

# PROPOSED HYPERSCALE DATA CENTER PROJECT

## Clarksdale, MS

### Frequently Asked Questions

This document provides responses and additional information to the public's most Frequently Asked Questions (the "FAQ") regarding the potential hyperscale data center (the "Data Center Project") that is being proposed for location in the City of Clarksdale, Mississippi (the "City") in Coahoma County (the "County"). While this FAQ is intended to be as comprehensive and as transparent as possible, the City reserves the right to modify, amend, and supplement it as necessary during its consideration of the Data Center Project.

### Hyperscale Data Centers

#### **1. What is a hyperscale data center?**

A hyperscale data center (a "data center") is a massive, highly scalable i.e., a building that could be changed in size and efficient infrastructure facility operated by major cloud providers to support vast, high-volume, and data-intensive artificial intelligence ("AI") and cloud services.

#### **2. What is the purpose of a data center?**

Data centers support vast, high-volume, and data-intensive AI and cloud services.

#### **3. What is a cloud service?**

Cloud services are computer resources including computer data storage, server storage and/or databases hosted by third-party providers and accessed over the internet.

#### **4. Who are the major companies constructing and using data centers?**

Major companies currently constructing data centers include: AWS (Amazon), Azure (Microsoft), Meta (Facebook) and Alphabet (Google), among others.

#### **5. What is an example of a typical user of a data center and cloud service?**

A Facebook user, for instance, is a typical user of a data center or cloud service. Facebook operates an expansive network of data centers for AI infrastructure and user data storage purposes. By simply posting pictures or video on Facebook, you are using a data center. In addition, other users of data centers include hospitals and other healthcare providers, insurance companies, financial institutions, government agencies on both state and federal levels, including military branches and intelligence services.

#### **6. Are data centers new?**

No, data centers have been around for over 30 years and continuing to evolve over time.

**7. How have data centers evolved in recent years?**

In addition to evolving in size and scope, data centers have most notably evolved in their advances in powering sources.

**8. Where are data centers located?**

Data centers have historically been concentrated in states such as Virginia, California and Texas; however, data centers can be found in many states around the country, including in the southeastern United States.

**9. Are any data centers located in Mississippi?**

The only data center project that is currently in operation in Mississippi is the Amazon Web Services data center campus in Madison County near the City of Canton, Mississippi; however, there are at least six (6) other similar projects under construction in Mississippi including the Data Center Project described herein. Based on the City’s review, there are also at least four (4) more data centers under consideration in the state.

**10. What is the closest data center located in proximity to the City?**

The closest major data center project to the City is the upcoming Amazon Web Services (AWS) campus in Madison County, Mississippi. Another nearby data center is the xAI facility in Southaven, Mississippi. The City is fact checking whether the Southaven facility is in still under construction or in operation.

**Data Center Project - Overview**

General

**11. What is the Data Center Project?**

The Data Center Project is the potential multi-billion-dollar investment to the City and County related to the construction of a hyperscale data center and related infrastructure.

**12. For what purposes would the Data Center Project be used?**

While precise details have not been released, the rapid rise of generative AI computing is driving the expansion of hyperscale data centers across the country.

Location

**13. What site is being proposed for the Data Center Project?**

The land being considered for the Data Center Project is 648 acres between the Sunflower River, U.S. 278, Tallahatchie Street and the Roundyard neighborhood.

**14. Is the proposed site zoned for the Data Center Project?**

On March 23, 2026, the Board of Mayor and Commissioners voted on the proposed site to be rezoned from commercial and agricultural use to light industrial.

**15. Is the proposed site currently being considered for rezoning for the Data Center Project?**

For several weeks, the Board of Mayor and Commissioners considered rezoning the site and ultimately voted to rezone the site from commercial and agricultural use to light industrial.

**16. Why did the site have to be rezoned?**

Rezoning is the first step that would allow development of the property for the Data Center Project or any other significant industrial investment. Rezoning also allows the City to have more authority to address community concerns, request community contributions, and mitigate risks.

