Ambulance Real Property Tax	\$0.0429 per \$100 of assessed value
Other/Special Real Property Tax	\$0.0337 per \$100 of assessed value
Schools Tangible Property Tax	\$0.7881 per \$100 of assessed value
City Tangible Property Tax	\$0.2452 per \$100 of assessed value
County Tangible Property Tax.....	\$0.1792 per \$100 of assessed value
Fire Dept. Tangible Property Tax	\$0.0429 per \$100 of assessed value
Libraries Tangible Property Tax	\$0.1071 per \$100 of assessed value
Health Tangible Property Tax.....	\$0.0593 per \$100 of assessed value
Extension Tangible Property Tax	\$0.0978 per \$100 of assessed value
Ambulance Tangible Property Tax	\$0.0429 per \$100 of assessed value
Other/Special Tangible Property Tax.....	\$0.0236 per \$100 of assessed value
County & City Occupational License Tax	0.951% of incomes
Schools Utility Tax	2.143% of sales
Insurance Premium Tax	0.571% of premiums

III (C). PROJECT ASSUMPTIONS

Estimated future tax revenues presented in this analysis are based on industry averages, consultations with the Client, and economic impact multipliers generated using the IMPLAN modeling system for Kentucky. The analysis applies IMPLAN's Multi-Regional Input-Output (MRIO) framework to measure regional (6–9 county) and statewide economic effects, accounting for interregional trade flows and preventing double counting across jurisdictions.

Overall Assumptions¹⁰

- Average Inflation Rate ~ 3.00%
- Power Usage ~ 400 MW
- Real Property Value ~ \$700.0 million
- Tangible Property Value ~ \$2.5 billion

Ongoing Data Center Employees

- Total Direct Employees ~ 0.50 per MW
- Average Income per Employee ~ \$105,000

¹⁰ It is worth noting that this analysis does not attempt to quantify the potential and likely benefit generated from the labor required to replace the computers and hardware. To the extent that the Projects' refurbishment creates new jobs, wages, and economic activity, this activity would be viewed as additive to the numbers shown in this analysis.

IV. ECONOMIC & FISCAL IMPACTS

This report evaluates the economic and fiscal impacts of a hypothetical 400 MW data center located in five alternative regions across Kentucky. Each subsection of Section IV presents the impacts associated with locating the facility in one specific region. For each regional scenario, the analysis includes:

Economic Impact

- The total economic impact within the multi-county region where the facility may be located.
- The total economic impact across the entire Commonwealth of Kentucky.

These impacts reflect both the construction phase and ongoing operations of the data center, including direct, indirect, and induced effects.

Fiscal Impact

- Estimated local tax revenues, presented as the average annual fiscal impact that would occur if the facility were located in a representative county within that region.
- Estimated state tax revenues generated across Kentucky.

This structure allows readers to compare how the economic and fiscal effects would vary depending on the region in which the data center is ultimately located.

The following analysis highlights the anticipated economic effects associated with both the construction period and the long-term operations of the Project. This report assumes construction will be distributed evenly over a two-year period. For ongoing operations, the analysis assumes approximately 24 months of construction before the facilities become fully operational.

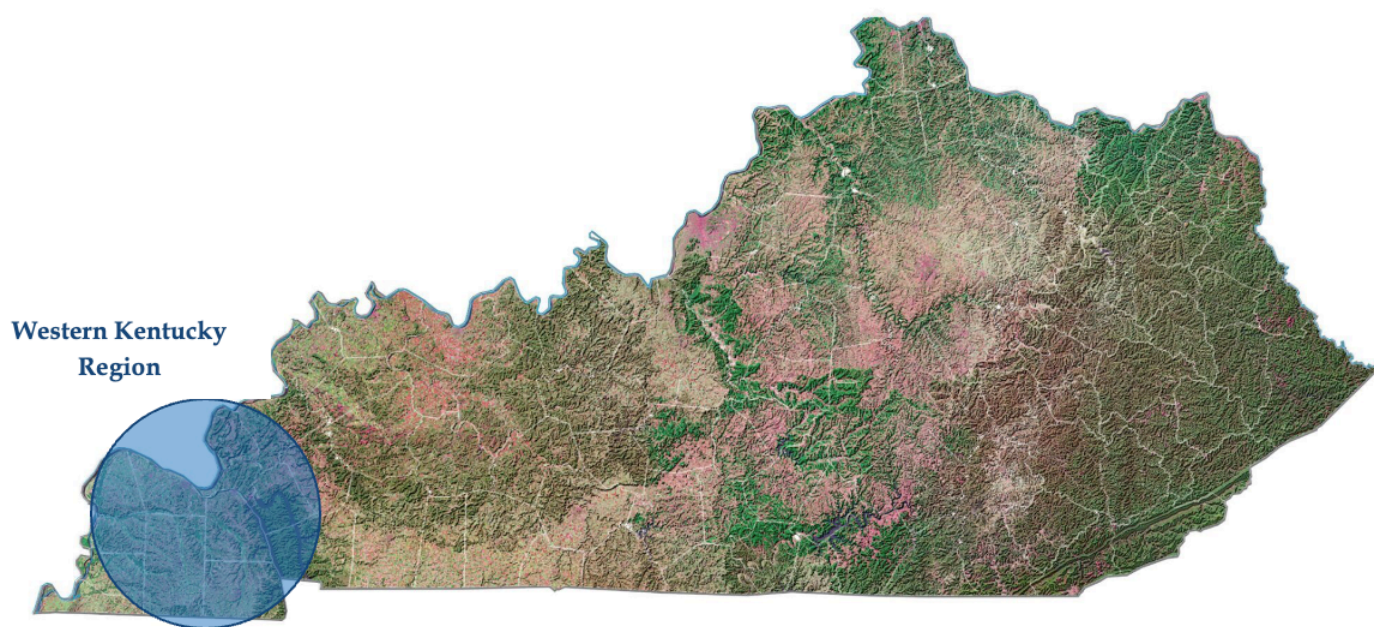
Taxation Considerations

The projected tangible, real property, and insurance tax revenues outlined here reflect gross statutory liabilities and do not incorporate potential economic development incentives. In practice, many jurisdictions that have successfully recruited data center projects have offered abatements or exemptions on property taxes. These incentive programs can take multiple forms, such as reducing assessed liabilities or providing

rebates. Their structure, scale, and duration often depend on negotiations and approvals at both the local and state levels. Accordingly, the figures included in this report represent theoretical maximums, and could be lower if incentives are utilized.

IV (A). WESTERN KENTUCKY REGION

Figure 6



WESTERN REGION: CONSTRUCTION IMPACT (One-Time)

Construction activity tied to the Project is expected to create three key economic benefits for Kentucky and the Western Kentucky area. First, it will directly support construction employment and generate spending tied to project development. Second, it will have indirect effects by stimulating demand for materials, equipment, and professional services from local and regional suppliers. Third, it will produce induced impacts as wages earned by workers are spent on everyday goods and services such as fuel, dining, and retail purchases, resulting in additional dollars circulating in the local economy.

For example, local suppliers of metal, concrete, and electrical equipment are likely to see higher sales as contractors procure building materials, while equipment rental companies benefit from increased demand for machinery and vehicles. State and local restaurants, lodging establishments, and retailers may also capture new spending from non-local construction crews, which in turn can contribute to transient room tax collections. Beyond this, higher earnings among construction workers and suppliers in the region are likely to drive additional household spending on leisure, entertainment, and personal items, amplifying the overall economic ripple effect. Figure 7 shows the worker income and economic impact derived from IMPLAN-calculated impacts generated using the estimated construction costs of the Project.¹¹

WESTERN REGION: OPERATIONS ECONOMIC IMPACT (Ongoing)

Data Center Ongoing Operations

The Project's operations will generate significant economic benefits, producing both indirect and induced impacts on wages and employment throughout the region. By the first year of operations, the Project is expected to support 200 direct, ongoing jobs with an average annual salary of \$105,000. This level of compensation is substantially higher than Kentucky's projected average of \$66,450 (\$54,030 in 2023).¹² Figure 7 highlights the estimated economic impacts of the Project's construction and ongoing operations.

¹¹ It is worth noting that this analysis does not attempt to quantify the potential and likely benefit generated from the labor required to replace the computers and hardware. To the extent that the Project's refurbishment creates new wages and economic activity, this activity would be viewed as additive to the numbers shown in this analysis.

¹² U.S. Bureau of Labor Statistics. (April 2024). *State occupational employment and wage estimates: Kentucky*. U.S. Department of Labor.

Figure 7

Western Kentucky Region Modern AI Data Center Campus - 400 MW Economic Impact: Construction & Ongoing Operations										
Economic Impact	Construction Year 1	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 10	12-Year Total
Regional	\$603,616,971	\$603,616,971	\$96,738,230	\$99,640,377	\$102,629,589	\$105,708,476	\$108,879,731	\$112,146,123	\$126,221,449	\$2,316,229,341
Direct Output	\$400,000,000	\$400,000,000	\$61,864,282	\$63,720,211	\$65,631,817	\$67,600,772	\$69,628,795	\$71,717,659	\$80,718,857	\$1,509,204,668
Indirect Impact	\$97,597,067	\$97,597,067	\$18,180,652	\$18,726,072	\$19,287,854	\$19,866,490	\$20,462,484	\$21,076,359	\$23,721,628	\$403,614,938
Induced Impact	\$106,019,904	\$106,019,904	\$16,693,296	\$17,194,094	\$17,709,917	\$18,241,215	\$18,788,451	\$19,352,105	\$21,780,964	\$403,409,734
Regional Employment	3,040	3,040	400	400	400	400	400	400	400	
Direct Employment	2,065	2,065	200	200	200	200	200	200	200	
Regional Labor Income	\$222,804,220	\$222,804,220	\$34,561,375	\$35,598,216	\$36,666,162	\$37,766,147	\$38,899,132	\$40,066,106	\$45,094,755	\$841,815,868
Direct Labor Income	\$160,121,660	\$160,121,660	\$23,332,109	\$24,032,072	\$24,753,035	\$25,495,626	\$26,260,494	\$27,048,309	\$30,443,110	\$587,719,804
Statewide	\$623,177,914	\$623,177,914	\$99,428,450	\$102,411,303	\$105,483,642	\$108,648,152	\$111,907,596	\$115,264,824	\$129,731,575	\$2,386,191,574
Direct Output	\$400,000,000	\$400,000,000	\$61,864,282	\$63,720,211	\$65,631,817	\$67,600,772	\$69,628,795	\$71,717,659	\$80,718,857	\$1,509,204,668
Indirect Impact	\$108,496,899	\$108,496,899	\$19,473,652	\$20,057,861	\$20,659,597	\$21,279,385	\$21,917,766	\$22,575,299	\$25,408,698	\$440,237,389
Induced Impact	\$114,681,015	\$114,681,015	\$18,090,516	\$18,633,231	\$19,192,228	\$19,767,995	\$20,361,035	\$20,971,866	\$23,604,020	\$436,749,518
Statewide Employment	3,120	3,120	413	413	413	413	413	413	413	
Direct Employment	2,065	2,065	200	200	200	200	200	200	200	
Statewide Labor Income	\$228,277,542	\$228,277,542	\$35,393,809	\$36,455,623	\$37,549,292	\$38,675,770	\$39,836,044	\$41,031,125	\$46,180,893	\$862,305,436
Direct Labor Income	\$160,121,660	\$160,121,660	\$23,332,109	\$24,032,072	\$24,753,035	\$25,495,626	\$26,260,494	\$27,048,309	\$30,443,110	\$587,719,804

Construction activity is projected to generate approximately \$604 million annually in local economic impact and \$623 million annually in total statewide economic impact. This investment is estimated to support roughly 3,040 jobs within the local region, including 2,065 direct construction and on-site positions, and approximately 3,120 jobs statewide when accounting for indirect and induced effects. In total, construction-related activity is expected to generate approximately \$228 million in annual employee compensation across Kentucky.

WESTERN REGION: STATE & LOCAL FISCAL IMPACT

The Project's ongoing operations will generate substantial tax revenues at the state and local level. These revenues are estimated based on the previously discussed scope and Project assumptions.

Real Property Tax Revenues

Figure 8 presents the estimated direct state and local revenues from the Project's real property taxes over construction and 10 years of operation.

Figure 8

Western Kentucky Region Modern AI Data Center Campus – 400 MW Direct State & Local Real Property Taxes							
Real Property Tax Revenues	Tax Rate	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 10	Total
State	0.103%	\$360,500	\$721,000	\$742,630	\$764,909	\$940,741	\$8,625,957
Local Public Schools	0.552%	\$1,933,167	\$3,866,333	\$3,982,323	\$4,101,793	\$5,044,688	\$46,256,345
City	0.299%	\$1,047,142	\$2,094,283	\$2,157,112	\$2,221,825	\$2,732,565	\$25,055,753
Fiscal Court / General County	0.123%	\$431,667	\$863,333	\$889,233	\$915,910	\$1,126,454	\$10,328,816
Fire	0.072%	\$252,465	\$504,931	\$520,078	\$535,681	\$658,820	\$6,040,928
Library	0.039%	\$137,667	\$275,333	\$283,593	\$292,101	\$359,248	\$3,294,055
Health	0.035%	\$123,667	\$247,333	\$254,753	\$262,396	\$322,714	\$2,959,066
Extension	0.036%	\$127,400	\$254,800	\$262,444	\$270,317	\$332,456	\$3,048,396
Ambulance	0.019%	\$67,667	\$135,333	\$139,393	\$143,575	\$176,579	\$1,619,112
Other*	0.067%	\$233,119	\$466,239	\$480,226	\$494,633	\$608,336	\$5,578,026
Total Future Real Property Tax Revenues		\$4,714,460	\$9,428,919	\$9,711,787	\$10,003,141	\$12,302,601	\$112,806,454

*Includes: Soil Conservation, Watershed, Garbage, Junior College, JU Memorial.

**Property values are inflated annually, as reassessments occur on varying schedules across communities.

Western Region: Tangible Property Tax Revenues

The Project's tangible property will include computers and related equipment (Class I, five-year replacement cycle), interior building systems (Class IV, 14-year cycle), and power generators and electrical equipment (Class V, 18-year cycle).



Figure 9 shows projected state and local tangible property tax revenues, calculated using current tax rates and depreciation schedules. The analysis assumes hardware replacement costs rise with inflation.

Figure 9

Western Kentucky Region Modern AI Data Center Campus – 400 MW Direct State & Local Tangible Property Taxes												
Tangible Property Tax Revenues	Tax Rate	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 7	Operations Year 8	Operations Year 9	Operations Year 10	Total
Tangible Property Value												
Total Value		\$2,077,781,007	\$1,609,271,788	\$1,162,023,018	\$711,156,618	\$496,407,919	\$1,864,877,852	\$1,478,043,478	\$1,066,204,540	\$635,406,202	\$395,383,638	
Tangible Property Tax												
State	0.450%	\$9,350,015	\$7,241,723	\$5,229,104	\$3,200,205	\$2,233,836	\$8,391,950	\$6,651,196	\$4,797,920	\$2,859,328	\$1,779,226	\$51,734,502
Local Public Schools	0.557%	\$11,569,777	\$8,960,962	\$6,470,532	\$3,959,957	\$2,764,165	\$10,384,262	\$8,230,239	\$5,936,982	\$3,538,154	\$2,201,628	\$64,016,656
City	0.340%	\$7,055,815	\$5,464,832	\$3,946,046	\$2,414,975	\$1,685,723	\$6,332,830	\$5,019,202	\$3,620,662	\$2,157,739	\$1,342,660	\$39,040,484
Fiscal Court / General County	0.148%	\$3,070,960	\$2,378,504	\$1,717,470	\$1,051,089	\$733,691	\$2,756,289	\$2,184,548	\$1,575,850	\$939,130	\$584,377	\$16,991,910
Fire	0.072%	\$1,505,575	\$1,166,090	\$842,010	\$515,309	\$359,701	\$1,351,304	\$1,071,001	\$772,579	\$460,420	\$286,498	\$8,330,487
Library	0.050%	\$1,040,968	\$806,245	\$582,174	\$356,289	\$248,700	\$934,304	\$740,500	\$534,168	\$318,339	\$198,087	\$5,759,775
Health	0.037%	\$778,129	\$602,672	\$435,178	\$266,328	\$185,905	\$698,397	\$553,527	\$399,294	\$237,960	\$148,071	\$4,305,460
Extension	0.058%	\$1,199,295	\$928,872	\$670,720	\$410,480	\$286,527	\$1,076,407	\$853,127	\$615,413	\$366,756	\$228,215	\$6,635,812
Ambulance	0.020%	\$413,478	\$320,245	\$231,243	\$141,520	\$98,785	\$371,111	\$294,131	\$212,175	\$126,446	\$78,681	\$2,287,815
Other*	0.028%	\$571,390	\$442,550	\$319,556	\$195,568	\$136,512	\$512,841	\$406,462	\$293,206	\$174,737	\$108,731	\$3,161,553
Total Tangible Property Tax Revenues		\$36,555,403	\$28,312,694	\$20,444,031	\$12,511,721	\$8,733,544	\$32,809,695	\$26,003,932	\$18,758,251	\$11,179,008	\$6,956,175	\$202,264,454

*Includes: Soil Conservation, Watershed, Garbage, Junior College, JU Memorial.

