Google purchases 148 acres for two new spy centers they will use to spy on the public

Wednesday, Nov. 29, 2017 by Sydney Kashiwagi, skashiwagi@loudountimes.com | [17 comments](#) | [Email this story](#)

Inside one of Google's data centers.**Courtesy Photo/Google.com**

Loudoun's data center market just got a bit more crowded.

Tech giant Google has purchased 148 acres of land in Loudoun County for $70 million to build two new data centers, the company announced today.

One of the company's new data centers will be built on a 91-acre property, which Google says it has spent $39 million on. The company plans to begin construction on the site next year.

Company officials told the Times-Mirror it is still in negotiations on trying to land a second parcel of land within the Arcola Center property that could bring its total land purchase to $58 million. But a final price tag and size of the property has not yet been finalized.

The second Google data center will be located on a 57-acre property

within Stonewall Business Park outside of Leesburg in the county's transition policy area. The company said it purchased the property for $31 million.

Google says it does not yet have a timeline for when it plans to develop its data center within Stonewall Business Park, but said it would like the property to remain available for future business demands.

Google said its new data center will help the company meet the growing demands for its business, primarily its cloud service, and will also help meet other future capacity needs.

"We've purchased property in Northern Virginia to increase our capacity and meet the growing demand for Google's services in the area," Google's Public Affairs Manager Liz Schwab said in a prepared statement. "Loudoun County has been a great partner and we look forward to becoming a part of the community."

The company said it took about a year to land the new sites and worked closely with the governor and Loudoun County officials in closing the deals.

"I am proud to welcome Google to Loudoun County, and we look forward to a strong partnership," Gov. Terry McAuliffe (D) in a prepared statement. "The state's information technology sector is booming with nearly $12 billion in capital investment over the past decade employing over 13,500 Virginians. Virginia is a key hub for global internet traffic, emerging as one of the most active data center markets in the world. We are honored that yet another industry giant has chosen Virginia for its next data center operation -- a clear sign that we are building an open and welcoming new Virginia economy."

Google said it chose Loudoun for its new data center sites mainly due to the county's available space to build such facilities and for the opportunity to expand its footprint close to its nearby offices in Reston.

They also said they were impressed by Loudoun's "Data Center Alley" and how the county has embraced the area and the tech companies that operate within current data center sites.

As part of locating in Virginia, Google said it plans to participate in the state's data center sales and use tax exemption, but declined to provide further details on any other potential incentives it received.

The state's data center tax incentive includes a 5.3 percent sales tax exemption in exchange for a prospective company to bring in new capital of $150 million and create at least 50 new jobs that pay 1.5 times the average prevailing wage for the locality the data center facility is located in, or 25 jobs in enterprise zones or in localities with 150 percent of the statewide unemployment rate as determined by the Virginia Economic Development Partnership.

With the new data centers, the company said the facilities will add at least 50 new Google jobs.

"We are extremely pleased that Google has made this significant investment in Loudoun. As one of the top brands in the world, Google's commitment to Data Center Alley reinforces the importance of Loudoun as a world-wide technology hub," Loudoun's Director of the Department of Economic Development Buddy Rizer said in a prepared statement.

Google also said it's in the process of moving toward a 100 percent renewable energy model for its operations, which will include both data centers and its offices. The company said its two data center sites in Loudoun will help the company reach its renewable energy goal.

News of the new Google data centers comes as the county has welcomed some major players to its data center market in recent months.

In October, [California-based Vantage Data Centers announced it purchased 42 acres in Loudoun's](#) "Data Center Alley." The company said its purchase was part of its largest expansion to date with a billion-dollar planned investment in a new, 108-megawatt wholesale data center campus.

Several months before that, [New York-based developer company Sentinel Data Centers paid $25.2 million for part](#) of the 100-acre AOL campus in Loudoun and reportedly plans to build up to three data centers within the campus.

Meanwhile, the Board of Supervisors is currently [considering a proposal from Dallas-based Compass Datacenters to build a 750,000-square-foot data center](#) along the west side of Goose Creek in the county's transition policy area near Stonewall Business Park.

If approved, two or three top tech firms are expected to operate within Compass' data center. The company says it is in the final stages of negotiations, with the companies to move them into the facility by next summer.

At the start of the new year, [Rizer told the Times-Mirror that a total of 43 new sites](#) had been identified as suitable for data center development.

The number of data centers operating in Loudoun County stands at about 70. By 2018, Rizer said Loudoun could be home to more than 100 data centers.

Contact the writer at skashiwagi@loudountimes.com or on Twitter at @SydneyKashiwagi.

Editor's note: *An earlier version of this story stated Google purchased 148 acres in Loudoun for $89 million. This information was provided by a*

Google spokeswoman. The company later said it has only spent $39 million on the parcel, and if it can finalize negotiations on a second parcel within the Arcola Center, its total purchase could be $58 million. In total, Google has spent $70 million on 148 acres of land in Loudoun County.

Comments

Thu, Nov 30 at 02:53 PM by **Concerned Loudouner** | [Report this comment](#)

David Dickinson - your hypothesis about competition from other areas is somewhat flawed. One of the primary reasons we are seeing an explosion of DCs in the Ashburn area isn't because of county tax incentives but because of critical mass. New data centers are being built here because the first data centers were built here and those were built because of the network infrastructure that was already in place. As the DC footprint has grown, so has the network and power footprint. Not something another area can simply duplicate without incredible up front investment.