Scope

**17. How big will the Data Center Project be?**

Exact details related to the size of the Data Center Project are not yet available. However, typical data centers average roughly 100,000 to 143,000 square feet in size. Some modern hyperscale facilities, now common among major tech firms, often exceed 1 million square feet, while total campus sites now frequently span over 500 acres to support multi-building expansions.

**18. Are any data centers in Mississippi similar in size and scope to the proposed Data Center Project?**

Exact details related to the size and scope of the Data Center Project are not yet available; however, the size of the property is comparable with the hyperscale data center campus project operated by Amazon Web Services in Madison County, Mississippi.

**19. How does the Data Center Project compare to Amazon’s data center project in Madison, MS?**

The Amazon data center project in Madison County, Mississippi (known as “Project Atlas”) is a \$10 billion, 1-gigawatt (1GW) data center project. The campus spans over 1,000 acres and currently includes five total hyperscale building developments in operation. However, additional Amazon data center facilities are also under construction at this location.

Construction and Operations

**20. If approved, what is the projected timeline for construction and completion?**

While precise construction timelines have not been discussed, the Data Center Project is expected to take approximately five (5) to six (6) years to complete.

**21. If approved, what will be the construction schedule of the Data Center Project?**

Exact details regarding the construction schedule have not yet been discussed; however, the nature of construction activities for a data center are not unique and do not differ from the construction activities for any large industrial project.

**22. If approved, will the construction of the Data Center Project create disturbances (for example, noise, dust, vibration control, etc.)?**

Exact details regarding the construction phase of the Data Center Project have not yet been discussed.

**23. What measures are in place to mitigate construction disturbances?**

Exact details regarding the construction phase of the Data Center Project have not yet been discussed; however, community input is encouraged.

**Data Center Project - Company Rationale**

**24. Why is the Data Center Project necessary?**

The boom in AI has created and the increasing need of institutions, businesses, and government agencies to store data has driven the construction of data centers throughout the United States. This boom has required building the required physical infrastructure around the country because of this demand, including Mississippi.

**25. Why is the City being considered for the Data Center Project?**

The City and County are being considered for the Data Center Project for many of the same reasons other communities across the state and the larger southern U.S. are being considered. These primary factors include: vast amounts of land at an affordable price, lower operational costs, economic incentives, and the availability of energy resources.

**26. What will the Data Center Project bring to the City and County?**

Community benefits for both the City and County include: a substantial multi-billion-dollar capital investment, millions (per year) in new city, county and school tax revenues, and job creation – estimated to total more 1,000 jobs during the construction phase as well as 200-300 permanent jobs in connection with the Data Center Project.

During the construction period, workers will eat in Clarksdale restaurants, stay in Clarksdale hotels, possibly buy homes in Clarksdale, patronize Clarksdale retail establishments, and purchase gas and other commodities in the City. In addition to benefitting local businesses, the construction period in and of itself will contribute a

substantive quantity of tax revenue to the City and County. As the buildings are completed and become operational, each will be assessed by the Tax Assessor.

**27. Does the location of the Data Center Project provide any other additional benefit to the City or County?**

Yes, for instance, the Data Center Project may help attract other industry to the area, all while stimulating the local economies of the City and County. For example, Clarksdale based Safe-T-Cart makes wire server racks used by data centers at other locations throughout the country and Safe-T-Cart could possibly benefit directly from the Data Center Project.

**Data Center Project - Conditions for the City**

**28. Are there any Conditions related to the location of the Data Center Project in the City?**

Yes. Those Conditions include, for instance, a \$5 million initial impact fee to be paid to the City, along with restrictions on water usage and property setbacks (the “Conditions”). Current information on the Conditions can be found here: [[Link to Conditions](#)].

**29. Do the Conditions provide requirements related to utilities, environmental, etc.?**

Yes, the Conditions cover utilities and environmental.