Western Region: Other State & Local Tax Revenues

Once operational, the data center's employees will be subject to both Kentucky state and local income taxes. Kentucky also imposes a sales tax on utilities, and many counties levy additional utility taxes to support public schools, as well as insurance premium taxes that fund local governments' general funds. Figure 10 shows the estimated revenues generated from these sources.

Figure 10

Western Kentucky Region Modern AI Data Center Campus – 400 MW Other State & Local Taxes								
Other Tax Revenues	Tax Rate	Construction Year 1	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 10	Total
Operational Expenditures								
Electricity Consumption		\$0	\$0	\$212,000,000	\$218,360,000	\$224,910,800	\$276,611,915	\$2,430,342,414
Insurance Premium		\$43,653,400	\$43,653,400	\$9,500,000	\$9,785,000	\$10,078,550	\$12,395,345	\$196,213,653
Direct Employee Wages		\$160,121,660	\$160,121,660	\$21,000,000	\$21,630,000	\$22,278,900	\$27,400,237	\$560,984,786
Indirect & Induced Wages (State-Wide Total)		\$68,155,882	\$68,155,882	\$14,393,809	\$14,825,623	\$15,270,392	\$18,780,656	\$301,320,650
Indirect & Induced Wages (Regional)		\$62,682,559	\$62,682,559	\$13,561,375	\$13,968,216	\$14,387,262	\$17,694,518	\$280,831,082
Income Tax Revenues*								
State	3.388%	\$4,025,748	\$4,025,748	\$1,199,142	\$1,235,117	\$1,272,170	\$1,564,609	\$21,798,317
Local Occupational License**	1.232%	\$2,195,859	\$2,195,859	\$425,777	\$438,550	\$451,707	\$555,542	\$9,272,774
Other Tax Revenues								
Sales Tax on Utilities (State)	6.000%	\$0	\$0	\$12,720,000	\$13,101,600	\$13,494,648	\$16,596,715	\$145,820,545
Local Public Schools Tax on Utilities	3.000%	\$0	\$0	\$6,360,000	\$6,550,800	\$6,747,324	\$8,298,357	\$72,910,272
Local Insurance Premium Tax	0.817%	\$356,503	\$356,503	\$77,583	\$79,911	\$82,308	\$101,229	\$1,602,412
Total Other Tax Revenues		\$6,578,110	\$6,578,110	\$20,782,503	\$21,405,978	\$22,048,157	\$27,116,452	\$251,404,320

*Construction period state income tax and local occupational license tax estimates subject to location-specific IMPLAN modeling and CE assumptions.

**Blended average that incorporates county and city occupational license tax.

Western Region: Combined State & Local Fiscal Impacts of Project

Figure 11 shows an estimate of the Project's total direct fiscal impact for the state and local government over construction, and 10 years of operations. Over this period, the data center campus would generate \$183.2 million for public schools and an additional \$155.3 million in other local tax revenue. By the first year of operations, it is estimated to generate \$24.0 million in state taxes and \$42.8 million in local taxes.

Figure 11

Western Kentucky Region Modern AI Data Center Campus – 400 MW Total State & Local Fiscal Impact													
	Construction Year 1	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 7	Operations Year 8	Operations Year 9	Operations Year 10	12-Year Total
Direct Tax Revenues													
Combined Property Tax Revenues													
State	\$0	\$360,500	\$10,071,015	\$7,984,353	\$5,994,012	\$3,988,061	\$3,045,327	\$9,227,787	\$7,512,107	\$5,684,659	\$3,772,669	\$2,719,968	\$60,360,459
Local Public Schools	\$0	\$1,933,167	\$15,436,111	\$12,943,285	\$10,572,325	\$8,184,804	\$7,115,757	\$14,866,402	\$12,846,843	\$10,692,085	\$8,435,909	\$7,246,316	\$110,273,002
City	\$0	\$1,047,142	\$9,150,099	\$7,621,944	\$6,167,871	\$4,703,455	\$4,042,857	\$8,760,678	\$7,519,885	\$6,196,366	\$4,810,714	\$4,075,225	\$64,096,237
Fiscal Court / General County	\$0	\$431,667	\$3,934,294	\$3,267,737	\$2,633,380	\$1,994,477	\$1,705,380	\$3,757,129	\$3,215,413	\$2,637,641	\$2,032,775	\$1,710,831	\$27,320,726
Fire	\$0	\$252,465	\$2,010,506	\$1,686,168	\$1,377,691	\$1,067,060	\$928,005	\$1,936,657	\$1,673,914	\$1,393,580	\$1,100,051	\$945,318	\$14,371,415
Library	\$0	\$137,667	\$1,316,302	\$1,089,838	\$874,275	\$657,154	\$558,590	\$1,253,491	\$1,069,262	\$872,794	\$667,123	\$557,335	\$9,053,829
Health	\$0	\$123,667	\$1,025,462	\$857,426	\$697,574	\$536,596	\$464,281	\$985,124	\$848,856	\$703,482	\$551,274	\$470,785	\$7,264,526
Extension	\$0	\$127,400	\$1,454,095	\$1,191,316	\$941,037	\$688,906	\$573,306	\$1,371,791	\$1,157,371	\$928,785	\$689,529	\$560,672	\$9,684,209
Ambulance	\$0	\$67,667	\$548,812	\$459,638	\$374,818	\$289,403	\$251,104	\$527,999	\$455,726	\$378,618	\$297,882	\$255,261	\$3,906,926
Other*	\$0	\$233,119	\$1,037,629	\$922,776	\$814,189	\$705,040	\$661,268	\$1,053,340	\$963,176	\$866,621	\$765,354	\$717,066	\$8,739,579
Income Tax Revenues													
State	\$4,025,748	\$4,025,748	\$1,199,142	\$1,235,117	\$1,272,170	\$1,310,335	\$1,349,645	\$1,390,135	\$1,431,839	\$1,474,794	\$1,519,038	\$1,564,609	\$21,798,317
Local Occupational License	\$2,195,859	\$2,195,859	\$425,777	\$438,550	\$451,707	\$465,258	\$479,216	\$493,592	\$508,400	\$523,652	\$539,361	\$555,542	\$9,272,774
Other Tax Revenues													
Sales Tax on Utilities (State)	\$0	\$0	\$12,720,000	\$13,101,600	\$13,494,648	\$13,899,487	\$14,316,472	\$14,745,966	\$15,188,345	\$15,643,996	\$16,113,315	\$16,596,715	\$145,820,545
Local Public Schools Tax on Utilities	\$0	\$0	\$6,360,000	\$6,550,800	\$6,747,324	\$6,949,744	\$7,158,236	\$7,372,983	\$7,594,173	\$7,821,998	\$8,056,658	\$8,298,357	\$72,910,272
Insurance Premium	\$356,503	\$356,503	\$77,583	\$79,911	\$82,308	\$84,777	\$87,321	\$89,940	\$92,639	\$95,418	\$98,280	\$101,229	\$1,602,412
State Tax Revenues	\$4,025,748	\$4,386,248	\$23,990,157	\$22,321,070	\$20,760,830	\$19,197,883	\$18,711,445	\$25,363,888	\$24,132,291	\$22,803,449	\$21,405,022	\$20,881,291	\$227,979,321
Local Tax Revenues	\$2,552,362	\$6,906,322	\$42,776,668	\$37,109,390	\$31,734,498	\$26,326,674	\$24,025,321	\$42,469,126	\$37,945,658	\$33,111,040	\$28,044,911	\$25,493,937	\$338,495,907
Total Future State & Local Tax Revenues	\$6,578,110	\$11,292,569	\$66,766,825	\$59,430,459	\$52,495,329	\$45,524,558	\$42,736,765	\$67,833,013	\$62,077,949	\$55,914,489	\$49,449,933	\$46,375,228	\$566,475,228

*Includes: Soil Conservation, Watershed, Garbage, Junior College, JU Memorial.

Western Region: Fiscal Impact per Employee

The Project's employees will utilize government services, including public schools, roads, and law enforcement. However, the state and local tax revenue generated by the Project is expected to significantly exceed the associated costs of these services. Figure 12 illustrates the Project's tax generation per employee (\$214,000 per employee in local taxes, and \$120,000 in state taxes), which far exceeds that of other industries.

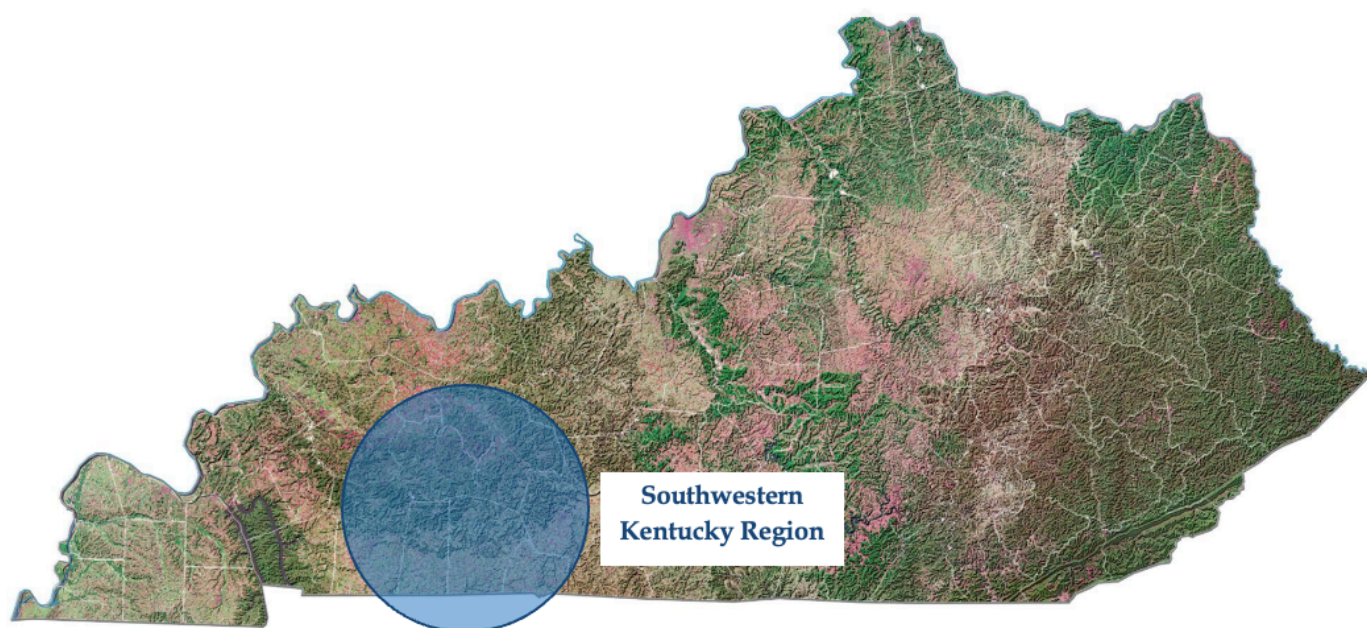
Figure 12

Western Kentucky Region Modern AI Data Center Campus - 400 MW State & Local Fiscal Impact per Employee - Operations											
	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 7	Operations Year 8	Operations Year 9	Operations Year 10	Total
Direct Tax Revenues											
Combined Property Tax Revenues											
State	\$50,355	\$39,922	\$29,970	\$19,940	\$15,227	\$46,139	\$37,561	\$28,423	\$18,863	\$13,600	\$300,000
Local Public Schools	\$77,181	\$64,716	\$52,862	\$40,924	\$35,579	\$74,332	\$64,234	\$53,460	\$42,180	\$36,232	\$541,699
City	\$45,750	\$38,110	\$30,839	\$23,517	\$20,214	\$43,803	\$37,599	\$30,982	\$24,054	\$20,376	\$315,245
Fiscal Court / General County	\$19,671	\$16,339	\$13,167	\$9,972	\$8,527	\$18,786	\$16,077	\$13,188	\$10,164	\$8,554	\$134,445
Fire	\$10,053	\$8,431	\$6,888	\$5,335	\$4,640	\$9,683	\$8,370	\$6,968	\$5,500	\$4,727	\$70,595
Library	\$6,582	\$5,449	\$4,371	\$3,286	\$2,793	\$6,267	\$5,346	\$4,364	\$3,336	\$2,787	\$44,581
Health	\$5,127	\$4,287	\$3,488	\$2,683	\$2,321	\$4,926	\$4,244	\$3,517	\$2,756	\$2,354	\$35,704
Extension	\$7,270	\$5,957	\$4,705	\$3,445	\$2,867	\$6,859	\$5,787	\$4,644	\$3,448	\$2,803	\$47,784
Ambulance	\$2,744	\$2,298	\$1,874	\$1,447	\$1,256	\$2,640	\$2,279	\$1,893	\$1,489	\$1,276	\$19,196
Other*	\$5,188	\$4,614	\$4,071	\$3,525	\$3,306	\$5,267	\$4,816	\$4,333	\$3,827	\$3,585	\$42,532
Income Tax Revenues											
State	\$5,996	\$6,176	\$6,361	\$6,552	\$6,748	\$6,951	\$7,159	\$7,374	\$7,595	\$7,823	\$104,528
Local Occupational License	\$2,129	\$2,193	\$2,259	\$2,326	\$2,396	\$2,468	\$2,542	\$2,618	\$2,697	\$2,778	\$33,441
Other Tax Revenues											
Sales Tax on Utilities (State)	\$63,600	\$65,508	\$67,473	\$69,497	\$71,582	\$73,730	\$75,942	\$78,220	\$80,567	\$82,984	\$729,103
Local Public Schools Tax on Utilities	\$31,800	\$32,754	\$33,737	\$34,749	\$35,791	\$36,865	\$37,971	\$39,110	\$40,283	\$41,492	\$364,551
Insurance Premium	\$388	\$400	\$412	\$424	\$437	\$450	\$463	\$477	\$491	\$506	\$5,606
State Tax Revenues	\$119,951	\$111,605	\$103,804	\$95,989	\$93,557	\$126,819	\$120,661	\$114,017	\$107,025	\$104,406	\$1,097,837
Local Tax Revenues	\$213,883	\$185,547	\$158,672	\$131,633	\$120,127	\$212,346	\$189,728	\$165,555	\$140,225	\$127,470	\$1,645,186
Total Future State & Local Tax Revenues	\$333,834	\$297,152	\$262,477	\$227,623	\$213,684	\$339,165	\$310,390	\$279,572	\$247,250	\$231,876	\$2,789,012

*Includes: Soil Conservation, Watershed, Garbage, Junior College, JU Memorial.

IV (B). SOUTHWESTERN KENTUCKY REGION

Figure 13



SOUTHWESTERN REGION: CONSTRUCTION IMPACT (One-Time)

Construction activity tied to the Project is expected to create three key economic benefits for Kentucky and the Southwestern Kentucky area. First, it will directly support construction employment and generate spending tied to project development. Second, it will have indirect effects by stimulating demand for materials, equipment, and professional services from local and regional suppliers. Third, it will produce induced impacts as wages earned by workers are spent on everyday goods and services such as fuel, dining, and retail purchases, resulting in additional dollars circulating in the local economy.

For example, local suppliers of metal, concrete, and electrical equipment are likely to see higher sales as contractors procure building materials, while equipment rental companies benefit from increased demand for machinery and vehicles. State and local

restaurants, lodging establishments, and retailers may also capture new spending from non-local construction crews, which in turn can contribute to transient room tax collections. Beyond this, higher earnings among construction workers and suppliers in the region are likely to drive additional household spending on leisure, entertainment, and personal items, amplifying the overall economic ripple effect. Figure 14 shows the worker income and economic impact derived from IMPLAN-calculated impacts generated using the estimated construction costs of the Project.¹³

SOUTHWESTERN REGION: OPERATIONS ECONOMIC IMPACT (Ongoing)

Data Center Ongoing Operations

The Project's operations will generate significant economic benefits, producing both indirect and induced impacts on wages and employment throughout the region. By the first year of operations, the Project is expected to support 200 direct, ongoing jobs with an average annual salary of \$105,000. This level of compensation is substantially higher than Kentucky's projected average of \$66,450 (\$54,030 in 2023).¹⁴ Figure 14 highlights the estimated economic impacts of the Project's construction and ongoing operations.

¹³ It is worth noting that this analysis does not attempt to quantify the potential and likely benefit generated from the labor required to replace the computers and hardware. To the extent that the Project's refurbishment creates new wages and economic activity, this activity would be viewed as additive to the numbers shown in this analysis.

