

AI AND THE FUTURE OF OHIO'S ECONOMY

How artificial intelligence is restoring the
industrial base in the heartland

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EXECUTIVE SUMMARY

For decades, Ohio's economy has tracked the rise and fall of American industry. Ohio helped power the great industrial transformations of the twentieth century, building the machinery, electrical equipment, steel, automobiles, and infrastructure that turned the United States into the world's economic powerhouse. Over the past generation, however, factories closed, supply chains moved overseas, and communities across the state watched jobs and investment leave them behind.

Artificial intelligence (AI) now offers Ohio an opportunity to reverse that trajectory and become a center of American industrial growth once again. AI is often portrayed as a technology belonging to Silicon Valley: software engineers, research labs, and a handful of giant technology companies. But the AI industrial buildout is much bigger than data centers and computing power. It begins with power plants and substations, transformers and transmission lines, fiber, fabricated steel, concrete, cooling systems, and the skilled trades workers need to build them. This infrastructure can also support permanent manufacturing hubs, AI-powered factories, new supply chains, and a generation of companies that can afford to build things in America again.

The evidence of renewal is on the ground across the state. Ohio is now home to one of the largest concentrations of new AI-related infrastructure in the country. Companies participating in the state's data center sales-tax exemption reported tens of billions of dollars in qualifying capital investment in 2025, nearly triple the prior year.¹ New Albany's cluster of information-technology facilities alone accounts for more than \$16.2 billion of private investment and roughly 2,900 jobs across 13 companies.² Similar stories can be told of Athens, Bowling Green, Ironton, Miamisburg, Trotwood, Van Wert, and Westerville. In Piketon, a Cold War-era uranium-enrichment site is planned for redevelopment into a ten-gigawatt AI campus. The new facility is to be paired with a next-generation gas-fired power plant and \$4.2 billion in transmission upgrades.^{3,4} These anecdotes tell a broader story of a corridor of new plants, upgrades, and supplier work extending from Lake Erie to the Ohio River.

Ohio's workforce is already responding. The Ohio House Select Committee on Data Centers heard testimony this summer from building-trades leaders whose apprenticeship programs have grown exponentially in the past decade because of this work.⁵ IBEW locals throughout the state

¹ Ohio Department of Development, "Data Center Tax Exemption testimony," Ohio General Assembly, June 11, 2026. https://search-prod.lis.state.oh.us/api/v2/general_assembly_136/committees/cmte_h_data_centers_1/meetings/cmte_h_data_centers_1_2026-06-11-1000_1440/submissions/dctetestimony6.11.pdf

² City of New Albany, "2024 Annual Comprehensive Financial Report," 2025. <https://newalbanyohio.org/wp-content/uploads/2026/02/City-of-New-Albany-Uploaded-Financial-Report-Original-1.pdf>

³ U.S. Department of Energy, "Energy Department Announces Partnership to Ensure Affordable Energy and Power America's AI Future," March 20, 2026. <https://www.energy.gov/articles/energy-department-announces-partnership-ensure-affordable-energy-and-power-americas-ai>

⁴ U.S. Department of Energy, "FACT SHEET: The Department of Energy is Ensuring Affordable Energy Access in Ohio While Powering the Future of AI," March 20, 2026. <https://www.energy.gov/articles/fact-sheet-department-energy-ensuring-affordable-energy-access-ohio-while-powering-future>

⁵ Ohio House Select Committee on Data Centers, "Meeting record, June 8, 2026," Ohio General Assembly. https://www.ohiohouse.gov/committees/select-committee-on-data-centers/meetings/cmte_h_data_centers_1_2026-06-08-1200_1409

report combined apprenticeship enrollment approaching 1,800 and record hours worked on data center projects.^{6,7} U.S. Bureau of Labor Statistics data for Ohio show that electricians, ironworkers, millwrights, sheet-metal workers, industrial mechanics, pipefitters, operating engineers, and power-line installers all earn median wages well above the statewide median.⁸ A young Ohioan entering the electrical trades today can expect middle-class earnings inside a decade, without leaving the state. That is exactly the outcome economic policy has struggled to produce for 40 years.

Unsurprisingly, this buildout needs an industrial supply chain to match its ever-growing requirements. Domestic power-and-cooling manufacturers are adding production capacity in southern and southwest Ohio, and engineering and service capacity in the Columbus area.⁹ International firms are also seeing fit to make investments of their own. An Italian transformer manufacturer opened its first North American plant near Dayton in October 2025, a \$15 million, 233,000-square-foot facility tied to 230 new jobs.¹⁰ These are the physical signs of a supplier base forming around a durable new source of demand.

None of this progress will be sustainable unless local concerns about electricity, water, and siting are addressed. Understandably, communities want assurances that they are not subsidizing distant shareholders at their expense. To their credit, Ohio's policymakers have already begun to answer those concerns with smart policy design.

For instance, the Public Utilities Commission of Ohio (PUCO) has adopted a settlement directing AEP Ohio to file a data center-specific tariff that requires large customers to make minimum payments, post collateral, and pay exit fees, so that households and existing employers are less exposed to the cost of speculative buildouts. At the local level, communities are crafting agreements to ensure that facilities will act as sources of recurring revenue to build the water, sewer, and road capacity for decades to come.¹¹

⁶ Hook, P., "Testimony to the Ohio House Select Committee on Data Centers," IBEW Local 683, June 8, 2026. https://search-prod.lis.state.oh.us/api/v2/general_assembly_136/committees/cmte_h_data_centers_1/meetings/cmte_h_data_centers_1_2026-06-08-1200_1409/testimony/18986/hook_testimony_data_center_committee_06082026.pdf

⁷ Labaki, A., "Testimony to the Ohio House Select Committee on Data Centers," IBEW Local 1105, June 8, 2026. https://search-prod.lis.state.oh.us/api/v2/general_assembly_136/committees/cmte_h_data_centers_1/meetings/cmte_h_data_centers_1_2026-06-08-1200_1409/testimony/19035/labaki_testimony_data_center_committee_06082026.pdf

⁸ U.S. Bureau of Labor Statistics, "May 2025 State Occupational Employment and Wage Estimates: Ohio," Occupational Employment and Wage Statistics, released May 2026. https://www.bls.gov/oes/current/oes_oh.htm

⁹ Office of Governor Mike DeWine, "Ohio Announces 730 New Jobs in Ironton and Westerville," March 30, 2026. <https://governor.ohio.gov/media/news-and-media/ohio-announces-730-new-jobs-in-ironton-and-westerville>; Vertiv, "Vertiv to Expand Ohio Manufacturing to Boost U.S. Production of Critical Thermal Management Technologies for AI Data Centers," March 30, 2026. <https://www.vertiv.com/en-us/about/news-and-events/corporate-news/2026/vertiv-to-expand-ohio-manufacturing-to-boost-u.s.-production-of-critical-thermal-management-technologies-for-ai-data-centers/>; JobsOhio, "Mitsubishi Electric Selects Mason, Ohio, Location for New International Investment," July 27, 2026. <https://www.jobsohio.com/newsroom/news-press/mitsubishi-electric-selects-mason-ohio-location-for-new-international-investment>,

¹⁰ JobsOhio, "Westrafo opens its new manufacturing facility in Ohio," November 18, 2025. <https://www.jobsohio.com/newsroom/news-press/italian-energy-industry-leader-westrafo-opens-its-new-manufacturing-facility-in-the-united-states>.

¹¹ See, *infra*, Part V for a full discussion of the New Albany model.

In July 2025, the federal government accelerated permitting for data center infrastructure, while pairing capacity growth with grid reliability and permitting reform.¹² America's AI Action Plan, released by the White House that month, treats power capacity, workforce training and secure American-built infrastructure as inseparable goals.¹³ These efforts are underway in recognition of AI's tremendous potential for the American economy and global competitiveness. The broader strategic policy posture of the nation is inseparable from the reality on the ground in Ohio.

For that reason, Ohio should not treat this moment as a series of individual site announcements. For the first time in decades, the physical economy of the American heartland is being rebuilt around a new general-purpose technology, and Ohio is at the center of it. The state's job now is to ensure that the workers, small businesses, suppliers, and public institutions that make this boom possible are also the people who share in its success.