**Data Center Project - Resources & Utilities**

**30. Will the Data Center Project require local water, power, and other utilities?**

Yes.

**31. Will the Data Center Project use up all the electricity in the community?**

No. While data centers were once huge consumers of energy, over time, they have become more efficient in their use of electricity, gas, and other power sources.

**32. How much energy will the Data Center Project use?**

The precise amount of energy to be consumed by the Data Center Project has not been determined. However, the company that is considering the Data Center Project has agreed to pay for any amount of energy used, and the Conditions require that the Data Center Project pay for any energy utility upgrades and improvements so that the existing rate payers are not adversely impacted.

**33. Will the Data Center Project cause electricity rates to rise?**

To be sure, power rates have increased in some areas in other states where a significant number of data centers have located. However, it is not anticipated that electric rates will rise in Clarksdale as a result of the Data Center Project. In fact, the company that is considering the Data Center Project has agreed to pay not only for any amount of energy used but, if any existing equipment on the Central Processing Unit (“CPU”) of the Data Center Project grid needs to be repaired or replaced as a result of its energy requirements or, if a new transmission station or other power system improvements need to be built to serve the Data Center Project, the Company will bear all the costs. This requirement is included in the Condition imposed by the City. By using the company’s money to repair or upgrade the grid, the costs of those upgrades will not be passed down to the public. Therefore, it is estimated that the Data Center Project will help to keep rates from rising any more than they might ordinarily increase through inflation.

**34. Will the Company pay for any electricity its uses, and build and repair the electrical equipment as necessary because of its use?**

Yes.

**35. What will be the impact of the Data Center Project on the water system?**

The precise amount of water to be consumed by the Data Center Project has not been determined. However, closed loop cooling systems like those considered for the Data Center Project use substantially less water. It is currently estimated that a modern, efficient hyperscale center like the Data Center Project will use less water per acre than a farmer irrigating his or her crops in the City or County. The Conditions include explicit restrictions on daily and annual water use by the Data Center Project.

**36. What is a closed loop cooling system?**

Newer hyperscale data centers are installing “closed loop systems” that minimize water usage. Cooling fluid is contained within a sealed environment, so the system’s self-sustaining design ensures the liquid’s level, integrity and viscosity remain stable indefinitely. This translates into a more reliable, low maintenance and environmentally friendly cooling solution compared to open-loop or air-based alternatives.

In the past, cooling data center infrastructure involved use of an “open loop” system, which requires a continuous source of new water. As a result, tremendous volumes of water were especially required to maintain temperatures during warmer weather conditions.

**37. Will the Data Center Project exhaust the City’s water supply?**

No, it is not estimated that the Data Center Project will exhaust the City’s water supply. Instead, it is estimated that a modern, efficient hyperscale center like the one contemplated for this project will use less water per acre than a farmer irrigating his or her crops. Some estimates indicate that water use is about what a municipal golf course would use per day.

The City's Conditions stipulate that the Data Center Project will not use more than 300,000 gallons per day on average during a 365-day period. This amount is roughly the same usage rate as a golf course or 8-12 automated car washes.

### **Data Center Project - Infrastructure**

**38. If approved, how will the Data Center Project affect traffic and transit?**

Data Center Project infrastructure has not yet been discussed in detail, but the City intends to address concerns like construction-related closures and long-term traffic flow.

**39. If approved, will there be plans to manage construction-related traffic and long-term changes to transit, if any?**

Yes.

### **Data Center Project - Environmental Impact**

**40. Will the Data Center Project create additional noise or humming?**

A modern data center produces very little sound. Based on other similar data centers built elsewhere, no sound would be detected at that distance from its normal operation.

**41. Will noise from the Data Center Project disrupt the peace of my neighborhood?**

A typical modern data center operates at approximately 50 to 70 decibels, which is about the level of sound of an air-conditioning unit inside an office building. Additionally, the required set-backs and noise absorbing berms built between the property lines and the buildings are intended to ensure that they are virtually silent to any residential neighborhoods.