¹⁴ U.S. Bureau of Labor Statistics. (April 2024). *State occupational employment and wage estimates: Kentucky*. U.S. Department of Labor.

Figure 14

Southwestern Kentucky Region Modern AI Data Center Campus - 400 MW Economic Impact: Construction & Ongoing Operations										
Economic Impact	Construction Year 1	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 10	12-Year Total
Regional	\$582,520,024	\$582,520,024	\$130,131,508	\$134,035,454	\$138,056,517	\$142,198,213	\$146,464,159	\$150,858,084	\$169,792,102	\$2,656,851,954
Direct Output	\$400,000,000	\$400,000,000	\$80,457,330	\$82,871,050	\$85,357,182	\$87,917,897	\$90,555,434	\$93,272,097	\$104,978,567	\$1,722,353,124
Indirect Impact	\$75,645,662	\$75,645,662	\$30,269,281	\$31,177,360	\$32,112,681	\$33,076,061	\$34,068,343	\$35,090,393	\$39,494,547	\$498,294,713
Induced Impact	\$106,874,362	\$106,874,362	\$19,404,897	\$19,987,043	\$20,586,655	\$21,204,254	\$21,840,382	\$22,495,594	\$25,318,989	\$436,204,117
Regional Employment	2,972	2,972	493	493	493	493	493	493	493	
Direct Employment	2,065	2,065	200	200	200	200	200	200	200	
Regional Labor Income	\$219,400,310	\$219,400,310	\$39,834,499	\$41,029,534	\$42,260,420	\$43,528,233	\$44,834,080	\$46,179,102	\$51,974,986	\$895,458,512
Direct Labor Income	\$167,691,226	\$167,691,226	\$25,184,239	\$25,939,766	\$26,717,959	\$27,519,498	\$28,345,083	\$29,195,436	\$32,859,720	\$624,091,532
Statewide	\$625,140,154	\$625,140,154	\$138,010,982	\$142,151,311	\$146,415,850	\$150,808,326	\$155,332,576	\$159,992,553	\$180,073,028	\$2,832,421,543
Direct Output	\$400,000,000	\$400,000,000	\$80,457,330	\$82,871,050	\$85,357,182	\$87,917,897	\$90,555,434	\$93,272,097	\$104,978,567	\$1,722,353,124
Indirect Impact	\$97,948,409	\$97,948,409	\$33,983,599	\$35,003,107	\$36,053,200	\$37,134,796	\$38,248,840	\$39,396,305	\$44,340,888	\$585,480,692
Induced Impact	\$127,191,745	\$127,191,745	\$23,570,053	\$24,277,154	\$25,005,469	\$25,755,633	\$26,528,302	\$27,324,151	\$30,753,573	\$524,587,727
Statewide Employment	3,146	3,146	530	530	530	530	530	530	530	
Direct Employment	2,065	2,065	200	200	200	200	200	200	200	
Statewide Labor Income	\$231,278,273	\$231,278,273	\$42,160,222	\$43,425,029	\$44,727,780	\$46,069,613	\$47,451,702	\$48,875,253	\$55,009,527	\$945,876,244
Direct Labor Income	\$167,691,226	\$167,691,226	\$25,184,239	\$25,939,766	\$26,717,959	\$27,519,498	\$28,345,083	\$29,195,436	\$32,859,720	\$624,091,532

Construction activity is projected to generate approximately \$583 million annually in local economic impact and \$625 million annually in total statewide economic impact. This investment is estimated to support roughly 2,972 jobs within the local region, including 2,065 direct construction and on-site positions, and approximately 3,146 jobs statewide when accounting for indirect and induced effects. In total, construction-related activity is expected to generate approximately \$231 million in annual employee compensation across Kentucky.

SOUTHWESTERN REGION: STATE & LOCAL FISCAL IMPACT

The Project's ongoing operations will generate substantial tax revenues at the state and local level. These revenues are estimated based on the previously discussed scope and Project assumptions.

Real Property Tax Revenues

Figure 15 presents the estimated direct state and local revenues from the Project's real property taxes over construction and 10 years of operation.

Figure 15

Southwestern Kentucky Region Modern AI Data Center Campus – 400 MW Direct State & Local Real Property Taxes							
Real Property Tax Revenues	Tax Rate	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 10	Total
State	0.103%	\$360,500	\$721,000	\$742,630	\$764,909	\$940,741	\$8,625,957
Local Public Schools	0.574%	\$2,010,500	\$4,021,000	\$4,141,630	\$4,265,879	\$5,246,493	\$48,106,759
City	0.215%	\$754,203	\$1,508,406	\$1,553,658	\$1,600,267	\$1,968,127	\$18,046,382
Fiscal Court / General County	0.111%	\$388,750	\$777,500	\$800,825	\$824,850	\$1,014,461	\$9,301,916
Fire	0.014%	\$50,000	\$100,000	\$103,000	\$106,090	\$130,477	\$1,196,388
Library	0.061%	\$213,500	\$427,000	\$439,810	\$453,004	\$557,138	\$5,108,576
Health	0.029%	\$100,500	\$201,000	\$207,030	\$213,241	\$262,259	\$2,404,740
Extension	0.034%	\$118,000	\$236,000	\$243,080	\$250,372	\$307,926	\$2,823,476
Ambulance	0.018%	\$62,500	\$125,000	\$128,750	\$132,613	\$163,097	\$1,495,485
Other*	0.076%	\$267,438	\$534,876	\$550,923	\$567,450	\$697,892	\$6,399,196
Total Future Real Property Tax Revenues		\$4,325,891	\$8,651,782	\$8,911,335	\$9,178,675	\$11,288,613	\$103,508,874

*Includes: Soil Conservation, Watershed, Garbage, Airport.

**Property values are inflated annually, as reassessments occur on varying schedules across communities.

Southwestern Region: Tangible Property Tax Revenues

The Project's tangible property will include computers and related equipment (Class I, five-year replacement cycle), interior building systems (Class IV, 14-year cycle), and power generators and electrical equipment (Class V, 18-year cycle).

Figure 16 shows projected state and local tangible property tax revenues, calculated using current tax rates and depreciation schedules. The analysis assumes hardware replacement costs rise with inflation.



Figure 16

Southwestern Kentucky Region Modern AI Data Center Campus – 400 MW Direct State & Local Tangible Property Taxes												
Tangible Property Tax Revenues	Tax Rate	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 7	Operations Year 8	Operations Year 9	Operations Year 10	Total
Tangible Property Value												
Total Value		\$2,077,781,007	\$1,609,271,788	\$1,162,023,018	\$711,156,618	\$496,407,919	\$1,864,877,852	\$1,478,043,478	\$1,066,204,540	\$635,406,202	\$395,383,638	
Tangible Property Tax												
State	0.450%	\$9,350,015	\$7,241,723	\$5,229,104	\$3,200,205	\$2,233,836	\$8,391,950	\$6,651,196	\$4,797,920	\$2,859,328	\$1,779,226	\$51,734,502
Local Public Schools	0.578%	\$12,009,574	\$9,301,591	\$6,716,493	\$4,110,485	\$2,869,238	\$10,778,994	\$8,543,091	\$6,162,662	\$3,672,648	\$2,285,317	\$66,450,094
City	0.247%	\$5,135,661	\$3,977,645	\$2,872,178	\$1,757,769	\$1,226,974	\$4,609,427	\$3,653,287	\$2,635,343	\$1,570,537	\$977,272	\$28,416,092
Fiscal Court / General County	0.116%	\$2,404,586	\$1,862,387	\$1,344,793	\$823,011	\$574,486	\$2,158,196	\$1,710,519	\$1,233,903	\$735,347	\$457,572	\$13,304,800
Fire	0.000%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Library	0.082%	\$1,712,388	\$1,326,270	\$957,673	\$586,095	\$409,111	\$1,536,926	\$1,218,119	\$878,705	\$523,665	\$325,853	\$9,474,805
Health	0.029%	\$596,620	\$462,091	\$333,667	\$204,204	\$142,540	\$535,486	\$424,410	\$306,153	\$182,452	\$113,532	\$3,301,154
Extension	0.041%	\$850,109	\$658,422	\$475,433	\$290,965	\$203,102	\$763,001	\$604,731	\$436,230	\$259,972	\$161,768	\$4,703,734
Ambulance	0.018%	\$371,032	\$287,370	\$207,504	\$126,992	\$88,644	\$333,014	\$263,936	\$190,394	\$113,465	\$70,604	\$2,052,956
Other*	0.001%	\$29,683	\$22,990	\$16,600	\$10,159	\$7,092	\$26,641	\$21,115	\$15,231	\$9,077	\$5,648	\$164,237
Total Tangible Property Tax Revenues		\$32,459,669	\$25,140,488	\$18,153,445	\$11,109,885	\$7,755,022	\$29,133,637	\$23,090,403	\$16,656,542	\$9,926,491	\$6,176,792	\$179,602,374

*Includes: Soil Conservation, Watershed, Garbage, Airport.

Southwestern Region: Other State & Local Tax Revenues

Once operational, the data center's employees will be subject to both Kentucky state and local income taxes. Kentucky also imposes a sales tax on utilities, and many counties levy additional utility taxes to support public schools, as well as insurance premium taxes that fund local governments' general funds. Figure 17 shows the estimated revenues generated from these sources.

Figure 17

Southwestern Kentucky Region Modern AI Data Center Campus – 400 MW Other State & Local Taxes								
Other Tax Revenues	Tax Rate	Construction Year 1	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 10	Total
Operational Expenditures								
Electricity Consumption		\$0	\$0	\$212,000,000	\$218,360,000	\$224,910,800	\$276,611,915	\$2,430,342,414
Insurance Premium		\$43,653,400	\$43,653,400	\$9,500,000	\$9,785,000	\$10,078,550	\$12,395,345	\$196,213,653
Direct Employee Wages		\$167,691,226	\$167,691,226	\$21,000,000	\$21,630,000	\$22,278,900	\$27,400,237	\$576,123,918
Indirect & Induced Wages (State-Wide Total)		\$63,587,046	\$63,587,046	\$21,160,222	\$21,795,029	\$22,448,880	\$27,609,291	\$369,752,327
Indirect & Induced Wages (Regional)		\$51,709,084	\$51,709,084	\$18,834,499	\$19,399,534	\$19,981,520	\$24,574,750	\$319,334,594
Income Tax Revenues*								
State	3.388%	\$3,904,957	\$3,904,957	\$1,428,388	\$1,471,240	\$1,515,377	\$1,863,723	\$24,184,785
Local Occupational License**	1.149%	\$2,015,871	\$2,015,871	\$457,504	\$471,229	\$485,366	\$596,939	\$9,276,512
Other Tax Revenues								
Sales Tax on Utilities (State)	6.000%	\$0	\$0	\$12,720,000	\$13,101,600	\$13,494,648	\$16,596,715	\$145,820,545
Local Public Schools Tax on Utilities	2.143%	\$0	\$0	\$4,542,857	\$4,679,143	\$4,819,517	\$5,927,398	\$52,078,766
Local Insurance Premium Tax	3.173%	\$1,385,093	\$1,385,093	\$301,429	\$310,471	\$319,786	\$393,296	\$6,225,726
Total Other Tax Revenues		\$7,305,921	\$7,305,921	\$19,450,178	\$20,033,683	\$20,634,694	\$25,378,071	\$237,586,335

*Construction period state income tax and local occupational license tax estimates subject to location-specific IMPLAN modeling and CE assumptions.

**Blended average that incorporates county and city occupational license tax.

Southwestern Region: Combined State & Local Fiscal Impacts of Project

Figure 18 shows an estimate of the Project's total direct fiscal impact for the state and local government over construction, and 10 years of operations. Over this period, the data center campus would generate \$166.6 million for public schools and an additional \$123.7 million in other local tax revenue. By the first year of operations, it is estimated to generate \$24.2 million in state taxes and \$36.3 million in local taxes.

Figure 18

Southwestern Kentucky Region Modern AI Data Center Campus – 400 MW Total State & Local Fiscal Impact													
	Construction Year 1	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 7	Operations Year 8	Operations Year 9	Operations Year 10	12-Year Total
Direct Tax Revenues													
Combined Property Tax Revenues													
State	\$0	\$360,500	\$10,071,015	\$7,984,353	\$5,994,012	\$3,988,061	\$3,045,327	\$9,227,787	\$7,512,107	\$5,684,659	\$3,772,669	\$2,719,968	\$60,360,459
Local Public Schools	\$0	\$2,010,500	\$16,030,574	\$13,443,221	\$10,982,372	\$8,504,341	\$7,394,909	\$15,440,435	\$13,344,376	\$11,107,985	\$8,766,330	\$7,531,810	\$114,556,853
City	\$0	\$754,203	\$6,644,067	\$5,531,302	\$4,472,445	\$3,406,045	\$2,924,698	\$6,358,083	\$5,454,402	\$4,490,491	\$3,481,340	\$2,945,399	\$46,462,474
Fiscal Court / General County	\$0	\$388,750	\$3,182,086	\$2,663,212	\$2,169,642	\$1,672,607	\$1,449,569	\$3,059,532	\$2,638,894	\$2,190,130	\$1,720,260	\$1,472,033	\$22,606,716
Fire	\$0	\$50,000	\$100,000	\$103,000	\$106,090	\$109,273	\$112,551	\$115,927	\$119,405	\$122,987	\$126,677	\$130,477	\$1,196,388
Library	\$0	\$213,500	\$2,139,388	\$1,766,080	\$1,410,677	\$1,052,689	\$889,703	\$2,031,936	\$1,727,979	\$1,403,861	\$1,064,576	\$882,991	\$14,583,381
Health	\$0	\$100,500	\$797,620	\$669,121	\$546,908	\$423,842	\$368,767	\$768,500	\$664,414	\$553,358	\$437,073	\$375,791	\$5,705,894
Extension	\$0	\$118,000	\$1,086,109	\$901,502	\$725,806	\$548,848	\$468,722	\$1,036,590	\$886,527	\$726,480	\$558,930	\$469,695	\$7,527,209
Ambulance	\$0	\$62,500	\$496,032	\$416,120	\$340,117	\$263,583	\$229,333	\$477,923	\$413,193	\$344,128	\$271,812	\$233,701	\$3,548,441
Other*	\$0	\$267,438	\$564,559	\$573,912	\$584,051	\$594,633	\$609,100	\$646,709	\$659,785	\$673,062	\$686,643	\$703,541	\$6,563,432
Income Tax Revenues													
State	\$3,904,957	\$3,904,957	\$1,428,388	\$1,471,240	\$1,515,377	\$1,560,838	\$1,607,664	\$1,655,894	\$1,705,570	\$1,756,737	\$1,809,440	\$1,863,723	\$24,184,785
Local Occupational License	\$2,015,871	\$2,015,871	\$457,504	\$471,229	\$485,366	\$499,927	\$514,925	\$530,372	\$546,284	\$562,672	\$579,552	\$596,939	\$9,276,512
Other Tax Revenues													
Sales Tax on Utilities (State)	\$0	\$0	\$12,720,000	\$13,101,600	\$13,494,648	\$13,899,487	\$14,316,472	\$14,745,966	\$15,188,345	\$15,643,996	\$16,113,315	\$16,596,715	\$145,820,545
Local Public Schools Tax on Utilities	\$0	\$0	\$4,542,857	\$4,679,143	\$4,819,517	\$4,964,103	\$5,113,026	\$5,266,417	\$5,424,409	\$5,587,141	\$5,754,756	\$5,927,398	\$52,078,766
Insurance Premium	\$1,385,093	\$1,385,093	\$301,429	\$310,471	\$319,786	\$329,379	\$339,261	\$349,438	\$359,921	\$370,719	\$381,841	\$393,296	\$6,225,726
State Tax Revenues	\$3,904,957	\$4,265,457	\$24,219,403	\$22,557,193	\$21,004,038	\$19,448,387	\$18,969,463	\$25,629,647	\$24,406,023	\$23,085,393	\$21,695,424	\$21,180,406	\$230,365,790
Local Tax Revenues	\$3,400,964	\$7,366,355	\$36,342,226	\$31,528,314	\$26,962,776	\$22,369,269	\$20,414,562	\$36,081,864	\$32,239,590	\$28,133,015	\$23,829,789	\$21,663,071	\$290,331,794
Total Future State & Local Tax Revenues	\$7,305,921	\$11,631,812	\$60,561,629	\$54,085,507	\$47,966,814	\$41,817,655	\$39,384,025	\$61,711,510	\$56,645,613	\$51,218,408	\$45,525,213	\$42,843,476	\$520,697,583

*Includes: Soil Conservation, Watershed, Garbage, Airport.

Southwestern Region: Fiscal Impact per Employee

The Project's employees will utilize government services, including public schools, roads, and law enforcement. However, the state and local tax revenue generated by the Project is expected to significantly exceed the associated costs of these services. Figure 19 illustrates the Project's tax generation per employee (\$182,000 per employee in local taxes, and \$121,000 in state taxes), which far exceeds that of other industries.