¹² The White House, "Executive Order 14318: Accelerating Federal Permitting of Data Center Infrastructure," July 23, 2025. <https://www.whitehouse.gov/presidential-actions/2025/07/accelerating-federal-permitting-of-data-center-infrastructure/>

¹³ The White House, "America's AI Action Plan," July 2025. <https://www.whitehouse.gov/wp-content/uploads/2025/07/Americas-AI-Action-Plan.pdf>

KEY TAKEAWAYS

A GENERATIONAL CAPITAL CYCLE

Companies using Ohio's data center incentive reported roughly \$27 billion of new qualifying capital investment in 2025 alone, nearly triple the 2024 figure, an enormous industrial investment for the state.¹⁴

MIDDLE-CLASS WORK AT SCALE

Median annual wages for the skilled trades necessary for this buildout, including electricians, pipefitters, ironworkers, power-line installers, industrial mechanics, and operating engineers range from about \$50,000 to more than \$90,000, placing them above Ohio's statewide median. Electrical apprenticeship enrollment in the locals serving the data center corridor has grown substantially in a decade.^{15 16 17}

REINDUSTRIALIZATION, NOT OFFICE RECRUITMENT

The largest AI-related project in Ohio is the announced redevelopment of a former Cold War uranium enrichment site into a ten-gigawatt data center campus with new dispatchable generation and developer-financed transmission. It is a template that reshapes what good public policy aimed at rebuilding the industrial base can mean in a modern economy.

¹⁴ Ohio Department of Development, "Data Center Tax Exemption testimony," Ohio General Assembly, June 11, 2026. https://search-prod.lis.state.oh.us/api/v2/general_assembly_136/committees/cmte_h_data_centers_1/meetings/cmte_h_data_centers_1_2026-06-11-1000_1440/submissions/dctettestimony6.11.pdf

¹⁵ U.S. Bureau of Labor Statistics, "May 2025 State Occupational Employment and Wage Estimates: Ohio," Occupational Employment and Wage Statistics, released May 2026. https://www.bls.gov/oes/current/oes_oh.htm

¹⁶ Hook, P., "Testimony to the Ohio House Select Committee on Data Centers," IBEW Local 683, June 8, 2026. https://search-prod.lis.state.oh.us/api/v2/general_assembly_136/committees/cmte_h_data_centers_1/meetings/cmte_h_data_centers_1_2026-06-08-1200_1409/testimony/18986/hook_testimony_data_center_committee_06082026.pdf

¹⁷ Labaki, A., "Testimony to the Ohio House Select Committee on Data Centers," IBEW Local 1105, June 8, 2026. https://search-prod.lis.state.oh.us/api/v2/general_assembly_136/committees/cmte_h_data_centers_1/meetings/cmte_h_data_centers_1_2026-06-08-1200_1409/testimony/19035/labaki_testimony_data_center_committee_06082026.pdf

PART ONE

AI BECOMES AN INDUSTRIAL PROGRAM

The public story of artificial intelligence is usually told through researchers, models, and coders, but that story only describes a small part of a much larger economic phenomenon. Modern AI is enormously physical. Training and running the models that power everything from clinical documentation to logistics require dense arrays of specialized chips, large-scale power integration, sophisticated cooling, redundant fiber, and hardened buildings designed for continuous operation.

Every serious AI ambition depends on a supply chain of concrete, steel, copper, transformers, switchgear, and skilled hands.

Ohio is unusually well suited to support that supply chain. For power purposes, the state lies inside the PJM Interconnection, the largest wholesale electricity market in North America, with dense high-voltage transmission including American Electric Power's (AEP). It is, likewise, well situated for development purposes in a corridor of established long-haul fiber routes, deep industrial capacity, mature labor resources, an expansive community-college and career-center network, and abundant freshwater resources. Those attributes explain why the state has become one of the country's most concentrated theaters of AI-related infrastructure investment. The opportunity at hand lies in serving as the infrastructure for a new general-purpose technology.

A historical analogy is electrification. In the first three decades of the twentieth century, the United States wired itself. Power stations, transmission lines, transformers, meters, motors, and lighting systems required unprecedented physical construction. Ohio supplied much of the critical hardware for early electrical systems and was an early site of the infrastructure's deployment.

Charles Brush installed arc lights in Cleveland's Public Square in 1879,¹⁸ while the companies that created the National Electric Lamp Association in 1906 concentrated light bulb manufacturing in

¹⁸ Encyclopedia of Cleveland History, "Electrical and Electronics Industries," Case Western Reserve University. <http://case.edu/ech/articles/e/electrical-and-electronics-industries>

¹⁹ Id.

²⁰ Id.

Cleveland, a hub that evolved into General Electric's Nela Park.¹⁹ Lincoln Electric helped power American factories, beginning with electric motors in Cleveland in 1896 and later developing arc-welding technology. By 1938, the manufacturer asserted that it was the world's largest producer of such equipment.²⁰ The electricians, ironworkers, and machinists employed by these firms, and others like them, formed the industrial middle class that defined the century.

Transforming artificial intelligence from a lab experiment into widespread benefit demands the same physical infrastructure development as other industrial technologies. The state that built the last industrial revolution is now positioned to build this one.

A WORKER-LEVEL VIEW

The clearest indication that a major industrial shift is underway in Ohio is the opportunity that AI has created for local skilled trades workers. In hearings before the Ohio House Select Committee on Data Centers, leaders of Ohio building-trades locals described how the buildout has changed their world.²¹

One Columbus-area electrical local reported that its total work hours grew 267%, from 1.8 million to 6.6 million, over 11 years, and that its apprenticeship program expanded from roughly 250 apprentices in 2015 to about 850 today.²²

A local serving east-central and Appalachian Ohio reported apprenticeship enrollment rising from 95 in 2022 to more than 900 in 2026.²³ Contractors testifying alongside the trades made the same point.²⁴ Data center construction has become a major source of demand that keeps skilled crews employed and lets young Ohioans build careers close to home.

The effects are visible well beyond employment statistics. Along major corridors near Columbus, Van Wert, and Pike County, new substations, transmission work, cooling infrastructure, and equipment yards reflect the amount of physical construction now associated with data center development. Those projects provide a more concrete measure of the buildout than any single announcement or projected investment total.

²¹ Ohio House Select Committee on Data Centers, "Meeting record, June 8, 2026," Ohio General Assembly. https://www.ohiohouse.gov/committees/select-committee-on-data-centers/meetings/cmte_h_data_centers_1_2026-06-08-1200_1409

²² Hook, P., "Testimony to the Ohio House Select Committee on Data Centers," IBEW Local 683, June 8, 2026. https://search-prod.lis.state.oh.us/api/v2/general_assembly_136/committees/cmte_h_data_centers_1/meetings/cmte_h_data_centers_1_2026-06-08-1200_1409/testimony/18986/hook_testimony_data_center_committee_06082026.pdf

²³ Labaki, A., "Testimony to the Ohio House Select Committee on Data Centers," IBEW Local 1105, June 8, 2026. https://search-prod.lis.state.oh.us/api/v2/general_assembly_136/committees/cmte_h_data_centers_1/meetings/cmte_h_data_centers_1_2026-06-08-1200_1409/testimony/19035/labaki_testimony_data_center_committee_06082026.pdf

²⁴ Construction industry testimony to the Ohio House Select Committee on Data Centers, June 8, 2026. https://search-prod.lis.state.oh.us/api/v2/general_assembly_136/committees/cmte_h_data_centers_1/meetings/cmte_h_data_centers_1_2026-06-08-1200_1409/testimony/15324/johnigelconstructiontestimony.pdf

WHAT AI ACTUALLY CHANGES FOR WORK

The dominant public fear about AI is that it will eliminate work, but the Ohio experience so far points in a different direction. AI is changing tasks before it changes jobs. Data center construction has expanded trade-based employment, as advanced computing has made small manufacturers more capable. In the healthcare sector, the deployment of AI in radiology was associated with strong employment growth in the field over the same period.²⁵

Yet, none of this is to say that AI's impact on labor will be universally benign. Work outcomes depend largely on a workforce's preparation.