Regarding the comment about the types of jobs the DCs will bring, you simply don't know what you're talking about. DC jobs are not H1 jobs for a variety of reasons.

Thu, Nov 30 at 09:59 AM by **David Dickinson** | [Report this comment](#)

John M, you are correct, the need will increase as more items require data storage.

However, the real threat IMHO is that other municipalities want to get in on the action because they see the $$$ Loudoun is pulling in from these data centers. I forsee Loudoun getting into data center wars with other municipalities and then we get into a pricing war, which will require increasingly greater tax incentives. Since Loudoun is inherently

an expensive place to be located, we eventually will not be able to compete with less expensive locations.

In a 10 year window, I think that is a greater risk than lack of demand. But, couple growing competition with growing data efficiencies and I believe we will get a 1-2 punch in the future.

But, until then, its a cash cow.

Thu, Nov 30 at 09:10 AM by **SterlingLocal** | [Report this comment](#)

I'm surprised more Ashburn residents aren't weighing in about how the data centers absolutely ruined the once beautiful tree lined drive into Ashburn and why Leesburg residents don't also see the writing on the wall with so much land surrounding Leesburg. The Eastern end of the County is already ruined.

Thu, Nov 30 at 08:04 AM by **DLJD** | [Report this comment](#)

"Hooray 50 more H1B visa jobs." LoudounRes, my thoughts exactly.

Wed, Nov 29 at 06:43 PM by **rossjudson** | [Report this comment](#)

Anyone curious about the kinds of jobs Google posts for its data centers should visit careers.google.com, and search on a location like "Council Bluffs, IA, USA".

Wed, Nov 29 at 05:52 PM by **FredSanford** | [Report this comment](#)

When will Google Fiber be available in Ashburn?

Wed, Nov 29 at 05:35 PM by **LoudounRes** | [Report this comment](#)

Hooray 50 more H1B visa jobs. How about getting actual offices to Loudoun county so the residents don't have to commute to Fairfax, Arlington or DC?

Wed, Nov 29 at 05:09 PM by **Robert_Q_Smith** | [Report this comment](#)

Ben, given that what a data center is - minus the very expensive, but highly component-ized and removable cabinets of computer servers - is just a concrete slab with 4 walls and a low to non-load bearing roof - not unlike a Walmart store - they are 'relatively' cheap to build, and offer either wide ranges of re-use, or easy demolition and a fresh start. The parking lots and fire lanes are, again, minimal relative speaking, and either repurpose-able or removable.

I agree, the spatial needs will decrease going fwd, and the question is, will the space needs equate to make these boxes fully used, or will we see them 'thrown away' like we see big-box store sites all over the country. There are several reasons we don't see multi-story data centers, but I'd bet the number one is, it is still cheaper to build up than out, even at these land prices. And that is why data centers are not built in Manhattan. The mix of property price point and the available necessities of fiber, energy, talent equate to Data Alley. The depreciation and tax circumstances of real estate is also as much a component of a data center developer or Wal-mart as is the core function (servers, retail sales).

Wed, Nov 29 at 04:58 PM by **Donatello** | [Report this comment](#)

Perhaps Google will someday bring broadband internet access to western Loudoun....

Many residents enjoy taking their kids to a coffee shop or fast food joint when their homework requires internet access.

Wed, Nov 29 at 04:14 PM by **John M.** | [Report this comment](#)

David Dickinson and Ben Weber- I wouldn't worry so much about what happens to these buildings in 10 years. The thirst for bandwidth in America and the world is not decreasing and telecommunications companies have invested billions into their infrastructure, right here in Loudoun County, so they are not going anywhere for a really long time. As technology advances and servers become smaller and require less cooling, maybe use less power, the companies will simply install more servers, as this has been happening for the past 15 years or more. Servers used to be huge, taking up three times the space and hogging more power and cooling than they do now, but one thing has not changed- bandwidth usage will continue to rise. Every day, new uses for bandwidth arise as more companies allow workers to do their work from home, appliances, machinery, vehicles, etc. all connect to the internet and it is not slowing down at all. 10 years will come and go before we know it and those data centers will still be well in use. The only time you see a data center abandoned is when the cost to replace the HVAC and other systems becomes too much of a burden- and that happens to smaller providers, who usually sell off to a bigger one. Chris McHale- 50 new jobs sounds about right to run two data centers. Data centers are 24/7/365 operations so employing 25 people at each space is about right. They need technicians, electricians, HVAC people and security on site or on call at all times.

Wed, Nov 29 at 03:36 PM by **more cowbell** | [Report this comment](#)

Wow, that is a major tax break. Computers equipment in those huge buildings not having to pay personal property tax, probably saves them $10-20+ Million per year. I wish my Small Businesses didn't have to pay that tax, same goes for my house/property tax that keeps going up every year(27 years in Loudoun).
Good thing metro will be coming out to Ashburn/Loudoun. I'm sure we'll get hit with another $1K tax to help subsidize that debacle.

Wed, Nov 29 at 03:19 PM by **Chris McHale** |

Ben Walker - In ten years Loudoun will be the home to the largest collection of indoor skate parks.

Wed, Nov 29 at 02:14 PM by **Steven725** |

How else is Loudoun County going to pay for all the misguided past mistakes, but by making even bigger mistakes that impact our future. Besides, it provides a one stop shop for bad guys to shut down 70% of the worlds internet.