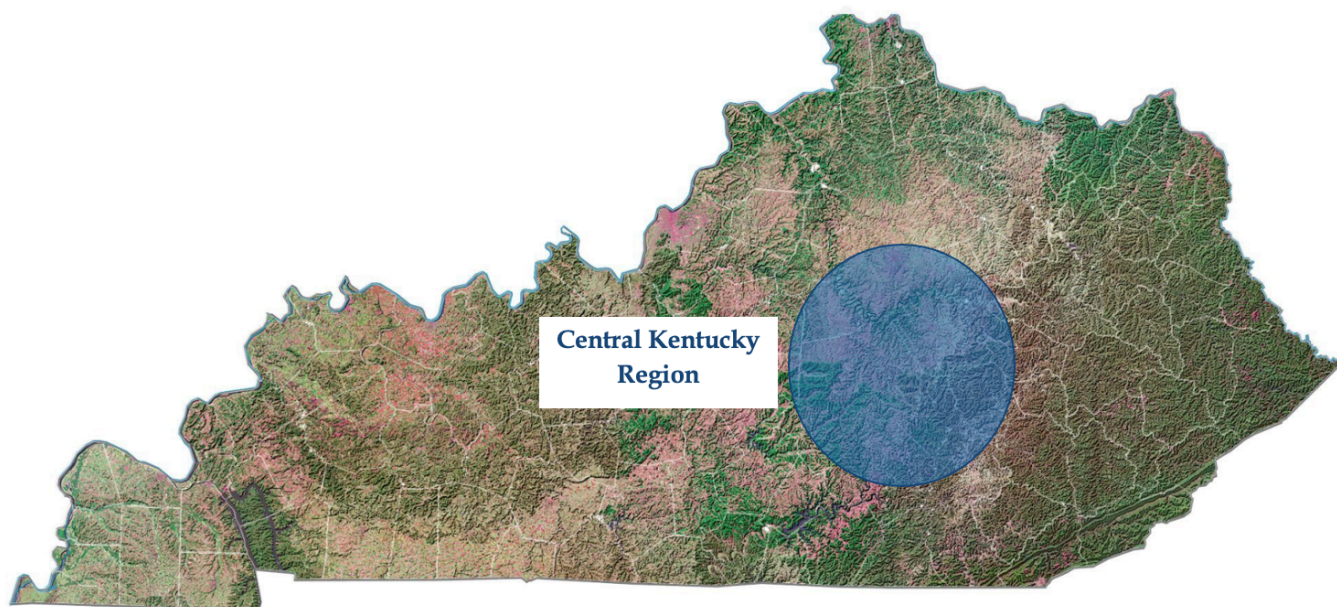
Figure 19

Southwestern Kentucky Region Modern AI Data Center Campus - 400 MW State & Local Fiscal Impact per Employee - Operations											
	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 7	Operations Year 8	Operations Year 9	Operations Year 10	Total
Direct Tax Revenues											
Combined Property Tax Revenues											
State	\$50,355	\$39,922	\$29,970	\$19,940	\$15,227	\$46,139	\$37,561	\$28,423	\$18,863	\$13,600	\$300,000
Local Public Schools	\$80,153	\$67,216	\$54,912	\$42,522	\$36,975	\$77,202	\$66,722	\$55,540	\$43,832	\$37,659	\$562,732
City	\$33,220	\$27,657	\$22,362	\$17,030	\$14,623	\$31,790	\$27,272	\$22,452	\$17,407	\$14,727	\$228,541
Fiscal Court / General County	\$15,910	\$13,316	\$10,848	\$8,363	\$7,248	\$15,298	\$13,194	\$10,951	\$8,601	\$7,360	\$111,090
Fire	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633	\$652	\$5,732
Library	\$10,697	\$8,830	\$7,053	\$5,263	\$4,449	\$10,160	\$8,640	\$7,019	\$5,323	\$4,415	\$71,849
Health	\$3,988	\$3,346	\$2,735	\$2,119	\$1,844	\$3,843	\$3,322	\$2,767	\$2,185	\$1,879	\$28,027
Extension	\$5,431	\$4,508	\$3,629	\$2,744	\$2,344	\$5,183	\$4,433	\$3,632	\$2,795	\$2,348	\$37,046
Ambulance	\$2,480	\$2,081	\$1,701	\$1,318	\$1,147	\$2,390	\$2,066	\$1,721	\$1,359	\$1,169	\$17,430
Other*	\$2,823	\$2,870	\$2,920	\$2,973	\$3,045	\$3,234	\$3,299	\$3,365	\$3,433	\$3,518	\$31,480
Income Tax Revenues											
State	\$7,142	\$7,356	\$7,577	\$7,804	\$8,038	\$8,279	\$8,528	\$8,784	\$9,047	\$9,319	\$81,874
Local Occupational License	\$2,288	\$2,356	\$2,427	\$2,500	\$2,575	\$2,652	\$2,731	\$2,813	\$2,898	\$2,985	\$26,224
Other Tax Revenues											
Sales Tax on Utilities (State)	\$63,600	\$65,508	\$67,473	\$69,497	\$71,582	\$73,730	\$75,942	\$78,220	\$80,567	\$82,984	\$729,103
Local Public Schools Tax on Utilities	\$22,714	\$23,396	\$24,098	\$24,821	\$25,565	\$26,332	\$27,122	\$27,936	\$28,774	\$29,637	\$260,394
Insurance Premium	\$1,507	\$1,552	\$1,599	\$1,647	\$1,696	\$1,747	\$1,800	\$1,854	\$1,909	\$1,966	\$17,278
State Tax Revenues	\$121,097	\$112,786	\$105,020	\$97,242	\$94,847	\$128,148	\$122,030	\$115,427	\$108,477	\$105,902	\$1,110,977
Local Tax Revenues	\$181,711	\$157,642	\$134,814	\$111,846	\$102,073	\$180,409	\$161,198	\$140,665	\$119,149	\$108,315	\$1,397,822
Total Future State & Local Tax Revenues	\$302,808	\$270,428	\$239,834	\$209,088	\$196,920	\$308,558	\$283,228	\$256,092	\$227,626	\$214,217	\$2,508,799

*Includes: Soil Conservation, Watershed, Garbage, Airport.

IV (C). CENTRAL KENTUCKY REGION

Figure 20



CENTRAL REGION: CONSTRUCTION IMPACT (One-Time)

Construction activity tied to the Project is expected to create three key economic benefits for Kentucky and the Central Kentucky area. First, it will directly support construction employment and generate spending tied to project development. Second, it will have indirect effects by stimulating demand for materials, equipment, and professional services from local and regional suppliers. Third, it will produce induced impacts as wages earned by workers are spent on everyday goods and services such as fuel, dining, and retail purchases, resulting in additional dollars circulating in the local economy.

For example, local suppliers of metal, concrete, and electrical equipment are likely to see higher sales as contractors procure building materials, while equipment rental companies benefit from increased demand for machinery and vehicles. State and local restaurants, lodging establishments, and retailers may also capture new spending from non-local construction crews, which in turn can contribute to transient room tax

collections. Beyond this, higher earnings among construction workers and suppliers in the region are likely to drive additional household spending on leisure, entertainment, and personal items, amplifying the overall economic ripple effect. Figure 21 shows the worker income and economic impact derived from IMPLAN-calculated impacts generated using the estimated construction costs of the Project.¹⁵

CENTRAL REGION: OPERATIONS ECONOMIC IMPACT (Ongoing)

Data Center Ongoing Operations

The Project's operations will generate significant economic benefits, producing both indirect and induced impacts on wages and employment throughout the region. By the first year of operations, the Project is expected to support 200 direct, ongoing jobs with an average annual salary of \$105,000. This level of compensation is substantially higher than Kentucky's projected average of \$66,450 (\$54,030 in 2023).¹⁶ Figure 21 highlights the estimated economic impacts of the Project's construction and ongoing operations.

¹⁵ It is worth noting that this analysis does not attempt to quantify the potential and likely benefit generated from the labor required to replace the computers and hardware. To the extent that the Project's refurbishment creates new wages and economic activity, this activity would be viewed as additive to the numbers shown in this analysis.

¹⁶ U.S. Bureau of Labor Statistics. (April 2024). *State occupational employment and wage estimates: Kentucky*. U.S. Department of Labor.

Figure 21

Central Kentucky Region Modern AI Data Center Campus - 400 MW Economic Impact: Construction & Ongoing Operations										
Economic Impact	Construction Year 1	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 10	12-Year Total
Regional	\$634,583,047	\$634,583,047	\$114,933,864	\$118,381,879	\$121,933,336	\$125,591,336	\$129,359,076	\$133,239,848	\$149,962,623	\$2,586,754,034
Direct Output	\$400,000,000	\$400,000,000	\$65,025,273	\$66,976,031	\$68,985,312	\$71,054,872	\$73,186,518	\$75,382,113	\$84,843,233	\$1,545,441,882
Indirect Impact	\$108,092,491	\$108,092,491	\$27,609,377	\$28,437,658	\$29,290,788	\$30,169,511	\$31,074,597	\$32,006,835	\$36,023,974	\$532,695,545
Induced Impact	\$126,490,556	\$126,490,556	\$22,299,214	\$22,968,190	\$23,657,236	\$24,366,953	\$25,097,962	\$25,850,900	\$29,095,416	\$508,616,607
Regional Employment	3,196	3,196	475	475	475	475	475	475	475	
Direct Employment	2,065	2,065	200	200	200	200	200	200	200	
Regional Labor Income	\$239,629,292	\$239,629,292	\$41,855,681	\$43,111,352	\$44,404,692	\$45,736,833	\$47,108,938	\$48,522,206	\$54,612,171	\$959,087,064
Direct Labor Income	\$166,498,581	\$166,498,581	\$25,667,545	\$26,437,571	\$27,230,698	\$28,047,619	\$28,889,048	\$29,755,719	\$33,490,324	\$627,246,797
Statewide	\$686,592,271	\$686,592,271	\$122,621,698	\$126,300,349	\$130,089,360	\$133,992,041	\$138,011,802	\$142,152,156	\$159,993,504	\$2,778,904,894
Direct Output	\$400,000,000	\$400,000,000	\$65,025,273	\$66,976,031	\$68,985,312	\$71,054,872	\$73,186,518	\$75,382,113	\$84,843,233	\$1,545,441,882
Indirect Impact	\$134,009,185	\$134,009,185	\$30,469,450	\$31,383,533	\$32,325,039	\$33,294,791	\$34,293,634	\$35,322,443	\$39,755,721	\$617,316,466
Induced Impact	\$152,583,086	\$152,583,086	\$27,126,976	\$27,940,785	\$28,779,008	\$29,642,379	\$30,531,650	\$31,447,599	\$35,394,550	\$616,146,546
Statewide Employment	3,410	3,410	512	512	512	512	512	512	512	
Direct Employment	2,065	2,065	200	200	200	200	200	200	200	
Statewide Labor Income	\$254,040,485	\$254,040,485	\$44,258,036	\$45,585,777	\$46,953,350	\$48,361,951	\$49,812,809	\$51,307,194	\$57,746,698	\$1,015,449,751
Direct Labor Income	\$166,498,581	\$166,498,581	\$25,667,545	\$26,437,571	\$27,230,698	\$28,047,619	\$28,889,048	\$29,755,719	\$33,490,324	\$627,246,797

Construction activity is projected to generate approximately \$635 million annually in local economic impact and \$687 million annually in total statewide economic impact. This investment is estimated to support roughly 3,196 jobs within the local region, including 2,065 direct construction and on-site positions, and approximately 3,410 jobs statewide when accounting for indirect and induced effects. In total, construction-related activity is expected to generate approximately \$254 million in annual employee compensation across Kentucky.

CENTRAL REGION: STATE & LOCAL FISCAL IMPACT

The Project's ongoing operations will generate substantial tax revenues at the state and local level. These revenues are estimated based on the previously discussed scope and Project assumptions.

Real Property Tax Revenues

Figure 22 presents the estimated direct state and local revenues from the Project's real property taxes over construction and 10 years of operation.

Figure 22

Central Kentucky Region Modern AI Data Center Campus – 400 MW Direct State & Local Real Property Taxes							
Real Property Tax Revenues	Tax Rate	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 10	Total
State	0.103%	\$360,500	\$721,000	\$742,630	\$764,909	\$940,741	\$8,625,957
Local Public Schools	0.660%	\$2,309,481	\$4,618,963	\$4,757,532	\$4,900,258	\$6,026,699	\$55,260,715
City	0.138%	\$481,548	\$963,096	\$991,989	\$1,021,749	\$1,256,622	\$11,522,368
Fiscal Court / General County	0.078%	\$271,833	\$543,667	\$559,977	\$576,776	\$709,362	\$6,504,362
Fire	0.048%	\$169,458	\$338,917	\$349,084	\$359,557	\$442,209	\$4,054,758
Library	0.061%	\$213,889	\$427,778	\$440,611	\$453,829	\$558,153	\$5,117,882
Health	0.040%	\$141,672	\$283,344	\$291,845	\$300,600	\$369,700	\$3,389,899
Extension	0.035%	\$120,944	\$241,889	\$249,146	\$256,620	\$315,610	\$2,893,929
Ambulance	0.013%	\$46,667	\$93,333	\$96,133	\$99,017	\$121,779	\$1,116,629
Other*	0.037%	\$130,505	\$261,009	\$268,839	\$276,904	\$340,558	\$3,122,680
Total Future Real Property Tax Revenues		\$4,246,498	\$8,492,996	\$8,747,786	\$9,010,219	\$11,081,433	\$101,609,180

*Includes: Soil Conservation, Watershed, Garbage.

**Property values are inflated annually, as reassessments occur on varying schedules across communities.

Central Region: Tangible Property Tax Revenues

The Project's tangible property will include computers and related equipment (Class I, five-year replacement cycle), interior building systems (Class IV, 14-year cycle), and power generators and electrical equipment (Class V, 18-year cycle).

Figure 23 shows projected state and local tangible property tax revenues, calculated using current tax rates and depreciation schedules. The analysis assumes hardware replacement costs rise with inflation.



Figure 23

Central Kentucky Region Modern AI Data Center Campus – 400 MW Direct State & Local Tangible Property Taxes												
Tangible Property Tax Revenues	Tax Rate	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 7	Operations Year 8	Operations Year 9	Operations Year 10	Total
Tangible Property Value												
Total Value		\$2,077,781,007	\$1,609,271,788	\$1,162,023,018	\$711,156,618	\$496,407,919	\$1,864,877,852	\$1,478,043,478	\$1,066,204,540	\$635,406,202	\$395,383,638	
Tangible Property Tax												
State	0.450%	\$9,350,015	\$7,241,723	\$5,229,104	\$3,200,205	\$2,233,836	\$8,391,950	\$6,651,196	\$4,797,920	\$2,859,328	\$1,779,226	\$51,734,502
Local Public Schools	0.675%	\$14,032,333	\$10,868,247	\$7,847,744	\$4,802,809	\$3,352,500	\$12,594,487	\$9,981,994	\$7,200,632	\$4,291,228	\$2,670,231	\$77,642,204
City	0.211%	\$4,392,564	\$3,402,105	\$2,456,592	\$1,503,431	\$1,049,439	\$3,942,473	\$3,124,680	\$2,254,026	\$1,343,290	\$835,867	\$24,304,465
Fiscal Court / General County	0.120%	\$2,498,416	\$1,935,060	\$1,397,268	\$855,126	\$596,903	\$2,242,412	\$1,777,265	\$1,282,052	\$764,041	\$475,427	\$13,823,970
Fire	0.048%	\$1,005,992	\$779,156	\$562,613	\$344,318	\$240,344	\$902,912	\$715,619	\$516,221	\$307,643	\$191,432	\$5,566,249
Library	0.080%	\$1,652,990	\$1,280,265	\$924,454	\$565,765	\$394,920	\$1,483,614	\$1,175,866	\$848,225	\$505,501	\$314,550	\$9,146,149
Health	0.041%	\$847,966	\$656,762	\$474,235	\$290,231	\$202,590	\$761,077	\$603,206	\$435,130	\$259,316	\$161,360	\$4,691,872
Extension	0.051%	\$1,056,898	\$818,583	\$591,082	\$361,742	\$252,506	\$948,601	\$751,831	\$542,343	\$323,210	\$201,118	\$5,847,915
Ambulance	0.015%	\$318,593	\$246,755	\$178,177	\$109,044	\$76,116	\$285,948	\$226,633	\$163,485	\$97,429	\$60,625	\$1,762,805
Other*	0.007%	\$138,519	\$107,285	\$77,468	\$47,410	\$33,094	\$124,325	\$98,536	\$71,080	\$42,360	\$26,359	\$766,437
Total Tangible Property Tax Revenues		\$35,294,285	\$27,335,940	\$19,738,736	\$12,080,082	\$8,432,247	\$31,677,799	\$25,106,827	\$18,111,113	\$10,793,345	\$6,716,195	\$195,286,569

*Includes: Soil Conservation, Watershed, Garbage, Park Fund, Transit, Streets.