States that treat AI as an opportunity to expand training, apprenticeship, and small-business adoption will see broad gains.

States that treat it as a threat to be resisted will lose the buildout and early adoption opportunities to states that do not. Ohio has already chosen the first path in practice. The trades, the community colleges, and the state's economic-development apparatus are all moving in the same direction. This report argues that the state should now make that choice deliberate and permanent.

²⁵ <https://www.buildamericanai.org/reports/ai-radiology-and-the-future-of-jobs>



PART TWO

CAPITAL FORMATION AND THE SCALE OF THE BOOM

The scale of investment now flowing through Ohio is exceptional. Public records from the Ohio Department of Development show that companies using the state's data center sales-tax exemption reported roughly \$27.2 billion in qualifying capital investment in 2025, up from about \$9.6 billion the year before.²⁶ Municipal financial reports in central Ohio confirm that pattern from the local side: New Albany's information-technology and mission-critical cluster accounts for \$16.2 billion in private investment and roughly 2,900 jobs across 13 companies, according to the transmittal letter accompanying the city's 2024 annual financial report.²⁷ Similar campuses in northwest, northeast, and southern Ohio bring the statewide total higher still.

The important point is not any single company's claimed investment amount. What matters is that many independent public records, including state tax filings, city audits, utility filings, and legislative testimony, describe the same phenomenon at the same scale. Ohio is receiving one of the largest concentrations of private industrial capital in the country, and the investment is spreading across small towns and mid-sized cities that have not seen this kind of construction in decades.

That geography matters. The traditional pattern of American tech investment concentrated wealth in a handful of coastal metros. The AI buildout in Ohio can change this story. Major new campuses have gone up or been announced in Bowling Green, Ironton, Miamisburg, New Albany, Piketon, Trotwood, Van Wert, and Westerville. The investment forms a statewide network rather than a single-city boom, with each site pulling construction, engineering, and supplier work from surrounding counties.

²⁶ Ohio Department of Development, "Data Center Tax Exemption testimony," Ohio General Assembly, June 11, 2026. https://searchprod.lis.state.oh.us/api/v2/general_assembly_136/committees/cmte_h_data_centers_1/meetings/cmte_h_data_centers_1_2026-06-11-1000_1440/testimony/19498/abcofohio_selectdatacentercommitteewrittentestimony.pdf

²⁷ City of New Albany, "2024 Annual Comprehensive Financial Report," 2025. <https://newalbanyohio.org/wp-content/uploads/2026/02/City-of-New-Albany-Uploaded-Financial-Report-Original-1.pdf>



THE PIKETON VIGNETTE: REINDUSTRIALIZING A COLD WAR SITE

No project illustrates the shift more clearly than what is happening at the former Portsmouth Gaseous Diffusion Plant near Piketon, in Pike County. For nearly five decades the site enriched uranium for the nation’s nuclear weapons and power programs. Production wound down through the 1990s, and the Department of Energy’s Office of Environmental Management has run an environmental cleanup there since 1989.²⁸

In April 2025, the Department of Energy (DOE) identified Portsmouth as one of 16 federal sites suitable for co-locating data centers with new power generation.²⁹ In March 2026, DOE and the Department of Commerce announced a public-private partnership with SoftBank’s SB Energy subsidiary and the local electric utility to redevelop the site as the “PORTS Technology Campus,” with a target of roughly ten gigawatts of AI data center capacity paired with roughly ten gigawatts of new generation, including at least 9.2 gigawatts of natural gas.^{30,31,32} SB Energy has committed to invest \$4.2 billion with AEP Ohio in new transmission infrastructure. DOE and the companies state that the structure routes those costs to the project rather than to existing ratepayers.³³ Federal officials describe \$33.3 billion of Japanese funding for the 9.2 gigawatts of new gas generation as part of the U.S.-Japan Strategic Trade and Investment Agreement and its \$550 billion umbrella commitment.³⁴ An initial 800-megawatt data center phase is targeted for roughly 2028 based on early interconnection filings, and site preparation began after the March 2026 groundbreaking.³⁵

Commerce Secretary Howard Lutnick has described the partnership as part of an effort to “reindustrialize” American manufacturing. Energy Secretary Chris Wright has said the approach uses federal land to expand power generation, create jobs, and keep the United States competitive in AI.³⁶ In late July 2026, the Wall Street Journal reported that Nvidia was in talks to guarantee up to \$250 billion in financing to help OpenAI lease capacity at a ten-gigawatt southern Ohio campus;³⁷ The New York Times estimated that the full project could ultimately cost \$500 billion.³⁸ The figures describe different potential layers of the project rather than additive commitments: financing associated with leasing data center capacity, semiconductor purchases, and estimates of the physical campus’s ultimate cost. They should therefore be treated as indications of the project’s potential scale, not as capital already committed or spent in Ohio. Even with that qualification, the magnitude of the proposals illustrates the extraordinary amount of capital now being contemplated for AI infrastructure.

The reindustrialization frame is not rhetorical. The location matters as much as the scale. Pike County’s poverty rate was 19.1% in the Census Bureau’s 2020–2024 estimates. A project of this magnitude would therefore place one of the country’s largest proposed AI infrastructure investments in a rural Appalachian county that has spent decades adjusting to the decline of its historic federal industrial base.

THE INDUSTRIAL PARALLEL

The right way to understand what is happening at Piketon, and across the smaller campuses spreading through the state, is by analogy to earlier industrial cycles rather than to recent technology booms. In the 1910s and 1920s, electrification generated a comparable wave of capital construction: new generating stations, thousands of miles of new transmission, transformer manufacturing at scale, and a construction workforce that built the physical grid of modern America. Later industrial cycles, including the highway system and the postwar factory expansion, followed the same pattern of federal direction, private capital, and physical labor.

The AI buildout in Ohio fits that template better than it fits any recent tech boom. It is anchored in federal permitting and energy policy; it depends on private capital and utility investment; and it is executed by construction workers, electricians, and manufacturers. It is, in every meaningful sense, industrial. Recognizing it as such is the first step toward capturing its full economic value for the state.

²⁸ U.S. Department of Energy, "Portsmouth Background," Portsmouth/Paducah Project Office, accessed August 2026. <https://www.energy.gov/pppo/portsmouth-background>. See also U.S. Department of Energy, "Portsmouth Cleanup Strategy," Portsmouth/Paducah Project Office, accessed August 2026. <https://www.energy.gov>

²⁹ U.S. Department of Energy, "DOE Identifies 16 Federal Sites Across the Country for Data Center and AI Infrastructure Development," April 3, 2025. <https://www.energy.gov/articles/energy-department-announces-partnership-ensure-affordable-energy-and-power-americas-ai>

³⁰ U.S. Department of Energy, "Energy Department Announces Partnership to Ensure Affordable Energy and Power America's AI Future," March 20, 2026. <https://www.energy.gov/articles/energy-department-announces-partnership-ensure-affordable-energy-and-power-americas-ai>

³¹ U.S. Department of Energy, "FACT SHEET: The Department of Energy is Ensuring Affordable Energy Access in Ohio While Powering the Future of AI," March 20, 2026. <https://www.energy.gov/articles/fact-sheet-department-energy-ensuring-affordable-energy-access-ohio-while-powering-future>

³² Associated Press, "Trump officials announce 10-gigawatt data center, gas plants for former Ohio uranium site," March 20, 2026. <https://apnews.com/article/ai-data-center-ohio-uranium-enrichment-4667fa1442ec1c652228337ab4eb68ee>

³³ U.S. Department of Energy, "FACT SHEET: The Department of Energy is Ensuring Affordable Energy Access in Ohio While Powering the Future of AI," March 20, 2026. <https://www.energy.gov/articles/fact-sheet-department-energy-ensuring-affordable-energy-access-ohio-while-powering-future>

³⁴ Associated Press, "Trump officials announce 10-gigawatt data center, gas plants for former Ohio uranium site," March 20, 2026. <https://apnews.com/article/ai-data-center-ohio-uranium-enrichment-4667fa1442ec1c652228337ab4eb68ee> ; U.S. Department of Energy, "Energy Department Announces Partnership to Ensure Affordable Energy and Power America's AI Future," March 20, 2026. <https://www.energy.gov/articles/energy-department-announces-partnership-ensure-affordable-energy-and-power-americas-ai>

