

Pompei, Andrew J.

From: Hunter, Jo Ann M.
Sent: Thursday, April 16, 2026 3:00 PM
To: Pompei, Andrew J.
Subject: FW: Tract Data Center Project

From: Harris, T. Scott <tsharris@hanovercounty.gov>
Sent: Thursday, April 16, 2026 2:28 PM
To: Hunter, Jo Ann M. <JMHunter@hanovercounty.gov>
Subject: Tract Data Center Project

Good afternoon Jo Ann,

We have reviewed the business property tax revenue portion estimate for the Mountain Road Data Center project report and have determined that their analysis uses our computer equipment depreciation schedule as well as the current data center tax rate to determine estimated tax revenues. Their calculations generally match ours apart from minor rounding differences. However, the methodology used to determine their initial personal property spend (BTP original purchase price) is based on an industry standard of assuming equipment purchases per megawatt usage required to run each of their six facilities. While this assumption or assertion appears to be reasonable, we cannot attest to the accuracy of these assumptions since no asset list has been provided to support the original cost of the equipment.

In summary, their bottom-line revenue projection for BTP is not that different from our calculations. The major influencer on revenue is going to be the timing of when the six buildings come online and their equipment replacement schedule. The project estimates a 5-year equipment life cycle and replacement schedule. If the life cycles (replacement schedule) stretch to 7 or 8 years it will have a significant impact on revenue. Overall, we are comfortable with the calculations used for the revenue projections and analysis component of the report, but before we start estimating actual year to year revenue projections we will need more information on the schedule of investments and replacements.

Please let me know if you have questions.

Scott

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