Central Region: Other State & Local Tax Revenues

Once operational, the data center's employees will be subject to both Kentucky state and local income taxes. Kentucky also imposes a sales tax on utilities, and many counties levy additional utility taxes to support public schools, as well as insurance premium taxes that fund local governments' general funds. Figure 24 shows the estimated revenues generated from these sources.

Figure 24

Central Kentucky Region Modern AI Data Center Campus – 400 MW Other State & Local Taxes								
Other Tax Revenues	Tax Rate	Construction Year 1	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 10	Total
Operational Expenditures								
Electricity Consumption		\$0	\$0	\$212,000,000	\$218,360,000	\$224,910,800	\$276,611,915	\$2,430,342,414
Insurance Premium		\$43,653,400	\$43,653,400	\$9,500,000	\$9,785,000	\$10,078,550	\$12,395,345	\$196,213,653
Direct Employee Wages		\$166,498,581	\$166,498,581	\$21,000,000	\$21,630,000	\$22,278,900	\$27,400,237	\$573,738,627
Indirect & Induced Wages (State-Wide Total)		\$87,541,904	\$87,541,904	\$23,258,036	\$23,955,777	\$24,674,450	\$30,346,462	\$441,711,125
Indirect & Induced Wages (Regional)		\$73,130,712	\$73,130,712	\$20,855,681	\$21,481,352	\$22,125,792	\$27,211,934	\$385,348,437
Income Tax Revenues*								
State	3.388%	\$4,147,575	\$4,147,575	\$1,499,462	\$1,544,446	\$1,590,780	\$1,956,458	\$25,484,804
Local Occupational License**	1.795%	\$3,441,787	\$3,441,787	\$751,465	\$774,008	\$797,229	\$980,491	\$15,498,272
Other Tax Revenues								
Sales Tax on Utilities (State)	6.000%	\$0	\$0	\$12,720,000	\$13,101,600	\$13,494,648	\$16,596,715	\$145,820,545
Local Public Schools Tax on Utilities	3.000%	\$0	\$0	\$6,360,000	\$6,550,800	\$6,747,324	\$8,298,357	\$72,910,272
Local Insurance Premium Tax	3.167%	\$1,382,358	\$1,382,358	\$300,833	\$309,858	\$319,154	\$392,519	\$6,213,432
Total Other Tax Revenues		\$8,971,719	\$8,971,719	\$21,631,760	\$22,280,713	\$22,949,134	\$28,224,540	\$265,927,326

*Construction period state income tax and local occupational license tax estimates subject to location-specific IMPLAN modeling and CE assumptions.

**Blended average that incorporates county and city occupational license tax.

Central Region: Combined State & Local Fiscal Impacts of Project

Figure 25 shows an estimate of the Project's total direct fiscal impact for the state and local government over construction, and 10 years of operations. Over this period, the data center campus would generate \$205.8 million for public schools and an additional \$125.3 million in other local tax revenue. By the first year of operations, it is estimated to generate \$24.3 million in state taxes and \$41.1 million in local taxes.



Figure 25

Central Kentucky Region Modern AI Data Center Campus – 400 MW Total State & Local Fiscal Impact													
Direct Tax Revenues	Construction Year 1	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 7	Operations Year 8	Operations Year 9	Operations Year 10	12-Year Total
Combined Property Tax Revenues													
State	\$0	\$360,500	\$10,071,015	\$7,984,353	\$5,994,012	\$3,988,061	\$3,045,327	\$9,227,787	\$7,512,107	\$5,684,659	\$3,772,669	\$2,719,968	\$60,360,459
Local Public Schools	\$0	\$2,309,481	\$18,651,295	\$15,625,779	\$12,748,002	\$9,850,075	\$8,551,184	\$17,949,131	\$15,497,277	\$12,881,374	\$10,142,392	\$8,696,930	\$132,902,920
City	\$0	\$481,548	\$5,355,660	\$4,394,094	\$3,478,341	\$2,555,833	\$2,133,412	\$5,058,965	\$4,274,667	\$3,438,512	\$2,563,311	\$2,092,489	\$35,826,833
Fiscal Court / General County	\$0	\$271,833	\$3,042,083	\$2,495,037	\$1,974,044	\$1,449,206	\$1,208,805	\$2,872,671	\$2,426,432	\$1,950,693	\$1,452,741	\$1,184,789	\$20,328,332
Fire	\$0	\$169,458	\$1,344,909	\$1,128,240	\$922,170	\$714,662	\$621,798	\$1,295,809	\$1,120,304	\$933,045	\$736,972	\$633,641	\$9,621,007
Library	\$0	\$213,889	\$2,080,768	\$1,720,876	\$1,378,283	\$1,033,209	\$876,388	\$1,979,526	\$1,686,655	\$1,374,338	\$1,047,397	\$872,703	\$14,264,031
Health	\$0	\$141,672	\$1,131,310	\$948,606	\$774,835	\$599,849	\$521,496	\$1,089,551	\$941,534	\$783,608	\$618,249	\$531,061	\$8,081,771
Extension	\$0	\$120,944	\$1,298,787	\$1,067,728	\$847,702	\$626,060	\$524,754	\$1,229,017	\$1,040,659	\$839,836	\$629,628	\$516,729	\$8,741,844
Ambulance	\$0	\$46,667	\$411,926	\$342,888	\$277,194	\$211,032	\$181,163	\$394,147	\$338,078	\$278,273	\$215,661	\$182,404	\$2,879,434
Other*	\$0	\$130,505	\$399,528	\$376,124	\$354,373	\$332,622	\$326,862	\$426,906	\$410,195	\$392,088	\$372,999	\$366,916	\$3,889,117
Income Tax Revenues													
State	\$4,147,575	\$4,147,575	\$1,499,462	\$1,544,446	\$1,590,780	\$1,638,503	\$1,687,658	\$1,738,288	\$1,790,436	\$1,844,149	\$1,899,474	\$1,956,458	\$25,484,804
Local Occupational License	\$3,441,787	\$3,441,787	\$751,465	\$774,008	\$797,229	\$821,146	\$845,780	\$871,153	\$897,288	\$924,207	\$951,933	\$980,491	\$15,498,272
Other Tax Revenues													
Sales Tax on Utilities (State)	\$0	\$0	\$12,720,000	\$13,101,600	\$13,494,648	\$13,899,487	\$14,316,472	\$14,745,966	\$15,188,345	\$15,643,996	\$16,113,315	\$16,596,715	\$145,820,545
Local Public Schools Tax on Utilities	\$0	\$0	\$6,360,000	\$6,550,800	\$6,747,324	\$6,949,744	\$7,158,236	\$7,372,983	\$7,594,173	\$7,821,998	\$8,056,658	\$8,298,357	\$72,910,272
Insurance Premium	\$1,382,358	\$1,382,358	\$300,833	\$309,858	\$319,154	\$328,729	\$338,591	\$348,748	\$359,211	\$369,987	\$381,087	\$392,519	\$6,213,432
State Tax Revenues	\$4,147,575	\$4,508,075	\$24,290,477	\$22,630,399	\$21,079,440	\$19,526,051	\$19,049,458	\$25,712,041	\$24,490,889	\$23,172,804	\$21,785,458	\$21,273,141	\$231,665,808
Local Tax Revenues	\$4,824,144	\$8,710,142	\$41,128,564	\$35,734,040	\$30,618,650	\$25,472,165	\$23,288,468	\$40,888,607	\$36,586,472	\$31,987,959	\$27,169,026	\$24,749,028	\$331,157,266
Total Future State & Local Tax Revenues	\$8,971,719	\$13,218,217	\$65,419,041	\$58,364,439	\$51,698,090	\$44,998,216	\$42,337,925	\$66,600,648	\$61,077,361	\$55,160,763	\$48,954,485	\$46,022,169	\$562,823,074

*Includes: Soil Conservation, Watershed, Garbage.

Central Region: Fiscal Impact per Employee

The Project's employees will utilize government services, including public schools, roads, and law enforcement. However, the state and local tax revenue generated by the Project is expected to significantly exceed the associated costs of these services. Figure 26 illustrates the Project's tax generation per employee (\$206,000 per employee in local taxes, and \$121,000 in state taxes), which far exceeds that of other industries.

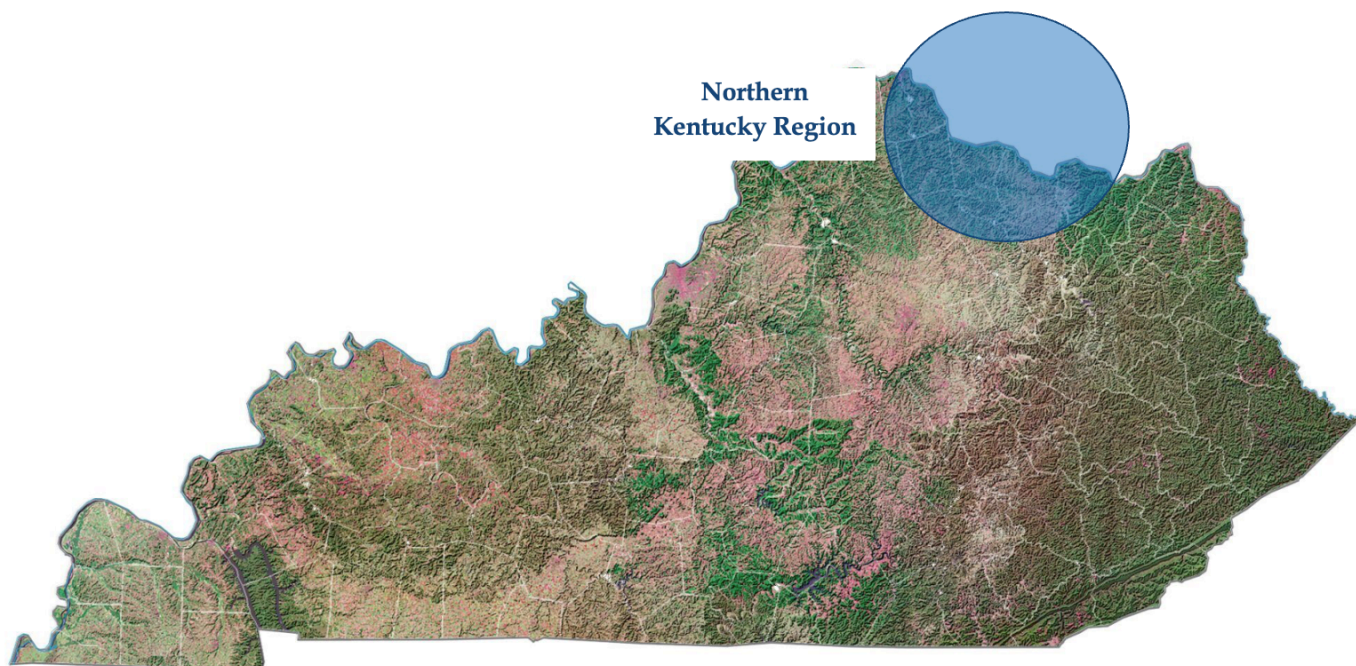
Figure 26

Central Kentucky Region Modern AI Data Center Campus - 400 MW State & Local Fiscal Impact per Employee - Operations											
Direct Tax Revenues	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 7	Operations Year 8	Operations Year 9	Operations Year 10	Total
Combined Property Tax Revenues											
State	\$50,355	\$39,922	\$29,970	\$19,940	\$15,227	\$46,139	\$37,561	\$28,423	\$18,863	\$13,600	\$300,000
Local Public Schools	\$93,256	\$78,129	\$63,740	\$49,250	\$42,756	\$89,746	\$77,486	\$64,407	\$50,712	\$43,485	\$652,967
City	\$26,778	\$21,970	\$17,392	\$12,779	\$10,667	\$25,295	\$21,373	\$17,193	\$12,817	\$10,462	\$176,726
Fiscal Court / General County	\$15,210	\$12,475	\$9,870	\$7,246	\$6,044	\$14,363	\$12,132	\$9,753	\$7,264	\$5,924	\$100,282
Fire	\$6,725	\$5,641	\$4,611	\$3,573	\$3,109	\$6,479	\$5,602	\$4,665	\$3,685	\$3,168	\$47,258
Library	\$10,404	\$8,604	\$6,891	\$5,166	\$4,382	\$9,898	\$8,433	\$6,872	\$5,237	\$4,364	\$70,251
Health	\$5,657	\$4,743	\$3,874	\$2,999	\$2,607	\$5,448	\$4,708	\$3,918	\$3,091	\$2,655	\$39,700
Extension	\$6,494	\$5,339	\$4,239	\$3,130	\$2,624	\$6,145	\$5,203	\$4,199	\$3,148	\$2,584	\$43,104
Ambulance	\$2,060	\$1,714	\$1,386	\$1,055	\$906	\$1,971	\$1,690	\$1,391	\$1,078	\$912	\$14,164
Other*	\$1,998	\$1,881	\$1,772	\$1,663	\$1,634	\$2,135	\$2,051	\$1,960	\$1,865	\$1,835	\$18,793
Income Tax Revenues											
State	\$7,497	\$7,722	\$7,954	\$8,193	\$8,438	\$8,691	\$8,952	\$9,221	\$9,497	\$9,782	\$85,948
Local Occupational License	\$3,757	\$3,870	\$3,986	\$4,106	\$4,229	\$4,356	\$4,486	\$4,621	\$4,760	\$4,902	\$43,073
Other Tax Revenues											
Sales Tax on Utilities (State)	\$63,600	\$65,508	\$67,473	\$69,497	\$71,582	\$73,730	\$75,942	\$78,220	\$80,567	\$82,984	\$729,103
Local Public Schools Tax on Utilities	\$31,800	\$32,754	\$33,737	\$34,749	\$35,791	\$36,865	\$37,971	\$39,110	\$40,283	\$41,492	\$364,551
Insurance Premium	\$1,504	\$1,549	\$1,596	\$1,644	\$1,693	\$1,744	\$1,796	\$1,850	\$1,905	\$1,963	\$17,244
State Tax Revenues	\$121,452	\$113,152	\$105,397	\$97,630	\$95,247	\$128,560	\$122,454	\$115,864	\$108,927	\$106,366	\$1,115,051
Local Tax Revenues	\$205,643	\$178,670	\$153,093	\$127,361	\$116,442	\$204,443	\$182,932	\$159,940	\$135,845	\$123,745	\$1,588,115
Total Future State & Local Tax Revenues	\$327,095	\$291,822	\$258,490	\$224,991	\$211,690	\$333,003	\$305,387	\$275,804	\$244,772	\$230,111	\$2,703,166

*Includes: Soil Conservation, Watershed, Garbage.

IV (D). NORTHERN KENTUCKY REGION

Figure 27



NORTHERN REGION: CONSTRUCTION IMPACT (One-Time)

Construction activity tied to the Project is expected to create three key economic benefits for Kentucky and the Northern Kentucky area. First, it will directly support construction employment and generate spending tied to project development. Second, it will have indirect effects by stimulating demand for materials, equipment, and professional services from local and regional suppliers. Third, it will produce induced impacts as wages earned by workers are spent on everyday goods and services such as fuel, dining, and retail purchases, resulting in additional dollars circulating in the local economy.

For example, local suppliers of metal, concrete, and electrical equipment are likely to see higher sales as contractors procure building materials, while equipment rental companies benefit from increased demand for machinery and vehicles. State and local restaurants, lodging establishments, and retailers may also capture new spending from

non-local construction crews, which in turn can contribute to transient room tax collections. Beyond this, higher earnings among construction workers and suppliers in the region are likely to drive additional household spending on leisure, entertainment, and personal items, amplifying the overall economic ripple effect. Figure 28 shows the worker income and economic impact derived from IMPLAN-calculated impacts generated using the estimated construction costs of the Project.¹⁷

NORTHERN REGION: OPERATIONS ECONOMIC IMPACT (Ongoing)

Data Center Ongoing Operations

The Project's operations will generate significant economic benefits, producing both indirect and induced impacts on wages and employment throughout the region. By the first year of operations, the Project is expected to support 200 direct, ongoing jobs with an average annual salary of \$105,000. This level of compensation is substantially higher than Kentucky's projected average of \$66,450 (\$54,030 in 2023).¹⁸ Figure 28 highlights the estimated economic impacts of the Project's construction and ongoing operations.

¹⁷ It is worth noting that this analysis does not attempt to quantify the potential and likely benefit generated from the labor required to replace the computers and hardware. To the extent that the Project's refurbishment creates new wages and economic activity, this activity would be viewed as additive to the numbers shown in this analysis.

