

The Impacts of Data Centers *continued*



Land Use and Quality of Life

Data centers are large, windowless buildings that are strongly fenced for security purposes, are brightly illuminated, and include larger emergency power generators that are noisy and that produce air pollution when in use. These buildings employ comparatively few people. Large electric substations are likely a related land use. The overall land-use effect is one of an industrial dead zone that in scale and character may be incompatible with other land uses like housing and commercial activity. Because data centers tend to cluster in certain locations (particularly at the intersection of electric and fiber-optic transmission lines), this can produce large areas of fenced-off industrial land uses. Operation of the on-site generators can produce noise sufficient to disturb adjacent land users. In some locations, data centers displace farming on suitable soils and wildlife habitat. These land-use impacts have become controversial in rural areas and adjacent to minority communities.



Property Taxes

Because of the value of their buildings and equipment, data centers have the potential to enhance local tax bases, but the literature suggests that a number of states and municipalities have made tax-reduction agreements with developers to attract data centers that negate those potential tax benefits. A study by the Ford School of Science, Technology and Public Policy at the University of Michigan suggests that many such tax breaks are net losers for states and municipalities — that is, the overall economic benefits to the community are worth less than the benefits afforded the corporations from the tax reductions.



Traffic

Because data centers have relatively few employees for the size of the facilities, automobile traffic is not an issue with their siting and construction.

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