³⁵ Chernicoff, D., "SoftBank's 10 GW Ohio Campus Marks a Turning Point for AI Infrastructure," Data Center Frontier, March 31, 2026. <https://www.datacenterfrontier.com/machine-learning/article/55366132/softbanks-10-gw-ohio-campus-marks-a-turning-point-for-ai-infrastructure>

³⁶ U.S. Department of Energy, "Energy Department Announces Partnership to Ensure Affordable Energy and Power America's AI Future," March 20, 2026. <https://www.energy.gov/articles/energy-department-announces-partnership-ensure-affordable-energy-and-power-americas-ai>

³⁷ The Wall Street Journal, "Nvidia in Talks With OpenAI to Guarantee \$250 Billion Financing for Data Center," July 26, 2026. <https://www.wsj.com/tech/ai/nvidia-in-talks-with-openai-to-guarantee-250-billion-financing-for-data-center-3dd6eae3>

³⁸ The New York Times, "OpenAI Close to Landing \$500 Billion Data Center With Nvidia's Help," July 27, 2026. <https://www.nytimes.com/2026/07/27/technology/openai-data-center-nvidia.html>

PART THREE

MIDDLE- CLASS WORK: CONSTRUCTION, TRADES, AND OPERATIONS

Public debate about data center employment often turns on a narrow question: how many people are employed on-site once the facility is running? But that is the wrong question, because it ignores where most of the labor value in this cycle is created. Yes, there is plenty of work in the years-long construction cycle, but there is a long tail of necessary investment as well. That work includes equipment fabrication and installation, utility-scale grid upgrades, and the operating and maintenance workforce that follows every campus. Ohio should judge the sector by its full labor footprint, not by the on-site headcount visible on the day of a ribbon cutting. Research conducted by PWC reinforces this point. In addition to visible on-site headcount, data centers produced upstream and downstream employment across construction and manufacturing.³⁹

THE TRADES

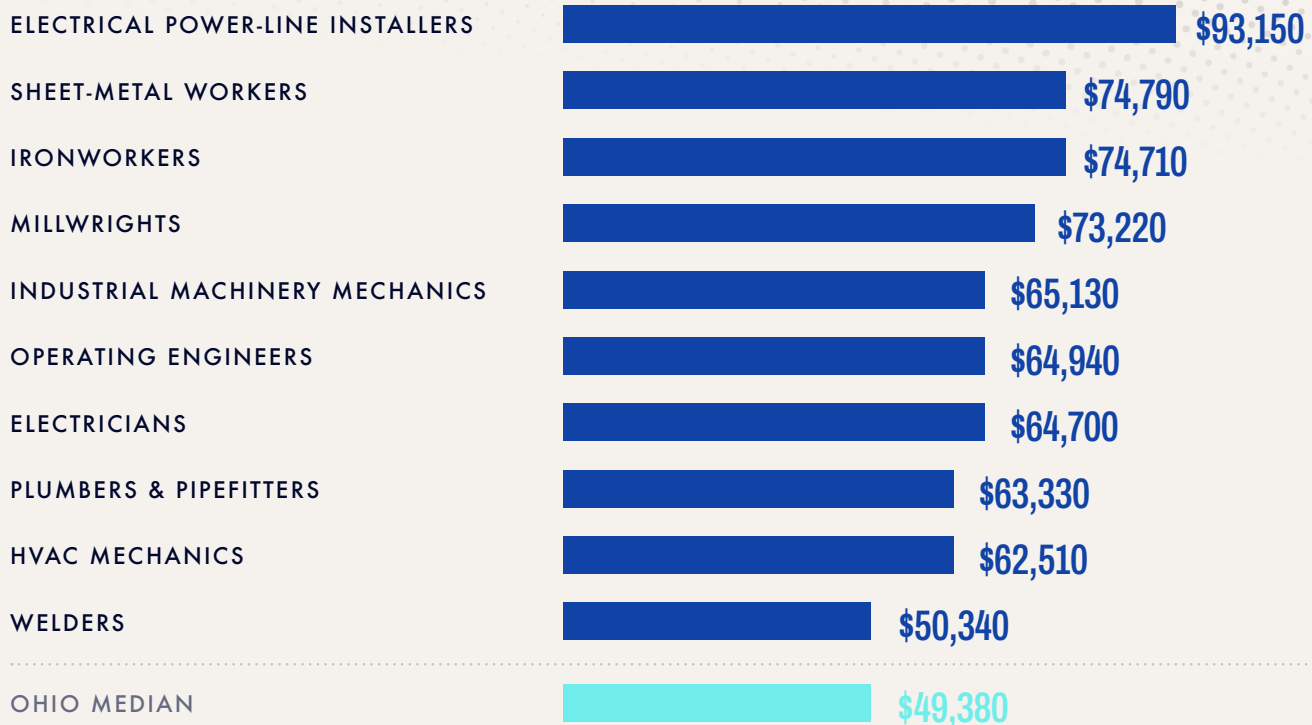
U.S. Bureau of Labor Statistics data for May 2025 place the statewide median annual wage across all occupations at \$49,380.⁴⁰ The trades in highest demand for AI-related construction and operations run well above that median. Median annual wages for electrical power-line installers run near \$93,150; sheet-metal workers near \$74,790; ironworkers near \$74,710; millwrights near \$73,220; industrial machinery mechanics near \$65,130; operating engineers near \$64,940; electricians near \$64,700;

³⁹ "Economic Contributions of Data Centers in the United States, 2017–2023," prepared for the Data Center Coalition, February 2025. https://static1.squarespace.com/static/63a4849eab1c756a1d3e97b1/t/67b38f78e9cf125daf756112/1739820925392/Data+Center+Economic+Contribution+Study+2025_Final.pdf

plumbers and pipefitters near \$63,330; and HVAC mechanics near \$62,510. Welders come in around \$50,340.⁴¹ A young Ohioan who completes a three- or five-year apprenticeship in many of these fields can expect middle-class earnings early in their career, in addition to benefits and pension participation through their local.

AI INFRASTRUCTURE TRADES PAY ABOVE OHIO'S MEDIAN WAGE OF \$49,380

Median annual wage, May 2025



These numbers, drawn from the federal occupational wage estimates for Ohio, have been cross-checked against building trades testimony given in the summer of 2026. On that basis, it is no surprise that apprenticeship pipelines are already expanding to meet the demand. The state should treat their continued expansion as an economic policy priority, not a niche workforce concern.

⁴⁰ U.S. Bureau of Labor Statistics, "May 2025 State Occupational Employment and Wage Estimates: Ohio," Occupational Employment and Wage Statistics, released May 2026. https://www.bls.gov/oes/current/oes_oh.htm

⁴¹ U.S. Bureau of Labor Statistics, "May 2025 State Occupational Employment and Wage Estimates: Ohio," Occupational Employment and Wage Statistics, released May 2026. https://www.bls.gov/oes/current/oes_oh.htm

OPERATIONS, SECURITY, AND MAINTENANCE

Once a campus opens, its permanent workforce is smaller than the peak construction crew, but it is not small. A typical large campus supports a mix of skilled technicians, network and security engineers, HVAC and electrical maintenance staff, mechanics, controls specialists, and security personnel. The Data Center Coalition reports that individual data centers generally support dozens to hundreds of direct jobs, while Google says its data-center communities in New Albany, Lancaster, and Columbus collectively provide hundreds of full-time and contractor opportunities.⁴²

Two features of these jobs deserve emphasis. First, they do not require relocation to a coastal metro because the work stays in the county where the campus operates. Second, they draw disproportionately from the community college and career center pipeline.

Ohio's technical education system is well positioned to expand certifications in electrical maintenance, HVAC, industrial controls, and physical security, which are the exact skills these campuses need. That is a public-workforce investment with a clearer local return than most economic-development spending.