¹⁸ U.S. Bureau of Labor Statistics. (April 2024). *State occupational employment and wage estimates: Kentucky*. U.S. Department of Labor.

Figure 28

Northern Kentucky Region Modern AI Data Center Campus - 400 MW Economic Impact: Construction & Ongoing Operations										
Economic Impact	Construction Year 1	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 10	12-Year Total
Regional	\$604,482,353	\$604,482,353	\$108,013,053	\$111,253,445	\$114,591,048	\$118,028,780	\$121,569,643	\$125,216,733	\$140,932,536	\$2,447,213,315
Direct Output	\$400,000,000	\$400,000,000	\$63,577,154	\$65,484,469	\$67,449,003	\$69,472,473	\$71,556,647	\$73,703,347	\$82,953,766	\$1,528,840,825
Indirect Impact	\$92,037,162	\$92,037,162	\$26,432,721	\$27,225,702	\$28,042,473	\$28,883,748	\$29,750,260	\$30,642,768	\$34,488,705	\$487,095,845
Induced Impact	\$112,445,191	\$112,445,191	\$18,003,178	\$18,543,274	\$19,099,572	\$19,672,559	\$20,262,736	\$20,870,618	\$23,490,064	\$431,276,645
Regional Employment	3,006	3,006	434	434	434	434	434	434	434	
Direct Employment	2,065	2,065	200	200	200	200	200	200	200	
Regional Labor Income	\$243,860,758	\$243,860,758	\$39,855,282	\$41,050,941	\$42,282,469	\$43,550,943	\$44,857,471	\$46,203,195	\$52,002,103	\$944,617,661
Direct Labor Income	\$176,726,592	\$176,726,592	\$24,296,544	\$25,025,441	\$25,776,204	\$26,549,490	\$27,345,975	\$28,166,354	\$31,701,479	\$631,985,835
Statewide	\$626,465,685	\$626,465,685	\$110,293,673	\$113,602,483	\$117,010,558	\$120,520,875	\$124,136,501	\$127,860,596	\$143,908,227	\$2,517,324,729
Direct Output	\$400,000,000	\$400,000,000	\$63,577,154	\$65,484,469	\$67,449,003	\$69,472,473	\$71,556,647	\$73,703,347	\$82,953,766	\$1,528,840,825
Indirect Impact	\$105,315,958	\$105,315,958	\$27,256,442	\$28,074,135	\$28,916,359	\$29,783,850	\$30,677,366	\$31,597,687	\$35,563,475	\$523,096,477
Induced Impact	\$121,149,727	\$121,149,727	\$19,460,077	\$20,043,879	\$20,645,196	\$21,264,551	\$21,902,488	\$22,559,563	\$25,390,986	\$465,387,426
Statewide Employment	3,087	3,087	444	444	444	444	444	444	444	
Direct Employment	2,065	2,065	200	200	200	200	200	200	200	
Statewide Labor Income	\$249,434,855	\$249,434,855	\$40,501,139	\$41,716,173	\$42,967,658	\$44,256,688	\$45,584,389	\$46,951,920	\$52,844,800	\$963,169,879
Direct Labor Income	\$176,726,592	\$176,726,592	\$24,296,544	\$25,025,441	\$25,776,204	\$26,549,490	\$27,345,975	\$28,166,354	\$31,701,479	\$631,985,835

Construction activity is projected to generate approximately \$604 million annually in local economic impact and \$626 million annually in total statewide economic impact. This investment is estimated to support roughly 3,006 jobs within the local region, including 2,065 direct construction and on-site positions, and approximately 3,087 jobs statewide when accounting for indirect and induced effects. In total, construction-related activity is expected to generate approximately \$249 million in annual employee compensation across Kentucky.

NORTHERN REGION: STATE & LOCAL FISCAL IMPACT

The Project's ongoing operations will generate substantial tax revenues at the state and local level. These revenues are estimated based on the previously discussed scope and Project assumptions.

Real Property Tax Revenues

Figure 29 presents the estimated direct state and local revenues from the Project's real property taxes over construction and 10 years of operation.

Figure 29

Northern Kentucky Region Modern AI Data Center Campus – 400 MW Direct State & Local Real Property Taxes							
Real Property Tax Revenues	Tax Rate	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 10	Total
State	0.103%	\$360,500	\$721,000	\$742,630	\$764,909	\$940,741	\$8,625,957
Local Public Schools	0.737%	\$2,579,333	\$5,158,667	\$5,313,427	\$5,472,829	\$6,730,890	\$61,717,665
City	0.312%	\$1,091,412	\$2,182,825	\$2,248,309	\$2,315,759	\$2,848,091	\$26,115,050
Fiscal Court / General County	0.173%	\$606,000	\$1,212,000	\$1,248,360	\$1,285,811	\$1,581,385	\$14,500,222
Fire	0.105%	\$366,252	\$732,504	\$754,479	\$777,114	\$955,752	\$8,763,591
Library	0.088%	\$309,000	\$618,000	\$636,540	\$655,636	\$806,350	\$7,393,677
Health	0.048%	\$166,750	\$333,500	\$343,505	\$353,810	\$435,142	\$3,989,954
Extension	0.055%	\$191,750	\$383,500	\$395,005	\$406,855	\$500,381	\$4,588,148
Ambulance	0.028%	\$99,000	\$198,000	\$203,940	\$210,058	\$258,345	\$2,368,848
Other*	0.037%	\$130,500	\$261,000	\$268,830	\$276,895	\$340,546	\$3,122,573
Total Future Real Property Tax Revenues		\$5,900,498	\$11,800,995	\$12,155,025	\$12,519,676	\$15,397,622	\$141,185,685

*Includes: Soil Conservation.

**Property values are inflated annually, as reassessments occur on varying schedules across communities.

Northern Region: Tangible Property Tax Revenues

The Project's tangible property will include computers and related equipment (Class I, five-year replacement cycle), interior building systems (Class IV, 14-year cycle), and power generators and electrical equipment (Class V, 18-year cycle).

Figure 30 shows projected state and local tangible property tax revenues calculated using current tax rates and depreciation schedules. The analysis assumes hardware replacement costs rise with inflation.



Figure 30

Northern Kentucky Region Modern AI Data Center Campus – 400 MW Direct State & Local Tangible Property Taxes												
Tangible Property Tax Revenues	Tax Rate	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 7	Operations Year 8	Operations Year 9	Operations Year 10	Total
Tangible Property Value												
Total Value		\$2,077,781,007	\$1,609,271,788	\$1,162,023,018	\$711,156,618	\$496,407,919	\$1,864,877,852	\$1,478,043,478	\$1,066,204,540	\$635,406,202	\$395,383,638	
Tangible Property Tax												
State	0.450%	\$9,350,015	\$7,241,723	\$5,229,104	\$3,200,205	\$2,233,836	\$8,391,950	\$6,651,196	\$4,797,920	\$2,859,328	\$1,779,226	\$51,734,502
Local Public Schools	0.758%	\$15,740,675	\$12,191,383	\$8,803,154	\$5,387,519	\$3,760,645	\$14,127,782	\$11,197,235	\$8,077,261	\$4,813,656	\$2,995,313	\$87,094,624
City	0.491%	\$10,209,721	\$7,907,578	\$5,709,904	\$3,494,454	\$2,439,230	\$9,163,566	\$7,262,754	\$5,239,075	\$3,122,235	\$1,942,821	\$56,491,339
Fiscal Court / General County	0.210%	\$4,369,573	\$3,384,299	\$2,443,734	\$1,495,562	\$1,043,946	\$3,921,838	\$3,108,325	\$2,242,228	\$1,336,259	\$831,492	\$24,177,257
Fire	0.097%	\$2,015,483	\$1,561,021	\$1,127,182	\$689,834	\$481,524	\$1,808,964	\$1,433,728	\$1,034,237	\$616,355	\$383,529	\$11,151,858
Library	0.116%	\$2,402,212	\$1,860,548	\$1,343,465	\$822,199	\$573,918	\$2,156,065	\$1,708,829	\$1,232,685	\$734,620	\$457,120	\$13,291,661
Health	0.048%	\$989,914	\$766,703	\$553,621	\$338,815	\$236,503	\$888,481	\$704,182	\$507,970	\$302,726	\$188,372	\$5,477,288
Extension	0.079%	\$1,635,807	\$1,266,957	\$914,844	\$559,883	\$390,815	\$1,468,192	\$1,163,643	\$839,408	\$500,246	\$311,280	\$9,051,074
Ambulance	0.028%	\$587,715	\$455,194	\$328,687	\$201,156	\$140,413	\$527,494	\$418,075	\$301,584	\$179,729	\$111,837	\$3,251,883
Other*	0.005%	\$100,921	\$78,165	\$56,441	\$34,542	\$24,111	\$90,580	\$71,791	\$51,787	\$30,863	\$19,204	\$558,404
Total Tangible Property Tax Revenues		\$47,402,037	\$36,713,571	\$26,510,137	\$16,224,170	\$11,324,941	\$42,544,912	\$33,719,758	\$24,324,155	\$14,496,017	\$9,020,195	\$262,279,891

*Includes: Soil Conservation, Mental Health.

Northern Region: Other State & Local Tax Revenues

Once operational, the data center's employees will be subject to both Kentucky state and local income taxes. Kentucky also imposes a sales tax on utilities, and many counties levy additional utility taxes to support public schools, as well as insurance premium taxes that fund local governments' general funds. Figure 31 shows the estimated revenues generated from these sources.

Figure 31

Northern Kentucky Region Modern AI Data Center Campus – 400 MW Other State & Local Taxes								
Other Tax Revenues	Tax Rate	Construction Year 1	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 10	Total
Operational Expenditures								
Electricity Consumption		\$0	\$0	\$212,000,000	\$218,360,000	\$224,910,800	\$276,611,915	\$2,430,342,414
Insurance Premium		\$43,653,400	\$43,653,400	\$9,500,000	\$9,785,000	\$10,078,550	\$12,395,345	\$196,213,653
Direct Employee Wages		\$176,726,592	\$176,726,592	\$21,000,000	\$21,630,000	\$22,278,900	\$27,400,237	\$594,194,649
Indirect & Induced Wages (State-Wide Total)		\$72,708,263	\$72,708,263	\$19,501,139	\$20,086,173	\$20,688,758	\$25,444,563	\$368,975,229
Indirect & Induced Wages (Regional)		\$67,134,166	\$67,134,166	\$18,855,282	\$19,420,941	\$20,003,569	\$24,601,866	\$350,423,012
Income Tax Revenues*								
State	3.388%	\$3,781,628	\$3,781,628	\$1,372,179	\$1,413,344	\$1,455,744	\$1,790,382	\$23,293,745
Local Occupational License**	1.291%	\$2,518,733	\$2,518,733	\$514,560	\$529,997	\$545,897	\$671,384	\$10,936,322
Other Tax Revenues								
Sales Tax on Utilities (State)	6.000%	\$0	\$0	\$12,720,000	\$13,101,600	\$13,494,648	\$16,596,715	\$145,820,545
Local Public Schools Tax on Utilities	3.000%	\$0	\$0	\$6,360,000	\$6,550,800	\$6,747,324	\$8,298,357	\$72,910,272
Local Insurance Premium Tax	4.286%	\$1,870,860	\$1,870,860	\$407,143	\$419,357	\$431,938	\$531,229	\$8,409,157
Total Other Tax Revenues		\$8,171,221	\$8,171,221	\$21,373,882	\$22,015,098	\$22,675,551	\$27,888,068	\$261,370,041

*Construction period state income tax and local occupational license tax estimates subject to location-specific IMPLAN modeling and CE assumptions.

**Blended average that incorporates county and city occupational license tax.

Northern Region: Combined State & Local Fiscal Impacts of Project

Figure 32 shows an estimate of the Project's total direct fiscal impact for the state and local government over construction, and 10 years of operations. Over this period, the data center campus would generate \$221.7 million for public schools and an additional \$213.6 million in other local tax revenue. By the first year of operations, it is estimated to generate \$24.2 million in state taxes and \$56.4 million in local taxes.

Figure 32

Northern Kentucky Region Modern AI Data Center Campus – 400 MW Total State & Local Fiscal Impact													
Direct Tax Revenues	Construction Year 1	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 7	Operations Year 8	Operations Year 9	Operations Year 10	12-Year Total
Combined Property Tax Revenues													
State	\$0	\$360,500	\$10,071,015	\$7,984,353	\$5,994,012	\$3,988,061	\$3,045,327	\$9,227,787	\$7,512,107	\$5,684,659	\$3,772,669	\$2,719,968	\$60,360,459
Local Public Schools	\$0	\$2,579,333	\$20,899,342	\$17,504,810	\$14,275,984	\$11,024,534	\$9,566,769	\$20,108,090	\$17,356,953	\$14,421,770	\$11,348,500	\$9,726,203	\$148,812,289
City	\$0	\$1,091,412	\$12,392,546	\$10,155,888	\$8,025,663	\$5,879,686	\$4,896,019	\$11,694,058	\$9,869,160	\$7,923,674	\$5,887,372	\$4,790,912	\$82,606,389
Fiscal Court / General County	\$0	\$606,000	\$5,581,573	\$4,632,659	\$3,729,545	\$2,819,947	\$2,408,063	\$5,326,878	\$4,555,517	\$3,732,835	\$2,871,585	\$2,412,877	\$38,677,479
Fire	\$0	\$366,252	\$2,747,988	\$2,315,501	\$1,904,296	\$1,490,261	\$1,305,964	\$2,658,137	\$2,308,376	\$1,935,125	\$1,544,269	\$1,339,281	\$19,915,449
Library	\$0	\$309,000	\$3,020,212	\$2,497,088	\$1,999,101	\$1,497,504	\$1,269,483	\$2,872,497	\$2,446,754	\$1,992,747	\$1,517,484	\$1,263,470	\$20,685,339
Health	\$0	\$166,750	\$1,323,414	\$1,110,208	\$907,431	\$703,240	\$611,860	\$1,275,099	\$1,102,399	\$918,133	\$725,193	\$623,514	\$9,467,242
Extension	\$0	\$191,750	\$2,019,307	\$1,661,962	\$1,321,699	\$978,944	\$822,447	\$1,912,773	\$1,621,562	\$1,311,064	\$986,053	\$811,660	\$13,639,222
Ambulance	\$0	\$99,000	\$785,715	\$659,134	\$538,745	\$417,516	\$363,263	\$757,030	\$654,498	\$545,099	\$430,550	\$370,182	\$5,620,731
Other*	\$0	\$130,500	\$361,921	\$346,995	\$333,336	\$319,744	\$317,869	\$393,150	\$383,438	\$372,784	\$361,490	\$359,750	\$3,680,977
Income Tax Revenues													
State	\$3,781,628	\$3,781,628	\$1,372,179	\$1,413,344	\$1,455,744	\$1,499,417	\$1,544,399	\$1,590,731	\$1,638,453	\$1,687,607	\$1,738,235	\$1,790,382	\$23,293,745
Local Occupational License	\$2,518,733	\$2,518,733	\$514,560	\$529,997	\$545,897	\$562,274	\$579,142	\$596,516	\$614,412	\$632,844	\$651,829	\$671,384	\$10,936,322
Other Tax Revenues													
Sales Tax on Utilities (State)	\$0	\$0	\$12,720,000	\$13,101,600	\$13,494,648	\$13,899,487	\$14,316,472	\$14,745,966	\$15,188,345	\$15,643,996	\$16,113,315	\$16,596,715	\$145,820,545
Local Public Schools Tax on Utilities	\$0	\$0	\$6,360,000	\$6,550,800	\$6,747,324	\$6,949,744	\$7,158,236	\$7,372,983	\$7,594,173	\$7,821,998	\$8,056,658	\$8,298,357	\$72,910,272
Insurance Premium	\$1,870,860	\$1,870,860	\$407,143	\$419,357	\$431,938	\$444,896	\$458,243	\$471,990	\$486,150	\$500,734	\$515,756	\$531,229	\$8,409,157
State Tax Revenues	\$3,781,628	\$4,142,128	\$24,163,193	\$22,499,297	\$20,944,405	\$19,386,965	\$18,906,199	\$25,564,484	\$24,338,906	\$23,016,262	\$21,624,219	\$21,107,065	\$229,474,749
Local Tax Revenues	\$4,389,593	\$9,929,591	\$56,413,721	\$48,384,398	\$40,760,959	\$33,088,289	\$29,757,358	\$55,439,202	\$48,993,390	\$42,108,808	\$34,896,739	\$31,198,820	\$435,360,868
Total Future State & Local Tax Revenues	\$8,171,221	\$14,071,718	\$80,576,914	\$70,883,695	\$61,705,364	\$52,475,254	\$48,663,557	\$81,003,686	\$73,332,296	\$65,125,069	\$56,520,958	\$52,305,885	\$664,835,617

*Includes: Soil Conservation.