**42. Will noise from the Data Center Project impact the elderly and disabled residents, or children at play?**

The required set-backs and noise absorbing berms built between the property lines and the buildings are intended to ensure the Data Center Project are virtually silent to any residential neighborhoods and any citizens.

**43. Will emissions from the Data Center Project be an issue?**

The only expected emissions related to the Data Center Project are from back-up diesel generators. These generators: run only during power outages and periodic maintenance testing; must still comply with state and federal air quality requirements; and usually require a Minor New Source Review (NSR) air permit from the Mississippi Department of Environmental Quality.

**44. Will the Data Center Project create sludge in the City's water supply?**

There is very little risk of “sludge” being directed into the water supply system because wastewater must first be processed by the City’s wastewater treatment facility/facilities. The City is nevertheless reviewing any and all environmental impacts, if any, the Data Center Project may have on the City and will engage the requisite environmental and engineering experts to advise about the City’s water supply and wastewater treatment systems.

**45. Will the Data Center Project utilize any specific “green” design features or sustainable strategies?**

While environmental initiatives have not been detailed, the Data Center Project intends to utilize a “closed loop system” that minimizes water usage and is an environmentally friendly cooling solution compared to open-loop or air-based alternatives.

**Data Center Project - Community Health Impacts**

**46. What are the potential health concerns or impacts of a data center?**

While each data center is different, common concerns include emissions, air quality, noise pollution, lighting, etc.

**47. Will a data center pose a health threat to the residents of our community?**

The Data Center Project will be comprised of buildings that contain racks of computer servers that store information. There are no emissions from the servers, anymore than there are from computer servers you may have in your home or office. The proposed center for Clarksdale is a modern, highly efficient, hyperscale data center campus, designed for several buildings on a landscaped, attractive campus that is well lit and secure. Further, the Conditions include a provision that requires the company to comply with all applicable environmental laws as a safety and precaution for the protection of all residents.

**48. Will the public have access to the campus?**

No. The campus will be inaccessible to the general public and any non-authorized personnel due to security fences surrounding the property. The City’s Conditions include a provision covering security of the facility.

**Data Center Project - Legal & Regulatory**

**49. Does the City intend to ensure compliance with all applicable municipal codes, zoning requirements, environmental reviews, etc., (“Laws”) related to the Data Center Project?**

Yes.

**50. If approved, will there be means and mechanisms for reporting project progress and ensuring all Laws are followed?**

Yes.

**51. How will the City know if the Data Center Project is in violation of Laws, and how will Laws be enforced?**

The City will be aided by the assistance and counsel of industry experts and advisors, as well as several state agencies in ensuring that all Laws are followed and enforced under the Laws.

**52. Will the City have the ability and resources to enforce the restrictions and Conditions of the Data Center Project?**

Yes. Incremental tax revenue and other revenue resources from the Data Center Project will strengthen and reinforce the City to ensure businesses and industries are compliant with all laws.

**53. Will the Conditions fee cover any long-term damage the Data Center Project might cause?**

Discussions related to any potential long-term damage, if any, have not yet occurred, but the City has engaged outside legal counsel to guide it in this process.

**Data Center Project - Economic Investment and Impact & Funding Sources**

*Economic Investment and Impact*

**54. How much will the Data Center Project cost?**

The exact cost of the Data Center Project has not been determined but the company has indicated a potential multi-billion dollar investment if the project moves forward.

**55. What is the expected total economic impact of the Data Center Project?**

Precise figures have not yet been determined. However, data center projects announced in Mississippi to date range from \$3B to \$25B.

**56. Will the City receive any revenue from the Data Center Project?**

Yes, the City is expected to receive significant revenue in the form of additional taxes.