GETTING THE LABOR ACCOUNTING RIGHT

A large data center campus moves through several distinct phases of work. Construction can last for years and requires electricians, ironworkers, pipefitters, operating engineers, sheet-metal workers, millwrights, and other skilled trades. At the same time, manufacturers and suppliers are producing and installing transformers, switchgear, cooling equipment, structural steel, backup power systems, and other components. Utility work adds another layer of employment through new substations, transmission upgrades, and interconnection infrastructure. And, as mentioned above, once a facility is operating, the workforce becomes smaller, but the work does not disappear. Technicians, maintenance crews, security personnel, controls specialists, and electrical and mechanical workers remain necessary, along with periodic upgrades as equipment is replaced or computing capacity expands.

That distinction is especially important in Ohio because much of this work is performed in occupations and industries the state already has. The economic effect of a project is therefore not limited to the employees who ultimately receive a badge for the data center campus. It also includes the construction hours performed by Ohio trades, the equipment fabricated by Ohio manufacturers, the utility work required to serve the site, and the maintenance and upgrade work that continues after the initial buildout. Counting only permanent on-site jobs leaves much of that activity out of the calculation.

Ohio should ensure that, as it considers these projects, it uses appropriately broad accountings of their labor impact. Permanent employment should remain part of the assessment, but it should be

⁴² See, e.g., Data Center Coalition, "Data Center FAQs," accessed August 2026. <https://www.datacentercoalition.org/cpages/faq>; Google, "Central Ohio." <https://datacenters.google/locations/central-ohio/>.

measured alongside construction hours, apprenticeship participation, equipment fabrication and installation, utility work, operating employment, and recurring maintenance. That approach would give policymakers and communities a clearer picture of how much labor value a project actually creates and how much of that value stays in Ohio. It would also make comparisons among projects more useful: two campuses with similar permanent headcounts may have very different effects on Ohio workers depending on who builds them, where their equipment comes from, and how much supporting infrastructure they require.

PART FOUR

SMALL BUSINESS AND OHIO'S INDUSTRIAL SUPPLY CHAIN

The most under-appreciated economic effect of the AI buildout in Ohio is what the campuses have done to demand for Ohio-made industrial equipment and Ohio-based small businesses. A large data center campus is a rolling order for switchgear, transformers, backup generators, power distribution units, cooling infrastructure, controls, cabling, structural steel, concrete, and thousands of smaller components. Every one of those categories is a potential Ohio manufacturing job. That opportunity is already visible on the ground. A regional infrastructure and cooling manufacturer is investing \$50 million to expand two Ohio sites, adding 730 positions, more than 500 of them by 2029, at its southern Ohio plant.⁴³

A specialty data center fit-out and infrastructure firm in the Miamisburg area has more than tripled its Ohio workforce, from roughly 300 employees to more than 1,100.⁴⁴ An Italian transformer builder chose Trotwood, in the Dayton region, for its first North American plant, a facility expected to add

⁴³ JobsOhio, "JobsOhio testimony: Ohio Legislative Select Committee on Data Centers," June 12, 2026. <https://www.jobsohio.com/newsroom/ohio-blog/jobsohio-testimony-ohio-legislative-select-committee-on-data-centers>

⁴⁴ JobsOhio, "JobsOhio testimony: Ohio Legislative Select Committee on Data Centers," June 12, 2026. <https://www.jobsohio.com/newsroom/ohio-blog/jobsohio-testimony-ohio-legislative-select-committee-on-data-centers>

more than 200 skilled manufacturing jobs and reflect a significant multimillion-dollar capital investment across announcements and subsequent testimony.⁴⁵ A woman-owned metal fabrication shop in Athens has grown sharply as a small-business grant recipient supported by this demand.⁴⁶ Taken together, these announcements suggest the early formation of an Ohio supplier base for the physical economy of AI.

Small businesses outside the industrial supply chain are also participating. Small businesses make up 99.6% (1.1 million) of Ohio firms and employ 2.2 million people, roughly 44% of the state's workforce.⁴⁷

National survey data from mid-2026 show that about half of small-business employees already use AI tools at work, with the vast majority using them to increase productivity rather than automate their jobs.⁴⁸ Almost none of that use is aimed at replacing people. The clearest pattern is time recovery: hours previously spent on paperwork and reformatting are redirected into customer contact, sales, and craft work.

The state has begun to invest in opportunities for small business AI use directly. JobsOhio, the state's economic development corporation, is investing in small business AI-enablement through grants for AI certification, training and talent acquisition.⁴⁹ The state should build on this pattern of documented, small-dollar grants that let Ohio firms sell AI implementation services to Ohio manufacturers, hospitals, schools, and public institutions.

What Ohio needs now is additional incentives to ensure that more Ohio small businesses share in AI-fueled growth. For example, Ohio should require developers of large campuses to publish annual data on Ohio vendor spending, small-business participation, contract size, workforce hours, and repeat contracts. Developers can divide large scopes into bid packages that smaller firms can perform, hold pre-bid sessions before procurement is locked, and provide prompt-payment or supply-chain finance so small contractors are not squeezed by their own success. Community banks and economic-development organizations can help firms finance bonding, inventory, equipment, and payroll. For a small Ohio contractor, the binding constraint on winning this work is access to working capital.

⁴⁵ JobsOhio, "JobsOhio testimony: Ohio Legislative Select Committee on Data Centers," June 12, 2026. <https://www.jobsohio.com/newsroom/ohio-blog/jobsohio-testimony-ohio-legislative-select-committee-on-data-centers>

⁴⁶ JobsOhio, "JobsOhio testimony: Ohio Legislative Select Committee on Data Centers," June 12, 2026. <https://www.jobsohio.com/newsroom/ohio-blog/jobsohio-testimony-ohio-legislative-select-committee-on-data-centers>

⁴⁷ U.S. Small Business Administration Office of Advocacy, "2025 Small Business Profile: Ohio," 2025. https://advocacy.sba.gov/wp-content/uploads/2025/06/Ohio_2025-State-Profile.pdf

⁴⁸ U.S. Chamber of Commerce Foundation, Half of Small Business Workers Use AI—Most to Boost Productivity, Not Automate Jobs (June 2026), <https://www.uschamberfoundation.org/workforce/half-of-small-business-workers-use-ai-most-to-boost-productivity-not-automate-jobs>

⁴⁹ The Business Journals, "JobsOhio launches strategy to position state as hub for AI innovation", Lauren Head, March 2026. <https://www.bizjournals.com/bizjournals/news/2026/03/23/jobsohio-strategy-hub-ai-innovation.html>

THE GEOGRAPHY OF AMERICAN AI

Athens hosts a woman-owned metal fabrication shop, which has seen strong demand-supported growth.

Bowling Green is the site chosen by Meta to host a 715,000-square-foot data center facility that will create an estimated 100 jobs.

Ironton is host to Vertiv's planned expansion of a liquid cooling and thermal management facility.

Miamisburg is home to a specialty data center fit-out and infrastructure firm that has more than tripled in headcount due to growing demand.

Trotwood was chosen by an Italian transformer builder for its first North American plant, which is projected to add more than 200 skilled manufacturing jobs.

Van Wert will be home to a \$10 billion "mega-site" data center, bringing thousands of construction jobs and approximately 200 permanent positions to the region.

Westerville is home to Vertiv Holdings Co.'s manufacturing headquarters, where the company plans to expand its campus, creating hundreds of new jobs.



PART FIVE

LOCAL FISCAL EFFECTS: THE NEW ALBANY MODEL

A common concern often raised about the sector is fiscal: whether the state and cities are giving up more in tax exemptions than they are receiving in public benefit. The concern is both legitimate and answerable, because Ohio already has enough experience with these projects to see what a well-designed local deal looks like.

New Albany's handling of data center tax incentives provides a clear example of how deals can be constructed to be beneficial to Ohio's municipalities. New Albany's community development director testified that in 2025 a single hyperscale campus generated municipal revenue equivalent to the city's 2% income tax on \$178 million in payroll.⁵⁰ An official testifying to the Ohio House Select Committee on Data Centers said early data center projects have financed roughly \$65 million in city infrastructure, including water, sewer, and roads, that opened thousands of acres for later development.⁵¹ The information-technology and mission-critical cluster now accounts for \$16.2 billion of investment and roughly 2,900 jobs across 13 companies.⁵²

While New Albany's experience with data center development is not something every single Ohio municipality can replicate, it shows that positive outcomes are dependent on how the incentives themselves are structured. When a local agreement channels a large payroll into a municipal income-tax base, and when the resulting revenue is used to build public infrastructure that opens ground for further development, a capital-intensive project can pay for a great deal of the community's forward-looking public investment.