Northern Region: Fiscal Impact per Employee

The Project's employees will utilize government services, including public schools, roads, and law enforcement. However, the state and local tax revenue generated by the Project is expected to significantly exceed the associated costs of these services. Figure 33 illustrates the Project's tax generation per employee (\$282,000 per employee in local taxes, and \$121,000 in state taxes), which far exceeds that of other industries.

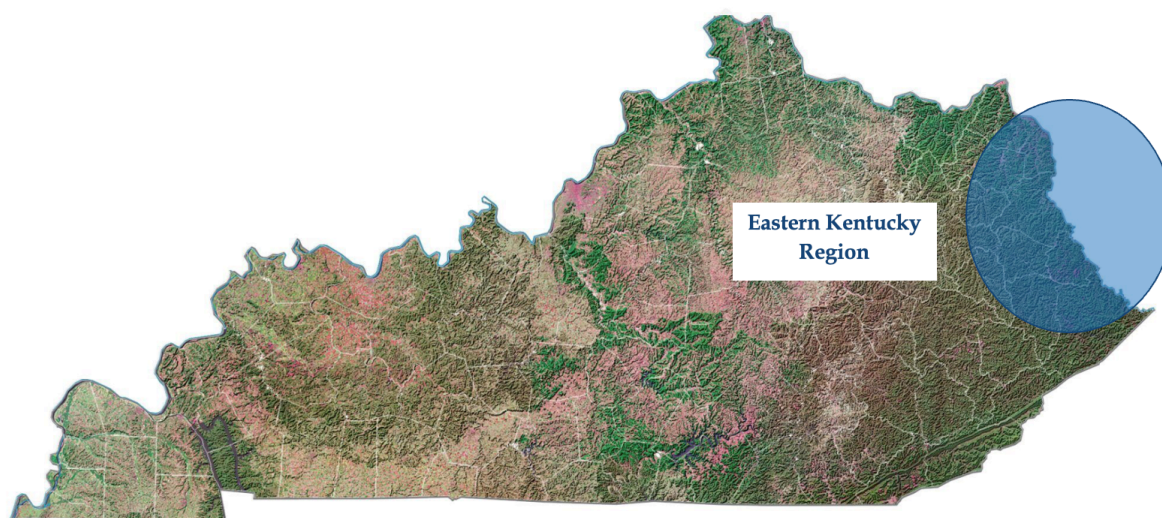
Figure 33

Northern Kentucky Region Modern AI Data Center Campus – 400 MW State & Local Fiscal Impact per Employee - Operations											
Direct Tax Revenues	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 7	Operations Year 8	Operations Year 9	Operations Year 10	Total
Combined Property Tax Revenues											
State	\$50,355	\$39,922	\$29,970	\$19,940	\$15,227	\$46,139	\$37,561	\$28,423	\$18,863	\$13,600	\$300,000
Local Public Schools	\$104,497	\$87,524	\$71,380	\$55,123	\$47,834	\$100,540	\$86,785	\$72,109	\$56,743	\$48,631	\$731,165
City	\$61,963	\$50,779	\$40,128	\$29,398	\$24,480	\$58,470	\$49,346	\$39,618	\$29,437	\$23,955	\$407,575
Fiscal Court / General County	\$27,908	\$23,163	\$18,648	\$14,100	\$12,040	\$26,634	\$22,778	\$18,664	\$14,358	\$12,064	\$190,357
Fire	\$13,740	\$11,578	\$9,521	\$7,451	\$6,530	\$13,291	\$11,542	\$9,676	\$7,721	\$6,696	\$97,746
Library	\$15,101	\$12,485	\$9,996	\$7,488	\$6,347	\$14,362	\$12,234	\$9,964	\$7,587	\$6,317	\$101,882
Health	\$6,617	\$5,551	\$4,537	\$3,516	\$3,059	\$6,375	\$5,512	\$4,591	\$3,626	\$3,118	\$46,502
Extension	\$10,097	\$8,310	\$6,608	\$4,895	\$4,112	\$9,564	\$8,108	\$6,555	\$4,930	\$4,058	\$67,237
Ambulance	\$3,929	\$3,296	\$2,694	\$2,088	\$1,816	\$3,785	\$3,272	\$2,725	\$2,153	\$1,851	\$27,609
Other*	\$1,810	\$1,735	\$1,667	\$1,599	\$1,589	\$1,966	\$1,917	\$1,864	\$1,807	\$1,799	\$17,752
Income Tax Revenues											
State	\$6,861	\$7,067	\$7,279	\$7,497	\$7,722	\$7,954	\$8,192	\$8,438	\$8,691	\$8,952	\$78,652
Local Occupational License	\$2,573	\$2,650	\$2,729	\$2,811	\$2,896	\$2,983	\$3,072	\$3,164	\$3,259	\$3,357	\$29,494
Other Tax Revenues											
Sales Tax on Utilities (State)	\$63,600	\$65,508	\$67,473	\$69,497	\$71,582	\$73,730	\$75,942	\$78,220	\$80,567	\$82,984	\$729,103
Local Public Schools Tax on Utilities	\$31,800	\$32,754	\$33,737	\$34,749	\$35,791	\$36,865	\$37,971	\$39,110	\$40,283	\$41,492	\$364,551
Insurance Premium	\$2,036	\$2,097	\$2,160	\$2,224	\$2,291	\$2,360	\$2,431	\$2,504	\$2,579	\$2,656	\$23,337
State Tax Revenues	\$120,816	\$112,496	\$104,722	\$96,935	\$94,531	\$127,822	\$121,695	\$115,081	\$108,121	\$105,535	\$1,107,755
Local Tax Revenues	\$282,069	\$241,922	\$203,805	\$165,441	\$148,787	\$277,196	\$244,967	\$210,544	\$174,484	\$155,994	\$2,105,208
Total Future State & Local Tax Revenues	\$402,885	\$354,418	\$308,527	\$262,376	\$243,318	\$405,018	\$366,661	\$325,625	\$282,605	\$261,529	\$3,212,963

*Includes: Soil Conservation.

IV (E). EASTERN KENTUCKY REGION

Figure 34



EASTERN REGION: CONSTRUCTION IMPACT (One-Time)

Construction activity tied to the Project is expected to create three key economic benefits for Kentucky and the Eastern Kentucky area. First, it will directly support construction employment and generate spending tied to project development. Second, it will have indirect effects by stimulating demand for materials, equipment, and professional services from local and regional suppliers. Third, it will produce induced impacts as wages earned by workers are spent on everyday goods and services such as fuel, dining, and retail purchases, resulting in additional dollars circulating in the local economy.

For example, local suppliers of metal, concrete, and electrical equipment are likely to see higher sales as contractors procure building materials, while equipment rental companies benefit from increased demand for machinery and vehicles. State and local restaurants, lodging establishments, and retailers may also capture new spending from non-local construction crews, which in turn can contribute to transient room tax collections. Beyond this, higher earnings among construction workers and suppliers in the region are likely to drive additional household spending on leisure, entertainment, and personal items, amplifying the overall economic ripple effect. Figure 35 shows the

worker income and economic impact derived from IMPLAN-calculated impacts generated using the estimated construction costs of the Project.¹⁹

EASTERN REGION: OPERATIONS ECONOMIC IMPACT (Ongoing)

Data Center Ongoing Operations

The Project's operations will generate significant economic benefits, producing both indirect and induced impacts on wages and employment throughout the region. By the first year of operations, the Project is expected to support 200 direct, ongoing jobs with an average annual salary of \$105,000. This level of compensation is substantially higher than Kentucky's projected average of \$66,450 (\$54,030 in 2023).²⁰ Figure 35 highlights the estimated economic impacts of the Project's construction and ongoing operations.

¹⁹ It is worth noting that this analysis does not attempt to quantify the potential and likely benefit generated from the labor required to replace the computers and hardware. To the extent that the Project's refurbishment creates new wages and economic activity, this activity would be viewed as additive to the numbers shown in this analysis.

²⁰ U.S. Bureau of Labor Statistics. (April 2024). *State occupational employment and wage estimates: Kentucky*. U.S. Department of Labor.

Figure 35

Eastern Kentucky Region Modern AI Data Center Campus - 400 MW Economic Impact: Construction & Ongoing Operations										
Economic Impact	Construction Year 1	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 10	12-Year Total
Regional	\$562,217,374	\$562,217,374	\$105,040,871	\$108,192,097	\$111,437,860	\$114,780,996	\$118,224,426	\$121,771,159	\$137,054,512	\$2,328,610,617
Direct Output	\$400,000,000	\$400,000,000	\$71,582,443	\$73,729,916	\$75,941,814	\$78,220,068	\$80,566,670	\$82,983,670	\$93,398,852	\$1,620,612,484
Indirect Impact	\$80,469,710	\$80,469,710	\$17,513,992	\$18,039,411	\$18,580,594	\$19,138,012	\$19,712,152	\$20,303,517	\$22,851,787	\$361,717,706
Induced Impact	\$81,747,665	\$81,747,665	\$15,944,437	\$16,422,770	\$16,915,453	\$17,422,916	\$17,945,604	\$18,483,972	\$20,803,873	\$346,280,427
Regional Employment	2,834	2,834	393	393	393	393	393	393	393	
Direct Employment	2,065	2,065	200	200	200	200	200	200	200	
Regional Labor Income	\$186,253,199	\$186,253,199	\$35,345,054	\$36,405,406	\$37,497,568	\$38,622,495	\$39,781,170	\$40,974,605	\$46,117,279	\$777,697,834
Direct Labor Income	\$141,601,420	\$141,601,420	\$25,078,266	\$25,830,614	\$26,605,532	\$27,403,698	\$28,225,809	\$29,072,583	\$32,721,448	\$570,697,050
Statewide	\$584,043,710	\$584,043,710	\$109,156,861	\$112,431,567	\$115,804,514	\$119,278,650	\$122,857,009	\$126,542,720	\$142,424,946	\$2,419,448,505
Direct Output	\$400,000,000	\$400,000,000	\$71,582,443	\$73,729,916	\$75,941,814	\$78,220,068	\$80,566,670	\$82,983,670	\$93,398,852	\$1,620,612,484
Indirect Impact	\$89,815,589	\$89,815,589	\$19,094,576	\$19,667,413	\$20,257,435	\$20,865,158	\$21,491,113	\$22,135,846	\$24,914,090	\$398,529,089
Induced Impact	\$94,228,121	\$94,228,121	\$18,479,843	\$19,034,238	\$19,605,266	\$20,193,424	\$20,799,226	\$21,423,203	\$24,112,004	\$400,306,932
Statewide Employment	2,933	2,933	418	418	418	418	418	418	418	
Direct Employment	2,065	2,065	200	200	200	200	200	200	200	
Statewide Labor Income	\$192,639,476	\$192,639,476	\$36,797,789	\$37,901,722	\$39,038,774	\$40,209,937	\$41,416,235	\$42,658,722	\$48,012,768	\$807,124,358
Direct Labor Income	\$141,601,420	\$141,601,420	\$25,078,266	\$25,830,614	\$26,605,532	\$27,403,698	\$28,225,809	\$29,072,583	\$32,721,448	\$570,697,050

Construction activity is projected to generate approximately \$562 million annually in local economic impact and \$584 million annually in total statewide economic impact. This investment is estimated to support roughly 2,834 jobs within the local region, including 2,065 direct construction and on-site positions, and approximately 2,933 jobs statewide when accounting for indirect and induced effects. In total, construction-related activity is expected to generate approximately \$193 million in annual employee compensation across Kentucky.

EASTERN REGION: STATE & LOCAL FISCAL IMPACT

The Project's ongoing operations will generate substantial tax revenues at the state and local level. These revenues are estimated based on the previously discussed scope and Project assumptions.

Real Property Tax Revenues

Figure 36 presents the estimated direct state and local revenues from the Project's real property taxes over construction and 10 years of operation.

Figure 36

Eastern Kentucky Region Modern AI Data Center Campus – 400 MW Direct State & Local Real Property Taxes							
Real Property Tax Revenues	Tax Rate	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 10	Total
State	0.103%	\$360,500	\$721,000	\$742,630	\$764,909	\$940,741	\$8,625,957
Local Public Schools	0.783%	\$2,741,292	\$5,482,583	\$5,647,061	\$5,816,473	\$7,153,528	\$65,592,965
City	0.222%	\$776,673	\$1,553,346	\$1,599,946	\$1,647,945	\$2,026,764	\$18,584,042
Fiscal Court / General County	0.169%	\$593,000	\$1,186,000	\$1,221,580	\$1,258,227	\$1,547,461	\$14,189,161
Fire	0.047%	\$165,000	\$330,000	\$339,900	\$350,097	\$430,575	\$3,948,080
Library	0.096%	\$335,500	\$671,000	\$691,130	\$711,864	\$875,503	\$8,027,763
Health	0.059%	\$207,500	\$415,000	\$427,450	\$440,274	\$541,481	\$4,965,010
Extension	0.061%	\$212,000	\$424,000	\$436,720	\$449,822	\$553,224	\$5,072,685
Ambulance	0.043%	\$150,000	\$300,000	\$309,000	\$318,270	\$391,432	\$3,589,164
Other*	0.034%	\$118,084	\$236,167	\$243,252	\$250,550	\$308,144	\$2,825,473
Total Future Real Property Tax Revenues		\$5,659,548	\$11,319,096	\$11,658,669	\$12,008,429	\$14,768,853	\$135,420,300

*Includes: Soil Conservation, Watershed, Parks, Transport.

**Property values are inflated annually, as reassessments occur on varying schedules across communities.

Eastern Region: Tangible Property Tax Revenues

The Project's tangible property will include computers and related equipment (Class I, five-year replacement cycle), interior building systems (Class IV, 14-year cycle), and power generators and electrical equipment (Class V, 18-year cycle).

Figure 37 shows projected state and local tangible property tax revenues, calculated using current tax rates and depreciation schedules. The analysis assumes hardware replacement costs rise with inflation.



Figure 37

Eastern Kentucky Region Modern AI Data Center Campus – 400 MW Direct State & Local Tangible Property Taxes												
Tangible Property Tax Revenues	Tax Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Tangible Property Value												
Total Value		\$2,077,781,007	\$1,609,271,788	\$1,162,023,018	\$711,156,618	\$496,407,919	\$1,864,877,852	\$1,478,043,478	\$1,066,204,540	\$635,406,202	\$395,383,638	
Tangible Property Tax												
State	0.450%	\$9,350,015	\$7,241,723	\$5,229,104	\$3,200,205	\$2,233,836	\$8,391,950	\$6,651,196	\$4,797,920	\$2,859,328	\$1,779,226	\$51,734,502
Local Public Schools	0.788%	\$16,374,646	\$12,682,403	\$9,157,710	\$5,604,507	\$3,912,108	\$14,696,792	\$11,648,214	\$8,402,580	\$5,007,530	\$3,115,953	\$90,602,442
City	0.245%	\$5,095,055	\$3,946,195	\$2,849,469	\$1,743,871	\$1,217,273	\$4,572,982	\$3,624,402	\$2,614,506	\$1,558,119	\$969,545	\$28,191,417
Fiscal Court / General County	0.179%	\$3,723,680	\$2,884,045	\$2,082,511	\$1,274,494	\$889,634	\$3,342,128	\$2,648,865	\$1,910,791	\$1,138,739	\$708,584	\$20,603,471
Fire	0.043%	\$890,478	\$689,688	\$498,010	\$304,781	\$212,746	\$799,233	\$633,447	\$456,945	\$272,317	\$169,450	\$4,927,095
Library	0.107%	\$2,225,897	\$1,723,990	\$1,244,859	\$761,852	\$531,795	\$1,997,817	\$1,583,407	\$1,142,210	\$680,702	\$423,569	\$12,316,096
Health	0.059%	\$1,231,827	\$954,068	\$688,914	\$421,614	\$294,299	\$1,105,606	\$876,269	\$632,107	\$376,705	\$234,406	\$6,815,815
Extension	0.098%	\$2,031,179	\$1,573,178	\$1,135,961	\$695,206	\$485,274	\$1,823,051	\$1,444,893	\$1,042,291	\$621,155	\$386,516	\$11,238,705
Ambulance	0.043%	\$890,478	\$689,688	\$498,010	\$304,781	\$212,746	\$799,233	\$633,447	\$456,945	\$272,317	\$169,450	\$4,927,095
Other*	0.024%	\$490,653	\$380,018	\$274,403	\$167,935	\$117,223	\$440,378	\$349,029	\$251,777	\$150,047	\$93,367	\$2,714,830
Total Tangible Property Tax Revenues		\$42,303,908	\$32,764,996	\$23,658,949	\$14,479,247	\$10,106,934	\$37,969,171	\$30,093,169	\$21,708,072	\$12,936,958	\$8,050,065	\$234,071,469

*Includes: Soil Conservation, Floodwall.