**57. How much tax revenue will the City receive from the Data Center Project?**

Projected tax revenues are expected to be transformational to the City and County. For instance, at current millage rates, the City projects that the Data Center Project would provide property tax revenues to the City in the amounts of \$15.61M in year 1; \$78.74M

in year 6; and \$60.62M in year 10. Over the course of 30 years, the company projects property tax revenue in the amount of \$2,570.08M.

**58. What is the expected return on investment for the City?**

The return on investment for the Data Center Project is expected to include significant increases in property tax and economic activity, among many other benefits and investments into the City and County. It should be noted; however, that the City is not being asked to invest any public funds into the project. Any public improvements needed for the project must be funded by the company per the Conditions.

**59. Will the Data Center Project support local businesses?**

The City intends to ensure that the Data Center Project creates and institutes programs to integrate existing local vendors and small businesses into the project.

**60. Will the Data Center Project boost the economies of the City and County?**

Yes. An approximately six-year period of construction is expected to be a tremendous boost to the local economy.

Financial Impact & Funding Strategy

**61. Who is paying for the construction of the Data Center Project?**

Currently, it is expected that the Data Center Project will be comprised of a significant company investment.

Job Creation and Impact

**62. How many permanent jobs will the Data Center Project create?**

While data centers usually don't create jobs on a scale with their investment, the jobs created by the Data Center Project would be significant. It is *estimated* that the Data Center Project would create approximately 250 permanent jobs. That number could change, but the City will closely monitor.

**63. What is the potential impact of the permanent jobs created by the Data Center Project?**

While a 240-job payroll may not be significant in many large communities, a 240-job payroll (with much higher salaries and wages) would greatly benefit the City (2026 population 13,406).

**64. How many temporary jobs will the Data Center Project create?**

The exact figure of temporary jobs created by the Data Center Project has not been determined, but it is expected that thousands would be created related to the construction of the data centers.

**65. Will the Data Center Project include local hire requirements?**

Hiring requirements have not been determined. However, the City intends to ensure that the Data Center Project specifically benefits the local labor force.

**66. Will any derivative benefits result from the Data Center Project?**

Derivative benefits could potentially include greater sales tax revenues to the City from new hotels, restaurants, the purchase of fuel and other retail sales over multi-year project development; and higher local discretionary income and spending arising from long-term construction period jobs and longer-term data center jobs. Another potential benefit of locating the Data Center Project in the City is that it may help attract other companies and industries to the area.

**Data Center Project - Incentives**

**67. Does the State of Mississippi provide any incentives to bring projects like the Data Center Project to the state?**

Yes. Many states offer sales tax abatements for data center projects, both on construction materials or on technological infrastructure. Others offer real or personal property tax breaks.

**68. What are examples of tax incentives that may be provided to bring the Data Center Project to the state?**

Under Mississippi state law, data center projects are required to invest \$20 million and create a minimum of 20 new jobs at 125% of the state's average annual wage in order to qualify for certain state tax exemptions. Other agreements may be reached with municipal and county governments for certain tax incentives. Additionally, the Mississippi Development Authority may require other commitments.

**69. Has the company requested exemption from certain taxes to locate the Data Center Project in the City?**

No; however, discussions are in the initial phase and no final decisions have been made.

**Data Center Project - Community Investment & Funding Opportunities**

**70. Can the economic impact of the Data Center Project provide for the addition of new police personnel to improve public safety and first responder raises?**

Yes.

**71. Can the economic impact of the Data Center Project provide for construction of new schools and the flow of additional money into schools in the area?**

Yes.

**72. Can the economic impact of the Data Center Project provide new City facilities?**

Yes.

**73. Can the economic impact of the Data Center Project provide new school facilities?**

Yes.

**74. Can the economic impact of the Data Center Project build a new stadium for the school?**

Yes.

**75. Can the economic impact of the Data Center Project provide address blighted properties?**

Yes.