This model is replicable, and can be made easier through legislative change. State law and local practice should push toward agreements that peg benefits to verified capital placed in service and

⁵⁰ Chrysler, J., "Testimony to the Ohio House Select Committee on Data Centers," City of New Albany, June 8, 2026. https://search-prod.lis.state.oh.us/api/v2/general_assembly_136/committees/cmte_h_data_centers_1/meetings/cmte_h_data_centers_1_2026-06-08-1200_1409/testimony/15322/jenniferchryslerselectcommitteeondatacenterstestimony6_8_26.pdf.

⁵¹ Ohio House Select Committee on Data Centers, "Meeting record, June 8, 2026," Ohio General Assembly. https://www.ohiohouse.gov/committees/select-committee-on-data-centers/meetings/cmte_h_data_centers_1_2026-06-08-1200_1409

⁵² City of New Albany, "2024 Annual Comprehensive Financial Report," 2025. <https://newalbanyohio.org/wp-content/uploads/2026/02/City-of-New-Albany-Uploaded-Financial-Report-Original-1.pdf>

payroll actually paid, that include minimum annual compensation and clawbacks, that fund public infrastructure whose value outlasts the specific campus, and that publish results in a form the public can read. When the state's tax exemption is time-limited, capped, and coupled to measurable outcomes, its cost is defensible. When it is open-ended and untracked, it is not.

PART SIX

PRODUCTIVE USE: HOW OHIO INSTITUTIONS TURN COMPUTE INTO GROWTH

The physical buildout of AI infrastructure matters most because of what it enables. The economic value of AI comes from the productivity, service quality, and research capacity that data centers support. Ohio has begun to show what that looks like in practice, and the early results argue against the displacement framing that dominates the public conversation.

Ohio's academic medical centers have also become sites of frontier scientific research using AI. A collaboration among a Cleveland-area medical center, IBM, and a Japanese research institute recently modeled a protein of more than 12,000 atoms using a hybrid classical-quantum computing pipeline, the largest of its kind reported to date.⁵³ The project illustrates how advanced computing infrastructure and specialized scientific talent can expand the scale of research performed by Ohio institutions.

Advanced computing is also reaching the shop floor. Ohio's public supercomputing center

⁵³ <https://newsroom.ibm.com/2026-05-05-cleveland-clinic,-riken,-and-ibm-model-a-12,635-atom-protein-the-largest-known-to-be-simulated-with-quantum-computers>

expanded its Ascend cluster in December 2025 to 776 GPUs and roughly 16 petaflops,⁵⁴ bringing its combined systems to about 30.3 petaflops. That capacity is accessed by university researchers, hospital systems, and manufacturers. Smaller firms can purchase access to OSC resources to run advanced modeling, simulation, and product-development workloads without owning comparable high-performance computing hardware themselves. That state-supported infrastructure can reduce development costs and improve productivity and competitiveness for small Ohio manufacturers.

The Ohio State University, Ohio's flagship research university, now requires AI instruction for every undergraduate beginning with the Class of 2029.⁵⁵ Ohio's community colleges and training providers have built programs aimed directly at this demand, from a central Ohio community college's data center technician certificate to a statewide AI certification initiative expected to reach more than 3,000 Ohioans in 2026.⁵⁶ National academic research points in a similar direction on task-level performance. Well-designed generative-AI tools produce measurable productivity gains, with the largest gains occurring among less experienced workers on bounded tasks, though the firm-level and employment effects remain contested.⁵⁷

The Ohio cases do not show that AI works everywhere for everyone. They show that where Ohio institutions have adopted it seriously, they have used it to expand what people can do. That is the pattern the state should now scale to smaller employers.

⁵⁴ Ohio Supercomputer Center, "Revamped Ascend Cluster Supports AI Medical Research and Education," December 18, 2025. https://www.osc.edu/press/revamped_ascend_cluster_supports_ai_medical_research_and_education

⁵⁵ The Ohio State University, "Ohio State launches bold AI Fluency initiative to redefine learning and innovation," June 4, 2025. <https://news.osu.edu/ohio-state-launches-bold-ai-fluency-initiative-to-redefine-learning-and-innovation/> ; The Ohio State University, "NSF funds 2 Ohio State-based institutes to expand artificial intelligence research," 2021. <https://news.osu.edu/nsf-funds-2-ohio-state-based-institutes-to-expand-artificial-intelligence-research/>.

⁵⁶ Columbus State Community College, "Data Center Technician." <https://www.cscoc.edu/datacenter>. See also JobsOhio, "AI Ready Ohio' Expands To Accelerate AI Education and Training Statewide," May 26, 2026. <https://www.jobsohio.com/newsroom/news-press/ai-ready-ohio-expands-to-accelerate-ai-education-and-training-statewide>.

⁵⁷ OECD, "The Effects of Generative AI on Productivity, Innovation and Entrepreneurship," OECD Artificial Intelligence Papers, June 2025. https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/06/the-effects-of-generative-ai-on-productivity-innovation-and-entrepreneurship_da1d085d/b21df222-en.pdf

PART SEVEN

ENERGY, WATER, AND DISCIPLINE

No industrial cycle of this scale is free of tradeoffs. The electricity, water, and land requirements of the AI buildout are large, and pretending otherwise would concede the honest ground of the debate. Ohio's advantage is that it has taken reasonable concerns seriously and answered them with disciplined policy. The answer is to structure the data center build out so that growth does not come at the expense of employment opportunity or the communities in which they reside.

ELECTRICITY

Electricity is the largest infrastructure constraint on Ohio's AI buildout. Large data center campuses introduce loads at a scale the existing power system was not designed to absorb quickly. National analysis estimates that U.S. data center electricity consumption could rise from roughly 176 terawatt-hours in 2023, or 4.4% of U.S. electricity, to between 325 and 580 terawatt-hours by 2028, or 6.7 to 12%.⁵⁸ AEP Ohio reported in February 2026 that it had signed contracts for roughly 17,861 megawatts of data center load coming online progressively through 2035, about double the 8,000 to 10,500 megawatt range of its own historical system peak. Of that total, 12,219 megawatts were contracted before the data center tariff took effect and 5,642 megawatts after.⁵⁹

The immediate risk is that utilities build expensive new infrastructure for projects that are delayed, downsized, or never completed, leaving households and existing employers to pay for capacity they did not cause. Ohio has begun addressing that problem directly. In July 2025, the Public Utilities Commission of Ohio adopted a settlement in Case No. 24-508-EL-ATA directing AEP Ohio to file a data center-specific tariff. It applies to new or expanded load above 25 megawatts and requires a ramp to 50, 65, 80 and 90% of contract capacity over four years, an initial term of the ramp plus eight years, collateral equal to half of total minimum charges from customers that fail stated credit tests, and payment of 36 months of minimum charges to exit. Those requirements shift more of the financial risk to the customers creating the demand.⁶⁰

⁵⁸ Shehabi, A., et al., "2024 United States Data Center Energy Usage Report," Lawrence Berkeley National Laboratory, December 2024. https://eta-publications.lbl.gov/sites/default/files/2024-12/lbnl-2024-united-states-data-center-energy-usage-report_1.pdf

⁵⁹ AEP Ohio, "AEP Ohio updates PUCO on data center load," 2026. <https://www.aepohio.com/company/news/view?releaseID=10753>

⁶⁰ Public Utilities Commission of Ohio, "PUCO orders AEP Ohio to create data-center-specific tariff," July 9, 2025. <https://content.govdelivery.com/accounts/OHPUC/bulletins/3e8bb79>. Terms are drawn from AEP Ohio's Schedule Data Center Tariff, <https://www.aepohio.com/company/about/rates/data-center-tariff/>. The order is on appeal to the Ohio Supreme Court, Case No. 2025-1458, and remains in effect during the appeal under R.C. 4903.16. FirstEnergy's Ohio utilities filed a comparable proposal in June 2026 in Case No. 26-697-EL-ATA.

