DATABANK

Data Centers Don't Appear Without Warning

Communities have more say than most people realize

The resistance many communities feel toward data center development is understandable. When a large industrial facility is proposed nearby, people worry about noise, traffic, visual impact, environmental concerns including air and water quality, and strain on local services. Those concerns deserve a straight answer.

Here's one worth starting with: Data centers don't arrive unannounced. These facilities are built only in areas already zoned for light industrial or commercial use. They go through the same approval processes required for warehouses, distribution centers, and other commercial developments. Communities have input through existing planning and zoning frameworks before a single shovel hits the ground.

Two concerns worth addressing directly:

1. **Traffic:** Once operational, a data center generates far less vehicle activity than most industrial facilities of comparable size. Shift changes, delivery trucks, and loading dock activity exist but are minimal compared to warehouses or manufacturing facilities of similar scale.
2. **Jobs:** Data centers create fewer permanent positions than a factory or distribution center, but those roles tend to be well-paying technical and operations jobs. Beyond direct employment, each facility supports a larger ecosystem of local contractors, vendors, service providers, and customers' employees who work on site, making the direct headcount an incomplete measure of total economic impact.

The fear of the unknown is real. So is the gap between what people imagine a data center will be like to live near and what the operational reality actually looks like. The next few pages are about closing that gap.

SAME RULES AS A WAREHOUSE WITH FULL COMMUNITY INPUT BEFORE CONSTRUCTION

Data centers go through the same zoning and permitting process as warehouses and distribution centers. Communities have a voice before construction ever begins.

THE NUMBERS SPEAK FOR THEMSELVES

In 2023, the data center industry contributed nearly **$163** billion in tax revenue across federal, state, and local levels.[27]

The Economic Case Is Stronger than Most People Recognize

Tax revenue, quality jobs, and economic activity that outlasts the construction phase

Data centers generate substantial economic benefits for their host communities. The numbers make the case better than any talking point could.

In 2023, the data center industry contributed nearly $163 billion in tax revenue across federal, state, and local levels. Many facilities receive time-limited tax incentives to locate in a given market, but those abatements typically expire within a few years. The long-term tax contribution generally exceeds the value of the early-stage incentive by a significant margin.

The jobs created are high-quality ones: engineering, operations, security, and technical roles with above-average wages and real career paths. Research shows that every data center job supports six additional jobs in the larger local economy through indirect and induced employment.[27]

Some point to the relatively low number of employees within a data center, but that misses the full story. During development, construction workers are employed. Once operational, each facility depends on the data center company's employees, local tradespeople who manage critical infrastructure, and the employees of the data center's customers.

The economic activity starts before a facility opens. Construction employs hundreds of local electricians, HVAC technicians, plumbers, and other skilled tradespeople. That activity doesn't stop when construction ends. Data center employees, local contractors, and the businesses they support continue generating economic activity long after the ribbon cutting.

27. Data Center Coalition, Data Center FAQs, 2023. Research conducted by PwC. Source for both the $163 billion tax revenue figure and the six-jobs-per-direct-employment multiplier.