**76. Can the economic impact of the Data Center Project upgrade and repair existing infrastructure like street pavement and stormwater drainage?**

Yes.

**77. Can the economic impact of the Data Center Project create new retail opportunities (e.g., grocery store)?**

Yes.

**78. Can the economic impact of the Data Center Project assist in making community healthcare more accessible and sustainable?**

Yes.

**79. Can the economic impact of the Data Center Project improve parks and recreation assets like new playgrounds and sports fields?**

Yes.

**80. Can the economic impact of the Data Center Project improve City and County common areas and community facilities?**

Yes.

**81. Can the economic impact of the Data Center Project fund activity programming for community youth?**

Yes.

**82. Can the economic impact of the Data Center Project aid in the development of a long-range plan and fund it?**

Yes.

**83. Does the City intend to ensure that the economic impact of the Data Center Project benefits the City?**

Yes.

**84. How does the City intend to ensure the Data Center Project benefits the City?**

The City intends to ensure that the economic impact of the Data Center Project benefits the City in a number of ways that continue to be discussed. Community input is encouraged.

### **Data Center Project - Risk & Long-Term Planning**

**85. What happens if the company fails to complete the Data Center Project?**

Negotiations and considerations remain ongoing, and the City and company have not yet discussed any decommissioning or related guarantees. Nevertheless, it is very important to the City to put safeguards in place.

**86. What happens to the Data Center Project if it becomes obsolete in 15–20 years?**

Negotiations and considerations remain ongoing, and the City and company have not yet discussed any decommissioning or related guarantees. Nevertheless, it is very important to the City to put safeguards in place.

**87. Does the City intend to require emergency preparedness training for local fire and police departments for site-specific risks associated with the Data Center Project?**

Yes.

### **Data Center Project - Transparency, Engagement, and Accountability**

#### **Transparency**

**88. Can City and County citizens provide input on the Data Center Project?**

Yes. In fact, City and County citizens are encouraged to share and provide any feedback, input, or concerns related to the Data Center Project.

**89. Were there public meetings?**

Yes. The first public meeting regarding the proposed zoning change took place on January 13, 2026 where the City Planning Commission voted to recommend rezoning the property to the Board of Mayor and Commissioners. The meeting was open to the public. The Board of Mayor and City Commissioners set a public hearing on the rezoning, as is standard

practice, for February 23, 2026, at which anyone who wished to comment on the recommended rezoning was allowed to speak. The Board of Mayor and Commissioners allowed additional public comments to be made at the City Board Meeting on March 9, 2026. There was also a community town hall meeting concerning the Data Center Project hosted by the Board of Mayor and Commissioners held on Monday, March 16, 2026, at 5:30 p.m., at the Clarksdale Civic Auditorium. More than 200 citizens attended to provide input. Opportunities to provide additional input will occur at future dates.

**90. Will residents participate in decision-making beyond standard public hearings?**

Yes. Participation beyond public hearings is encouraged.

**91. Will studies, reports, etc., related to the Data Center Project be made available to the public?**

To the extent legally permissible, information related to the Data Center Project will be made available to the public.

**92. Where can current information and Conditions related to the Data Center Project be found?**

Current information related to Data Center Project may be found here: [*Link to Conditions*].

**93. Will consideration of the Data Center Project be a transparent process?**

To the extent legally permissible, information related to the Data Center Project will be made available to the public.

Engagement

**94. Who is engaged on behalf of the City to review all aspects of the Data Center Project?**

There are many parties involved including the Board of Mayor and Commissioners and the Crossroads Economic Partnership, in addition to legal counsel. The City will continue to be diligent in the review of the Data Center Project and will hire or engage other experts and professionals as needed.

Accountability

**95. Is the company that is proposing to bring the Data Center Project aware of the public's concerns related to bringing the Data Project Center to the City?**

Yes.

**96. If the overall is approved, does the City intend to ensure that all promises and Conditions related to the Data Center Project are met?**

Yes.

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