New demand can also create the economic case for building new supply. Rapid load growth is most problematic when additional customers compete for a fixed amount of generation and transmission capacity. The outcome is different when large new customers finance the infrastructure needed to serve them and new generation is developed alongside the load.

Development in Piketon, OH illustrates that approach at an unusually large scale. The PORTS Technology Campus is planned around roughly ten gigawatts of AI data center capacity paired with roughly ten gigawatts of new generation, including more than nine gigawatts of natural-gas generation.^{61 62} SB Energy has committed \$4.2 billion with AEP Ohio to new transmission infrastructure, which is structured so those costs are borne by the project rather than by existing customers.⁶³ The new industrial load is therefore being paired with new power and customer-financed infrastructure rather than simply being added to the existing system.

Federal policy is helping accelerate that buildout. In July 2025, federal policy was changed to expedite permitting for certain data center infrastructure, including the energy and transmission capacity needed to support it.⁶⁴ The White House AI Action Plan similarly treats computing capacity, power development, permitting, workforce, and domestic infrastructure as connected priorities.⁶⁵ Piketon puts that approach into practice by combining federal land and permitting with private capital, new dispatchable generation, and utility investment tied to the customers creating the demand.^{66 67}

Ohio should not assume that this investment will automatically produce lower electricity bills. Prices depend on fuel costs, generation availability, transmission constraints, wholesale-market conditions, utility investment, and other factors. The stronger objective is to make sure new industrial demand brings sufficient new supply with it and that existing customers are protected from the cost and risk of the buildout.

Over time, that approach could improve Ohio's competitive position. A state that adds generation and transmission alongside new demand will be better positioned than one where load grows substantially faster than supply. Large new projects should therefore demonstrate financial viability, pay for the grid upgrades they require, bear the risk of projects that do not materialize, and bring sufficient new generation or contracted supply to avoid placing additional strain on existing customers. The PUCO tariff and the customer-financed infrastructure model at Piketon provide the starting point.^{68 69 70}

⁶¹ U.S. Department of Energy, "Energy Department Announces Partnership to Ensure Affordable Energy and Power America's AI Future," March 20, 2026. <https://www.energy.gov/articles/energy-department-announces-partnership-ensure-affordable-energy-and-power-americas-ai>

⁶² U.S. Department of Energy, "FACT SHEET: The Department of Energy is Ensuring Affordable Energy Access in Ohio While Powering the Future of AI," March 20, 2026. <https://www.energy.gov/articles/fact-sheet-department-energy-ensuring-affordable-energy-access-ohio-while-powering-future>

⁶³ U.S. Department of Energy, "FACT SHEET: The Department of Energy is Ensuring Affordable Energy Access in Ohio While Powering the Future of AI," March 20, 2026. <https://www.energy.gov/articles/fact-sheet-department-energy-ensuring-affordable-energy-access-ohio-while-powering-future>

⁶⁴ The White House, "Executive Order 14318: Accelerating Federal Permitting of Data Center Infrastructure," July 23, 2025. <https://www.whitehouse.gov/presidential-actions/2025/07/accelerating-federal-permitting-of-data-center-infrastructure/>

⁶⁵ The White House, "America's AI Action Plan," July 2025. <https://www.whitehouse.gov/wp-content/uploads/2025/07/Americas-AI-Action-Plan.pdf>

⁶⁶ U.S. Department of Energy, "Energy Department Announces Partnership to Ensure Affordable Energy and Power America's AI Future," March 20, 2026. <https://www.energy.gov/articles/energy-department-announces-partnership-ensure-affordable-energy-and-power-americas-ai>

⁶⁷ U.S. Department of Energy, "FACT SHEET: The Department of Energy is Ensuring Affordable Energy Access in Ohio While Powering the Future of AI," March 20, 2026. <https://www.energy.gov/articles/fact-sheet-department-energy-ensuring-affordable-energy-access-ohio-while-powering-future>

WATER AND SITE DESIGN

Water use varies significantly with cooling technology, climate, and operating choices. Publicly reported figures from one major operator's Ohio impact study indicate roughly 158 million gallons of water consumption in 2023. Separately, the operator reported a power-usage effectiveness of approximately 1.10, indicating a highly energy-efficient facility design.⁷¹ New Albany officials have testified that the city's average actual water use is roughly half the volume approved in its 2015 water plan, with brief peaks fewer than a dozen times a year that remain well below the approved maximum.⁷² Newer campuses under construction in northwest Ohio have announced closed-loop cooling designs with only modest domestic water needs, according to legislative testimony.^{73,74}

To incentivize the responsible use of municipal water resources by AI-related development, Ohio should enact common-sense legislation such as water use transparency mandates for campuses hosting AI infrastructure. Communities should publish annual withdrawals, consumption, discharge volumes, source, peak demand, cooling technology, drought procedures, and infrastructure payments. Permits should reflect the difference between closed-loop and open-loop cooling directly, and community reviews should follow project-specific facts rather than sector-wide assumptions.

PART EIGHT

NET ASSESSMENT

Ohio's AI-related infrastructure buildout has produced economic benefits large enough to warrant serious attention, while also creating costs that need to be managed at the project and statewide levels.

⁶⁸ Public Utilities Commission of Ohio, "PUCO orders AEP Ohio to create data-center-specific tariff," July 9, 2025. <https://content.govdelivery.com/accounts/OHPUC/bulletins/3e8bb79>

⁶⁹ U.S. Department of Energy, "Energy Department Announces Partnership to Ensure Affordable Energy and Power America's AI Future," March 20, 2026. <https://www.energy.gov/articles/energy-department-announces-partnership-ensure-affordable-energy-and-power-americas-ai>

⁷⁰ U.S. Department of Energy, "FACT SHEET: The Department of Energy is Ensuring Affordable Energy Access in Ohio While Powering the Future of AI," March 20, 2026. <https://www.energy.gov/articles/fact-sheet-department-energy-ensuring-affordable-energy-access-ohio-while-powering-future>

⁷¹ Google & Deloitte Consulting, "Google Data Centers: Economic and Community Impact in Ohio, 2021-2023," Fall 2024. <https://www.gstatic.com/marketing-cms/19/eb/772ced46839479acbb6c98d00a/2024-impact-study-ohio.pdf>

⁷² Ohio House Select Committee on Data Centers, "Meeting record, June 8, 2026," Ohio General Assembly. https://search-prod.lis.state.oh.us/api/v2/general_assembly_136/committees/cmte_h_data_centers_1/meetings/cmte_h_data_centers_1_2026-06-08-1200_1409/testimony/15322/jenniferchryslerselectcommitteedatacenterstestimony6_8_26.pdf

⁷³ QTS Data Centers, City of Van Wert and QTS Announce Data Center Campus in Northwest Ohio (2026). <https://q.com/news/city-of-van-wert-and-qts-announce-data-center-campus-in-northwest-ohio/>

⁷⁴ Associated Builders and Contractors of Ohio, Testimony Before the Ohio House Select Committee on Data Centers (June 11, 2026). https://search-prod.lis.state.oh.us/api/v2/general_assembly_136/committees/cmte_h_data_centers_1/meetings/cmte_h_data_centers_1_2026-06-11-1000_1440/testimony/19498/abcfohio_selectdatacentercommitteewrittentestimony.pdf

The clearest benefit to date is capital formation. State filings, municipal records, utility proceedings, and company disclosures show investment occurring at a scale unusual in recent Ohio history. Construction is the most immediate labor effect, particularly in electrical, mechanical, utility, and related trades where statewide wage data show earnings above the median for all occupations. Supplier activity is also expanding, although the state does not yet collect enough detailed procurement data to determine precisely how much of the spending remains with Ohio firms.

Fiscal outcomes vary more by location and deal structure. New Albany demonstrates how a large project can generate recurring local revenue and finance public infrastructure, but that experience should not be assumed to apply automatically to every community. The value of an incentive depends on its size, duration, enforceable performance conditions, and the amount of economic activity that would have occurred without it.

Electricity presents the largest infrastructure constraint. Contracted demand is substantial, and the consequences for the grid will depend on how projects finance new generation, transmission, and distribution capacity. Ohio's existing large-load tariff provides a framework for assigning those costs to the customers creating them. Applying that framework consistently will be more important as additional projects move from announcement to construction.

