

## Data Center Series Forum #3 Summary: Land Use, Economics, and Data Centers

### Purpose:

Data centers are increasingly central to regional economic growth, digital infrastructure, and local tax bases. At the same time, they present complex land use, infrastructure, fiscal, and community considerations for local governments. The forum brought together local elected officials, industry representatives, planners, economic development experts, and policy organizations to ground the discussion in local experience, examine trade-offs, and identify practical tools for managing growth.

### Key Takeaways:

- **Data center growth is reshaping local land use decisions.** Demand has grown rapidly from individual facilities to large-scale campuses, requiring jurisdictions to revisit zoning definitions, permitted uses, overlay districts, and conditional approval processes.
- **Economic benefits are significant but uneven.** Data centers can generate substantial tax revenue, reduce pressure on residential tax bases, and support public services. However, benefits must be weighed against land consumption, site location, rising land costs, displacement of other industries, and long-term opportunity costs.
- **Early policy choices shape long-term outcomes.** By-right development and limited early standards enabled rapid growth in some jurisdictions, but also created challenges that communities are now working to manage through updated ordinances, clearer definitions, and stronger review processes.
- **Siting and compatibility concerns are growing.** Key community concerns include noise from generators and cooling systems, building scale, visual impacts, setbacks from residential areas, and the cumulative effects of multiple facilities in concentrated areas.
- **Infrastructure planning and cost allocation are central issues.** Data centers require major investments in energy, transmission, substations, water, wastewater, roads, and other public infrastructure. Local governments are increasingly focused on ensuring that growth pays for growth and that costs are not shifted unfairly to residents or other businesses.
- **Transparency and public trust are critical.** Public engagement is complicated by uneven industry communication and limited access to project-level data. Clear information on impacts, benefits, infrastructure needs, and mitigation measures is essential for informed decision-making.

### Implications for Decision Makers:

- Use land use tools strategically: Zoning definitions, overlay districts, conditional use approvals, setbacks, buffering, design standards, and noise limits can guide where and how data centers are built.
- Engage utilities and infrastructure providers early: Energy, water, transportation, and public facilities impacts should be evaluated before land use decisions are finalized.
- Require better project information up front: Early data on power demand, infrastructure needs, site design, backup generation, noise, and community impacts improves planning and public communication.
- Align economic development with community goals: Tax revenues, incentives, community benefit agreements, and developer contributions should be structured to reflect local priorities.
- Coordinate regionally: Data center siting and infrastructure decisions in one jurisdiction can affect neighboring communities, regional infrastructure, and shared economic competitiveness.

### Bottom Line:

Data centers bring major economic opportunities, but they also intensify existing land use, infrastructure, and community planning challenges. Local governments have important tools to manage these impacts; effective decision-making requires early coordination, transparent information, clear and enforceable standards, and a regional perspective. Sustained collaboration among jurisdictions, utilities, industry, and residents will be essential to support economic growth while protecting community character, infrastructure reliability, affordability, and long-term regional competitiveness.