Eastern Region: Other State & Local Tax Revenues

Once operational, the data center's employees will be subject to both Kentucky state and local income taxes. Kentucky also imposes a sales tax on utilities, and many counties levy additional utility taxes to support public schools, as well as insurance premium taxes that fund local governments' general funds. Figure 38 shows the estimated revenues generated from these sources.

Figure 38

Eastern Kentucky Region Modern AI Data Center Campus – 400 MW Other State & Local Taxes								
Other Tax Revenues	Tax Rate	Construction Year 1	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 10	Total
Operational Expenditures								
Electricity Consumption		\$0	\$0	\$212,000,000	\$218,360,000	\$224,910,800	\$276,611,915	\$2,430,342,414
Insurance Premium		\$43,653,400	\$43,653,400	\$9,500,000	\$9,785,000	\$10,078,550	\$12,395,345	\$196,213,653
Direct Employee Wages		\$141,601,420	\$141,601,420	\$21,000,000	\$21,630,000	\$22,278,900	\$27,400,237	\$523,944,306
Indirect & Induced Wages (State-Wide Total)								
Indirect & Induced Wages (Regional)		\$51,038,055	\$51,038,055	\$15,797,789	\$16,271,722	\$16,759,874	\$20,612,531	\$283,180,052
Income Tax Revenues*								
State	3.388%	\$3,306,777	\$3,306,777	\$1,246,709	\$1,284,110	\$1,322,634	\$1,626,673	\$20,905,675
Local Occupational License**	0.951%	\$1,417,171	\$1,417,171	\$336,169	\$346,254	\$356,641	\$438,624	\$6,688,141
Other Tax Revenues								
Sales Tax on Utilities (State)	6.000%	\$0	\$0	\$12,720,000	\$13,101,600	\$13,494,648	\$16,596,715	\$145,820,545
Local Public Schools Tax on Utilities	2.143%	\$0	\$0	\$4,542,857	\$4,679,143	\$4,819,517	\$5,927,398	\$52,078,766
Local Insurance Premium Tax	0.571%	\$249,448	\$249,448	\$54,286	\$55,914	\$57,592	\$70,831	\$1,121,221
Total Other Tax Revenues		\$4,973,396	\$4,973,396	\$18,900,021	\$19,467,021	\$20,051,032	\$24,660,240	\$226,614,348

*Construction period state income tax and local occupational license tax estimates subject to location-specific IMPLAN modeling and CE assumptions.

**Blended average that incorporates county and city occupational license tax.

Eastern Region: Combined State & Local Fiscal Impacts of Project

Figure 39 shows an estimate of the Project's total direct fiscal impact for the state and local government over construction, and 10 years of operations. Over this period, the data center campus would generate \$208.3 million for public schools and an additional \$160.7 million in other local tax revenue. By the first year of operations, it is estimated to generate \$24.0 million in state taxes and \$48.5 million in local taxes.

Figure 39

Eastern Kentucky Region Modern AI Data Center Campus – 400 MW Total State & Local Fiscal Impact													
	Construction Year 1	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 7	Operations Year 8	Operations Year 9	Operations Year 10	12-Year Total
Direct Tax Revenues													
Combined Property Tax Revenues													
State	\$0	\$360,500	\$10,071,015	\$7,984,353	\$5,994,012	\$3,988,061	\$3,045,327	\$9,227,787	\$7,512,107	\$5,684,659	\$3,772,669	\$2,719,968	\$60,360,459
Local Public Schools	\$0	\$2,741,292	\$21,857,229	\$18,329,464	\$14,974,182	\$11,595,474	\$10,082,804	\$21,052,608	\$18,194,706	\$15,145,466	\$11,952,703	\$10,269,480	\$156,195,408
City	\$0	\$776,673	\$6,648,401	\$5,546,141	\$4,497,413	\$3,441,254	\$2,965,577	\$6,373,736	\$5,479,178	\$4,524,926	\$3,525,851	\$2,996,309	\$46,775,459
Fiscal Court / General County	\$0	\$593,000	\$4,909,680	\$4,105,625	\$3,340,739	\$2,570,468	\$2,224,487	\$4,717,027	\$4,065,011	\$3,369,421	\$2,641,128	\$2,256,045	\$34,792,632
Fire	\$0	\$165,000	\$1,220,478	\$1,029,588	\$848,107	\$665,381	\$584,164	\$1,181,794	\$1,027,484	\$862,803	\$690,351	\$600,025	\$8,875,176
Library	\$0	\$335,500	\$2,896,897	\$2,415,120	\$1,956,723	\$1,495,072	\$1,287,011	\$2,775,690	\$2,384,616	\$1,967,455	\$1,530,704	\$1,299,072	\$20,343,859
Health	\$0	\$207,500	\$1,646,827	\$1,381,518	\$1,129,187	\$875,096	\$761,385	\$1,586,705	\$1,371,800	\$1,142,505	\$902,415	\$775,887	\$11,780,825
Extension	\$0	\$212,000	\$2,455,179	\$2,009,898	\$1,585,782	\$1,158,523	\$962,490	\$2,314,584	\$1,951,171	\$1,563,758	\$1,158,265	\$939,740	\$16,311,390
Ambulance	\$0	\$150,000	\$1,190,478	\$998,688	\$816,280	\$632,600	\$550,399	\$1,147,016	\$991,663	\$825,907	\$652,348	\$560,882	\$8,516,259
Other*	\$0	\$118,084	\$726,820	\$623,270	\$524,953	\$426,001	\$383,031	\$714,160	\$631,025	\$542,232	\$449,216	\$401,511	\$5,540,303
Income Tax Revenues													
State	\$3,306,777	\$3,306,777	\$1,246,709	\$1,284,110	\$1,322,634	\$1,362,313	\$1,403,182	\$1,445,278	\$1,488,636	\$1,533,295	\$1,579,294	\$1,626,673	\$20,905,675
Local Occupational License	\$1,417,171	\$1,417,171	\$336,169	\$346,254	\$356,641	\$367,341	\$378,361	\$389,712	\$401,403	\$413,445	\$425,848	\$438,624	\$6,688,141
Other Tax Revenues													
Sales Tax on Utilities (State)	\$0	\$0	\$12,720,000	\$13,101,600	\$13,494,648	\$13,899,487	\$14,316,472	\$14,745,966	\$15,188,345	\$15,643,996	\$16,113,315	\$16,596,715	\$145,820,545
Local Public Schools Tax on Utilities	\$0	\$0	\$4,542,857	\$4,679,143	\$4,819,517	\$4,964,103	\$5,113,026	\$5,266,417	\$5,424,409	\$5,587,141	\$5,754,756	\$5,927,398	\$52,078,766
Insurance Premium	\$249,448	\$249,448	\$54,286	\$55,914	\$57,592	\$59,319	\$61,099	\$62,932	\$64,820	\$66,765	\$68,768	\$70,831	\$1,121,221
State Tax Revenues	\$3,306,777	\$3,667,277	\$24,037,724	\$22,370,063	\$20,811,294	\$19,249,861	\$18,764,982	\$25,419,031	\$24,189,088	\$22,861,950	\$21,465,278	\$20,943,355	\$227,086,679
Local Tax Revenues	\$1,666,619	\$6,965,668	\$48,485,301	\$41,520,623	\$34,907,116	\$28,250,631	\$25,353,834	\$47,582,379	\$41,987,287	\$36,011,824	\$29,752,353	\$26,535,803	\$369,019,438
Total Future State & Local Tax Revenues	\$4,973,396	\$10,632,944	\$72,523,025	\$63,890,686	\$55,718,410	\$47,500,492	\$44,118,816	\$73,001,409	\$66,176,375	\$58,873,774	\$51,217,631	\$47,479,159	\$596,106,117

*Includes: Soil Conservation, Watershed, Parks, Transport.

Eastern Region: Fiscal Impact per Employee

The Project's employees will utilize government services, including public schools, roads, and law enforcement. However, the state and local tax revenue generated by the Project is expected to significantly exceed the associated costs of these services. Figure 40 illustrates the Project's tax generation per employee (\$242,000 per employee in local taxes, and \$120,000 in state taxes in the first year of operations), which far exceeds that of other industries.

Figure 40

Eastern Kentucky Region Modern AI Data Center Campus – 400 MW State & Local Fiscal Impact per Employee - Operations											
Direct Tax Revenues	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 7	Operations Year 8	Operations Year 9	Operations Year 10	Total
Combined Property Tax Revenues											
State	\$50,355	\$39,922	\$29,970	\$19,940	\$15,227	\$46,139	\$37,561	\$28,423	\$18,863	\$13,600	\$300,000
Local Public Schools	\$109,286	\$91,647	\$74,871	\$57,977	\$50,414	\$105,263	\$90,974	\$75,727	\$59,764	\$51,347	\$767,271
City	\$33,242	\$27,731	\$22,487	\$17,206	\$14,828	\$31,869	\$27,396	\$22,625	\$17,629	\$14,982	\$229,994
Fiscal Court / General County	\$24,548	\$20,528	\$16,704	\$12,852	\$11,122	\$23,585	\$20,325	\$16,847	\$13,206	\$11,280	\$170,998
Fire	\$6,102	\$5,148	\$4,241	\$3,327	\$2,921	\$5,909	\$5,137	\$4,314	\$3,452	\$3,000	\$43,551
Library	\$14,484	\$12,076	\$9,784	\$7,475	\$6,435	\$13,878	\$11,923	\$9,837	\$7,654	\$6,495	\$100,042
Health	\$8,234	\$6,908	\$5,646	\$4,375	\$3,807	\$7,934	\$6,859	\$5,713	\$4,512	\$3,879	\$57,867
Extension	\$12,276	\$10,049	\$7,929	\$5,793	\$4,812	\$11,573	\$9,756	\$7,819	\$5,791	\$4,699	\$80,497
Ambulance	\$5,952	\$4,993	\$4,081	\$3,163	\$2,752	\$5,735	\$4,958	\$4,130	\$3,262	\$2,804	\$41,831
Other*	\$3,634	\$3,116	\$2,625	\$2,130	\$1,915	\$3,571	\$3,155	\$2,711	\$2,246	\$2,008	\$27,111
Income Tax Revenues											
State	\$6,234	\$6,421	\$6,613	\$6,812	\$7,016	\$7,226	\$7,443	\$7,666	\$7,896	\$8,133	\$71,461
Local Occupational License	\$1,681	\$1,731	\$1,783	\$1,837	\$1,892	\$1,949	\$2,007	\$2,067	\$2,129	\$2,193	\$19,269
Other Tax Revenues											
Sales Tax on Utilities (State)	\$63,600	\$65,508	\$67,473	\$69,497	\$71,582	\$73,730	\$75,942	\$78,220	\$80,567	\$82,984	\$729,103
Local Public Schools Tax on Utilities	\$22,714	\$23,396	\$24,098	\$24,821	\$25,565	\$26,332	\$27,122	\$27,936	\$28,774	\$29,637	\$260,394
Insurance Premium	\$271	\$280	\$288	\$297	\$305	\$315	\$324	\$334	\$344	\$354	\$3,112
State Tax Revenues	\$120,189	\$111,850	\$104,056	\$96,249	\$93,825	\$127,095	\$120,945	\$114,310	\$107,326	\$104,717	\$1,100,563
Local Tax Revenues	\$242,427	\$207,603	\$174,536	\$141,253	\$126,769	\$237,912	\$209,936	\$180,059	\$148,762	\$132,679	\$1,801,936
Total Future State & Local Tax Revenues	\$362,615	\$319,453	\$278,592	\$237,502	\$220,594	\$365,007	\$330,882	\$294,369	\$256,088	\$237,396	\$2,902,499

*Includes: Soil Conservation, Watershed, Parks, Transport.

V. CONCLUSION

Kentucky's opportunity in hyperscale AI data center development is primarily fiscal and infrastructure driven. These are large-scale, capital-intensive projects that generate significant taxable value and utility demand while requiring relatively limited long-term staffing. Under the assumptions in this analysis, each proposed 400-megawatt campus represents approximately \$4 billion in capital investment.

IMPLAN modeling estimates that the two-year construction phase of a single campus would generate \$1.1–\$1.3 billion in economic output within the host region and support 2,800–3,400 job-years annually, including about 2,065 direct construction job-years per year. Once operational, the facility would employ roughly 200 high-wage workers and support an additional 213–330 jobs statewide through supply-chain and household-spending effects, for a total of 413–530 ongoing jobs. First-year operational output is estimated at \$99–\$138 million statewide.

Under the assumptions outlined in this analysis, the fiscal impact of a single 400-megawatt data center campus would be substantial. Over the two-year construction period and the first ten years of operations, the facility could generate between \$290 million and \$435 million in local tax revenue, including approximately \$167 million to \$222 million for local public schools. During the same period, projected state tax revenues are estimated to range between \$227 million and \$232 million. See Appendix A for detailed regional and statewide tax impact summaries.

Evidence from established data center markets suggests that fiscal returns substantially exceed public service costs, with local revenue-to-cost ratios typically ranging from 13:1 to 26:1, well above the roughly 4:1 ratio observed in manufacturing.

All estimates reflect gross statutory tax liabilities before incentives and are based on current tax rates and projected equipment replacement cycles. Overall, a 400-megawatt AI data center campus would represent a high-value addition to the tax base with limited service demands and meaningful long-term economic benefits for the host region.

APPENDIX A

Regional Summaries Modern AI Data Center Campus – 400 MW Total State & Local Fiscal Impact										
Tax Revenues	Construction Year 1	Construction Year 2	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5	Operations Year 6	Operations Year 10	12-Year Total
Western Kentucky Region										
Local Taxes	\$2,552,362	\$6,906,322	\$42,776,668	\$37,109,390	\$31,734,498	\$26,326,674	\$24,025,321	\$42,469,126	\$25,493,937	\$338,495,907
State Taxes	\$4,025,748	\$4,386,248	\$23,990,157	\$22,321,070	\$20,760,830	\$19,197,883	\$18,711,445	\$25,363,888	\$20,881,291	\$227,979,321
Southwestern Kentucky Region										
Local Taxes	\$3,400,964	\$7,366,355	\$36,342,226	\$31,528,314	\$26,962,776	\$22,369,269	\$20,414,562	\$36,081,864	\$21,663,071	\$290,331,794
State Taxes	\$3,904,957	\$4,265,457	\$24,219,403	\$22,557,193	\$21,004,038	\$19,448,387	\$18,969,463	\$25,629,647	\$21,180,406	\$230,365,790
Central Kentucky Region										
Local Taxes	\$4,824,144	\$8,710,142	\$41,128,564	\$35,734,040	\$30,618,650	\$25,472,165	\$23,288,468	\$40,888,607	\$24,749,028	\$331,157,266
State Taxes	\$4,147,575	\$4,508,075	\$24,290,477	\$22,630,399	\$21,079,440	\$19,526,051	\$19,049,458	\$25,712,041	\$21,273,141	\$231,665,808
Northern Kentucky Region										
Local Taxes	\$4,389,593	\$9,929,591	\$56,413,721	\$48,384,398	\$40,760,959	\$33,088,289	\$29,757,358	\$55,439,202	\$31,198,820	\$435,360,868
State Taxes	\$3,781,628	\$4,142,128	\$24,163,193	\$22,499,297	\$20,944,405	\$19,386,965	\$18,906,199	\$25,564,484	\$21,107,065	\$229,474,749
Eastern Kentucky Region										
Local Taxes	\$1,666,619	\$6,965,668	\$48,485,301	\$41,520,623	\$34,907,116	\$28,250,631	\$25,353,834	\$47,582,379	\$26,535,803	\$369,019,438
State Taxes	\$3,306,777	\$3,667,277	\$24,037,724	\$22,370,063	\$20,811,294	\$19,249,861	\$18,764,982	\$25,419,031	\$20,943,355	\$227,086,679

APPENDIX B: Disclaimer

The results presented in this report are fair and reasonable and are strictly prohibited from being used as the basis for issuing bonds as there is no assurance that the actual impacts and revenues received will be sufficient to repay any obligations. Commonwealth Economics utilized sources deemed to be reliable but cannot guarantee their accuracy. Moreover, estimates and analysis presented in this report are based on trends and assumptions, which usually result in differences between the projected results and actual results. This may be due, in part, to variance in valuations established by the applicable Property Valuation Administrator or Kentucky Department of Revenue, the outcome of any assessment appeals, exemptions granted, and other administrative or discretionary determinations related to the project. Furthermore, assumptions and methodologies utilized in this report may differ from those that may be used by other industry experts as opinions may differ. And because events, circumstances, and opinions often vary, those differences may be material.

Additionally, future reductions to the state individual income tax rate, which may be triggered on a year-to-year basis under the provisions of House Bill 8 of the 2022 Regular Session, as well as any additional future legislative action which reduces tax rates or otherwise reduces the overall level of taxation relative to state withholding taxes, local occupational taxes, sales tax and/or property taxes could result in material differences between the projected revenues and actual amounts recovered.

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