Water requires a more localized approach. Consumption varies considerably by cooling technology and operating design, which makes statewide assumptions less useful than project-level disclosure. Communities considering large campuses should have access to information on withdrawals, consumption, peak demand, discharge, cooling systems, and infrastructure contributions before making long-term commitments.

Tax incentives should be evaluated in the same way. Forgone revenue is a real public cost, but it can be limited through caps, shorter terms, performance requirements, and transparent reporting. Projects that cannot meet those standards should not receive the same treatment as developments that place substantial capital in service, create skilled work, use Ohio suppliers, and finance the infrastructure they require.

Employment also needs to be measured more broadly than permanent on-site staffing. A completed data center employs fewer workers than many factories with comparable capital costs. At the same time, the construction, electrical systems, cooling equipment, grid infrastructure, fabrication, and recurring maintenance associated with a large campus support activity well beyond the facility itself.

For policy purposes, the more useful question is how much economic value Ohio retains from each project relative to the public resources and infrastructure it consumes. That framework would favor developments that use Ohio suppliers, train local workers, contribute to required infrastructure, limit public financial exposure, and make efficient use of land, power, and water.

PART NINE

A POLICY AGENDA FOR DURABLE STATEWIDE PROSPERITY

The next stage of Ohio's policy should focus less on the number of projects announced and more on the economic value retained within the state. Existing approaches used by state regulators, utilities, and local governments provide a starting point. The following seven recommendations would apply those principles more consistently to future development.

01

Protect households and existing employers from grid cost shifting. Keep the data center tariff's financial viability, minimum payment, collateral, and exit-fee requirements. Require project-specific payment for interconnection, transmission, distribution, backup capacity, and stranded-cost risk. Publish contracted load, construction schedules, and cost allocation without exposing legitimate security details. Ohio's existing PUCO framework and the customer-financed transmission model at Piketon are the templates.

02

Replace open-ended tax benefits with capped, phased, performance-based agreements. Set project-specific caps and shorter terms. Release benefits only after verified capital is placed in service. Require minimum annual compensation, local revenue, construction hours, supplier spending, and operating employment. Include clawbacks and automatic sunset reviews. Publish annual agreement-level cost and performance.

03

Convert the trades boom into a permanent middle-class pipeline. Expand apprenticeship funding and pre-apprenticeship pathways for the electrical, mechanical, ironworking, and utility trades most in demand. Fund community-college and career-center certificates in data center operations, industrial controls, cybersecurity, and cooling. Coordinate with major developers and utilities so seat-based training capacity matches the buildout schedule. Publish an annual Ohio Trades Pipeline Report.

04

Give Ohio small businesses the tools to adopt AI productively. Fund a statewide Small Business AI Adoption Program, delivered through community colleges, chambers of commerce, and economic-development partners. Offer training in prompting, data privacy, workflow integration, and AI-assisted process improvement. Provide vendor curation, model shared contracts, and micro-grants for pilot projects. Prioritize manufacturers, health-care and long-term-care providers, transportation and logistics firms, and construction contractors.

05

Make Ohio suppliers competitive for the AI buildout. Require annual reporting of Ohio spend, small-business participation, and average contract size for every major campus. Divide scopes into bid packages small Ohio firms can perform. Fund community-bank programs for bonding, inventory, and payroll finance for AI-adjacent contractors. Publish an annual Ohio Supplier Participation Report.

06

Build a durable industrial-computing platform for Ohio institutions. Continue expanding public supercomputing capacity in service of academic research, medical research, workforce training, and small-manufacturer access. Support university-led AI and quantum-computing programs, especially those with clinical, industrial, and public-sector partners. Fund state-agency AI adoption for concrete productivity gains in permitting, benefits administration, unemployment, tax, and public safety, with clear accountability standards.

07

Establish one national framework for artificial intelligence. Ohio should compete aggressively on infrastructure, workforce, energy, education, and adoption without creating a separate state regulatory regime for the development and use of AI models. A general-purpose technology that operates across state lines needs clear national rules. Fifty competing regulatory systems would raise compliance costs, advantage the largest incumbent firms, slow adoption by Ohio small businesses, and make it harder for American companies to compete globally.

These policy recommendations are not groundbreaking. They simply replicate proven models across the state to every major new project going forward. Done that way, Ohio can convert a construction boom into a durable statewide capacity for middle-class work.

CONCLUSION

REBUILDING THE HEARTLAND. ARTIFICIAL INTELLIGENCE IS PRODUCING AN UNUSUALLY PHYSICAL FORM OF TECHNOLOGY INVESTMENT IN OHIO.

The facilities required to support advanced computing have brought substantial private capital into the state while increasing demand for construction, electrical work, power equipment, cooling systems, fabrication, and other parts of Ohio's industrial economy.

The benefits extend beyond individual data center campuses. Investments described in this report include expanded manufacturing capacity near Dayton, power and cooling projects in Ironton and Westerville, fabrication work in Athens, a large municipal tax base in New Albany, public supercomputing capacity used by researchers and manufacturers, and AI tools that are changing clinical and administrative workflows. The targeted redevelopment of the former uranium-enrichment site at Piketon demonstrates the scale that this new investment cycle can reach.

Those gains should not obscure the tradeoffs. Permanent employment at completed data centers is smaller than peak construction employment, and state and local governments give up meaningful tax revenue to attract some projects. Large campuses also require substantial amounts of electricity and, depending on their design, water.

Ohio therefore has an opportunity to improve the economic return from development that is already occurring. Projects can be required to finance the infrastructure they create, incentives can be tied more closely to verified performance, apprenticeship capacity can expand with demand, procurement can be opened more systematically to Ohio suppliers, and smaller employers can receive practical support in adopting AI themselves.

With those rules, Ohio can do more than host the machines behind artificial intelligence. It can build a broader middle-class economy around them. And it can prove that the heartland can lead the next American industrial cycle, not follow it.

APPENDIX A

SELECTED PUBLIC DATA POINTS

The figures below are drawn from state and federal agencies, municipal reports, utility filings, legislative testimony, and public academic research. They are not additive across categories; sources overlap by company, geography, and year. Full citations appear in the page footnotes.

- State-reported qualifying capital investment under Ohio's data center sales-tax exemption: roughly \$9.6 billion in 2024; roughly \$27.2 billion in 2025.
- Municipal cluster: more than \$16 billion in private investment and about 2,900 jobs in New Albany's information-technology and mission-critical cluster as of year-end 2024.
- Federal sites identified for co-location: 16 nationwide, including Portsmouth (Piketon), announced April 2025.
- PORTS Technology Campus: roughly 10 gigawatts of AI capacity paired with roughly 10 gigawatts of new generation; \$4.2 billion of new transmission committed; initial 800-megawatt phase targeted for roughly 2028.
- Ohio median annual wage (all occupations, May 2025): \$49,380. Median annual wages in selected trades relevant to this buildout range from about \$50,000 for welders to about \$93,000 for electrical power-line installers.
- Contracted data center load (utility filing): approximately 17,861 megawatts scheduled progressively through 2035, against a historical system peak of roughly 8,000 to 10,500 megawatts.
- State sales-tax revenue forgone under the exemption: approximately \$555 million in 2024; approximately \$1.6 billion in 2025.

APPENDIX B

METHOD AND EVIDENCE STANDARDS

This report relies on primary sources whenever possible: federal agency releases, state agency data, official municipal financial reports, state legislative testimony, utility regulatory filings, peer-reviewed and working-paper research from established institutions, and company disclosures for facts directly related to their own operations. Reported dollar figures reflect the announcement or filing on which they are based. Announcements should be understood as targets rather than completed construction, and the report says so where relevant. Overlapping figures, for example, statewide capital investment reported through a tax program compared with cumulative company disclosures, are not combined into a single total. Every material factual claim carries a numbered note with a full URL.

The report focuses on physical, industrial, and workforce evidence because that is where the near-term economic effects are largest and most measurable. Longer-run productivity effects, including at the state economic aggregate level, are consistent with a growing body of national research but are not modeled here.

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